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Kambi Group

Q2 2025



Speakers



Martin Arnell
Analyst | DNB Carnegie



Werner Becher
CEO | Kambi Group plc



David Kenyon
CFO | Kambi Group plc



Oskar Rundlöf
Analyst | ABG Sundal Collier



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc



Operator

Prepared Remarks



Mattias Frithiof

SVP of Investor Relations and Sustainability | Kambi Group plc

Good morning, everyone, and welcome to Kambi's Q2 earnings call. At this time, all participants are in the listen-only mode. After the speaker presentations, there will be time for questions and answers. To ask your questions on the teleconference, you will need to press *11 on the telephone. You will then hear an automated message advising you that your hand is raised. To withdraw your question, please press *11 again. If you are following us through the webcast, you may submit your questions through the chat. Please be advised that today's conference is being recorded. The agenda for today: we will start with some highlights from our CEO, Werner Becher. This will be followed by a financial summary from our CFO, David Kenyon. Werner will come back with some operational updates and a summary. Following the presentation, we will have time for the Q&A.



Mattias Frithiof

SVP of Investor Relations and Sustainability | Kambi Group plc

With that, I would like to hand over the conference to you, Werner. Please go ahead.



Werner Becher

CEO | Kambi Group plc

Thank you, Mattias. Good morning, everyone. Our financial performance was once again in line with our expectations, but I'd like to stress not in line with our ambitions, which are much greater. It was a quarter set against a difficult comparative period last year with the Euros and Copa Américas, as well as the pen transition fees, as David will explain shortly. Just after the quarter ended, we signed an agreement with LeoVegas, which not only sees us continue to provide our turnkey sportsbook until the end of 2027, but also our Odds Feed+ product in markets where they move across to their own sportsbook, the first examples being Finland and Denmark just a couple of weeks ago. Recently, we made a new turnkey partner signing with a Latin America-facing RedCap, adding to our momentum in the region.



Werner Becher

CEO | Kambi Group plc

As we highlighted after our EGM in June, we've initiated our largest share buyback program to date, underlining the confidence we have in the future prospects of our business. On the whole, the period provided examples of encouraging progress, which each in isolation may perhaps seem small, but taken together sees us progress on our path to creating a more stable platform for long-term growth. Now I'll hand over to you, David, who will speak a little bit more in depth about our financial performance.



David Kenyon

CFO | Kambi Group plc

Thank you, Werner, and good morning, everyone. Revenue for Q2 was €40.5 million. This quarter, we faced a challenging prior year comparative of €45.7 million, which included some non-recurring transition fees of €4.5 million. We also had an FX constant currency impact versus last year of €1.2 million. There have been various gaming-related tax increases also since Q2 last year, so a difficult comparative this quarter. I'm pleased to say that in terms of our costs, we started seeing the effects of our ongoing efficiency program. There was a 4% decrease in our total expenses despite an FX headwind. This cost reduction enabled us to post an adjusted EBITDA on acquisitions of €3.7 million. For the first half, this metric is at €7.2 million, excluding the foreign exchange on revaluations we saw in Q1. We have €53.1 million in the bank as we end the first half.



David Kenyon

CFO | Kambi Group plc

As Werner mentioned, we just started our latest €15 million share buyback program. This slide sets out the Kambi turnover index, which is an aggregated performance of our entire network. The blue columns represent the aggregated index turnover, originally set at 100 of all our operators. The orange line is the aggregated operator trading margin. In terms of the turnover, you'll see that it was down just under 5% from Q2 last year. There are a number of reasons for that 5% decrease. Firstly, last year there was the Euro 2024 and the Copa América, which added quite significantly to the turnover in Q2 last year. This quarter, we saw the Club World Cup, which we'll talk more about, which was a helpful addition to the sporting calendar but didn't match up in terms of turnover versus those events last year. Since Q2 last year, Kindred has exited the U.S.



