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CEO

Q4 2021 | 9 February 2022

Outline

Q4 2021 highlights

Business overview

- Focus on locally regulated markets
 - Relax acquisition completed
 - Product segment update
 - Regional update
 - North America
 - Sustainability
 - Proposed ordinary dividend
-

Strategy update

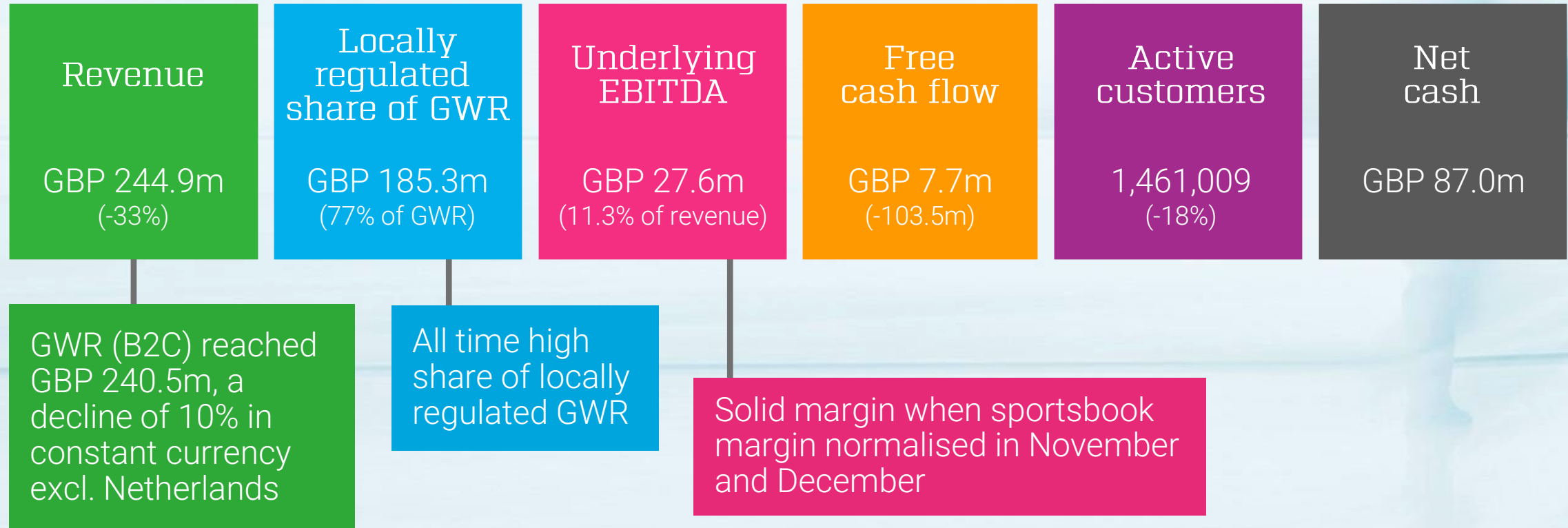
Summary



Q4 impacted by temporary headwinds



Despite ceasing services to Dutch residents and low sports betting margin in the beginning of the quarter, the fourth quarter delivered solid performance

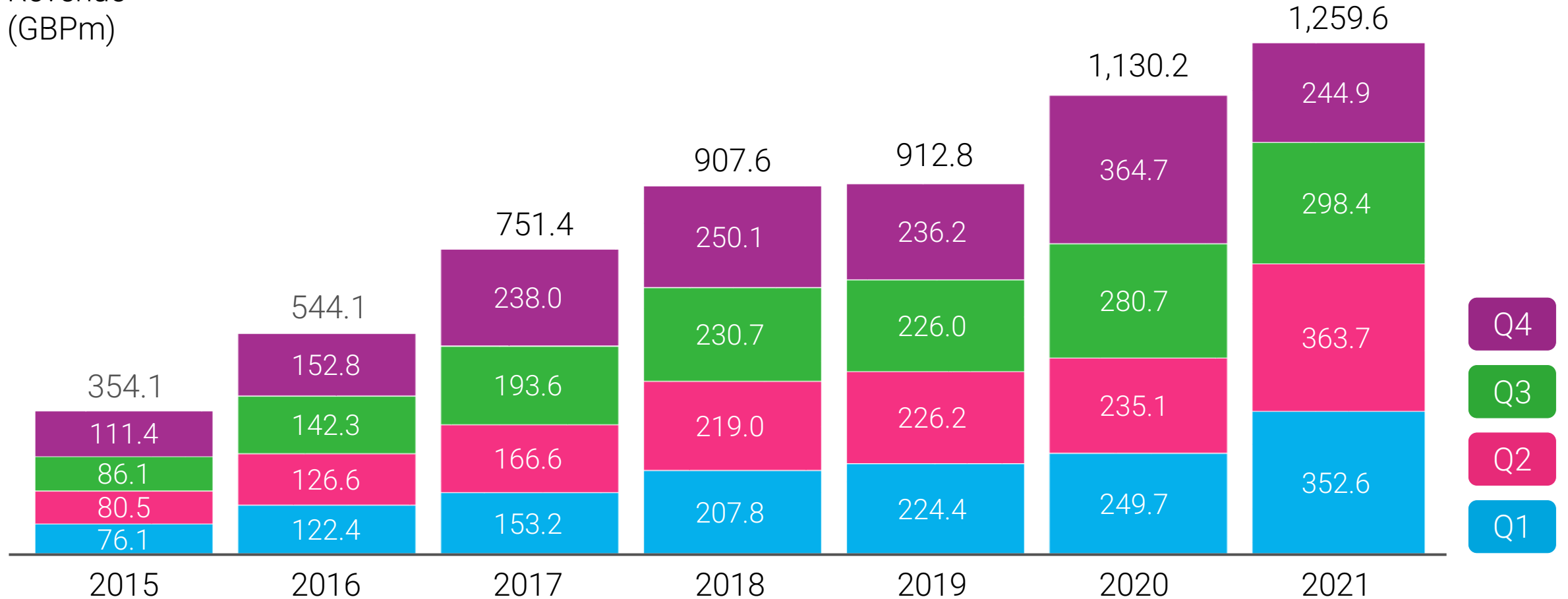


2021 was the strongest year ever



+11%

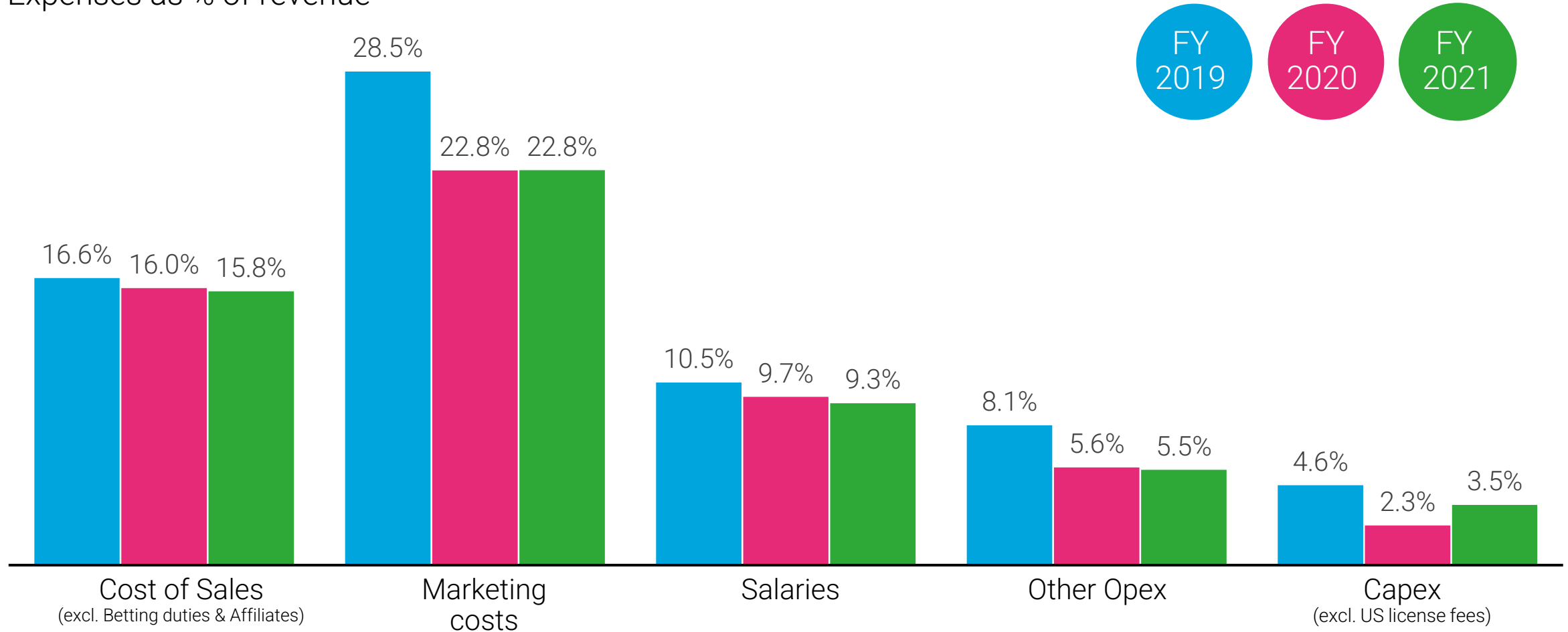
Revenue
(GBPm)



