

April 26, 2023

## **Kambi Group**

Q1 2023



## Prepared Remarks

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Good morning, everyone, and very welcome to Canby's Q1 2023 Report Presentation. My name is Menno Olander and I am Senior Vice President, Investor Relations here. And today, we will start to hear our CEO, Christian Nulleham, talking about the quarter, followed by our CFO, David Kenyon. Thereafter, we will have time for questions. So you can either call into us and ask them here or send them to me through the chat in the web.



So once again, very welcome to the presentation and over to you, Christian.



Thank you, Mira. So yes, I will talk very briefly through about the highlights, and then I will hand over to David, and then I will come back and talk more about the quarter in-depth. So this quarter, we are having a very busy sporting calendar with A couple of top events, the playoffs in American football and especially the Super Bowl and the March Madness. I will talk more about that later. But we are very pleased with the product we are able to produce with these top events and with a perfect performance.



So That is very pleasing. Revenues for quarter is up 19%. And yes, as I said, it is a very busy Quarter, so we expect this and Q4 to always be the 2 top quarters on a yearly basis. The major news on this quarter is, of course, the renewals of 2 of our top operators, Rush and Betplay. These 2 are benefiting more than 50% of our Underlying GGR in the Americas who are 2 very, very important customers to us, And we're very pleased to renew the contract with both of them.



And of course, our AI Driven trading has been rolled out across all major leagues in Europe now, and we're very happy about the results so And I will talk more about that later. But for now, I hand over to David.



Thanks, Christian. Yes. Let me start with the financial highlights for the quarter. So revenue for the quarter was \$44,000,000 up from \$36,900,000 this time last year. We benefited from launching new customers, from going to some new states in the U.



S. And of course from a full quarter revenue from Shape Games. Our costs did increase from SEK 29,500,000 to SEK 39,500,000, but there's some big reasons for that, which I'll get into. Firstly, some structural changes to our P and L. We have additional OpEx from the acquisition of Shape Games and also the amortization on the acquired intangibles related to that acquisition.



Those 2 alone combined for CHF 3,600,000 of that cost increase. We also had certain nonrecurring costs in the quarter. Versus last year, we had a movement in FX of SEK 1,300,000 With a €500,000 cost this year and €800,000 gain this time last year. We also had personnel restructuring costs of around €1,000,000 This was actually a headcount reduction in the business of around 30 people. We realized operational efficiencies, which were enabled in large part by our new algo initiative, which we talked about recently at the Capital Markets Day.



These personnel restructuring Savings will ultimately lead to reduced OpEx on those headcounts of more than CHF 2,000,000 per annum, but in this quarter, we saw CHF 1,000,000 one off cost. This led to EBIT for the quarter of SEK 4,500,000. But we actually introduced a new metric this quarter. It's earnings before interest tax and amortization on acquisitions and it specifically excludes amortization on the acquired intangibles from our EBIT number to show the underlying performance excluding non cash acquisition related entries. And on this basis, We made \$5,800,000 versus \$7,700,000 this time last year.



Our net cash showed a healthy increase in the quarter, Up significantly in the quarter by about SEK 8,000,000 and I will show that in more detail. But we are down on last year mainly due to the acquisition we made of Shape Games during the year, but overall, a very healthy balance sheet at the end of Q1. This is the CAMBI Turnover Index. It's an aggregation of the entire portfolio as I show each quarter. The blue columns are an indexed turnover aggregation, so the operator turnover accumulated on an index basis.



And the orange line is the operator trading margin across the network. You see that turnover took a small dip after Q4 and that was as we expected as a result of the Football World Cup taking place in Q4. This was offset To some degree, by launching into new states, notably Massachusetts and Ohio. In terms of the sporting season, In early February, we saw the culmination of the NFL season, but we saw a significant increase in our basketball turnover with the college season a big contributor this quarter. We're up 12% versus last year.



We're live in 4 more U. S. States. We saw Kindred relaunch into the Netherlands in July last year. But these boosts of turnover probably offset to some degree by the results of Penn National Gaming, We've seen in their public data that they've seen a loss of market share in key states such as Pennsylvania, Illinois and Yes, Illinois and Pennsylvania, sorry.



