



kindred

Nils Andén, CEO

Patrick Kortman, Interim CFO

Interim Report

Q1 2024 | 24 APRIL 2024

# Outline

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## 2. BUSINESS OVERVIEW

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- Q1 PERFORMANCE
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- REGIONAL UPDATE
- NORTH AMERICA
- RELAX
- KINDRED SPORTSBOOK PLATFORM
- SUSTAINABILITY

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# Highlights

Strong performance across locally regulated markets, primarily driven by the Netherlands, the UK, and Romania

All-time high in locally regulated GWR at 84% of Group GWR

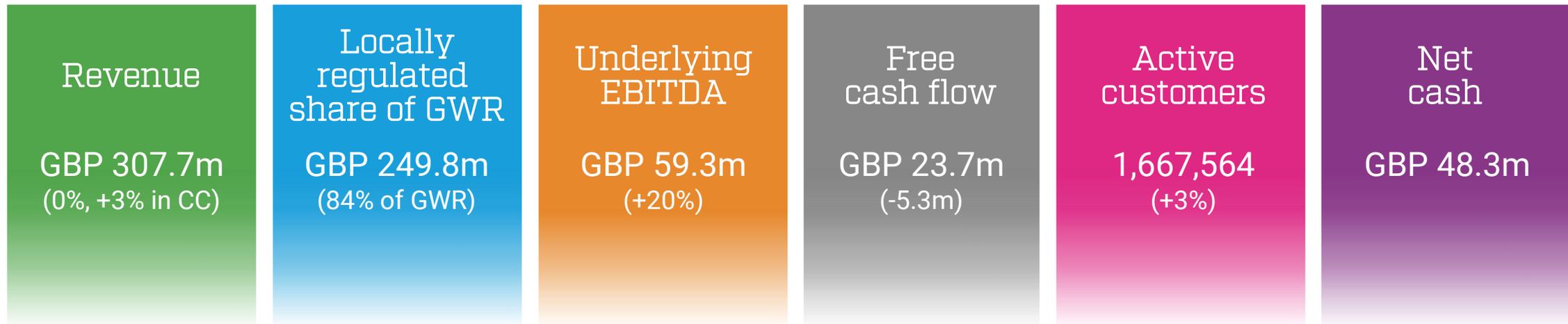
Cost reduction initiatives contributing to underlying EBITDA reaching GBP 59.3m

Strategic growth projects and North American exit moving forward according to plan



# Solid growth in locally regulated markets

NEW ALL-TIME HIGH IN LOCALLY REGULATED MARKETS AFTER A 5% Y-O-Y GROWTH EXCLUDING NORTH AMERICA



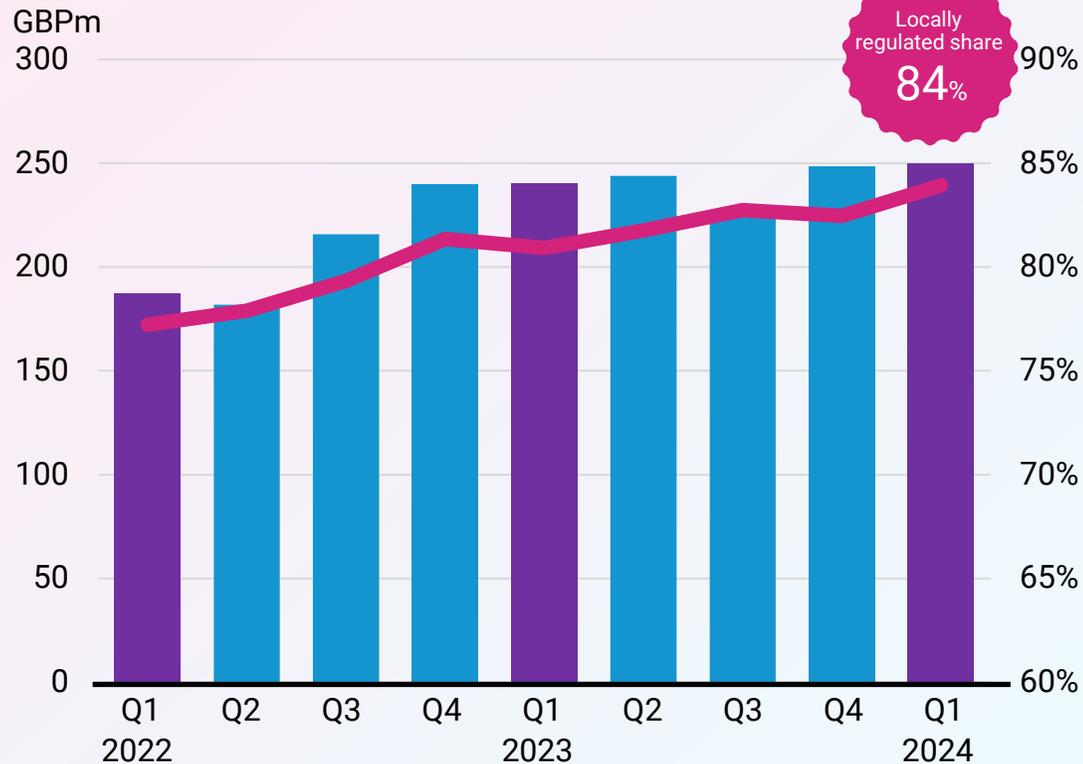
+5% across locally regulated markets excl. North America (+8% in CC), primarily driven by the Netherlands, the UK, and Romania

Continued positive impact of cost control focus. Underlying EBITDA margin increased 3 percentage points to 19% (20% excl. North America)