Proven ability of scalable growth



Expenses as % of revenue



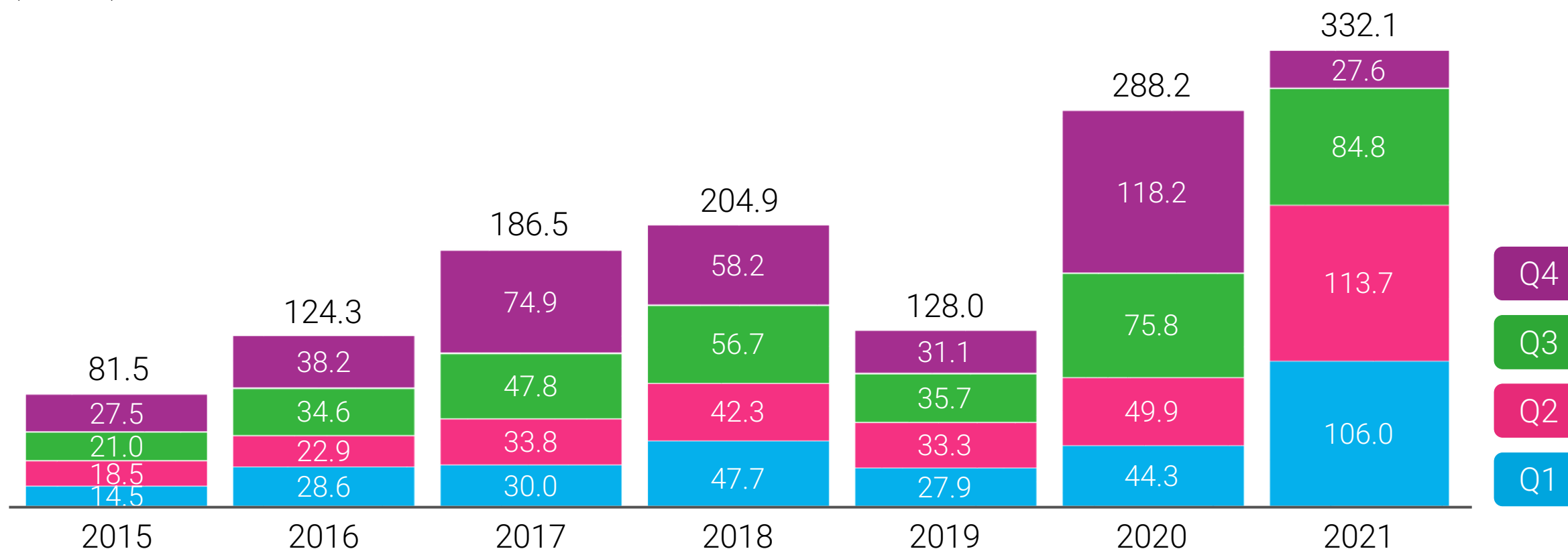
Strong underlying EBITDA growth in 2021



Excluding the US, the underlying EBITDA reached approx. GBP 361m

Underlying EBITDA*
(GBPm)

+15%



* 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

Q4 2021 P&L FX impact vs Q4 2020



Avg rate	Q4 2020	Q4 2021	Movement
AUD	1.806	1.851	-2.5%
DKK	8.241	8.772	-6.4%
EUR	1.107	1.179	-6.5%
NOK	11.904	11.765	1.2%
SEK	11.364	11.946	-5.1%
USD	1.321	1.349	-2.1%

Weighted average impact of FX rates on GWR was a negative impact of approx. 3%

	GBPm
Revenue	-10.6
Cost of sales / Opex	8.4
FX loss on operating items	-0.7
EBITDA FX impact Q4 2021	-2.9
FX on dividend paid	0.5
Other items below EBITDA	0.1
Profit before tax impact Q4 2021	-2.3

