



Henrik Tjärnström
CEO

Q3 2022 | 27 October 2022

Outline

Q3 2022 highlights

Business overview

- Q3 performance
 - Product segment update
 - Regional update
 - Netherlands
 - North America
 - Relax
 - Sustainability
-

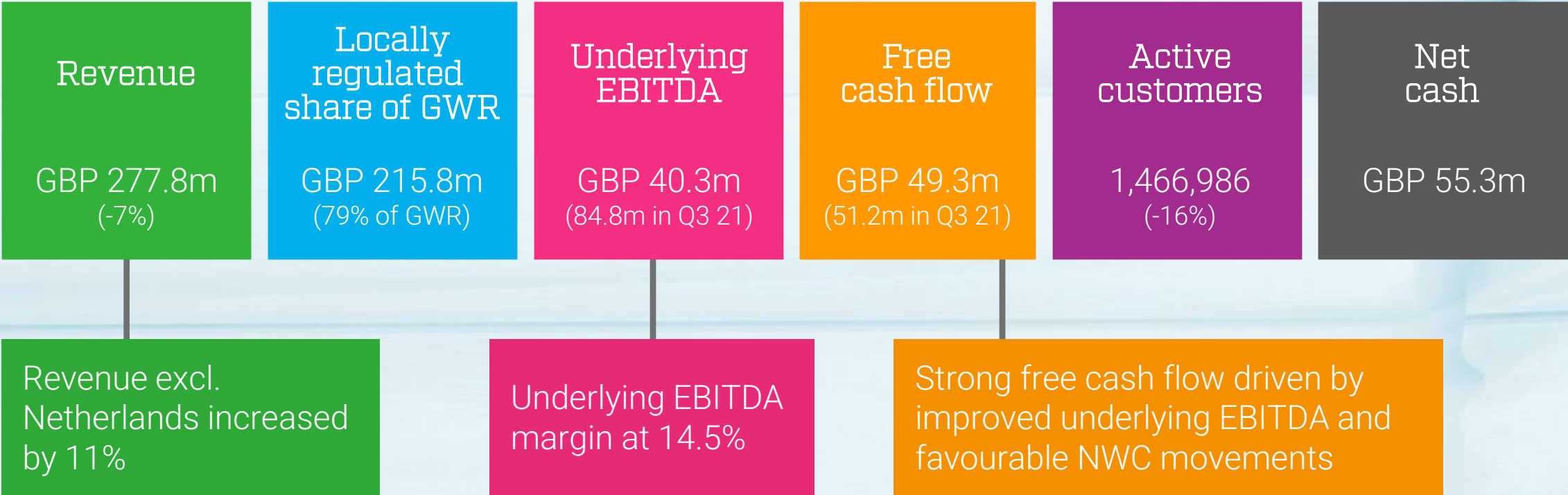
CMD recap

Summary

Strategic value drivers in place and Netherlands off to a flying start



Netherlands and most of our markets displayed a solid performance, which significantly improved the underlying EBITDA margin and free cash flow compared to previous quarters