David Kenyon
CFO | Kambi Group plc

and its Dotcom markets. We've also seen the impact of tightened regulations in the Netherlands, which have impacted turnover there. In terms of foreign exchange, we've seen a weaker Colombian peso and U.S. dollar, which have impacted the value of our turnover in those regions. You'll see in the graph that the operator trading margin increased significantly from 10.3% in Q2 last year to 11.5% this year. There is a correlation between that high margin and a reduced level of turnover. These negative factors have been offset to a certain degree by customers who have launched since the start of Q2 2024. Of course, we have also seen growth in the Brazilian regulated market from January 1 this year, as well as organic growth across areas of our portfolio.



David Kenyon
CFO | Kambi Group plc

The decrease you can see in turnover versus Q1 was the expected seasonality pattern of the American football, basketball, and soccer seasons, offset by the baseball season of the MLB starting in Q2. Looking forward, Q3 is typically fairly quiet in the sporting calendar, but Q4 will be much busier with a full quarter of many of the key sports. The margin was high at 11.5%, the highest you can see in this period on the graph. Football in particular had strong margins this quarter. We also saw strong engagement with our high-margin Bet Builder product. Here we see the development of our profitability metric, the EBITDA that I mentioned earlier, from Q2 2024 to this year. A lot to talk through on this slide, a lot of detail.



David Kenyon
CFO | Kambi Group plc

I'll try and keep it straightforward. The first column is the impact of the growth of our 2024 signings and our existing portfolio, so effectively the organic growth in the business. The second column is driven by the growth in operator trading margin that I mentioned from 10.3%-11.5%. That has a significant boost to our revenues. The third light blue column is the 2025 launches. This includes both customers who launched in Brazil in January, as well as the Odds Feed+ deals we've signed since Q2 last year. In terms of Brazil, I think it's fair to say it's underperformed our expectations so far. We should also note it's a jurisdiction that faces a raise in its gaming tax in Q4 this year. The next column is the impact of the major football tournaments.



David Kenyon
CFO | Kambi Group plc

As I mentioned, last year in particular, the Euro 2024 contributed significantly to the turnover. That was not something that recurred this year, but we did have the Club World Cup, which was smaller in quantum, but a helpful addition to the sporting calendar. The next column was \$4.5 million of transition fees, which we had last year, but not this year. The largest piece here was \$3.2 million from Penn National Gaming. Those transition fees ran until July 2024. This is the last quarter where there's a full effect on the comps. Additionally, there was \$1.25 million from Napoleon Gaming. These fees ran at that level until December 2024. The next column first relates to operator migrations moving out of the Kambi network. Here we see the impact of both the Kindred exit of the U.S. and the Dotcom markets. Also, 32 Red and Mr.



David Kenyon
CFO | Kambi Group plc

Green, who migrated during Q1 away from Kambi. The final orange column in the revenue section is the gaming tax and other, and there's a few items in here worth mentioning. Firstly, the VAT on deposits in the Colombian market has had a significant impact on our revenue levels, as well as our operators. That's shown in this column. The impact of the deposit limits in the Netherlands has also had a material effect on our numbers since last year. Additionally, the commission rates impacts of certain key contract renewals are shown in this column. Lastly, there's been a number of gaming tax increases in the Netherlands, Sweden, and Illinois in particular, all of which add up to that last orange column on the revenue factors. As I mentioned earlier, there have been cost-saving effects from our ongoing efficiency program.



David Kenyon
CFO | Kambi Group plc

We've seen savings across staff costs, consultancy, and infrastructure since this time last year. We have faced an FX headwind across both revenue and costs, however. On the revenue, both the U.S. dollar and the Colombian peso have weakened. At the same time, the SEK, the Swedish krona, has strengthened, and these both have moved in the wrong direction for us in terms of our EBITDA. We've contributed to the final position after all these many moving parts of €3.7 million for the quarter. Our cash at the start of this quarter was €56.4 million. We made tax payments in the quarter totaling €3.8 million, with refunds on part of the Maltese tax expected in a later quarter. We also spent €2.9 million on share buybacks, which both concluded a previous program before the AGM and then started after our AGM in June.