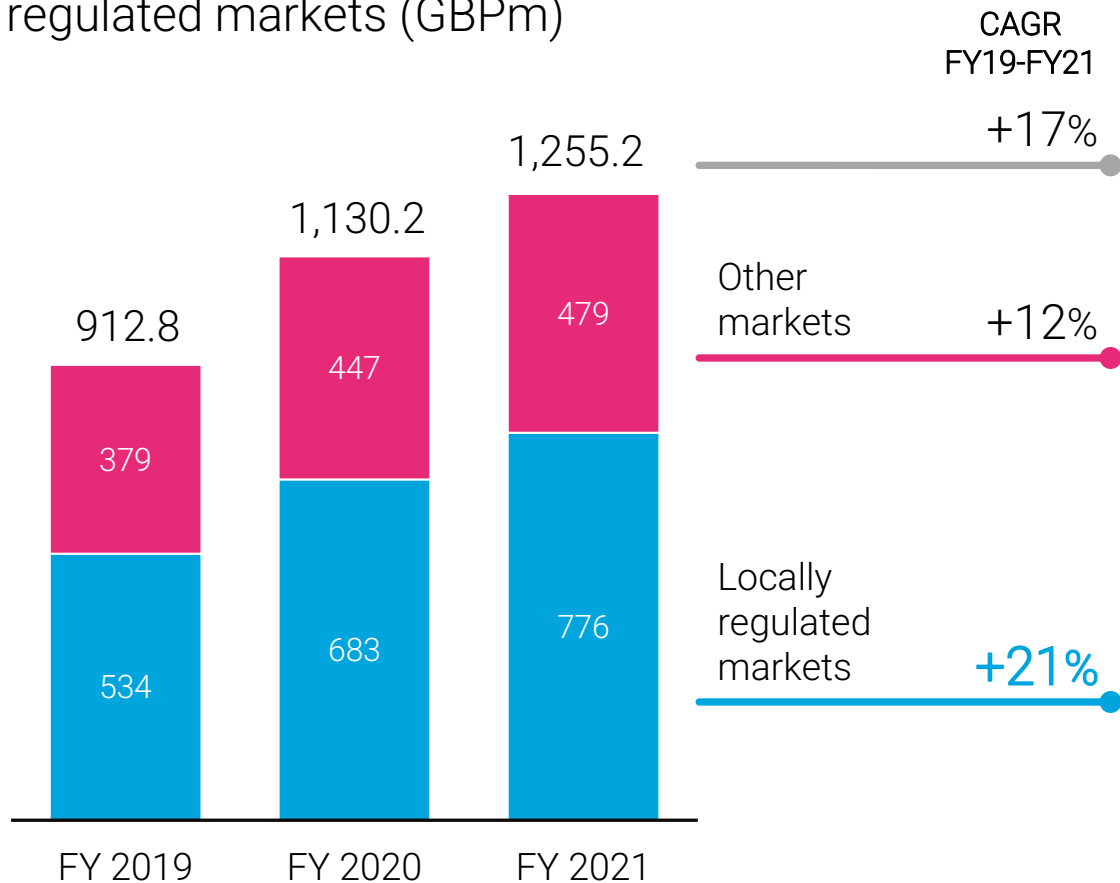


Business overview

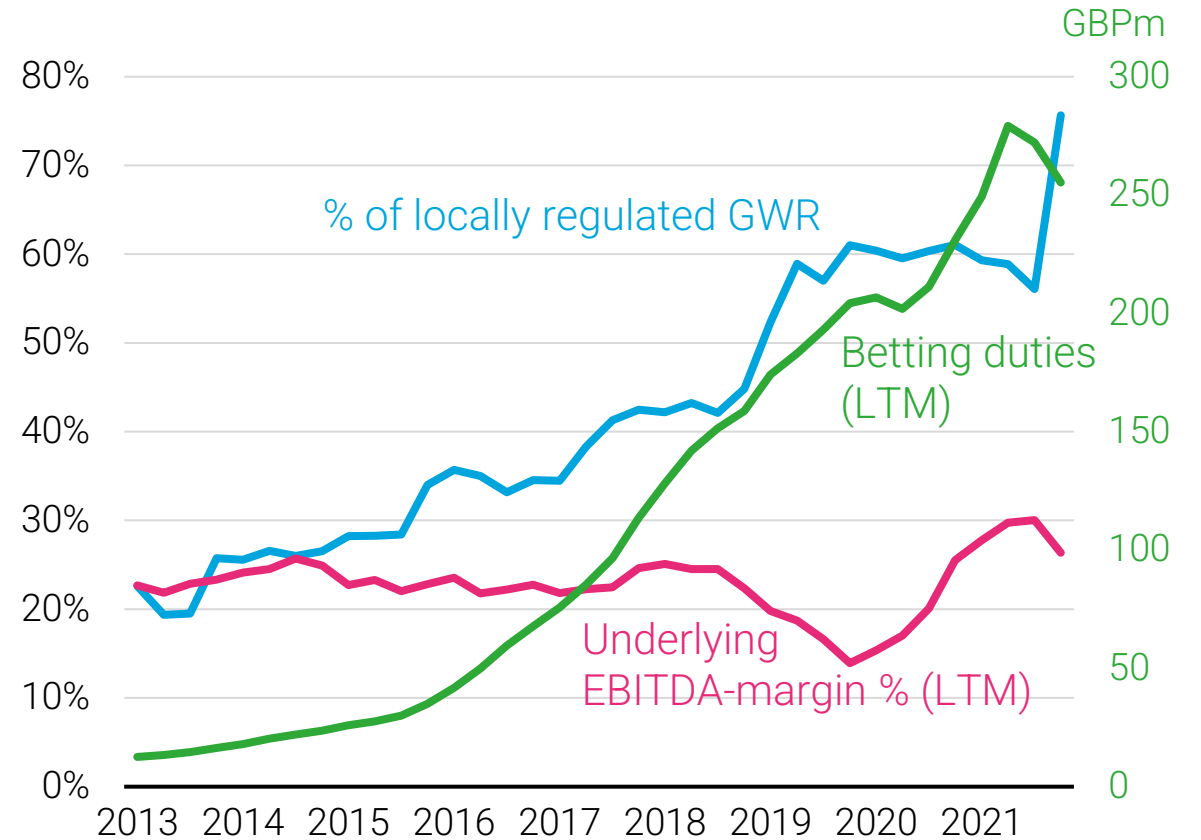
Significant uplift in share of locally regulated GWR - 77% in Q4 2021



Strong GWR growth in locally regulated markets (GBPm)



Stable long-term profit margins despite short-term regulatory pressure and increased betting duties



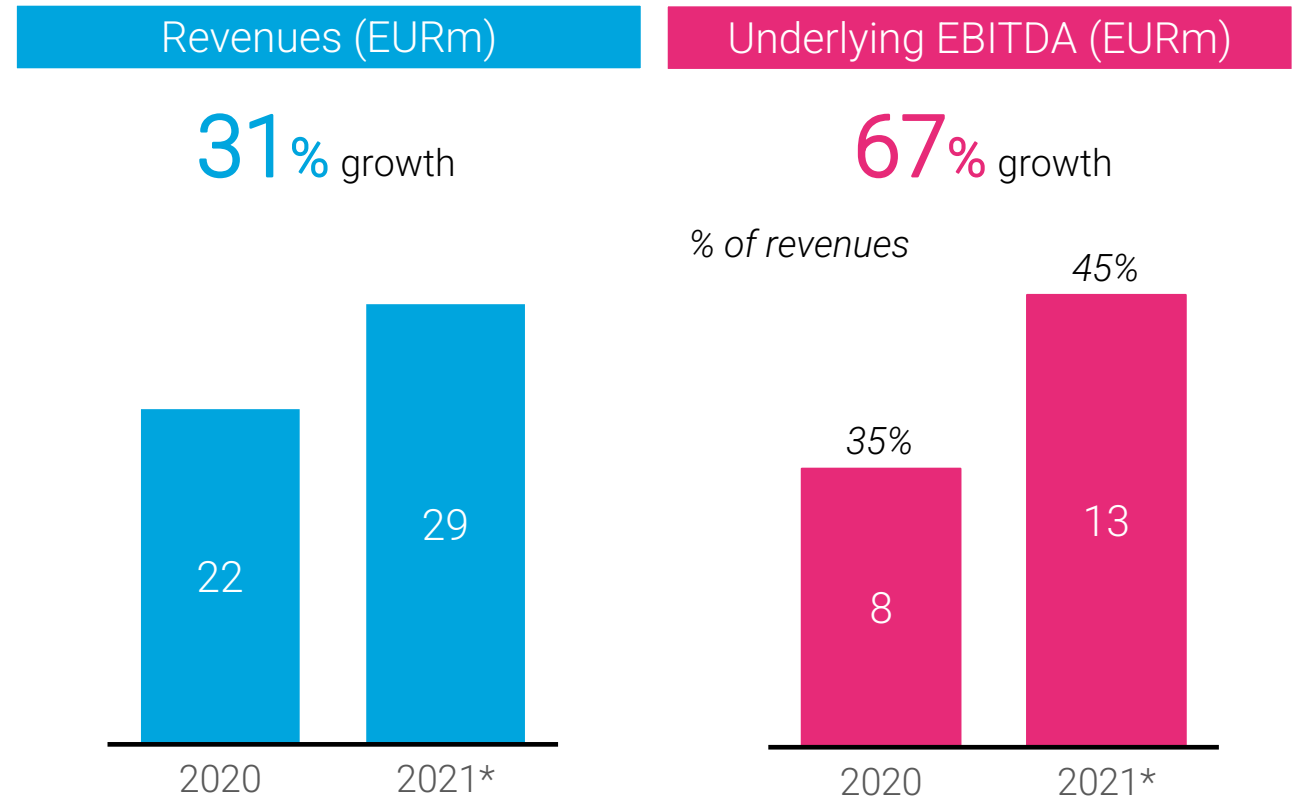


Acquisition of Relax Gaming completed

A fast growing and high-margin business added to the Group

- The acquisition completed on 1 Oct 2021
- Kindred owns 93% of the total fully diluted shares
- Relax Q4 revenues amounted to GBP 6.5m out of which GBP 2.1m came from Kindred
- During Q4 Relax signed 13 new operators and 12 games were launched on Relax and Silver Bullet Roadmap
- Strong focus on continued growth with plans to enter the North American market during 2022

