



Henrik Tjärnström
CEO

Q1 2022 | 28 April 2022

Outline

Q1 2022 highlights

Business overview

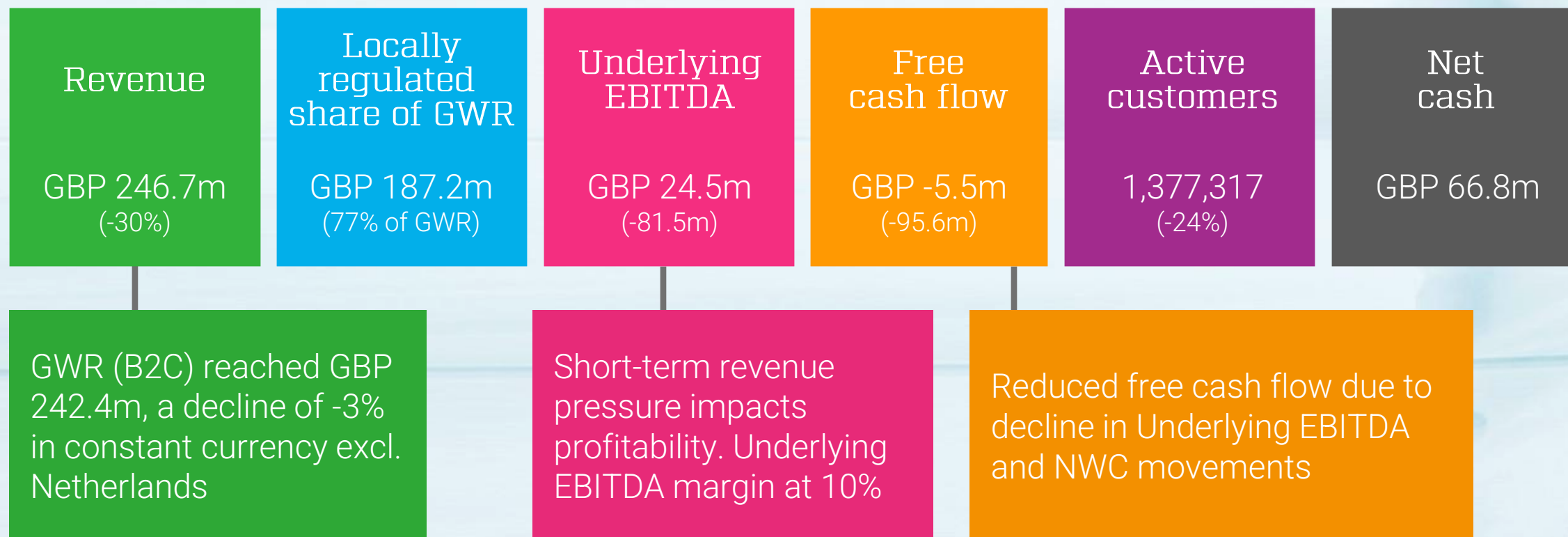
- Q1 performance
 - Focus on locally regulated markets
 - Product segment update
 - Regional update
 - North America
 - Relax
 - Sustainability
-

Summary

Transition towards locally regulated markets continues



The decision to cease activity in the Netherlands and tough comparatives led to a substantial topline decline which has reduced our short-term profitability

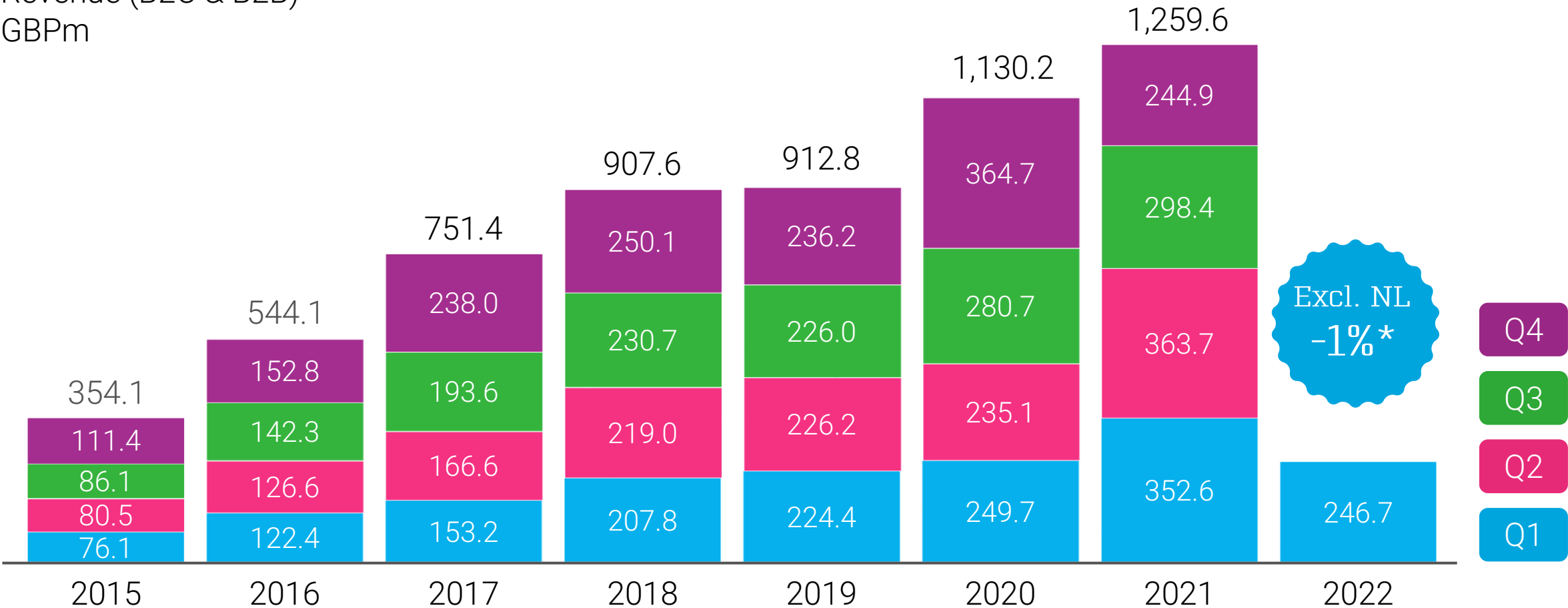


Decline in revenue against tough comparatives



Ceased operations in Netherlands and lower sportsbook revenues provide significant short-term revenue pressure

