

## FDJ's tender offer for Kindred succeeds, creating a European gaming champion

**Boulogne-Billancourt (France), 3 October 2024 (6:00 p.m.)** – La Française des Jeux (FDJ) announces the success of its tender offer for Kindred Group plc, a leading player in the online betting and gaming sector in Europe.

At the end of the offer period ending on 2 October, 195,659,291 Kindred Swedish Depository Receipts (SDRs), representing 90.66% of the Group's capital<sup>1</sup>, were tendered. FDJ had also acquired 2,400,000 Kindred SDRs directly from Veralda, representing 1.11% of the Group's share capital<sup>1</sup>.

With the condition precedent of controlling more than 90% of Kindred's share capital<sup>1</sup> fulfilled, FDJ decided to complete the acquisition of Kindred Group plc. Settlement-delivery for Kindred shareholders who have tendered their SDRs to the offer will take place from 11 October and FDJ will implement a squeeze-out procedure on Nasdaq Stockholm.

In addition, FDJ announces that it is extending its offer until 18 October 2024 at 5 p.m. CEST to enable Kindred shareholders who have not tendered their shares to do so on unchanged terms, i.e. SEK 130 per SDR. Settlement and delivery will take place from 29 October.

Kindred is one of the top five online betting and gaming players in Western Europe, present in seven of the top ten European markets, chief among them the Netherlands, the UK, France, Sweden and Belgium. It offers a comprehensive online offering (sports and horse betting, poker and casino), operating brands such as Unibet and 32Red.

This transaction of nearly €2.5 billion creates a European champion with a diversified and balanced profile, based on monopoly activities, primarily lotteries, in France and Ireland, and on online sports betting and gaming activities open to competition in Europe.

The new combined group resulting from this offer will generate around 26% of its revenue internationally, and its online gaming range open to competition will account for around 27% of its business.

**Stéphane Pallez**, Chairwoman and CEO of the FDJ Group, said: "I am delighted to announce today the acquisition of Kindred, a leading European player in the competitive online betting and gaming sector. Kindred has strong brands, recognised technological excellence and an attractive growth and profitability profile, all of which will bolster FDJ's strengths. The two groups also share high standards for responsible gaming and a business model that combines performance and responsibility. This acquisition creates a new European champion that intends to pursue its strategy of sustainable and profitable growth for the benefit of all its stakeholders."

<sup>1</sup> Excluding treasury stock.

More detailed information on the new Group and Kindred is provided in the appendix.

### About FDJ Group

France's leading gaming operator and one of the industry leaders worldwide, FDJ offers responsible gaming to the general public in the form of lottery games (draws and instant games), sports betting (through its ParionsSport point de vente et ParionsSport en ligne brands), horse-race betting and poker. FDJ's performance is driven by a large portfolio of iconic brands, the leading local sales network in France, a growing market, and recurring investments. The Group implements an innovative strategy to increase the attractiveness of its gaming and service offering across all distribution channels, by offering a responsible customer experience.

FDJ Group is listed on the regulated market of Euronext Paris (Compartment A – FDJ.PA) and is part of the SBF 120, Euronext 100, Euronext Vigeo 20, EN EZ ESG L 80, STOXX Europe 600, MSCI Europe and FTSE Euro indices.

For more information, visit [www.groupefdj.com](http://www.groupefdj.com)