**David Kenyon**

CFO | Kambi Group plc

We started a new €15 million program, and we start to see the first effects of that at the end of Q2. This left a closing cash balance of €53.1 million. In terms of our share buybacks, we repurchased 280,000 shares in Q2, and this took the H1 repurchase to over 980,000 shares for a value of €9.9 million. We also announced, as I mentioned, a €15 million program running to November, in line with our capital allocation policy, to return capital to shareholders for any excess cash in the business. With that, I'm going to pass back to you, Werner.

**Werner Becher**

CEO | Kambi Group plc

Thank you, David. As mentioned earlier, we have seen progress in a number of areas over recent months, with some of those developments shown on this slide. I spoke in the last quarter about BadBro's expansion into Paraguay and the launch of a new PAF-operated brand in Sweden, so I'll focus today on the other items here. During the remainder of Q2, we signed an extension with Chex Gaming Sportsbook, which is one of the top five operators in the Netherlands market with their brand Chex. Despite the recent application of betting limits, the Netherlands remains an important market for us. We are pleased to agree this extension with one of the leading brands in the country. We also continue to strengthen our relationship with Betsson.

**Werner Becher**

CEO | Kambi Group plc

In June, Kambi supported Betsson with sportsbook launches in the UK and Ireland for its Monopoly and Rainbow Riches brands, and we anticipate further launches in the future. Although it's only late July, Q3 has already proven to be a busy one for Kambi, perhaps headlined by a new deal with LeoVegas, which comes in two parts. Firstly, the extension of our turnkey sportsbook deal, which runs until the end of 2027 now, securing revenue for Kambi during this time. Secondly, the Odds Feed+ agreement, which will mean LeoVegas will and already has integrated our Odds Feed+ API so they can choose from our selection of high-quality traded odds to support their in-house operation. We've also signed a retail agreement with DraftKings to assist the launch of a sportsbook in Puerto Rico.

**Werner Becher**

CEO | Kambi Group plc

The technical compliance requirements in Puerto Rico are rather unique, but as we are already active there with a compliant retail product, and the fact we had a prior relationship with DraftKings means it makes sense to work together to support their market entry. Yesterday, we announced the turnkey sportsbook deal with Latin America-facing operator RedCap, which operates BadBro and StarPlay brands in the region. We'll soon be launching in El Salvador and Panama, with the scope for more markets and a retail channel launch in the future. RedCap has strong financial backing and high ambitions, so we look forward to seeing how this partnership can grow and continue our expansion in an increasingly important region for us. RedCap decided to join Kambi from an alternative sportsbook supplier, which highlights the quality of product and service we offer. Let me talk for a second about the FIFA Club World Cup.

**Werner Becher**

CEO | Kambi Group plc

David spoke a little earlier about the delta between the major football tournaments of last year and this. The newly expanded FIFA Club World Cup wasn't ever expected to fill the void of last summer's major championships, but that doesn't mean to say it wasn't a success, from a betting perspective at least. Being held out in the U.S., the timings for some of the games didn't fall kindly for European viewers, but were in favor of viewers in the Americas, and in Latin America particularly. We saw great engagement with our partners in the Latin American region, driving approximately 80% of our bets on the World Cup of teams. I think once again, this speaks to the benefits of our global reach. While we have seen some European operators and suppliers bemoan the modest impact of the Club World Cup, for us, the tournament exceeded expectations.

**Werner Becher**

CEO | Kambi Group plc

Although comparison during the quarter was difficult to make, the Club World Cup was the fourth highest generator of turnover during Q2 for us, despite having far fewer games compared to the MLB, Premier League, and eSoccer. Even though the Club World Cup didn't match the dizzy highs of Euros or Copa Américas last year, for us, it was a very much welcome addition to the sporting calendar. The signing of RedCap in Latin America and the positive performance of the Club World Cup in the region are part of a broader growth story for us in Latin America. As you can see here, our Q2 performance has grown year on year over the past few years, with the latest increase largely driven by our expansion into Brazil, a market which has so far underperformed our expectations, so we remain hopeful for further growth there.



