

FDJ launches a recommended all-cash tender offer for Kindred to create a European gaming champion

- **In order to implement its ambition to become an international gaming operator, FDJ is announcing the filing of a tender offer to acquire the entire share capital of Kindred**
 - Kindred is one of Europe's leading online betting and gaming companies, operating the Unibet brand
- **The offer is being made at a price of SEK 130 per share in Kindred, which is listed on Nasdaq Stockholm**
 - This price represents a premium of 24% over the closing price on 19 January 2024 and 35% over the weighted average price for the last 30 trading days, and corresponds to an enterprise value of €2.6 billion
- **This acquisition will create a European gaming champion with an enhanced financial profile**
 - Second-largest operator in Europe's gaming sector
 - Stronger revenue and earnings growth
- **FDJ and Kindred share high standards for responsible gaming and a business model that combines performance and responsibility**
 - The combined Group will only operate on markets that are locally regulated or on the path of becoming regulated
- **This transaction will create value for FDJ shareholders. In particular, it is expected to lead to a more than 10% accretion in dividend per share, starting from the 2025 financial year to be paid in 2026**
- **This offer is unanimously recommended by Kindred's Board of Directors**
 - Five key shareholders, holding a combined 27.9%¹ of the capital, have irrevocably undertaken to support the transaction and tender their shares
 - The transaction will take the form of an all-cash tender offer, which will be launched on 19 February 2024 for a maximum period of nine months. The completion of the tender offer remains subject to regulatory authorisations and to FDJ's acquisition of at least 90% of Kindred's capital

Stéphane Pallez, Chairwoman and CEO of FDJ Group, said: "I am pleased to announce today the proposed acquisition of Kindred. Fully aligned with our strategy, it will give the Group a diversified and balanced profile, based on several pillars: the monopoly activities, mainly the lottery, on our French historical market and, since November, in Ireland, with the acquisition of the Irish lottery operator PLI; and online sports betting and gaming activities open to competition in Europe. In this market, Kindred is one of the leading operators, combining strong brands, best-in-class technology platforms, an attractive growth profile and a committed approach to responsible gaming. Given their respective histories, strategic strengths and core values, FDJ and Kindred are highly complementary, and I will be delighted to welcome Kindred's management team and many talented individuals into the combined Group following this transaction. The combination will result in a stronger strategic positioning and significant value creation for the benefit of our shareholders and broader stakeholders."

¹ Based on shares outstanding (excluding treasury shares). Corvex Management LP 16.6%; Premier Investissement SAS 4.0%; Eminence Capital 3.5%; Veralda Investment 2.3%; Nordea 1.5%.

Nils Andén, CEO of Kindred, said: "I'm delighted with today's transaction announcement between FDJ and Kindred, creating a leading European gaming operator with the financial and strategic capabilities to further expand its global footprint. I believe that combining with FDJ, Kindred can accelerate the delivery of long-term strategic projects, continue to grow in core markets, and provide a trusted source of entertainment to customers. It will also speed up our path towards 100% locally regulated revenue. I'm excited to bring Kindred's extensive experience and know-how into FDJ's organisation, contributing to the development of a leading online gaming business. I'm also very proud that FDJ acknowledges and values the skilled employees and strong assets within Kindred."

Boulogne-Billancourt (France), 22 January 2024 (7:00 a.m.) – In order to implement its ambition to become an international gaming operator, FDJ is announcing the filing of an all-cash tender offer to acquire the entire share capital of Kindred, a company listed on Nasdaq Stockholm. This offer is unanimously recommended by Kindred's Board of Directors.

Kindred, a leading operator in the European online betting and gaming sector

Kindred is one of Europe's leading online betting and gaming operators:

- Kindred provides a diversified online offering (sports and horse-race betting, poker and casinos), including brands such as Unibet and 32Red.
- With revenue (after betting duties) of £893 million in 2023, Kindred is one of the top five operators in Western Europe, present in seven of the top ten European markets, including the Netherlands, the United Kingdom, France, Sweden and Belgium.
- Kindred has been an online betting and gaming operator for over 25 years and has extensive digital expertise and proven technology platforms.

The combination between FDJ and Kindred will create a diversified European champion

This transaction will create a highly digitalised European champion that is diversified both in terms of its offering and its geographic footprint:

- The FDJ Group's international presence will expand to account for approximately 20% of its gross gaming revenue (GGR)², compared to 6% currently.
- Online share of GGR will rise from 14% for FDJ to 29% for the combined Group.
 - Kindred's cutting-edge digital expertise and technology platforms will accelerate FDJ's digitalisation for online markets.
- The combined Group will offer a wide gaming range on markets open to competition (online sports and horse-race betting, online poker and online casinos).
 - Online betting and gaming markets open to competition will account for 19% of the new Group's GGR, versus 2% at present.
 - ✓ In France, thanks to the acquisition of Unibet, the FDJ group will become the third largest operator in the online sports betting and gaming open to competition sector.

