



kindred

Nils Andén, Interim CEO
Patrick Kortman, Interim CFO

Interim Report

Q2 2023 | 25 JULY 2023

Outline

1. Q2 HIGHLIGHTS

2. BUSINESS OVERVIEW

- Q2 PERFORMANCE
 - PRODUCT SEGMENT UPDATE
 - REGIONAL UPDATE
 - NORTH AMERICA
 - NETHERLANDS
 - RELAX
 - SUSTAINABILITY
-

3. FINANCIALS

4. SUMMARY

Operational highlights

Strong performance across markets and products segments, including continued solid growth in the Netherlands

Solid growth of active customers of 17 per cent y-o-y

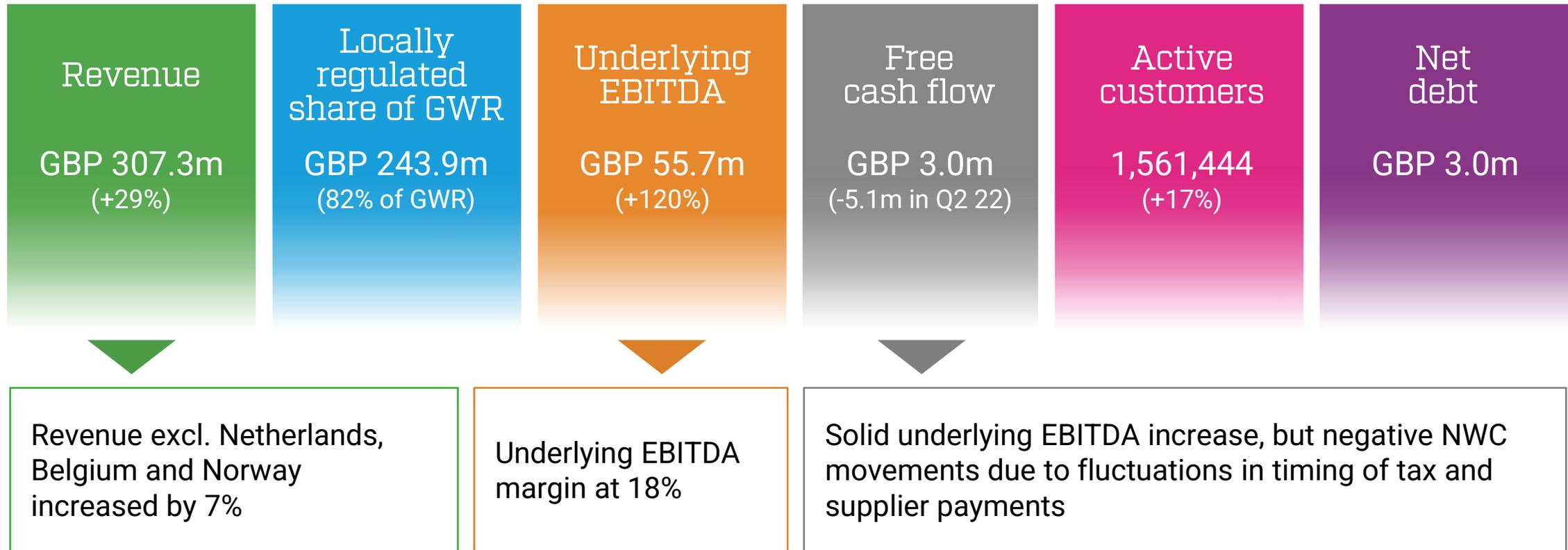
All time high of 82 per cent share of locally regulated Gross winnings revenue

Robust underlying EBITDA improvement, a testament to the scalability of the business as revenues grow

Important steps taken in our “one platform” strategy with the launch of Kindred proprietary platform in New Jersey



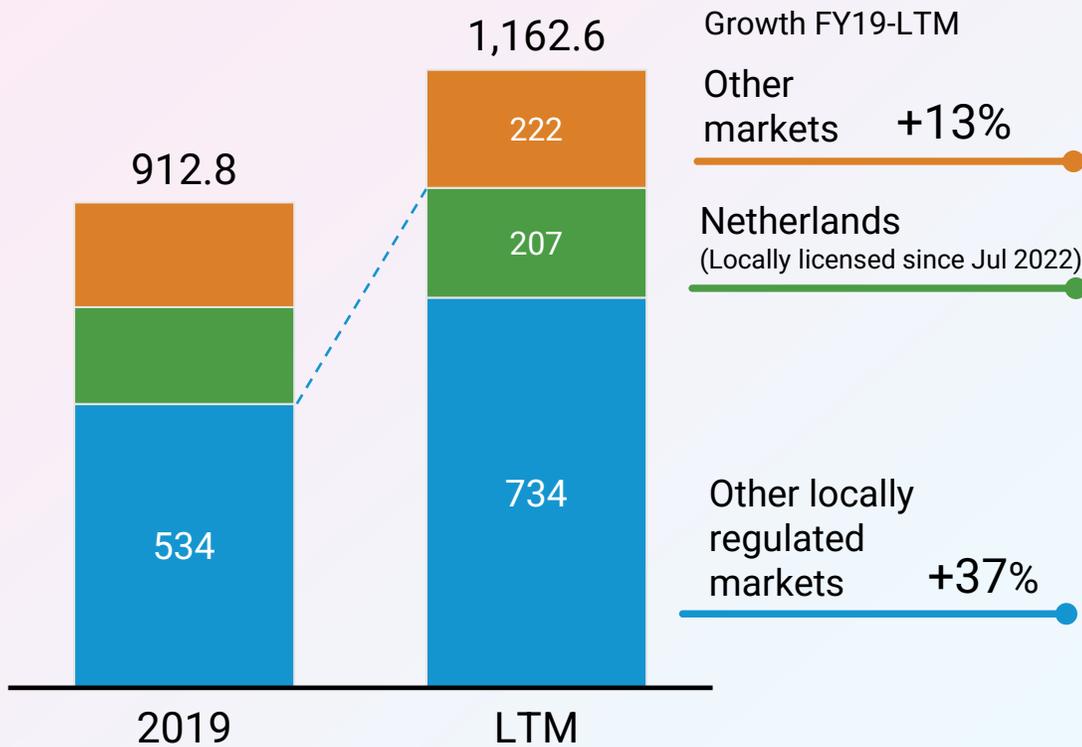
A strong product offering combined with focus on cost optimisation actions continues to improve profitability