Revenue (B2C & B2B)
GBPm



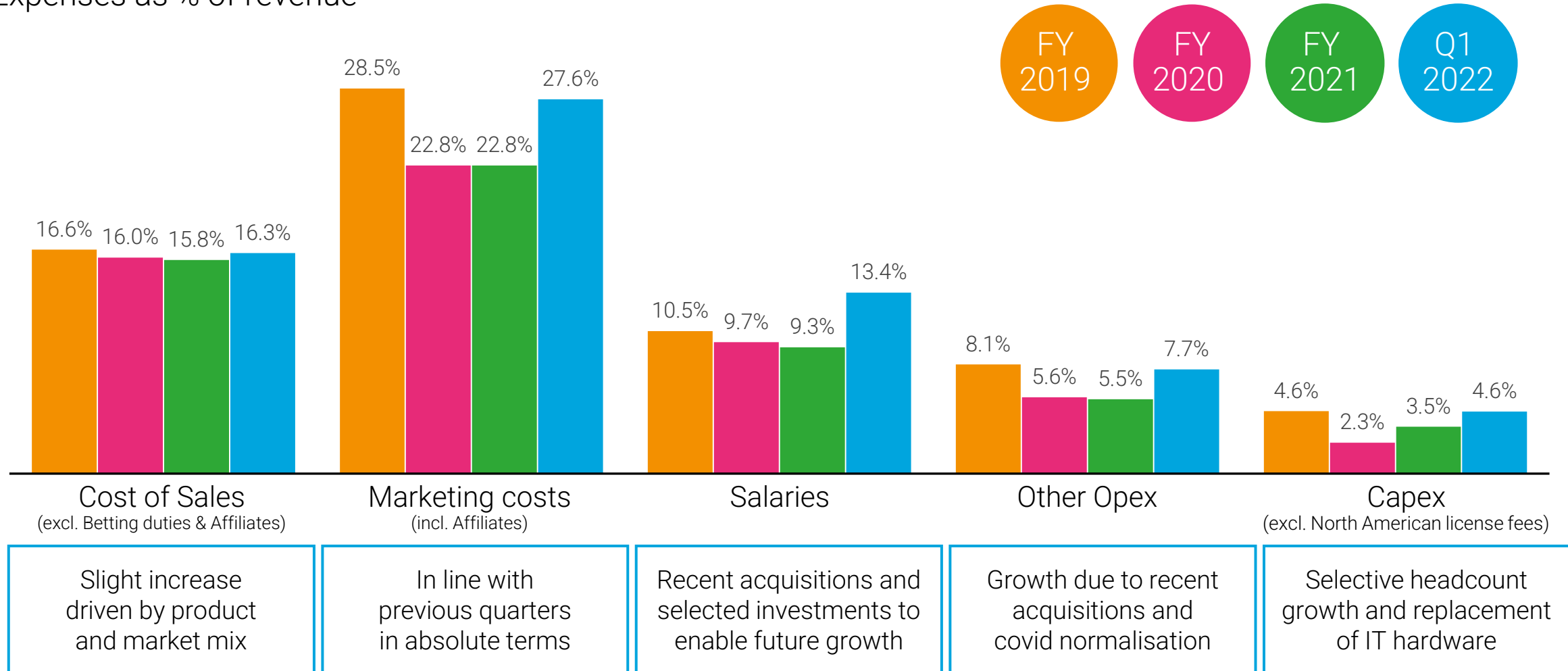
* Year-on-year revenue decline excl. Netherlands in constant currency

Short term revenue pressure impacts margins



Exit from Netherlands and recent acquisitions impact historical comparison

Expenses as % of revenue



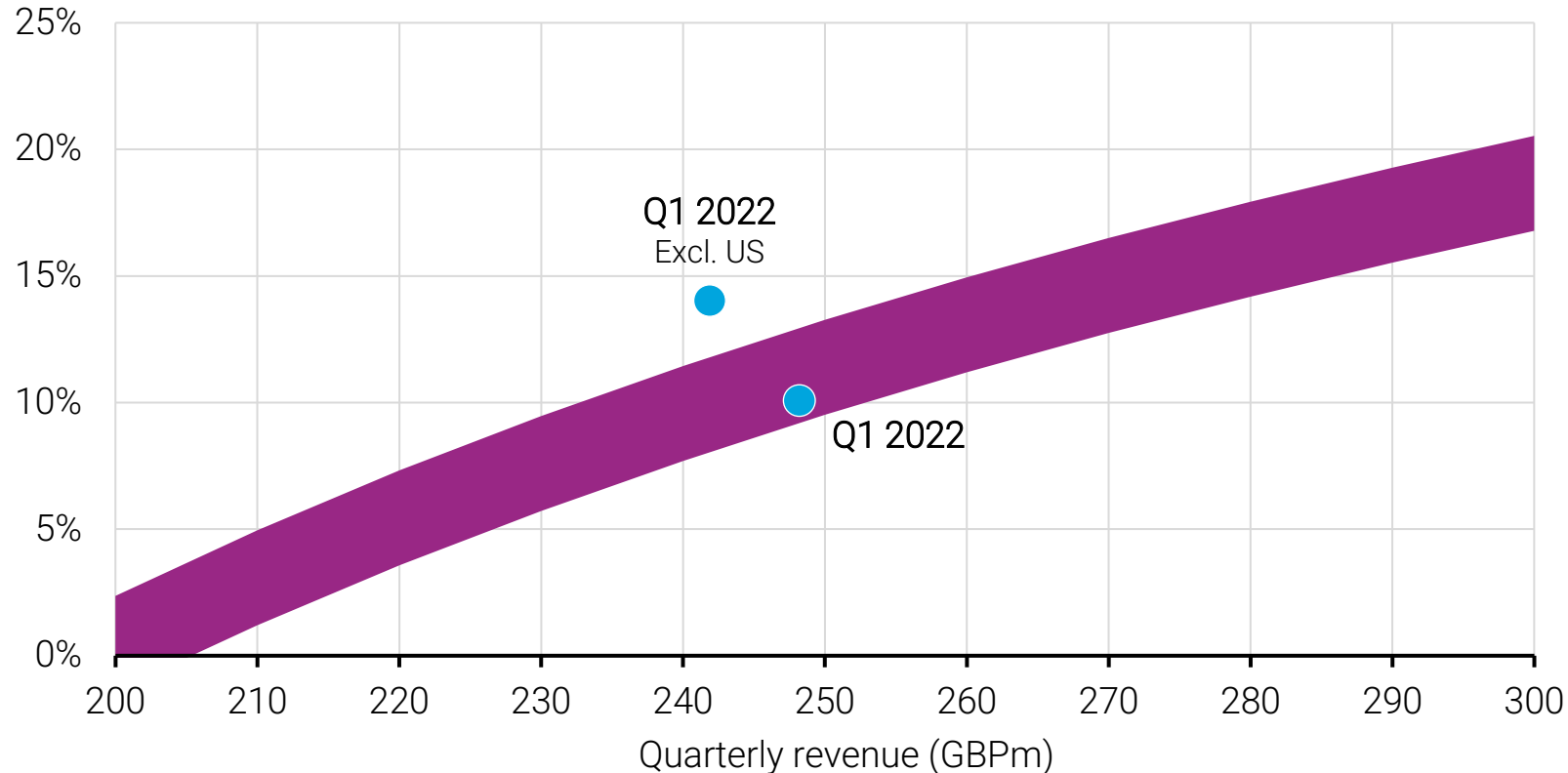
Current scalability illustration



A visualisation of current scalability, not to be interpreted as a forward-looking guidance