Werner Becher
CEO | Kambi Group plc

Of course, the Q2 2025 performance comes against the tough comparative, also in Latin America, of last year's Copa Américas and Euros. Latin America is an increasingly important market for Kambi, albeit one of a tough competition and even more competitive pricing. To enhance our prospects, we recently hired a new Head of Sales for Latin America, who brings great experience and strong connections in the region. I've spoken before about how we are aiming to diversify our revenue streams, and eSports is one of the products increasingly helping us to do just that. What you can see on this slide is the growing impact eSports, powered by our ABIOS division, is having for us throughout the turnkey sportsbook.



Werner Becher
CEO | Kambi Group plc

Over the past few years, we have seen sizable increases in eSports turnover, largely driven by eSoccer, as you saw in an earlier slide, but also strong growth in the more traditional eSports games. In Q2, eSports was the fifth biggest sports-generating turnover of the quarter, finishing ahead of the likes of Ice Hockey, horse racing, and golf as an example. It is this positive story around eSports that is also helping us to sell into operators our Odds Feed+ product. Operators can see not only the uplift it gives to their sportsbook today, but the ability to attract a slightly different demographic to further enrich their customer base. We firmly believe eSports will be a staple of the selection our Odds Feed+ customers make. In summary, Q2 saw us deliver a performance in line with expectations, although to reiterate, our long-term expectations are far greater.



Werner Becher
CEO | Kambi Group plc

That said, it was encouraging to see our costs come down as we continue to focus on efficiency and productivity. We initiated a €50 million share buyback program, our largest to date, delivering value to shareholders and underlining the confidence we have in the future prospects of our business. Finally, we continue on our mission to diversify our revenue to create a stronger platform for long-term sustainable growth. There remain exciting opportunities ahead.



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

Thank you, Werner. With that, we are ready to take questions from the teleconference. I hand over the word to the operator.

Q&A



Operator

Thank you. To ask a question, please press *11 on your telephone and wait for your name to be announced. To withdraw your question, please press *11 again. We will now take the first question from the line of Oskar Rongkvist from ABG Sundal Collier. Please go ahead.



Oskar Rundlöf

Analyst | ABG Sundal Collier

Thank you. Good morning, guys, and thanks for taking my questions. My first one would be just if you could help a little bit with the seasonality. I think you say that H1 was broadly as expected. Q2 looks maybe a bit boosted by the strong sportsbook margin. I think you mentioned that as well. Q2, just considering this high sportsbook margin, was that still in line? In terms of seasonality, I think you made around \$7 million in EBITDA, excluding the FX revaluations, which, you know, to meet \$20 million for the full year, obviously needs to have a pretty strong H2 ramp up. Could you help us a little bit with the seasonality in Q3 and Q4 and talk about Q2 in the light of the strong sportsbook margin? Thanks.



David Kenyon

CFO | Kambi Group plc

Yeah, I can start, Oskar. I think firstly, in terms of Q2, I think there's clearly a correlation between that high margin and the level of turnover. If it had been a lower, maybe more regular margin, then we expect the turnover would have been higher. I don't think it really would have changed necessarily materially the overall picture of the performance in the quarter. Looking forward to how we get to the guidance for the full year, it's a good question. The areas we expect to see growth, in particular, I would say we expect more growth from our signings that have happened at the start of this year, so that both the Brazilian market and the Odds Feed+ deals.



David Kenyon

CFO | Kambi Group plc

We hope to generate revenues from Ontario Lottery and Gaming Corporation during the second half, which will be a direct add-on to any performance we've seen in the first half. The sporting calendar, like you say, always ticks up significantly in the fourth quarter in particular. That will drive our revenues. Lastly, you'll see more impact, more positive contribution from the savings program that we continue to roll out across the company. These are some of the factors we're looking for in the second half.



