

# Kambi Group plc

Q1 Report 2024

## Financial summary

- Revenue amounted to €43.2 (Q1 2023: 44.0) million for the first quarter of 2024
- Operating profit (EBIT) for the first quarter of 2024 was €4.4 (4.5) million, at a margin of 10.2% (10.3%)
- EBITA (acq)\* for the first quarter of 2024 was 5.8 (5.8) million, at a margin of 13.3% (13.1%)
- Cash flow (excluding working capital and M&A) amounted to €5.4 (3.2) million for the first quarter of 2024
- Earnings per share for the first quarter of 2024 were €0.107 (0.107)
- The 2024 AGM will be held on 21 May 2024. The Board proposes that no dividend is paid out.

## First quarter financial breakdown

€m	Q1 2024	Q1 2023	Change %	Jan – Dec 2023
Revenue	43.2	44.0	-2%	173.3
EBITDA	14.1	12.8	10%	56.6
EBITA (acq)	5.8	5.8	0%	25.2
EBITA (acq) margin	13.3%	13.1%		14.6%
Operating profit (EBIT)	4.4	4.5	-2%	20.0
Operating (EBIT) margin	10.2%	10.3%		11.5%
Profit after tax	3.2	3.3	-1%	14.9
Cash flow (excluding working capital and M&A)	5.4	3.2	66%	15.0
Net cash	46.0	61.2		50.5
Earnings per share	€0.107	€0.107	0%	€0.488
Fully diluted earnings per share	€0.107	€0.106	1%	€0.486

\*EBITA (acq) = Earnings before interest, taxation, Items affecting comparability and amortisation on acquired intangible assets

## Key highlights

- AI trading division Tzeract to provide European operator kwiff with its market-leading Bet Builder product in first commercial partnership
- Extended retail sportsbook partnership with Penn Entertainment until 31 December 2025, replacing previous agreement which was set to end July 2024
- Launched LiveScore Group's Kambi-powered sportsbook in Nigeria, followed by a launch in the Netherlands after quarter end ahead of a wider rollout before Euro 2024
- Continued development of open platform and trading gateway with integration of Inspired Entertainment's virtual sports offering and preparation of external odds feeds provision
- Completed the third share buyback programme and announced a further share buyback programme running from 18 March to 20 May, up to a total of €4.0 million
- In January, Kambi's CEO and Co-founder Kristian Nylén notified the Board of his intention to step down from his current position once a successor is in place

## CEO comment



*“For the first quarter of the year we posted revenue of €43.2 million, which was in line with our expectations, while expenses were at the lower end of our guidance at €39.0 million.*

*A key highlight of the quarter was the launch of LiveScore Group's new Kambi-powered sportsbook in Nigeria, followed swiftly by a launch in the Netherlands. LiveScore was a pivotal signing for Kambi in 2023 and these launches mark crucial milestones toward our long-term objectives. We look forward to additional*

*launches in the near future, including in its core UK market, ahead of a busy summer of sports with Euro 2024 and Copa América both set to commence in June.*

*The important signing of LiveScore, as well as other key 2023 partner signings, were partly dependent on us delivering on certain product requirements. As part of these product deliveries, we have been integrating external content into the Kambi platform, enabling operators to enhance their offerings and deliver even greater product differentiation. In Q1, for example, we integrated virtual sports, an important and complementary vertical to sports betting, while more recently we enlisted a third party to strengthen our horse racing product. With these deliveries we strengthen our flexible and high quality solution for partners.*

*Having made great strides on opening up our platform to deliver on these partner requirements, we are now picking up the pace with modularisation. This sharpened focus means we are preparing to provide modular Kambi odds feeds to those operating on their own technology and outside of our network. This means operators can, via a single API integration, access our full suite of sports odds, including those powered by Tzeract and Abios, enabling them to select their desired mix of sports, events and product types from a single source. Our market research shows demand for such a flexible and powerful solution, with operators today having to integrate with multiple suppliers with varying degrees of quality.*

*As part of our ongoing modularisation strategy, yesterday we announced Tzeract's first commercial agreement since launching as a standalone division. Partnering with kwiff to provide its leading Bet Builder product will enable Tzeract to demonstrate the quality of its product via an operator outside of the Kambi network for the first time, an important milestone in the division's progress.*

*In summary, we have continued to build solid foundations for the future. Our commitment to pushing the boundaries of product excellence and innovation, as highlighted by the development of our modular odds feeds, is positioning Kambi as a leader in shaping the future of sports betting technology.”*

## **Q1 highlights**

### **Trading update**

In Q1, Kambi's Operator Turnover Index was 712, compared to 851 in Q1 2023, predominantly impacted by the migration of Penn's online business in July 2023. When stripping out Penn's online contribution in Q1 2023, turnover was up 3% across the global network and up 9% in the Americas. Operator trading margin in Q1 was 9.0% driven by favourable basketball results, compared to 8.2% in the same period last year.

