

# Kambi Group plc

Q2 Report 2024

## Financial summary

- Revenue amounted to €45.7 (Q2 2023: 42.9) million for the second quarter of 2024 and €88.9 (H1 2023: 86.9) million for the first half of 2024
- Operating profit (EBIT) for the second quarter of 2024 was €6.2 (3.7) million, at a margin of 13.5% (8.6%) and €10.6 (8.2) million, at a margin of 11.9% (9.4%) for the first half of 2024
- EBITA (acq)\* for the second quarter of 2024 was €7.5 (5.0) million, at a margin of 16.4% (11.7%), and €13.3 (10.8) million, at a margin of 14.9% (12.4%), for the first half of 2024
- Cash flow (excluding working capital and M&A) amounted to €8.1 (0.1) million for the second quarter of 2024 and €13.5 (3.4) million for the first half of 2024
- Earnings per share for the second quarter of 2024 were €0.155 (0.083) and €0.260 (0.190) for the first half of 2024

## Second quarter financial breakdown

€m	Q2 2024	Q2 2023	Change %	Jan-Jun 2024	Jan-Jun 2023	Change %	Jan – Dec 2023
Revenue	45.7	42.9	7%	88.9	86.9	2%	173.3
EBITDA	16.1	12.9	25%	30.2	25.7	17%	56.6
EBITA (acq)	7.5	5.0	50%	13.3	10.8	23%	25.2
EBITA (acq) margin	16.4%	11.7%		14.9%	12.4%		14.6%
Operating profit (EBIT)	6.2	3.7	67%	10.6	8.2	29%	20.0
Operating (EBIT) margin	13.5%	8.6%		11.9%	9.4%		11.5%
Profit after tax	4.7	2.5	83%	7.9	5.8	35%	14.9
Cash flow (excluding working capital and M&A)	8.1	0.1		13.5	3.4		15.0
Cash and cash equivalents	52.7	57.1		52.7	57.1		50.5
Earnings per share	€0.155	€0.083	87%	€0.260	€0.190	37%	€0.488
Fully diluted earnings per share	€0.155	€0.083	87%	€0.260	€0.189	38%	€0.486

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

## Key highlights

- Entered exclusive nationwide partnership with Choctaw Nation of Oklahoma, one of the largest tribes in the United States
- Multiple partner launches including key completions prior to the UEFA European Championship (Euros) of LiveScore in the UK and Svenska Spel in Sweden
- Industry veteran Werner Becher was announced as successor to Kristian Nylén as CEO
- The Board decided to withdraw its 2027 financial targets following a review of the underlying assumptions as slower than expected progress towards regulation in certain key markets would likely delay revenue
- Completed the fourth share buyback programme and announced a new long-term capital allocation policy with the objective of returning capital to shareholders through buybacks

## CEO comment



*“In the second quarter, operator turnover increased 3% year-on-year, although was up 20% when excluding the impact of the Penn online migration. This was driven by a busy sporting calendar and the growth of new and existing partners. Operator trading margin was 10.3%, boosted by higher than average margin from the June games in the Euros soccer tournament. With operating costs broadly flat, EBIT came in at €6.2 million, up 67% year-on-year.*

*In April, we strengthened our US and tribal network through an exclusive US-wide partnership with Choctaw Nation of Oklahoma, operator of Choctaw Casinos & Resorts. Choctaw owns a variety of gaming and hospitality destinations throughout southeastern Oklahoma, close to the Texas border, and is the exclusive casino and resort partner of the Texas Rangers, Major League Baseball’s World Series Champion. While Texas has yet to regulate sports betting, previous attempts to pass legislation would have seen licences tethered to the state’s sports franchises. We expect this will be the case again next year when we anticipate another effort to bring regulated sports betting to what is one of the largest states in the US.*

*Ahead of the Euros, we successfully delivered on two major partner launches, with LiveScore in the UK and Svenska Spel’s Oddset brand. These were both important accomplishments, carried out in parallel and requiring various bespoke developments. In the case of Svenska Spel, our front end division Shape Games was also successful in delivering its technology to enable the launch. The Euros and Copa America tournaments saw us provide all our partners with a market-leading product, enhanced by the delivery of expanded player props markets and Bet Builder capability via our AI trading division Tzeract. During the second half of June, activity on the Kambi platform was at its highest ever levels in terms of bets processed and number of players per day, with our partners receiving an uninterrupted high-quality service throughout.*