Oskar Rundlöf

Analyst | ABG Sundal Collier

All right, perfect. I think you have EUR2.3 million in negative effects on adjusted EBITDA year to date. You also talk a little bit about the expectations you had on Brazil has maybe underperformed a bit. Just the puts and takes for when you initially announced the guidance. Obviously, the FX you cannot do much about. Just on Brazil, are there any other fluctuations relative to your initial expectations when you set up the guidance?



David Kenyon

CFO | Kambi Group plc

have been a few other taxes announced, gaming taxes, which we listed in the report. There's a number of taxes that have popped up during the year, which obviously make life a little bit harder in terms of reaching that guidance. At this stage, nothing that blows us off course. If you look at those taxes, I think they have an effect in the region of EUR500,000-EUR1 million versus our original expectation from those increased taxes. No, nothing else I can think of that's materially changed.



Oskar Rundlöf

Analyst | ABG Sundal Collier

All right. In light of these headwinds, is it fair to assume that maybe you're heading towards the lower end of the full year guidance?



David Kenyon

CFO | Kambi Group plc

I think that's a quite fair assumption given the FX, given the tax pieces I've talked about. You know, it's still uncertain at this stage and we've still got, as I mentioned, there's a lot of moving parts to inherent that, where we expect to see improvement in the second half. At the moment, we're keeping the guidance untouched.

**Oskar Rundlöf**

Analyst | ABG Sundal Collier

Perfect. Thank you. Just a final one. Obviously, you have some cost efficiencies now in 2025. I just saw that I think the employees have kind of flattened out at least between Q1 and Q2. I think you've talked a little bit about you can have some efficiency on some more efficiencies on the trading side. Could you help us understand a little bit on the timeline of any further cost reductions maybe going into 2026 and when you expect those efficiencies could come into the numbers?

**David Kenyon**

CFO | Kambi Group plc

I think we'll continue making smaller efficiencies across the business. I mean, if you, you know, we're making efficiencies not only on the staff side, but also in our infrastructure, in our consultants. It's across the business. It's not just in staffing. I think the impact on staffing from AI and the products we're developing, that will likely come during 2026. We don't know the exact timeline yet, but that one we'll have to keep you posted when it comes with a bit more certainty. As I said, it's not just across staff. We'll be making efficiencies. You're going to see reductions in the second half in a number of areas.

**Oskar Rundlöf**

Analyst | ABG Sundal Collier

Got it. Perfect. Thank you very much. That was all for me.

**David Kenyon**

CFO | Kambi Group plc

Thanks.

**Operator**

Thank you. As a reminder, if you wish to ask a question, please press *11. We will now take the next question from the line of Martin Arnell from DNB Carnegie. Please go ahead.

**Martin Arnell**

Analyst | DNB Carnegie

Yes, hi guys, and good morning. I think many of my questions have already been asked about the second half, but maybe we could just, could you mention why the contribution from new customers in the second half? You mentioned OLG impact. What's the expected timeline for the launch? Can you remind us there? Also, anything else in addition to OLG that we should think of in terms of new customers coming in?

**David Kenyon**

CFO | Kambi Group plc

Thanks for the question, Martin. We are fully on track with our project with Ontario Lottery and Gaming Corporation. We expect to launch as initially planned in the second half of the year, more end of quarter three, beginning of quarter four. We also expect revenue contributions for 2025 P&L from OLG already this year. It's a significant new customer for us with a lot of bespoke work to be done. On all the other opportunities in our pipeline, as you know, we can't comment. There are also some RFP processes out at the moment where all tenderers have to sign confidentiality agreements, NDAs, etc. Unfortunately, we can't comment on these opportunities in our pipeline. As soon as we have signed contracts, we will, of course, announce.

