

# Kambi Group plc

Q3 Report 2024

## Financial summary

- Revenue amounted to €43.0 (Q3 2023: 42.1) million for the third quarter of 2024 and €132.0 (2023: 129.0) million for the period January to September of 2024
- Operating profit (EBIT) for the third quarter of 2024 was €3.6 (4.6) million, at a margin of 8.3% (11.0%), and €14.2 (12.8) million, at a margin of 10.7% (9.9%), for the period January to September of 2024
- EBITA (acq) for the third quarter of 2024 was €4.9 (6.0) million, at a margin of 11.4% (14.1%), and €18.2 (16.7) million, at a margin of 13.8% (13.0%), for the period January to September of 2024
- Cash flow (excluding working capital and M&A) amounted to €5.7 (6.1) million for the third quarter of 2024 and €19.2 (9.5) million for the period January to September of 2024
- Earnings per share for the third quarter of 2024 were €0.083 (0.117) and €0.345 (0.306) for the period January to September of 2024
- Kambi today announced a share repurchase programme running from 6 November 2024 to 20 May 2025, up to a total of €12 million

## Third quarter financial breakdown

€m	Q3 2024	Q3 2023	Change %	Jan-Sept 2024	Jan-Sept 2023	Change %	Jan – Dec 2023
Revenue	43.0	42.1	2%	132.0	129.0	2%	173.3
EBITDA	13.5	13.9	-3%	43.7	39.6	10%	56.6
EBITA (acq)	4.9	6.0	-18%	18.2	16.7	8%	25.2
EBITA (acq) margin	11.4%	14.1%		13.8%	13.0%		14.6%
Operating profit (EBIT)	3.6	4.6	-23%	14.2	12.8	10%	20.0
Operating (EBIT) margin	8.3%	11.0%		10.7%	9.9%		11.5%
Profit after tax	2.5	3.5	-30%	10.4	9.4	11%	14.9
Cash flow (excluding working capital and M&A)	5.7	6.1		19.2	9.5		15.0
Cash and cash equivalents	60.5	62.4		60.5	62.4		50.5
Earnings per share	€0.083	€0.117	-29%	€0.345	€0.306	13%	€0.488
Fully diluted earnings per share	€0.083	€0.116	-28%	€0.345	€0.305	13%	€0.486

## Key highlights

- Growth in underlying business with operator turnover up 14% year-on-year
- Signed landmark partnership with leading US operator Hard Rock Digital for new Odds Feed+ product, marking a significant milestone in Kambi's modularisation strategy
- Entered into online sportsbook partnership with fast-growing Brazilian operator KTO Group ahead of regulated Brazil market launch in January 2025
- Agreed a multi-year extension with Rush Street Interactive, a key partner in the Americas
- Odds Feed+ partnership also agreed with Rei do Pitaco, with long-term deal superseding previous turnkey deal set to expire in 2025
- On 25 July, Werner Becher assumed the role of CEO, bringing extensive experience and deep industry knowledge to lead Kambi's next phase of growth

**CEO comment**

*"I am honoured to present this report, my first as CEO of Kambi Group. I joined Kambi as I believe it is a company of great potential. Having spent the past three months immersing myself in the business, that view has only been strengthened. Realising this potential will require us to navigate certain challenges, but first my thoughts on a very busy time for Kambi:*

*In terms of our financial performance, we saw underlying growth in Q3 with operator turnover up 14% year-on-year. Although Q3 revenue was only up 2% year-on-year, when excluding the Penn Entertainment transition fees and one-off license revenues in Q3 2023, revenue grew 16%, although boosted by the unusually high operator trading margin of 10.4%.*

*Strategically and commercially, we made excellent progress with our modularisation strategy, rolling out our expanded portfolio of premium products and entering several exciting new partnerships. These signings were headlined by the recently announced Odds Feed+ partnership with Hard Rock Digital, one of the leading operators in the US. I believe our Odds Feed+ product has the edge over similar odds feed products in the market and I was encouraged by the interest it attracted at the recent G2E gaming exhibition in Las Vegas.*