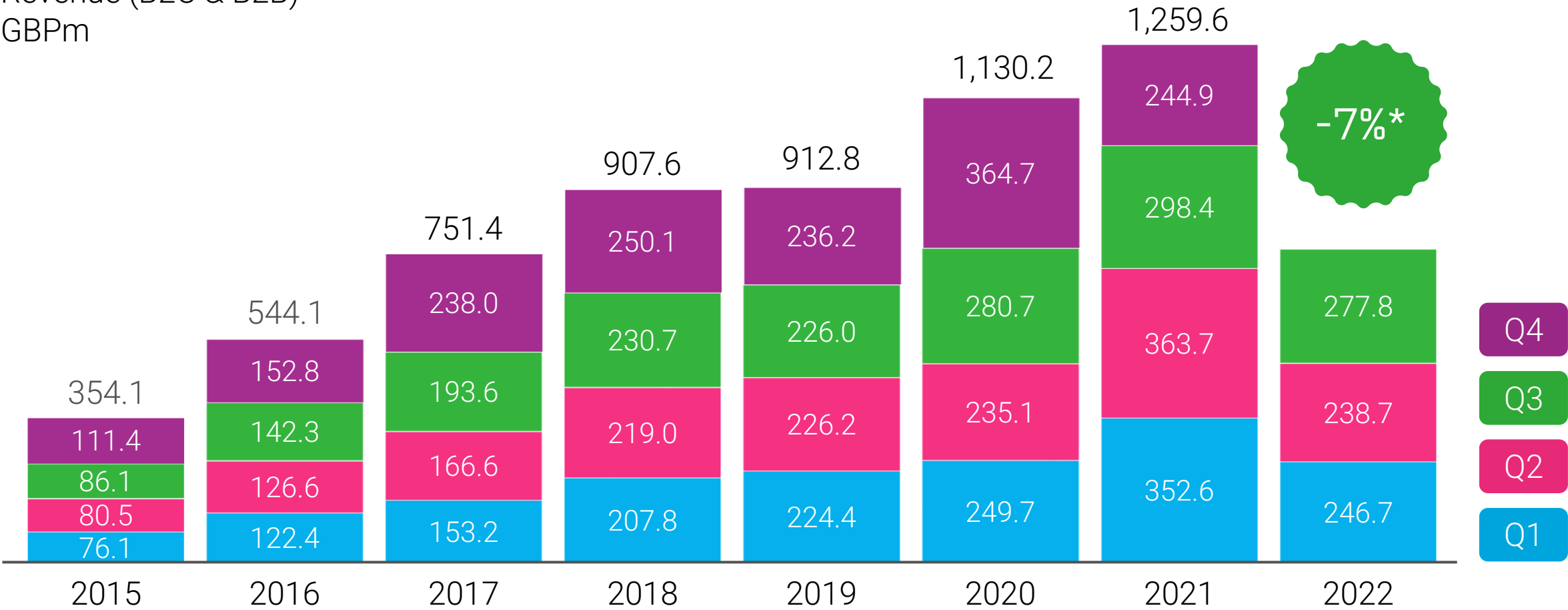


Decline in revenue against tough comparatives



Excl. Netherlands, the revenue increased by 11% compared to Q3 2021

Revenue (B2C & B2B)
GBPm



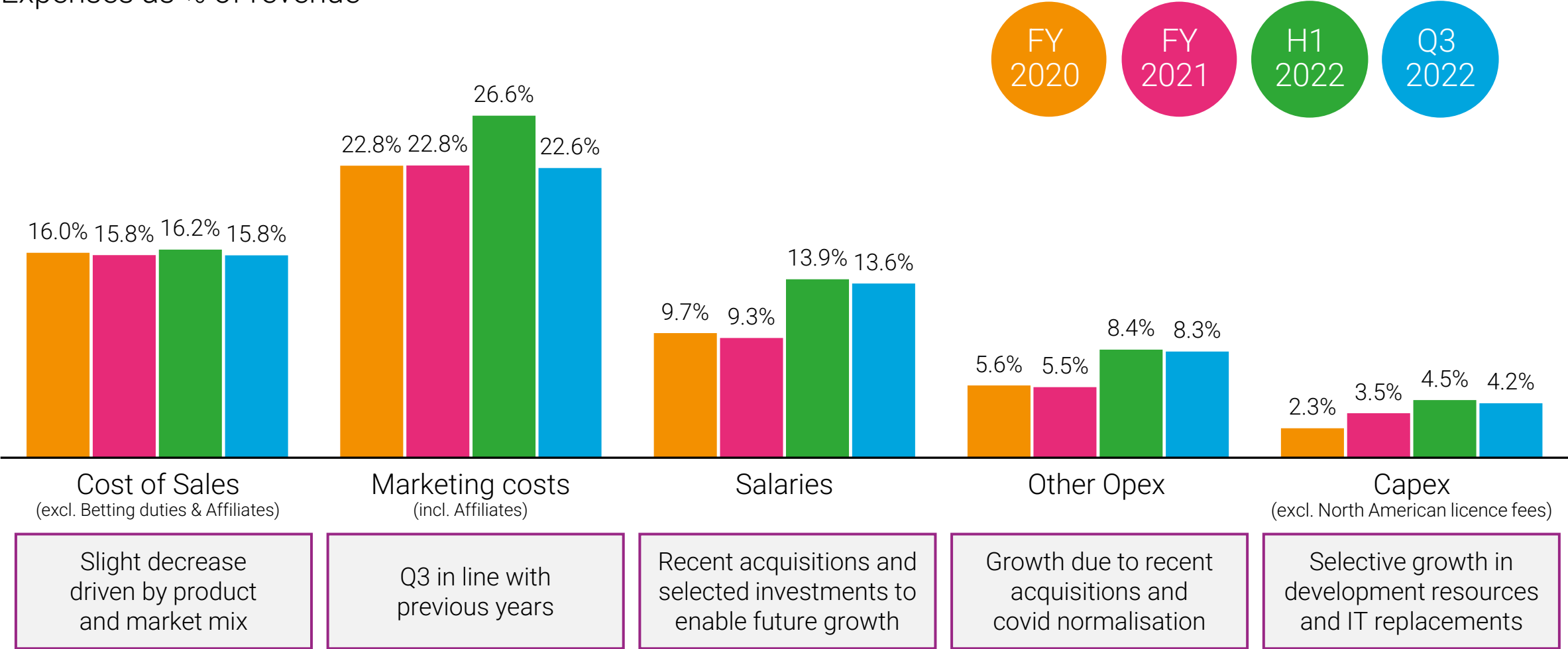
* Q3 year-on-year revenue decline

Margins still impacted as Netherlands ramps up



Q3 already showing clear improvements compared to previous quarters

Expenses as % of revenue

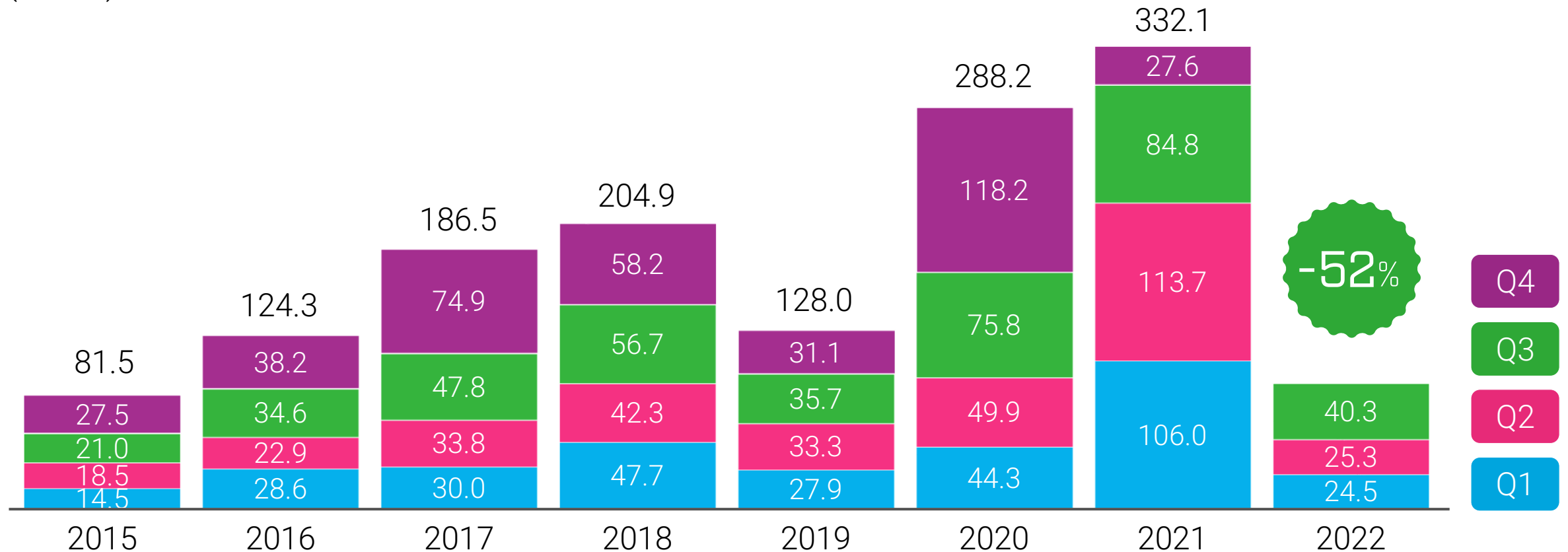




Sequential underlying EBITDA improvement

Excluding North America, underlying EBITDA in Q3 2022 reached approx. GBP 50m

Underlying EBITDA*
(GBPm)



* From Q4 2021, the definition of underlying EBITDA has been updated and for ease of comparison, the historical figures shown in the graph have also been updated



Q3 2022 P&L FX impact vs Q3 2021

Avg rate	Q3 2021	Q3 2022	Movement
AUD	1.876	1.721	8.3%
DKK	8.695	8.691	0.0%
EUR	1.169	1.168	0.1%
NOK	12.075	11.744	2.7%
SEK	11.920	12.402	-4.0%
USD	1.378	1.177	14.6%

Weighted average impact of FX rates on GWR was broadly neutral

	GBPm
Revenue	0.3
Cost of sales / Opex	-2.0
Underlying EBITDA Q3 2022	-1.7
FX loss on operating items	-3.7
Other items below EBITDA	0.0
Profit after tax impact Q3 2022	-5.4