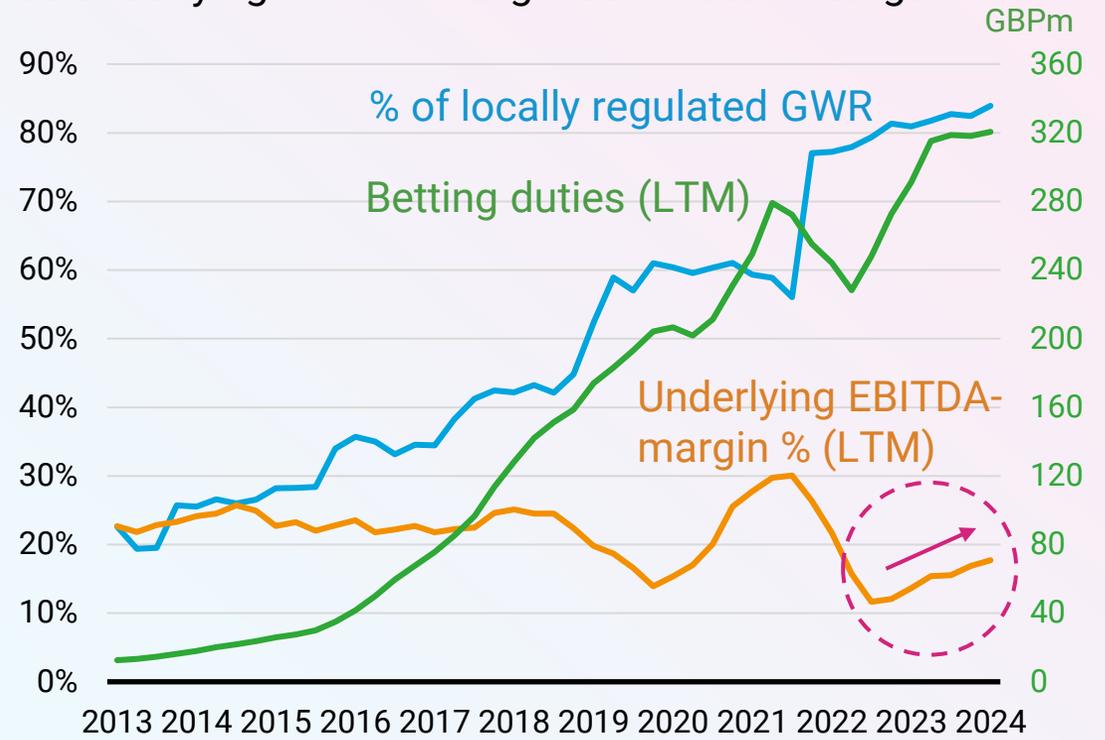
# Business overview

# Committed focus on sustainable revenue and cost control brings results

Locally regulated GWR at an all-time high, in absolute numbers and in share of GWR



Scalability improves: Higher betting duties well absorbed as underlying EBITDA margin continues to surge

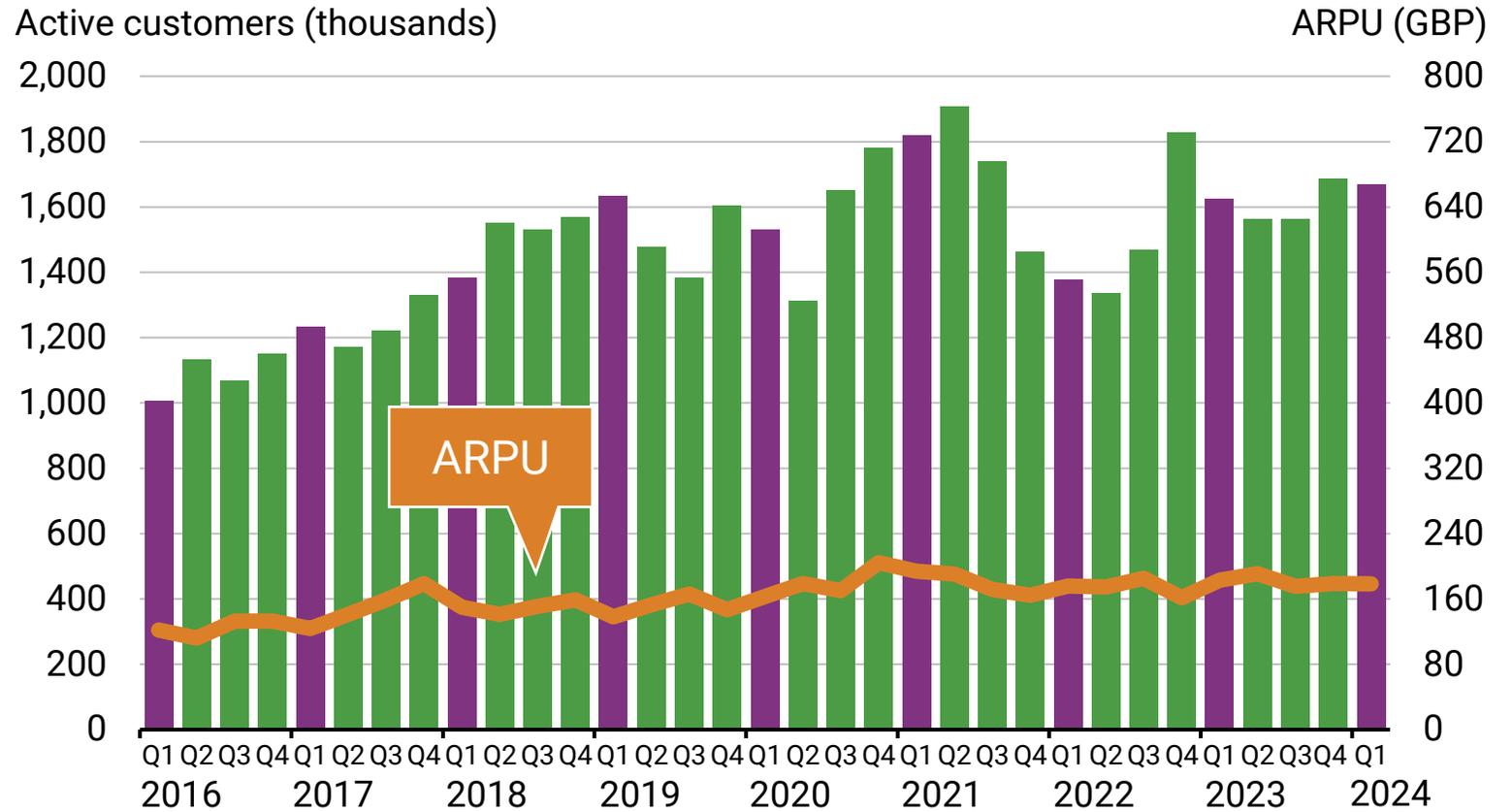


# Increase in number of actives showcasing an attractive customer offering

Active customers saw an increase of +3% compared to Q1 2023 (+4% excl. North America)