Q1 contained the NFL playoffs and Super Bowl, as well as the majority of the March Madness college basketball tournaments. Kambi offered a leading product across the board, with the percentage of turnover taken through Bet Builders up compared to the year prior. In addition to the Super Bowl and March Madness, Q1 also included the Cheltenham Festival, one of the UK's premier horse racing meetings. Across all events Kambi provided a top tier service, including 100% platform stability despite the many sharp volume spikes these events bring.

Soccer continued to be the top performing sport in terms of operator turnover. Operator trading margin across soccer was broadly flat year-on-year with marginal growth in overall operator turnover. Esoccer, which has been powered by Abios since late November 2023, continued to perform strongly since its relaunch, with Q1 operator turnover approximately half that of the English Premier League's.

### **Commercial updates**

In Q1, Kambi extended its retail sportsbook partnership with Penn until 31 December 2025, replacing the previous agreement set to end in July 2024.

Additionally, Kambi partnered with Inspired Entertainment, a provider of virtual sports products, to integrate the company's virtual sports offering into the Kambi sportsbook platform, in line with Kambi's wider strategy to open up its platform and deliver for partners through high-quality third-party services.

### **Partner launches**

Kambi completed seven partner launches during the quarter, including debut launches in March with LiveScore Group in Nigeria and Bingoal in both the Netherlands and Belgium. Furthermore, Kambi powered several retail launches across the Americas with Bally's in Indiana, Churchill Downs Incorporated (CDI) in Iowa and Prairie Band Casino & Resort in Kansas, as well Ondiss' Casino Club brand in the Argentinian province of Rio Negro.

For a list of partner launches during and after the quarter, see page 26.

### The Kambi open platform

In recent months, Kambi has continued to open up its platform to provide greater flexibility and choice for partners. An initial step of this process was to enable the integration of external content into the Kambi platform, in part to meet product requirements that were prerequisites to certain 2023 partner signings. In Q1, leading third-party virtual sports provider Inspired Entertainment's wide selection of games were added to the platform and will soon be made available to the entire network, generating an additional revenue stream for Kambi. More recently, racing provider BetMakers was also integrated, enriching Kambi's horse and greyhound racing products. Further high-quality product integrations are currently under review.

Following delivery of these partner product requirements, Kambi has been able to intensify the modularisation of its sportsbook services. As a result, Kambi will soon have the ability to provide modular odds feeds via a single API integration, giving operators access to Kambi's full library of sports odds, including those powered by Tzeract. At present, operators typically take multiple feeds from various suppliers to ensure full coverage of sports events, often with varying degrees of quality. Kambi's single point integration solution uniquely enables operators to select the combination of sports, events and even specific bet offers they would like to take at any given time. This not only provides an unparalleled level of flexibility to the operator but also a higher quality of feed, with odds compiled and managed from Kambi's vast global network of data inputs and dedicated trading teams.

Taken together, Kambi's open platform not only has an increasing ability to provide the level of differentiation and empowerment required by ambitious turnkey partners but can also deliver a comprehensive and single odds feed operators have, until now, been unable to obtain.

### Share buybacks

From 5 December to 11 March, Kambi completed its third share buyback programme. Kambi repurchased a total of 237,600 shares at a volume-weighted average price of 132.52 SEK per share, for a total of €2.8 million including transaction fees.

On 18 March, Kambi initiated a new share buyback programme, to further utilise the buyback mandate which was received at the Extraordinary General Meeting on 19 June 2023. The objective of the buyback programme is to achieve added value for Kambi's shareholders and to give the Board increased flexibility with Kambi's capital structure. The buyback programme will run until 20 May, up to a total of €4.0 million. Between 18 March and 31 March, Kambi purchased 87,000 of its own shares for a total of €0.7 million under this programme.

At 31 March 2024, Kambi's holding of its own shares amounted to 982,592 which represents 3.1% of the total shares in the company.

## 2024 outlook

Kambi expects 2024 to be a transitional year. While continuing to drive strategic initiatives for long-term growth, Kambi's revenue will be impacted by Penn's online migration, recently renewed contracts with Kindred and several other partners, and the delayed regulation of the Brazilian market where Kambi anticipates it will gradually gain market share. Based on these developments and as communicated in the Q4 2023 report, Kambi estimates revenue for 2024 to be in the range of €170 – €180 million. Kambi expects revenue from recent partner signings to materialise towards the end of the year, in addition to organic growth from existing partners. This full-year guidance was provided strictly on a one-off basis and Kambi does not intend to provide annual guidance for coming years.

## 2027 financial targets

In January 2023, Kambi adopted long-term financial targets in line with its strategic vision. The 2027 financial targets are:

- 1) Revenue of 2-3x FY2022 levels (i.e. approximately €330 - €500 million)
- 2) EBIT in excess of €150 million

These financial targets were based on five key growth drivers:

- Utilise platform flexibility to retain key partners
- Roll out AI-powered pricing
- Extend lead as number one supplier in the Americas
- Sign tier one operators across product portfolio
- Launch in a major regulated Asian market

Kambi also estimated a potential increase in its global addressable market to approximately €50 billion GGR by 2027.

In conjunction with the financial targets, please note the full disclaimer on page 13 in this report.

