



kindred

Nils Andén, CEO

Patrick Kortman, Interim CFO

Interim Report

Q2 2024 | 24 JULY 2024

Outline

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02 BUSINESS OVERVIEW

- Q2 PERFORMANCE
 - PRODUCT SEGMENT UPDATE
 - REGIONAL UPDATE
 - NORTH AMERICA
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-

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Highlights

Strong Sportsbook performance drives **growth across most core markets** with Group revenues up 7%

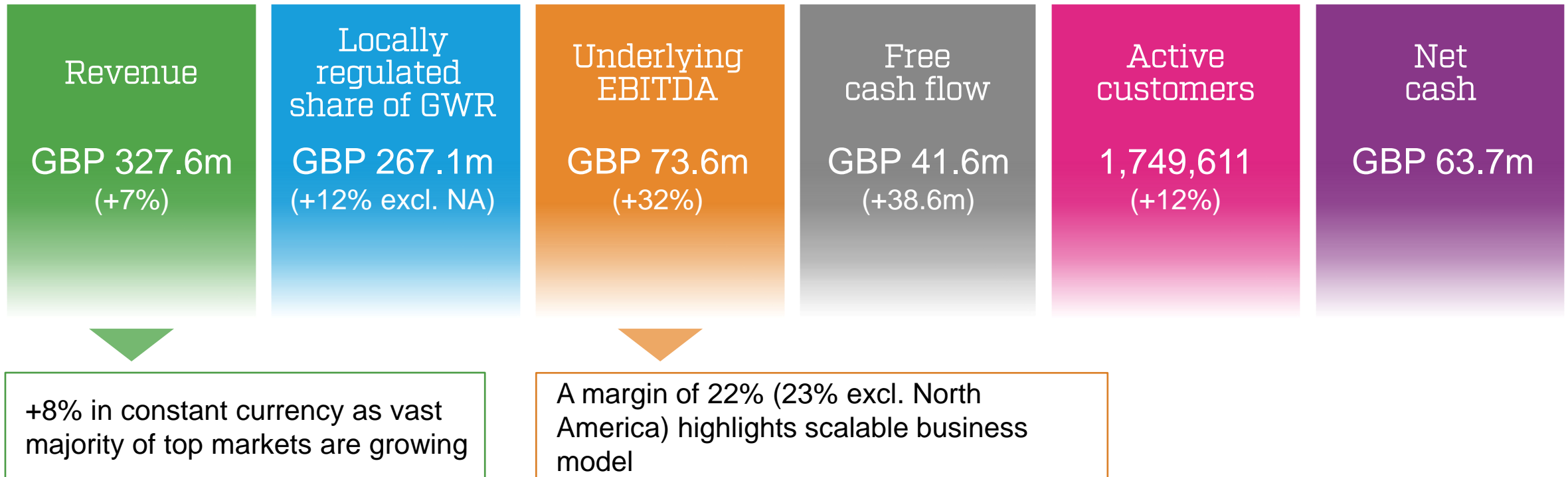
Particularly **strong development** in locally regulated markets with Gross winnings revenue +12% excl. North America

Strong activity throughout the quarter with significant Euro 2024 contribution

Focus on strategic execution and cost management is paying off, with underlying EBITDA at GBP 73.6m (margin of 22%)

Solid performance sets steady path to annual guidance

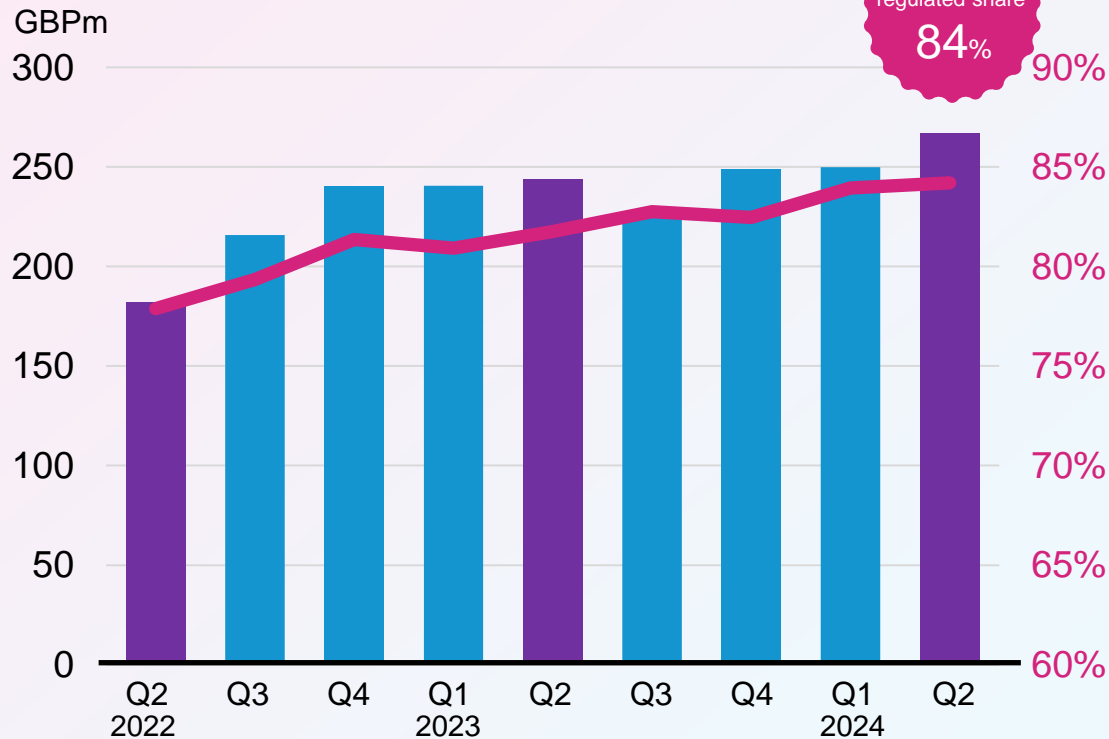
ENCOURAGING GROWTH ACROSS THE MARKET PORTFOLIO
WITH LOCALLY REGULATED SHARE OF GWR AT 84%