*While we have been expanding the range of products we can offer the market, we continue to see exciting opportunities for our Turnkey Sportsbook, underlined by the partnership with KTO, one of the fastest growing operators in Brazil. KTO will be transitioning to Kambi ahead of the expected launch of Brazil's regulated market early next year, having selected Kambi over its incumbent supplier. We also extended our Turnkey Sportsbook partnership with Rush Street Interactive and we look forward to supporting its continued growth across the Americas over the coming years.*

*Looking ahead, Kambi's customer base will continue to evolve with, for example, Kindred and LeoVegas moving away from our Turnkey Sportsbook and adding a variety of new partners across our wider product portfolio. One of my observations prior to taking this role was that although Kambi had seen some large operators move away in recent years, it still delivered growth, albeit modest, during this time. This gives me great confidence that, through the ongoing diversification of our products and partner roster, we will increasingly reduce the potential impact of future partner movement and create a much more stable base for long-term growth.*

*In the meantime, however, we must deal with the challenges that losing partner revenue brings. This is why I am particularly happy with the recent progress we have made in modularising our sportsbook and expanding our revenue streams, aiming to come up to scale with these products within a couple of years. We are also carefully considering our cost base and have identified areas in which we believe we can operate even more efficiently moving forward. This includes realising additional synergies from acquisitions and further assessing the use of artificial intelligence across the business, to reduce our underlying costs.*

*In short, although we have some difficult near-term headwinds, I see a bright future for Kambi as we become the industry's home of premium sports betting solutions. We have some exciting opportunities ahead of us, such as the great potential of our new products and the prospect of a regulated Brazilian market around the corner. I am sure once we get through this period of transition, we will have a more diverse, sustainable and faster growing business."*

## Q3 highlights

### Trading update

In Q3 2024, Kambi's Operator Turnover Index reached 687, an increase of 14% from 602 in Q3 2023, with turnover growth driven by the onboarding of new partners such as LiveScore Group and Svenska Spel, as well as the 2024 Summer Olympics and final stages of the UEFA European Championship (Euros) and Copa América soccer tournaments. Operator trading margin was 10.4%, compared to 8.8% in the same period last year, driven by favourable results, including in the Copa América and the early weeks of the NFL season. As mentioned in previous updates, high operator trading margins can have a dampening effect on turnover.

Soccer remained the primary driver of turnover during the quarter, with 11 Euros matches and 12 Copa América matches played in total. Notably, the Copa América final between Colombia and Brazil was the second-largest event on the Kambi network this year, ahead of the Euro 2024 final and surpassed only by the Super Bowl. The return of European domestic leagues further boosted soccer-related turnover, although the Euros reduced the number of domestic fixtures compared to Q3 2023.

The start of the new American football season in September, which included an additional week of NFL fixtures compared to Q3 2023, also contributed significantly to turnover during the quarter. Tennis was another strong driver of turnover, with the entirety of both the Wimbledon Tennis Championships and the US Open taking place during Q3.

### Commercial updates

In September, Kambi signed an online sportsbook partnership with KTO Group, which is among the leading betting and gaming operators in Brazil. The multi-year agreement will see KTO replace its existing third-party sportsbook provider with Kambi's Turnkey Sportsbook ahead of the expected launch of Brazil's regulated sports betting market in January 2025.

During the quarter, Kambi also agreed a multi-year partnership extension with Rush Street Interactive (RSI). The latest renewal extends the successful sportsbook partnership first established in 2018 during which time RSI has established itself as one of the leading operators across the Americas.

Furthermore, Kambi Group signed a Front End partnership during the quarter with existing sportsbook partner Paf. The long-term agreement will see Paf leverage Shape Games' software development kit to access its full suite of UX development and player engagement services.