I know they've talked about how they've moved their focus away from customer acquisition and that As to some degree shown through in our numbers too. The operated trading margin for the quarter was 8.2% versus 8.1% this time last year, which brings me to the revenue conversion. So as I said, we start on the left with 12% operator turnover growth, relatively small impacts this quarter from the Operator margin, which was in line with last year. And the tax and marketing deductibles also relatively small as we're now the vast majority of our business is coming through regulated So that's very steady, up north of 90%. The other column is a little lower than it has been in prior months.



We've Seeing a significant increase in our live data costs specifically, which are recharged through to operators, and these are revenues which are independent of the level of operator turnover. And then on the right hand side, you see the contribution from Shape Games. It's approximately EUR 3,000,000 and it's, of course, completely new versus this time last year with the acquisition happening in the second half of twenty twenty two. All in all, that took us to a 19% growth in revenues. Finally, the cash flow.



As I mentioned, very healthy increase during the quarter. We started at \$60,700,000 was our opening cash balance and that's added to by the operating profits, which I've talked through. Those profits were complemented by an increase in our working capital position with some delayed receipts from operators Actually, due to be paid in Q4, got slightly delayed and were paid in Q1, but it's obviously helped our cash position now by the end of the quarter here. And we closed with a closing cash position of €68,700,000 So a very healthy position for the balance sheet moving forward. With that, I'm going to pass you back to Kristian.



Thank you, David. Yes, as I started saying, I mean, as usual, Q1 displays a great sporting calendar. Tennis is back and we have just Australian Open. The soccer has a very busy schedule. But the 2 main events is playoffs in American Football and the Super Bowl and after that the March Madness.



Our product has been great. For the football, we During the playoffs introduced cash out for the BetBuilder, which we together with battery 6.5 was the first in the market offer. And yes, we Tested it a few matches before and it worked absolutely perfectly during Super Bowl. The Super Bowl in itself was the 2nd largest event ever, only beaten by the Super Bowl last year. And it's twice the size of a World Cup final.



As you can see on the graph, the 13 playoff games has a massive contribution to our quarterly results. And now since early February, there is no more football until September again. So Of course, it has a big impact on the second half of this quarter, but more importantly in Q2 and Q3. During the quarter, we also have March Madness, which is the college playoffs in basketball. Has great interest, especially in the U.



S, of course. And we had a great performance Year on year, we were up 17% on turnover. And mainly it was driven by enhancements in the product Such as Bet Builder and More Player Markets. So I would say we had the best product out there for this tournament. Very pleased.



We've all in all the product enhancements and especially As I said before, perfect performance for these big events. During the quarter, we also had a few partner signings. Some of them we covered in Q4. So I will highlight only 3 of them And here, first we have Delago, which is an upstate commercial casino in New York. We actually used to power it as part of the DraftKings deal back in the days.



And we're pleased to have it back in our portfolio of customers. And as it is only For commercial casinos, it's a very interesting retail business for us. And Together we're having supplying Rush, their retail casino and also having free casinos for Seneca in New York. We have a very dominant market share on the retail sports betting in the state. The second one, Pota Outami, is a partnership with the largest casino group in Wisconsin.



Wisconsin is a state that only have regulated retail and mobile on premise. So Having retail deals is more important in these kind of states, of course. And here we have What I would say, the crown jewel of the casinos in Investate with very close proximity to Milwaukee, the largest City in Wisconsin. And finally on this slide, we have signed Shape Games has made a partnership with Wager a couple of weeks ago. This is a very interesting partner in itself.



But yesterday, Yahoo announced that they were acquiring Wager. So of course, this partnership Becomes much, much more important than it was before. And we are very much looking forward to work together with Johan. As usual, during any quarter, we do a lot of live Launches. In Q1 this year, we did 20 launches in 3 new states as well.



