

Kindred Group plc

Year end report January – December 2017 (unaudited)

Fourth quarter and full year highlights

- **New all-time high in Gross winnings revenue of GBP 238.0 (152.8) million for the fourth quarter of 2017, and GBP 751.4 (544.1) million for the full year 2017.**
- **Underlying EBITDA for the fourth quarter of 2017 was GBP 74.5 (39.3) million, and GBP 185.0 (123.7) million for the full year 2017.**
- **Gross winnings revenue contribution from 32Red for the fourth quarter was GBP 18.8 million and underlying EBITDA was GBP 3.2 million.**
- **Profit before tax for the fourth quarter of 2017 amounted to GBP 55.9 (30.1) million, and GBP 132.0 (92.8) million for the full year 2017. For the fourth quarter, this includes non-cash fair value adjustments of GBP 6.1 million relating to the accelerated amortisation of the acquired assets. These fair value adjustments amounted to GBP 9.2 million for the full year 2017.**
- **Profit after tax for the fourth quarter of 2017 amounted to GBP 50.8 (29.4) million and GBP 117.4 (83.9) million for the full year 2017.**
- **Earnings per share for the fourth quarter of 2017 were GBP 0.223 (0.129) and GBP 0.516 (0.366) for the full year 2017.**
- **Underlying earnings per share for the fourth quarter of 2017 were GBP 0.253 (0.131) and GBP 0.578 (0.379) for the full year 2017.**
- **Number of active customers during the quarter was 1,329,124 (1,150,027).**
- **The Board of Directors propose a dividend of 0.551 (0.310) per share/SDR, which is approximately SEK 6.16 (3.46) per share/SDR and amounts to a proposed distribution to shareholders of GBP 125.5 (71.4) million.**
- **AGM to be held on Tuesday 15 May 2018 in Stockholm.**

"A strong finish to 2017 resulted in another record quarter for revenue and profit"

"Strong growth across our major markets and an exceptional sportsbook margin approximately 50 per cent above the long-term average, have resulted in record revenue and profitability for Kindred Group in the fourth quarter of 2017. Our investments in marketing and product development have also resulted in an all-time high in EBITDA and number of active customers. Gross winnings revenue grew by 56 per cent as reported and by 42 per cent organic and in constant currencies, compared to the same period last year."

"In the fourth quarter, Gross winnings revenue from mobile grew by 55 per cent compared to the fourth quarter last year and amounted to 70 per cent of our total Gross winnings revenue. Of the Group's Gross winnings revenue, 42 per cent came from locally regulated markets."

"Our underlying EBITDA reached a new all-time high at GBP 74.5 million for the fourth quarter, up 90 per cent compared to the same period last year. The underlying organic EBITDA in constant currency was up 80 per cent."

"The strong performance of the Group resulted in an increase in free cash flow of 78 per cent for the full year 2017. The Board has reviewed the cash requirements for 2018 and is proposing a cash dividend of GBP 0.551, which represents a growth of 78 per cent compared to the previous year."

"In the period up to 11 February 2018, average daily Gross winnings revenue in GBP was 35 per cent higher compared to the same period in 2017. Adjusting for the acquisition of 32Red and the impact of exchange rate changes, the growth was 23 per cent," says Henrik Tjärnström, CEO of Kindred Group.

Today, Wednesday 14 February 2018, Kindred Group's CEO Henrik Tjärnström will host a presentation in English at FinancialHearings, Tändstickspalatset, Västra Trädgårdsgatan 15, in Stockholm at 9.00 CET.

Please go to financialhearings.com to sign in. The presentation is also webcast live on www.kindredgroup.com. For those who would like to participate in the telephone conference in connection with the presentation, the telephone numbers are UK: +44 20 3008 9818 or USA: +1 855 753 2235.

The Kindred Group companies hold local gambling licences in UK, France, Belgium, Denmark, Germany (Schleswig-Holstein), Italy, Australia, Ireland, Romania and Estonia. The Kindred Group also holds international gambling licences in Malta and Gibraltar. The Kindred Group pays betting duties in all markets in accordance with applicable local laws.

The information in this report is such that Kindred Group plc is required to disclose under the EU Directive of Market Abuse Regulation.



Q4 AND FULL YEAR SUMMARY

This table and the contents of this announcement are unaudited.

GBP	Q4		Full Year	
	2017 GBPm	2016 GBPm	2017 GBPm	2016 GBPm
Gross winnings revenue	238.0	152.8	751.4	544.1
EBITDA ¹	73.8	38.9	180.3	120.7
Underlying EBITDA ²	74.5	39.3	185.0	123.7
Profit before tax	55.9	30.1	132.0	92.8
Profit after tax	50.8	29.4	117.4	83.9
Unrestricted cash ³	101.6	38.6	101.6	38.6
Net debt ⁴	94.0	16.0	94.0	16.0
Bank debt	195.6	54.6	195.6	54.6
	GBP	GBP	GBP	GBP
EBITDA ¹ per share	0.324	0.171	0.792	0.527
Underlying EBITDA ² per share	0.327	0.173	0.813	0.540
Earnings per share	0.223	0.129	0.516	0.366
Underlying earnings per share ⁵	0.253	0.131	0.578	0.379
Unrestricted cash ³ per share	0.441	0.168	0.441	0.168
Net debt ⁴ per share	0.408	0.070	0.408	0.070
	SEK	SEK	SEK	SEK
Gross winnings revenue	2,628.2	1,716.9	8,266.2	6,300.7
EBITDA ¹	815.0	437.1	1,983.5	1,397.7
Underlying EBITDA ²	822.7	441.6	2,035.2	1,432.4
Profit before tax	617.3	338.2	1,452.1	1,074.6
Profit after tax	561.0	330.3	1,291.5	971.6
Unrestricted cash ³	1,127.3	430.7	1,127.3	430.7
Net debt ⁴	1,042.9	178.5	1,042.9	178.5
Bank debt	2,170.2	609.2	2,170.2	609.2
	SEK	SEK	SEK	SEK
EBITDA ¹ per share	3.578	1.921	8.713	6.101
Underlying EBITDA ² per share	3.612	1.941	8.940	6.253
Earnings per share	2.463	1.452	5.673	4.241
Underlying earnings per share ⁵	2.798	1.472	6.361	4.392
Unrestricted cash ³ per share	4.898	1.871	4.898	1.871
Net debt ⁴ per share	4.532	0.776	4.532	0.776
	No.	No.	No.	No.
Active customers	1,329,124	1,150,027		
Registered customers (million)	21.3	16.5	21.3	16.5