### Partner launches

Kambi completed nine partner launches during the quarter, including two in the UK with the launch of LiveScore Group's Virgin Bet brand and Bally Casino's first UK sportsbook. Elsewhere in Europe, Kambi also powered the online sportsbook launch of 711 in the Netherlands as well as online launches for two Paf brands in Spain. In the Americas, Kambi completed two launches with Bally's Corporation in Massachusetts and Maryland, while RSI went live online in Peru and BetPlay went live in Paraná, Brazil.

For a list of partner launches during and after the quarter, see page 23.

## Events after Q3

### Modularisation milestones

On 3 October, Kambi unveiled its expanded product portfolio, headlined by the launch of its new Odds Feed+ product which marks an important milestone in the company's modularisation strategy. In addition to Odds Feed+, Kambi's enhanced suite of premium sports betting modular solutions also now includes Managed Trading, a complete trading and risk management service, as well as Bet Builder, Esports, Front End and Sportsbook Platform.

Each product uniquely benefits from the power of Kambi's market-leading Turnkey Sportsbook. Odds Feed+, for example, enables operators outside of the Kambi network to create a bespoke package from its full library of odds, sharpened by the billions of annual transactions each year on the Turnkey. It also offers additional value through the availability of AI-powered odds from Tzeract and esports odds through Abios. Unlike competitor odds feeds, all sports and bet offers are available via Kambi's single API integration with Odds Feed+ also unique in its ability to provide event resulting as standard.

Kambi's enhanced product portfolio has already demonstrated its commercial potential with two major Odds Feed+ partnerships in October. This included a landmark multi-year agreement with Hard Rock Digital, one of the leading sports betting operators in the US. The deal will see the operator's Hard Rock Bet brand gain access to Kambi's full library of high-quality odds, initially leveraging Kambi's global sports odds with the ability to revise their odds package on demand. Hard Rock Bet is available in eight US states: Arizona, Florida, Illinois, Indiana, New Jersey, Ohio, Tennessee and Virginia.

Furthermore, Kambi also signed a long-term Odds Feed+ agreement with Brazilian daily fantasy sports operator Rei do Pitaco, superseding Kambi's earlier Turnkey partnership agreement with Rei do Pitaco which was due to expire in 2025.

In October, Kambi agreed an Esports partnership with Svenska Spel to provide the leading Swedish operator with Abios' full esoccer offering, including its comprehensive range of odds, streams and widgets. Kambi also signed a long-term Front End partnership with Choctaw Nation of Oklahoma to provide Shape Games' fully managed front-end services and extensive suite of customer engagement solutions to the tribal operator.

### Partner launches

Since the end of Q3, Kambi completed an online launch with Bally's Corporation in Tennessee. Elsewhere in the Americas, Nexus launched its Olimpo.bet brand in Peru. In Europe, LeoVegas also launched its BetMGM brand in Sweden.

### Share buybacks

On 6 November, Kambi initiated a new share buyback programme, to further utilise the buyback mandate which was received at the Extraordinary General Meeting on 20 June 2024. 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 by reducing the capital. The buyback programme will run until 20 May 2025, up to a total of €12 million.

## **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)**

In September, the Brazilian government published an ordinance specifying that any company that had not applied for a licence as of 16 September was required to exit the Brazil market by the end of September 2024. From 1 October, authorities are instructed to begin blocking websites that continue to target Brazil and take steps to interrupt service providers that continue to support unauthorised operators. However, any company that had already applied for a licence may continue to operate, provided they are granted separate approval from the regulator. Brazil is expected to open its regulated online gambling market on 1 January 2025.

#### **Alberta, Canada (population: 5 million)**

An Alberta government minister announced in early October that legislation governing the province's private online gaming model is planned to be introduced in the Spring of 2025.

### **Europe**

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

On 1 July, Sweden implemented an increase in its gambling tax, raising it from 18% to 22% of gross gaming revenue.