Illustration of scalability with current cost base
and ceased activity in the Netherlands

Underlying EBITDA margin



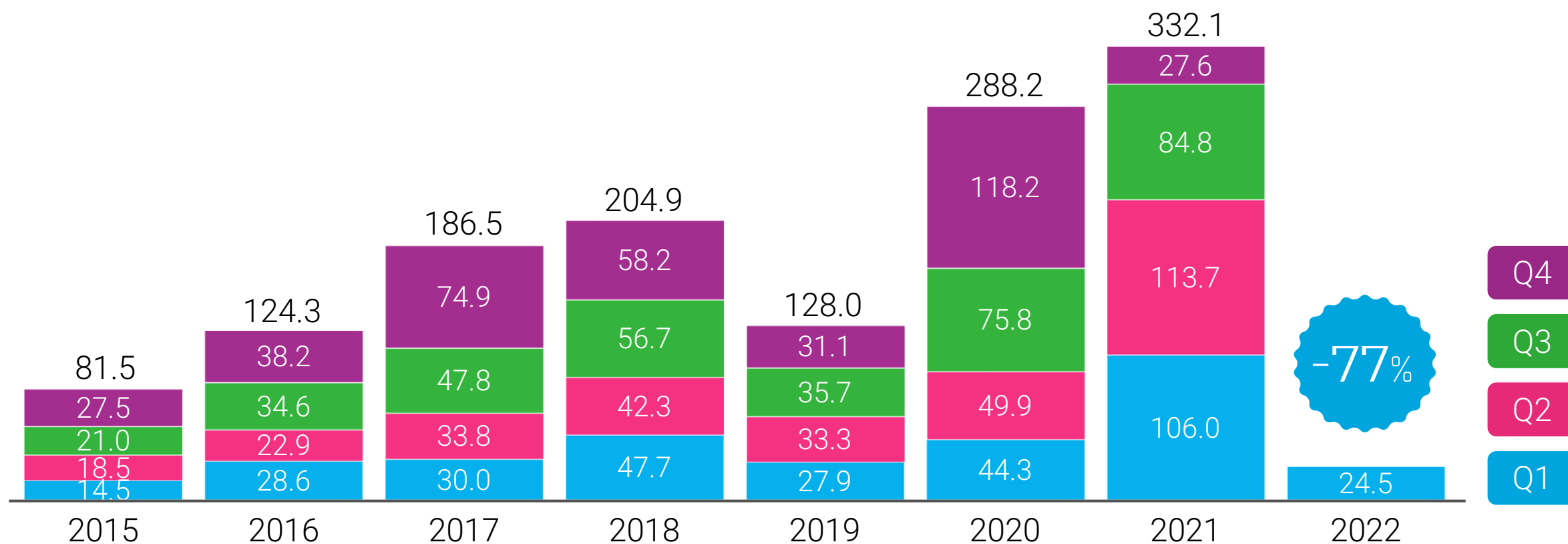
- Temporary top-line pressure reduces our profit margin in the short-term
- Costs for Netherlands currently carried in the P&L without any revenue contribution
- Increased focus to improve scalability:
 - Drive broader cost optimisation
 - Improved marketing efficiency
 - Optimisation of US investments
 - Enter the Dutch market
- Strategic investments in Relax and KSP will improve long-term scalability



Significant decline in underlying EBITDA

Excluding the US, underlying EBITDA in Q1 2022 reached approx. GBP 33.6m

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 2022 P&L FX impact vs Q1 2021

Avg rate	Q1 2021	Q1 2022	Movement
AUD	1.785	1.852	-3.8%
DKK	8.509	8.896	-4.5%
EUR	1.144	1.196	-4.5%
NOK	11.738	11.866	-1.1%
SEK	11.577	12.531	-8.2%
USD	1.379	1.341	2.8%

Weighted average impact of FX rates on GWR was a negative impact of approx. 4%

	GBPm
Revenue	-9.4
Cost of sales / Opex	7.4
FX loss on operating items	-0.5
EBITDA FX impact Q1 2022	-2.4
Other items below EBITDA	0.4
Profit before tax impact Q1 2022	-2.0