*On 1 July, I was pleased that we announced Werner Becher would be succeeding me as CEO from 25 July. With vast experience from the technology and gaming industries, most recently a senior executive at global sports data supplier Sportradar, I have every confidence Werner is the right person to lead Kambi into a new era of multi-product provision. I will be offering my full support to Werner from my new position on the Board of Kambi, where I will also help guide our long-term strategy.*

*I would like to take this opportunity to thank all Kambi employees, past and present, for their hard work and dedication during my time as CEO over the past 14 years, as well as everyone else who has supported Kambi along the way. I am proud of what we have achieved together and I firmly believe the foundation we have built positions us for future success.”*

## Q2 highlights

### Trading update

In Q2, Kambi's Operator Turnover Index was 704, compared to 683 in Q2 2023. Operator trading margin in Q2 was 10.3% driven by favourable sporting results, particularly in the Euros, a level which is likely to have had a dampening effect on operator turnover.

The Euros and Copa America soccer championships provided a boost to operator turnover and trading margin during June, particularly when compared to the quieter June of 2023. Soccer was the number one turnover-driving sport of a quarter containing the end of the European domestic seasons and the Champions League final, the top turnover event of the quarter. More information on the Euros and Copa America can be found on page 4.

Basketball was the second highest turnover-driving sport in Q2, assisted by the final stages of the March Madness tournament and the NBA playoffs. Earlier this year, Kambi completed an expansion of its Basketball Bet Builder product and across Q2 approximately a quarter of all pre-match Basketball bets were Bet Builders. Tennis followed closely behind in third, despite Wimbledon starting on 1 July this year, beyond its regular late June start date.

Esoccer continued its upward trajectory, with June its best performing month so far. Having relaunched with an improved offer via the Abios platform in November 2023, Abios now offers 12,000 esoccer events per month, which is double the amount of Q1, with turnover and revenue increasing roughly in line with the expansion of events. To give some context to esoccer's growth, across all leagues and competitions in Q2, esoccer was top five for number of bets placed.

### Commercial updates

In April, Kambi signed a landmark sportsbook partnership with Choctaw Nation of Oklahoma, one of the largest Indian Nations in the United States and owner of a portfolio of gaming and hospitality resorts across southeastern Oklahoma. The partnership agreement sees Kambi become Choctaw Nation's exclusive sports betting partner for the United States, with the potential to expand into multiple states pending regulation.

Kambi Group's AI-powered trading division Tzeract entered into its first commercial partnership with the European betting brand 'kwiff'. In line with Kambi's strategy to expand its range of modular services, Tzeract provided 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 European operator Casumo, South Africa-facing Sun International, and NG Gaming which operates the Olimpo.bet online sportsbook brand in multiple markets across Latin America. Kambi extended its partnership with Mohegan through an on-property sports betting agreement in Pennsylvania. This partnership will see Kambi provide its market-leading retail sportsbook at two Mohegan locations including Mohegan Pennsylvania and Lehigh Valley.

Kambi's esports division Abios signed various deals during the quarter, headlined by its partnership with Rei do Pitaco (RDP), Brazil's leading daily fantasy soccer operator. The agreement has already seen Abios begin to provide its esoccer fantasy product to RDP's popular fantasy site, and marks Abios' first step into the fantasy space.

### Partner launches

Kambi Sportsbook completed 12 online partner launches and numerous retail launches during the quarter. In the Americas, Kambi launched online with ApuestaPR in Puerto Rico and Betwarrior in Peru. Additionally, Betplay, a market leader in Colombia, expanded its online presence to Ecuador. Three retail launches were completed in the United States with Churchill Downs in Indiana and Mohegan Gaming in Pennsylvania at two locations.

In Europe, Kambi expanded its partnership with Bally's Corporation outside the United States by launching online in the UK, and LeoVegas grew its European presence with an online launch of betMGM in the Netherlands. Svenska Spel's Kambi-powered sportsbook launched online and at approximately 1,800 retail locations in Sweden, and LiveScore Group's LiveScoreBet brand launched online in Ireland, the Netherlands and the UK. Finally, Kambi launched two online brands with PAF in Latvia and 375 retail locations for Bingoal in Belgium.

Shape Games launched online with ApuestaPR in Puerto Rico and Betwarrior in Peru, as well as with Svenska Spel for both retail and online.

Tzeract launched with its first commercial partners outside the Kambi network, kwiff and Oyawin, ahead of Euro 2024.

For a list of partner launches during and after the quarter, see page 24.