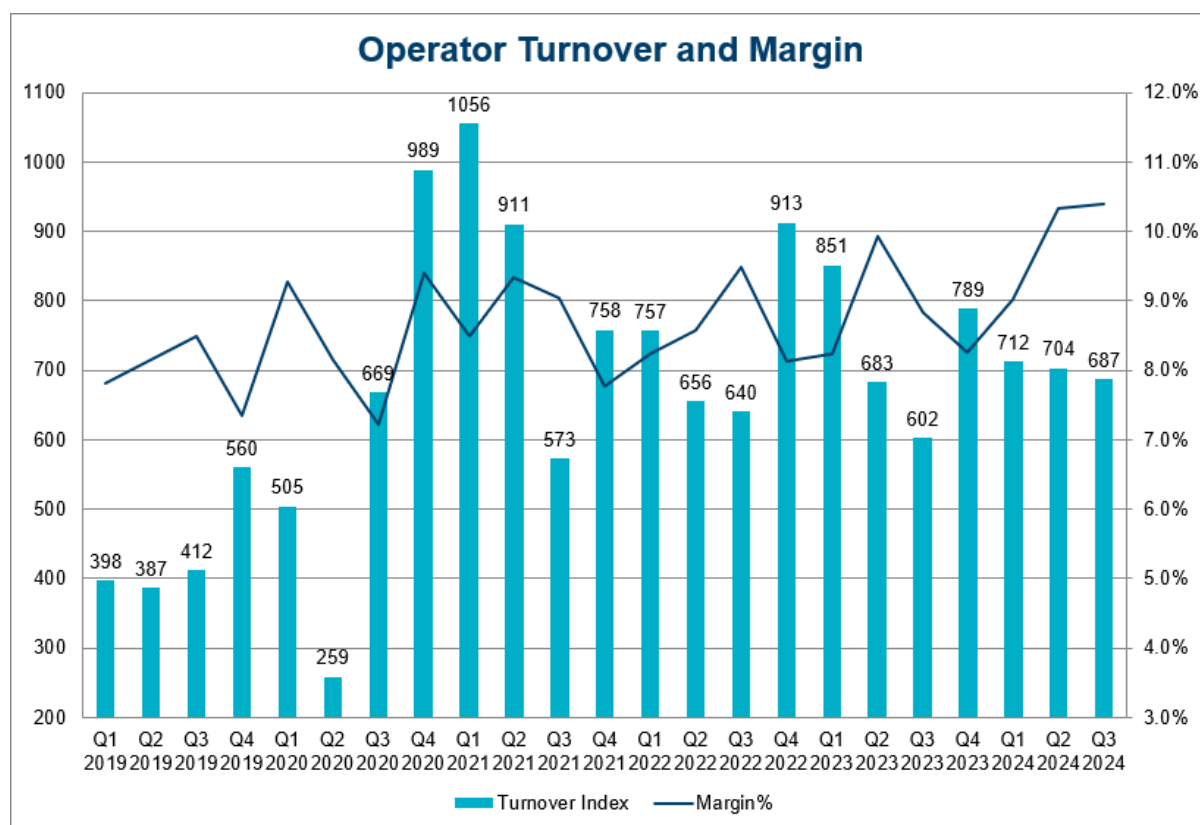
## Financial review and outlook

### Revenue

Definitions of financial terms and performance measures are presented on page 16.

In Q3, revenue was €43.0 (42.1) million, of which approximately 90% is generated by Sportsbook revenues and the remainder from modules.

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



Operator turnover for the third quarter of 2024 was 687, representing an increase of 14% from Q3 2023. This was largely driven by non-annual sporting events such as the final stages of the Euros, Copa América and the Olympics, as well as new partner launches including LiveScore and Svenska Spel. The operator trading margin for Q3 was 10.4% (8.8%), driven by favourable results in the Copa América and the early weeks of NFL season, a level which is likely to have had a dampening effect on operator turnover. The financial benefit of the higher margin versus Q3 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 last 12 months was 9.5%, which is above Kambi’s expected range.