Currency rate Q4 17 average: 1 GBP = 11.043 SEK, Q4 16 average: 1 GBP = 11.236 SEK, FY 17 average: 1 GBP = 11.001 SEK, FY 16 average: 1 GBP = 11.580 SEK, 31 December 2017: 1 GBP = 11.095 SEK, 31 December 2016: 1 GBP = 11.157 SEK

The Kindred Group reports in GBP and the SEK figures presented above are for information only and do not necessarily comply with IFRS.

Definition of Alternative Performance Measures

¹ EBITDA = Profit from operations before depreciation & amortisation.

² Underlying EBITDA = EBITDA less M&A costs and management incentive costs relating to acquisitions.

³ Unrestricted cash = Total cash at period end less customer balances.

⁴ Net debt = Total cash at period end less customer balances and borrowings.

⁵ Underlying earnings per share = Profit after tax less M&A costs, management incentive costs, finance costs relating to acquisitions and accelerated amortisation of acquired intangible assets, divided by the weighted average number of outstanding shares for the period.



Significant events during the fourth quarter of 2017

On 28 September 2017, Kindred Group was awarded the “Return on Customer Experience Gold Award” at the 2017 UK Customer Experience Awards for its ground-breaking data driven approach and innovative predictive analytic models.

On 26 October 2017, Kindred Group was awarded “Slots Operator of the Year” at the EGR Operator Awards 2017 for its successful work on adapting product offerings to specific customer preferences.

Significant events after the period end

On 18 January 2018, Kindred Group was awarded “Socially Responsible Operator” at the EGR Nordics Awards 2018 for the second time.

In January 2018, the results of an audit conducted by sports betting integrity audit company Ethisport came in. The audit gave Kindred a global rating of 70 per cent, which corresponds with a ‘very good’ result, and also provided a few suggestions for further improvement. Moreover, as founding partner of ESSA, Kindred are proud to be working alongside the IOC in preventing match-fixing during the 2018 Winter Olympics 2018. This is another testimony of the Group’s commitment to tackling this issue in cooperation with all relevant stakeholders.

Market

The Kindred Group is one of Europe’s leading providers of moneytainment, operating in 20 different languages in more than 100 countries. The Group offers pre-game and live Sports betting, Racing, Poker, Casino & Games and Bingo through several subsidiaries and brands. While the Group’s core markets are in Europe and Australia, it addresses global markets excluding only territories that it has consistently blocked for legal reasons including the USA, Turkey and similar markets. The Kindred Group is a founding member of the European Gaming and Betting Association, the Remote Gambling Association in the UK and is audited and certified by eCOGRA in relation to the pan-European CEN standard on consumer protection and responsible gaming.

Current products

Sports betting

The Kindred Group’s pre-game sports betting and live betting service offers a comprehensive range of odds on a variety of international and local sports events, to a worldwide customer base (excluding restricted markets as described above) 24 hours a day, 7 days a week. Bets are placed via the Group’s websites and mobile apps.

The Group offered 45,437 live betting events in the fourth quarter of 2017 and streamed 10,025 events on desktop and mobile devices.

The majority of the Kindred Group’s business is determined by the seasons for key sports such as the major football leagues in Europe, major golf and tennis tournaments, ice hockey leagues in the Nordic countries and North America and sports and racing in Australia. The seasonality of these events results in fluctuations in the Group’s quarterly performance, especially in terms of the amounts staked. However, quarterly results can also vary widely, due to the volatility of Gross winnings margins in sports betting. Please also refer to page 5 for more information about the margin.

Casino & Games

The Kindred Group’s casino product covers a wide range of suppliers and a diverse content library. The aim is to provide relevant content for different markets and brands, both using off the shelf content as well as the Group’s own exclusive titles. During the quarter Kindred has, amongst other things, worked on technology to support a personalised offering as well as user experience improvements for the mobile channels.

Poker

The Kindred Group’s poker product is the fastest growing licensed poker network in the industry. During the quarter the Group, supported by its suppliers has continued to refine the product experience as well as revamp the tournament offering and adjust the cash game offering. In addition, Kindred hosted the Unibet Open in Bucharest



which attracted a total of 2,000 players including over 500 playing in the main event. The event also had over 2 million views on the popular streaming platform Twitch.