### Partner updates

In late June, it was announced that LeoVegas had agreed a deal to buy the US division of Tipico, including its US sports betting platform, with the aim of using this technology for its international sports betting operations outside of the US. Last year, Kambi entered into an extended agreement with LeoVegas, which has seen Kambi support the successful international expansion of its betMGM brand.

In April, Affinity Interactive closed its sports betting operations in the state of Iowa. Additionally, Kindred completed its exit of the North American market during the quarter in accordance with the company's communication during its strategic review. These withdrawals will have no material financial impact on Kambi.

### Euros and Copa America

Kambi's soccer product has long been industry leading and ahead of the European Championship and Copa America tournaments Kambi delivered further improvements. These improvements were enabled by the transition of its AI trading division Tzeract's move to a new platform, delivering an expansion in popular player props markets as well as enhanced combinability. While Tzeract continues to fine-tune some specific areas of the new platform and betting markets, the overall result was highly positive, with partners pleased with the product they were able to offer throughout this important player acquisition and retention period. Additionally, Kambi also improved its back-office tooling to enable partners to create their own unique Bet Builder bets, which can then be packaged and marketed to their players. This tool proved popular with many partners on the network, empowering them to further differentiate and localise their offering.

The growth of Bet Builder markets continued, supported by Kambi's ongoing mission to provide an offering that is as combinable as possible. The percentage of pre-match bets that were Bet Builders grew from 23% during the 2022 World Cup to 30% and 33% during the Euros and Copa America

respectively, up until 30 June. Operator trading margin during the Euros matches played in Q2 was significantly higher than expected, which can have a dampening effect on turnover growth. Despite this high margin, the Euros and Copa America helped drive significant traffic to Kambi's sportsbook platform. In June, Kambi hit all-time highs for bets placed per day and unique players per day with no impact on stability. In total, the Euros and Copa America contributed approximately 15% of Q2 operator GGR.

### Share buybacks

On 17 May, Kambi completed its fourth share buyback programme. The objective of the buyback programme was to achieve added value for Kambi's shareholders and to give the Board increased flexibility with Kambi's capital structure. During the quarter, Kambi repurchased 392,086 shares at a volume-weighted average price of 96.96 SEK per share.

From the beginning of the programme, which started on 18 March, until and including 17 May, Kambi repurchased a total of 479,086 ordinary B shares at a volume-weighted average price of 96.49 SEK per share, amounting to a total of €4.0 million. This was the maximum amount authorised for repurchase under the mandate.

Following the acquisitions and as of 30 June, Kambi's holding of its own shares amounted to 1,374,678 which represents 4.4% of total shares in the company.

After the Annual General Meeting (AGM) on 22 May, Kambi proposed a new long-term capital allocation strategy: to return capital to shareholders through share buybacks while preserving sufficient capital for the company's operational requirements. The new buyback programme will be launched at the earliest opportunity.

### 2024 outlook

2024 is a transitional year for Kambi. 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 first communicated in the Q4 2023 report, Kambi estimates revenue for 2024 to be in the range of €170 – €180 million.

The second half of the year will see revenue from recently launched partners such as LiveScore and Svenska Spel continue to grow, but be offset by the cessation of Penn transition fees in July leading to an approximate €5 million reduction for the second half of 2024 compared to the first half, as well as seasonality in the sporting calendar and operator trading margin returning to a more normalised level.

Excluding foreign exchange movements, total expenses are expected to be in the range of €157.0 – 160.0 million for the full year 2024, which includes a reduction of data supplier costs as a result of certain partners engaging with suppliers directly instead of via Kambi. The corresponding pass-through revenue will decrease accordingly. The main variable part of the expenses is the performance-related element of staff costs, which is dependent on the group's financial performance.

## **Events after Q2**

### **CEO succession**

Following a thorough search, on 1 July, the Board of Kambi Group appointed former Sportradar executive Werner Becher as the Company's new CEO, succeeding the outgoing Kristian Nylén. Becher was a key figure at global sports data and betting supplier Sportradar for four years from 2019, initially as Managing Director of its US-facing Betting arm before assuming the position of CEO of its Europe, Middle East and Africa and Latin America business. Becher played a pivotal role in the successful Nasdaq IPO of Sportradar in September 2021. Becher, who will officially start at Kambi on 25 July, was previously CEO of European betting and gaming operator Interwetten for eight years, where he led the company through a period of sustained growth. In May, Nylén was elected to the Kambi Board of Directors at the company's 2023 AGM. Nylén will provide ongoing support to Becher to ensure a seamless handover.