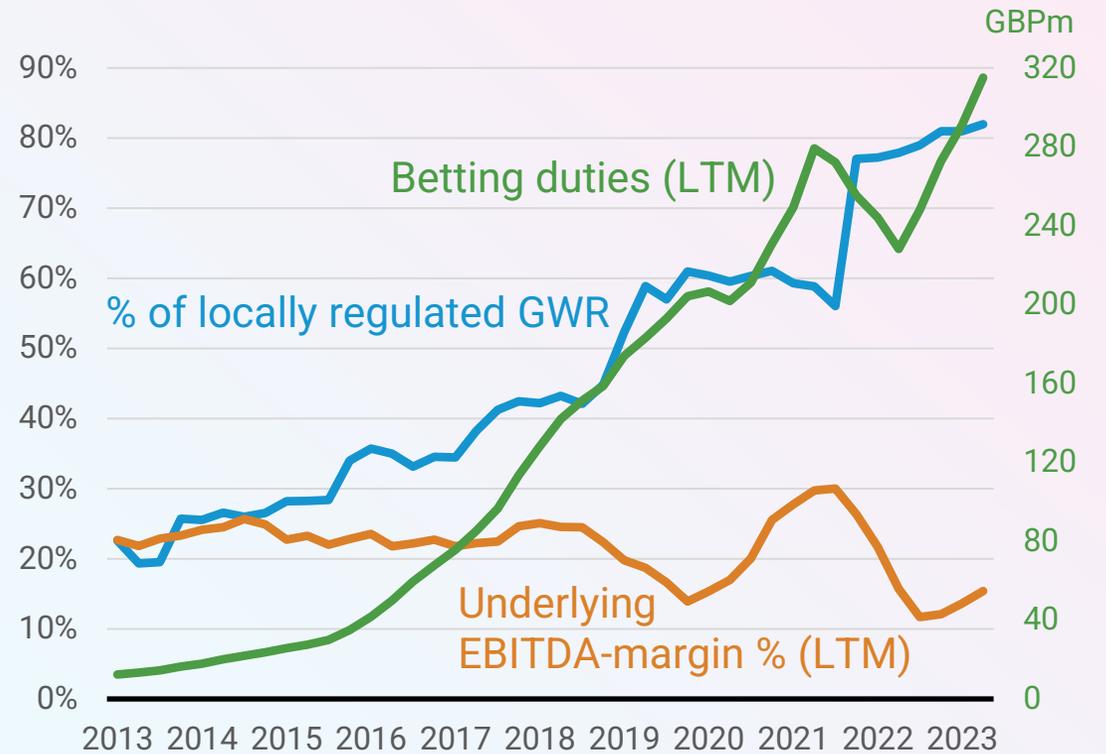
Business overview

Share of locally regulated GWR at an all-time high of 82% in Q2

Strong GWR growth in locally regulated markets (GBPm)



Transition towards locally regulated markets continues
 – Underlying EBITDA margin has bottomed out and started to improve



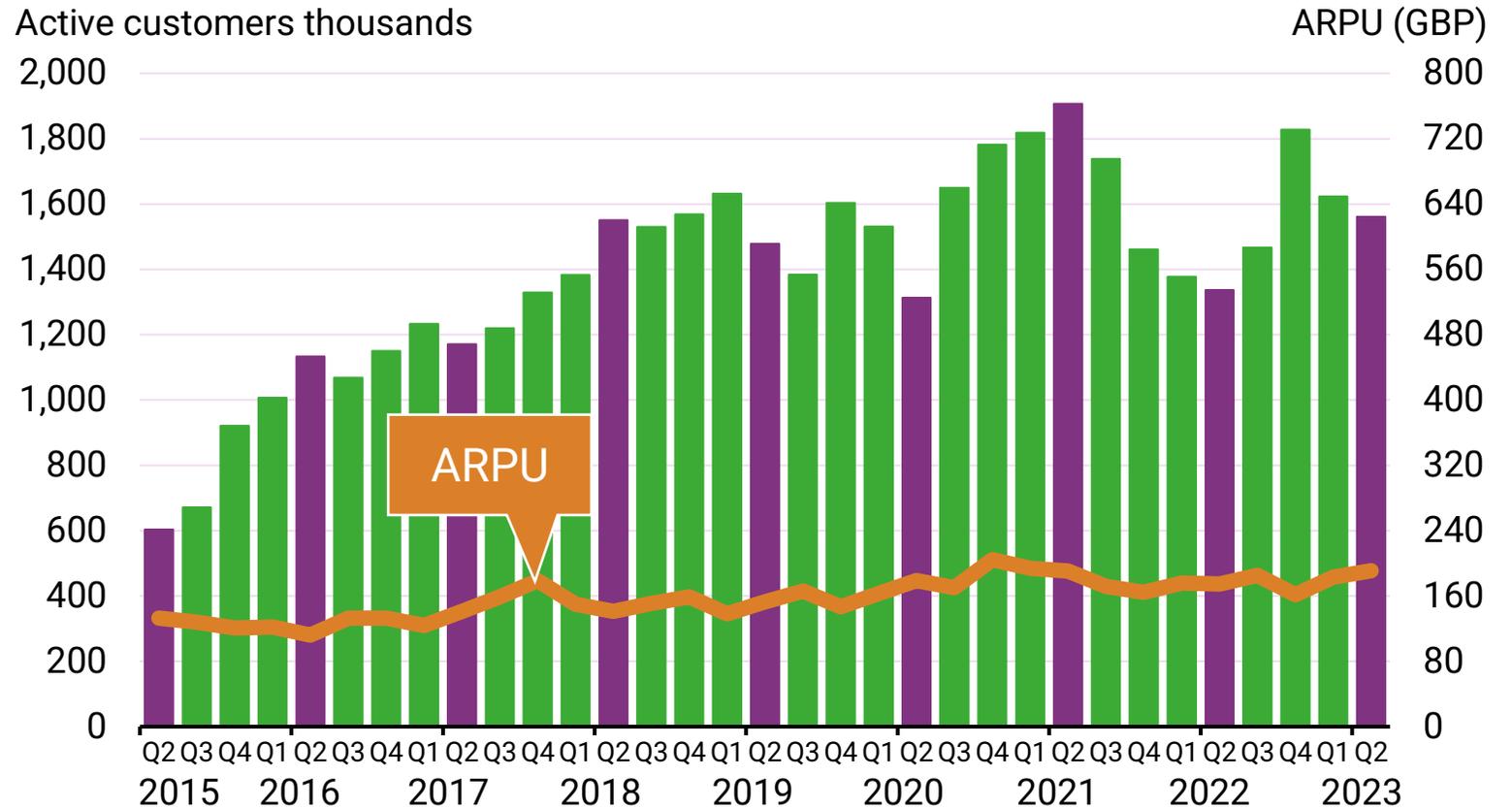
Strong year-on-year growth in actives

NETHERLANDS A KEY CONTRIBUTOR TO THE GROWTH

Number of active customers amounted to approx. 1.56 million, a 17% increase compared to Q2 2022