## Underlying assumptions review

As set out in Kambi's key growth drivers, continued regulation across the Americas, as well in certain strategically important countries in Asia, will be required if Kambi is to reach the targets first set out at the Capital Markets Day in January 2023.

In general, the pace of sports betting regulation has slowed compared to previous years, illustrated by recent news that regulated sports betting in California is unlikely to occur in or before 2027. Due to the evolving nature of regulation and its influence on new business opportunities, Kambi must regularly review future conditions and is currently performing an in-depth review of its 2027 financial targets. Kambi had assumed that California would contribute approximately €20 – €25 million of revenue with minimal incremental cost in 2027 but will now revisit this projection along with all underlying assumptions that form the basis of its 2027 financial targets. Kambi will update the market once this review has concluded.

## Events after Q1

### Commercial updates

Since quarter end, Kambi Group's AI-powered trading division Tzeract entered into its first commercial partnership with kwiff to provide its innovative Bet Builder product to the European operator. In line with Kambi's strategy to expand its range of modular services, Tzeract will initially provide kwiff with its Bet Builder football product ahead of Euro 2024 with additional sports to be added during the course of the partnership.

Kambi has also signed partnership extensions with Casumo, a partner since 2018, and NG Gaming which operates the Olimpo.bet online sportsbook brand in multiple markets across Latin America. Furthermore, Kambi has also agreed a partnership with BetMakers Technology Group which will provide fixed odds and global racing data services to deliver an enhanced racing offering for Kambi's partners.

As of November 2023, Napoleon ceased to be a part of the Kambi network. While the contract was set to run until the end of 2024, the two parties have reached an agreement that ensures no material impact to Kambi's revenue.

### Partner launches

Kambi has completed three partner launches since the end of Q1, including an online launch in the Netherlands with LiveScore and a retail launch with CDI at the Terre Haute Casino in Indiana. Furthermore, Kambi also powered the launch of Bingoal's retail sportsbook operation across Belgium which includes 375 press and betting shops.

## **Regulatory update**

Below, we provide the most relevant regulatory updates on markets which may have a significant impact on our operations and total addressable market.

### **Brazil (population: 217 million)**

In February 2024, the first regulations were released in Brazil which strictly refer to the process of accreditation of independent certification labs. On 10 April, a new ordinance was published which establishes a formal regulatory policy and maps out a timeline for a series of 11 specific ordinances that will implement the federal licensing regime. The Ministry of Finance's Secretariat for Prizes and Bets has already released one regulatory ordinance governing independent certification bodies and the next steps will be further decrees to address permitted payment methods, betting systems and the licensing process. The three forthcoming regulatory ordinances are due to be published by the end of April, with a further seven expected to be released in three phases through to the end of July.

### **Chile (population: 20 million)**

The Chile Senate's economy committee approved the online gambling bill on 2 April, and it will now progress to the main Senate floor. By way of reminder, the online gambling bill was originally introduced in March 2022 and passed the country's Chamber of Deputies in December 2023, so progress has been slow. However, the current step is one of the final phases before the bill becomes law.

### **Peru (population: 35 million)**

13 February marked the first day that operators offering online sports betting could apply for a licence in Peru after the country's online gambling law officially came into force the day prior. Under transitional provisions of a regulatory decree adopted last October, operators that submitted complete applications are not subject to enforcement actions if they keep offering bets to Peruvians while their licences are being processed and platforms undergo technical inspections. The market will be live imminently.



## Financial review

### Revenue

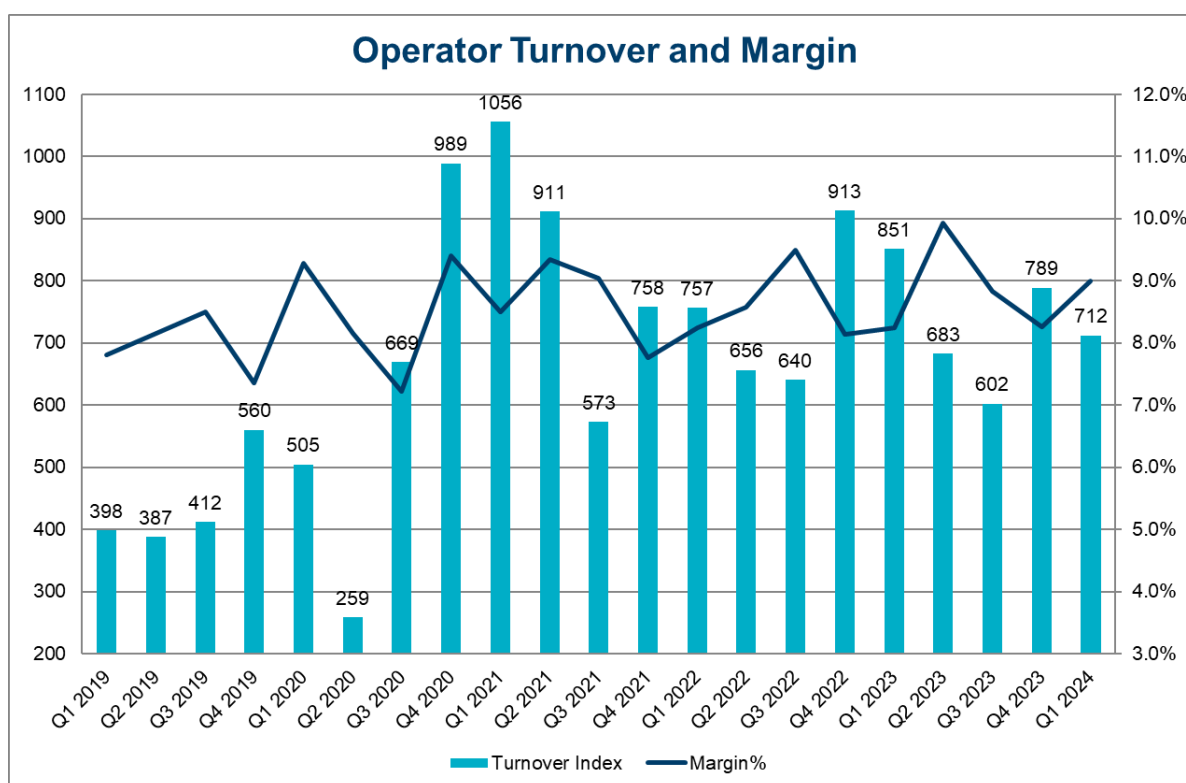
Definitions of financial terms and performance measures are presented on page 19.