### **Partner launches**

Since the end of Q2, Kambi completed an online launch with Bally's Corporation in Massachusetts.

In Europe, Kambi launched online with LiveScore's Virgin Bet brand in the UK and 711 in the Netherlands.

## **2027 financial targets**

As announced in a separate press release on 4 July 2024, Kambi Group plc's Board of Directors has decided to withdraw its 2027 financial targets. The Board concluded that Kambi has made progress in areas within its control, however, slower than expected progress towards regulation in certain key markets would likely delay revenue from such markets. After announcing the appointment of a new CEO, Werner Becher, the Board will now focus its attention on providing Becher with its full support in executing on the company's long-term strategy and extending Kambi's lead as the world's leading sports betting provider.

The Board believes that Kambi should have in place long-term financial targets. Such targets will be evaluated with the new CEO and communicated when appropriate.

## 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.

### Americas

#### **Brazil (population: 218 million)**

Brazil will open its regulated online gambling market on 1 January 2025, following the publication of an ordinance by the Ministry of Finance's Prizes and Betting Secretariat (SPA). The ordinance kick-starts the licensing process for sports betting and online gaming, with a licensing fee of R\$30m (approximately €5 million) for a five-year term.

#### **Florida (population: 23 million)**

The Supreme Court in Florida has denied West Flagler Associates' (WFA) petition for writ of certiorari, practically closing the legal challenges brought by the Florida parimutuel against the Seminole Tribe of Florida. Over the last several years, the tribe has faced litigation on a model for sports betting where bets are placed off Indian land and are routed through tribal servers. WFA petitioned the court to invalidate a 2021 compact between the tribe and the State of Florida, which granted the tribe exclusivity on mobile sports wagering in the state. The Supreme Court's denial upholds this exclusivity.

### Europe

#### **Finland (population: 6 million)**

Finland's Ministry of the Interior has sent a draft proposal to license betting, online slot machines and casino games to the government, proposing that licensees could operate from the beginning of 2027. The new system would be introduced in stages, with the next step being to present the proposal to parliament in the spring session of 2025. The current monopoly held by Veikkaus will continue until the end of 2026 and operators will be allowed to begin applying for licences at the start of 2026.

#### **Sweden (population: 11 million)**

In Sweden, effective 1 July 2024, gaming tax increased from its previous level of 18% of GGR to 22%. Kambi anticipates this increase will create a revenue headwind of approximately €0.4 million in H2 2024.