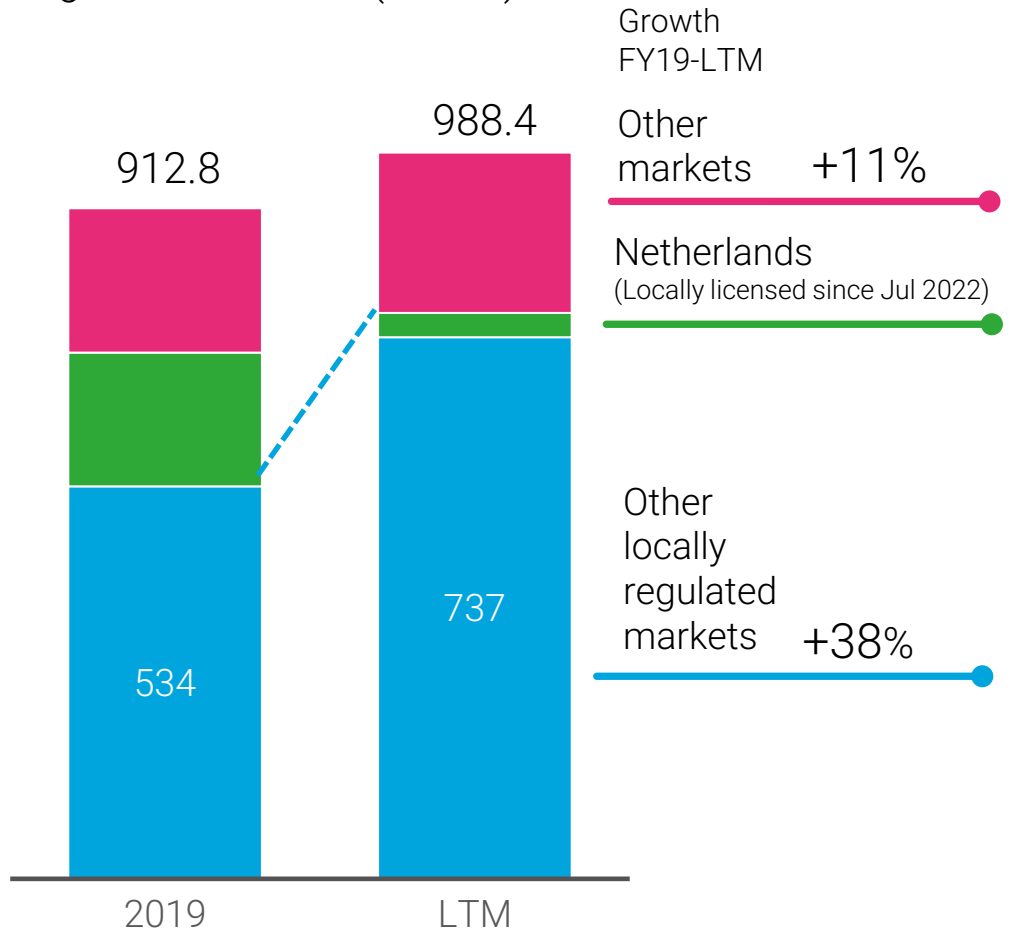


Business overview

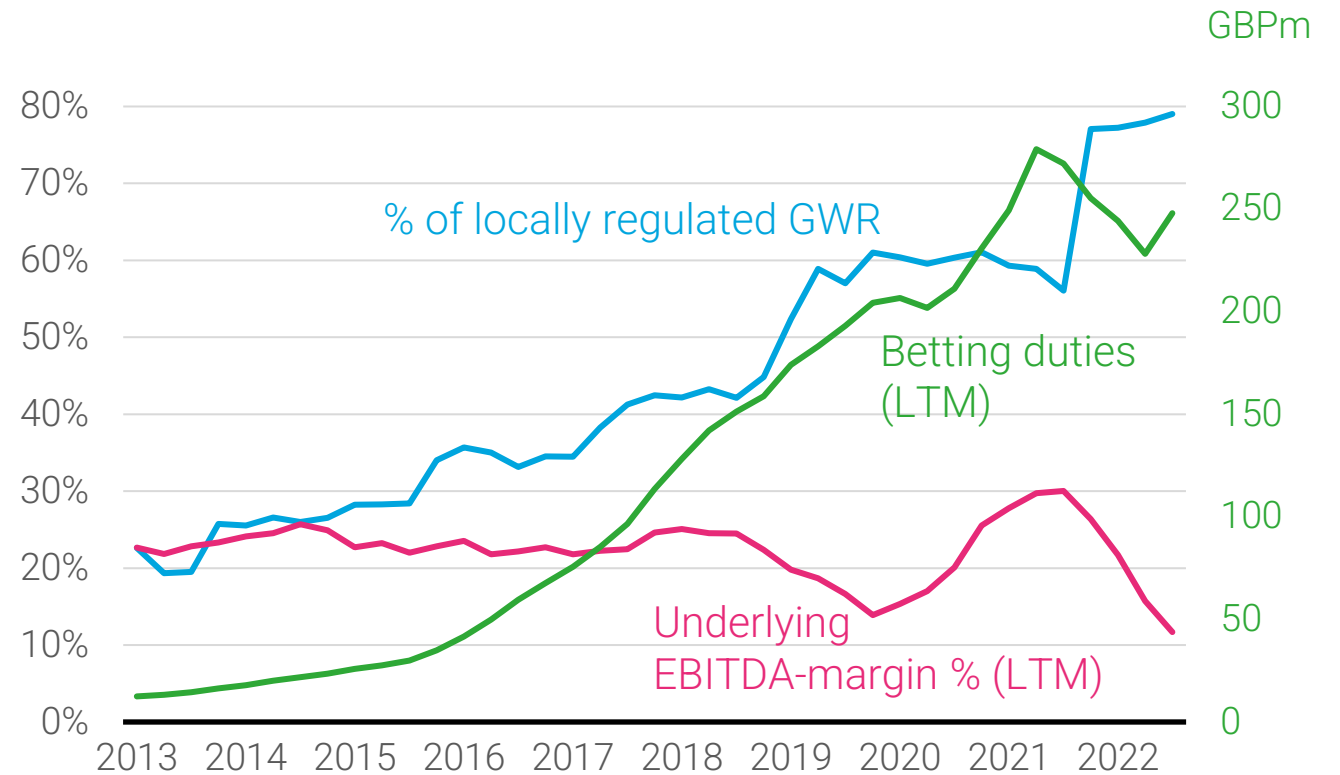


Share of locally regulated GWR at 79% in Q3

Strong GWR growth in locally regulated markets (GBPm)