### Financial outlook

As first communicated in the Q4 2023 report, Kambi estimated revenue for 2024 to be in the range of €170 – €180 million and, given there is only one quarter of the year remaining, revenue is now expected to be in the range of €172.5 – €175.5 million, assuming a normalised operator trading margin for the remainder of Q4 2024.

Excluding foreign exchange movements and any non-recurring expenses, total expenses are expected to be in the range of €155.0 – €157.0 million for the full year 2024, which is at the lower end of the range of €155.0 – €165.0 million, initially communicated in the Q4 2023 report.

### Geographical analysis

In Q3 2024, Americas contributed 52% (50%), Europe 45% (47%) and Rest of the World 3% (3%) of sportsbook GGR, evidencing Kambi's healthy geographical diversification.

### Total expenses

Total expenses for the third quarter of 2024 were €39.4 (37.5) million, and €117.8 (116.2) million for the first three quarters of 2024. Total expenses include a foreign exchange loss of €0.9 (0.4) million during the quarter and a loss of €0.9 (€1.6) million for the first three quarters of 2024. Foreign exchange movements relate to settlements and revaluations of cash and other balance sheet items.

### EBITA (acq)

EBITA (acq) for the third quarter of 2024 was €4.9 (6.0) million, at a margin of 11.4% (14.1%) and €18.2 (16.7) million, at a margin of 13.8% (13.0%), for the first three quarters 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 third quarter of 2024 was €1.3 (1.1) million, including €0.6 (0.3) million of withholding tax. The tax expense for the first three quarters of 2024 was €4.1 (3.2) million.

### Financial position and cash flow

The cash position at 30 September 2024 was €60.5 (62.4) million.

Cash flow (excluding working capital movements and M&A) amounted to €5.7 (6.1) million for the third quarter of 2024 and €19.2 (9.5) million for the first three quarters of 2024.

The net change in cash was an increase of €8.1 (4.7) million for the quarter and an increase of €11.4 (2.0) million for the first three quarters of 2024, with the increase in cash compared to the first three quarters of 2023 due to various transactions completed in 2023, including the settlement of the convertible bond.



## **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 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 members for the 2025 Annual General Meeting are:

- Thomas Gür, Veralda Investment Ltd
- Jonas Eixmann, The Second Swedish National Pension Fund
- Kristian Nylén
- Carl Rydin, Jofam AB
- 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).

## **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

18 November 2024	Extraordinary General Meeting
26 February 2025	Q4 2024 report
30 April 2025	Q1 2025 report
21 May 2025	2025 Annual General Meeting
23 July 2025	Q2 2025 report
5 November 2025	Q3 2025 report
25 February 2026	Q4 2025 report

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### About Kambi

Kambi Group is the home of premium sports betting services for licensed B2C gaming operators. Kambi's portfolio of market-leading products include Turnkey Sportsbook, Odds Feed+, Managed Trading, Bet Builder, Esports, Front End and Sportsbook Platform. Kambi Group also operates 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 6 November 2024 at 07:45 CET by CEO Werner Becher.