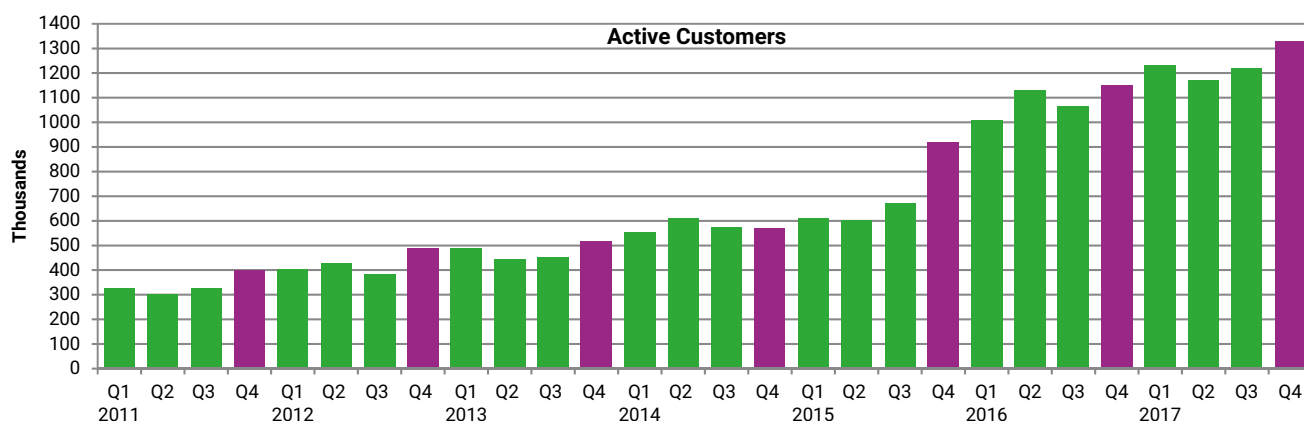
Bingo

The Kindred Group's bingo product offers several different bingo rooms and game types, including big jackpots and a wide range of mini games. During the quarter the Group has further improved the mobile offering and released a new bingo mini game.

Customers

The total number of registered customers has continued to increase and amounted to over 21.3 (16.5) million at 31 December 2017, whilst at 30 September 2017, over 20.7 million customers were registered.

For the fourth quarter of 2017 the number of active customers amounted to 1,329,124 (1,150,027), compared with 1,219,761 for the third quarter of 2017. An active customer is defined as one placing a bet in the last three months.



Financial review

The financial information within this report has been presented in accordance with International Financial Reporting Standards as adopted by the European Union. The accounting policies remain unchanged from the last published Annual Report and Accounts for the year ended 31 December 2016.

Throughout the report where a comparative number is stated in brackets, this relates to the comparative of the period specified.

Gross winnings revenue

Gross winnings revenue on sports betting represents the net receipt of bets and payouts for the financial period, as reduced for Free Bets granted. Free Bets are bonuses granted or earned in connection with customer acquisition.

Gross winnings revenue for sports betting amounted to GBP 121.2 (68.5) million for the fourth quarter of 2017. For the full year 2017, Gross winnings revenue for sports betting amounted to GBP 346.5 (245.5) million.

In the fourth quarter of 2017, live betting accounted for 58.1 (60.8) per cent of turnover on sports betting and 42.2 (51.0) per cent of Gross winnings revenue on sports betting.

Gross winnings revenue for other products amounted to GBP 116.8 (84.3) million for the fourth quarter of 2017. For the full year 2017, Gross winnings revenue for other products amounted to GBP 404.9 (298.6) million.

Please refer to pages 13 and 14 for more information on Gross winnings revenue per region and products.



Gross margin on sports betting

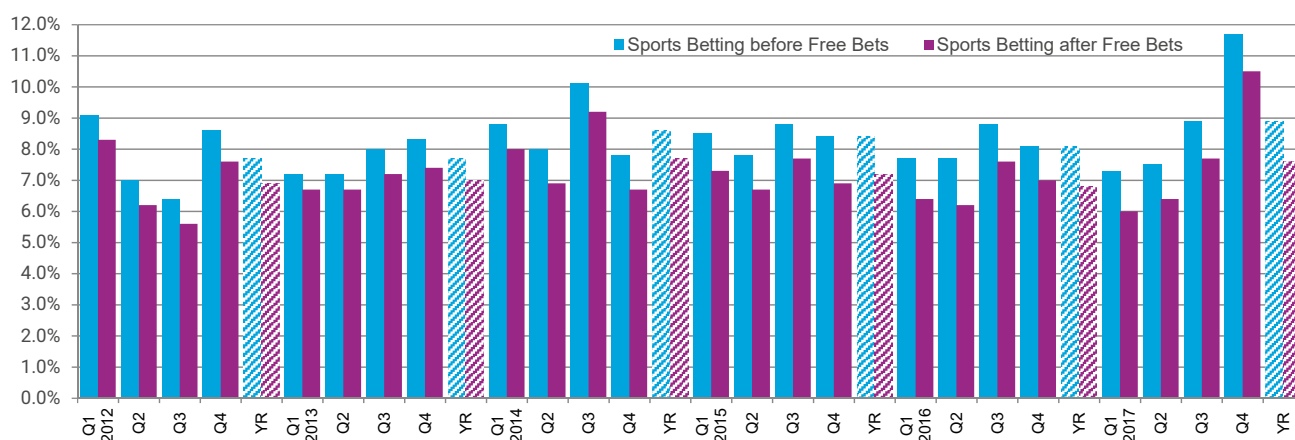
The gross margin for pre-game sports betting before Free Bets for the fourth quarter of 2017 was 16.2 (10.1) per cent.

The gross margin for total sports betting for the fourth quarter of 2017 before Free Bets was 11.7 (8.1) per cent. The gross margin for total sports betting for the fourth quarter of 2017 after Free Bets was 10.5 (7.0) per cent.

Please refer to page 14 for more information on sports betting margins.

Sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events. However, over time these margins will even out. This can be seen in the table below. The bars show total sports betting gross margin by quarter and full year.