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# Appendix

## Part 1: Information about the new Group

- **A European gaming champion and a top player in the French Online Betting & Gaming markets opened to competition**
  - The new group will be among the top 3 operators in Europe's gaming sector with an enhanced financial profile on the basis of the 2023 GGR (Gross Gaming Revenue<sup>1</sup>).
  - In France, through this acquisition, added to the acquisition of ZEbet in September 2023, FDJ group will become the third largest operator in the online sports betting and gaming open to competition sector (sports betting, horse racing and poker) (source: FDJ; on the basis of 2023 GGR). In France, FDJ is a main leading gaming operator, and has exclusive rights to operate offline and online lottery, and offline sports betting.
- **A balanced group in terms of activities, markets and distribution channels**
  - With this acquisition being completed, FDJ's international presence will expand to account for approximately 26% of its revenue, compared to 4% currently.
  - Kindred's cutting-edge digital expertise and technology platforms will accelerate FDJ's digitalization - The online share of revenue is expected to rise from 12% for FDJ to 34% for the combined group. Online Betting and Gaming (OB&G) markets open to competition is expected to account for approximately 27% of the revenue, versus 3% before the acquisition, while business under exclusive rights (France & Ireland) will account for 69% of combined Group Revenue.
- **A unique responsible gaming approach**
  - The combined group will operate only on markets that are locally regulated or on the path of becoming regulated, meaning that the group is going to exit of all the markets on which it operates on a non-locally regulated basis. The locally regulated footprint includes in particular Netherlands, Sweden, United Kingdom, France, Belgium, Denmark, Romania, Italy, Estonia and Australia while in Finland there is a clear path to regulation.
  - FDJ and Kindred are the sole gaming / gambling operators having committed themselves with clear objectives to reduce part of their revenues from high risks players
- **A combined group to benefit from significantly stronger revenue and earnings growth with a strengthened financial profile**
  - Kindred's growth and earnings profile is very consistent with FDJ ones
  - As from FY 2025, Kindred will have an accretive impact on combined group growth with:
    - enhanced revenue, recurring EBITDA and Free Cash Flows growth, e.g. a yearly acceleration of revenue growth by more than 50 basis points;
    - a significant increase in the Group's earnings per share and earnings growth.

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<sup>1</sup> Gross gaming revenue = stakes – player winnings

- FDJ estimates<sup>2</sup> that it would have recorded combined revenue of around €3.5 billion and combined recurring EBITDA<sup>3</sup> of around €840 million for the full 2023 financial year if Kindred had been acquired on 1 January 2023, and combined revenue of €1.9 billion and combined recurring EBITDA of around €490 million for the first half of 2024 if Kindred had been acquired on 1 January 2024.
- As soon as possible in 2025, the new group will present its activities with four business units:

<b>FDJ Group operating model post Kindred integration</b>			
<b>France Monopoly</b>	<b>Competitive online betting &amp; gaming</b>	<b>International lottery</b>	<b>Payment &amp; Services</b>
(FDJ : Lottery and point-of-sale sports betting)	<b>Kindred (B2C and Relax)</b> + FDJ's online sports betting & Poker & ZEturf	Premier Lotteries Ireland + Lottery B2B operations	
<b>~ 64%*</b>	<b>~ 30%*</b>	<b>~ 4%*</b>	<b>~ 2%*</b>

\* % of projected 2025 revenue

- FDJ will finance this acquisition using a large part of its available cash and through a bridge loan with leading French and international banks. The FDJ Group:
  - o Reiterates aiming a mid-term net debt to recurring EBITDA ratio of  $\leq 2x$ .
  - o Aims to refinance the bridge loan on attractive market terms<sup>4</sup>

<sup>2</sup> FDJ has estimated the combined revenue and recurring EBITDA for the 2023 financial year and for the first half of 2024 in order to illustrate the significant effects that the Kindred acquisition would have had on the FDJ Group if it had occurred on 1 January 2023 and 1 January 2024, respectively, and on the basis of the scope that would effectively be retained by FDJ. This scope was announced on 22 January 2024, with the planned exit of Norway and other .com sites, unless there is a clear opportunity for a local licence (for example, in Finland, where a draft bill aims to introduce a licensing system for online betting, online slot machines and casino games by early 2027). Kindred has also announced its gradual exit from the US market, completed by the end of the first half of 2024. As Kindred has not published any financial information on those markets in the scope of consolidation that the Group has announced it will not retain, FDJ has estimated Kindred's revenue and recurring EBITDA in this consolidation scope for the 2023 financial year and for the first half of 2024 without taking into account potential synergies and exit costs and using a consistent presentation of revenue. This information has been prepared on the basis of Kindred's IFRS financial statements, harmonizing the presentation of sales with that of the FDJ Group (i.e. the sum of net gaming income and income from other activities). The average EUR/GBP rate used is 0,865675 for 2023 and 0,854647 for the 1<sup>st</sup> half of 2024.

<sup>3</sup> Recurring EBITDA: recurring operating profit/(loss) adjusted for depreciation and amortisation expense.