In Ohio, we completed 11 retail and online launches during the quarter. In Massachusetts, we went live retail just before Super Bowl. And after that, we have also added online in March. And finally, as I talked about, we have launched we've put our autonomy in Wisconsin, making Wisconsin the 22nd State we are activating. I will say we are unmatched for market delivery, and our customers can always trust us to be among the first in any new market coming up.



And we are consistently enabling our Customers to be on market on time. We will continually update you about our development. We've been with 5 key growth drivers towards our 2027 financial targets as we presented on the Capital Markets Day a few months ago. In Q1, we had good progress on the first three of these drivers and I will go through each of them now. So firstly, as I start mentioning, we have done significant Added extensions with 2 of our largest customers, Rush Street and BetPlay.



These two customers are together roughly 50% or more than 50% of GGR, but we are operating in the Americas. RSI is, of course, Very active in the U. S. Where we are active in many other states. But we also do business in Canada, Colombia and Mexico.



So very pleased to have extended that contract. BetPlay is, of course, the market leader in Colombia. With this extension, we also communicated plans to expand across Latin America further. Talking about Latin America. This is and are very, very important part of our future growth, of course.



We are already extremely successful in Colombia. We're doing great Movements in Argentina, where we now are live in 8 jurisdictions, covering roughly 55% Of a population in Argentina. And it's looking really, really good. We have Really interesting news about Brazil. The government there seemed to have come to a tax rate for the regulation of Sports betting in Brazil.



And we expect official announcement to come very, very soon in Brazil. Of course, Brazil is a third of the Americas. So it's an extremely important market to get live with. And as I communicated in last quarter, we believe we have one really strong customer in Radio 2T Pitacu already. And of course, we hope to be able to sign a few more in Brazil over the next few quarters.



One point that we have talked quite a lot about lately is, of course, To our 3rd generation trading capability. We are now able with AI powered trading to really make the product much, much better and we can do it much more efficiently. As I communicated before, we had a great success during World Cup. And now during this quarter, we have rolled this out to the top 6 European domestic leagues and also to the big cup tournaments such as Champions League, Europa League, FA cup and so forth. We will, of course, continue this rollout with more leagues.



But more importantly, We expect to be able to do this on live betting as well in Q3 or Q4. After that, we expect to roll out the Moresports during the next coming years, giving our operators and their end users a much, much greater product, but also making it possible for us to do with much greater efficiency. As an example of the impact In Q1, the turnover on BetBuilder almost doubled year on year because of a better product we could give. So to summarize this quarter, we have extended 2 of our most important partners in BetPlay and Rush Street. We're extremely pleased with Bet.



Our AI driven trading illustrates a substantial opportunity, and I think this is something We're quite unique at and really looking forward to see what we can take it during the next couple of quarters with in play So we're doing great progress towards our 2027 targets and Looking forward for the rest of the year. Thank you very much.



Thank you, Christian, and thank you, David. Now it's time for questions. So you can either call in to us and ask them directly or you can send them via the chat to me. So first of all, over to you, operator, any questions from the phone.

## Q&A

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The next question comes from Oskar Ronkvist from ABG. Please go ahead.



Thank you. Good morning, Christian, David and Mia. Thanks for taking my question and apologies in advance if you need to repeat yourself. I entered the call a bit So first, just on in Arizona, we see Desert Diamond performing quite Well, so I just want to get a touch on if you have any evidence of locals starting to grab some market shares in other states that we cannot track. And also, I mean, we have seen the start for Jack Entertainment being on the softer side maybe in Ohio.



But do you see Any clear signs of them ramping up in the coming months after the launch?



Yes. I mean, yes, Daseke Daimler is doing great. I think we have a few hours doing quite good as well. Can't really comment on non official figures, but we are in general quite pleased with Our local operators and I mean you can see in our figures as well, but I mean we're becoming less and less dependent on the large What was the second question?



Jack, go back.



I bet, Jack. Yes. I can't speak for them, but I think They are still working out a little bit how to make the most out of it. I think we have started quite carefully. So I definitely hope that we will ramp up during the quarter.