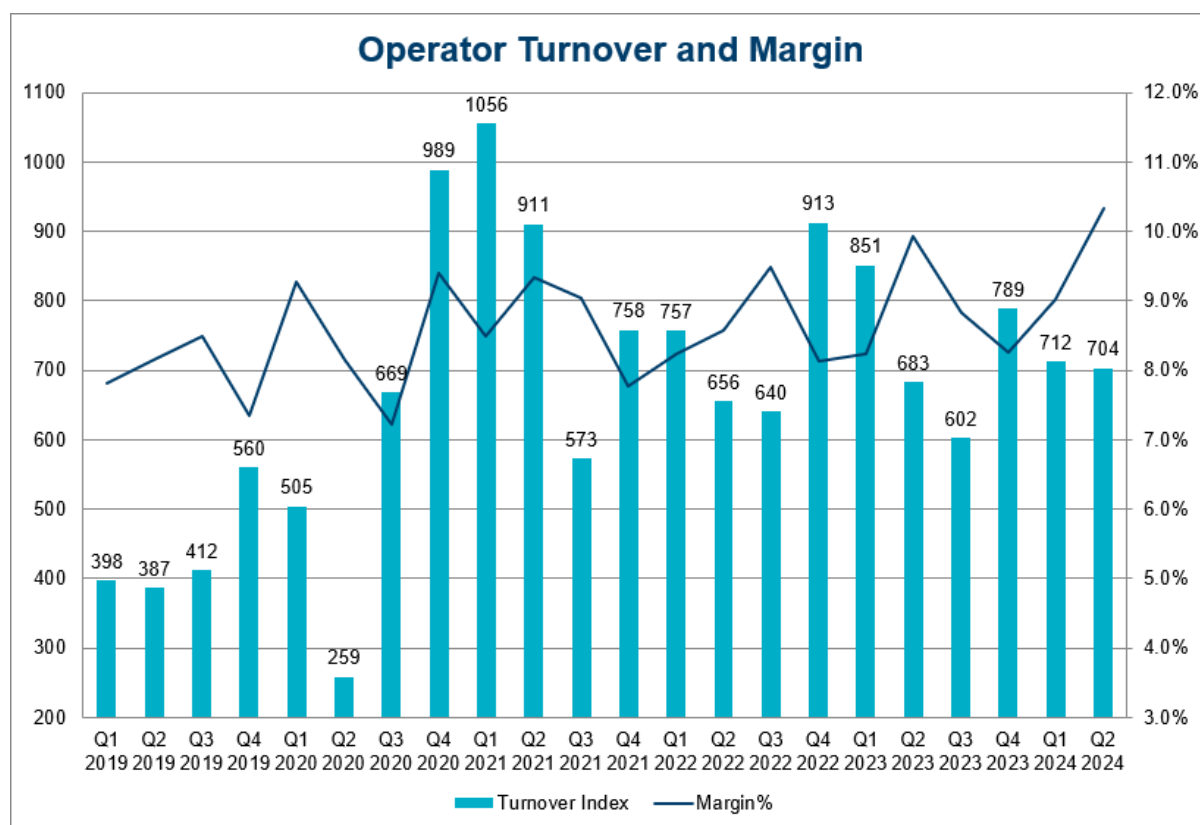
## Financial review

### Revenue

Definitions of financial terms and performance measures are presented on page 17.

In Q2, revenue was €45.7 (42.9) 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 second quarter of 2024 was 704, an increase of 3% versus Q2 2023. The estimated impact on the operator turnover index from Penn online in Q2 2023 was 97 and when excluding Penn online from the comparative quarter, operator turnover increased by 20% driven by a busy sporting calendar and the growth of new and existing partners. The operator trading margin for Q2 was 10.3% (9.9%) particularly driven by higher margins in the Euros, a level which is likely to have had a dampening effect on operator turnover. The financial benefit of the higher margin versus Q2 2023 was offset by the new commercial terms of certain renewed contracts which came into effect in 2024, as previously communicated.

95% (94%) of sportsbook revenue was derived from locally regulated markets.

Operator trading margin for the previous 12 month period was 9.1%.

## Geographical analysis

In Q2 2024, Americas contributed 46% (53%), Europe 50% (44%) and Rest of the World 4% (3%) of sportsbook GGR, evidencing Kambi's healthy geographical diversification.

## Total expenses

Total expenses for the second quarter of 2024 were €39.6 (39.2) million, and €78.4 (78.7) million for the first half of 2024. Total expenses include a foreign exchange loss of €0.2 (0.7 loss) million during the quarter and nil (€1.3 million loss) for the first half of 2024. Foreign exchange movements relate to settlements and revaluations of cash and other balance sheet items.

Excluding foreign exchange movements, total expenses are expected to be in the range of €38.5–40.5 million in Q3 2024 and €157.0–160.0 million for the full year 2024.

## EBITA (acq)

EBITA (acq) for the second quarter of 2024 was €7.5 (5.0) million, at a margin of 16.4% (11.7%) and €13.3 (10.8) million, at a margin of 14.9% (12.4%), for the first half of 2024. 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 second quarter of 2024 was €1.6 (1.0) million, including €0.6 (0.3) million of withholding tax. The tax expense for the first half year 2024 was €2.8 (2.1) million.

## Financial position and cash flow

The cash position at 30 June 2024 was €52.7 (57.1) million.

Cash flow (excluding working capital movements and M&A) amounted to €8.1 (0.1) million for the second quarter of 2024 and €13.5 (3.4) million for the first half year 2024, with the increase versus prior year due to a tax refund received in Q2 2024 of €4.6 million and lower capital expenditure on fixed assets of €1.6 million.

The net change in cash was an increase of €7.7 (10.3 decrease) million for the quarter and an increase of €3.3 (2.7 decrease) million for the first half year 2024.

## 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

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 Group is the industry's trusted provider of a range of sports betting services to licensed B2C gaming operators. Kambi Group operates four product-led divisions: leading sportsbook and odds feed provider Kambi Sportsbook, esports data and odds supplier Abios, front end technology experts Shape Games and cutting-edge AI trading division Tzeract. Kambi Group's partners include ATG, Bally's Corporation, Corredor Empresarial, Kindred Group, LeoVegas, LiveScore, Rush Street Interactive and Svenska Spel. Kambi Group 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 July 2024 at 07:45 CEST by CEO Kristian Nylén.