The transition to a multi-product portfolio has resulted in a change in Kambi's revenue composition, with an increased proportion of non revenue share elements. Therefore, the quarterly Revenue Conversion graph has been removed as it will not properly illustrate the evolving revenue dynamics. The graph has also had its limitations in illustrating the revenue development with migrating customers and fixed fee elements.

### Sportsbook revenue including Kambi Turnover Index and Operator Trading Margin

In Q1, revenue was €43.2 (44.0) million, of which approximately 90% is generated by Sportsbook revenues and the remainder from modules.

The graph below shows the Kambi Turnover Index for Sportsbook revenues since Q1 2019 and also illustrates Kambi's operators' quarterly trading margin.



Operator turnover for the first quarter of 2024 was 712, a decrease of 16% versus Q1 2023. The estimated impact on the operator turnover index from Penn online in Q1 2023 was 160 and when excluding Penn online from the comparative quarter, operator turnover increased by 3%. The operator trading margin for Q1 was 9.0% (8.2%) particularly driven by higher basketball margins versus prior year. The financial benefit of the higher margin versus Q1 2023 was offset by a detrimental impact from the new commercial terms of certain renewed contracts which came into effect in 2024, as previously communicated.

95% (95%) of sportsbook revenue was derived from locally regulated markets.

Operator trading margin for the previous 12 month period was 9.0%.

### Geographical analysis

In Q1 2024, Americas contributed 50% (55%), Europe 46% (42%) and Rest of the World 4% (3%) of sportsbook GGR, evidencing Kambi's healthy geographical diversification.

### Total expenses

Total expenses for the first quarter of 2024 were €38.8 (39.5) million, which included foreign exchange gains of €0.2 (0.5 loss) million on settlements and revaluations of cash and other balance sheet items.

Excluding foreign exchange movements, total expenses are expected to be in the range of €39.0-41.0 million in Q2 2024 and €158.0-163.0 million for the full year 2024.

### EBITA (acq)

EBITA (acq) for the first quarter of 2024 was €5.8 (5.8) million, at a margin of 13.3% (13.1%). EBITA (acq) is a metric that excludes the amortisation on acquired intangibles from the Operating profit (EBIT) to show the underlying performance of the company excluding non-cash acquisition-related entries.

### Taxation

The tax expense comprises corporation tax and withholding tax. The tax expense for the first quarter of 2024 was €1.2 (1.1) million, including €0.4 (0.5) million of withholding tax.

### Financial position and cash flow

The net cash position at 31 March 2024 was €46.0 (61.2) million.

Cash flow (excluding working capital movements and M&A) amounted to €5.4 (3.2) million for the first quarter of 2024.

The net change in cash was a decrease of €4.4 (7.7 increase) million for the quarter, due to share buybacks of €2.3 (nil) million completed in the quarter and movements of working capital balances.

Post quarter end, significant cash receipts related to the Malta tax refund process (€4.6 million) and Penn transition services (€6.1 million) were received.

## **Nomination Committee**

A Nomination Committee is appointed each year by the major shareholders in accordance with the instruction for the Nomination Committee adopted by the Annual General Meeting of shareholders (AGM).

The main responsibility of the Nomination Committee is to propose Board members for election at the AGM. The Nomination Committee, which is independent from the Board, is responsible for reviewing the size, structure and composition of the Board, succession planning, the appointment of replacement and/or additional directors, and for making the appropriate recommendations to the AGM. The Nomination Committee also prepares proposals regarding Chair of the Meeting, Board remuneration, fees to the auditor and election of auditor, and, if necessary, proposal for changes in the instruction to the Nomination Committee. In its evaluation of the Board, the Committee holds individual interviews with the Board members.