Excluding the Netherlands, the number of active customers remained flat vs. Q2 2022

The ARPU increased by approx. 9% vs. Q2 2022



Product segment update

Q2 2023, YEAR-ON-YEAR

Sports betting

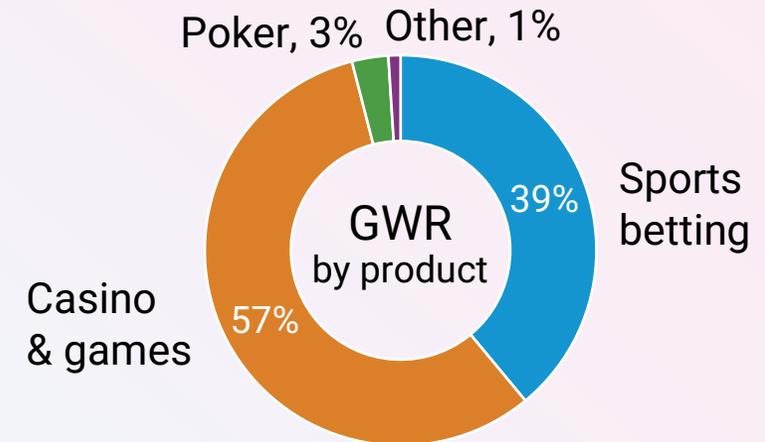
- GWR increased by 19%, with support from above long-term average sports betting margin
- Excluding the Netherlands, GWR declined by 1%, adversely impacted by continued regulatory headwinds in Belgium and Norway
- Kindred's proprietary racing product contributed 4% to total sports betting GWR

Casino & games

- GWR increased by 37%. When excluding the Netherlands, the increase was 3%
- Focus on a strong and diverse casino product, supported by the release of 18 exclusive slots and 3 new suppliers

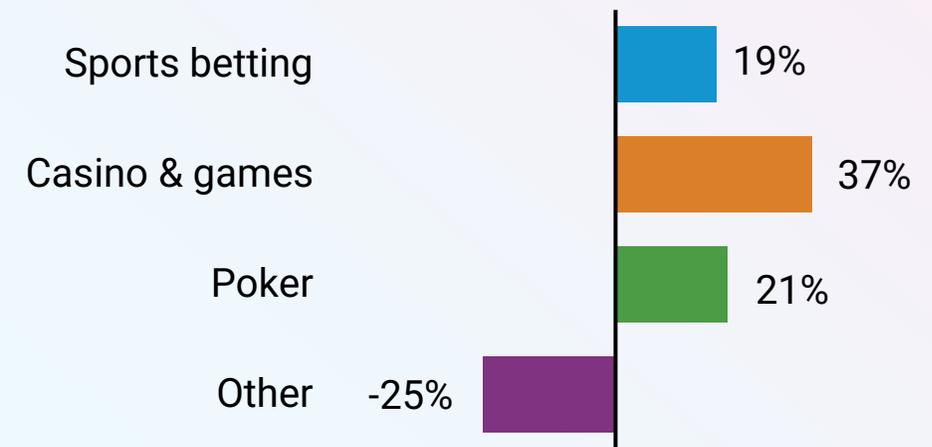
Poker and other products

- Despite strong growth in Poker, GWR remained flat



GWR year-on-year growth

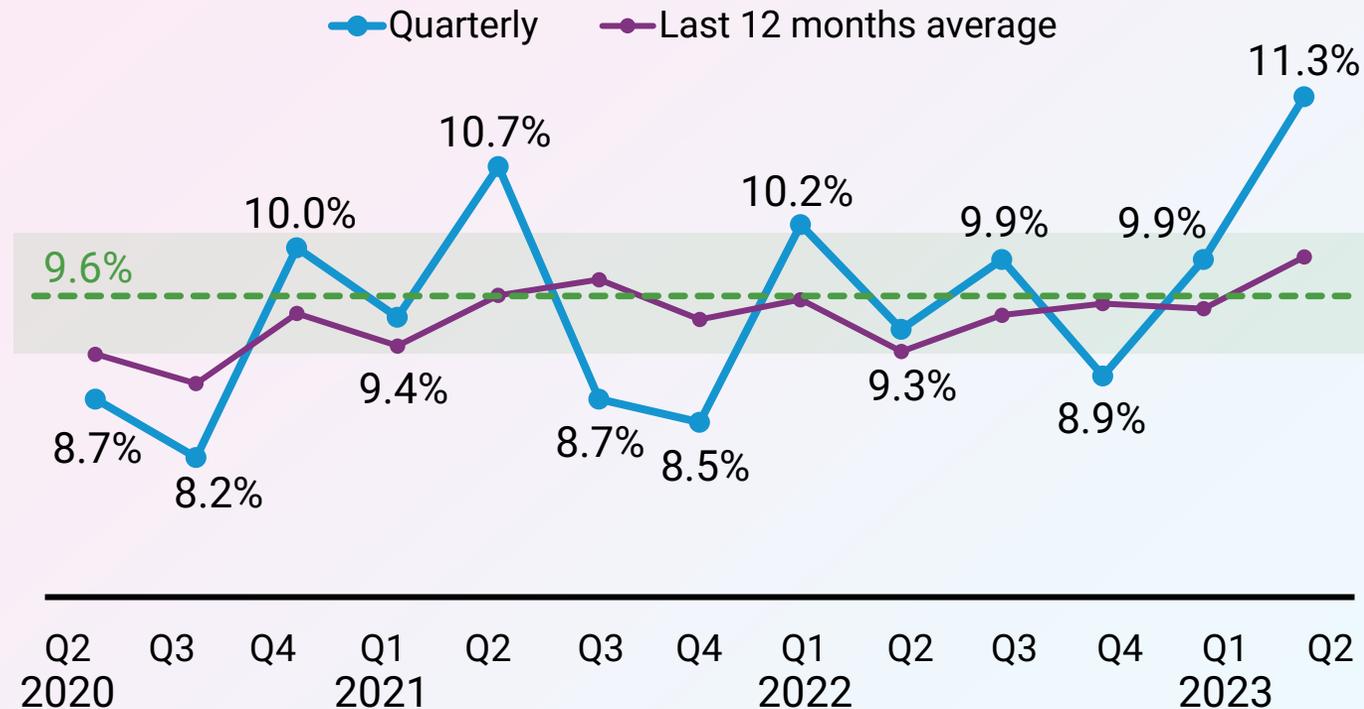
(as reported in GBP)