<sup>4</sup> FDJ considers that the in-depth investigation by the European Commission into the remuneration paid by FDJ to the French State (€380 million) for securing exclusive rights for point-of-sale sports betting and for lottery (cf. 2023 Universal Registration Document p.189 and 359) should not result in a material impact on its financial situation as, according to FDJ, there are no element justifying that the consideration for the exclusive rights should exceed the upper part of the ranges submitted to the Commission des participations et des transferts in its opinion n°2019 – A.C. – 1 of 7 October 2019

## Part 2: Information about Kindred<sup>5</sup>

### 1. Introduction

Kindred Group plc ("Kindred") is one of the world's leading online gambling operators, with business across Europe and Australia, offering over 3 million active B2C customers a great form of entertainment in a sustainable environment.

The company, which employs approximately 2,500 people, representing more than 70 nationalities, has offices located in many places such as Amsterdam, Antwerp, Belgrade, Bengaluru, Copenhagen, Darwin, Gibraltar, London, Madrid, Malta, Paris, Stockholm, Sydney, Tallinn. It is listed on Nasdaq Stockholm Large Cap.

Kindred 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).

Founded in 1997 to provide customers with a safe way to place a bet in the modern digital world, Kindred built a reputation as a disrupter and innovator, quickly gaining a loyal customer base around the world.

For over 25 years now, Kindred led the shift from traditional offline gambling to online, making it a more accessible form of entertainment. Kindred achieved to do so by establishing significant market share in key regulated markets across the globe.

Kindred is home to nine gambling brands known around the world. Each of the brands has its own unique offering and identity, built on the desire to offer customers a thrilling and safe entertainment experience.

### B2C

Kindred provides its customers with gambling products across four categories. Share of 2023 Gross winnings revenue (GWR) of £1,171.9m, per product segment is:

Sports betting: 38 %  
Casinos & games: 57 %  
Poker: 3 %  
Other: 2 %

The Gross winnings revenue converted in EUR was 1,353.7m (using average YTD at Dec 31<sup>st</sup> 2023 EUR/GBP rate of 0,865675).

### 1. Sports betting

#### Our sports betting brands



- **Unibet**, a brand active since 1997, is offering a premium all-product gambling experience, a wide range of Sports betting events, Casino and Games, Poker and Bingo in 20 different languages across more than 100 countries.
- **32Red**, established in 2002, is the home of casino entertainment, offering personalised and exclusive gaming experiences. As well as sports betting and Live Casino, 32Red delivers more than 400 of the best casino slot games powered by Microgaming.

<sup>5</sup> Unless otherwise indicated, all the information stated is based on Kindred 2023 annual report or Kindred 2024 Q2 report or Kindred's publications on its website

Kindred engages in bookmaking across a diverse range of sports and events. The group makes gains or losses based on the bets placed by customers, depending on the underlying outcomes of the event.

The sports betting market continues to expand rapidly, as do the customer choices within it. New technologies in data and personalisation, as well as the growth in popularity of apps, are increasing the attractiveness for players.

For operators, the sports betting margin is volatile due to the events' natural unpredictability and seasonal nature – but, over time, the company has seen its average margin gradually increase.

Kindred is a leader in customer experience and local product positioning. The group attracts and retains customers through attractive odds, a huge variety of betting options across the many sports, and an experience featuring high availability and combinations of outcomes – both pre-match and in-play. Kindred has seen tremendous growth in customers placing combinations and accumulators, which are more profitable than single bets. Its popular BetBuilder product allows customers to build their own accumulator bets within a single match that Kindred is streaming. Kindred has also made navigational improvements during the year and offer greater streaming options.

### ***A wide range of exciting events***

Football is the number-one sport in most of Kindred's markets, followed by tennis and basketball – but the betting portfolio also includes the chance to bet on events such as political elections, TV shows and global entertainment shows.

— **Football** is the bread and butter, and accounts for the majority of the sports revenues by quite some distance. The 'big three' competitions are the Premier League, La Liga and the Champions League, but many local leagues also feature and are an important attraction. The major international events are also key and the 2023 Women's World Cup was the most popular women's football event to date.

— There's always a **tennis** match to enjoy onsite, and Kindred streams all ATP, WTA and Grand Slams, offering them live on Kindred's site. With all the big tennis stars in attendance and five-set men's matches, the Grand Slams bring in good revenue.