Sportsbetting Gross Win % (before and after Free Bets)



Cost of sales

Cost of sales includes betting duties, marketing revenue share and other costs of sales. For the fourth quarter of 2017 betting duties were GBP 37.2 (20.2) million and marketing revenue share amounted to GBP 11.9 (7.9) million. The betting duties for the full year 2017 were GBP 113.6 (67.7) million and marketing revenue share for the full year 2017 amounted to GBP 41.3 (29.8) million.

Gross profit

Gross profit for the fourth quarter of 2017 was GBP 154.0 (98.6) million. Gross profit for the full year 2017 was GBP 471.3 (344.8) million.

Operating costs (marketing and administrative expenses)

Operating costs include all indirect costs of running the business and are a combination of activity-related and fixed costs such as marketing, salaries and other administrative expenses.

During the fourth quarter of 2017, operating costs were GBP 85.3 (65.0) million. Of these operating costs, GBP 40.0 (30.9) million were marketing costs and GBP 20.6 (16.3) million were salaries. During the full year 2017, operating costs were GBP 306.8 (236.1) million. Of these operating costs, GBP 145.3 (114.7) million were marketing costs and GBP 74.5 (60.8) million were salaries.



FX rates

The net foreign exchange impact of the Kindred Group's main trading currencies against its reporting currency of GBP is shown in the tables below.

Balance sheet rates:

Rate to GBP	31-Dec-17	31-Dec-16	YoY Delta
SEK	11.095	11.157	0.6%
NOK	11.091	10.613	-4.5%
EUR	1.127	1.168	3.5%
DKK	8.391	8.683	3.4%
AUD	1.730	1.705	-1.5%

Income statement averages for the quarter:

Rate to GBP	Avg Q4 17	Avg Q4 16	YoY Delta
SEK	11.043	11.236	1.7%
NOK	10.837	10.409	-4.1%
EUR	1.127	1.152	2.2%
DKK	8.389	8.568	2.1%
AUD	1.727	1.657	-4.2%

EBITDA and Profit from operations

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the fourth quarter of 2017 was GBP 73.8 (38.9) million and for the full year 2017, was GBP 180.3 (120.7) million.

Underlying EBITDA for the fourth quarter of 2017 was GBP 74.5 (39.3) million and for the full year 2017, was GBP 185.0 (123.7) million.

Profit from operations for the fourth quarter of 2017 was GBP 58.0 (31.6) million. Profit from operations for the full year 2017 was GBP 137.7 (96.9) million.

Items affecting comparability

Merger and acquisition costs are one-off costs associated with the acquisition of 32Red.

Management incentive costs relating to acquisitions refer to costs in connection with the acquisition of 32Red in June 2017, and the acquisitions of iGame and Stan James Online in 2015.

Amortisation of acquired intangible assets is the charge on IFRS 3 Business combination acquired assets over the useful economic life of the asset, and is included as part of the Group's total amortisation charge.

As a result of the rationalisation of its brands, the ongoing migration of acquired brands to the Group's platform and reassessment of the fair value of acquired intangibles, the Group has taken a non-recurring, non-cash amortisation charge of GBP 6.1 million for the fourth quarter of 2017. For the full year 2017 this amounts to GBP 9.2 million. These fair value adjustments will have no impact on free cash flow or the dividend payment capacity of Kindred Group plc.

Development and acquisition costs of intangible assets

In the fourth quarter of 2017 intangible assets of GBP 5.7 (5.0) million have been capitalised, bringing the total capitalised for the full year 2017 to GBP 20.4 (19.2) million. Intangible assets comprise development costs and computer software. Capitalised development costs during 2017 are driving economic benefit through customer experience improvements, local licensing requirements, data analytics and information mining.

Finance costs

Net finance costs for the fourth quarter of 2017 were GBP 1.3 (1.5) million. Net finance costs for the full year 2017 were GBP 3.2 (4.3) million.



Profit before tax

Profit before tax for the fourth quarter of 2017 was GBP 55.9 (30.1) million. Profit before tax for the full year 2017 was GBP 132.0 (92.8) million.

Profit after tax

Profit after tax for the fourth quarter of 2017 was GBP 50.8 (29.4) million. Profit after tax for the full year 2017 was GBP 117.4 (83.9) million.

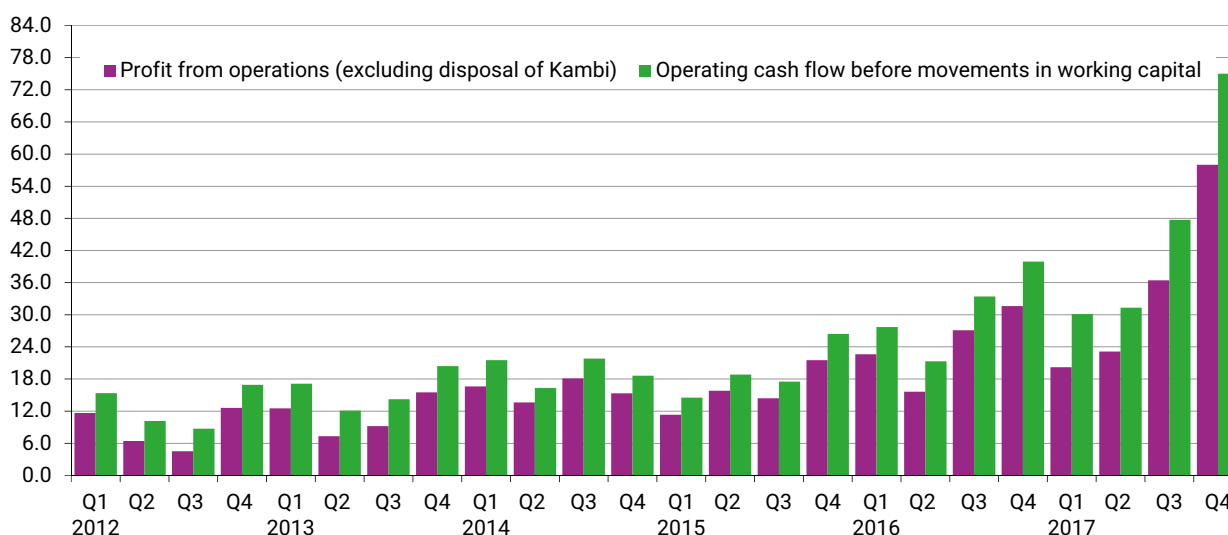
Financial position and cash flow

The cash in hand position at the end of the fourth quarter of 2017 stood at GBP 159.1 (89.4) million while at the beginning of the quarter it was GBP 153.8 (70.9) million.