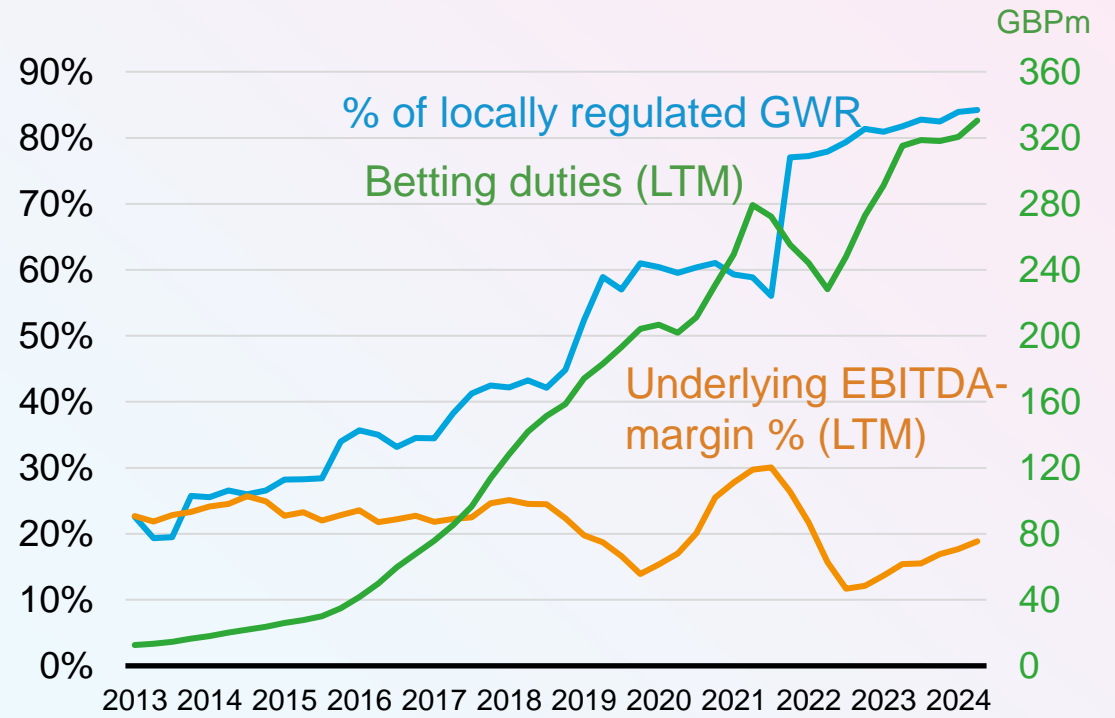
Business overview

Proof of scalability as locally regulated markets outgrow and profitability improves

Locally regulated GWR at an all-time high of GBP 267.1m



Profitability continues to improve, demonstrating the strength of our business model

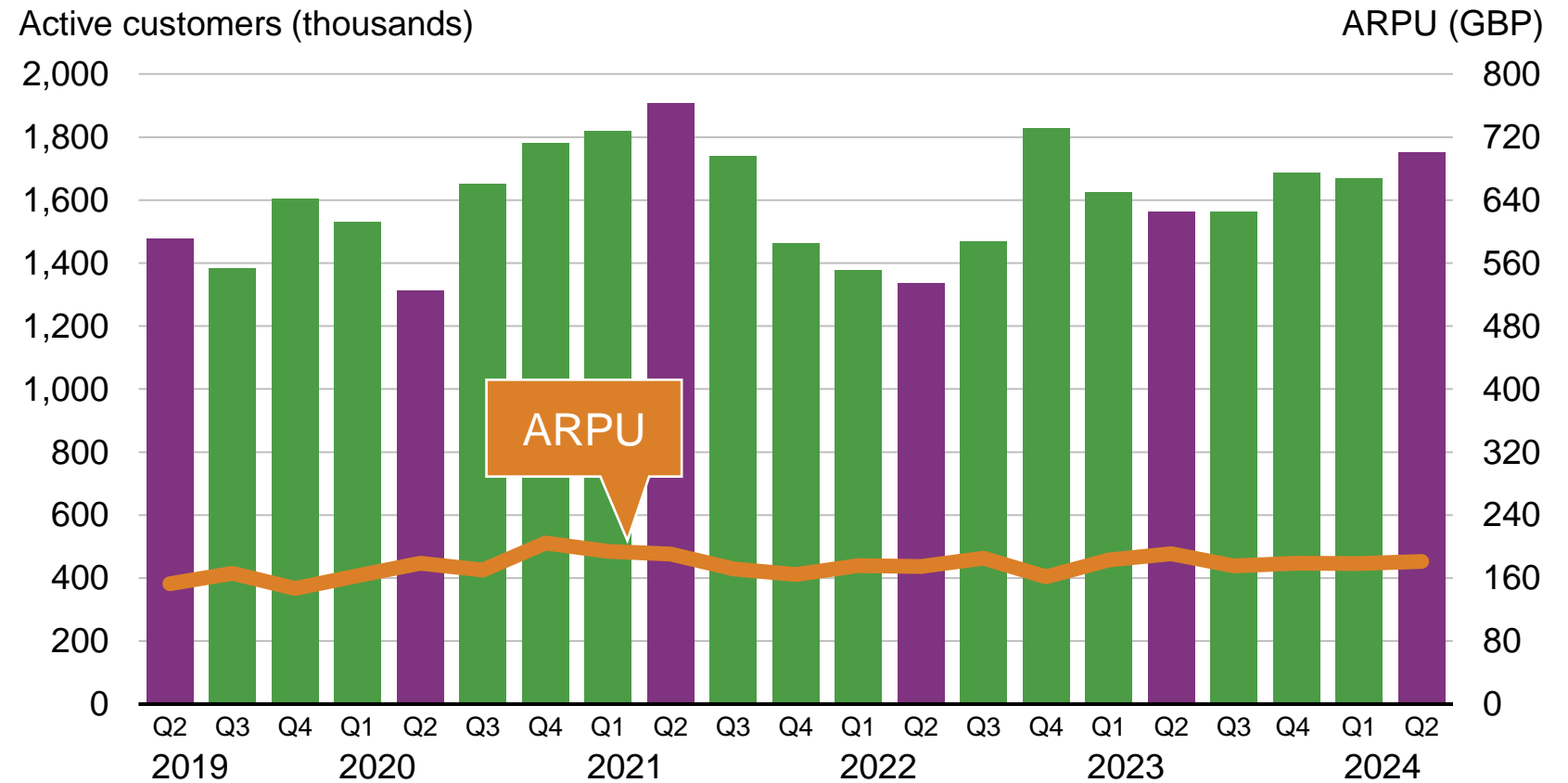


Strong activity across our customer base

Solid growth in active customers of +12% compared to Q2 2023

Supported by the Euro 2024, sports betting actives grew by 21% and casino actives by +6% y-o-y