— NBA **basketball** is a popular product, and benefits from streaming. With 1,230 matches across the season, NBA is played almost every day.

— **Horse racing** is also an important product in certain territories, such as the UK, Australia and Sweden. Kindred guarantees the best odds, alongside racing-form data and information, streamed races and results. The group has a proprietary racing platform, the award-winning Kindred Racing Platform (KRP).

— **Ice hockey** is one of the most popular sports across the Nordic region and supports the localisation strategy of Kindred. The offering has increased in popularity through BetBuilder product and the streaming proposition. The group is also a partner to the NHL in expanding its fanbase in Sweden.

— Czech Liga pro **table tennis** is the key 'filler' sport – that is, it's played all day long and the group streams the matches. It's fast, fun and matches finish within 20 minutes.

— **Esports** betting performs well with a younger audience. It requires niche targeting, and Kindred offers an esports lobby with streaming and integrated stats. As with the table tennis, games like FIFA offer round-the-clock betting opportunities and finish quickly.

### Top sports ranks based on sportsbook (GWR)

Football	58%
Tennis	15%
Racing	8%
Basketball	6%
Ice hockey	4%

### **Focus on Kindred Sportsbook Platform (KSP)**

Having spent three years in meticulous development, Kindred's proprietary sportsbook platform (KSP) moved into a live production-testing environment in early 2024. Building on the many tried-and-tested principles of the award-winning Kindred Racing Platform (KRP), Kindred is planning to roll KSP out to all Kindred markets over time.

Having its own sports platform Kindred aims to meet the changing needs of the customers across all markets. The rationale behind the investment in its own tech includes growing revenue, optimising costs and maintaining security of supply.

KSP embraces the latest machine learning, automation and algorithmic decision-making technologies that will enable the group to evolve in-play betting, create real-time customer relevance, customise rewards, and provide an experience adapted to local market requirements.

Kindred is continuing to recruit top industry talent in both sportsbook and technology to pursue its ambition of a platform that's unparalleled in its sector in capability, scalability and supporting growth. With the launch of KSP, the group is aiming to establish a true position of strength across its entire range of sports products.

The new in-house Kindred sportsbook platform (KSP) will continue to develop through 2024, focusing on integrating the alert system into the platform, in readiness for full deployment in 2026.

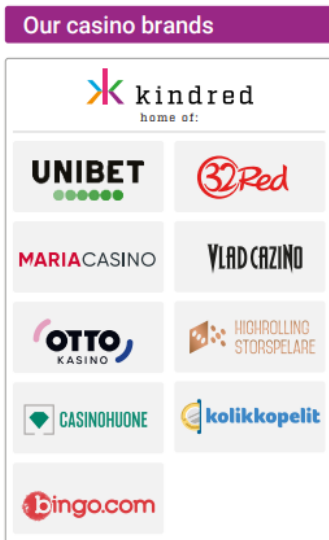
### **Extract of Kindred's Interim report Q2 2024:**

#### **Kindred Sportsbook Platform (KSP) remains firmly on track**

The KSP project remains firmly on track, with key features and functionality being released ahead of our planned market rollout, starting later this year. Live customers from selected test markets are already using the platform and providing valuable feedback and insight for the Product and Development teams. Kindred is already supporting competitive levels of concurrent in-play events. Nils Anden, Chief Executive Officer of Kindred, is particularly excited about the impending ability of the group to offer multi-market pricing, offering, and concessions. This will enable Kindred to safely extend its appeal to customers.

The KSP project is progressing well, achieving several key milestones during the quarter. The production launch is now live in five selected markets. Quant pre-match football prices have been published for monitored test matches, including a Euro 2024 fixture. Algorithmic propensity models are now automatically making profile changes in KSP Racing.