**CONSOLIDATED INCOME STATEMENT**  
€ '000

	Q2 2024	Q2 2023	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
<b>Revenue</b>	<b>45,742</b>	<b>42,890</b>	<b>88,949</b>	<b>86,926</b>	<b>173,303</b>
Staff costs	-16,445	-15,396	-32,675	-32,326	-61,264
Data supplier costs	-4,270	-4,583	-9,078	-9,449	-17,184
Other operating expenses	-8,738	-9,298	-16,997	-18,207	-35,976
Exchange gains/(losses)	-217	-727	-10	-1,251	-2,232
<b>Operating expenses</b>	<b>-29,670</b>	<b>-30,004</b>	<b>-58,760</b>	<b>-61,233</b>	<b>-116,656</b>
<b>EBITDA</b>	<b>16,072</b>	<b>12,886</b>	<b>30,189</b>	<b>25,693</b>	<b>56,647</b>
<i>EBITDA margin</i>	35.1%	30.0%	33.9%	29.6%	32.7%
Amortisation on capitalised development costs	-6,886	-6,246	-13,607	-11,672	-24,240
Depreciation	-1,688	-1,626	-3,328	-3,233	-7,182
<b>EBITA (acq)</b>	<b>7,498</b>	<b>5,014</b>	<b>13,254</b>	<b>10,788</b>	<b>25,225</b>
<i>EBITA (acq) margin</i>	16.4%	11.7%	14.9%	12.4%	14.6%
Amortisation on acquired intangibles	-1,332	-1,332	-2,664	-2,577	-5,241
<b>Total expenses</b>	<b>-39,576</b>	<b>-39,208</b>	<b>-78,359</b>	<b>-78,715</b>	<b>-153,319</b>
<b>Operating profit</b>	<b>6,166</b>	<b>3,682</b>	<b>10,590</b>	<b>8,211</b>	<b>19,984</b>
<i>Operating margin</i>	13.5%	8.6%	11.9%	9.4%	11.5%
Investment income	205	249	319	285	563
Finance costs	-73	-345	-202	-535	-836
<b>Profit before items affecting comparability</b>	<b>6,298</b>	<b>3,586</b>	<b>10,707</b>	<b>7,961</b>	<b>19,711</b>
Impairment of Goodwill	-	-	-	-	-12,417
Contingent consideration reversal	-	-	-	-	12,717
<b>Profit before tax</b>	<b>6,298</b>	<b>3,586</b>	<b>10,707</b>	<b>7,961</b>	<b>20,011</b>
Income tax	-1,639	-1,038	-2,813	-2,135	-5,110
<b>Profit after tax</b>	<b>4,659</b>	<b>2,548</b>	<b>7,894</b>	<b>5,826</b>	<b>14,901</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
€ '000

	Q2 2024	Q2 2023	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
<b>Profit after tax for the period</b>	<b>4,659</b>	<b>2,548</b>	<b>7,894</b>	<b>5,826</b>	<b>14,901</b>
Other comprehensive income:					
Currency translation adjustments taken to equity	186	47	580	-144	510
Actuarial gain/(loss) on employee defined benefits	-	-	-	-	-141
<b>Comprehensive income for the period</b>	<b>4,845</b>	<b>2,595</b>	<b>8,474</b>	<b>5,682</b>	<b>15,270</b>

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

	<b>30 Jun 2024</b>	<b>30 Jun 2023</b>	<b>31 Dec 2023</b>
<b>ASSETS</b>			
<b><i>Non-current assets</i></b>			
Intangible assets	99,376	118,189	101,186
Property, plant and equipment	14,815	17,708	17,819
Deferred tax assets	6,377	6,224	6,393
	<b>120,568</b>	<b>142,121</b>	<b>125,398</b>
<b><i>Current assets</i></b>			
Trade and other receivables	41,626	30,694	37,369
Tax receivables	2,520	3,353	1,585
Cash and cash equivalents	52,655	57,074	50,540
	<b>96,801</b>	<b>91,121</b>	<b>89,494</b>
<b>Total assets</b>	<b>217,369</b>	<b>233,242</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	4,945	6,452	4,543
Currency translation reserve	-3,839	-5,073	-4,419
Shares repurchased	-20,719	-19,178	-15,089
Retained earnings	132,868	118,569	124,973
<b>Total equity</b>	<b>175,394</b>	<b>162,909</b>	<b>172,147</b>
<b><i>Non-current liabilities</i></b>			
Lease liabilities	7,185	9,107	9,128
Contingent consideration	-	12,234	-
Deferred tax liabilities	6,486	7,499	6,897
Other liabilities	508	320	485
	<b>14,179</b>	<b>29,160</b>	<b>16,510</b>
<b><i>Current liabilities</i></b>			
Trade and other payables	22,604	25,047	20,883
Tax liabilities	1,368	-	1,368
Contingent consideration	118	13,171	118
Lease liabilities	3,706	2,955	3,866
	<b>27,796</b>	<b>41,173</b>	<b>26,235</b>
<b>Total liabilities</b>	<b>41,975</b>	<b>70,333</b>	<b>42,745</b>
<b>Total equity and liabilities</b>	<b>217,369</b>	<b>233,242</b>	<b>214,892</b>