The net cash inflow for the fourth quarter of 2017 was GBP 5.3 (18.9) million with significant cash movements being the repayment of GBP 37.1 million of the Revolving Credit Facility and GBP 15.0 million of the term loan. As at 31 December 2017, GBP 195.6 (54.6) million of the term and revolving facilities was utilised out of a total of GBP 255.3 million. For further information on the term and revolving facilities, please refer to page 90 of the 2016 Annual Report.

In the fourth quarter of 2017 GBP 75.0 (39.9) million was generated from operating activities before movements in working capital. The quarterly profit from operations and operating cash flow before movements in working capital is shown in the table below.

Profit and operating cash flow before movements in working capital (GBP million)



Dividend

The Board of Directors proposes a dividend of GBP 0.551 (0.310), which is approximately SEK 6.16 (3.46) at the exchange rate 11.176 GBP/SEK at 13 February 2018 per ordinary share, to be paid to holders of ordinary shares and SDRs. If approved at the AGM, the dividend is expected to be distributed on 22 May 2018 and amounts to a total of GBP 125.5 (71.4) million, which is approximately 75 per cent of the Group's free cash flow for 2017. The Board has reviewed the projected cash requirements for 2018 and is proposing to increase the dividend above 50 per cent of free cash flow. This is in line with the dividend policy to distribute surplus cash.

No dividend will be paid on the shares/SDRs held by the company as a result of the share buy-back programme.

Employees

The Kindred Group had 1,357 (1,162) employees at 31 December 2017, compared with 1,350 employees at 30 September 2017.



Share based incentive programme

As reported in the Interim Report for the third quarter of 2017, the share awards granted in 2014 to senior management and key employees as part of the “2014 Performance Share Plan” have vested in November 2017. As a result of the achievement of the business performance targets over the three financial years 2014-2016 and continued employment, the number of share awards vested is 179,568.

Principal risks

The Kindred Group manages strategic, operational and financing risks on a group-wide basis. The principal risks affecting the Group are market risks, foreign exchange risks, credit risks and legal risks. Further details of the Group’s risk management and risks arising from the legal environment can be found on pages 26 to 29 and pages 43 to 44 of the Annual Report for the year ended 31 December 2016 available from www.kindredgroup.com. There have been no significant changes in any risks identified since the prior year end.

Next AGM and Nomination Committee

The 2018 Annual General Meeting of Kindred Group plc will be held on 15 May 2018 in Stockholm. In view of the scheduled date for publishing the Notice of the Annual General Meeting, proposals have to be received by the Company and the Nomination Committee no later than 1 March 2018 in order to have sufficient time for including them in the Notice and the meeting’s agenda.

The Nomination Committee for the 2018 AGM consists of Evert Carlsson, Swedbank Robur Fonder (chairman), Jonas Eixmann, Andra AP-fonden, Olof Jonasson, Första AP-fonden, Caroline Sjösten, Skandia Liv, and Anders Ström, chairman of the Board of Directors. The nomination committee can be contacted at the following address: Kindred Group plc, "Fawwara Buildings", Msida Road, Gzira GZR1402, Malta, or by email to: Nomination@kindredgroup.com.

Annual Report and Sustainability report

Kindred Group plc’s Annual Report for the 2017 financial year will be available on the website www.kindredgroup.com as from 12 March 2018. Kindred Group plc’s first stand-alone Sustainability Report will be available on the website at the same date. The 2016 figures in this report have been extracted from the 2016 audited consolidated financial statements.

Forthcoming financial reporting timetable

Interim Report January – March 2018	25 April 2018
Interim Report January – June 2018	25 July 2018
Interim Report January – September 2018	26 October 2018
Full Year Report 2018	13 February 2019

The Board of Directors and the CEO certify that the interim report gives a fair reflection of the Group’s operations, financial position and results of operations, and describes significant risks and uncertainties facing the Group.

Malta, 14 February 2018

Henrik Tjärnström
CEO

For further information please contact:

Inga Lundberg, Investor Relations	+44 788 799 6116
Henrik Tjärnström, CEO	+46 723 878 059

This report is unaudited.

This document is the English original. In the event of any discrepancy between the original English document and the Swedish translation, the English original shall prevail.

Kindred Group plc
"Fawwara Buildings", Msida Road, Gzira GZR1405, Malta
Registered office: c/o Camilleri Preziosi, Level 2, Valletta Buildings, South Street, Valletta, Malta.