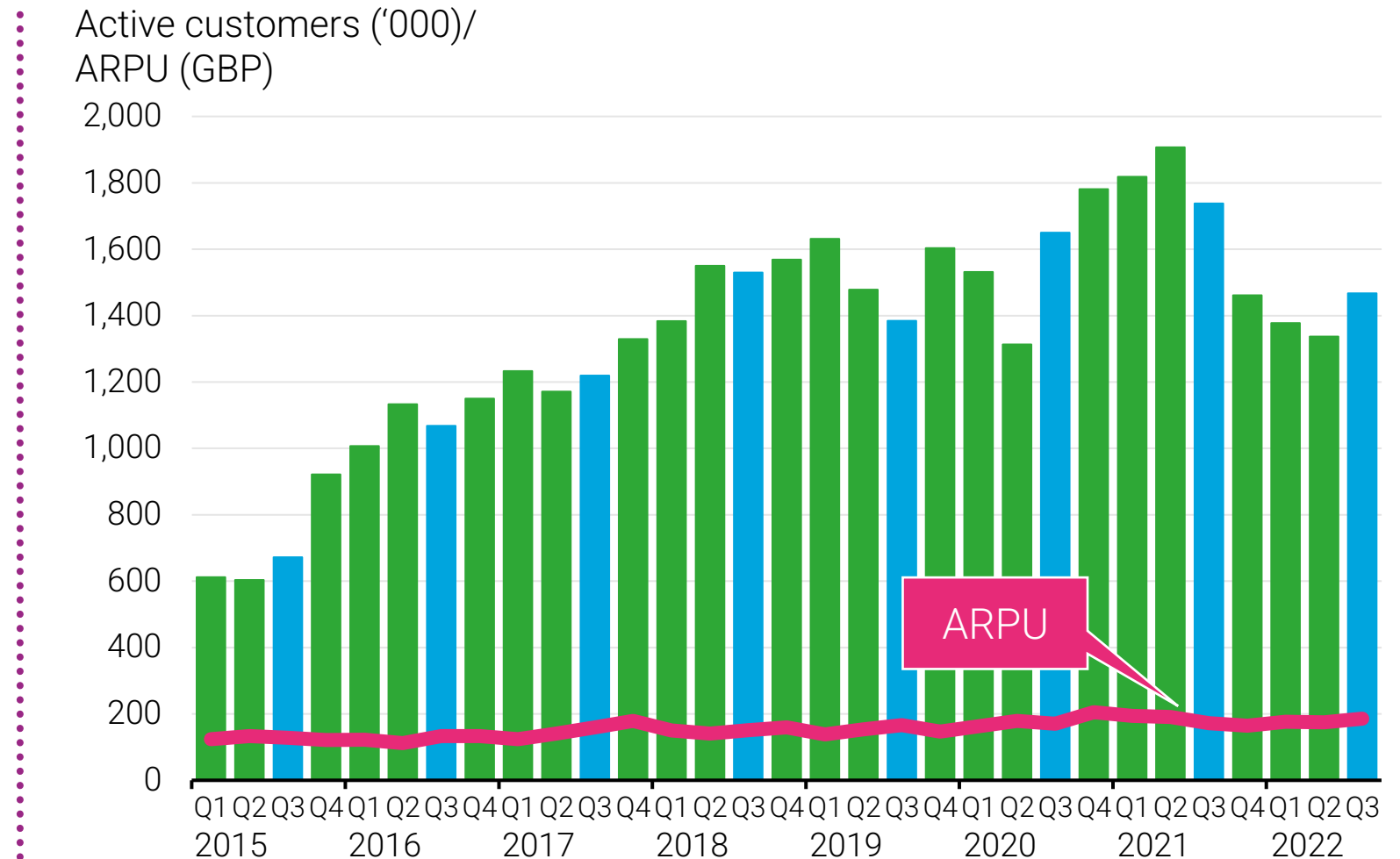
Transition towards locally regulated markets continues – Underlying EBITDA margin has now bottomed out



Positive sequential trend in customer activity ahead of the World Cup



- Expected y-o-y decrease as a result of Euro 2020 boosting activity in the prior year
- Number of active customers amounted to approx. 1.47 million, a 16% decrease compared to Q3 2021
- Excluding the Netherlands, the number of active customers decreased by 11%
- The ARPU increased by approx. 6% vs. Q3 2021



Product segment update

[Year-on-year]

Sports betting

- GWR 6% behind tough comparatives, which included the conclusion of the Euro 2020 tournament. Excl. the Netherlands GWR increased by 9%
- Kindred's proprietary racing product contributed 6% to the total sports betting GWR

Casino & games

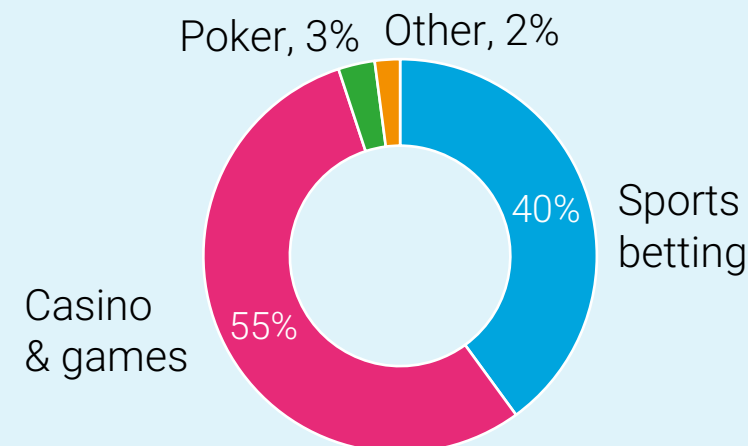
- GWR decreased by 11%. When excluding Netherlands GWR was 9% higher than the same quarter last year

Poker and other products

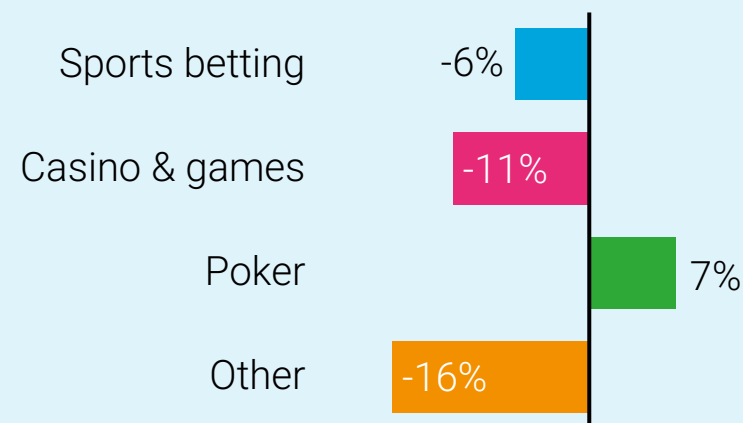
- Poker and other products stable at around 5% of total GWR
- Poker GWR grew by 7%



GWR by product segment Q3 2022



GWR year-on-year growth (as reported in GBP)