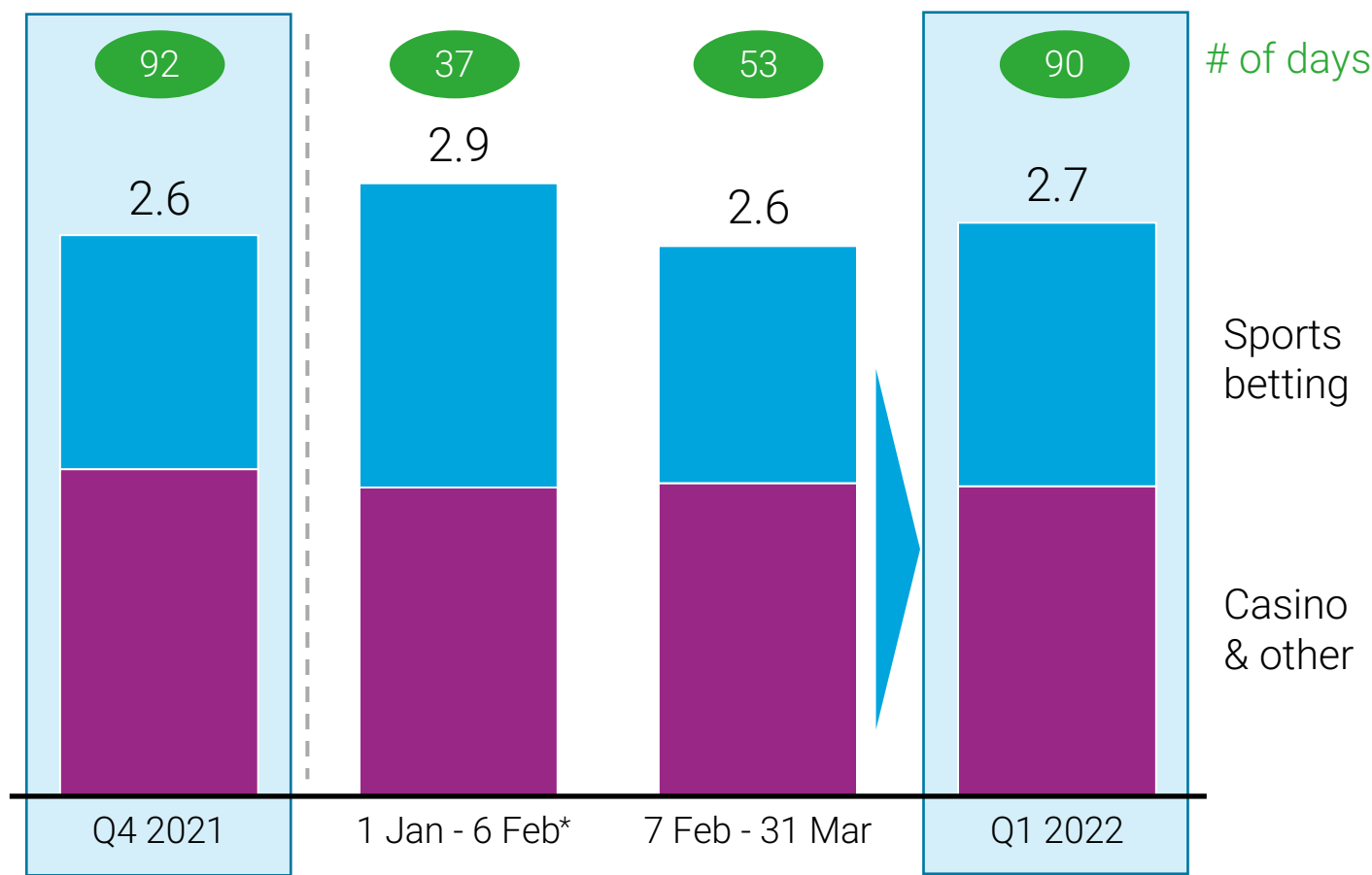


Business overview

Q1 performance was two-folded with a solid start and weaker finish



The daily average GWR during Q1 2022 (GBPm)



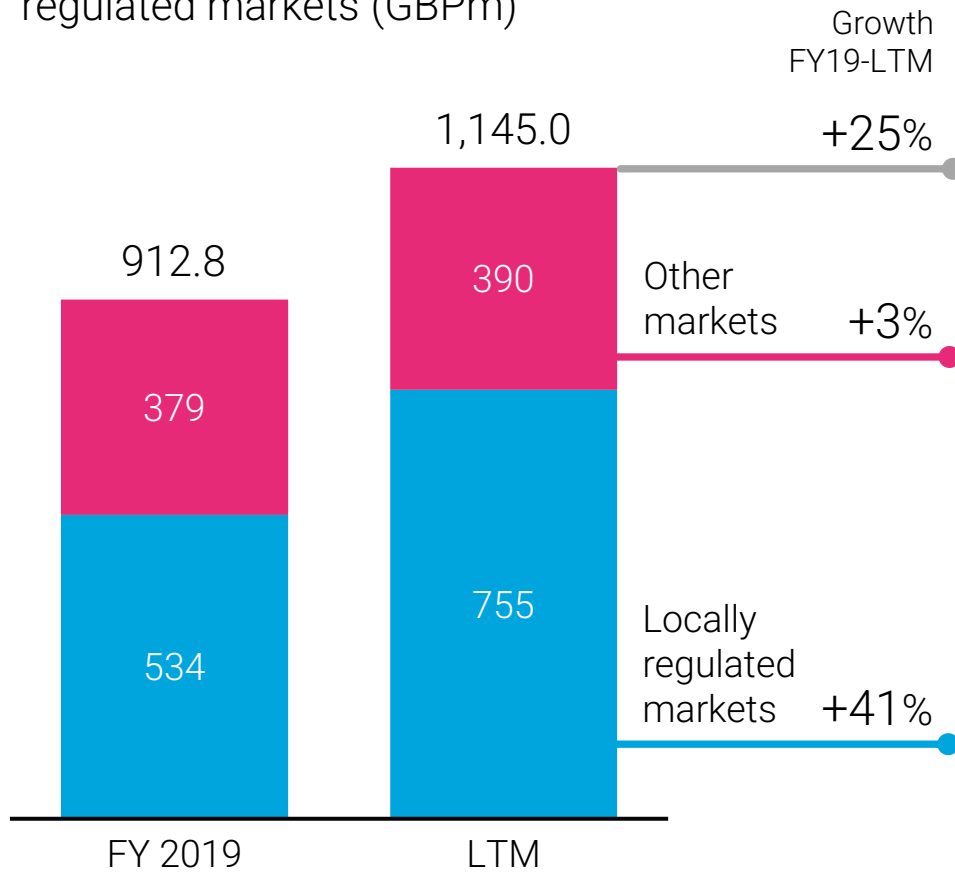
- Solid start to Q1 up until 6 February 2022 with daily average GWR of around GBP 2.9m
- Stable casino performance throughout the quarter
- Sports betting had a good start, supported by sports betting margin above the long-term average
- Towards the end of the quarter, sports betting activity slowed down and the margin normalised
 - Low activity during the international weeks with only 6 World Cup qualifier fixtures in Q1 2022 vs. 75 fixtures during Q1 2021