Okay, great. Then on the turnover index Growth, you grew 12%, so down a little bit from Q4 where you had 20% turnover Growth. So I don't know if you mentioned this and how much you can actually say about this. But in the official Numbers at least it seems like Penn has come down quite steeply in some key states. Can you like elaborate on the financial impact for you just from the sequential decrease from PEN and what's the sort of underlying growth, if you could just exclude the PEN numbers?



I mean to start, I can't really get into exactly what kind of contributed in the quarter. I mean we just can't go there in terms of Yes.



In terms



of our contract, what I can point to is the public data. And there has been a massive decrease in the market share in key states. I mentioned Pennsylvania, Illinois, Michigan, the three examples. If you look at those numbers, it's been a massive decrease from this time last year, but also kind of continued From Q4 through into Q1. So yes, and they've talked about not really focusing on customer acquisition right now.



So it has fed through entire numbers. Yes, it's a relatively big factor for us, but Yes, of course, we'll lessen the impact as and when they do leave the network, of course.



All right. Just the next one on So in the report that you have signed the company called Wager in Shape Games, So just in terms of the connection to Yahoo! Also I mean the connection to Yahoo! In Great Canadian as well, Do you see like any other opportunities where you could like cross sell both the Canby platform, some modules and some other maybe, Let's say if Yahoo wanted to increase their sports betting exposure, would that be sort of a positive read across To for or upcoming maybe potential signings?



Obviously, we hope so. The Yahoo signing was done yesterday. So we haven't really gathered more information about it yet. But For us, it's a great thing that shape has made this relationship already with Wager. And as you say, we Through a great Canadian have a relationship with Apollo.



So I hope it can be positive for us for future as well. Do



you have anything to say about which states Wager is supposed to launch in?



No, more than I mean, where we were active before is Tennessee. So that's Where we will start, of course, the Yahoo! Thing is very new. So I guess We will see what happens with that. But Tennessee is the one state we know at this point.



Okay, perfect. I have one last question. I know that you focus on Already regulated markets, but I've seen a sport radar open a new office in Mumbai and just talks about like the cricket market Could solely worth like over US100 \$1,000,000,000 growing 20% per year? And you have mentioned India as A market where you want to grow in when it regulates or if it regulates ahead of the 20 2027 financial targets that you have. Is there any possibility that you would be able to launch in such market before it regulates given the, I mean, complete focus on B2C operators under the regulation part and KYC procedures?



I mean, we are already to some extent active in India in a very, very small scale. We have refrained from creating a local product. And therefore, I think we are Staying on the right side. But yes, I think a big step here will happen when the market regulates And when you see more local operators coming into play. So Yes.



It's some time left, I guess, but we are already active looking at opportunities in India for sure.



Okay, perfect. Thank you very much. That was all for me.



Thank you.



The next question comes from George Atling from Pareto Securities. Please go ahead.



Hi, everyone. Just a few questions from me. If you could just start on the personal restructuring. You said that you let go of 30 people. So I'm just wondering, are all of these traders?



And will you continue to Cut down on the organization, on the staff headcount or is this the changes we will see this year?



Yes, thanks. Yes, they were predominantly traders, yes. Not all, but largely in the trading department. I think in terms of future plans, it really depends on this kind of the speed and timing and success of rollout of the kind of The product road map, the different sports that Christian mentioned. So yes, we talked about kind of efficiencies we will make from Algo when we Set those 2027 targets and this is part of it.



So yes, but we'll keep you posted when the product is in the right place to enable those efficiencies.



And on the PAN transition services fees, how much of those were recognized here in Q1?



No, nothing recognized in Q1. No, that will be recognized Q3 onwards, dollars 1,000,000 a month For 15 months starting July this year.



Okay. I'll just give an update on Eivios. Maybe what revenue they had in Q1 and also when you expect they should really go to align with the full offering and What sort of impact do you expect from that in the P and L?



Yes. For now, they're running at about breakeven. They're running at around 500,000 Revenue and cost per quarter. And I think the change there will be when they start Generating revenue from the odds, any odds contracts, that could be as soon as, I guess, late Q2 That we start seeing something come from that and hopefully it ramps up over time, certainly later this year.



