

## Kindred Group Press Release

Malta, 29 November 2023

## Increase in active customers and actions identified to accelerate profitable growth

Kindred Group plc – Interim report: January – September 2023 (unaudited), including non-recurring indicative underlying EBITDA guidance for the full year 2024

### Third quarter 2023

- Total revenue was GBP 283.9 (277.8) million, an increase of 2 per cent.
- Gross winnings revenue (B2C) increased by 1 per cent to GBP 274.7 (271.9) million.
- Underlying EBITDA increased by 6 per cent to GBP 42.6 (40.3) million.
- Profit before tax was GBP 15.1 (60.3) million.
- Profit after tax was GBP 12.6 (57.9) million.
- Earnings per share were GBP 0.06 (0.26).
- Free cash flow amounted to GBP 24.5 (49.3) million.
- Number of active customers increased by 7 per cent to 1,563,762 (1,466,986).

### January to September 2023

- Total revenue was GBP 897.6 (763.2) million, an increase of 18 per cent.
- Gross winnings revenue (B2C) increased by 16 per cent to GBP 870.3 (747.8) million.
- Underlying EBITDA increased by 64 per cent to GBP 147.7 (90.1) million.
- Profit before tax was GBP 78.6 (74.9) million.
- Profit after tax was GBP 65.9 (70.1) million.
- Earnings per share were GBP 0.30 (0.32).
- 3,833,000 shares/SDRs were purchased, with a total value of SEK 443.7, or GBP 34.2 million.
- Free cash flow amounted to GBP 56.5 (38.7) million.

### Indicative Underlying EBITDA guidance for 2024

Based on current market growth expectations, and considering Kindred's announced interim strategic review update, Kindred anticipates the full year 2024 underlying EBITDA to reach GBP 250 million. Kindred also reiterates its full year 2023 underlying EBITDA guidance of at least GBP 200 million, assuming a normalised sports betting margin during the fourth quarter.

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### Interim CEO Nils Andén comments on the third quarter of 2023

“During the third quarter, we experienced continued growth in our casino segment and strengthening positions in the key Netherlands and UK markets. However, this growth was tempered by ongoing regulatory challenges in select core markets and an impacted sportsbook performance.”

“I am pleased to see that we have regained our leading position in the Netherlands following our re-entry in July 2022. We also see positive momentum in the UK, with 7 per cent growth compared to the same period last year. In spite of this, disappointing sports betting levels across core markets, combined with a lower sports betting margin than our long-term average, negatively impacted overall performance.”

“Underlying EBITDA reached GBP 42.6 million, representing a margin of 15 per cent. This was impacted by weaker revenue than expected, however cost optimisation efforts throughout 2023 have mitigated the revenue shortfall. We reiterate our underlying EBITDA guidance for the full year 2023 of at least GBP 200 million, assuming a normalised sports betting margin during the fourth quarter.”

“The strategic review initiated by the Board remains ongoing and we continue to advance a number of options to deliver shareholder value. The Board currently believes that shareholder value will be maximised through a third-party transaction. Complementary to this process, we are announcing specific operational initiatives, including (1) controlled cessation of our North American operations (2) reduction in headcount and operational costs (3) focus on profitable growth in core markets.”

“Taken together, expected annualised gross cost savings from exiting North America and reducing headcount and other operational costs are estimated to be approximately GBP 40 million.”

“I am confident that Kindred is well-positioned to continue to deliver above market growth across our core markets, which have a combined estimated market size of GBP 25.3 billion and a forecast compound annual growth rate of 6 per cent over the coming five years.”

### Trading update up to and including 26 November 2023

The average daily Gross winnings revenue for the Group, up to and including 26 November 2023, was GBP 3.08 million, 4 per cent lower (3 per cent lower in constant currency) than the daily average for the full fourth quarter of 2022.

Sports betting Gross winning revenue has been negatively impacted by a weak sports betting margin of 8.6 per cent after free bets for the above period, which is below the long-term average margin of 9.7 per cent.

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## Kindred Group's presentation of the interim report

Kindred Group's Interim CEO Nils Andén and Interim CFO Patrick Kortman will host a web presentation in English at 10.00 (CET) which is webcasted live on

<https://www.kindredgroup.com/O32023>.

To access the telephone conference in connection with the presentation, please register at <https://conference.financialhearings.com/teleconference/?id=5006439>. After registration you will be provided phone numbers and a conference ID to access the conference.

Please call in well in advance for registration. There will be an opportunity to ask questions after the presentation.

*This disclosure contains information that Kindred Group is obliged to make public pursuant to the EU Market Abuse Regulation (EU No. 596/2014) and the Swedish Securities Markets Act (2007:528). The information was submitted for publication, through the agency of the contact person, on 2023-11-29 07:30 CET.*

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### About Kindred Group

Kindred Group is one of the world's leading online gambling operators with business across Europe, North America and Australia, offering over 30 million customers across 9 brands a great form of entertainment in a safe, fair and sustainable environment. The company, which employs approximately 2,500 people, is listed on Nasdaq Stockholm Large Cap and is a member of the European Gaming and Betting Association (EGBA) and founding member of IBIA (International Betting Integrity Association). Kindred Group is audited and certified by eCOGRA for compliance with the 2014 EU Recommendation on Consumer Protection and Responsible Gambling (2014/478/EU). Read more on [www.kindredgroup.com](http://www.kindredgroup.com).

Nasdaq Stockholm, KIND-SDB

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