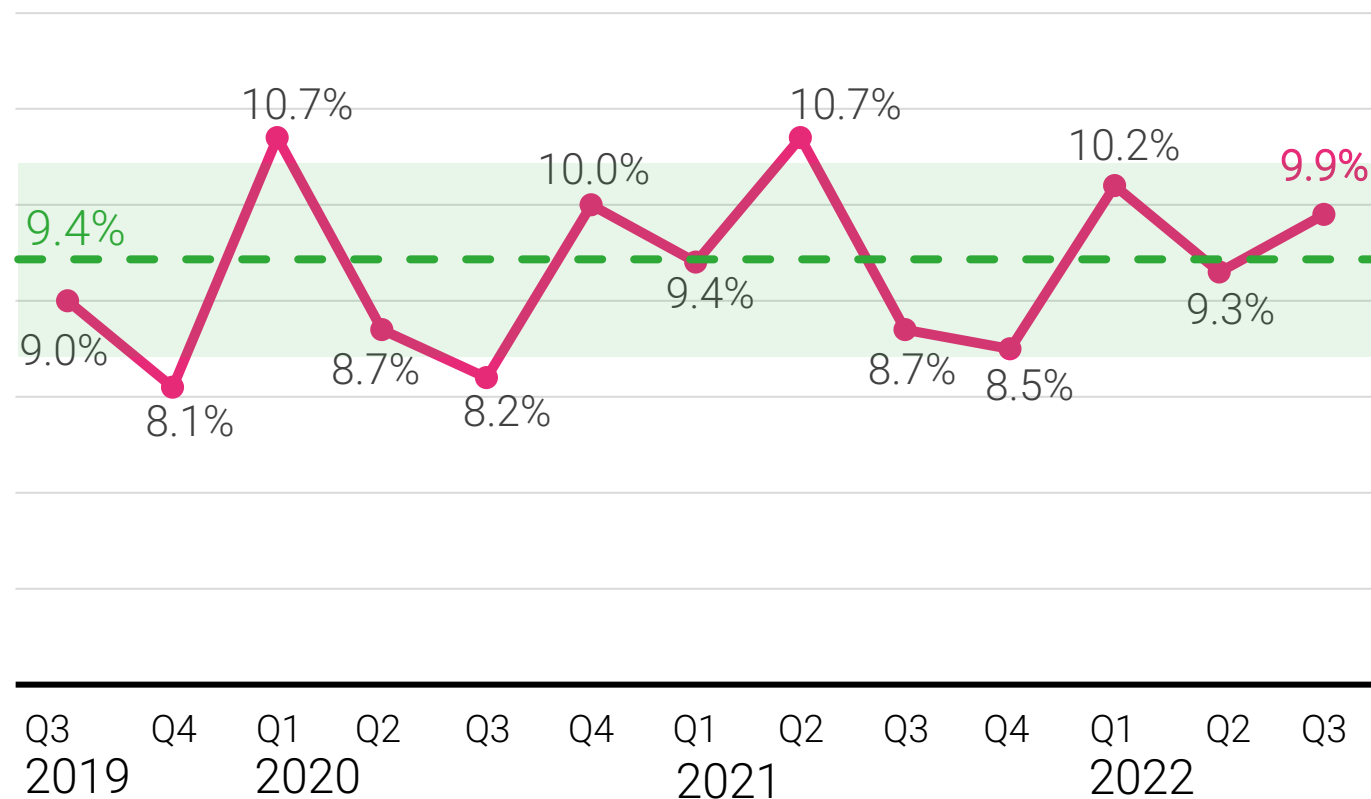


Sports betting margin above the long-term average



- The sports betting margin for Q3 022 was 9.9% after free bets (vs. 8.7% in Q3 2021) driven by favourable market and product mix
- The weighted long-term (since Q4 2019) average sports betting margin after free bets is 9.4%
- The long-term average margin has gradually increased as a result of:
 - France with capped pay-out at 85% increasing share of total sports betting turnover
 - Increasing share of pre-match and racing which have higher margin than live betting
 - Increasing share of multiples incl. Betbuilder

Sports betting margin after free bets





Regional update

[Year-on-year]

Western Europe

- GWR decreased 20% against Q3 2021. Excl. Netherlands, the GWR increased by 6%
- Solid performance in both France and the UK growing in local currency 24% and 10% from the same period last year respectively
- Belgium saw a decline of 16% in local currency against prior year's tough comps, which was materially impacted by Euro 2020

Nordics

- GWR increased by 12% with solid performance across markets. GWR from Sweden increased by 29% in local currency

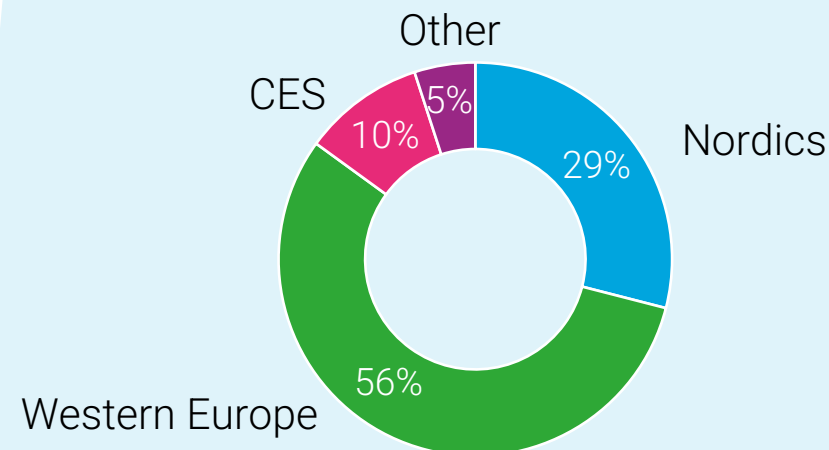
Central, Eastern and Southern Europe (CES)

- GWR increased by 7% vs. same period last year, driven by a 30% growth in Italy and 3% growth in Romania,

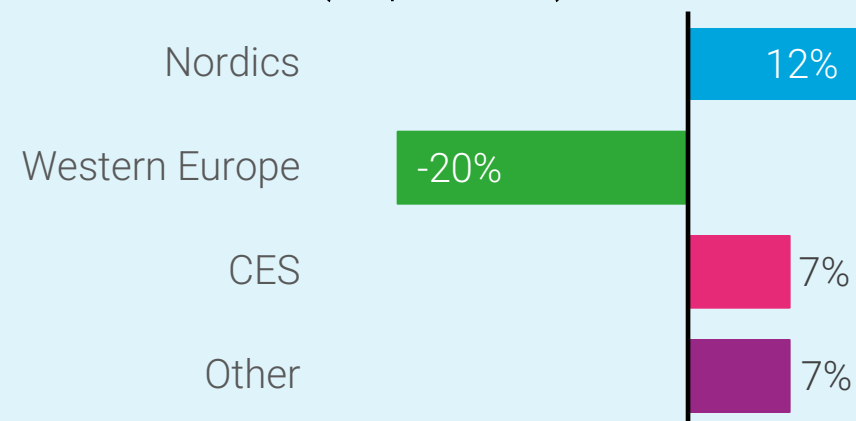
Other

- GWR increased by 7%. Australia had a solid development with 8% increase in constant currency

GWR by region Q3 2022



GWR year-on-year growth
(as reported in GBP)



A flying start in the Netherlands

- The Unibet.nl site launched on the 4th of July
- Rapid growth in daily average GWR since launch and higher than expected level of active customers
- The Q3 2022 GWR contribution accounted for 42% of the GWR posted in Q3 2021
- Positive EBITDA contribution already from the first month after launch
- Target to achieve 15% market share in Q4 2022 and market leadership by 2023