The members of the Nomination Committee shall represent all shareholders and be appointed by the three or four largest shareholders as at 30 September each year having expressed their willingness to participate in the Nomination Committee. Kambi's Nomination Committee shall consist of not less than four, and not more than five members, of which one shall be the Chair of the Board. The Nomination Committee is chaired by Anders Ström.

The 2024 AGM of Kambi Group plc will be held on 21 May 2024 in Malta and the members of the Nomination Committee are:

- Lars Stugemo, Veralda Investment Ltd
- Bile Daar, Keel Capital
- Jonas Eixmann, The Second Swedish National Pension Fund
- Anders Ström, Chair of the Board of Kambi Group plc

Shareholders who would like to make proposals to the Nomination Committee may do so via e-mail to: [nomination.committee@kambi.com](mailto:nomination.committee@kambi.com).

The Nomination Committee has decided on the following proposals to the 2024 AGM.

a) The Board of Directors should be extended and no deputy members elected for the period until the 2025 AGM.

b) The re-election of the following current members of the Board of Directors for the period until the 2025 AGM:

- Anders Ström
- Patrick Clase
- Marlene Forsell

Cecilia de Leeuw has notified the Nomination Committee that she will not stand for re-election.

c) The election of the following new members to the Board of Directors for the period until the 2025 AGM:

- Kristian Nylén
- Benjie Cherniak

d) The election of Anders Ström as Chair of the Board.

Brief CVs for the proposed new members to the Board of Directors:

**Kristian Nylén** is a Swedish citizen, born in 1970.

Nylén is a co-founder of Kambi and its current CEO. He joined Unibet in 2000 and soon assumed responsibility for Unibet's sportsbook operation. Nylén became the CEO of Kambi upon its formation in 2010, leading the company to become the industry's number one sportsbook supplier.

**Benjie Cherniak** is a Canadian citizen, born in 1968.

Cherniak is an independent investor and advisor in the iGaming space. Previously, he was a Managing Director at Scientific Games (today "Light & Wonder"), following the company's acquisition of Don Best Sports. Cherniak was the Principal and Managing Director of Don Best Sports between 2007 and 2018.

## Financial information

The financial information has been presented in accordance with International Financial Reporting Standards as adopted by the European Union. All numbers in this report are unaudited. Comparative figures for the full year period 1 January – 31 December 2023 are audited and as per the 2023 Annual Report. All numbers in this report are shown in Euro (€) unless otherwise stated and all the numbers in brackets refer to the equivalent period in the previous year.

## Financial calendar

21 May 2024	2024 Annual General Meeting
24 July 2024	Q2 2024 report
6 November 2024	Q3 2024 report

## Contacts

CEO Kristian Nylén

CFO David Kenyon

SVP Investor Relations Mia Nordlander, +44 203 318 6279, +44 785 091 0933

Investor Relations Analyst Chris Stutzman, +1 302 603 5137

[www.kambi.com](http://www.kambi.com)

## Kambi Group plc

Avenue 77, A4, Triq in-Negozju,  
Zone 3, Central Business District,  
Birkirkara, CBD 3010, Malta

## About Kambi

Kambi is a provider of premium sports betting services to licensed B2C gaming operators. Our services encompass a broad offering from front end user interface through to odds compiling, customer intelligence and risk management, built on an in-house developed software platform. Kambi's 40-plus customers include ATG, Bally's Corporation, Corredor Empresarial, Kindred Group, LeoVegas, LiveScore, Rush Street Interactive and Svenska Spel. Kambi employs more than 1,000 staff across offices in Malta (headquarters), Australia, Denmark, Philippines, Romania, Sweden, the UK and the United States.

Kambi utilises a best of breed security approach and is ISO 27001 and eCOGRA certified. Kambi Group plc is listed on First North Growth Market at Nasdaq Stockholm under the symbol "KAMBI". The Company's Certified Advisor is Redeye AB.

### Legal disclaimer

Kambi does not give any forecasts. Certain statements in this report are forward-looking and the actual outcomes may be materially different. Even though management believes any expectations expressed are deemed reasonable, no guarantee can be given that such expectations will prove correct and even if such expectations remain, quarterly fluctuations are common. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, the effectiveness of copyright for computer systems, technological developments, fluctuation in exchange rates, interest rates and political risks.

### Publication

The information in this report is such that Kambi Group plc is required to disclose under the EU Directive of Market Abuse Regulation and rules for companies listed on the First North Growth Market at Nasdaq Stockholm.

The information in this report was sent for publication on Wednesday 24 April 2024 at 07:45 CEST by CEO Kristian Nylén.