The ARPU decreased by approx. 6% vs. Q2 2023



Product segment update

Q2 2024, YEAR-ON-YEAR

Sports betting

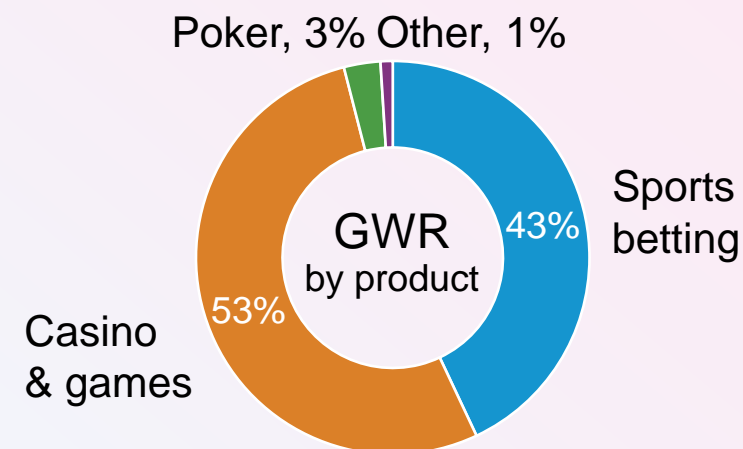
- GWR saw an increase of 18%, supported by a busy sports calendar and the Euros tournament bringing good activity and favourable results
- Kindred Sportsbook Platform progressing according to plan

Casino & games

- GWR decreased by 2% but increased by 1% excluding North America
- Strong performance for Western Europe markets is offset by weaker performances across Nordics, CES and Other regions

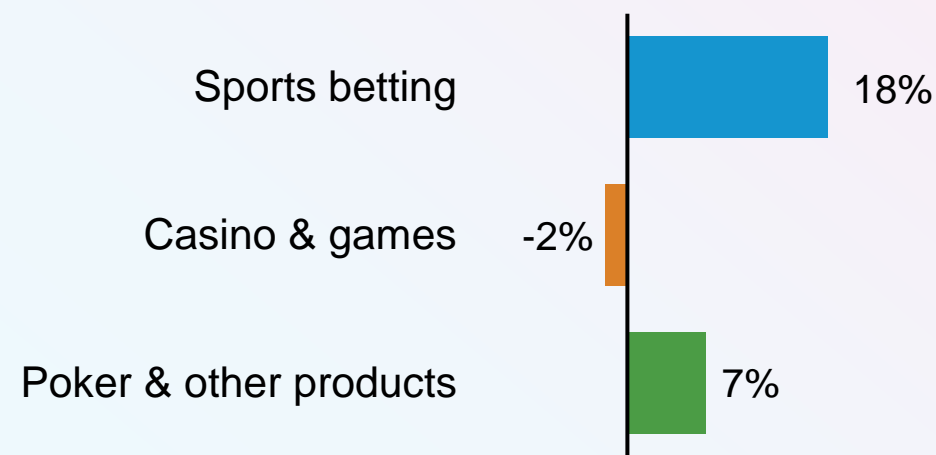
Poker and other products

- GWR increased by 7% with both product segments reporting growth
- Poker grew by 10%, supported by good development in number of actives in France



GWR year-on-year growth

(as reported in GBP)



Euro 2024

– highest tournament revenue ever

Highlights

- 16 per cent increase in revenue vs World Cup 2022
- Sports betting margin before free bets at 19.7%, driven by high margin product focus
- Bet Builder & traditional multi-bets represented 62 per cent of total Euro 2024 revenue
- Significant rise in Player Prop betting (driven by Bet Builder) provided improved margin stability throughout the tournament
- The percentage of multi product players increased compared to previous tournaments

Tournament statistics

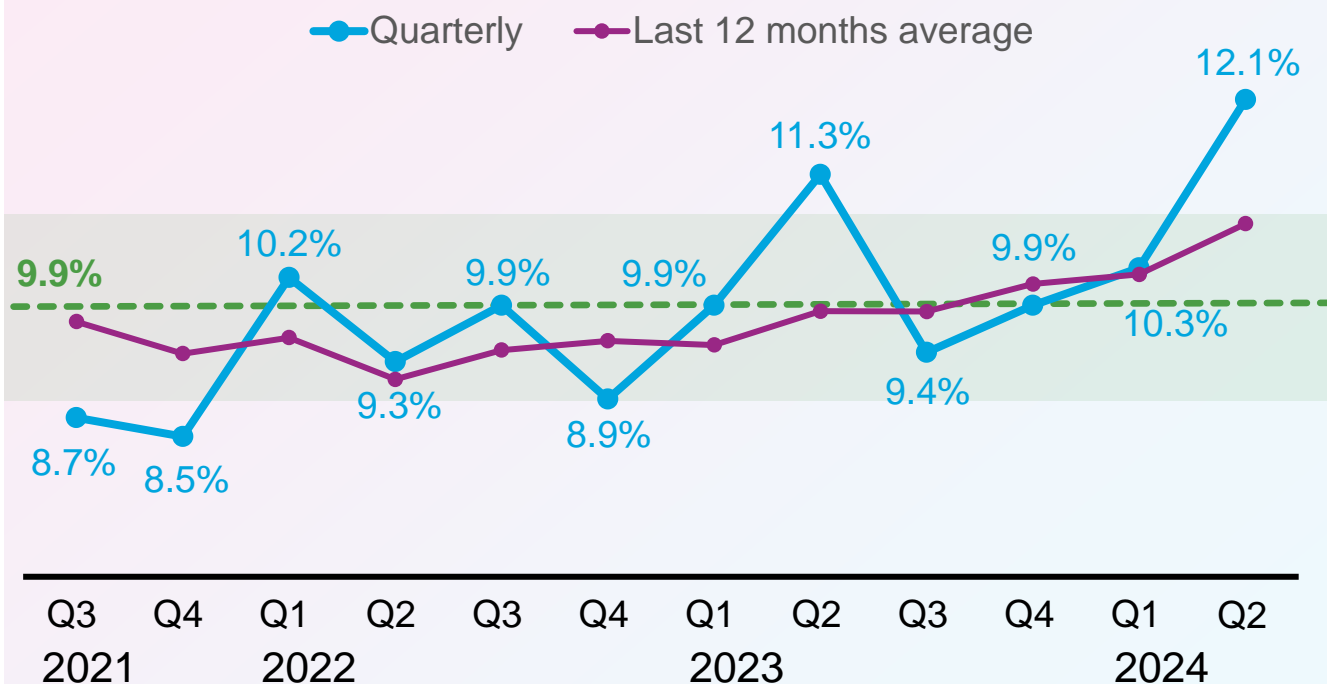
2024

Turnover (GBPm)	June	123.6
	July	66.0
	Total	183.6
Gross Win excl. free bets (GBPm)	June	29.8
	July	6.4
	Total	36.2
Sport betting margin before free bets	June	24.1%
	July	10.6%
	Total	19.7%