Sports betting margin ahead of long-term average

FAVOURABLE RESULTS AND INCREASED USE OF BETBUILDER HAD A POSITIVE IMPACT

Sports betting margin after free bets



- The sports betting margin for Q2 2023 was 11.3% after free bets vs. 9.3% during the same period last year
- Positively influenced by favourable sports results, increased popularity of the Betbuilder product, changing market mix, lower bonus costs and continued optimisation of trading
- The weighted long-term (since Q3 2020) average sports betting margin after free bets is 9.6%
- While the sports betting margin is volatile between quarters it is a part of our business. Over time we have seen the long-term average margin gradually increasing

Regional update

Q2 2023, YEAR-ON-YEAR

Western Europe

- GWR increased by 51%. Excluding the Netherlands, GWR declined by 2%, adversely impacted by continued regulatory headwinds in Belgium
- Solid growth across the Group's footprint excl. Belgium and sequential daily average GWR growth in Belgium
- UK continued to perform well and reported 8% growth

Nordics

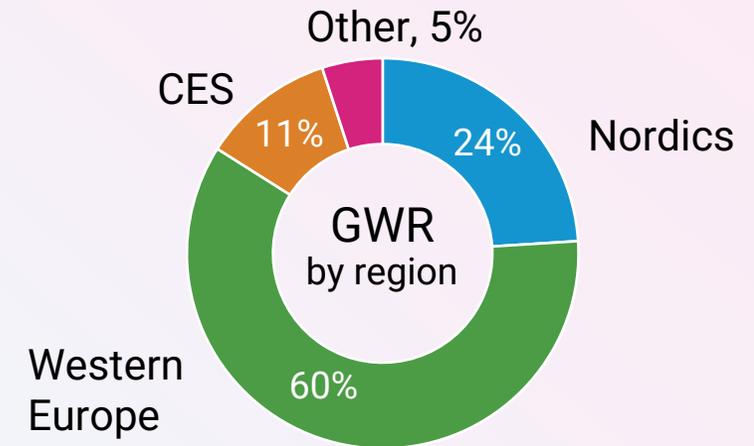
- GWR decreased by 4%. Strong growth in Denmark offset by a continued impact from changes made to our offering for Norwegian customers in Q4 2022

Central, Eastern and Southern Europe (CES)

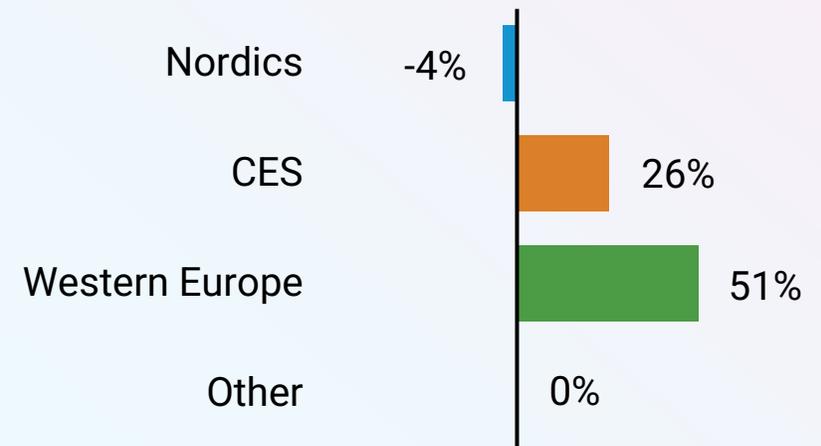
- GWR increased by 26%, with strong growth in both Romania and Italy

Other

- GWR remained flat as a result of growth in North America, but negative GWR development in Australia



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



Encouraging signs in North America

- GBP 8.4m in GWR in Q2 2023, 17% y-o-y growth in constant currency
- Continued focus on multiproduct states behind positive trends in both increased activity and increased player value
- Reduced underlying EBITDA loss to GBP -5.1m in Q2 2023 vs. GBP -7.4m during the same period last year
- Proprietary platform launched in New Jersey during the quarter and in Pennsylvania after quarter end

+17%

Q2 23 GWR growth y-o-y in North America

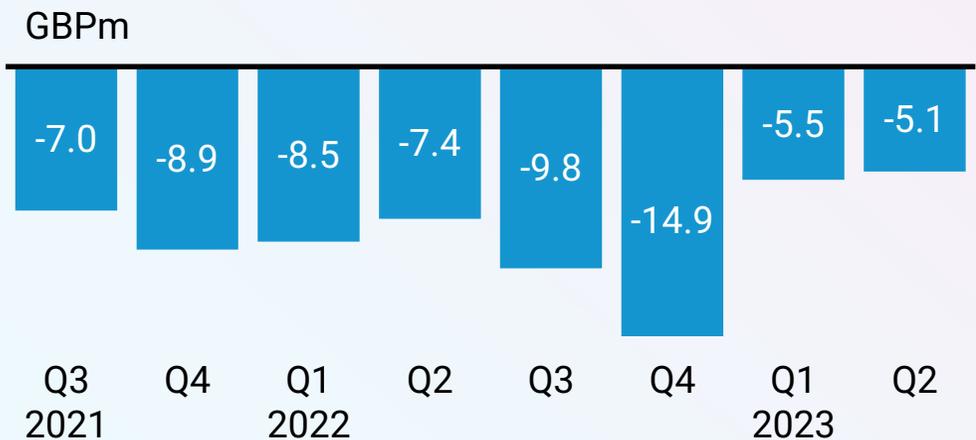
31%

Reduction y-o-y in underlying EBITDA loss in Q2 23

North America operations Q2 2023, GBPm

GWR	8.4
CoS	-7.2
Marketing	-3.5
Admin expenses	-2.8
Underlying EBITDA	-5.1

North America Underlying EBITDA development



Platform launch in New Jersey and Pennsylvania – testament to one platform strategy