For more information visit:

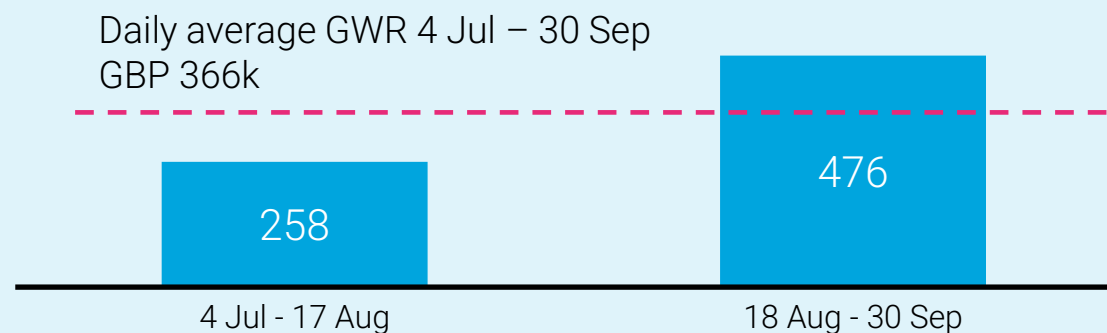
<https://www.kindredgroup.com/investors/capital-markets-day-2022/>



KPIs for the period 4 July – 30 September 2022



Daily average GWR development for the period 4 July – 30 September 2022



* % from registration to first deposit

North American expansion

Important long-term growth opportunity

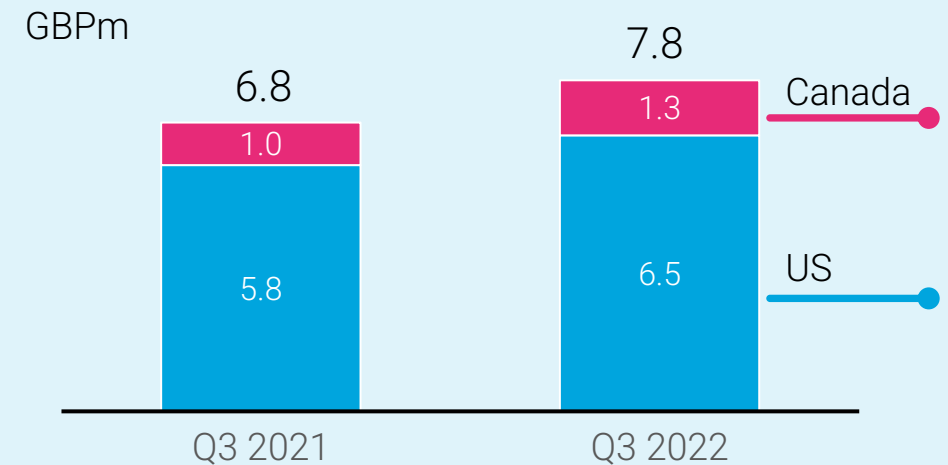
- GBP 7.8m in GWR Q3 2022, a 15% reported y-o-y growth (approx. -3% in constant currency)
- The GWR from the US states showed a 12% reported y-o-y growth with strong development in sports betting
- Quarterly actives improving 11% vs. Q3 2021
- Solid development in Ontario, which accounted for over 10% of the total licensed GWR in North America
- As part of efforts to optimise the US state footprint in line with our North America strategy, we have decided to exit Iowa in Q4 2022
- Partnership with the Swinomish Tribe for a sportsbook lounge in Washington state expected to go live in 2023
- Proprietary platform remains under regulatory approval, set to launch in New Jersey in coming months and thereafter rolled out across states



North America operations Q3 2022, GBPm

GWR	7.8
CoS	-7.4
Marketing	-7.2
Admin expenses	-3.0
EBITDA	-9.8

North America GWR development



Relax total revenue grew 19% sequentially in Q3

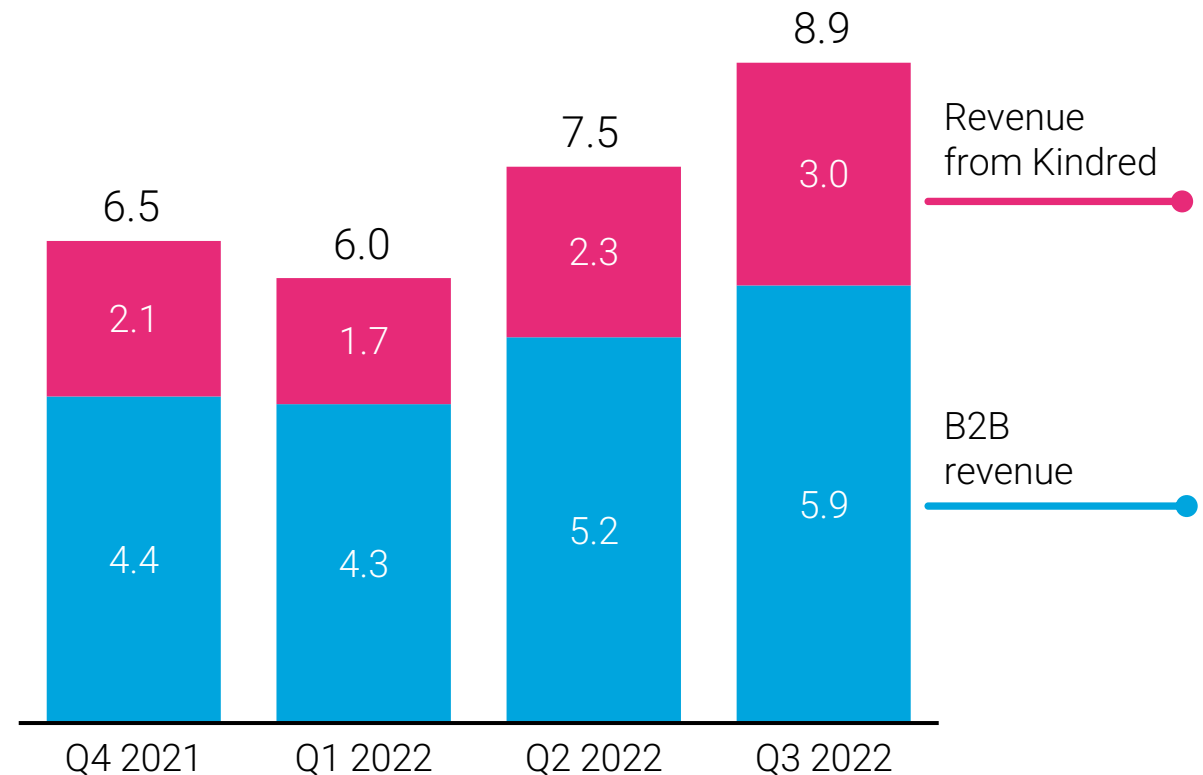
- Relax total Q3 revenue amounted to GBP 8.9m out of which GBP 3.0m came from Kindred
- Thereby the Q3 B2B revenue from Relax amounted to GBP 5.9m
- Relax gross profit contribution in Q3 was GBP 8.3m vs. GBP 6.9m in Q2 2022
- During Q3 Relax added 13 new operators
- Earn-out provision related to 2021 performance has been reversed in items affecting comparability in Q3