Strong sports betting margin throughout the quarter

SPORTS BETTING MARGIN AFTER FREE BETS AT 12.1% IN Q2 24, UNDERPINNED BY A FAVOURABLE EURO 2024

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



- Sports betting margin of 12.1% after free bets vs 11.3% during the same period last year
- The weighted average long-term sports betting margin (since Q3 2021) after free bets is 9.9%
- Market and product mix, in the latter part of the quarter impacted by the Euros, offer support for the margin
 - Strong performance in France and a further shift towards high-margin products, such as Bet Builder, contributed to an increased sports betting margin in the quarter

Regional update

Q2 2024, YEAR-ON-YEAR

Western Europe

- GWR increased by 16%, driven by continued strong performance in the Netherlands alongside return to growth in France and Belgium
- The Netherlands grew by 17% in local currency and GWR in France and Belgium increased by 41% and 12% respectively, linked to increased sports betting activity

Nordics

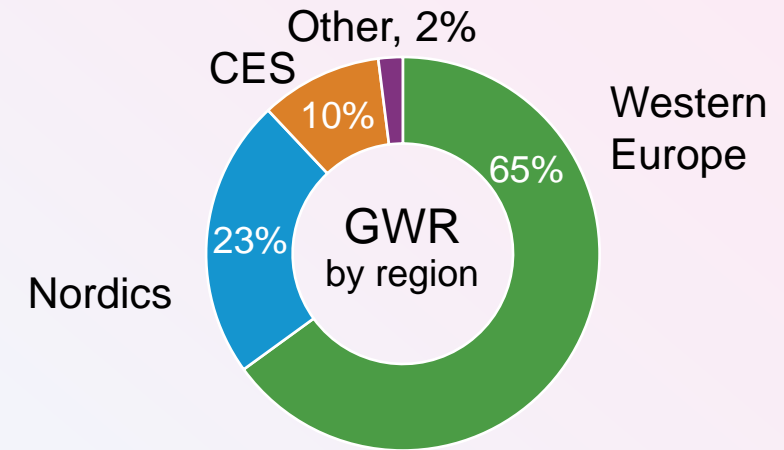
- GWR was flat as an increase in sports betting was offset by weaker performance in the other product segments

Central, Eastern and Southern Europe (CES)

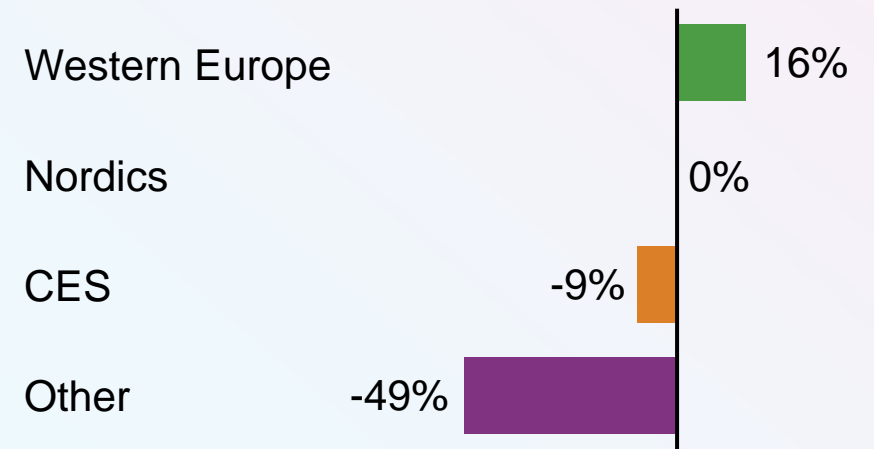
- GWR declined by 9%. Romania continues to demonstrate positive development while the remaining markets showed a decline

Other

- GWR decreased by 49%, driven by the closure of the North American operations



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



North American exit operationally complete

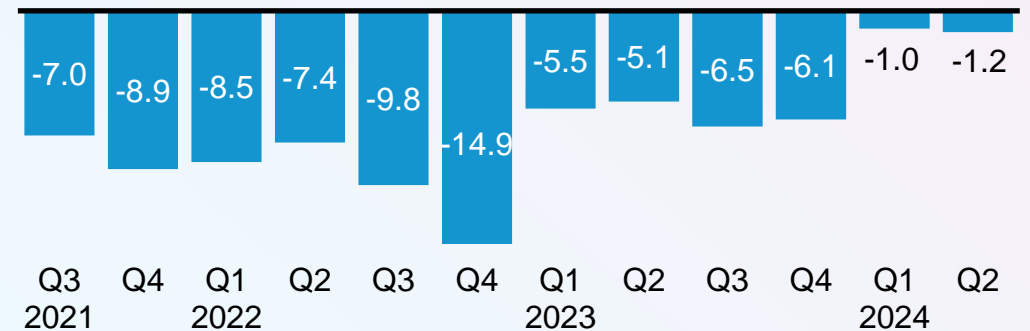
- In Q2 24, GWR for the North American market amounted GBP 2.2m, representing a decline of 73 per cent in constant currency, aligned with internal expectations given the closure of operations
- Loss in underlying EBITDA 1.2m vs. GBP 5.1m in Q2 23 after significant reduction in marketing spend and operational expenditure