**Martin Arnell**

Analyst | DNB Carnegie

Perfect. Thank you, Werner. I guess Q3 is also quiet, especially now in the summer. I guess at least you can see a sequential increase quarter on quarter for Q3. The reason I ask this is just, I mean, you have a guidance. It's intact and it's pretty clear. Is that fair to assume a higher EBITDA in Q3?

**David Kenyon**

CFO | Kambi Group plc

I don't think we're going to make a short-term forecast on Q3. I'd say the vast majority of the uptick is going to come in Q4. I think, yeah, I don't see Q3 being, it really depends, of course, on margin in particular. In general, Q3 should be relatively similar to Q2 in terms of underlying business.

**Martin Arnell**

Analyst | DNB Carnegie

Okay, I'll rephrase the question. Is it fair to say that the seasonality impact is stronger in Q3 than in Q4 in general for this sector?

**David Kenyon**
CFO | Kambi Group plc

Much quieter in Q3 than Q4, absolutely, yeah. Significantly, yeah. Most of the big leagues don't really start until...

**Martin Arnell**
Analyst | DNB Carnegie

Sorry, my question was higher seasonality in Q3 than in Q2 in general for this sector, given the big football leagues start in August, September.

**Werner Becher**
CEO | Kambi Group plc

Yeah, we now have the MLB running in the U.S. We have a Women's Euro running at the moment. We had the big European soccer leagues ending their season in Q2, including Champions League final, a lot of big events. As you mentioned, we have starting the seasons end of August, beginning of September now. I would say from the busyness of the sporting calendar, Q2 is quite similar to Q3.

**Martin Arnell**
Analyst | DNB Carnegie

Thank you. I have a question on commercial terms. You often talk about that when you re-sign a customer. Can you give some color on the LeoVegas contract? Does that now include MGM also so the take rate is lower?

**Werner Becher**
CEO | Kambi Group plc

Of course, because of confidentiality or commercial sensitivity, we can't disclose our commercial terms with customers. As you know, we are working for a long time now already with LeoVegas, and a heavy decrease in our commercial terms was not the main area of this deal. They are rolling out their sportsbook. As you know, we're happy to support them for two years more, and we are fully supportive on our eSports deal with them, which is a great deal. The main thing here was not changing their commercials.

**Martin Arnell**
Analyst | DNB Carnegie

Thank you, Werner. My final question, just on the... I saw that you did sign the contract with DraftKings, which you mentioned in the report. Why did you... why didn't you press release that one?

**Werner Becher**
CEO | Kambi Group plc

Yeah, sometimes in negotiations with commercial agreements, customers are quite reluctant about letting us announce deals publicly. We managed with them allowing us to mention this in the quarterly report. They were not happy to push this out very loudly, just let me say it this way.

**Martin Arnell**
Analyst | DNB Carnegie

Perfect. Fair enough. Thank you, guys.

**Operator**

Thank you. There are no further questions on the phone at this time. I would like to hand back over for any webcast questions.

**Mattias Frithiof**
SVP of Investor Relations and Sustainability | Kambi Group plc

Thank you. We will have the questions from the chat then. I will read them and then you can just answer to me, please. Bally's recently sold its international business to Intralot. Can you comment on how this may impact your non-U.S. business with Bally's for good or for bad?



Werner Becher
CEO | Kambi Group plc

Yeah, I can comment on it if you want. At the moment, it's absolutely business as usual for us with Bally's. We have a great relationship with Bally's. The transaction, so far as we know, relates mainly to their business outside of the U.S. Our sportsbook business with Bally's is mainly in the U.S. We will see how this merger develops, but we mainly see it as an opportunity at the moment for Kambi. We have a premium product, and we see that a larger business group, like now also including Intralot, could have some nice additional opportunities for us because we are 100% sure that Bally's, as well as Intralot, understand the quality of our product.



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

Thanks. Second question then. RedCap was one from a competing supplier. How have you seen competition evolve?