The biggest game release of the year
Money Train 3



successfully
launched in the end
of September

Relax total revenue development (GBPm)

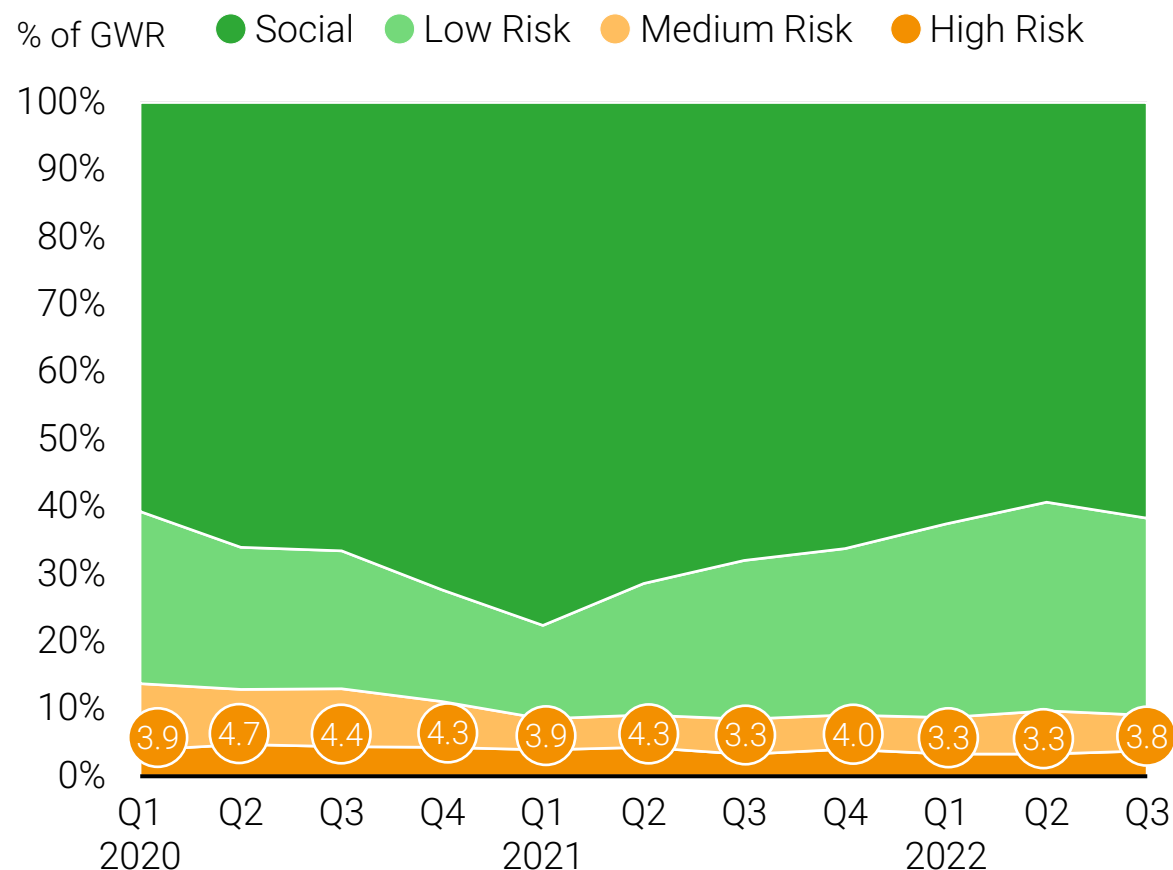


Dedicated focus on our journey towards zero



- Data from Q3 2022:
 - Share of GWR from high-risk players: 3.8%
 - Improvement effect after interventions: 82.6%
- Continued dedicated focus on achieving the ambition of zero per cent revenue from harmful gambling with five critical focus areas:
 1. Shortening the time from detection to intervention through automation
 2. Investment in and collaboration with researchers
 3. Ensuring control tools are visible, understood and used in the right way
 4. Improving transparency and knowledge sharing
 5. Increased effectiveness through scalable tools
- Joint initiative with ATG and Svenska Spel in Sweden to increase transparency and fact-based dialogue