## 2. Casinos & games



- **Unibet**, a brand active since 1997, is offering a premium all-product gambling experience, a wide range of Sports betting events, Casino and Games, Poker and Bingo in 20 different languages across more than 100 countries.
- **32Red**, established in 2002, is the home of casino entertainment, offering personalised and exclusive gaming experiences. As well as sports betting and Live Casino, 32Red delivers more than 400 of the best casino slot games powered by Microgaming.
- **Casinohuone** is an online casino launched in 2005 to offer a full-house gaming experience with casino, poker, lotto and bingo.
- **Maria Casino**, launched in 2006 with a presence in the Nordic countries is offering its players a full house casino experience in a modern environment.
- **Kolikkopelit** is a well-known online casino, operating since 2010. The idea behind this brand is simple: delivering entertaining games and content to players.
- **Bingo.com**, acquired in December 2014, has developed into one of the top bingo brands in the Nordics. The brand offers a selection of both bingo, casino and live casino games.
- **Highrolling**, launched in January 2017 to cater for rollers, who bet big and seek a more premium casino experience.
- **Vlad Casino**, launched in February 2018, was the first dedicated online casino in the Romanian market.
- **Otto Kasino** is Kindred's first pay-and-play brand, launched in July 2020. It offers its customers a completely new mobile casino experience fully designed around speed and simplicity.

A customer makes a wager on a casino game, and the group generates a margin through the house edge (i.e. the mathematical advantage that assures a return). In the two sub-segments, RNG (random number generator) and Live, Kindred aims to enhance the margin sustainably, while at the same time reducing the cost of sales. The group uses over 100 different casino product suppliers as well as Relax Gaming, Kindred's in-house supplier

Growth across the casino & games segment was its fastest growing product area across 2023. The strength of a growing casino product with a stable and consistent margin has created an exciting foundation to grow upon even further.

Casino growth is integral to achieving core market growth. Within multi-product territories, the market for online casino is significantly larger and less volatile than for sports betting. Its eight non-Unibet brands are all casino brands, so improving casino allows to take better advantage of this attractive brand portfolio. Going forward, as part of the renewed strategy Kindred is focusing more of its efforts and resources on creating a better casino experience.

Casino & games represented 57% of total GWR in 2023, despite not being available in France and Australia due to regulations. Kindred works with its industry's leading game suppliers to ensure it has the depth and quality of casino games that customers expect, and currently offer a portfolio of over 3,400 games from more than 120 game suppliers. It

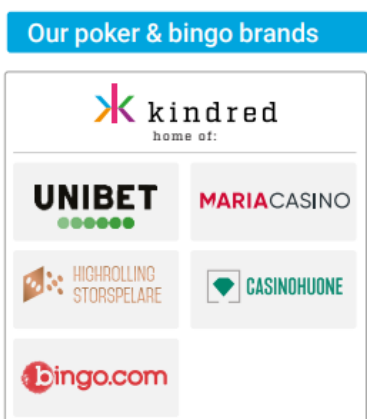


has also been releasing exclusive casino-game content through Kindred's Relax Gaming division.

Alongside RNG (random number generator) games, Kindred offers 'live' online casino across its market portfolio. It does this through seven studios offering a replica of a bricks-and-mortar casino, with human dealers and croupiers hosting tables for the most popular games including roulette and blackjack. These are offered in five languages and include nine Unibet-branded games. Kindred operates nine customer-facing casino brands, with the Unibet brand dominating the share of revenue, and 32Red also generating a key share to support its growth in the UK market. Its hyper-local approach offers different products, languages and player support in each country to meet its customer demand and provide the best experience.

**Exclusive games:** In 2023, Kindred launched 693 games from 90 different suppliers (a 13% year-on-year increase in games launched), and this high variety of content is vital to attracting, reactivating or retaining players. Even better is offering high-quality games no one else can provide. Through its in-house studio, Relax Gaming, the group offered players seven fully exclusive titles this year, and launched 56 games that were exclusive either in a specific market, or for a period of time, before being released to competitors. These headline titles grab attention, help gain share from competitors and help generate a unique selling point for Kindred's brands.

### 3. Poker & other (including bingo)



- **Unibet**, a brand active since 1997, is offering a premium all-product gambling experience, a wide range of Sports betting events, Casino and Games, Poker and Bingo in 20 different languages across more than 100 countries.
- **Casinohuone** is an online casino launched in 2005 to offer a full-house gaming experience with casino, poker, lotto and bingo.
- **Highrolling**, launched in January 2017 to cater for rollers, who bet big and seek a more premium casino experience.