Werner Becher
CEO | Kambi Group plc

I think there is, it's fair to say there is an ongoing trend over many years, I would say even more than a decade now, that our commercial terms, our ref share, the whole B2B sportsbook industry is coming a little bit down. I think 10 years ago, ref shares were around 25%, 20%. We are now, let's say, in a range of 12%, 10%. With all the efficiencies mainly coming from AI, looking forward, we expect to be in a position, being more cost-efficient going forward, that we will be able to offer even more attractive pricing to our customers to take more market share. There is not so much competition, I would say, in the U.S. because of the very rigorous licensing restrictions in the U.S. There is some competition in Europe. South America is a battlefield at the moment. It's also very competitive on pricing.



Werner Becher
CEO | Kambi Group plc

Regulation is always in our favor. More and more operators, also in Latin America, being on the platform of alternative suppliers now, entering regulated markets, understand the need and the importance of a premium product we offer. South America going forward will be a very important market for us.



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

Thanks. Last quarter, you spoke about the sales pipeline and in particular opportunities with the state-owned sector, such as lotteries. Can you provide any updates here? Are you still confident in your position within this customer segment?



Werner Becher
CEO | Kambi Group plc

A tough question to answer, Mattias. As I mentioned a few minutes ago, as a normal course of business, of course, we are part of many tenders. Yes, there are some public tenders, tenders of state-owned big companies out there at the moment. All these tender processes start with signing an NDA, right? We can't comment on any RFP process or any public tenders until they come to a point where we have negotiated also contract terms and we sign a contract. We, of course, will immediately announce. Unfortunately, I can't comment on any of these ongoing processes now.



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

Thanks. How is the interest for the Odds Feed+ product and other new products? Has this met your expectations?



Werner Becher
CEO | Kambi Group plc

I would say yes, it has met our expectations when it comes to our pipeline and the interest we see from the market. It's fair to say it takes a little bit longer than expected to close these, especially because we are focused at the moment on Tier 0 and Tier 1 operators. Decision-making processes and their IT roadmaps to integrate their API with these companies can be quite complicated and take a while. I would call it a learning for us. We're still very confident that we are on the right track with our strategy and this is a great product for the market. Yes, it's probably that these are coming in a little bit slower than expected.



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

Can you give some color on the Odds Feed+ launch with LeoVegas in Denmark and Finland? Which sports and so on?



Werner Becher
CEO | Kambi Group plc

I'm not allowed because of commercial sensitivity and contracts we've signed with them to talk in detail about what exactly they will take from us. From a technical perspective and a contractual perspective, they're free to take whatever they want from us. Of course, we have discussed and agreed on some content they will take from the beginning. Like with many of our customers' Odds Feed+ product, we are very confident that when they see in reality in production the product performing against the Odds Feed+ suppliers they use today, they will take more and more from us. This is also a learning we have, of course, from Hard Rock Digital.



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

Thanks. Here's a question I think we may not be able to answer, but I'll ask it anyway. Is there a minimum guarantee fee in the new contract with LeoVegas?



Werner Becher
CEO | Kambi Group plc

Yeah, we can't comment on this, of course, right?



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

Can you say something about the growth in Brazil compared to the first quarter?



Werner Becher
CEO | Kambi Group plc

Yeah, I would say we saw some slight increase in revenues, turnover, betting activity, as now also the Brazilian League and some other local national leagues are up and running after their summer break in our winter. As David mentioned, Brazil is still performing below our expectations. We have some customers in the region performing as expected. Some look like holding a little bit back with their market initiatives still, which is, of course, out of our control. We still see Brazil going forward as a big, important market for us. The new taxes coming up in August–October, sorry—will, of course, be a little bit, yeah, dampening these ambitions in the market for many operators. In general, enthusiastic sports fan base in Brazil, big country, a proper regulation in place now should be in our favor long term.



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

Thanks. You received your Nevada license in Q1. Can you please give a general update on commercial progress and opportunities?



