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# Kambi Group Plc (KAMBI.SE)

Q4 2022 Earnings Call

## CORPORATE PARTICIPANTS

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**David Richard Kenyon**

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**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

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**Oscar Rönnkvist**

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## MANAGEMENT DISCUSSION SECTION

**Mia Nordlander**

*Senior Vice President-Investor Relations, Kambi Group Plc*

So hello, everyone, and very welcome to Kambi's Q4 2022 report. My name is Mia Nordlander, and I am Senior Vice President-Investor Relations, and I am here today with our CEO, Kristian Nylén; and our CFO, David Kenyon.

Today, we will start – hear them starting – presenting the results for the quarter and thereafter, you will be able to ask questions. You can either call in and ask them through the telephone or send them to me in the web. So, once again, very welcome. And over to you, Kristian.

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**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

Thank you, Mia, and good morning. I will start with some highlights from the quarter and then I will hand over to David to go through the financial highlights. And then I will come back, talk a little bit about the Kambi 2022 and more specifically about the quarter. And then we, of course, do Q&A.

So the highlights. First of all, I would say we had a very, very strong financial and operational performance with 30% underlying revenue growth, and that is without the one-off payment from PENN. During the quarter, of course, it was World Cup, which is a very odd time of the year to have it in Q4. But I would say we had a very successful World Cup, I will talk about it more later.

We have done three partner signings during the year. The most important I would say is Rei do Pitaco, which is Brazil's largest daily fantasy sports operator. And hopefully that will be a very, very successful story as soon as Brazil decided to regulate.

And finally, we have expanded our footprint in Americas. We have launches in Maryland and Washington in the US and more retail places in Ontario and in four different Argentinean provinces. So, over to David.

## David Richard Kenyon

*Chief Financial Officer, Kambi Group Plc*

Thanks, Kristian. Good morning. Welcome to the financial section of the presentation. So, firstly, the financial highlights. Revenue for the quarter was €57.8 million. We had a very strong quarter. As Kristian mentioned, there was the World Cup, of course, and a strong sporting calendar, which I'll talk through in more detail. That €57.8 million includes a one-off termination fee from PENN in relation to the termination of the contract that was \$12.5 million or €12.6 million recognized on the P&L in the quarter.

Excluding that one-off fee, revenue was €45.2 million, which is a 30% increase on the numbers from Q4 last year. I think it's a really strong result, especially as this is now the first quarter where we know DraftKings, in the comparative sense, is a true underlying growth in the business [ph] of (00:03:05) 30%.

Costs for the quarter were €39.2 million, slightly lower than we actually forecast at the start of the quarter. And this was the first quarter where we had full costs from Shape Games. This led to an operating profit in the quarter of €18.7 million. And when stripping out the PENN fee, it was €6 million as operating profit. Extremely strong cash flow in the quarter, €17.9 million. And I think that's really kind of rebuilds our balance sheet after the cash acquisition of Shape Games. So, I'll talk more about the cash flow and the balance sheet later. But we're really rebuilding the strength of that balance sheet with this very strong quarter.

Turning to the full year. So, full year 2022, revenue was €166 million. This includes the termination fee I just mentioned. Operating profit, €34.8 million at a margin of 20.9%. Looking back on the year as a whole, of course, we had some headwinds. This was the first full year without DraftKings, which was a major contributor last year, for the first nine months of the year. And we also had some regulatory headwinds which impacted our revenues from the Netherlands, which impacted our revenues in the first half of this year.

On the flip side, we've had many signings in the year. We've launched into new markets such as Arizona, Connecticut, Louisiana, and New York online. And we have a full year of Abios revenues now in our numbers, and first four months of Shape Games after the acquisition in September, which, of course, both impacted the revenue and the cost line of the P&L. So, a pretty active year, and I think overall, we're really happy with how we've emerged at the end of the year.

In terms of mentioning costs here, we did talk about – we gave a cost forecast for the year ahead in the report this morning. We talked about a full year 2023 total expenses of €155 million to €175 million. This includes, of course, the first full year of Shape Games revenue compared to four months here in 2022, and the difference between the four months and the full year is estimated to be €12 million to €15 million. So, stripping that part out, the actual underlying cost base is growing at a much slower rate than we've seen in prior years. And at the recent Capital Markets Day, I talked about the reasons for that and it's really that we can now benefit from years of previous investment, in particular, to reduce growth in our head count. So, that's what's helping drive that slowdown in costs in the underlying business.

This slide is an aggregation that we show each quarter of the underlying performance. It's an aggregation of the – all the operators in the network.

The orange line is the operator trading margin across the portfolio. That was 8.1% this quarter. The blue columns represent an indexed aggregation of the turnover of the network. This turnover was up 20% versus Q4 last year.