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

	Q2 2024	Q2 2023	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
<b>OPERATING ACTIVITIES</b>					
Profit from operations	6,166	3,682	10,590	8,211	19,984
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	1,688	1,626	3,328	3,233	7,182
Amortisation of intangible assets	8,218	7,578	16,271	14,249	29,481
Share-based payment	185	508	404	1,018	-482
<b>Operating cash flows before movements in working capital</b>	<b>16,257</b>	<b>13,394</b>	<b>30,593</b>	<b>26,711</b>	<b>56,165</b>
(Increase)/decrease in trade and other receivables	1,138	1,997	-4,259	8,273	1,599
(Decrease)/increase in trade and other payables	2,750	3,906	1,721	3,709	1,926
(Decrease)/increase in other liabilities	-2	10	23	27	192
<b>Cash flows from operating activities</b>	<b>20,143</b>	<b>19,307</b>	<b>28,078</b>	<b>38,720</b>	<b>59,882</b>
Income taxes paid net of tax refunded	-870	-4,997	-2,389	-7,405	-10,438
Interest income received	205	249	319	285	400
<b>Net cash generated from operating activities</b>	<b>19,478</b>	<b>14,559</b>	<b>26,008</b>	<b>31,600</b>	<b>49,844</b>
<b>INVESTING ACTIVITIES</b>					
Purchases of property, plant and equipment	-187	-1,808	-574	-2,267	-3,547
Development costs of intangible assets	-7,305	-6,726	-14,461	-13,971	-27,630
Acquisition of subsidiary, net of cash acquired	-	-1,244	-	-1,244	-1,244
Payment of contingent consideration	-	-	-	-96	-10,310
<b>Net cash used in investing activities</b>	<b>-7,492</b>	<b>-9,778</b>	<b>-15,035</b>	<b>-17,578</b>	<b>-42,731</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds from exercise of share options	-	-	-	-	2,314
Shares repurchased	-3,287	-7,178	-5,631	-7,178	-8,323
Repayment of convertible bond	-	-7,500	-	-7,500	-7,500
Payment of lease liabilities	-983	-173	-1,973	-1,700	-3,424
Interest paid	-66	-263	-110	-314	-419
<b>Net cash generated/(used in) financing activities</b>	<b>-4,336</b>	<b>-15,114</b>	<b>-7,714</b>	<b>-16,692</b>	<b>-17,352</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,650</b>	<b>-10,333</b>	<b>3,259</b>	<b>-2,670</b>	<b>-10,239</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>46,038</b>	<b>68,663</b>	<b>50,540</b>	<b>60,701</b>	<b>60,701</b>
Effect of foreign exchange rate differences	-1,033	-1,256	-1,144	-957	78
<b>Cash and cash equivalents at end of period</b>	<b>52,655</b>	<b>57,074</b>	<b>52,655</b>	<b>57,074</b>	<b>50,540</b>

**CONSOLIDATED STATEMENT OF CHANGES  
 IN EQUITY**

€ '000

	<b>Q2 2024</b>	<b>Q2 Jan - Jun 2023</b>	<b>Jan - Jun 2024</b>	<b>Jan - Jun 2023</b>	<b>Jan - Dec 2023</b>
<b>Opening balance at beginning of period</b>	173,651	166,984	172,147	163,387	163,387
<b>Comprehensive income</b>					
Profit for the period	4,659	2,548	7,894	5,826	14,901
<i>Other comprehensive income:</i>					
Translation adjustment	186	47	580	-144	510
Actuarial gain/(loss) on employee defined benefits	-	-	-	-	-141
	<b>4,845</b>	<b>2,595</b>	<b>8,474</b>	<b>5,682</b>	<b>15,270</b>
<b>Transactions with owners</b>					
Share options - value of employee services	185	508	404	1,018	-482
Shares repurchased	-3,287	-7,178	-5,631	-7,178	-8,323
Exercise of share options	-	-	-	-	2,289
Tax on retirement benefits	-	-	-	-	6
	<b>-3,102</b>	<b>-6,670</b>	<b>-5,227</b>	<b>-6,160</b>	<b>-6,510</b>
<b>Closing balance at end of period</b>	<b>175,394</b>	<b>162,909</b>	<b>175,394</b>	<b>162,909</b>	<b>172,147</b>