SIGNIFICANT IMPROVEMENT IN RETENTION AND CONVERSION NUMBERS

- New Jersey saw our proprietary platform go live on 10th May and Pennsylvania on 10th July
- Allows customers to benefit from a more tailored and improved user experience, while enhancing Kindred’s control of performance and offering
- Early results are encouraging and already demonstrating improvements to new customer journeys
- Improved registration to new depositor conversion rates and improved rates of new players making multiple deposits
- Bringing us great confidence as we continue our “one platform” strategy

New Jersey platform early successes

KPIs for Kindred proprietary platform
New Jersey, 60 days post- vs. 60 days pre-migration



* % from registration to first deposit vs. pre-migration levels
** from their 1st to their 2nd week of activity

Encouraging customer response

“The new app is much improved”

“Definitely an improvement”

“Looks great, much improved user experience”

“I really enjoy the new experience”

“It looks and feels great!”

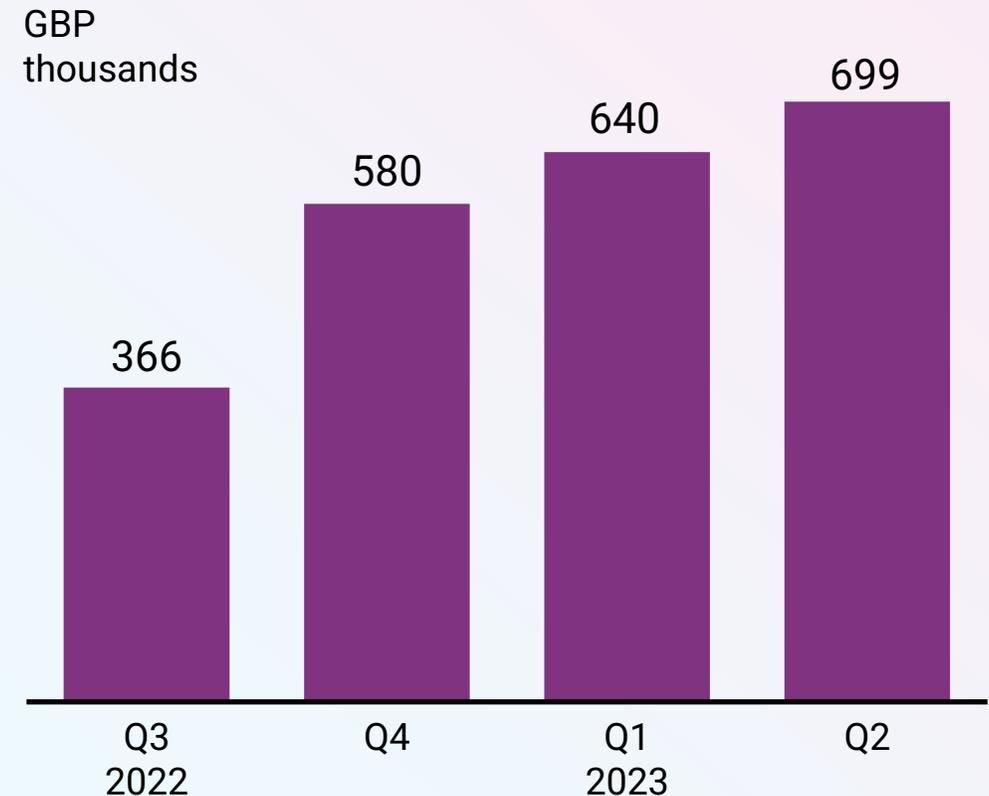
Continued strong performance in the Netherlands

ESTIMATE TO HAVE REACHED THE NO. 1 POSITION

- Continued strong customer activity with number of active customers reaching approx. 218k during Q2 2023
- GWR reached approx. GBP 63.6m and saw a sequential increase of 13% in local currency
- Daily average Gross winnings revenue at 83% of the level achieved in Q3 2021 before trading ceased
- Based on the performance in Q2, Kindred estimate to have reached the No. 1 position in the market
- Ban on untargeted advertising from 1st July. Key deals secured before the deadline ensures continued strong visibility