**CONSOLIDATED INCOME STATEMENT**  
 € '000

	Q3 2024	Q3 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
<b>Revenue</b>	<b>43,013</b>	<b>42,090</b>	<b>131,962</b>	<b>129,016</b>	<b>173,303</b>
Staff costs	-15,330	-14,377	-48,005	-46,703	-61,264
Data supplier costs	-4,577	-3,897	-13,655	-13,346	-17,184
Other operating expenses	-8,654	-9,526	-25,651	-27,733	-35,976
Exchange gains/(losses)	-920	-373	-930	-1,624	-2,232
<b>Operating expenses</b>	<b>-29,481</b>	<b>-28,173</b>	<b>-88,241</b>	<b>-89,406</b>	<b>-116,656</b>
<b>EBITDA</b>	<b>13,532</b>	<b>13,917</b>	<b>43,721</b>	<b>39,610</b>	<b>56,647</b>
<i>EBITDA margin</i>	<i>31.5%</i>	<i>33.1%</i>	<i>33.1%</i>	<i>30.7%</i>	<i>32.7%</i>
Amortisation on capitalised development costs	-7,029	-6,216	-20,636	-17,888	-24,240
Depreciation	-1,591	-1,746	-4,919	-4,979	-7,182
<b>EBITA (acq)</b>	<b>4,912</b>	<b>5,955</b>	<b>18,166</b>	<b>16,743</b>	<b>25,225</b>
<i>EBITA (acq) margin</i>	<i>11.4%</i>	<i>14.1%</i>	<i>13.8%</i>	<i>13.0%</i>	<i>14.6%</i>
Amortisation on acquired intangibles	-1,332	-1,332	-3,996	-3,909	-5,241
<b>Total expenses</b>	<b>-39,433</b>	<b>-37,467</b>	<b>-117,792</b>	<b>-116,182</b>	<b>-153,319</b>
<b>Operating profit</b>	<b>3,580</b>	<b>4,623</b>	<b>14,170</b>	<b>12,834</b>	<b>19,984</b>
<i>Operating margin</i>	<i>8.3%</i>	<i>11.0%</i>	<i>10.7%</i>	<i>9.9%</i>	<i>11.5%</i>
Investment income	218	37	537	322	563
Finance costs	-58	-65	-260	-600	-836
<b>Profit before items affecting comparability</b>	<b>3,740</b>	<b>4,595</b>	<b>14,447</b>	<b>12,556</b>	<b>19,711</b>
Impairment of Goodwill	-	-	-	-	-12,417
Contingent consideration reversal	-	-	-	-	12,717
<b>Profit before tax</b>	<b>3,740</b>	<b>4,595</b>	<b>14,447</b>	<b>12,556</b>	<b>20,011</b>
Income tax	-1,253	-1,050	-4,066	-3,185	-5,110
<b>Profit after tax</b>	<b>2,487</b>	<b>3,545</b>	<b>10,381</b>	<b>9,371</b>	<b>14,901</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE**  
**INCOME**

	Q3 2024	Q3 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
<b>Profit after tax for the period</b>	<b>2,487</b>	<b>3,545</b>	<b>10,381</b>	<b>9,371</b>	<b>14,901</b>
Other comprehensive income:					
Currency translation adjustments taken to equity	599	883	1,179	739	510
Actuarial gain/(loss) on employee defined benefits	-	-	-	-	-141
<b>Comprehensive income for the period</b>	<b>3,086</b>	<b>4,428</b>	<b>11,560</b>	<b>10,110</b>	<b>15,270</b>

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

	<b>30 Sep 2024</b>	<b>30 Sep 2023</b>	<b>31 Dec 2023</b>
<b>ASSETS</b>			
<b><i>Non-current assets</i></b>			
Intangible assets	97,841	116,577	101,186
Property, plant and equipment	13,410	18,322	17,819
Deferred tax assets	6,379	6,238	6,393
	<b>117,630</b>	<b>141,137</b>	<b>125,398</b>
<b><i>Current assets</i></b>			
Trade and other receivables	38,599	29,656	37,369
Tax receivables	2,323	3,466	1,585
Cash and cash equivalents	60,481	62,417	50,540
	<b>101,403</b>	<b>95,539</b>	<b>89,494</b>
<b>Total assets</b>	<b>219,033</b>	<b>236,676</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	5,151	6,883	4,543
Currency translation reserve	-3,239	-4,190	-4,419
Shares repurchased	-20,719	-19,178	-15,089
Retained earnings	135,354	122,114	124,973
<b>Total equity</b>	<b>178,686</b>	<b>167,768</b>	<b>172,147</b>
<b><i>Non-current liabilities</i></b>			
Lease liabilities	6,335	9,297	9,128
Contingent consideration	-	12,234	-
Deferred tax liabilities	6,421	7,362	6,897
Other liabilities	536	336	485
	<b>13,292</b>	<b>29,229</b>	<b>16,510</b>
<b><i>Current liabilities</i></b>			
Trade and other payables	23,246	23,404	20,883
Tax liabilities	-	-	1,368
Contingent consideration	118	13,171	118
Lease liabilities	3,691	3,104	3,866
	<b>27,055</b>	<b>39,679</b>	<b>26,235</b>
<b>Total liabilities</b>	<b>40,347</b>	<b>68,908</b>	<b>42,745</b>
<b>Total equity and liabilities</b>	<b>219,033</b>	<b>236,676</b>	<b>214,892</b>