*Trading update in connection with Q4 2021 report

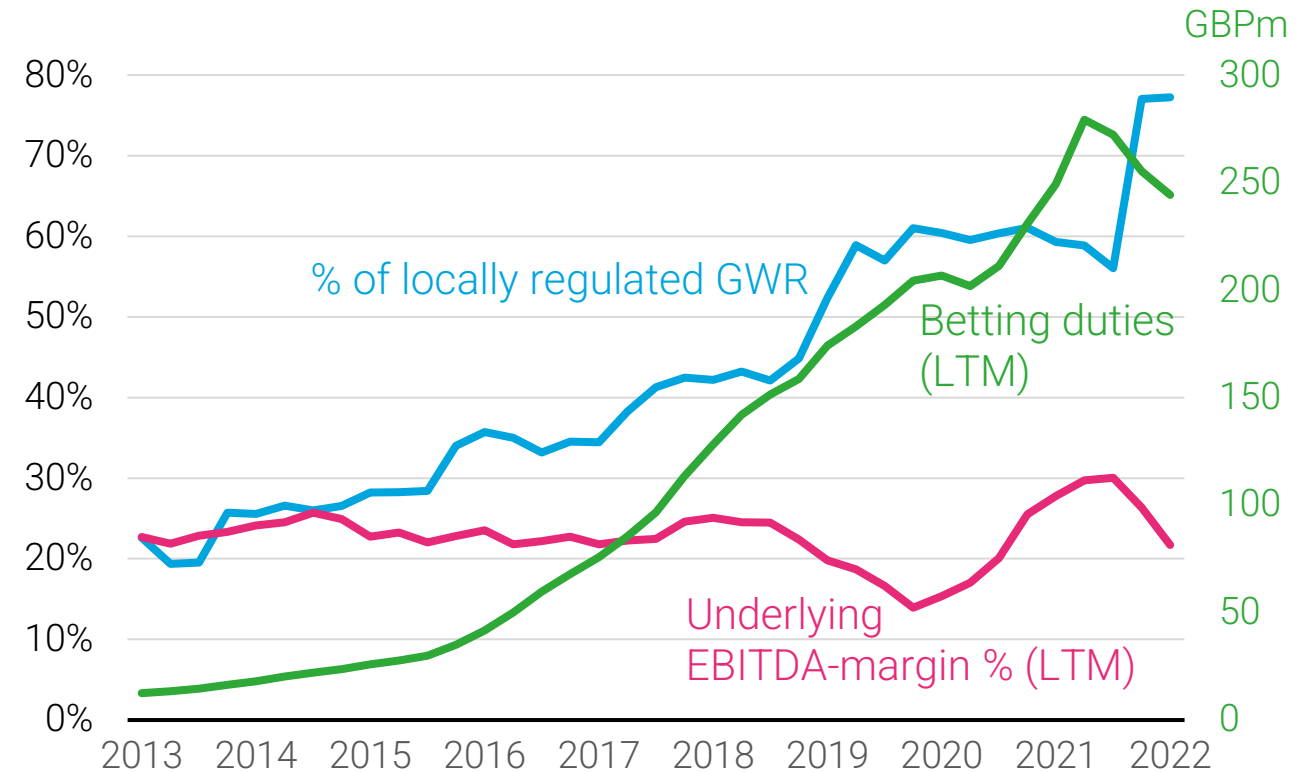


Share of locally regulated GWR at 77%

Strong GWR growth in locally regulated markets (GBPm)



Transition towards locally regulated markets continues - stable long-term profit margins despite short-term regulatory headwinds

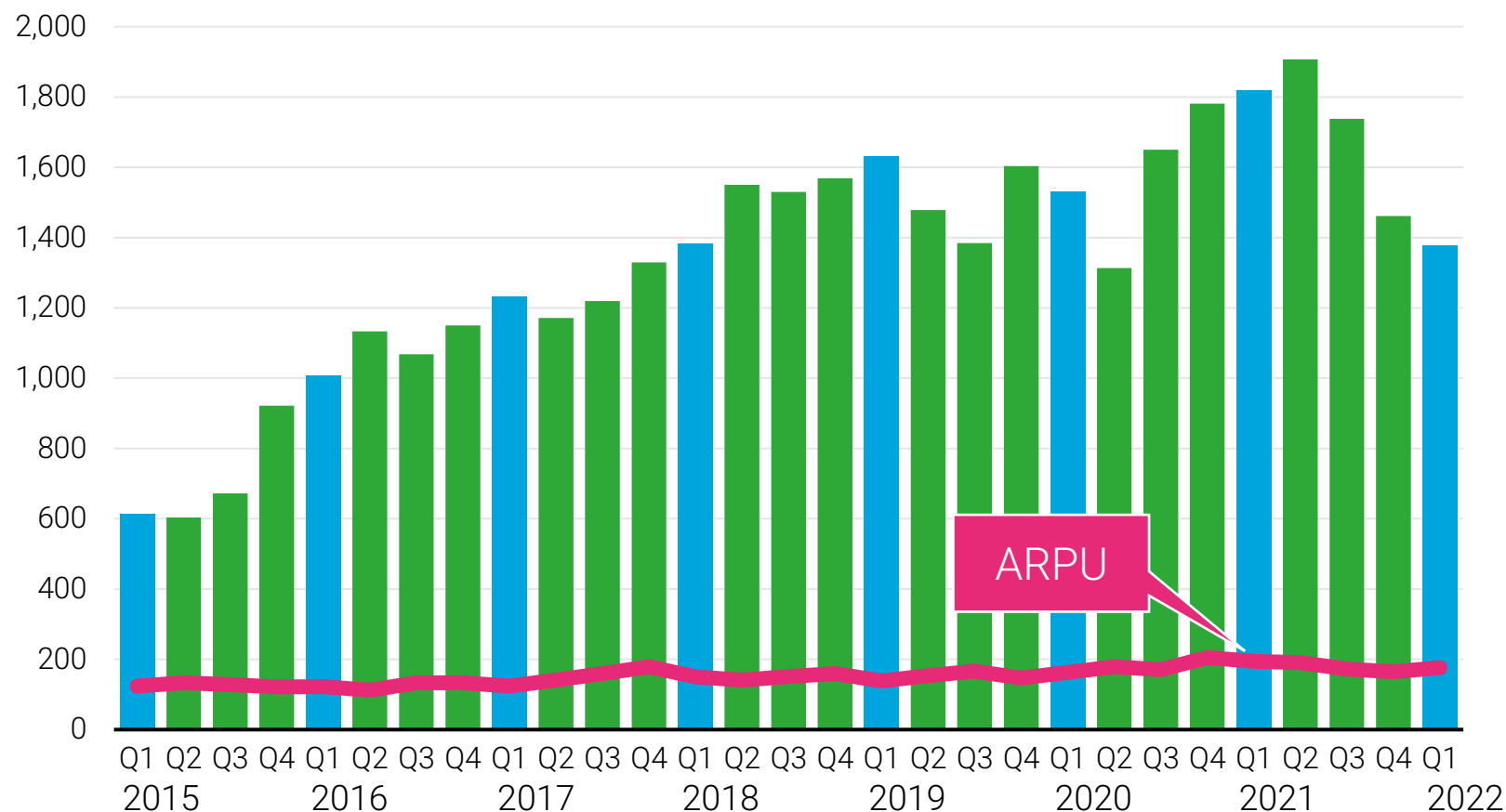


Actives adversely impacted by the temporary Dutch closure



- Number of active customers amounted to approx. 1.38 million, a 24% decrease compared to Q1 2021
- Expected decrease as a result of the closure of services to Dutch residents
- The ARPU remained broadly in line with Q4 2021 but showed approx. 10% decline vs. Q1 2021

Active customers ('000)/
ARPU (GBP)



Product segment update

[Year-on-year]

Sports betting

- GWR 30% behind tough comparatives, adversely impacted by ceasing of Dutch activity, but a 10% increase sequentially
- Kindred's proprietary racing product contributed 9% to the total sports betting GWR

Casino & games

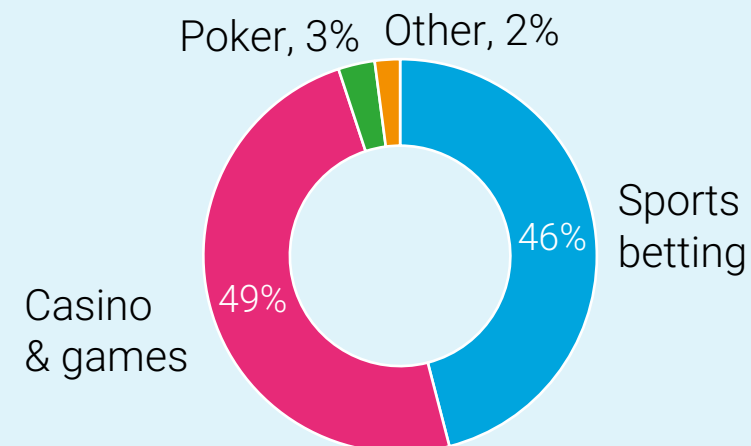
- GWR decreased by 32%. When excluding Netherlands GWR was flat against same quarter last year
- Continued strong activity despite offline segment now being reopened