Continued strong growth momentum and significant EBITDA improvement in 2021

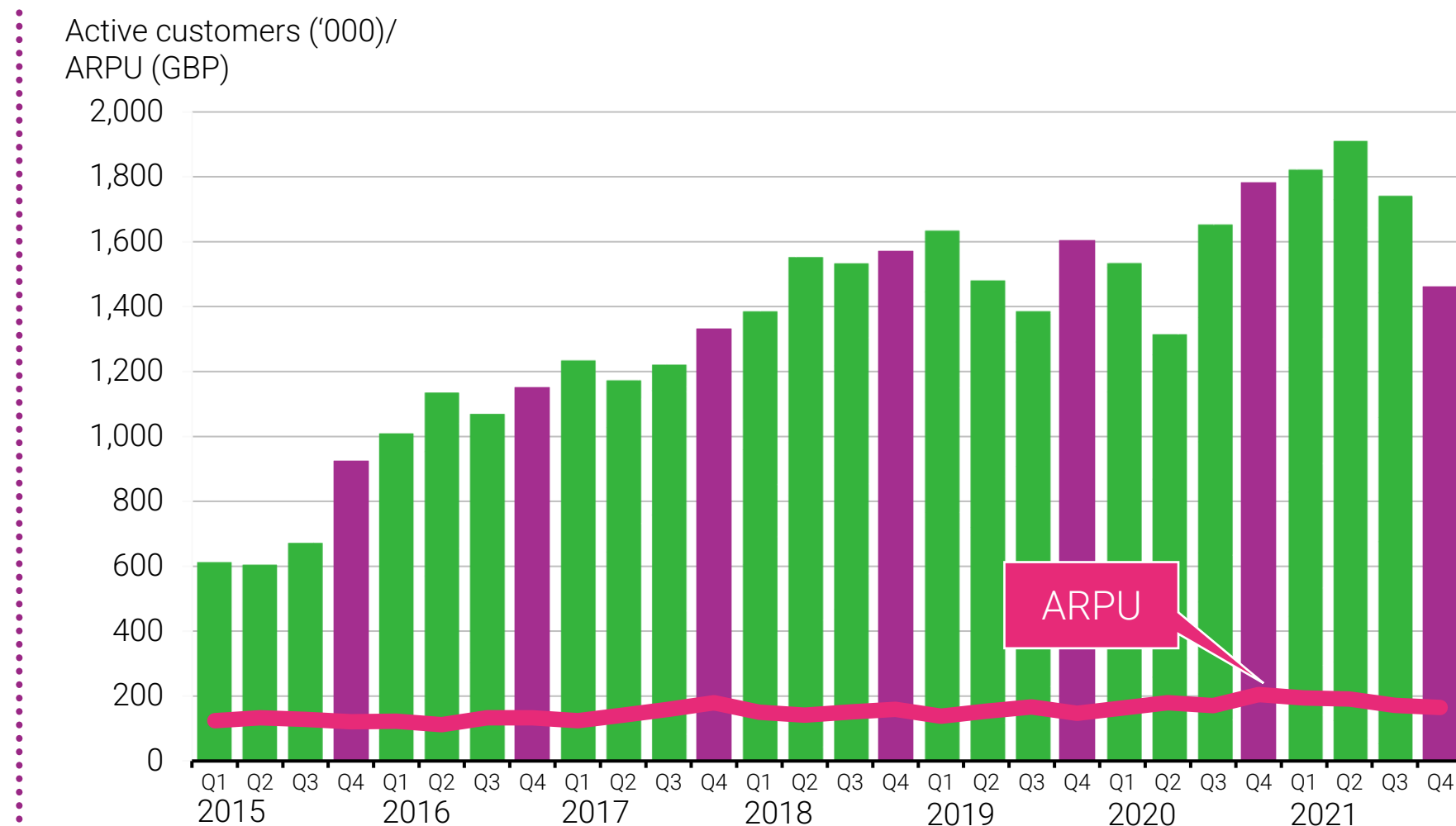


* Relax standalone numbers for the full year and do not correspond to what is included with Kindred's full year consolidated financial statements

Continued robust customer activity



- Number of active customers amounted to approx. 1.46 million, an 18% decrease compared to Q4 2020
- Expected decrease as a result of the closure of services to Dutch residents
- However, strong performance in other markets across the Group have helped to compensate



Q4-21

Product segment update

(Year-on-year)

Sports betting

- GWR 43% behind tough competitors, adversely impacted by lower sportsbook margin and ceasing of Dutch activity
- Kindred's proprietary racing product contributed 7% to the total sports betting GWR

Casino & games

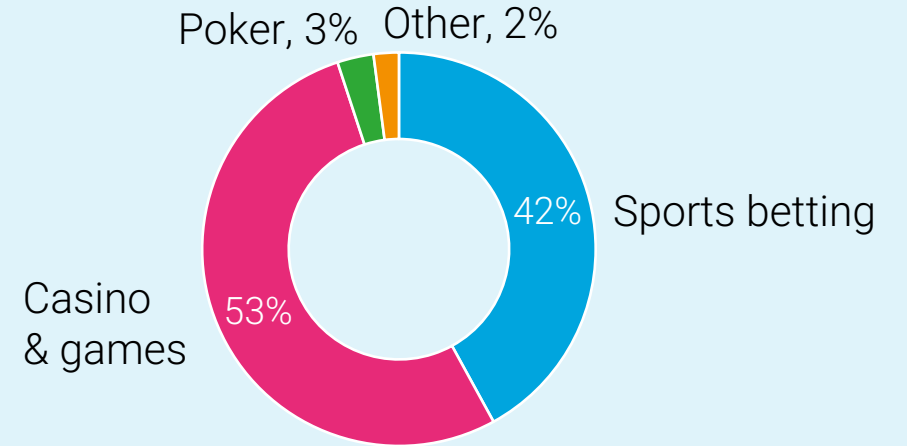
- GWR decreased by 25%. When excluding Netherlands both GWR and number of actives increased by 4%
- Continued strong activity despite offline segment now being reopened

Poker and other products

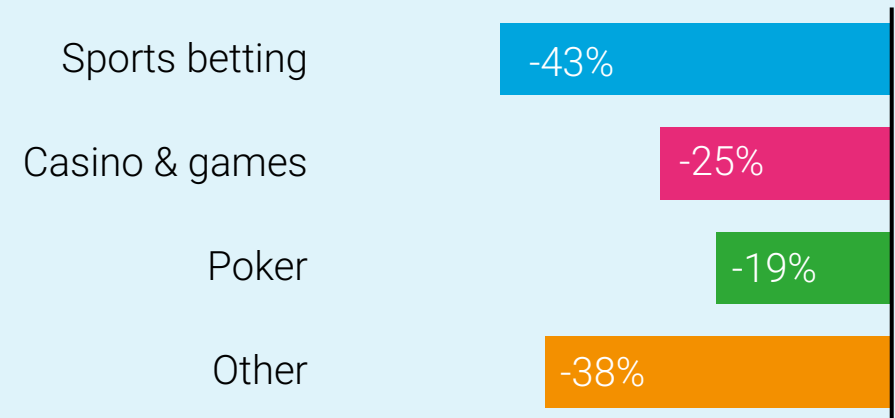
- Poker and other products stable at around 5% of total GWR