+6% increase in number of actives in casino while sports betting actives remained stable

The ARPU decreased by approx. 3% vs. Q1 2023



# Product segment update

Q1 2024, YEAR-ON-YEAR

## Sports betting

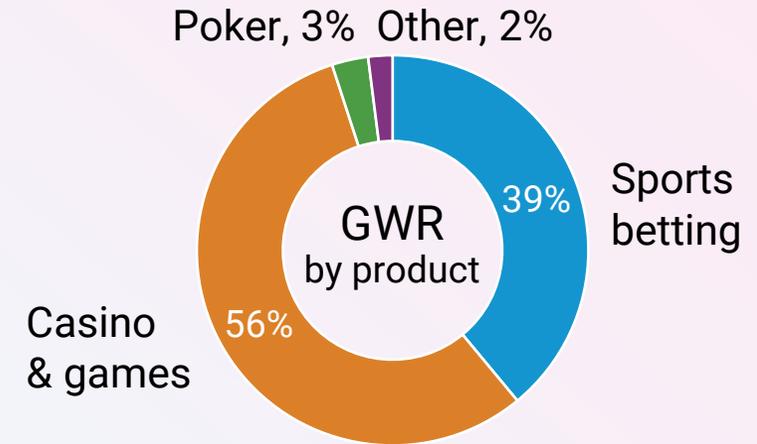
- GWR decreased by 3%, stemming from lower turnover against comparatives
- Influenced by 9% fewer top European football league fixtures
- Kindred's proprietary racing product saw a 3% decline

## Casino & games

- GWR increased by 3% on the back of increased activity and strong performance, especially in the Netherlands and the UK
- Overall growth was supported by a wide selection of slots, tables and live casino games

## Poker and other products

- GWR decreased by 8% as both segments reported lower GWR levels than last year



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



# Sports betting margin slightly above long-term average

SPORTS BETTING MARGIN AFTER FREE BETS AT 10.3% IN Q1 24

Sports betting margin after free bets in an upward trajectory, pushing the long-term average higher



- Sports betting margin of 10.3% after free bets vs 9.9% during the same period last year
- The weighted average long-term sports betting margin (since Q2 2021) after free bets is 9.8%
- Changing market mix and higher share of multiple bets offer support for an upward trajectory of the margin

# Regional update

Q1 2024, YEAR-ON-YEAR

## Western Europe

- GWR increased by 10% driven by continued strength in the Netherlands and the UK
- Below average sports betting margin in France softened the overall performance
- The Netherlands grew by 24% in local currency and UK continued to perform well at a growth rate of 20%

## Nordics

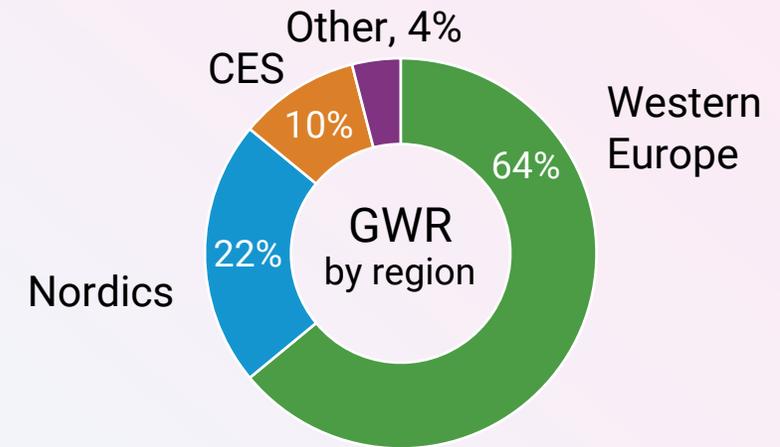
- GWR decreased by 15% with unsatisfactory performance across markets, notably in Sweden. Weak sports betting margins across the region had an adverse impact

## Central, Eastern and Southern Europe (CES)

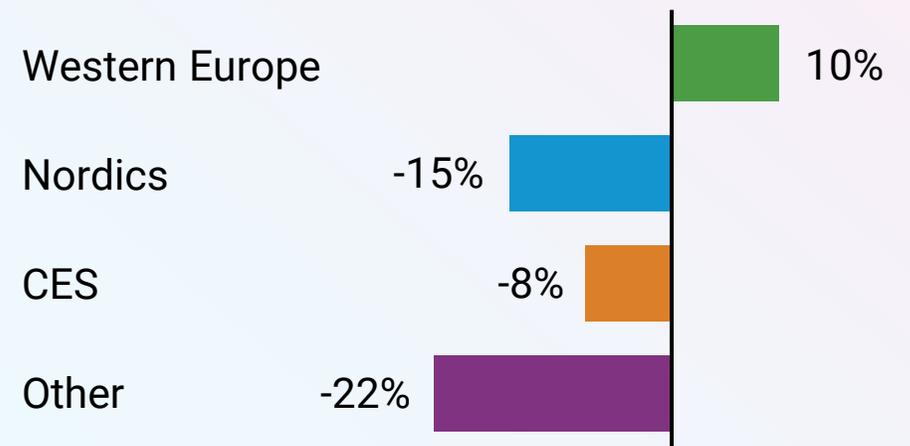
- GWR declined by 8%. Romania continues to demonstrate positive development while the remaining markets showed a decline