North America operations Q2 2024, GBPm

GWR	2.2
CoS	-2.3
Marketing	-0.1
Admin expenses	-1.0
Underlying EBITDA	-1.2

North America Underlying EBITDA development

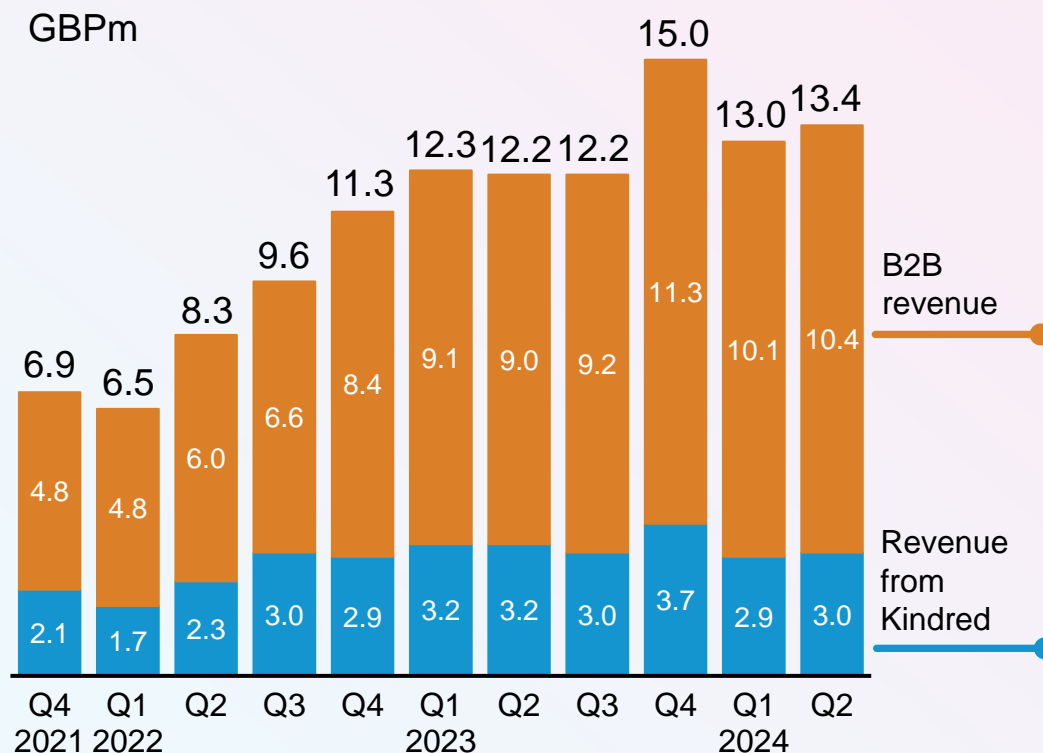
GBPm



Relax Gaming continues to show solid growth

- Revenue growth of 10 per cent to GBP 13.4m. B2B revenue amounted to GBP 10.4m (+16% y-o-y)
- Growth continues to be driven by broader distribution of Relax Gaming's own content, successful new game launches and market expansion