Poker and other products

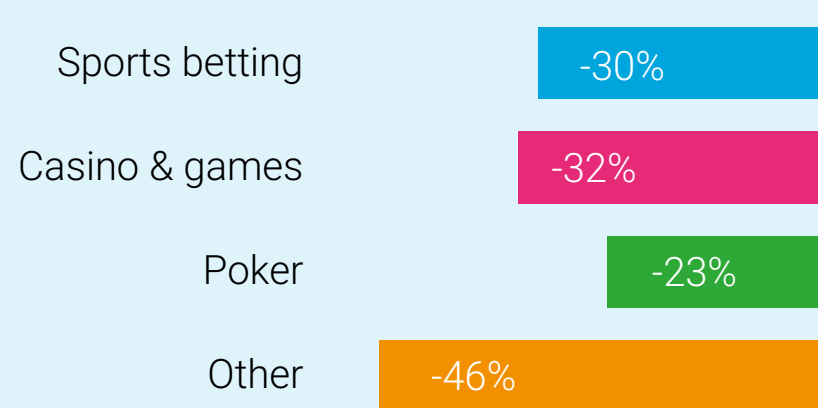
- Poker and other products stable at around 5% of total GWR



GWR by product segment Q1 2022



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

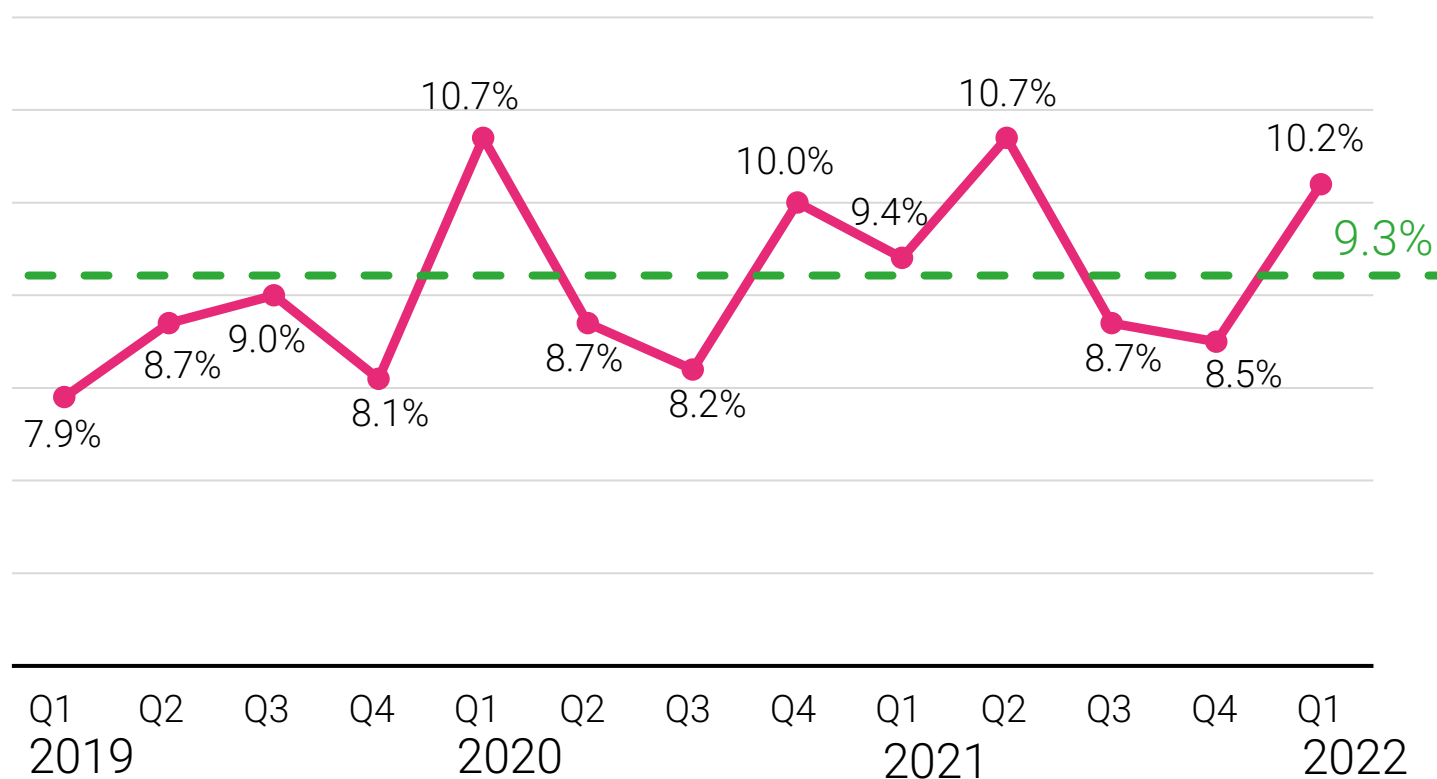


Sports betting margin above long-term average



- The sports betting margin for Q1 2022 was 10.2% after free bets (vs. 9.4% in Q1 2021) driven by favorable market and product mix
- The weighted long-term (since Q2 2019) average sports betting margin after free bets is 9.3%
- 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 and Betbuilder

Sports betting margin after free bets





Regional update

[Year-on-year]

Western Europe

- GWR decreased 47%, heavily impacted by ceasing of Dutch activity. Excl. Netherlands, the GWR decreased by 14%
- In local currency, Belgium grew by 9% while the UK and France declined against the strong GWR posted in Q1 2021
- UK negatively impacted short-term by further tightening of affordability measures

Nordics

- GWR increased by 9% with all markets in the region reporting GWR growth

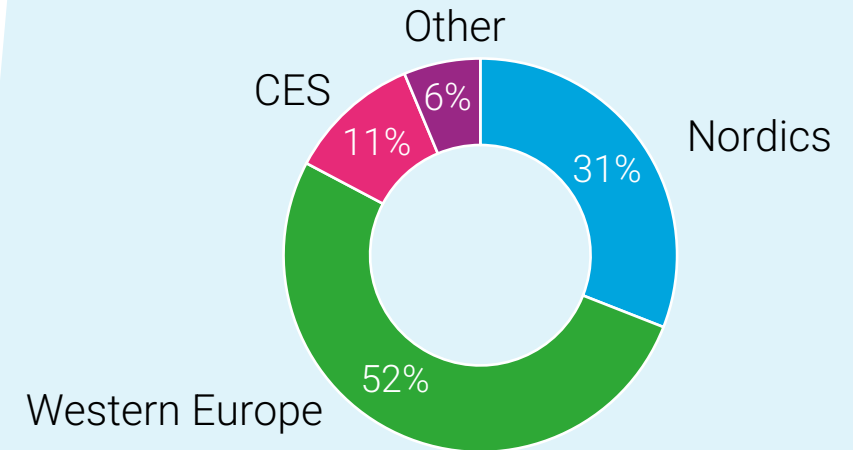
Central, Eastern and Southern Europe (CES)