## Other

- GWR decreased 22% driven by a significant drop in North America



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



# North American exit remains on track

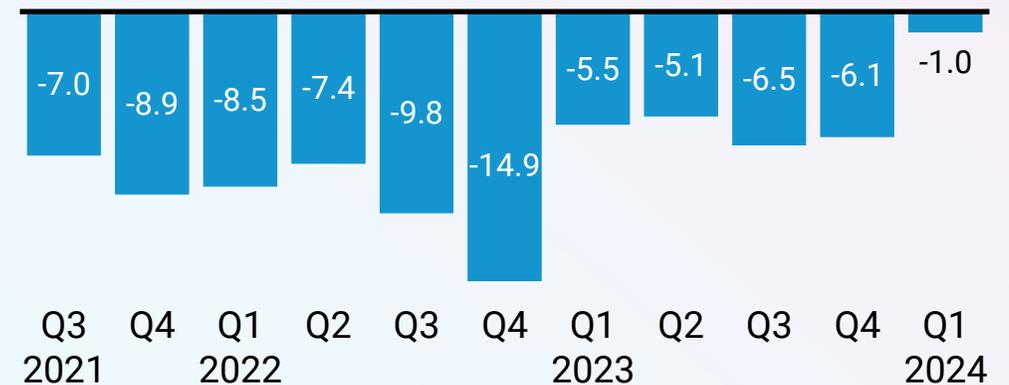
- The closure of the North American operations remains on track and is expected to be completed by the end of Q2 24
- Investment firmly scaled back following the exit announcement. In Q1 24, GWR reached GBP 5.7m, representing a decrease of 25% in constant currency
- Loss in underlying EBITDA substantially reduced on the back of significant marketing spend reduction. In Q1 24 underlying EBITDA amounted to GBP -1.0m vs. GBP -5.5m in Q1 23
- Three jurisdiction fully closed to date

## North America operations Q1 2024, GBPm

GWR	5.7
CoS	-4.8
Marketing	-0.3
Admin expenses	-1.6
<b>Underlying EBITDA</b>	<b>-1.0</b>

## North America Underlying EBITDA development

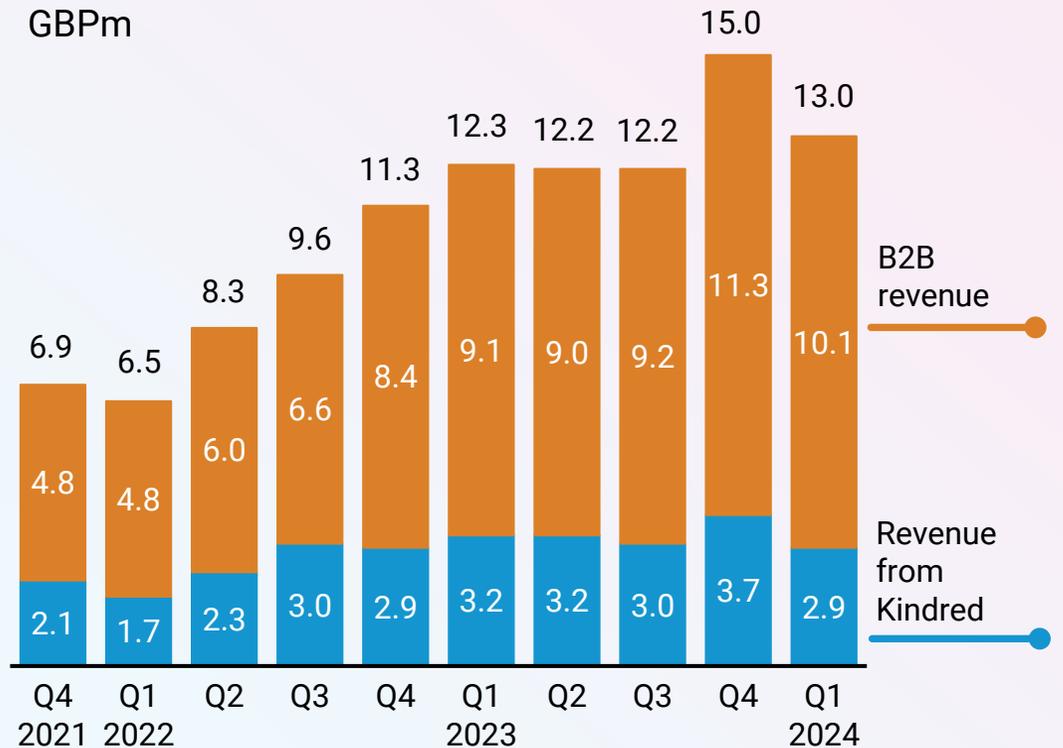
GBPm



# Relax Gaming building for future growth

- Revenue growth of 6% to GBP 13.0m. B2B revenue amounted to GBP 10.1m
- Sequential decrease impacted by Dream drop jackpot timings, on top of typical seasonality patterns
- Q1 gross profit contribution of GBP 10.5m (compared to GBP 10.2m in Q1 2023)
- Underlying EBITDA contribution: GBP 4.7m, representing a 36% margin of Relax total revenue
- Increased cost base due to team expansions to support continued growth
- 3 game launches exclusively for Kindred in the quarter

## 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

# Kindred Sportsbook Platform

## Successfully operational in first live production test market



Significant progress in test market during first period live in production



Selected customers now playing on Kindred Sportsbook Platform by default as part of a testing framework