- Q2 gross profit contribution of GBP 10.8m (compared to GBP 10.1m in Q2 2023)
- Underlying EBITDA contribution: GBP 4.5m, representing a 41% margin on Relax B2B revenue (34% on total)
- Increase in operating expenses to strengthen team in preparation for future growth
- Following the acquisition of minority interest shares in the quarter, Kindred's ownership of Relax Gaming is now over 99 per cent

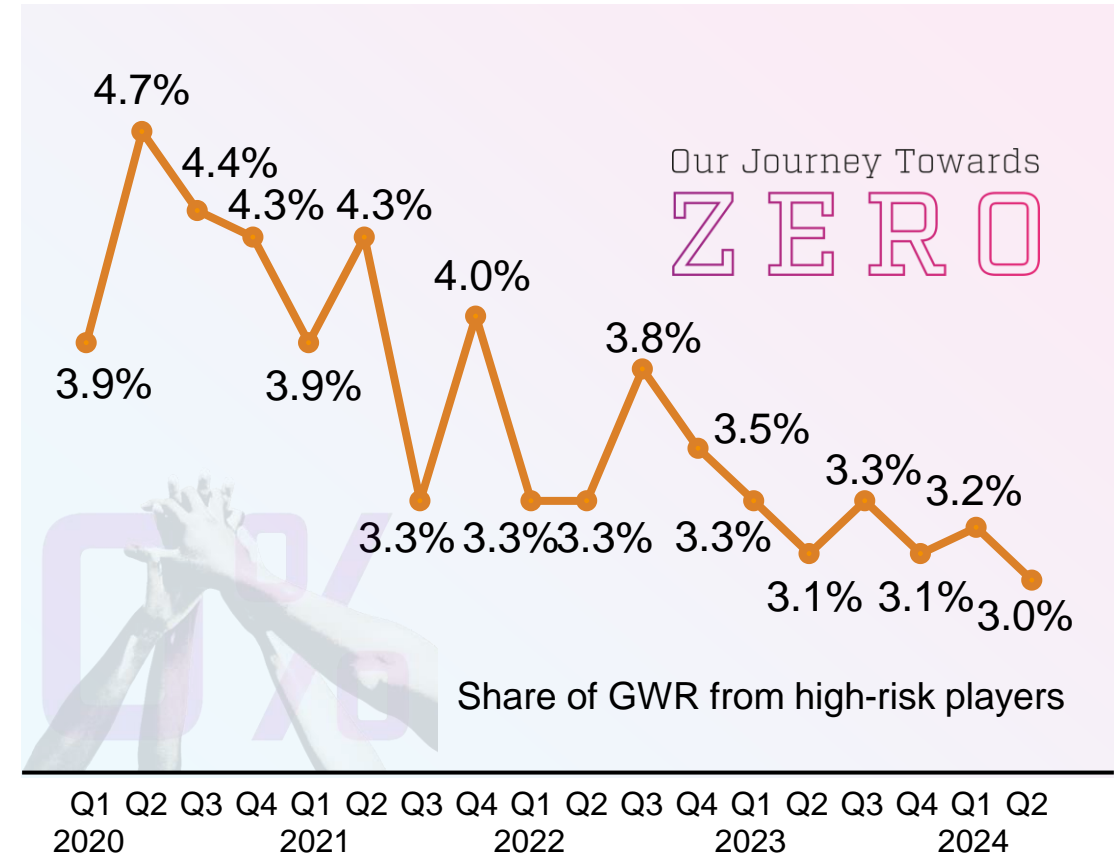
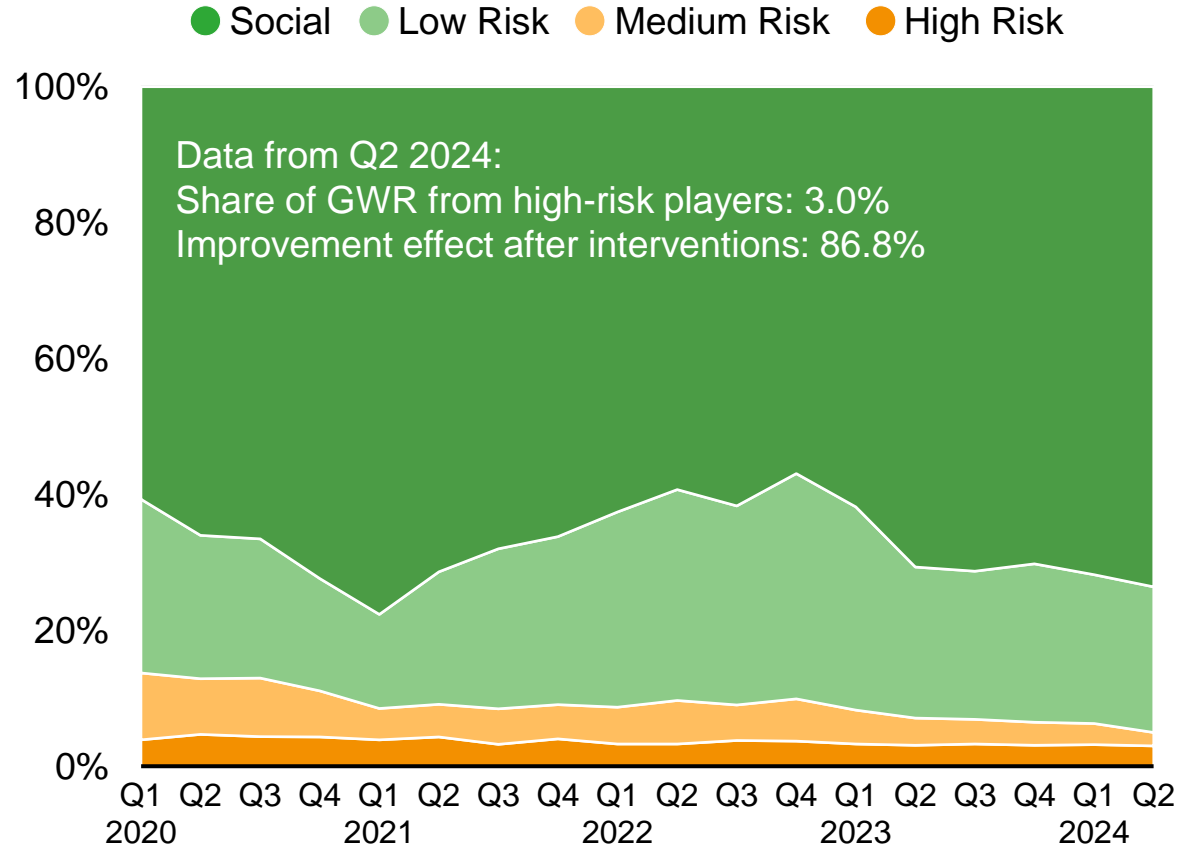
Relax total revenue development*