- GWR decreased by 4% with both sports betting and casino showing stable y-on-y development

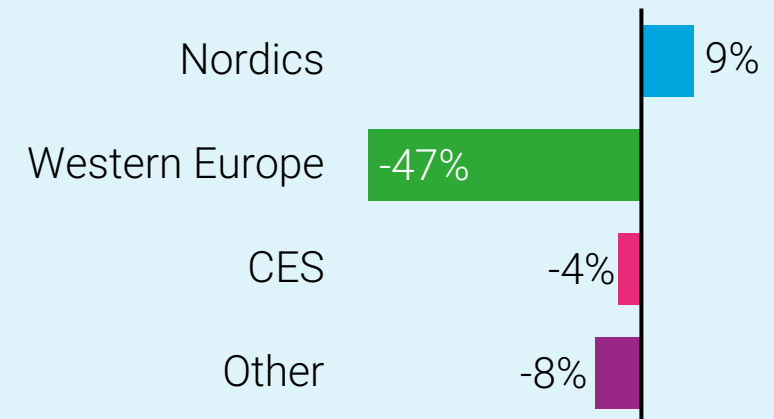
Other

- GWR declined by 8%, driven by the US. Australia had solid development with 34% increase in constant currency

GWR by region Q1 2022



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





North American expansion

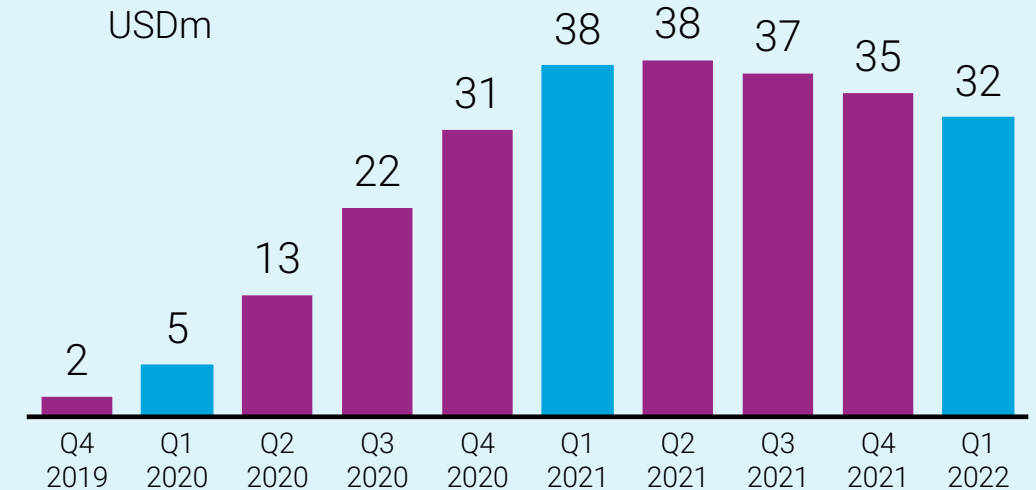
Important long-term growth opportunity

- New depositing players up 16%, increasing activity levels within Kindred's operational states
- GBP 5.6m in GWR Q1 22, approx. -26% y-o-y in local currency
- Product margins across both sports betting and casino were lower in Q1 2022 vs. Q1 2021, which impacted overall revenues
- Continued focus on bonus and marketing efficiency
- Mid-term investment focused on states where both Sportsbook and casino are live
- A key enabler for accelerated growth in North America is our proprietary platform, set to launch in New Jersey in Q3 2022 and thereafter rolled out across states

US operations Q1 2022, GBPm

GWR	5.6
CoS	-6.2
Marketing	-6.4
Admin expenses	-2.1
EBITDA	-9.1

US LTM GWR development



Kindred live in Ontario

Provides a presence in one of the largest North American gambling regions

- The first Canadian province to regulate both sports betting and casino
- 7th largest economy in North America by GDP
- The market estimated to reach CAD 4.4bn* at maturity
- Kindred's 7th regulated North American market (after the 6 US States)
- Kindred launched with the Unibet brand on Day 1, April 4th
- Same marketing concept as in the US



* Estimate by Eilers & Krejcik



Relax expands operator portfolio and footprint

- The Q1 B2B revenue from Relax amounted to GBP 4.3m
- Relax total Q1 revenues amounted to GBP 6.0m out of which GBP 1.7m came from Kindred
- During Q1 Relax signed 13 new operators and 6 new games were launched
- Strong focus on continued growth with several new customer launches during 2022, a solid pipeline of new games and the upcoming launch of the Dream Drop Jackpots product
- Relax has been licensed in Ontario and plans to enter the US market during 2022