## KEY METRICS

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

	<b>Q2 2024</b>	<b>Q2 2023</b>	<b>Jan-Jun 2024</b>	<b>Jan-Jun 2023</b>	<b>Jan - Dec 2023</b>
EBITDA (€m)	16.1	12.9	30.2	25.7	56.6
EBITA (acq) (€m)	7.5	5.0	13.3	10.8	25.2
EBITA (acq) margin	16.4%	11.7%	14.9%	12.4%	14.6%
Operating profit (EBIT) (€m)	6.2	3.7	10.6	8.2	20.0
Operating margin	13.5%	8.6%	11.9%	9.4%	11.5%
Cash and cash equivalents (€m)	52.7	57.1	52.7	57.1	50.5
Employees at period end	1,105	1,087	1,105	1,087	1,110
FTE Employees at period end	1,091	1,072	1,091	1,072	1,097
Earnings per share (€)	0.155	0.083	0.260	0.190	0.488
Fully diluted earnings per share (€)	0.155	0.083	0.260	0.189	0.486
Number of shares outstanding at period end	29,903,619	30,373,321	29,903,619	30,373,321	30,539,705
Fully diluted number of shares at period end	29,903,619	31,245,305	29,903,619	31,245,305	30,645,705
Average number of shares	30,106,125	30,624,844	30,304,369	30,689,098	30,529,475
Average number of fully diluted shares	30,106,125	30,788,601	30,304,369	30,849,932	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 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	Bally's	CDI	Desert Diamond	Four Winds	JACK	ilani	Miami Valley	Mohegan Gaming	Oaklawn
Arizona	✓		✓						
Arkansas									✓
Colorado	✓								
Illinois	✓								
Indiana	✓	✓		✓					
Iowa	✓	✓							
Kentucky		✓							
Louisiana	✓	✓							
Maryland		✓							
Massachusetts	✓								
Michigan				✓					
Mississippi	✓	✓							
New Jersey	✓								
New York	✓	✓							
Ohio	✓				✓		✓		
Pennsylvania		✓						✓	
Virginia	✓								
Washington						✓			

State	Parx	Penn	Pota-watomi	Prairie Band	RSI	Seneca	Soaring Eagle	War-Horse
Arizona					✓			
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:

<b>Kambi Group division</b>	<b>Partner</b>	<b>Territory</b>	<b>Contract type</b>	<b>Channel</b>
Abios	Rei Do Pitaco	Brazil	New	Online
Kambi Sportsbook	Casumo	Europe	Extension	Online
	Choctaw Nation of Oklahoma	United States	New	Retail & Online
	Mohegan	Pennsylvania, US	New	Retail
	NG Gaming	Latin America	Extension	Online
	Sun International	South Africa	Extension	Retail & Online
Tzeract	kwiff	Europe	New	Online



### Partner launches

Below, Kambi details launches during and after the quarter:

Kambi Group division	Partner	Territory	Online	Retail	Number of properties
Kambi Sportsbook	711	Netherlands	✓		
	ApuestaPR	Puerto Rico	✓		
	Bally's	UK	✓		
		Massachusetts, US	✓		
	Betplay	Ecuador	✓		
	BetWarrior	Peru	✓		
	Bingoal	Belgium		✓	375
	CDI	Indiana, US		✓	1
	LeoVegas	Netherlands	✓		
	LiveScore	Netherlands	✓		
		Ireland	✓		
		UK	✓		
	LiveScore (Virgin Bet brand)	UK	✓		
	Mohegan Gaming	Pennsylvania, US		✓	2
	PAF	Latvia	✓		
Svenska Spel	Sweden	✓	✓	1,800	
Shape Games	ApuestaPR	Puerto Rico	✓		
	BetWarrior	Peru	✓		
	Svenska Spel	Sweden	✓	✓	1,800
Tzeract	kwiff	UK	✓		
	Oyawin	Nigeria	✓		