GWR by product segment Q4 2021



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



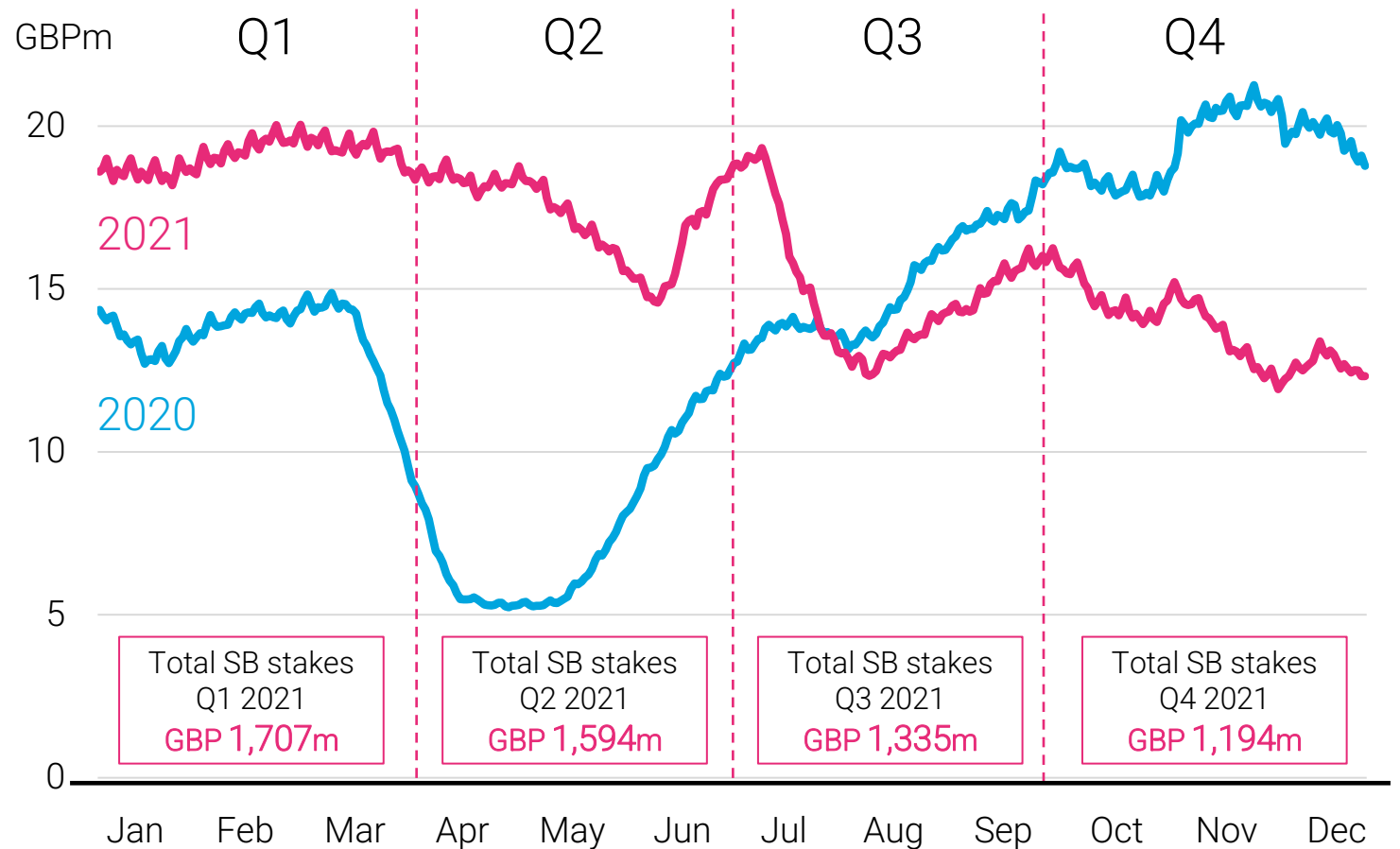
Sports betting

turnover behind the tough comparative set in Q4 2020

- Sports betting turnover performed in line with expectation in most markets, whilst the ceasing of Dutch activity affects comparisons
- Seasonal comparatives somewhat distorted due to COVID scheduling and US Election betting
- Q4 sports betting turnover declined by 33% year-on-year



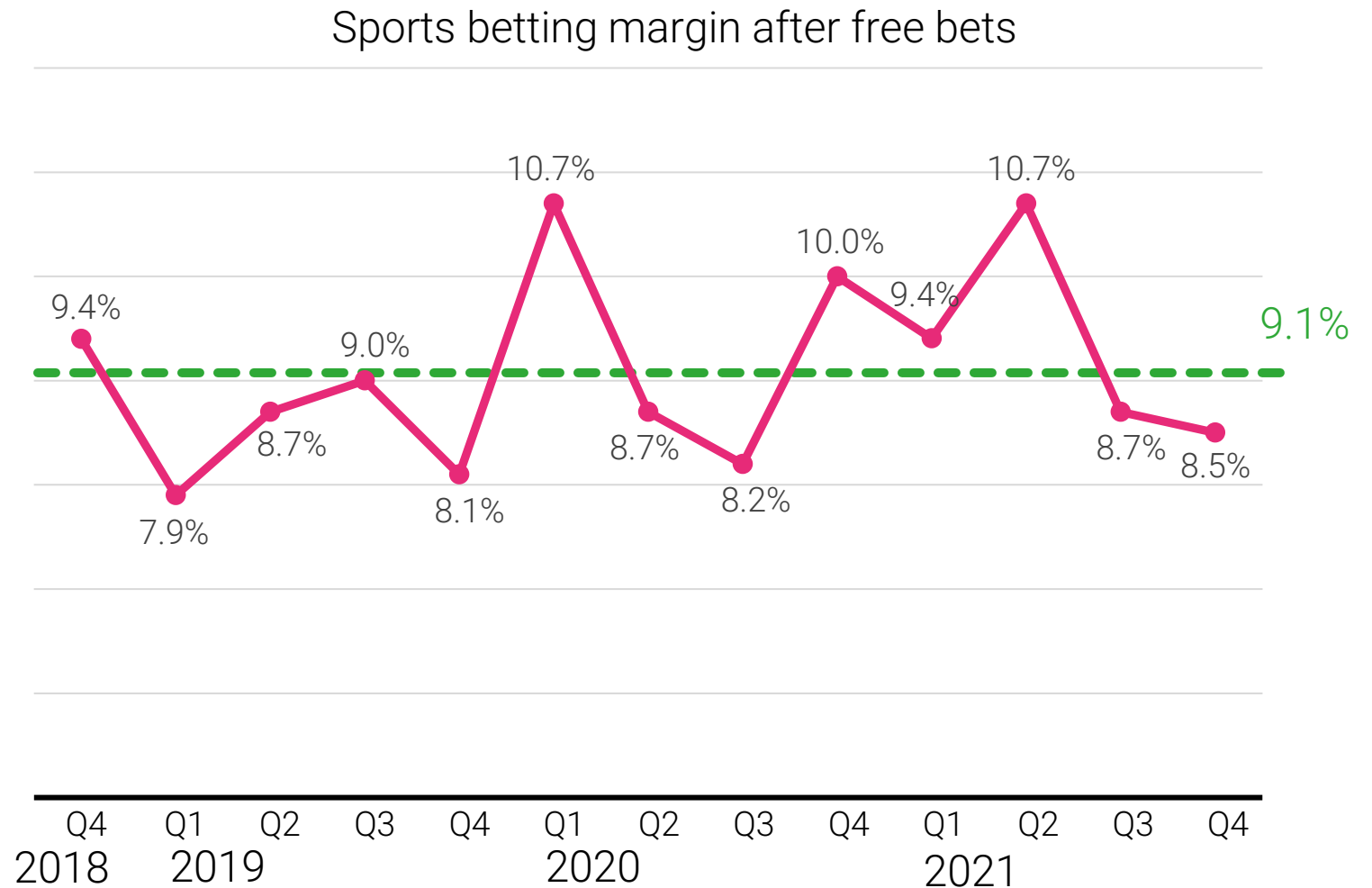
Rolling 30 day average daily sportsbook turnover



Sports betting margin below long-term average



- Exceptionally weak start but the sports betting margin normalised during November and December
- The sports betting margin for Q4 2021 was 8.5% after free bets (vs. 10.0% in Q4 2020)
- The weighted long-term (since Q4 2018) average sports betting margin after free bets is 9.1%



Q4-21

Regional update

(Year-on-year)

Western Europe

- GWR decreased 48%, heavily impacted by ceasing of Dutch activity. Excl. Netherlands, the GWR decreased by 18%
- In local currency, Belgium grew by 2% while the UK and France saw a decline, mainly due to tough comps and lower margin

Nordics

- GWR decreased by 1%, but grew 3% in constant currency
- Strong growth in Finland offset by GWR decline in rest of Nordics, primarily driven by a lower sports book margin

Central, Eastern and Southern Europe (CES)

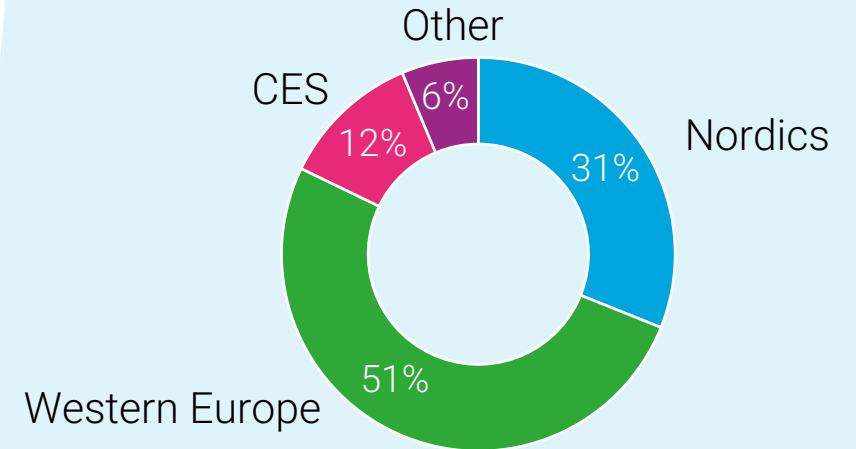
- GWR decreased by 17% mainly due to lower sportsbook GWR. Romania continues to be the largest contributor

Other

- GWR declined by 15%, driven by the US. Australia had solid development with 21% increase in constant currency