Werner Becher
CEO | Kambi Group plc

There is not a lot of competition in Nevada on the sportsbook side, as licensing is so difficult in Nevada, and there are only very, very few licensed B2B suppliers there. Not only is licensing a little bit complicated because Nevada is the gold standard out there, certification and testing of the product take some time: GLI certification, running field tests, etc. We are on track with completing all these requirements for certification. Of course, our business development team is in touch with many local operators already, and our pipeline is filling up.



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

Good. Referring to your comments regarding current business performance, what are the primary areas where you see the greatest opportunities for improvement?



Werner Becher
CEO | Kambi Group plc

Would you like to take it, or should I?



Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi Group plc

I'll talk about cost and you can talk about revenue.

**Werner Becher**
CEO | Kambi Group plc

Sure, let's do it that way, yeah.

**Mattias Frithiof**
SVP of Investor Relations and Sustainability | Kambi Group plc

Yeah, I mean, from my side, we've already seen a shift in the cost base, but there's more to do. You know, that is something we as a team continue to push on. As I mentioned earlier, it's not just looking at headcount numbers, it's where should stuff be located, what are we paying our suppliers, why do we need these consultants, you know, looking at lifting every rock in the business to look at costs. From my side, that's a continuing push and it will be for the foreseeable future.

**Werner Becher**
CEO | Kambi Group plc

Yeah, we're very focused on our long-term vision and strategy, so we are not doing any stupid cost cutting here. We are implementing a high-performance culture. We're looking at productivity, we're looking at efficiency, and this is a very big project internally because it's a culture change for the company. Cost cutting for sure will not help us to get out of more or less stable revenue base for some years now. I think with our new product portfolio, with Latin America and the next thing, Asia coming, more regulation to come also in the U.S., with California, Texas, and more states, there are a lot of opportunities for us out there. With Odds Feed+ specifically, but more products to come soon in our portfolio, we will increase our TAM, we will broaden our customer base.

**Werner Becher**
CEO | Kambi Group plc

On the revenue side, I think after LeoVegas and Kindred leaving us, the momentum on the pipeline on the commercial side is very convincing.

**Mattias Frithiof**
SVP of Investor Relations and Sustainability | Kambi Group plc

Thanks. Regarding the DraftKings retail agreement in Puerto Rico, do you see a chance for incremental sales in DraftKings, or is it more a one-off given the compliance complexities there?

**Werner Becher**
CEO | Kambi Group plc

That's also a question about commercial sensitivity now. What I can say is that, of course, also with DraftKings, we had some discussions about our Odds Feed+ product to support them in other regions. Let me say these are very productive, constructive discussions we have to them, as with many other Tier 1 and Tier 0 operators. I couldn't guarantee that there will be no further deals with DraftKings, but I can't comment on anything else.

**Mattias Frithiof**
SVP of Investor Relations and Sustainability | Kambi Group plc

Thanks. The last question is from the chat. Would you be open to act as a market maker on the prediction market exchanges in the U.S., or if prediction markets continue to be popular, how do you plan to participate in that trend?

**Werner Becher**
CEO | Kambi Group plc

Yeah, definitely prediction markets are a big topic in the U.S. now. We are closely monitoring the situation there. Like many of the operators in the U.S., also for us being licensed in 20+ jurisdictions in the U.S., we have to be super careful to not enter any unregulated markets. What does this mean? This means that for the prediction market operators entering these illegal unregulated markets now, for sure they could have a head start because they could create a customer database already now. We will see how these legal petals will end up. I expect them to take a few years more. For now, it's very difficult for us to enter these unregulated illegal markets in the U.S. without risking the business we already have in the U.S.

**Mattias Frithiof**
SVP of Investor Relations and Sustainability | Kambi Group plc

Thanks. Thank you. That concludes the questions from the chat and the presentation. Thank you, Werner and David, for joining, and thank you everyone for participating. We will, of course, be happy to take any additional questions you may have. Please send them to me. Otherwise, we look forward to seeing you on the 5th of November when we disclose our Q3 earnings. Thank you.