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

	Q3 2024	Q3 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
<b>OPERATING ACTIVITIES</b>					
Profit from operations	3,580	4,623	14,170	12,834	19,984
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	1,591	1,746	4,919	4,979	7,182
Amortisation of intangible assets	8,361	7,548	24,632	21,797	29,481
Share-based payment	206	431	610	1,449	-482
<b>Operating cash flows before movements in working capital</b>	<b>13,738</b>	<b>14,348</b>	<b>44,331</b>	<b>41,059</b>	<b>56,165</b>
(Increase)/decrease in trade and other receivables	3,029	1,038	-1,230	9,311	1,599
(Decrease)/increase in trade and other payables	644	-1,641	2,365	2,068	1,926
(Decrease)/increase in other liabilities	28	16	51	43	192
<b>Cash flows from operating activities</b>	<b>17,439</b>	<b>13,761</b>	<b>45,517</b>	<b>52,481</b>	<b>59,882</b>
Income taxes paid net of tax refunded	-1,385	-1,252	-3,774	-8,657	-10,438
Interest income received	218	37	537	322	400
<b>Net cash generated from operating activities</b>	<b>16,272</b>	<b>12,546</b>	<b>42,280</b>	<b>44,146</b>	<b>49,844</b>
<b>INVESTING ACTIVITIES</b>					
Purchases of property, plant and equipment	-77	-1,060	-651	-3,327	-3,547
Development costs of intangible assets	-6,826	-5,937	-21,287	-19,908	-27,630
Acquisition of subsidiary, net of cash acquired	-196	-	-196	-1,244	-1,244
Payment of contingent consideration	-	-	-	-96	-10,310
<b>Net cash used in investing activities</b>	<b>-7,099</b>	<b>-6,997</b>	<b>-22,134</b>	<b>-24,575</b>	<b>-42,731</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds from exercise of share options	-	-	-	-	2,314
Shares repurchased	-	-	-5,631	-7,178	-8,323
Repayment of convertible bond	-	-	-	-7,500	-7,500
Payment of lease liabilities	-987	-856	-2,960	-2,556	-3,424
Interest paid	-59	-39	-169	-353	-419
<b>Net cash generated/(used in) financing activities</b>	<b>-1,046</b>	<b>-895</b>	<b>-8,760</b>	<b>-17,587</b>	<b>-17,352</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,127</b>	<b>4,654</b>	<b>11,386</b>	<b>1,984</b>	<b>-10,239</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>52,655</b>	<b>57,074</b>	<b>50,540</b>	<b>60,701</b>	<b>60,701</b>
Effect of foreign exchange rate differences	-301	689	-1,445	-268	78
<b>Cash and cash equivalents at end of period</b>	<b>60,481</b>	<b>62,417</b>	<b>60,481</b>	<b>62,417</b>	<b>50,540</b>