GWR by region Q4 2021



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



North American expansion

Canada and our proprietary platform key focus areas

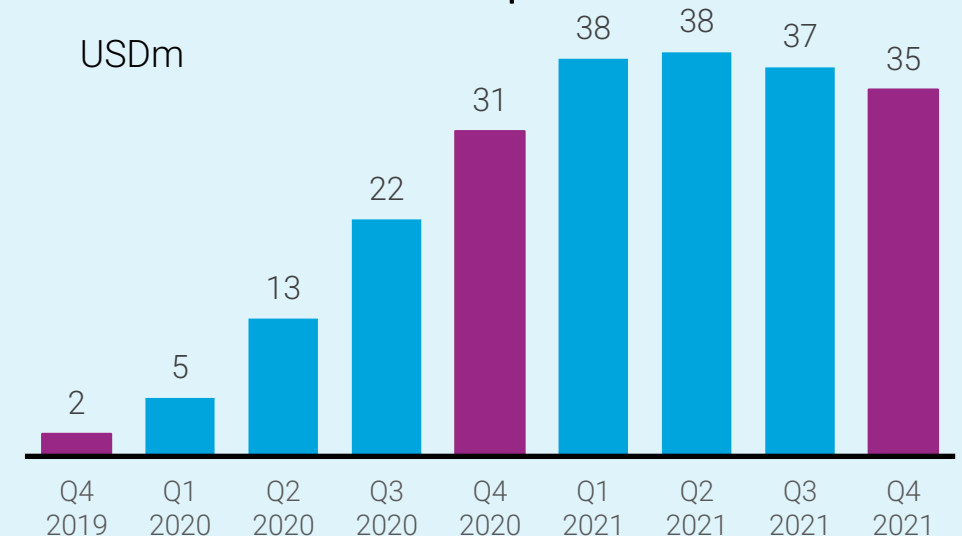
- ▶ Kindred has made a conscious decision during Q4 to increase focus on bonus and marketing efficiency
- ▶ GBP 6.2m in GWR Q4 21, approx. -20% y-o-y in local currency as competition continue to intensify. Last 12 months US GWR contribution to the Group was GBP 25.2m (USD 35m)
- ▶ Strong growth in sports activity with sportsbook turnover increasing 31% in locally currency compared to Q4 2020
- ▶ Mid-term investment focus especially on states where both Sportsbook and Casino are live
- ▶ Expansion into Canada, with a direct market access licence in Ontario expected in Q2 2022
- ▶ Work on our proprietary platform continues at pace with the aim to launch during Q3 2022, starting with New Jersey



US operations Q4 2021, GBPm

GWR	6.2
CoS	-6.3
Marketing	-7.6
Admin expenses	-1.5
EBITDA	-9.3

US LTM GWR development

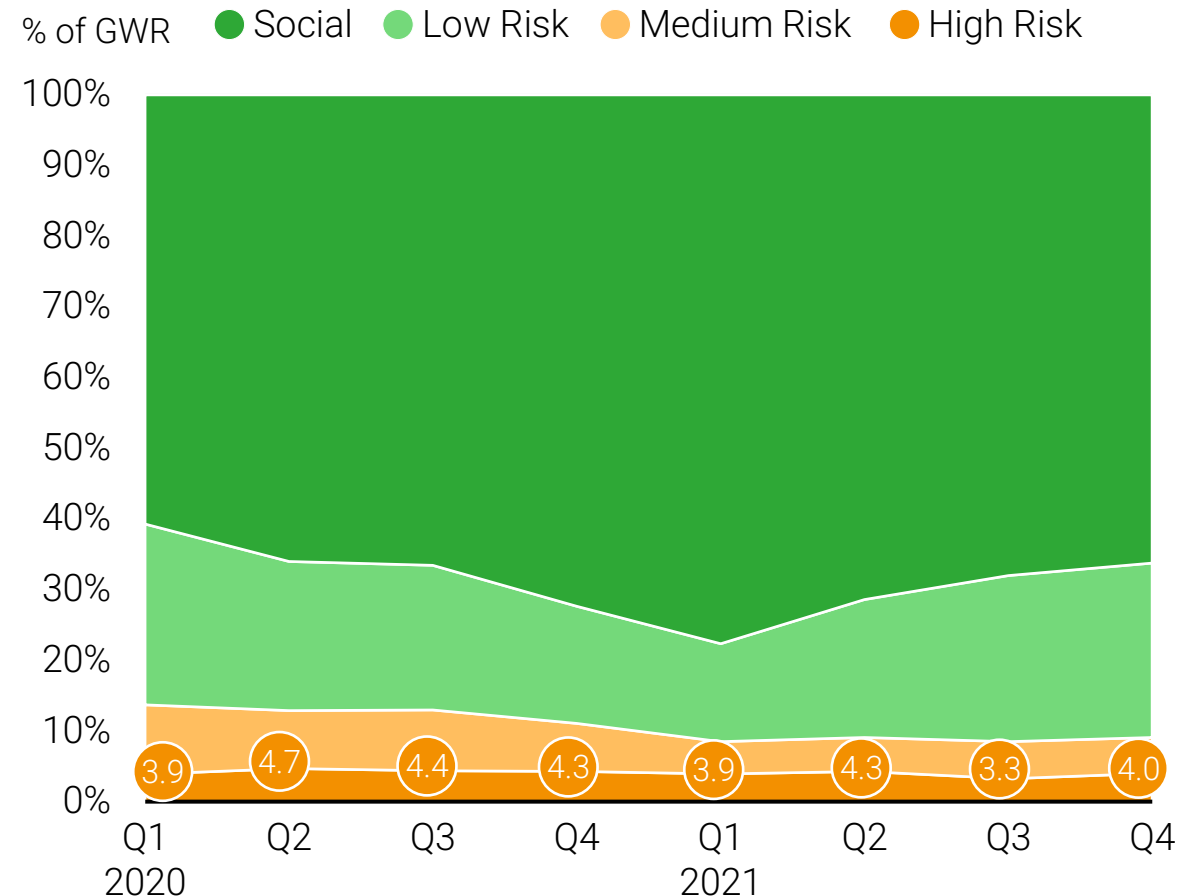


Dedicated focus on our journey towards zero



- The journey towards zero per cent of revenue from harmful gambling continues and it is key for sustainable growth
- Data from Q4 2021:
 - Share of GWR from high-risk players: 4.0%
 - Improvement effect after interventions: 79.2%
- Focus during 2021 on research initiatives and getting better data driven understanding of player dynamics
- During 2022, Kindred will increase capacity to more effectively engage with detected customers. Besides additional self-control tools and optimised customer communication, automated interventions for lower risk groups will be launched

Our journey towards zero





Proposed ordinary dividend

- Kindred's dividend policy is based on a stable ordinary dividend complemented with share buy-backs
- Total pay-out ratio of dividends and buybacks should over time equal about 75% of free cash flow
- For 2021, the Board proposes an ordinary dividend of GBP 0.337 per share/SDR equivalent to approx. GBP 75m, paid out in 2 instalments in May and Nov 2022