Separate reporting on performance in the Netherlands will discontinue after Q2

Daily average GWR development

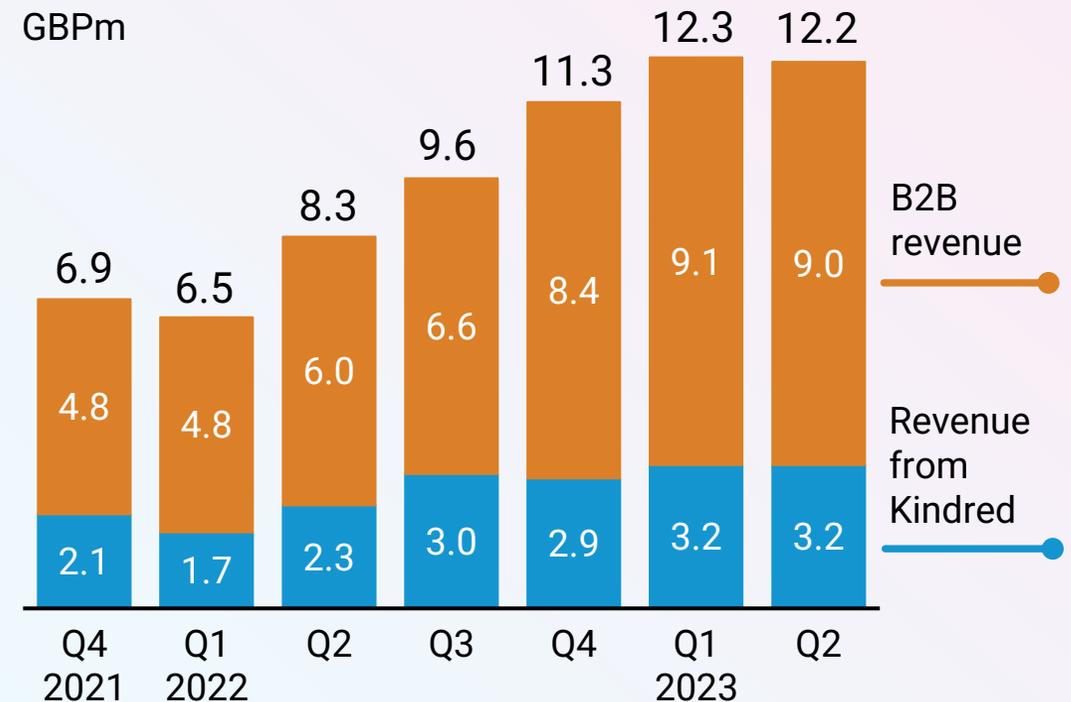


Relax continues to show solid growth

47% REVENUE GROWTH WHILE EBITDA GREW 72%

- Relax Q2 total revenue: GBP 12.2m, a 47% increase from Q2 2022 (adjusted)
- Q2 B2B revenue: GBP 9.0m
- Growth driven by broader distribution and successful game launches
- Q2 gross profit contribution: GBP 10.1m (compared to GBP 6.9m in Q2 2022)
- Underlying EBITDA contribution: GBP 5.0m, representing a 41% margin
- 15 new operator deals, and 160 supplier partner-to-operator deals signed during the quarter
- 3rd exclusive casino game launched during the quarter and plan to keep scaling up exclusive content in the coming quarters

Restated Relax total revenue development*



* Reported B2B revenue for Q4 2022 includes a GBP 2.0 million revenue adjustment that relates to the first three quarters of 2022 (Q1: £0.5m, Q2: £0.8m and Q3: £0.7m). The comparative Q4 2021 restated revenue includes an adjustment of £0.4m. This adjustment has no impact on gross profit

A DETERMINED FOCUS ON SUSTAINABILITY

Dedicated focus on our Journey towards Zero

Data from Q2 2023:
Share of GWR from high-risk players: 3.1%
Improvement effect after interventions: 86.4%

We know what we need to do to get this number down, but taking more time than we would hope for;

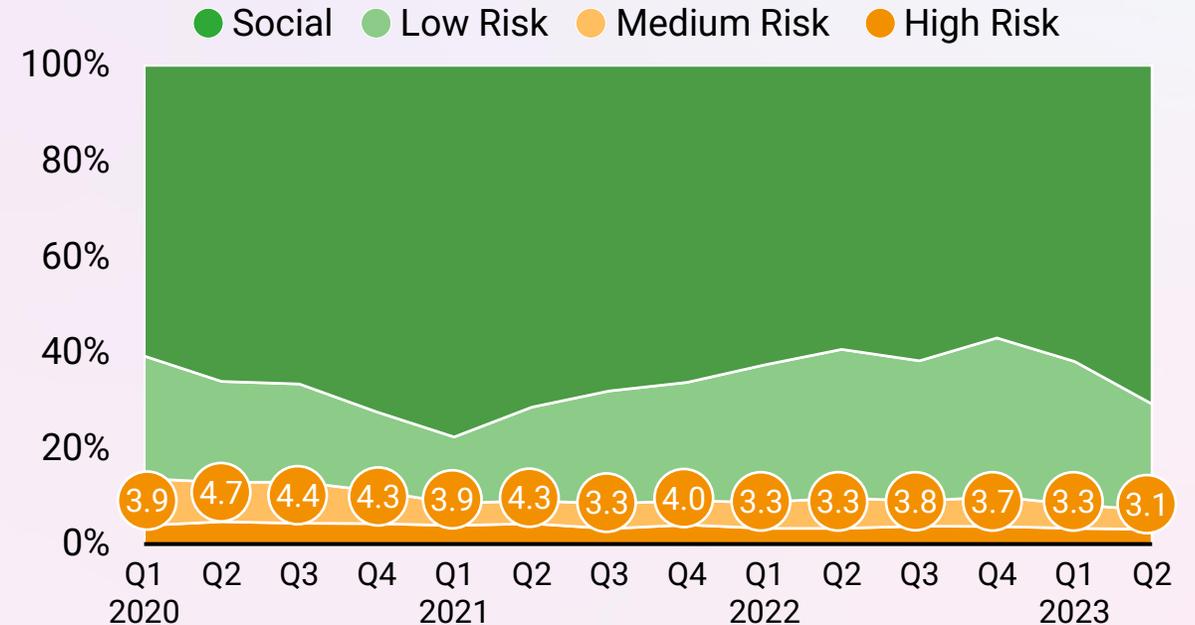
- Shortening the time from detection to intervention through automation
- Continued investment in and collaboration with researchers
- Ensuring control tools are visible, understood and used in the right way
- Improving transparency and knowledge sharing
- Increased effectiveness through scalable tools