Game launches during Q1 2022



Other news

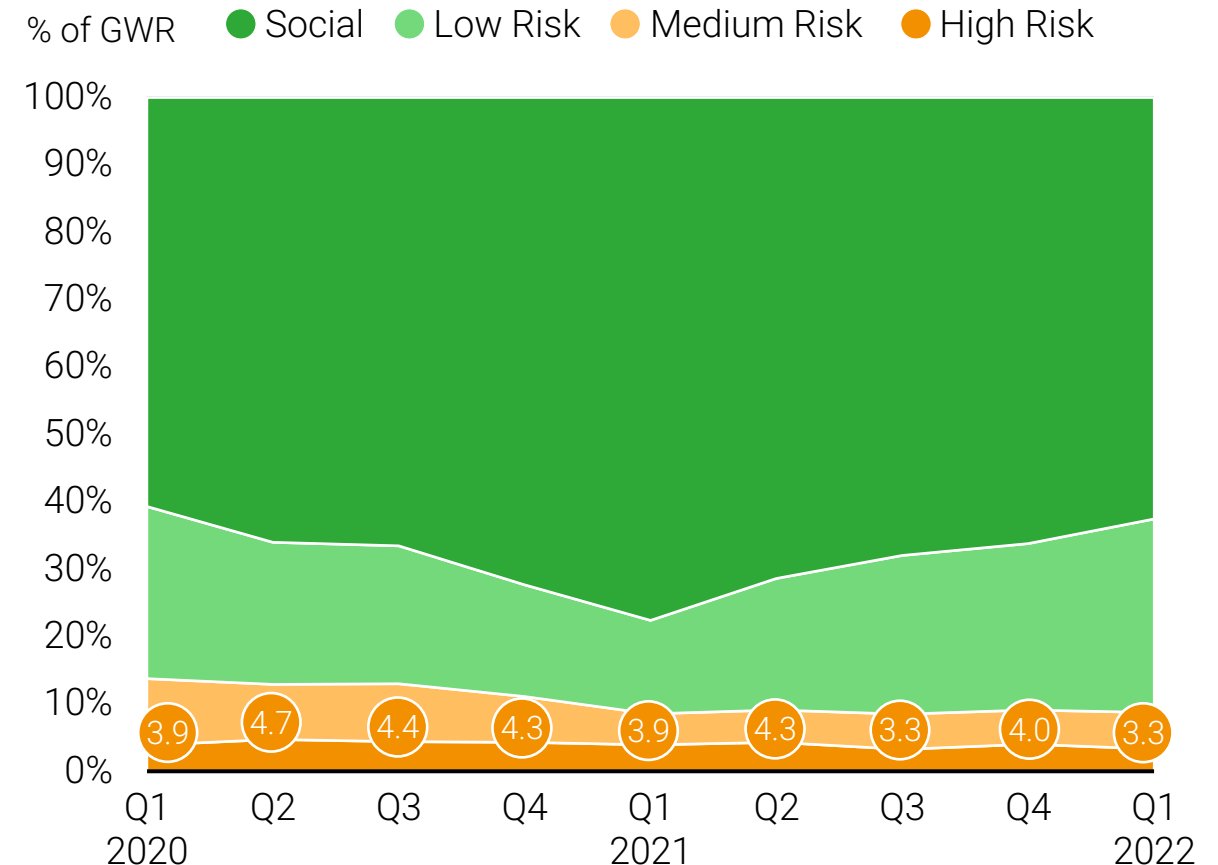




Dedicated focus on our journey towards zero

- The journey towards zero per cent of revenue from harmful gambling continues and it is key for sustainable growth
- Data from Q1 2022:
 - Share of GWR from high-risk players: 3.3%
 - Improvement effect after interventions: 83.1%
- Seasonal impact and an improved process of manual interventions towards high-risk customers and the lower age demographic has had positive effect
- Agreement with RecoverMe, an app to manage gambling addiction, making the app free for all Kindred customers in the UK and the US
- Kindred was on 14 April reconfirmed an “AAA” ESG rating by MSCI

Our journey towards zero





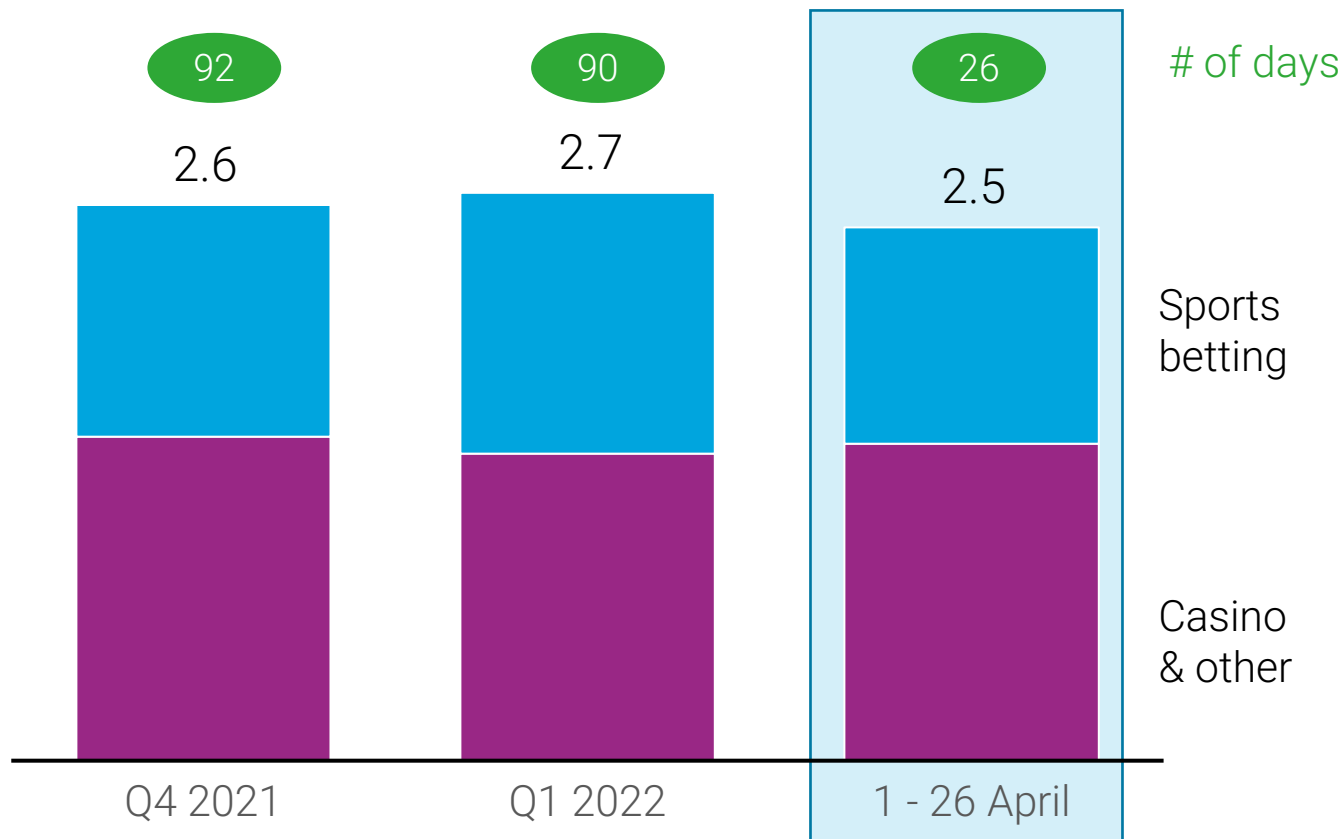
Summary





Trading update for the first 26 days of April

The daily average GWR (GBPm)



- Q2 2021 reported near all time high GWR and offers a very tough comparative for 2022
- The average daily GWR for the Group up to and including 26 April 2022 was:
 - 37% (35% in constant currency) lower than for the full Q2 2021
 - 15% (13% in constant currency) lower than for the full Q2 2021 when excluding Netherlands
- Sports betting GWR has been negatively impacted by a weak sports betting margin of only 7.8% after free bets (vs. 10.7% in Q2 2021).
- The daily average GWR for casino and other products has remained at the same level as the full Q1 2022



Despite short-term headwinds, our long-term optimism remains

- While this temporary top-line pressure reduces our profitability in the short-term, we maintain a very positive long-term view
- Our long-term strategic direction of increased product control and improved customer experience is well on track thanks to development of the Kindred Sportsbook Platform and the Relax acquisition, which are fundamental for future scalability
- We remain fully focused on cost optimisation to further minimise the impact without adversely affecting our future growth
- Subject to the KSA license review process, Kindred looks forward to receiving its Dutch license during Q2 2022
- Locally regulated markets now at 77% and expected to materially increase
- 2022 is an exciting year with the first ever winter FIFA World Cup



Q&A

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Calendar



22 July 2022

Q2 2022 will be published at 7.30 CET



27 October 2022

Q3 2022 will be published at 7.30 CET