Okay. And the impact on the wager partnership, which is where we see that in Q2 already or Would that be some delay before we start to see that in numbers?



No, you should start seeing some impact on the shape numbers already in Q2, yes.



And that goes for Best City as well, I guess, on for Shape. You should see that in fact in Q2.



Yes. I think it's slightly less certain when that will start generating revenue. But yes, it will either be Q2 or Q3, I believe.



Yes, good morning. So given the slowdown with Penn, It's not going to be it's going to be a lower base to roll off from in the second half when they start to migrate their online product. How do you see the seasonality Q2 to Q3 and Q4 then, staying out given this scenario, this is more some kind of a weird year when it comes to seasonality given the roll off. Any comments on that one would be interesting. Also if Q1 turnover initially did match your expectations or if And slow down more than you thought it would.



I can take a first one and the last one first there. I mean, we already saw the comments coming in about the Pan stopping Focusing on customer acquisitions during the early part of the quarter. So I think We are quite in line with what we expected when it comes to turnover for the quarter. I'll leave our question to you, David.



Yes. I mean the seasonality, I think it depends when we hear exactly when PEN are going to roll off. Obviously, that will affect Q3, Q4 numbers. In terms of seasonality, yes, it's so hard to say Until we actually know when that time is going to be exactly. But if it happens in Q3, then you'll see some impact in Q3.



In the past, we've been able to talk about Penn contributing 10% to 15% of our total revenue. Of course, we're going to keep The retail operations are part of that will stay, but there will be that impact when we know that Penn are leaving. And we'll hopefully be offset by more signings, more launches and general growth of network.



You said retail is currently around 20% from them looking at the public numbers?



20% of our lower base, it seems. And also the sequential expectation or whatever you could say about Q2 given We had football fixtures scheduled now with the World Cup mixing up with the schedule in Q1 and Q2. What do you expect for the Q2 this year? We heard your comments on American football, but that rolled off already mid Q1. Any comments here would be helpful for that.



I mean, it's not only the American Football what is rolling off. Now we're going to state where the playoffs of both NBA and NHL have started as well. So it's Still quite a lot of activity because it's quite a few players, teams still around, but that will decrease during the quarter. The soccer, I think, is the one thing that will hold up Better than it usually does because the season will continue longer than it usually does. I think you have Still some soccer to be played in June even.



So all in all, I think Turner, we should hold up slightly better, all things equal, than a normal non Big tournament year.



Okay. But the fair expectation would still be down sequentially Q2 over Q1, I believe so.



Yes, yes, absolutely.



Yes. And on the OpEx guidance, Just if you could help us with the drivers for the low versus the high end. It seems to be tied to shape signings. I don't know if wager is something that will drive OpEx in either way. I would assume that you've included that in your guidance.



But Comments on the drivers for OpEx, please? I mean, if you narrowed it, it's still quite wide range.



Yes. I mean, for Saad, yes, That Wager, any OpEx related to Wager is included in that full year guidance. We've narrowed the range from \$20,000,000 to \$15,000,000 There's still Quite a few moving parts in the expanded business we have now. So it's affected by things like An eye on options, which is driven by the share price. There's bonuses related to performance.



There's a few moving parts, which is why we can't narrow down that range To an extremely tight number, but over the year, we'll keep narrowing it and hopefully, you get a much tighter range as we get towards the end of the year.



And the shape contributions, how much Is that in terms of if Schip would add more customers during the year, how sensitive would that be in the OpEx guidance? What sensitivity does shape have?



I don't so I don't expect it to make us change the range, put it like that. So I think the range can handle signings made by shape during the year. So it's just where in that range is Going to come. And I mean it's yes, I don't think the signings will materially impact the CapEx on a group level.



Speaking of signings, coming in now at a number of quarters can be talking about Strong sales pipeline and of course you have signed a number of operators and renewed as well with some of the large ones. But what can you say now 3 months after the CMD laid out the modernization agenda? Any delays in that one? I know you're going for large accounts. That takes time.