² Gross gaming revenue = stakes – player winnings.

FDJ and Kindred share high standards of responsible gaming and a business model that combines performance and responsibility. The combined Group will only operate on locally regulated - or on the path of becoming regulated - markets

FDJ and Kindred deploy the best practices in responsible gaming and sustainable development in their respective activities. This will enable the new Group to pursue a growth model that combines performance and responsibility.

The combined Group will only operate on markets that are locally regulated or on the path of becoming regulated and plans in particular to exit the Norwegian market.

FDJ's acquisition of Kindred strengthens the FDJ Group's financial profile

In 2023³, Kindred generated revenue (after betting duties) of £893 million and recorded EBITDA of £205 million, with an EBITDA margin on revenue of 23%. Kindred is targeting EBITDA for 2024 to exceed £250 million⁴.

The combination of Kindred and FDJ will create a Group that is significantly more attractive financially, including:

- Accelerated growth in revenues and in free cash flow; accretion in recurring EBITDA margin - beyond FDJ's standalone target of at least 25% by 2025;
- A significant increase in the Group's earnings per share and earnings growth.

FDJ will finance this acquisition using a large part of its available cash⁵ and through a bridge loan with leading French banks.

The FDJ Group:

- Reiterates aiming a mid-term net debt to recurring EBITDA ratio of $\leq 2x$;
- Will aim to refinance the bridge loan on attractive market terms and will target an investment grade rating.

FDJ's acquisition of Kindred will create value for FDJ shareholders

- The combined Group will benefit from scale, iconic brands and proven technology platforms.
- The consolidation of Kindred into the FDJ Group will create tangible value for the Group's shareholders with a more than 10% accretion in dividend per share starting from the 2025 financial year to be paid in 2026, based on a distribution rate of 75% of the Group's combined adjusted net income⁶, post completion of the transaction.

An offer unanimously supported by both Boards of Directors

The tender offer has been supported by both Groups' Boards of Directors. Kindred's Board of Directors recommends that Kindred's shareholders tender their shares to FDJ's tender offer.

- FDJ has obtained an irrevocable agreement from five Kindred shareholders, representing 27.9%⁷ of the capital, to tender their shares.
- The offer price is SEK 130 per share, representing an enterprise value of €2.6 billion based on Kindred's financial position at the end of 2023.

³ Based on data provided by Kindred on 22 January 2024.

⁴ Kindred's 2024 guidance reflects its exit from the North American market, but still takes into account the contribution of non-locally regulated markets such as Norway and dotcoms in particular.

⁵ At 31 December 2023, the FDJ Group's net cash surplus was €671 million - excluding the innovation fund.

⁶ Net profit before amortisation of Price Purchase Allocations.

⁷ Based on shares outstanding (excluding treasury shares). Corvex Management LP 16.6%; Premier Investissement SAS 4.0%; Eminence Capital 3.5%; Veralda Investment 2.3%; Nordea 1.5%.

- The proposed price represents a premium of 24% over the closing price on 19 January 2024, of 35% over the weighted average price over the last 30 trading days and of 36% over the last 90 trading days.

The tender offer will be launched on 19 February 2024 for a maximum period of nine months, subject to: the usual conditions precedent for a tender offer on the Swedish market; obtaining regulatory approvals, in particular from the Swedish Financial Markets Authority and the French Competition Authority; the amendment of Kindred's articles of association to allow the implementation of a squeeze-out procedure in the event of FDJ acquiring at least 90% of Kindred's share capital; and the acquisition by FDJ of at least 90% of Kindred's share capital.

A presentation of the project for media and investors is available on the FDJ Group website: [Publications and results - FDJ \(groupefdj.com\)](https://www.groupefdj.com)

The offer documentation is available in English and in Swedish on the FDJ Group website: <https://www.groupefdj.com/en/fdj-launches-a-tender-offer-for-kindred-to-create-a-european-gaming-champion/>

About FDJ Group

France's leading gaming operator and one of the industry leaders worldwide, FDJ offers responsible gaming to the general public in the form of lottery games (draws and instant games), sports betting (through its ParionsSport point de vente et ParionsSport en ligne brands), horse-race betting and poker. FDJ's performance is driven by a large portfolio of iconic brands, the leading local sales network in France, a growing market, and recurring investments. The Group implements an innovative strategy to increase the attractiveness of its gaming and service offering across all distribution channels, by offering a responsible customer experience.

FDJ Group is listed on the regulated market of Euronext Paris (Compartment A – FDJ.PA) and is part of the SBF 120, Euronext 100, Euronext Vigeo 20, EN EZ ESG L 80, STOXX Europe 600, MSCI Europe and FTSE Euro indices.

For more information, visit www.groupefdj.com



Media Contact

+33 (0)1 41 10 33 82 | servicedepresse@fdj.com

Investor Relations Contact

+33 (0)1 41 04 19 74 | invest@fdj.com