Registered in Malta. Company number C 39017

CONSOLIDATED INCOME STATEMENT	Unaudited	Unaudited	Unaudited	Audited
GBP 'm	Q4	Q4	Full year	Full Year
	2017	2016	2017	2016
Continuing operations:				
Gross winnings revenue	238.0	152.8	751.4	544.1
Betting duties	-37.2	-20.2	-113.6	-67.7
Marketing revenue share	-11.9	-7.9	-41.3	-29.8
Other cost of sales	-34.9	-26.1	-125.2	-101.8
Cost of sales	-84.0	-54.2	-280.1	-199.3
Gross profit	154.0	98.6	471.3	344.8
Marketing costs	-40.0	-30.9	-145.3	-114.7
Administrative expenses	-45.3	-34.1	-161.5	-121.4
Underlying profit before items affecting comparability:	68.7	33.6	164.5	108.7
M&A costs	-	-	-3.2	-
Management incentive costs relating to acquisitions	-0.7	-0.4	-1.5	-3.0
Accelerated amortisation of acquired intangible assets	-6.1	-	-9.2	-
Amortisation of acquired intangible assets	-3.5	-2.7	-11.4	-8.2
Foreign currency (loss)/gain on operating items	-0.4	1.1	-1.5	-0.6
Profit from operations	58.0	31.6	137.7	96.9
Finance costs	-1.4	-1.6	-3.5	-4.5
Finance income	0.1	0.1	0.3	0.2
Foreign currency loss on loan	-0.8	-	-3.0	-
Share of profit from associates	0.0	0.0	0.5	0.2
Profit before tax	55.9	30.1	132.0	92.8
Income tax expense	-5.1	-0.7	-14.6	-8.9
Profit after tax	50.8	29.4	117.4	83.9
Earnings per share (GBP)	0.223	0.129	0.516	0.366
Weighted average number of outstanding shares	227,762,388	227,471,148	227,652,726	229,096,939
Fully diluted earnings per share (GBP)	0.222	0.129	0.513	0.365
Weighted average number of fully diluted outstanding shares	228,776,218	227,947,741	228,712,559	229,737,902
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Unaudited	Unaudited	Unaudited	Audited
GBP 'm	Q4	Q4	Full year	Full Year
	2017	2016	2017	2016
Profit for the period	50.8	29.4	117.4	83.9
Other comprehensive income				
Currency translation adjustments taken to equity	0.5	-3.1	3.9	16.1
Total comprehensive income for the period	51.3	26.3	121.3	100.0



CONSOLIDATED BALANCE SHEET GBP 'm	Unaudited 31 Dec 2017	Audited 31 Dec 2016
Assets		
Non-current assets		
Goodwill	279.1	184.9
Other intangible assets	162.8	93.9
Investment in associates	2.1	1.6
Property, plant and equipment	24.7	12.7
Deferred tax assets	13.4	8.8
Convertible bond	6.8	6.6
Other non-current assets	1.6	2.2
	490.5	310.7
Current assets		
Trade and other receivables	38.5	30.6
Taxation recoverable	37.9	20.5
Cash and cash equivalents	159.1	89.4
	235.5	140.5
Total assets	726.0	451.2
Equity and liabilities		
Capital and reserves		
Share capital	0.1	0.1
Share premium	81.5	81.5
Currency translation reserve	18.6	14.7
Reorganisation reserve	-42.9	-42.9
Retained earnings	240.9	190.1
Total equity	298.2	243.5
Non-current liabilities		
Borrowings	133.0	-
Deferred tax liabilities	5.7	4.2
	138.7	4.2
Current liabilities		
Borrowings	62.6	54.6
Trade and other payables	110.2	60.0
Customer balances	57.5	50.8
Deferred income	4.4	4.2
Tax liabilities	54.4	33.9
	289.1	203.5
Total liabilities	427.8	207.7
Total equity and liabilities	726.0	451.2



CONSOLIDATED CASH FLOW STATEMENT GBP 'm	Unaudited Q4 2017	Unaudited Q4 2016	Unaudited Full Year 2017	Audited Full Year 2016
Operating activities				
Profit from operations	58.0	31.6	137.7	96.9
Adjustments for:				
Depreciation of property, plant and equipment	2.1	1.6	7.2	5.1
Amortisation of intangible assets	13.7	5.7	35.4	18.7
Loss on disposal of intangible assets	0.2	0.1	0.2	0.1
Loss on disposal of property, plant & equipment	0.0	0.1	0.1	0.2
Share-based payments	0.5	0.3	1.6	0.6
Equity settled employee benefit plan	0.5	0.5	1.9	0.7
Operating cash flows before movements in working capital	75.0	39.9	184.1	122.3
Decrease/(increase) in trade and other receivables ¹	2.4	1.0	-4.2	-7.8
Increase/(decrease) in trade and other payables, including customer balances	2.6	-7.3	39.1	13.7
Cash flows from operating activities	80.0	33.6	219.0	128.2
Net income taxes paid	-9.1	-2.1	-15.9	-6.5
Net cash generated from operating activities	70.9	31.5	203.1	121.7
Investing activities				
Acquisition of subsidiary, net of cash acquired	-	-	-155.6	-
Settlement of contingent consideration	-	-	-	-16.7
Interest received	0.0	0.0	0.2	0.2
Interest paid	-1.2	-0.2	-3.8	-0.8
Purchases of other non-current assets ¹	-	-	-6.6	-
Purchases of property, plant and equipment	-6.6	-2.4	-18.3	-10.4
Proceeds from sale of property, plant and equipment	-	0.0	-	0.5
Development and acquisition costs of intangible assets	-5.7	-5.0	-20.4	-19.2
Net cash used in investing activities	-13.5	-7.6	-204.5	-46.4
Financing activities				
Dividend paid	-	-	-70.6	-54.0
Disposal of treasury shares	-	-	-	0.2
Proceeds of issue of new shares for share options	-	-	-	0.0
Treasury share buy-back	-	-	-	-17.1
Proceeds from borrowings	-	11.8	233.7	51.7
Repayment of borrowings	-52.1	-16.8	-95.3	-58.8
Net cash (used in)/generated from financing activities	-52.1	-5.0	67.8	-78.0
Net increase/(decrease) in cash and cash equivalents	5.3	18.9	66.4	-2.7
Cash and cash equivalents at beginning of period	153.8	70.9	89.4	83.4
Effect of foreign exchange rate changes	0.0	-0.4	3.3	8.7
Cash and cash equivalents at end of period	159.1	89.4	159.1	89.4