**CONSOLIDATED INCOME STATEMENT**

€ '000

	Q1 2024	Q1 2023	Jan - Dec 2023
<b>Revenue</b>	<b>43,207</b>	<b>44,036</b>	<b>173,303</b>
Staff costs	-16,230	-16,930	-61,264
Data supplier costs	-4,808	-4,866	-17,184
Other operating expenses	-8,259	-8,909	-35,976
Exchange gains/(losses)	207	-524	-2,232
<b>Operating expenses</b>	<b>-29,090</b>	<b>-31,229</b>	<b>-116,656</b>
<b>EBITDA</b>	<b>14,117</b>	<b>12,807</b>	<b>56,647</b>
<i>EBITDA margin</i>	32.7%	29.1%	32.7%
Amortisation on capitalised development costs	-6,721	-5,426	-24,240
Depreciation	-1,640	-1,607	-7,182
<b>EBITA (acq)</b>	<b>5,756</b>	<b>5,774</b>	<b>25,225</b>
<i>EBITA (acq) margin</i>	13.3%	13.1%	14.6%
Amortisation on acquired intangibles	-1,332	-1,245	-5,241
<b>Total expenses</b>	<b>-38,783</b>	<b>-39,507</b>	<b>-153,319</b>
<b>Operating profit</b>	<b>4,424</b>	<b>4,529</b>	<b>19,984</b>
<i>Operating margin</i>	10.2%	10.3%	11.5%
Investment income	114	36	563
Finance costs	-129	-190	-836
<b>Profit before items affecting comparability</b>	<b>4,409</b>	<b>4,375</b>	<b>19,711</b>
Impairment of Goodwill	-	-	-12,417
Contingent consideration reversal	-	-	12,717
<b>Profit before tax</b>	<b>4,409</b>	<b>4,375</b>	<b>20,011</b>
Income tax	-1,174	-1,097	-5,110
<b>Profit after tax</b>	<b>3,235</b>	<b>3,278</b>	<b>14,901</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

€ '000

	Q1 2024	Q1 2023	Jan - Dec 2023
<b>Profit after tax for the period</b>	<b>3,235</b>	<b>3,278</b>	<b>14,901</b>
Other comprehensive income:			
Currency translation adjustments taken to equity	394	-191	510
Actuarial gain/(loss) on employee defined benefits	-	-	-141
<b>Comprehensive income for the period</b>	<b>3,629</b>	<b>3,087</b>	<b>15,270</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**€ '000**

	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>	<b>31 Dec 2023</b>
<b>ASSETS</b>			
<b><i>Non-current assets</i></b>			
Intangible assets	100,289	119,041	101,186
Property, plant and equipment	16,292	17,974	17,819
Deferred tax assets	7,949	6,237	6,393
	<b>124,530</b>	<b>143,252</b>	<b>125,398</b>
<b><i>Current assets</i></b>			
Trade and other receivables	42,766	32,691	37,369
Tax receivables	2,073	-	1,585
Cash and cash equivalents	46,038	68,663	50,540
	<b>90,877</b>	<b>101,354</b>	<b>89,494</b>
<b>Total assets</b>	<b>215,407</b>	<b>244,606</b>	<b>214,892</b>
<b>EQUITY AND LIABILITIES</b>			
<b><i>Capital and reserves</i></b>			
Share capital	93	93	93
Share premium	62,046	62,046	62,046
Other reserves	4,761	5,944	4,543
Currency translation reserve	-4,024	-5,120	-4,419
Shares repurchased	-17,433	-12,000	-15,089
Retained earnings	128,208	116,021	124,973
<b>Total equity</b>	<b>173,651</b>	<b>166,984</b>	<b>172,147</b>
<b><i>Non-current liabilities</i></b>			
Lease liabilities	7,948	9,697	9,128
Convertible bond	-	7,459	-
Contingent consideration	-	12,234	-
Deferred tax liabilities	8,070	7,598	6,897
Other liabilities	510	310	485
	<b>16,528</b>	<b>37,298</b>	<b>16,510</b>
<b><i>Current liabilities</i></b>			
Trade and other payables	19,854	22,385	20,883
Tax liabilities	1,368	1,525	1,368
Contingent consideration	118	13,171	118
Lease liabilities	3,888	3,243	3,866
	<b>25,228</b>	<b>40,324</b>	<b>26,235</b>
<b>Total liabilities</b>	<b>41,756</b>	<b>77,622</b>	<b>42,745</b>
<b>Total equity and liabilities</b>	<b>215,407</b>	<b>244,606</b>	<b>214,892</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS**
**€ '000**