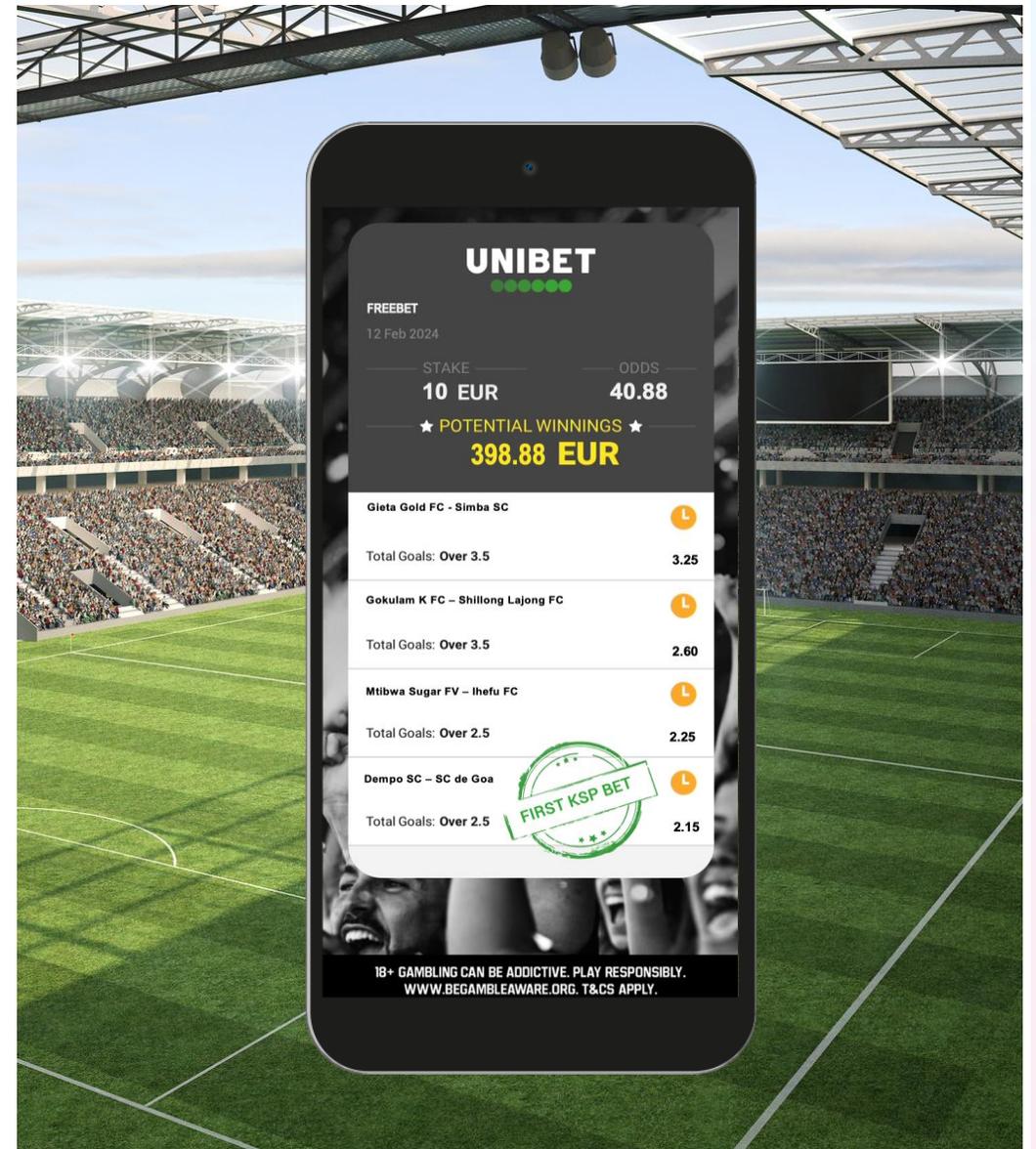
Accelerated roll-out to small non-strategic markets in Q2 2024



Project remains firmly on track