¹ Payments and refunds of long-term deposits (such as rental deposits) recognised in 2017 have been reclassified from investing activities to operating activities to better represent the nature of the transactions.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY GBP 'm	Unaudited Q4 2017	Unaudited Q4 2016	Unaudited Full Year 2017	Audited Full Year 2016
Opening balance at beginning of period	245.4	216.4	243.5	213.1
Comprehensive income				
Profit for the period	50.8	29.4	117.4	83.9
Other comprehensive income:				
Translation adjustment	0.5	-3.1	3.9	16.1
	51.3	26.3	121.3	100.0
Transactions with owners				
Share options - value of employee services	-0.5	-0.2	0.6	0.1
Treasury share buy-back	-	-	-	-17.1
Equity settled employee benefit plan	0.5	0.5	1.9	0.7
Deferred tax credit relating to share option scheme	0.5	-	0.5	-
Proceeds from shares issued	-	-	-	0.0
Disposal of treasury shares	1.0	0.5	1.0	0.7
Dividend paid	-	-	-70.6	-54.0
	1.5	0.8	-66.6	-69.6
Closing balance at end of period	298.2	243.5	298.2	243.5

KEY RATIOS

This table is for information only and does not form part of the condensed financial statements.

	Unaudited Q4 2017	Unaudited Q4 2016	Unaudited Full Year 2017	Audited Full Year 2016
Operating margin (Profit from operations/gross winnings revenue for the period)	24%	21%	18%	18%
Return on total assets (Profit after tax/average of opening and closing assets for the period)	7%	7%	20%	20%
Return on average equity (annualised) (EBIT/average of opening and closing equity for the period)	85%	55%	51%	42%
Equity:assets ratio	41%	54%	41%	54%
EBITDA margin	31%	25%	24%	22%
Unrestricted cash/EBITDA (rolling 12-month basis)	0.564	0.320	0.564	0.320
Net debt/EBITDA (rolling 12-month basis)	0.521	0.133	0.521	0.133
Employees at period end	1,357	1,162	1,357	1,162
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	0.691	0.388	0.691	0.388
Net debt per share (GBP) (total cash at period end less customer balances and borrowings/number of shares at end of period)	0.408	0.070	0.408	0.070
Operating cash flow before movements in working capital per share (GBP)	0.329	0.175	0.809	0.534
Earnings per share (GBP)	0.223	0.129	0.516	0.366
Fully diluted earnings per share (GBP)	0.222	0.129	0.513	0.365
Number of shares at period end ¹	230,126,200	230,126,200	230,126,200	230,126,200
Fully diluted number of shares at period end	231,022,348	230,520,323	231,022,348	230,520,323
Weighted average number of outstanding shares	227,762,388	227,471,148	227,652,726	229,096,939
Weighted average number of fully diluted outstanding shares	228,776,218	227,947,741	228,712,559	229,737,902

¹ As at 31 December 2017 the total issued shares was 230,126,200. Of these 2,298,694 shares are held by the Group as a result of previous repurchase programmes. The intention of the Board is either to cancel the shares (requires further shareholder approval), use as consideration for an acquisition, or issue to employees under share option programmes.



NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

This table is for information only and does not form part of the condensed financial statements.

Gross winnings revenue by region (based on country of residence of customer)
(GBP 'm)

SPORTS BETTING BY REGION	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 FY	2016 FY
Gross winnings revenue										
Nordics	34.4	26.6	20.4	21.6	21.3	23.5	17.2	18.3	103.0	80.3
Western Europe	74.9	49.6	44.8	37.0	39.5	35.1	32.9	29.0	206.3	136.5
Central, Eastern and Southern Europe	8.6	6.5	5.9	5.0	5.0	5.3	4.2	4.8	26.0	19.3
Other	3.3	3.0	2.1	2.8	2.7	2.8	1.9	2.0	11.2	9.4
Total	121.2	85.7	73.2	66.4	68.5	66.7	56.2	54.1	346.5	245.5
Quarterly Year-on-Year & Year-on-Year growth %										
Nordics	62%	13%	19%	18%	30%	56%	27%	39%	28%	38%
Western Europe	90%	41%	36%	28%	43%	78%	95%	65%	51%	67%
Central, Eastern and Southern Europe	72%	23%	40%	4%	14%	96%	91%	71%	35%	60%
Other	22%	7%	11%	40%	8%	22%	-17%	5%	19%	4%
Total	77%	28%	30%	23%	34%	68%	61%	52%	41%	52%
OTHER PRODUCTS - CASINO, POKER, & OTHER GAMES BY REGION	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 FY	2016 FY
Gross winnings revenue										
Nordics	49.2	49.8	47.4	47.6	46.5	40.4	36.8	35.9	194.0	159.6
Western Europe	56.0	51.1	39.0	32.6	30.8	27.7	26.5	25.0	178.7	110.0
Central, Eastern and Southern Europe	7.6	5.8	5.6	6.1	6.2	6.8	6.6	6.8	25.1	26.4
Other	4.0	1.2	1.4	0.5	0.8	0.7	0.5	0.6	7.1	2.6
Total	116.8	107.9	93.4	86.8	84.3	75.6	70.4	68.3	404.9	298.6
Quarterly Year-on-Year & Year-on-Year growth %										
Nordics	6%	23%	29%	33%	44%	58%	59%	69%	22%	56%
Western Europe	82%	84%	47%	30%	36%	69%	48%	61%	62%	52%
Central, Eastern and Southern Europe	23%	-15%	-15%	-10%	17%	84%	61%	89%	-5%	58%
Other	400%	71%	180%	-17%	167%	17%	0%	100%	173%	53%
Total	39%	43%	33%	27%	40%	66%	54%	68%	36%	55%
TOTAL BY REGION	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 FY	2016 FY
Gross winnings revenue										
Nordics	83.6	76.4	67.8	69.2	67.8	63.9	54.0	54.2	297.0	239.9
Western Europe	130.9	100.7	83.8	69.6	70.3	62.8	59.4	54.0	385.0	246.5
Central, Eastern and Southern Europe	16.2	12.3	11.5	11.1	11.2	12.1	10.8	11.6	51.1	45.7
Other	7.3	4.2	3.5	3.3	3.5	3.5	2.4	2.6	18.3	12.0
Total	238.0	193.6	166.6	153.2	152.8	142.3	126.6	122.4	751.4	544.1
Share of total %										
Nordics	35%	40%	41%	45%	45%	45%	42%	44%	40%	44%
Western Europe	55%	52%	50%	46%	46%	44%	47%	44%	51%	45%
Central, Eastern and Southern Europe	7%	6%	7%	7%	7%	9%	9%	10%	7%	9%
Other	3%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Quarterly Year-on-Year & Year-on-Year growth %										
Nordics	23%	20%	26%	28%	40%	57%	48%	58%	24%	50%
Western Europe	86%	60%	41%	29%	40%	74%	71%	63%	56%	60%
Central, Eastern and Southern Europe	45%	2%	6%	-4%	15%	89%	71%	81%	12%	59%
Other	109%	20%	46%	27%	25%	21%	-14%	18%	53%	12%
Total	56%	36%	32%	25%	37%	65%	57%	61%	38%	54%



NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

These tables are for information only and do not form part of the condensed financial statements.

Gross winnings revenue by product (after Free Bets)
(GBP 'm)

TOTAL BY PRODUCT	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 FY	2016 FY
Gross winnings revenue										
Sports Betting	121.2	85.7	73.2	66.4	68.5	66.7	56.2	54.1	346.5	245.5
Casino & Games	106.3	99.3	84.3	77.4	74.9	68.5	64.7	61.3	367.3	269.4
Poker	4.6	3.0	3.9	3.7	3.5	3.2	2.6	3.2	15.2	12.5
Other	5.9	5.6	5.2	5.7	5.9	3.9	3.1	3.8	22.4	16.7
Total	238.0	193.6	166.6	153.2	152.8	142.3	126.6	122.4	751.4	544.1

Share of total %										
Sports Betting	51%	44%	44%	43%	45%	47%	45%	44%	46%	45%
Casino & Games	45%	51%	51%	51%	49%	48%	51%	50%	49%	50%
Poker	2%	2%	2%	2%	2%	2%	2%	3%	2%	2%
Other	2%	3%	3%	4%	4%	3%	2%	3%	3%	3%

Quarterly Year-on-Year & Year-on-Year growth %										
Sports Betting	77%	28%	30%	23%	34%	68%	61%	52%	41%	52%
Casino & Games	42%	45%	30%	26%	39%	62%	59%	76%	36%	57%
Poker	31%	-6%	50%	16%	59%	146%	37%	45%	22%	64%
Other	0%	44%	68%	50%	34%	44%	0%	9%	34%	22%

Sports Betting gross margins
(GBP 'm)

	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 FY	2016 FY
Sports Betting Stakes	1,157.3	1,117.4	1,151.5	1,115.9	976.1	874.9	901.5	845.1	4,542.1	3,597.6
<i>Sports Betting Gross winnings revenue:</i>										
Live Betting	57.2	51.0	45.4	43.6	40.4	37.2	35.6	33.8	197.2	147.0
<i>Live Betting margin</i>	8.5%	7.2%	6.4%	6.5%	6.8%	6.7%	6.4%	6.3%	7.2%	6.5%
<i>Live Betting share</i>	42.2%	51.3%	52.3%	53.7%	51.0%	48.4%	51.1%	52.2%	48.9%	50.6%
Pre-game Betting	78.4	48.5	41.4	37.6	38.8	39.6	34.0	31.0	205.9	143.4
<i>Pre-game Betting margin</i>	16.2%	11.7%	9.4%	8.4%	10.1%	12.5%	9.8%	10.1%	11.5%	10.5%
<i>Pre-game Betting share</i>	57.8%	48.7%	47.7%	46.3%	49.0%	51.6%	48.9%	47.8%	51.1%	49.4%
Total before Free Bets	135.6	99.5	86.8	81.2	79.2	76.8	69.6	64.8	403.1	290.4
<i>Sports Betting margin (before FB)</i>	11.7%	8.9%	7.5%	7.3%	8.1%	8.8%	7.7%	7.7%	8.9%	8.1%
Free Bets	-14.4	-13.8	-13.6	-14.8	-10.7	-10.1	-13.4	-10.7	-56.6	-44.9
Total after Free Bets	121.2	85.7	73.2	66.4	68.5	66.7	56.2	54.1	346.5	245.5
<i>Sports Betting margin (after FB)</i>	10.5%	7.7%	6.4%	6.0%	7.0%	7.6%	6.2%	6.4%	7.6%	6.8%

Total margins (all products)
(%)

	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2017 FY	2016 FY
<i>Total margin all products* (before FB)</i>	5.4%	4.7%	4.6%	4.5%	4.7%	4.7%	4.6%	4.6%	4.8%	4.7%

* Includes Sports Betting and Casino & Games, but excludes Poker rakes and Other revenues.