But any update on that one? Because I think the market expectations is for that to have already happened basically. What do you see in terms of adding customers on BetBuilder, for example?



First of all, I think we said already when we started talking about this a year ago that Q2 was our target. It may be changes on that. It depends a little bit what happens. We've Sales on our areas of a more fully managed services. So The thing I can say is that the pipeline looks very, very strong and I'm quite pleased with where we are.



But I can't give you very much more color until we do signings.



Okay. Fair enough. And also the financial targets you include in the CEO letter that The development until 2027 won't be linear. So do you expect a hockey stick in 2027 from a flat Until then or what do you see? Not linear, but gradual improvement until then?



Help the market understand what you What kind of timing you're seeing on improvements?



I mean, you have a couple of Headwinds here, I mean, pen coming off will obviously be a headwind, for instance. The tailwinds, but we can't really estimate when will happen is Things like your regulations in major places, Brazil, Asia, California and so on. But Many of those are obviously expected to happen more like 2026 or 2027. So Yes. That's a big reason why we expect it to not be linear.



Okay. Thank you. And also final question on Americas. How much is the U. S.



Of that and how much is Latin America? I have a feeling that the market, I think, the U. S. Is larger than it actually is. You want to share something on the split between the two markets?



I'm not sure we



No, I think we're still missing some public numbers. But I think in a few weeks, we can comment on that. We're still missing public data. That's the only thing we can refer to, unfortunately.



You can't give us not an exact figure, but just rough Estimate of the relative sizes between the two maybe.



The trouble is right now, our Latin America revenues are kind of dominated by a couple of operators. So we Given that number, pretty much gives their numbers. So that's why we can't do that, I'm afraid.



Okay. Fair enough. Thank you very much.



Okay. Thank you so much.



There are no more questions at this time.



Thank you, operator. We actually have quite a few questions here. David, I start with you. When you bought Shape, you wrote that you that they had revenue of SEK 7,600,000,000 for 2021, with expectations of 100% growth in 2022. In the annual report, we can see that revenue was SEK 11,000,000 for 2022.





Considering that you closed the transaction in September, it is a very big difference. What happened?



Yes. I mean, there's been some delays in a few signings basically. So obviously, when the acquisition happened, That kind of impacted a few certain deals that are ongoing. Maybe the focus got shifted onto the acquisition. But now I'm really pleased with the wager signing.



That was one that has now come through and there remains a really strong pipeline for that business. So Yes, there were some delays in achieving those revenues, but I'm very confident about the future revenues for that business.



Thank you, David. Kristian, next one is for you. You had an interview with the ITV this morning and said that RSI Embedded Play accounted for the majority of the revenue in North and South America. It is correct to assume that they account for at least 27% of the revenue. Well, But you said we can really comment on that.



So any other color you want to make on that?



No. As I said, I mean, The underlying GGR for Betray and Rush is more than 50% of our Americas number and That's as much as I'm willing to give.



Okay. Thank you. This one is for you, David. On the cost side, can you please elaborate a bit on the reduction of personnel compared to Q4, the increase of staff costs and the on off during the quarter?



Let me start with the restructuring. I'm not sure I answered the second part of the question. But on the in terms of restructuring, around 30 people unfortunately had to leave the business Because we recognize efficiencies we could make. That led to costs when they left the business for around SEK 1,000,000. Of course, there are immediately some ongoing savings of a few 100,000 because they're not in the business.



And like I said earlier, Longer term, that will lead to in excess of SEK 2,000,000 a year savings on the P and L. So yes, we've taken CHF 1,000,000 cost which hits us this quarter, but longer term, of course, it's for the good of the business and will help the P and L. The second part of the question was?



The increase in staff costs and one off, I mean, I think this is the nonrecurring I don't know what you said. I think it's just some salary increase.



Yes, of course. It's the annual pay review process. Yes. And the pay, the severance pay we talked about.



Thank you, David. Christian, I think you already mentioned here, but how does the sales pipeline of Bitbiller Standard Model look like?