with performance targets and metrics ahead of schedule

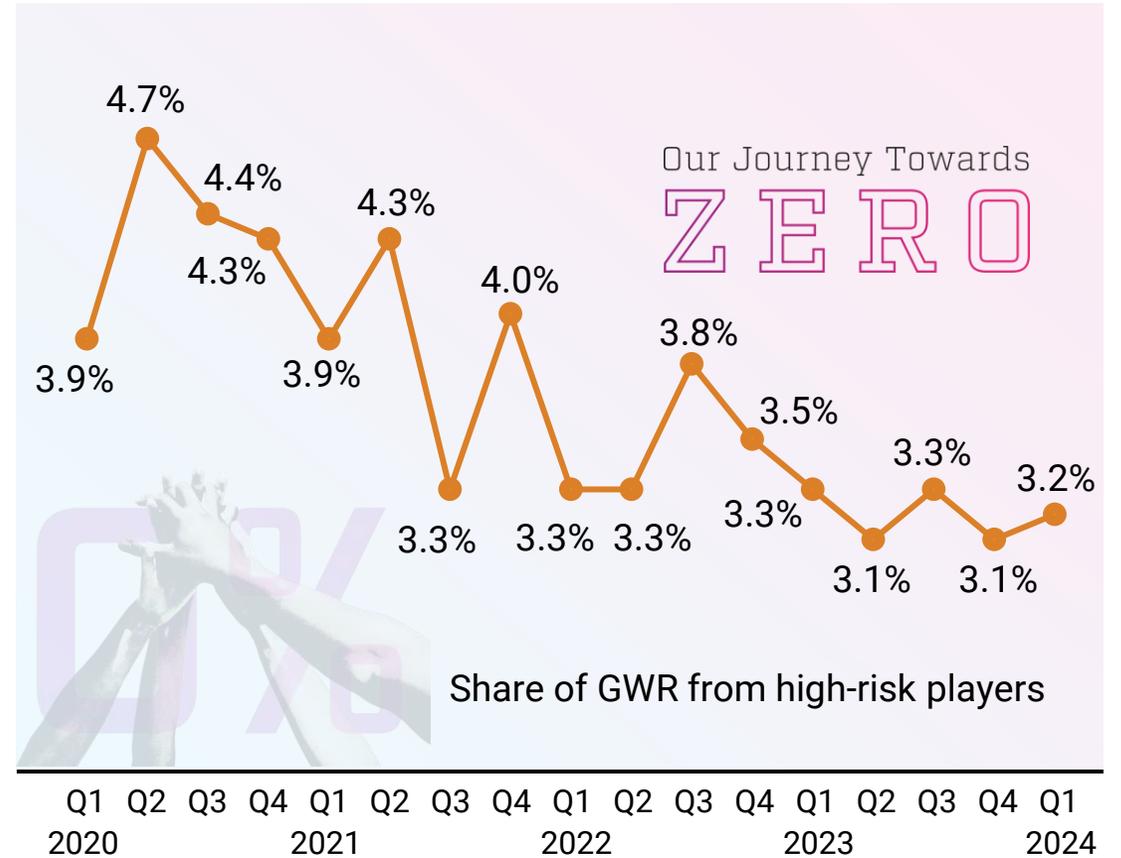
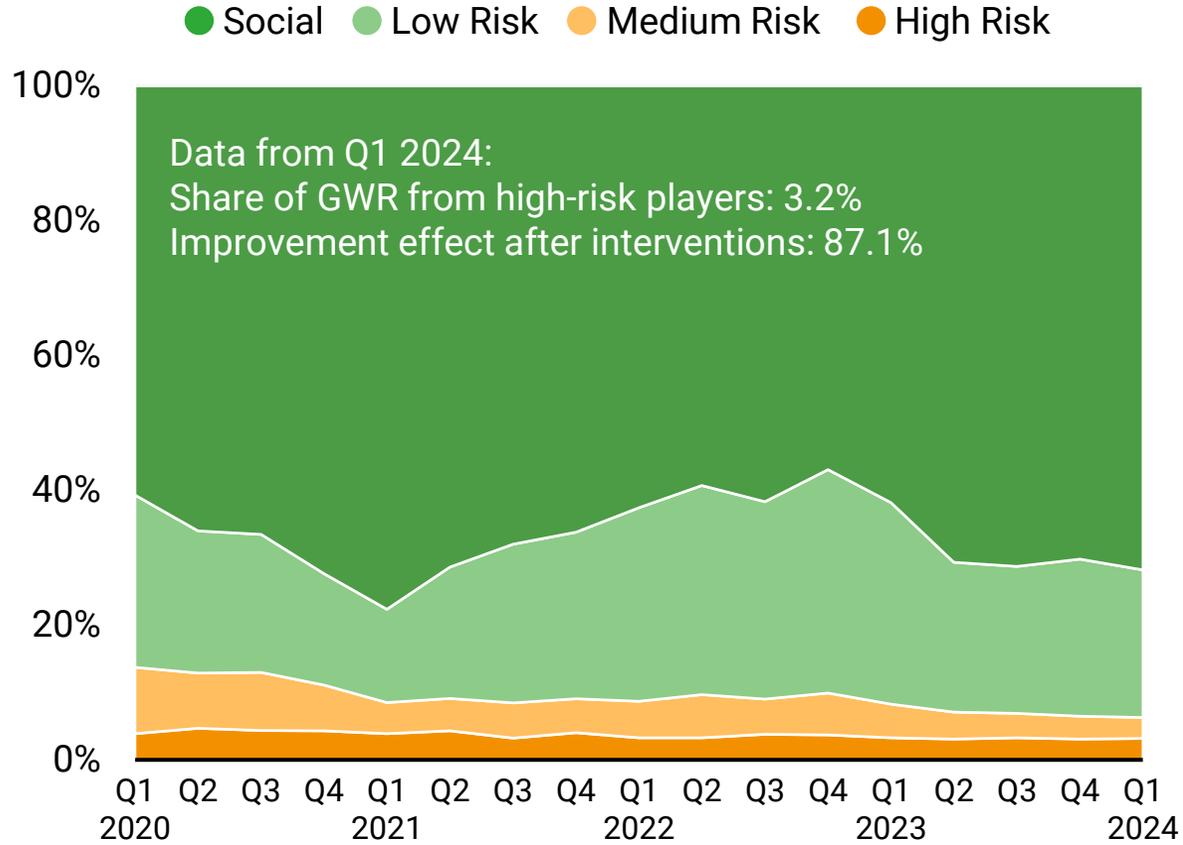