Strategy update



Focus on product and CX

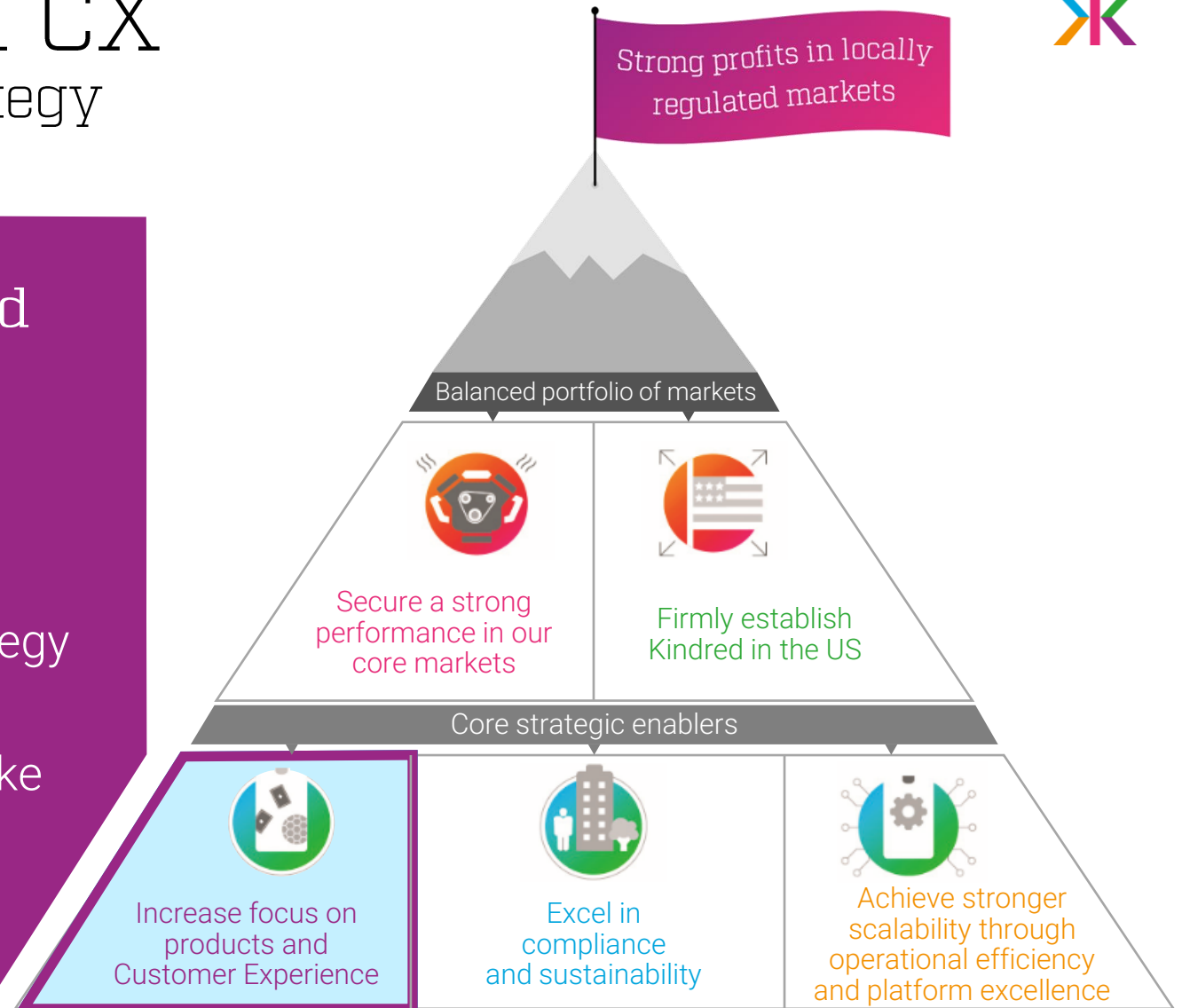
- a part of Kindred's long-term strategy



Increase our focus on product and the Customer Experience (CX)

Developing the proprietary Kindred Racing Platform into a full in-house sportsbook is

- ✓ an integral part of delivering on our strategy
- ✓ enables us to achieve a more balanced mix between internally developed bespoke offerings and third-party products



For more information: <https://www.kindredgroup.com/investors/business-model-and-strategy/>

We are transforming Kindred into a Product and CX-driven company



Customer and market needs are rapidly changing

Product commoditisation is limiting our ability to offer the thrills and excitement that differentiate us from the competition

Dependencies impacting our ability to scale effectively and efficiently

We must increase our product control and have the agility and strategic freedom to respond quickly to changing needs

Regulatory restrictions limiting our ability to use bonuses and marketing across our markets

We believe the winners in a highly competitive, re-regulated reality are those who excel in Product & CX

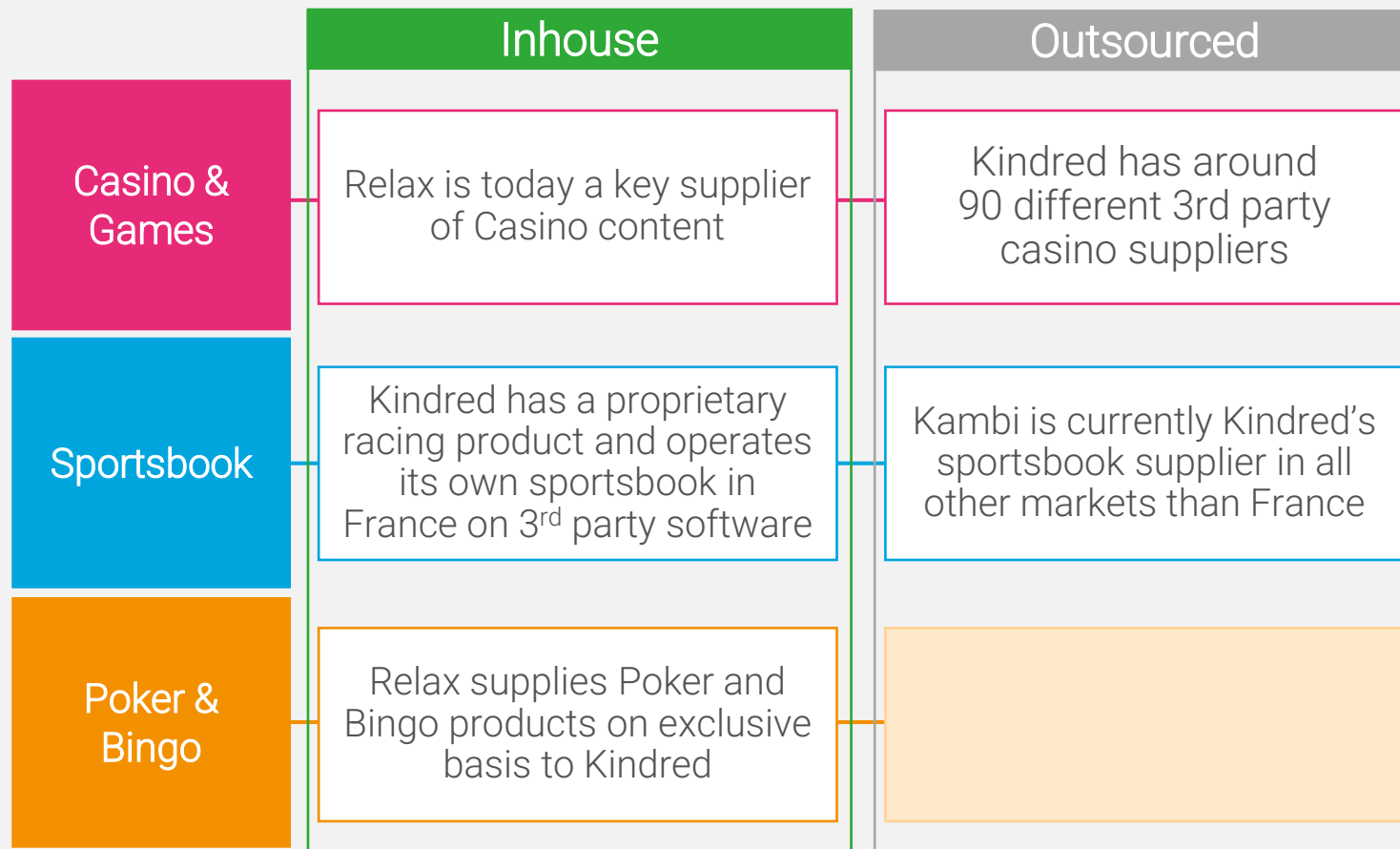
This will require Kindred to take increased control over the product dimension and further integrate it with the overall experience