* 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

Firm focus on our Journey towards Zero

OUR DIALOGUE WITH STAKEHOLDERS AND REGULATORS CONTINUES



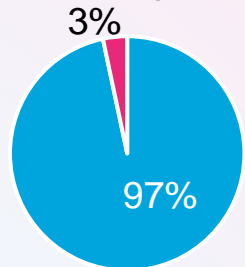
Financials

Solid revenue growth driven by locally regulated markets

GWR IN LOCALLY REGULATED MARKETS EXCL. NORTH AMERICA +12% Y-O-Y IN Q2 2024

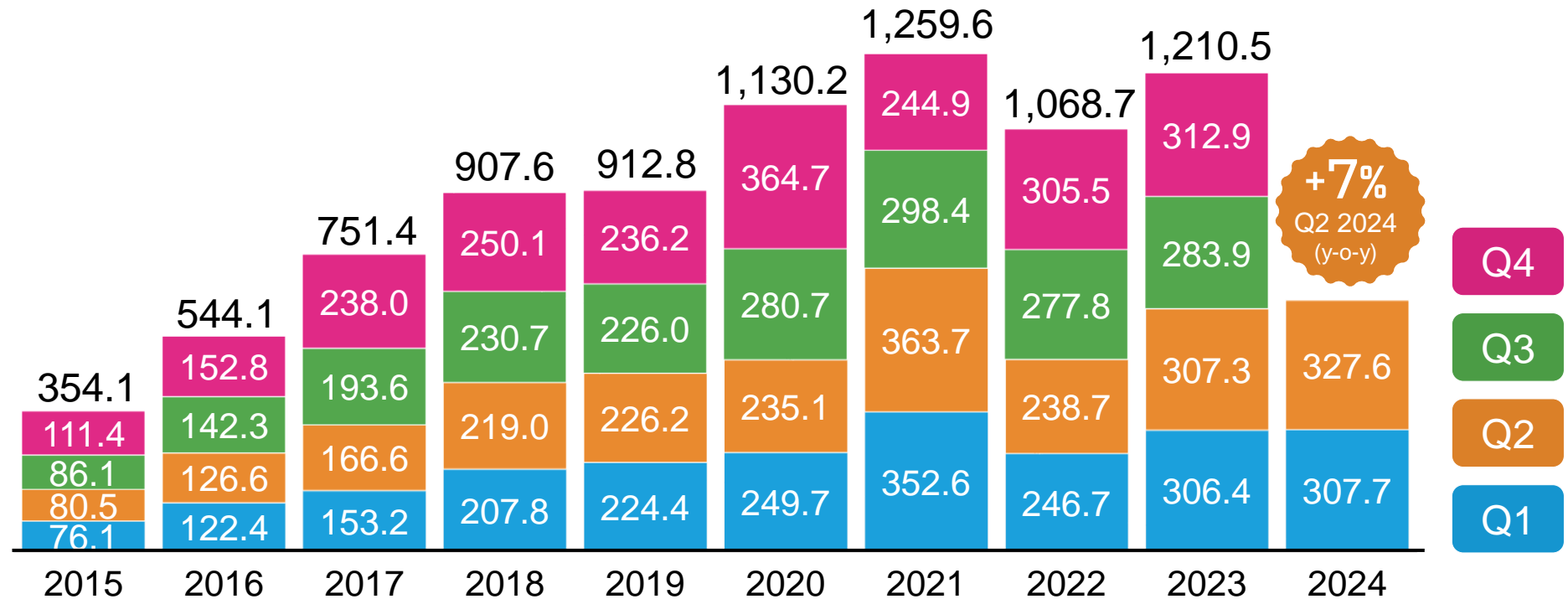
Revenue split
LTM

B2B:
Relax Gaming
3%



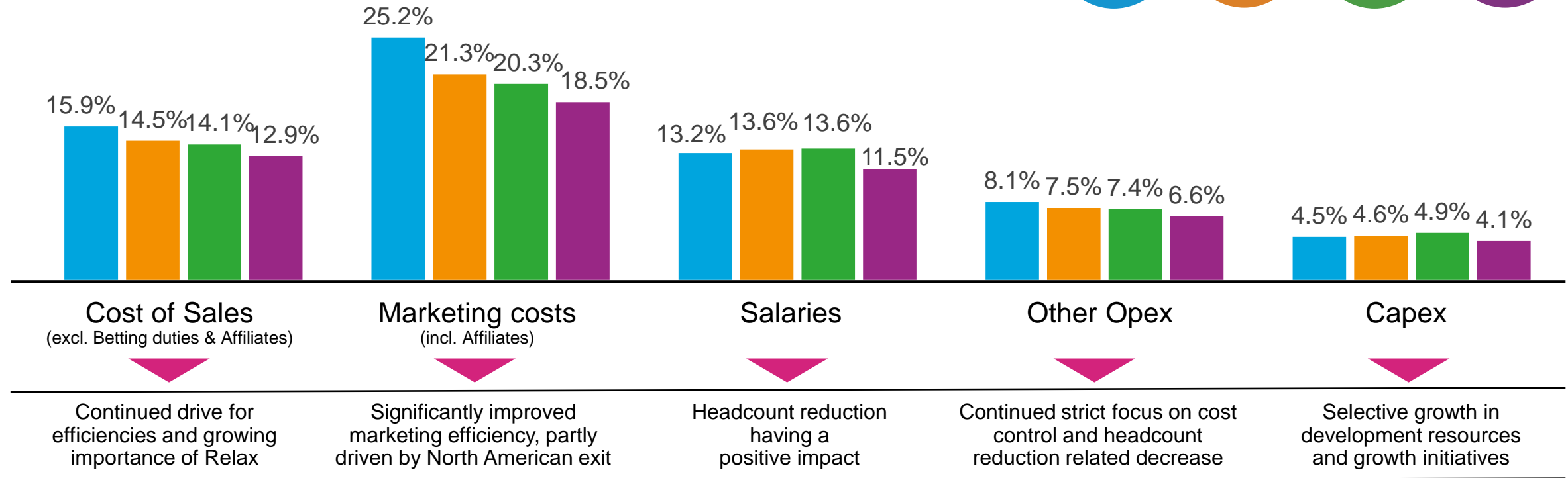
B2C:
Sports betting,
Casino & games,
Poker & Other

Revenue (B2C & B2B)
GBPm



Demonstration of disciplined approach to cost

Expenses as % of revenue
M&A impacts historical comparisons



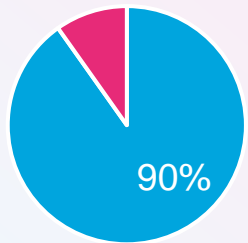
Significant profitability increase highlights scalability of business model