Next phase: Ongoing feature and functionality development for further brands and markets



# Firm focus on our Journey towards Zero

OUR DIALOGUE WITH STAKEHOLDERS AND REGULATORS CONTINUES

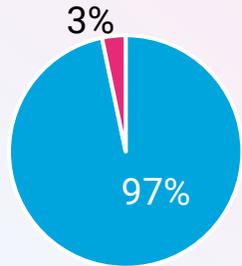


# Financials

# A committed focus on locally regulated revenues

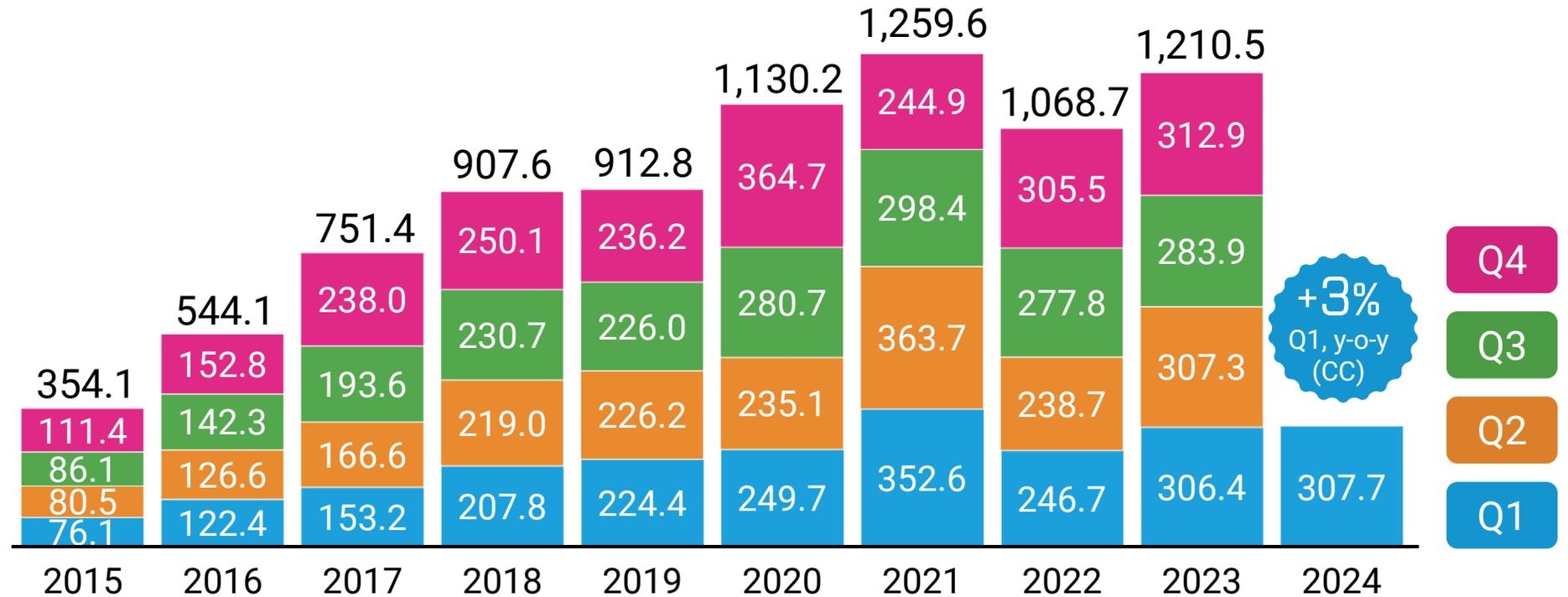
Revenue split LTM

B2B:  
Relax Gaming



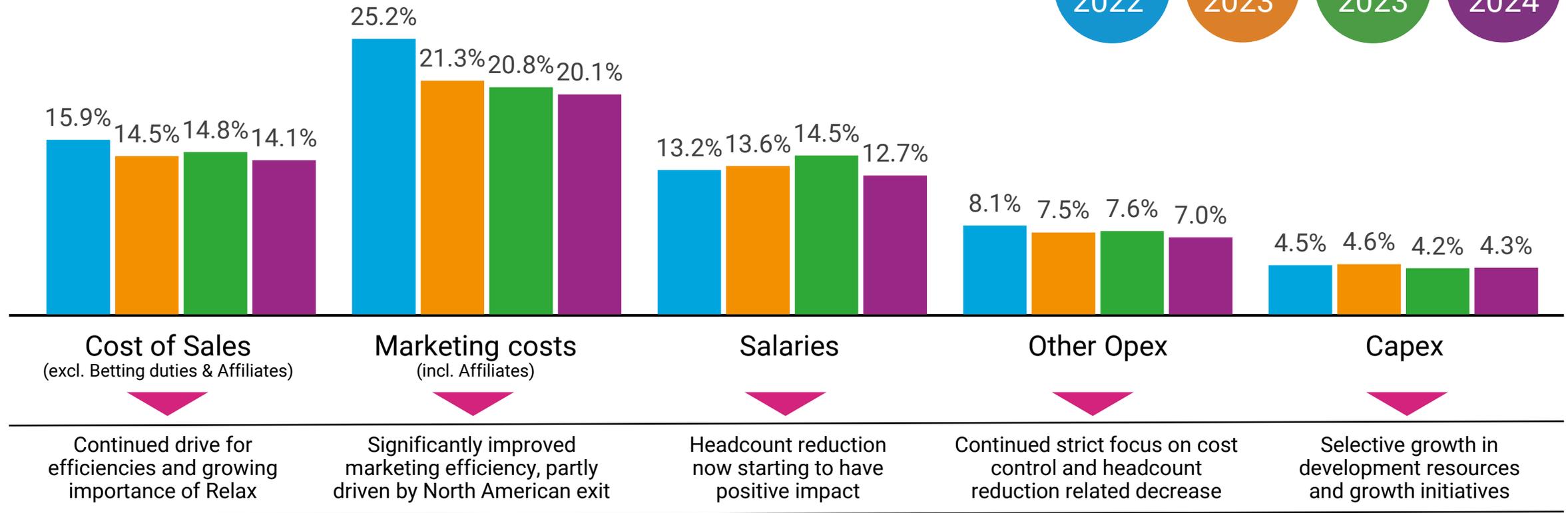
B2C:  
Sports betting,  
Casino & games,  
Poker & Other