In poker, a customer pays a rake (commission) to Kindred for hosting a poker game, and the loyalty programmes (rake-backs) are dynamic and partly skill-based. In bingo, a customer places a bet and the group generates a margin from the house edge. Its poker and bingo products are supplied exclusively by Relax Gaming

Kindred's aim is to provide the best poker experience for the casual and recreational poker player, and its exclusive poker product is provided in house by Relax Gaming. Its longest serving Unibet poker ambassadors help Kindred keep in touch with its players and gather the feedback it need to continue improving the player experience Gaming.

**Anytime, anywhere:** Focus on mobiles, with full-feature iOS and Android apps and a mobile web solution where no download is required. Unibet offers the full poker product range on downloads to PC and Mac, iOS and Android apps, and is available on the web. Other brands offer a similar variety of availability.

**Maintaining integrity:** The Group does not allow any third-party software tools that give players an unfair advantage. It tries to balance the skill level of the players so games run smoothly, everyone has a chance of winning.

**Attracting and retaining:** Integrated promotions and loyalty system is designed to provide the right number of players to ensure enjoyable games, minimum waiting times and large enough prize pools. In addition, the two-year poker-data project has allowed the group to build tools to measure player value, redesign its loyalty system, and reduce its bonus spend without seeing any negative effect.

**Offering variety:** In October 2023, the group launched a completely new multi-table tournament (MTT) schedule with the aim of using tournaments primarily as an acquisition tool to other poker games that generate greater revenue. MTTs have a large prize pool and are attractive to casual players, so they are also a good way to reactivate lapsed players. Another part of the refresh was a unified qualifier tree – one place to qualify for nearly every live event (live events feature human dealers in a studio set-up). This has allowed Kindred to capitalise on a recent boom in live poker.

## **B2B**

Additionally, Kindred owns 93% of Relax Gaming (over 99% at end-June 2024), a leading supplier of Slots, Bingo, and Table games. Its B2B business – Relax Gaming – generates revenue through the aggregator channel and by offering its exclusive content to a diverse array of operators. The business is highly scalable, making an increasingly significant profit contribution to the Group.

The integration of Relax Gaming has enabled Kindred to create its own exclusive content and create genuine differentiation in its casino product. In addition, many Relax Gaming products are available on tier-one competitor sites, providing Kindred with a highly scalable B2B business model. Its work with Relax Gaming has been progressing, and it will accelerate it even further next year, with its games contributing a greater share of revenue than before and increasing market share in the USA. The group released seven games bespoke to Kindred in 2023, with plans in place for many more.

Kindred provides a differentiated entertainment offering to its customers through proprietary technology across all product segments, with business across the world as Kindred holds 13 local licenses across Europe and Australia.

Its international expansion as an Online Betting and Gaming operator (OB&G) allows Kindred to be among the top 5 players in Western Europe<sup>6</sup> active in 7 out of the top 10 markets.

## **2. Kindred CSR strategy**

Kindred's strategy, renewed in 2022, focuses on the topics most relevant to its stakeholders and its business. Its responsible gambling, product integrity and secure platform pillars are supported by the foundation of compliance, its people, its community and environmental management.

The focus areas relate to material topics identified through Kindred last materiality assessment in 2022, in line with Global Reporting Initiative Universal Standards (GRIUS) 2021. This approach evaluates the effect and significance its activities or business relationships might have on the economy, environment and people. Kindred recognises that impacts can be real or potential, negative or positive, short term or long term, intended or unintended, and reversible or irreversible.

Governance and compliance are in place to manage a range of related risks and opportunities relating to anti-corruption, anti-money laundering, fair competition, financial stability, and responsible sourcing.