	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Jan - Dec 2023</b>
<b>OPERATING ACTIVITIES</b>			
Profit from operations	4,424	4,529	19,984
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	1,640	1,607	7,182
Amortisation of intangible assets	8,053	6,671	29,481
Share-based payment	219	510	-482
<b>Operating cash flows before movements in working capital</b>	<b>14,336</b>	<b>13,317</b>	<b>56,165</b>
(Increase)/decrease in trade and other receivables	-5,397	6,276	1,599
(Decrease)/increase in trade and other payables	-1,029	-197	1,926
(Decrease)/increase in other liabilities	25	17	192
<b>Cash flows from operating activities</b>	<b>7,935</b>	<b>19,413</b>	<b>59,882</b>
Income taxes paid net of tax refunded	-1,519	-2,408	-10,438
Interest income received	114	36	400
<b>Net cash generated from operating activities</b>	<b>6,530</b>	<b>17,041</b>	<b>49,844</b>
<b>INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment	-387	-459	-3,547
Development costs of intangible assets	-7,156	-7,245	-27,630
Acquisition of subsidiary, net of cash acquired	-	-	-1,244
Payment of contingent consideration	-	-96	-10,310
<b>Net cash used in investing activities</b>	<b>-7,543</b>	<b>-7,800</b>	<b>-42,731</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options	-	-	2,314
Shares repurchased	-2,344	-	-8,323
Repayment of convertible bond	-	-	-7,500
Payment of lease liabilities	-990	-1,527	-3,424
Interest paid	-44	-51	-419
<b>Net cash generated/(used in) financing activities</b>	<b>-3,378</b>	<b>-1,578</b>	<b>-17,352</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-4,391</b>	<b>7,663</b>	<b>-10,239</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>50,540</b>	<b>60,701</b>	<b>60,701</b>
Effect of foreign exchange rate differences	-111	299	78
<b>Cash and cash equivalents at end of period</b>	<b>46,038</b>	<b>68,663</b>	<b>50,540</b>

**CONSOLIDATED STATEMENT OF CHANGES  
 IN EQUITY**

€ '000

	<b>Q1 2024</b>	<b>Q1 Jan - Dec 2023</b>	<b>2023</b>
<b>Opening balance at beginning of period</b>	172,147	163,387	163,387
<b><i>Comprehensive income</i></b>			
Profit for the period	3,235	3,278	14,901
<b><i>Other comprehensive income:</i></b>			
Translation adjustment	394	-191	510
Actuarial gain/(loss) on employee defined benefits	-	-	-141
	<b>3,629</b>	<b>3,087</b>	<b>15,270</b>
<b><i>Transactions with owners</i></b>			
Share options - value of employee services	219	510	-482
Shares repurchased	-2,344	-	-8,323
Exercise of share options	-	-	2,289
Tax on retirement benefits	-	-	6
	<b>-2,125</b>	<b>510</b>	<b>-6,510</b>
<b>Closing balance at end of period</b>	<b>173,651</b>	<b>166,984</b>	<b>172,147</b>

**KEY METRICS**

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

	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Jan - Dec 2023</b>
EBITDA (€m)	14.1	12.8	56.6
EBITA (acq) (€m)	5.8	5.8	25.2
EBITA (acq) margin	13.3%	13.1%	14.6%
Operating profit (EBIT) (€m)	4.4	4.5	20.0
Operating margin	10.2%	10.3%	11.5%
Net cash (€m)	46.0	61.2	50.5
Employees at period end	1,107	1,086	1,110
FTE Employees at period end	1,094	1,074	1,097
Earnings per share (€)	0.107	0.107	0.488
Fully diluted earnings per share (€)	0.107	0.106	0.486
Number of shares outstanding at period end	30,295,705	30,754,797	30,539,705
Fully diluted number of shares at period end	30,295,705	31,626,781	30,645,705
Average number of shares	30,169,598	30,754,797	30,529,475
Average number of fully diluted shares	30,169,598	30,908,126	30,631,451

## Definitions

### Cash flow (excluding working capital and M&A)

Cash flow from operating and investing activities excluding movements in working capital and acquisitions

### Customer/partner

B2C operator to whom Kambi provides services

### Earnings per share, fully diluted

Profit after tax adjusted for any effects of dilutive potential ordinary shares divided by the fully diluted weighted average number of ordinary shares for the period

### EBIT

Earnings before interest and taxation, equates to operating profit. EBIT does not include Items affecting comparability.

### EBITA (acq)

Earnings before interest, taxation and amortisation on acquired intangible assets. EBITA (acq) does not include Items affecting comparability

### EBITDA

Earnings before interest, taxation, depreciation and amortisation on both acquired intangible assets and capitalised development costs

### Gross Gaming Revenue

Gross Gaming Revenue (GGR) is the amount wagered minus the winnings returned to the players

### Items affecting comparability

Financial items reported separately due to their non-recurring nature and are not related to underlying business operations

### Kambi Turnover Index

In the interest of commercial sensitivity and instead of disclosing actual turnover figures, Kambi presents its customers' sports betting turnover as an index called The Kambi Turnover Index, with the first quarter of 2014 indexed at 100

### **Net cash**

Total cash less debt at period end

### **Net Gaming Revenue**

Net Gaming Revenue (NGR) is GGR less deductible costs such as gaming tax

### **Operator trading margin**

The operator trading margin is the GGR as a percentage of Operator turnover

### **Operator turnover**

Operator turnover is defined as total real money stakes placed with operators by end users

## Commercial explanations

### Bet Builder

A product which gives bettors the opportunity to combine individual selections in the same game with a single betslip

### Complete, Flex and Select

Complete, Flex and Select is Kambi's portfolio of market-leading sports betting products. Complete is Kambi's full turnkey sportsbook, Flex allows partners to build on Kambi's open platform with a mix and match of Kambi and third-party products, and Select is Kambi's offering of standalone modular sports betting services.