**CONSOLIDATED STATEMENT OF CHANGES  
IN EQUITY**

€ '000

	<b>Q3 2024</b>	<b>Q3 Jan - Sep 2023</b>	<b>Jan - Sep 2024</b>	<b>Jan - Sep 2023</b>	<b>Jan - Dec 2023</b>
<b>Opening balance at beginning of period</b>	175,394	162,909	172,147	163,387	163,387
<b>Comprehensive income</b>					
Profit for the period	2,487	3,545	10,381	9,371	14,901
<i>Other comprehensive income:</i>					
Translation adjustment	599	883	1,179	739	510
Actuarial gain/(loss) on employee defined benefits	-	-	-	-	-141
	<b>3,086</b>	<b>4,428</b>	<b>11,560</b>	<b>10,110</b>	<b>15,270</b>
<b>Transactions with owners</b>					
Share options - value of employee services	206	431	610	1,449	-482
Shares repurchased	-	-	-5,631	-7,178	-8,323
Exercise of share options	-	-	-	-	2,289
Tax on retirement benefits	-	-	-	-	6
	<b>206</b>	<b>431</b>	<b>-5,021</b>	<b>-5,729</b>	<b>-6,510</b>
<b>Closing balance at end of period</b>	<b>178,686</b>	<b>167,768</b>	<b>178,686</b>	<b>167,768</b>	<b>172,147</b>

## KEY METRICS

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

	Q3 2024	Q3 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
EBITDA (€m)	13.5	13.9	43.7	39.6	56.6
EBITA (acq) (€m)	4.9	6.0	18.2	16.7	25.2
EBITA (acq) margin	11.4%	14.1%	13.8%	13.0%	14.6%
Operating profit (EBIT) (€m)	3.6	4.6	14.2	12.8	20.0
Operating margin	8.3%	11.0%	10.7%	9.9%	11.5%
Cash and cash equivalents (€m)	60.5	62.4	60.5	62.4	50.5
Employees at period end	1,102	1,095	1,102	1,095	1,110
FTE Employees at period end	1,090	1,082	1,090	1,082	1,097
Earnings per share (€)	0.083	0.117	0.345	0.306	0.488
Fully diluted earnings per share (€)	0.083	0.116	0.345	0.305	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	30,726,305	29,903,619	30,726,305	30,645,705
Average number of shares	29,903,619	30,373,321	30,059,781	30,582,291	30,529,475
Average number of fully diluted shares	29,903,619	30,518,853	30,059,781	30,737,271	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

Kambi's portfolio of premium sports betting solutions include:

### Turnkey Sportsbook

Kambi's world's leading end-to-end sportsbook solution, which is trusted by more than 40 operators across the globe to deliver growth and regulatory certainty.

### Odds Feed+

Kambi's library of high-quality odds, delivered to operators via a seamless single integration into their existing sportsbook.

### Managed Trading

Kambi's trading and risk management capabilities with access to Trading Tools for even greater control.

### Bet Builder

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

### Esports

The provision of a variety of esports products, including streaming, data, odds feeds and widgets, via Kambi's esports-focused division Abios.

### Front End

Flexible, customisable front end solutions from Kambi's front end division Shape Games, offering operators the tools to deliver seamless and engaging user experiences.

### Sportsbook Platform

The industry's number one multi-tenant Sportsbook Platform, known for its reliability, scalability and unmatched performance.

### 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		✓						✓	
Tennessee	✓								
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 its product portfolio:

Product	Partner	Territory	Contract type
Esports	Svenska Spel	Sweden	New
Front End	Choctaw Nation of Oklahoma	United States	New
	Paf	Europe	New
Odds Feed+	Hard Rock Digital	United States	New
	Rei Do Pitaco	Brazil	New
Turnkey Sportsbook	KTO Group	Brazil	New
	Rush Street Interactive	Americas	Extension

### Partner launches

Below, Kambi details launches during and after the quarter across its product portfolio:

Product	Partner	Territory	Online	Retail
Esports	Svenska Spel	Sweden	✓	
Turnkey Sportsbook	711	Netherlands	✓	
	Bally's	Maryland, US	✓	
		Massachusetts, US	✓	
		Tennessee, US	✓	
		UK	✓	
	BetPlay	Paraná, Brazil	✓	
	LeoVegas (betMGM brand)	Sweden	✓	
	LiveScore (Virgin Bet brand)	UK	✓	
	Nexus	Peru	✓	
	Paf (2 brands)	Spain	✓	
	RSI	Peru	✓	