SAVE THE DATE



SUSTAINABLE GAMBLING CONFERENCE

2024
March 20
London



Our Journey Towards
ZERO

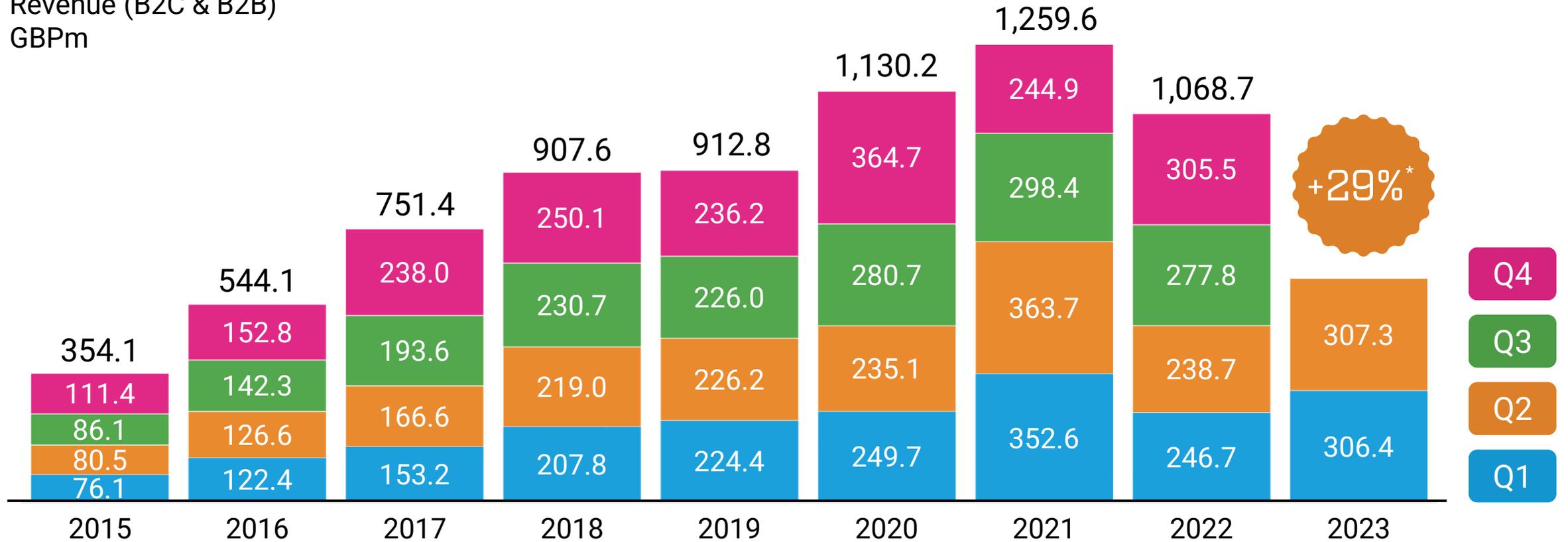


Financials

Q2 delivered 29% y-o-y revenue growth as core markets continued to show strong growth

EXCL. THE NETHERLANDS, REVENUE INCREASED BY 2% COMPARED TO Q2 2022

Revenue (B2C & B2B)
GBPm

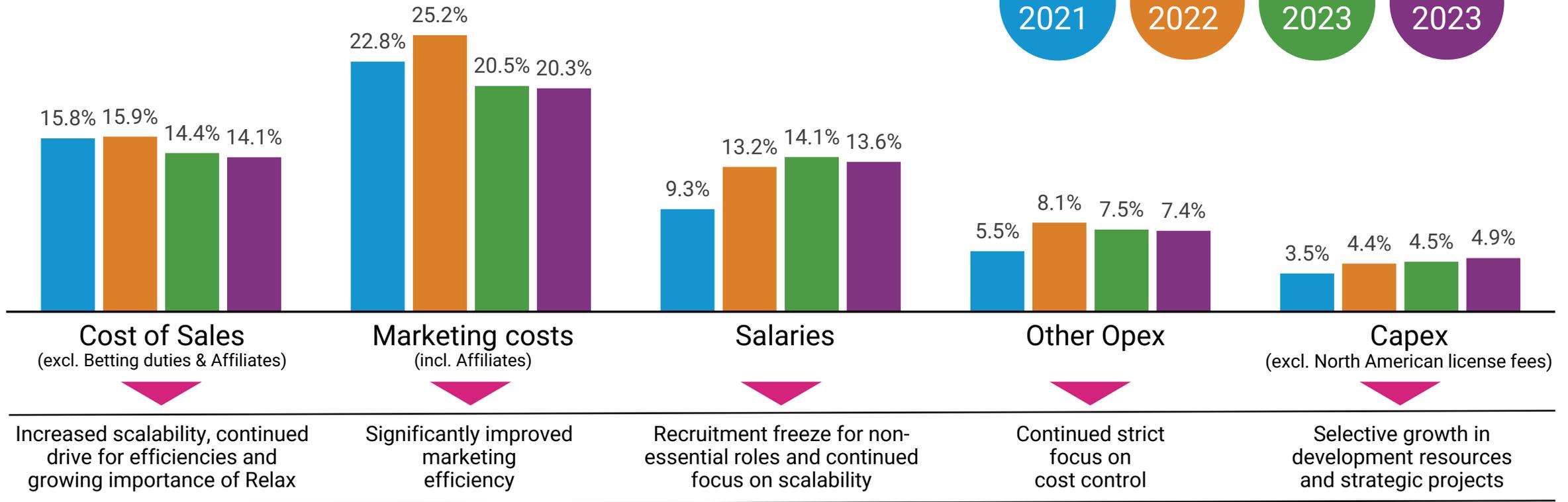


* Q2 year-on-year revenue increase

Cost optimisation remains in focus to further improve profitability

ACTIONS TAKEN AT THE START OF THE YEAR TO OPTIMISE COST BASE PROVEING TO BE EFFECTIVE

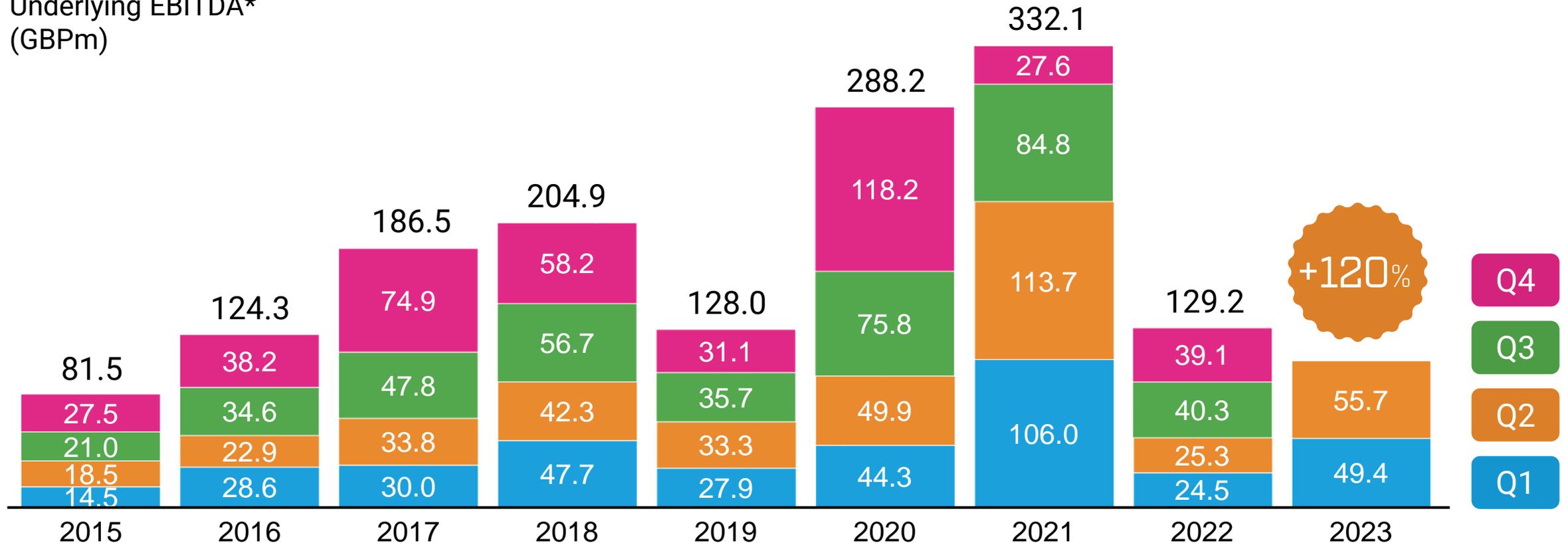
Expenses as % of revenue,
M&A impacts historical comparisons