Our journey towards zero





CMD recap

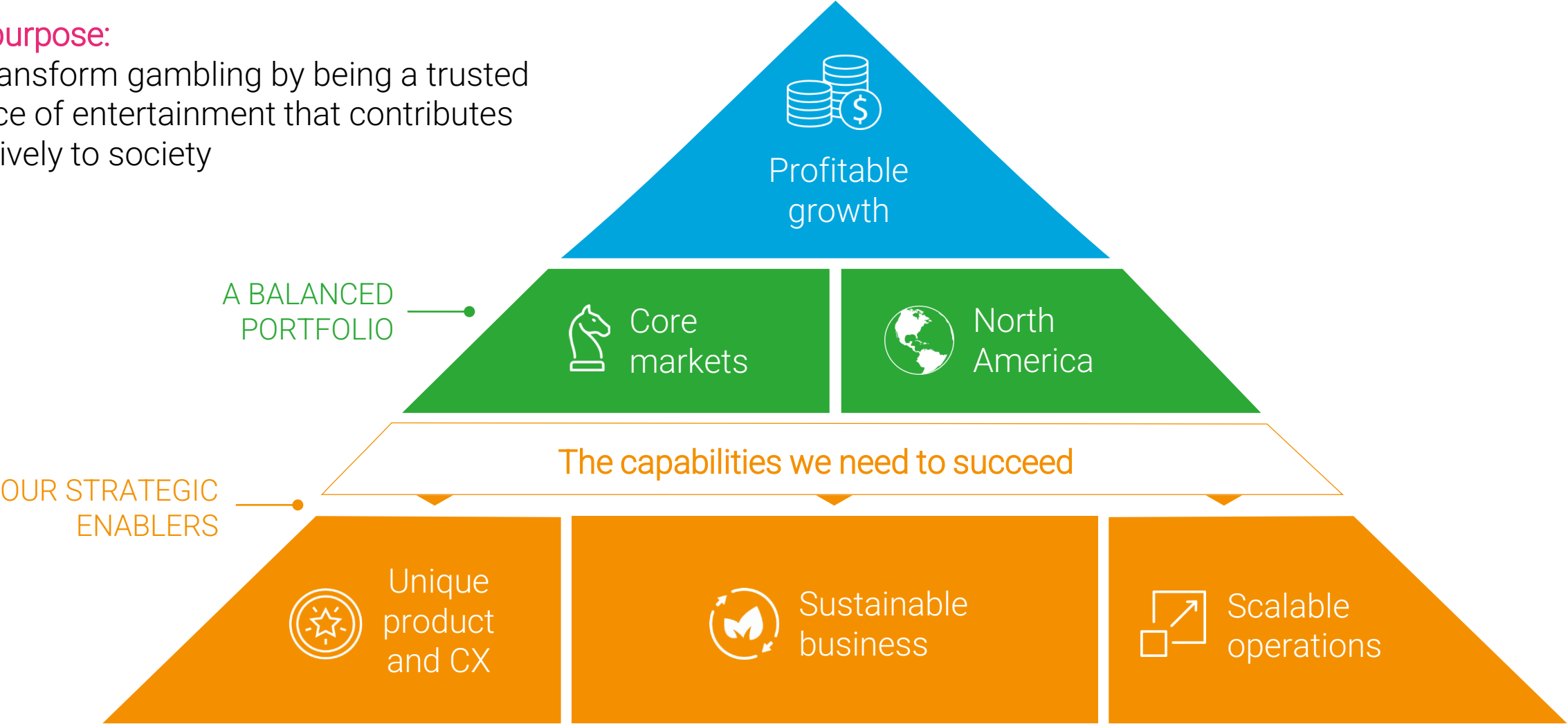
Financial targets

Kindred's strategic plan has been developed in light of macro dynamics and industry trends



Our purpose:

To transform gambling by being a trusted source of entertainment that contributes positively to society





Creating value in the next five years

The 5 most significant
value drivers in the coming years



For more information visit: <https://www.kindredgroup.com/investors/capital-markets-day-2022/>

Kindred's financial outlook is strong and will drive significant shareholder value



	Metric	2025 Target
Group Financials	Total revenue (organic)	>£1.6bn
	Underlying EBITDA Margin %	~21-22%
	FCF Distribution	Distribution policy of ~75-100% of FCF (after M&A)
Other Guidance Elements	Capex (% of Revenue)	Stable CAPEX as % of revenue despite KSP investment
	Share of Locally Regulated GWR %	~90%



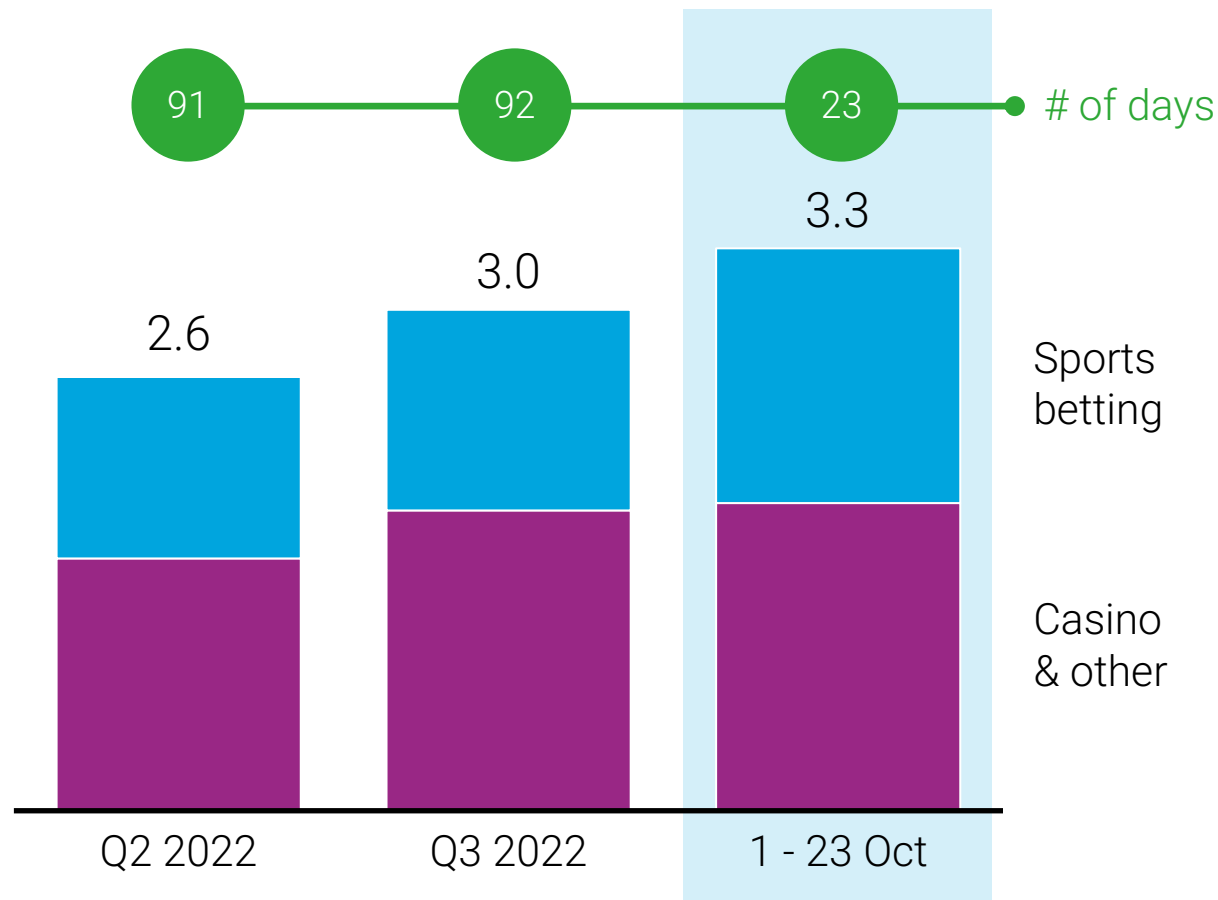
Summary





Trading update for the first 23 days of October

The daily average GWR (GBPm)



- Solid start of the quarter with high activity across markets
- Q4 2021 comparatives distorted by the temporary closure of services to Dutch residents
- The average daily GWR (B2C only) for the Group up to and including 23 October 2022 was:
 - GBP 3.3m, 27% higher than for the full Q4 2021
 - GBP 2.8m excl. Netherlands, 6% higher than for the full Q4 2021
- Sports betting GWR has been positively impacted by a busy sports calendar and a sports betting margin that was in line with Q3 2022



Encouraging activity ahead of the World Cup

Solid underlying growth

Majority of markets showing healthy growth and positive sequential trends in customer activity ahead of the World Cup

Significantly improved profitability

Significantly improved underlying EBITDA margin and free cash flow, which is a good indicator of our scalable business model

The Netherlands is exceeding our expectations

Strong performance in the Netherlands with encouraging customer growth and a positive EBITDA contribution already during first month after launch

Important strategic value drivers are in place and financial targets set for 2025

Kindred's financial outlook is strong and will drive significant shareholder value

We now look forward to a very exciting fourth quarter

Exciting months ahead with a packed sports calendar and the first ever winter FIFA World Cup



Q&A

Contact



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Calendar



8 February 2023

Q4 2022 will be published at 7.30 CET



26 April 2023

Q1 2023 will be published at 7.30 CET