UNDERLYING EBITDA REACHED GBP 73.6M, CORRESPONDING TO A MARGIN OF 23% EXCL. NORTH AMERICA

Underlying EBITDA split, LTM

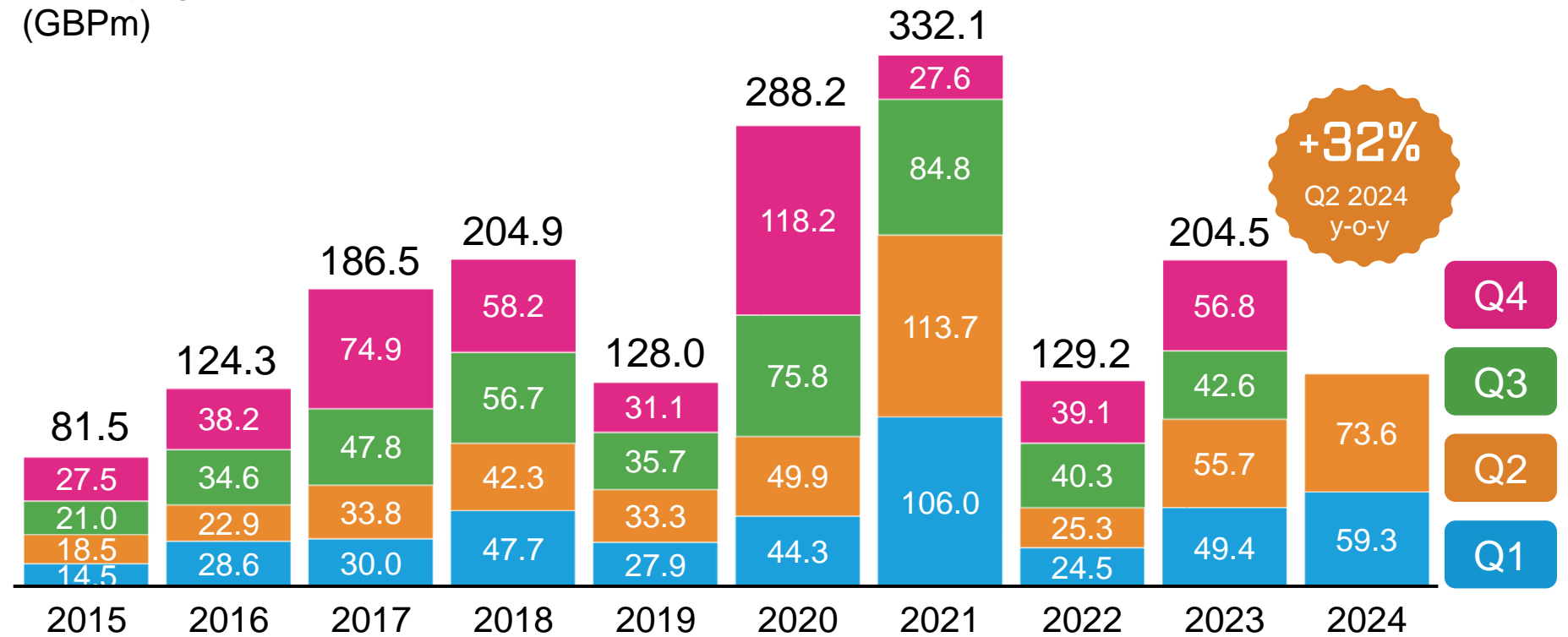
Relax Gaming

10%



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

Q2 2024 P&L FX impact vs Q2 2023

Avg. rate	Q2 2023	Q2 2024	Movement
AUD	1.874	1.915	-2.2%
DKK	8.567	8.745	-2.1%
EUR	1.150	1.172	-1.9%
NOK	13.407	13.568	-1.2%
SEK	13.186	13.489	-2.3%
USD	1.252	1.262	-0.8%

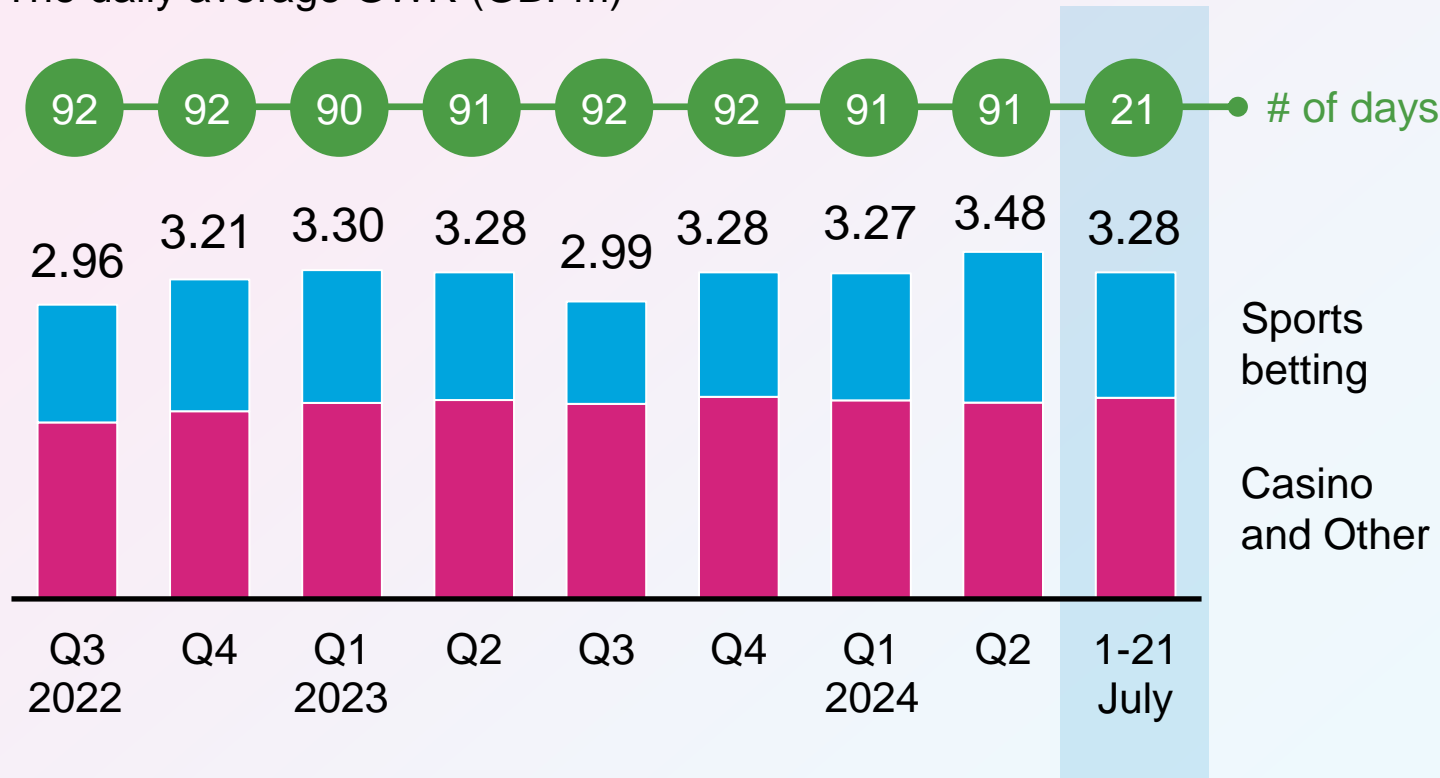
	GBPm
Revenue	-5.7
Cost of sales / Opex	4.3
Underlying EBITDA Q2 2024	-1.4
FX gain on operating items	0.9
Other items below EBITDA	0.1
Profit after tax impact Q2 2024	-0.4

Weighted average movement of FX rates had a negative impact on GWR slightly below 2 per cent

Solid start to Q3 amidst summer of sport

TRADING UPDATE FOR THE FIRST 21 DAYS OF Q3 2024

The daily average GWR (GBPm)



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

- GBP 3.28m, 10% (11% in constant currency) higher than for the full Q3 2023
- Excluding North America, the increase was 12% (14% in constant currency)
- The sports betting margin for the above period was 10.6%, which is ahead of the Group long-term average of 9.9% and the 9.4% across the full third quarter of 2023

Solid performance sets steady path towards annual guidance

Solid revenue growth and strong locally regulated markets performance

Revenue growth of +7% as all product segments show growth and Gross winnings revenue in locally regulated markets reaches an all-time high

Euro 2024
– highest tournament revenue ever

16% increase in revenue vs World Cup 2022. High margin product focus driving strong sport betting margin

Robust growth in underlying EBITDA highlights scalable business model

Underlying EBITDA of 73.6m representing 22% margin (23% excl. North America)

Continued strong performance in Relax Gaming

Our B2B operations continues to go from strength to strength with 16% revenue growth. Building for future growth

Reaffirmation of full year underlying EBITDA to reach GBP 250m

Disciplined execution and strategic market focus positions us well for continued success

Q&A

Contact

Investor Relations

✉ ir@kindredgroup.com

Calendar



25 October 2024

Q3 2024 will be published at 7.30 CEST



12 February 2025

Q4 2024 will be published at 7.30 CET



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THANK YOU