Scalability of operations contributes to increased profitability

EXCL. NORTH AMERICA, UNDERLYING EBITDA REACHED GBP 60.8M, A MARGIN OF 20%

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

Q2 2023 P&L FX impact vs Q2 2022

Avg. rate	Q2 2022	Q2 2023	Movement
AUD	1.758	1.874	-6.6%
DKK	8.776	8.567	2.4%
EUR	1.180	1.150	2.5%
NOK	11.820	13.407	-13.4%
SEK	12.352	13.186	-6.8%
USD	1.257	1.252	0.4%

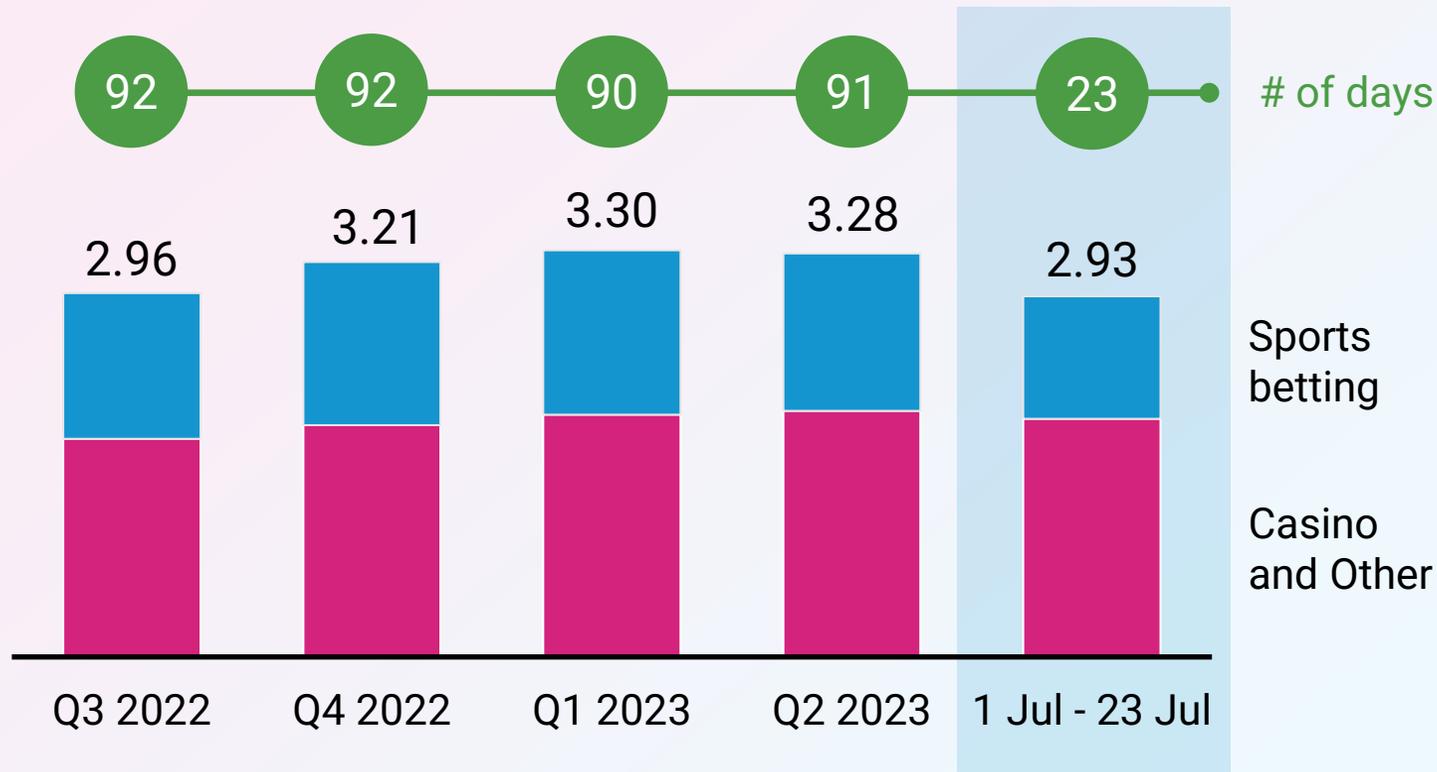
	GBPm
Revenue	2.0
Cost of sales / Opex	0.5
Underlying EBITDA Q2 2023	2.5
FX gain on operating items	5.7
Other items below EBITDA	0.2
Profit after tax impact Q2 2023	8.4

Weighted average movement of FX rates on GWR had a positive impact of less than 1 per cent

Trading updated impacted by seasonally quiet sports calendar

TRADING UPDATE FOR THE FIRST 23 DAYS OF Q3 2023

The daily average GWR (GBPm)



- The average daily GWR (B2C only) for the Group up to and including 23 July 2023 was:
 - GBP 2.93m, 1% lower (1% higher in constant currency) than for the full Q3 2022
- Sports betting GWR during the trading update period impacted by
 - Seasonally a quiet sports calendar period
 - Above long-term average sports betting margin (after free bets) of above 11%
- Continued solid development in the Casino and Other product segment

Summary

Strong confidence in future opportunity

- for locally regulated growth and profit generation

Solid growth across Group's footprint and a testament to the scalability of operations

Strong revenue growth of 29% with an underlying EBITDA margin of 18%

Scalability of operations contributes to increased profitability

Remain steadily on track towards 2023 year's underlying EBITDA guidance of at least GBP 200m

Leveraging value from Relax Gaming

Revenue increase of 47% with an underlying EBITDA contribution of GBP 5.0m

Kindred Sportsbook Platform remains set for test market launch end of 2023

Inhouse sportsbook will mitigate risks and drive further scalability

Looking forward to a busy sports calendar

Women's World Cup now taking place and major football leagues kicking off towards the middle of the quarter

Q&A



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Calendar



26 October 2023

Q3 2023 will be published at 7.30 CEST



7 February 2024

Q4 2023 will be published at 7.30 CET



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THANK YOU