Target to achieve a balanced mix

between internally developed bespoke offerings and 3rd party products

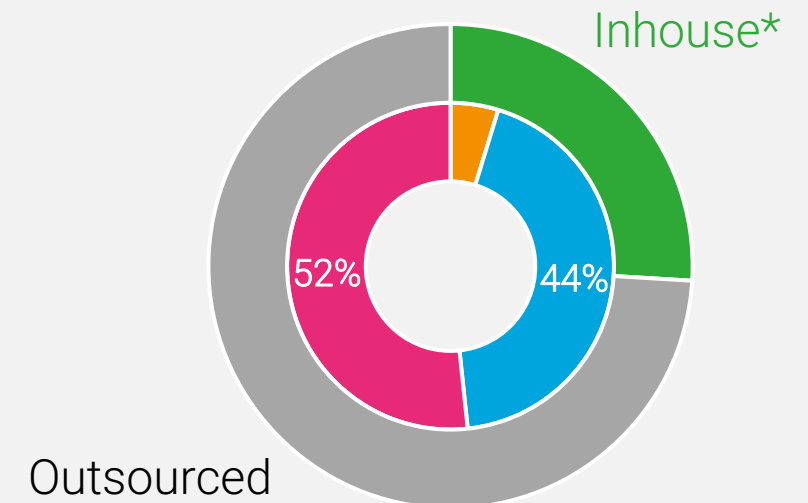


Current product set-up



GWR split 2021

- Poker & Other
- Sports Betting
- Casino & Games



*Gross Win (GWR before bonuses) through Relax, Kindred Racing Product and France

Securing control of the sportsbook capability

- is a key building block in our long-term strategy

The 4 pillars that underpins the rationale for pursuing an in-house sportsbook solution

1

Ability to fully differentiate

We are building a sportsbook product that can differentiate across markets and sports

Integrating trading and pricing in our marketing will be key in securing an attractive experience with unique selling points

2

Scalability of re-regulated profits over time

Greater product control will enable economies of scale and benefit from cost efficiencies as we continue to grow

3

Long term security of supply

With a proprietary sportsbook we will establish a more diverse supplier mix with less dependencies

4

Agility and control over roadmap & priorities

With our own sportsbook product, we retain full control of our strategic agenda

Kindred's profitability in locally regulated markets going forward will be dependant on the ability to **differentiate, scale and control costs**

Kindred Racing Platform is the perfect launchpad for new sportsbook



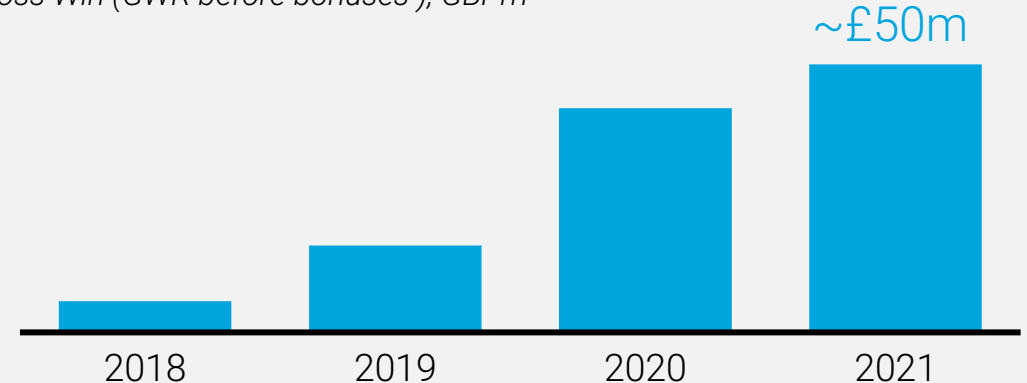
- The foundation is to a large extent already in place for developing a scalable and cost-efficient sportsbook product
- Kindred Racing Platform (KRP) includes most core back bone functionality and is built as sport and market agnostic
- In 2021 there were 37m bet legs processed on KRP

KRP - Key operational facts



KRP revenue development

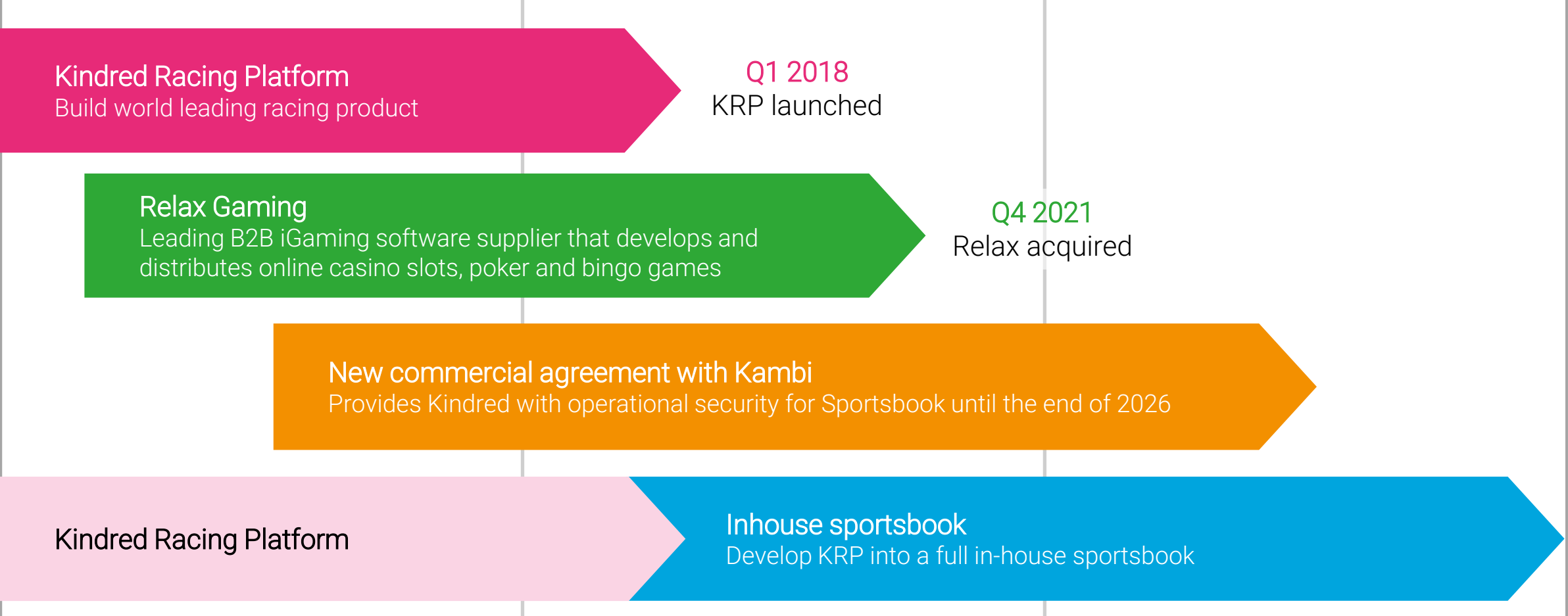
Gross Win (GWR before bonuses), GBPm



Inhouse sportsbook is the final piece in the product puzzle



Evolution of Kindred's strategy of greater end-to-end control of its product offering and customer experience



Inhouse sportsbook strengthens Kindred's ability to create long-term value



Reasonable upfront investment

- ▶ Kindred's total sportsbook headcount is today approx. 200 employees
- ▶ The headcount is expected to increase gradually, and it is estimated to be around 400 employees when the new sportsbook is live and rolled out accross markets

Significant profitability improvement potential

- ▶ The in-house sportsbook provides significant future profitability improvement potential through reduced costs and improved scalability for Kindred



Summary



Exciting year ahead

- 2022 will be another exciting year of sports with the Winter Olympics in progress, and the first ever winter FIFA World Cup in November
- Our application for a license in the Netherlands has been submitted. Subject to the KSA license review process, Kindred looks forward to receiving its license during Q2 2022
- We have now truly shifted gear on our transformation into a locally regulated business. Kindred currently operates 17 local licenses globally and already in Q4 2021, 77% of the GWR came from locally regulated markets
- Q1 2021 reported record activity across our markets and offers a very tough comparative for 2022 with GWR negatively impacted by the closure of services to Dutch residents
 - The average daily GWR for the Group up to and including 6 February 2022 was 26% (23% in constant currency) lower than full first quarter 2021
 - Excluding the Netherlands, the average daily GWR for the Group up to and including 6 February 2022 was flat against the full first quarter 2021 (4% higher in constant currency)



Q4 2021 summary

Key report highlights

Revenue

GBP 244.9m
(-33%)

Locally regulated
share of GWR

GBP 185.3m
(77% of GWR)

Underlying
EBITDA

GBP 27.6m
(-77%)

Share of
GWR from
high-risk
players

4.0%

Free cash flow

GBP 7.7m
(-103.5m)

Active customers

1,461,009
(-18%)

Net cash

GBP 87.0m



Q&A



Contact



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Calendar



28 April 2022

Q1 2022 will be published at 7.30 CET



27 July 2022

Q2 2022 will be published at 7.30 CET



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