Revenue (B2C & B2B)  
GBPm



# Cost optimisation measures are yielding results

Expenses as % of revenue  
M&A impacts historical comparisons

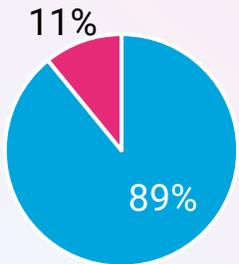


# Increased scalability resulting in the highest underlying EBITDA since 2021

EXCL. NORTH AMERICA, UNDERLYING EBITDA REACHED GBP 60.3M, A MARGIN OF 20%

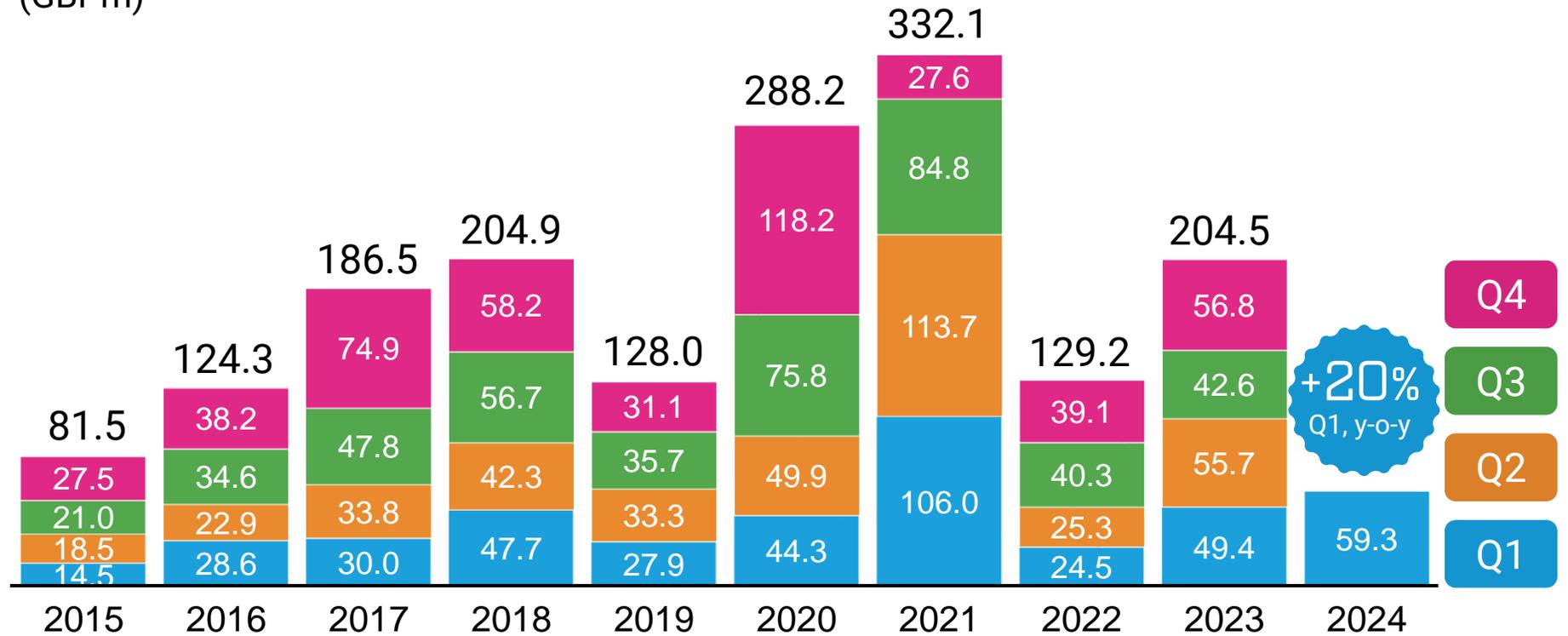
## Underlying EBITDA split, LTM

### Relax Gaming



**B2C:**  
Sports betting,  
Casino & games,  
Poker & Other

## 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

# Q1 2024 P&L FX impact vs Q1 2023

Avg. rate	Q1 2023	Q1 2024	Movement
AUD	1.778	<b>1.928</b>	-8.4%
DKK	8.428	<b>8.706</b>	-3.3%
EUR	1.132	<b>1.168</b>	-3.2%
NOK	12.446	<b>13.332</b>	-7.1%
SEK	12.686	<b>13.171</b>	-3.8%
USD	1.215	<b>1.268</b>	-4.4%

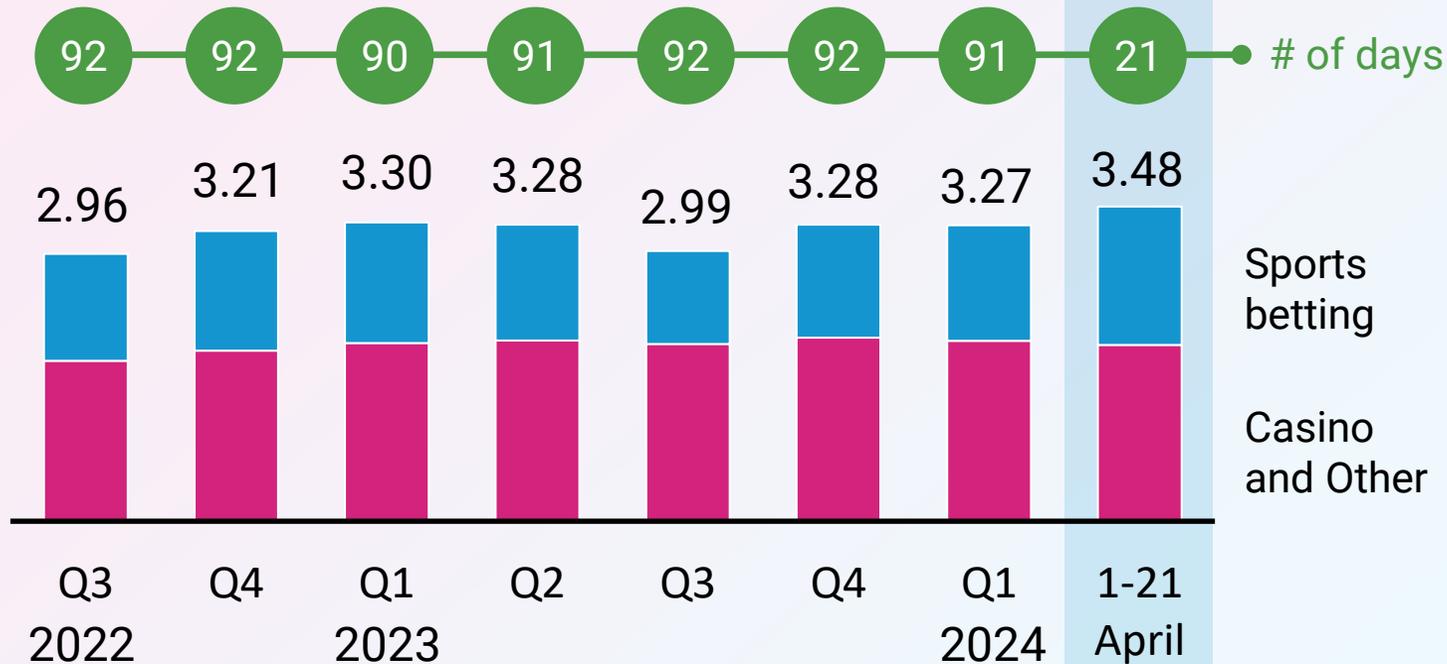
	GBPm
Revenue	-8.6
Cost of sales / Opex	7.0
<b>Underlying EBITDA Q1 2024</b>	<b>-1.6</b>
FX gain on operating items	2.4
Other items below EBITDA	0.2
<b>Profit after tax impact Q1 2024</b>	<b>1.0</b>

Weighted average movement of FX rates had a negative impact on GWR of approx. 3 per cent

# Solid start to Q2 and above average sports betting margin

TRADING UPDATE FOR THE FIRST 21 DAYS OF Q2 2024

The daily average GWR (GBPm)



The average daily GWR (B2C only) for the Group up to and including 21 April 2024 was:

- GBP 3.48m, 6% (8% in constant currency) higher than for the full Q2 2023
- Excluding North America, the increase was 8% (9% in constant currency)
- The sports betting margin for the above period was 11.3%, which is ahead of the Group long-term average of 9.8% and in line with the 11.3% across the full second quarter of 2023

# A solid start to a transformational year

Locally regulated markets share of GWR at an all-time high

Revenue growth of 5% in locally regulated markets excl. North America and locally regulated share of GWR at an all-time high of 84%

Cost reduction initiatives are yielding results

Underlying EBITDA of GBP 59.3m as cost reduction initiatives are being effective. FY 2024 guidance of GBP 250m reiterated

Strategic projects moving forward according to plan

Kindred Sportsbook Platform successfully operational in first live production test market and Otto Casino now launched in Sweden

Relax continues to show strong performance

Our B2B operations show ongoing strength with 6% total revenue growth. Confidence in ability to deliver scalable growth

Solid underlying business operations and eyes set on summer of sports

Strong start to Q2 and a firm focus on growth as we move further into a transformational year

# Q&A



# Contact

Investor Relations

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# Calendar



**26 April 2024**

Annual General Meeting at 10:00 CEST,  
Regeringsgatan 25, Stockholm, Sweden



**24 July 2024**

Q2 2024 will be published at 7.30 CEST



**25 October 2024**

Q3 2024 will be published at 7.30 CEST



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THANK YOU