I think we have focused very much on the Fully managed service, the last quarter, it still looks quite good, but it has not been the main focus So for last quarter, but it's yes, we are very excited for both parts of the business.



Thank you. Next one for you, David. How does the growth look organic without shapes and year on year. So basically, what is shape?



Yes. I mean, like I said, it's around SEK 3,000,000 of revenue in the quarter. So that Of that growth from €36,900,000 to €44,300,000 is shape, but also the cost is increased by 2.7% on pure OpEx and another 0.9% on the amortization. So on the profitability level overall, it's not really changed That's significantly where we were before. The revenue is SEK 3,000,000.



Thank you. This one is for you, Christian. You have talked about a strong pipeline during Quite a few quarters now. When do you think that will come through in form of new Tier 1 and Tier 2 customers?



Can't comment on that, of course. But yes, I'm excited.



Yeah. And if you look at recent signings, is there any of them you would consider as a Tier 1 operator?



The one we have talked very much about as something very exciting is Rey du Petacco, whether it will be a Tier 1 or not in the end, we don't know. But it's a little bit too early to consider it a Tier 1, I would say.



Another one for you, Christian. You mentioned earlier in the year there are further multistate opportunities in the U. S. Still to be won. Is that still the case?



And there have been some articles in the press flagging yourself and Ballis. Would this be a high priority contract?



So on the first question, yes, it's still the case. And obviously, Bralis is a contract we would love to win, but it's not up to us mainly. So but of course, it's a high priority for us.



Thank you. In Q1, you mentioned that you had originally assumed contracts wins in the quarter, which had been delayed or rather been delayed or lost. Is this still the case? And I think we already answered this, but is the outlook for shape still good?



Yes. I think the outlook for shape is very good. I think they have had to change their focus slightly and focus more on The customers where we can work together. But yes, I'm very excited for the Shape business.



And it can be the delayed contracts still?



I don't know what else I can say on this topic.



Thank you. David, this one is for you. How many employees do you think you would have at the end of this year? Do you have a view of that?



Not really. What I can say is we're not significantly recruiting right now. So from where we are now, there's no right now, there's no big plans to increase, Which I guess is a little bit different to what we've been doing in the past. It's more probably yes, it won't be massive recruitment, I would suggest. But I don't want to venture forecast on kind of headcount.



That's quite difficult.



Yes. Thank you. Another one. Do you have any buyback share plans?



Well, like I said, I mean, nothing right now. We've done it in the past, so of course, we could activate it again in the future. And as I've talked about a lot earlier, we've got a healthy cash balance now. So we've got the firepower to do that or other things with the balance sheet.



Kristian, this is one is for you. Your 2027 targets, do you assume Kindred has left the network? And as a follow-up, in the short term, are you assuming a change in control of Kindred will lead them to leave the network sooner than 2026?



I can't comment on Kindred, of course. I'm pleased we have a Contract with minimum revenue guarantee over the next 3.5 years. I would guess it very much depends on if we are bought, who are buying them, whether we have an opportunity to serve them or not.



Thank you. Another one for you, Christian. Have there been any tailwinds in the U. S. Towards outsourcing, noting some recent public comments from retail casino operators here.



I think a general sentiment we see Both in Europe and the U. S, I would say is that, I mean, it becomes more and more important with Profitability and that is always a good thing for suppliers, I would say. So I think we're in a very good shape.



This is in line if the Competitive landscape has changed in the U. S. Or are the similar competitors presented in RFP processes?



It depends on when you look at it, but it's quite the same. Since SP Tech left, I think it has been very much about us and Open bet, there is a few of our smaller ones that are trying to come into the business. But as an open bet, there are 2 big ones at the moment.



Thank you. Another one for you, Kristian. I think this is the last one. Which of the product offering are you do you see biggest potential in? Is it module full force book?



For the moment, yes. I definitely believe that Different kind of sophisticated trading products will also be very, very interesting for us for the future.



Okay. Thank you very much for the questions. Thank you, Christian. Thank you, David. We will be back here for our Q2 report to 26 July.



And as always, if you have questions, feel free to reach out to the IR department. I wish you a very good day and