### Cost development

As detailed during the 2023 Capital Markets Day, Kambi's long-term cost strategy includes a potential slowdown in underlying cost growth as significant cost efficiencies and synergies are realised whilst retaining a scalable business model. Core elements of the cost development include:

- Focused product reinvestments
- Depreciation & amortisation increase
- Additional costs from new modules
- Additional costs from algorithmic trading
- Significant savings and synergies across these areas

### Currency effects

Kambi's principal currency is the Euro, which is also the reporting currency, but has both costs and revenues in certain other currencies, such as SEK, GBP and USD which can be subject to short-term fluctuations

### Operating expenses

Operating expenses are a combination of activity-related costs and fixed costs; the main expenses are salaries, office costs, data supplier costs, and consultant costs

### Operator trading margin

The operator trading margin can fluctuate from quarter to quarter, mainly due to the outcome of sporting events with the highest betting volumes and value. Based on the current commercial and market outlook, Kambi expects the operator trading margin for the coming 12 month period to be in the range of 8.0 – 9.0%.

The operator turnover is affected by short-term variations in operator trading margins; over time there is likely to be a negative correlation i.e. a higher operator trading margin results in lower turnover.

Due to the variance in actual sporting results, there can be deviation from the 12 month expectation without prompting a change in the outlook. The operator trading margin expectations are estimated on a forward-looking rolling 12 month basis and are shared to explain short-term variations in betting

patterns and therefore revenues. They are reviewed quarterly and when updated, previously stated expectations should be considered obsolete.

### **Revenue**

Kambi charges its operators a fee based on a number of variables including fixed fees, the number of live events offered and commission based on a revenue share of operators' GGR less deductible costs, such as certain capped marketing incentives and tax (i.e. NGR).

To promote and support growth, some of the customer contracts include tiers with lower commission rates on the higher levels of their sports betting revenues.

### **Second and third-generation trading**

Second generation trading is odds compiling and trading by humans with the assistance of algorithmic models, while the third-generation trading capability developed in-house by Kambi is odds compiling and trading by algorithmic models with the assistance of humans

**Overview of US partners**

Below, Kambi details the US states in which it is live and generating revenue:

✓ = Retail and online    ✓ = Retail    ✓ = Online

State	Affinity	Bally's	CDI	Desert Diamond	Four Winds	JACK	Kindred	ilani	Miami Valley
Arizona		✓	✓	✓			✓		
Colorado		✓							
Illinois		✓							
Indiana		✓	✓		✓				
Iowa	✓	✓	✓						
Kentucky			✓						
Louisiana		✓	✓						
Maryland			✓						
Michigan					✓				
Mississippi		✓	✓						
New Jersey		✓					✓		
New York		✓	✓						
Ohio		✓				✓			✓
Pennsylvania			✓				✓		
Virginia		✓							
Washington							✓	✓	



State	War-Horse	Oaklawn	Parx	Penn	Pota-watomi	Prairie Band	RSI	Seneca	Soaring Eagle
Arizona							✓		
Arkansas		✓							
Colorado				✓			✓		
Delaware							✓		
Illinois				✓			✓		
Indiana				✓			✓		
Iowa				✓			✓		
Kansas				✓		✓			
Louisiana				✓			✓		
Maryland			✓	✓			✓		
Massachusetts				✓					
Michigan			✓	✓			✓		✓
Mississippi				✓					
Nebraska	✓								
New Jersey			✓				✓		
New York							✓	✓	
Ohio			✓	✓			✓		
Pennsylvania			✓	✓			✓		
Virginia							✓		
West Virginia				✓			✓		
Wisconsin					✓				

### Partner signings and extensions

Below, Kambi details partner signings and extensions completed during and after the quarter across the Kambi Group:

Kambi Group division	Partner	Territory	Contract type	Channel
Abios	ATG	Sweden	Signing	Online
	Betplay	Colombia	Signing	Online
	GR8 Tech	Global	Signing	Online
	Kindred	Global	Signing	Online
	Rush Street Interactive	Global	Signing	Online
Kambi	Casumo	Global	Extension	Online
	NagaWorld	Cambodia	Extension	Retail
	NG Gaming	Latin America	Extension	Online
	Penn Entertainment	US	Extension	Retail
Tzeract	kwiff	Europe	Signing	Online

### Partner launches

Below, Kambi details launches during and after the quarter:

<b>Kambi Group division</b>	<b>Partner</b>	<b>Territory</b>	<b>Online</b>	<b>Retail</b>	<b>Number of properties</b>
Kambi	Bally's Corporation	Indiana, US		✓	1
Kambi	Bingoal	Belgium	✓	✓	375
		Netherlands	✓		
Kambi	CDI	Indiana, US		✓	1
		Iowa, US		✓	1
Kambi	LiveScore	Netherlands	✓		
		Nigeria	✓		
Kambi	Ondiss	Argentina		✓	1
Kambi	Prairie Band	Kansas, US		✓	1