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<sup>6</sup> Based on 2022 GGR

	<b>Responsible gambling</b>	<b>A secure platform</b>	<b>Product integrity</b>
Ambition	Make gambling 100% enjoyable	Keep operations and customers safe at all times	Deliver fun, fair and transparent products
Target	No revenue derived from harmful gambling	By 2025, Kindred aims to achieve zero unmitigated exploitable vulnerabilities and zero compromised player accounts	By 2025, Kindred aims to have integrity enforcement covering all areas susceptible to deviations and risks, focusing on material compliance, and education
Focus areas	<ul style="list-style-type: none"> <li>- Journey towards zero</li> <li>- Player protection</li> <li>- Collaboration for impact</li> </ul>	<ul style="list-style-type: none"> <li>- Cybersecurity</li> <li>- Anti-money laundering (AML)</li> </ul>	<ul style="list-style-type: none"> <li>- Detecting and reporting suspicious betting activity</li> <li>- Product transparency</li> <li>- Ethical marketing</li> </ul>
<b>Responsible business</b>			
Ensure long-lasting relationships with partners, colleagues and communities based on trust and respect, always guided by Kindred's rules			

### 3. Kindred principal subsidiaries

At 31 December 2023, the principal subsidiaries of Kindred are as follows<sup>7</sup>:

<b>Name of subsidiary</b>	<b>Place of incorporation</b>	<b>Proportion of ownership and voting power %</b>
Betchoice Corporation Pty Ltd	Australia	100%
Kindred South Development Pty Ltd	Australia	100%
Unibet Australia Pty Ltd	Australia	100%
Blankenberge Casino-Kursaal NV	Belgium	100%
Geerit BVBA	Belgium	100%
Kindred Belgium NV	Belgium	100%
Star Matic BVBA	Belgium	100%
Unibet ON Inc	Canada	100%
Kindred Denmark ApS	Denmark	100%
Kindred Estonia OU	Estonia	100%
Relax Tech Services Oü	Estonia	93%
Relax Tech Finland Oy	Finland	93%
Kindred France SAS	France	100%
32 Red Limited	Gibraltar	100%
Kindred (Gibraltar) Limited	Gibraltar	100%
Platinum Gaming Limited	Gibraltar	100%
Relax Gaming (Gibraltar) Ltd	Gibraltar	93%
Firstclear Limited	Great Britain	100%
Kindred (London) Limited	Great Britain	100%
Kindred Services Limited	Great Britain	100%
Kindred Individuals Private Limited	India	100%
Relax Gaming International Ltd	Isle of Man	93%
Kindred Italy SRL	Italy	100%
Kindred IP Limited	Malta	100%
Lexbyte Digital Limited	Malta	100%
Maria Holdings Limited	Malta	100%
Moneytainment Media Limited	Malta	100%
Optdeck Service Limited	Malta	100%
Relax Gaming Ltd	Malta	93%
Relax Holding Ltd	Malta	93%
Spooniker Ltd	Malta	100%

<sup>7</sup> Extract from Kindred Group plc Annual and Sustainability Report and Accounts of 2023

SPS Betting France Limited	Malta	100%
Trannel International Limited	Malta	100%
Unibet (Belgium) Limited	Malta	100%
Unibet (Denmark) Limited	Malta	100%
Unibet (Germany) Limited	Malta	100%
Unibet (Holding) Ltd	Malta	100%
Unibet (Italia) Limited	Malta	100%
Unibet Services Limited	Malta	100%
Relax Tech Services DOO	Serbia	93%
Kindred Spain Tech, S.L.	Spain	100%
Kindred People AB	Sweden	100%
PR Entertainment (I Stockholm) AB	Sweden	100%
Relax Tech Sweden AB	Sweden	93%
Kindred Nederland B.V.	The Netherlands	100%
Unibet Interactive Inc.	USA	100%

#### 4. **Kindred financial statements**

In 2023, the financial statements were as follows<sup>8</sup>:

<b>Revenue<sup>9</sup> GBP (m)</b>	<b>Free cash flow GBP (m)</b>	<b>Underlying EBITDA GBP (m)</b>	<b>Underlying EBITDA margin (%)</b>
1,210.5	103.3	204.5	17%
+13%	+48%	+58%	+5pp

The financial statements converted in euro were as follows (using average YTD at Dec 31<sup>st</sup> 2023 EUR/GBP rate of 0,865675):

- Revenue: EUR 1,398.2m
- Underlying EBITDA: EUR 236.2m
- Free cash-flow: EUR 119.3m

**Revenue:** Gross winnings revenue (GWR) from the Group's

**Free cash-flow:** Net cash generated from operating activities, excluding movements in customer balances, less cash flows from investment activities (including acquisitions) and lease payments.

**Underlying EBITDA:** EBITDA before items affecting comparability.

**Underlying EBITDA margin %:** Underlying EBITDA as a percentage of revenue.

<sup>8</sup> Extract from Kindred Group plc Annual and Sustainability Report and Accounts of 2023: <https://www.kindredgroup.com/globalassets/documents/investor-relations-related-documents/financial-reports/2023/asr/kindred-group-annual-and-sustainability-report-2023.pdf>

<sup>9</sup> Revenue = Gross Winning Revenue from B2C + Other revenue from B2B activities

## **5. Risks related to the activity of Kindred**

The activities of Kindred are subject to the same risks as FDJ's activities, with the following exceptions, specific to Kindred:

- **Risks associated with non-locally regulated markets**

On the one hand, Kindred's presence in certain non-locally regulated countries could give rise to **material fines, penalties, legal claims or not be granted a license**.

On the other hand, as the combined group will only operate on markets that are locally regulated or on the path of becoming regulated, **operational risks related to the exit from non-locally regulated markets**, such as Norway and dotcoms in particular, might occur.

- **Local increase of constraints and/or changes in tax regulation in certain countries where Kindred operates**

These restrictions or adverse policies are often related to responsible gambling and player protection (e.g. players limits, advertising restriction, etc.) or new tax measures at the national and international levels. They might affect Kindred strategy and could result in increased costs and complexity or have a negative financial impact.

As described in Kindred Annual and Sustainability Report and Accounts 2023, Kindred is expecting to have some impacts from changes in regulation on their business for 2024, in core markets such as the UK and the Netherlands. On the tax front, the Group is constantly dealing with unilateral changes in the legislation in jurisdictions where it has activity in addition to changes to the international tax framework. The absence of official positions from governments, lack of consistent interpretation across different jurisdictions and misalignment in the timing of implementation of international tax rules increases the uncertainty and the complexity of the Group's tax affairs.

- **Risks linked to the roll-out of the new in-house Kindred Sportsbook Platform (KSP)**

The new in-house Kindred Sportsbook Platform (KSP) moved into a live production-testing environment in early 2024. It will continue to develop with a progressive market rollout in readiness for full deployment expected in 2026.

As in any major IT project, several operational risks are related to the deployment of the platform (quality of development, cost management, roadmap delivery, etc.). The KSP project is crucial as it enables high product quality and differentiation while adding to the Group's scalability and long-term profitability. Hence, the failure of the KSP project could have a negative impact on Kindred's expected results.

Beside these risks related to the activity of Kindred, the acquisition project itself raises risks related to any integration of acquisition, particularly in terms of:

- Managing post-acquisition business continuity in a complex multi-jurisdictional structure;
- Business plan implementation (value creation, achievement of expected synergies, etc.);
- Deployment of a unified corporate culture within the new FDJ-Kindred Group.

## **Others - Litigations and arbitration proceedings**

The main litigations proceedings involving Kindred group are explained hereinbelow:

### **1. Claims pending before the local Dutch and German courts against Kindred**

A number of legacy customer claims are currently pending before the local Dutch courts against a number of operators, including Kindred. All cases revolve around two primary arguments as follows (i) the nullity of the gambling contract between Kindred and the customer as Kindred did not hold a local license and (ii) the alleged violation by Kindred of its duty of care and the subsequent recovery of the customer's net losses. A case has been referred to the European Court of Justice in Germany. In the Netherlands, District courts have referred it to the Dutch Supreme Court.

### **2. The ongoing litigation between Kindred and the Hungary regulator**

On 1 January 2023, the Hungarian Gambling Act was amended to introduce a licensing regime for online sports betting. While Kindred supports the introduction of a local regulatory framework, international operators are *de facto* excluded from the licensing process due to several requirements that are incompatible with the European Union ("EU") law, including the requirement to have a local Hungarian branch.

In August 2023, the Hungarian regulator issued a cease-and-desist order against Kindred and started blocking domain names. Kindred has appealed the order on the basis that the cease-and-desist violates the fundamental freedom to provided services, that the Hungarian licensing regime remains non-compliant with EU laws, and that the current regime does not provide a framework that would allow non-Hungarian based operators to enter the Hungarian market.

Kindred is pursuing an injunction to suspend this blocking until a final ruling is issued by the court.