Of course, Q4 is always a strong supporting quarter. We have a full quarter of the US sports, NFL, NHL, and basketball, all contributing significantly. And we have the World Cup. Of course, this did displace fixtures in the

major European leagues, so there was a downside there. But, overall, with – the turnover from the World Cup, actually, contributed to a net positive compared to those fixtures that were displaced.

So, overall, we did see 20% growth year-on-year, which we're extremely happy with. Everything is excellent growth across the portfolio. I think we should note they could even have been better, actually. We note comments from one of our operators, PENN, who talked about the reduced focus on acquisition of customers, which has led to them having a lower market share in key states. So, these numbers here, I think, actually is a positive read-through for the rest of the portfolio. They're actually growing at a faster rate than you see indicated by this chart. So, overall, we're really happy with these underlying growth numbers in the business.

This graph shows the revenue conversion from – starting at operator turnover growth, 17% increase on a like-for-like exchange rates, and then, factored in all the elements which, ultimately, end up in our revenue growth of 66% in the right-hand column.

Operating margin was 8.1%. That compared to 7.8% this time last year. So, that was a positive contribution versus Q4 last year. And as I mentioned, it's the first full quarter of Shape revenues, approximately €3 million, which is an add-on of course, to what we had at this time last year. And this after the Shape contribution, there is a 30% growth versus this time last year. Then at the end, those PENN termination fees of \$12.5 million recognized here in the P&L. That takes it to the 66% growth of the business.

It's also been, as I mentioned earlier, a really strong quarter in terms of cash flow. We started the quarter with \$45.6 million in the bank. We made \$6 million operating profit, excluding PENN fees. Of course, we did get in that \$12.5 million I mentioned. We also received the first tranche of the transition fees for the support services we'll offer in the coming years, in the contract we announced late last year. And so we have the first \$5 million of those transition fees received in the quarter, so \$17.5 million in total in that PENN fees column.

Movements in working capital include payments for our corporation tax and the small increase in our debtors. And the net effect of all these movements is to increase our cash position to just over \$60 million at the end of the quarter. I think this is really important that we strengthen our balance sheet. And, again, after we made the full – the acquisition of Shape fully in cash and this really opens up our future options to use our balance sheet to support our future growth of the business. With that, I pass it back to Kristian.

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## Kristian Nylén

*Chief Executive Officer, Kambi Group Plc*

Thank you, David. So, yeah. Yes, the – before I go into Q4, I would like to say a little bit about the Kambi 2022 in review as well. So I think this is – has been a great year. A little bit calmer than we have been used to in 2020 and 2021. We were – some movements on some of our key customers, COVID and so on. But this year, I feel we got the opportunity to we got opportunity to really get back to the core of our business. And as many of you know, we had the Capital Markets Day, where we presented our strategy going forward and establishing some targets for about a month ago.

Other things that happened in 2022, we agreed extensions with two of our leading customers, Kindred and betPARX and this is, of course, very important to have some financial stability. We extended our reach in Americas, we have quite a few different signings. We had, in total, nine partner signings during the year, which is a record in itself. I will go in more in detail in Rei do Pitaco, which I mentioned earlier as well. And we also did Great Canadian in Canada and Ondiss in Argentina, as two of our important ones.

We completed more than 60 online and on-property launches during the year. Again, a demonstration – demonstrating our operational capability to launch with our customers as soon as the new regulations opens up. And finally, we did a major leap in our UX capability, acquiring Shape Games, which gives us another – broadening our product. We've also – being able to in-house – offer our customer's native apps.

And, in Q4, we had the World Cup, which, of course, is a very strange timing. Still, it was the best World Cup tournament in Kambi's history. Of course, it was a significant reduction in the number of domestic fixtures. I think, of our top 10 leagues, it was roughly two-thirds of a normal year. And, still, with our 64 matches from the World Cup, we still came out with what we estimate a net positive compared to having the domestic football. So, very, very pleased with the result of the World Cup.

But, more importantly, I think we had an amazing product, very much driven by what we will talk more about, our third generation trading capabilities. But, all in all, very, very pleased with the product that we were able to deliver to our customers and the result of it.

And, as I said, we have launched the – our third generation trading during World Cup. We discussed it in depth at the Capital Markets event if you want to have a more extensive insight in it. The rollout during World Cup could probably not have gone better. We stress-test it up to the absolute maximum scale and delivering a more expansive product than we had before and with a better result.

As an example, during the knockout fixtures, we could, in 90 seconds, publish more than 500 new markets, giving our customers, of course, the first to market possibility for our very end users. But, for us, it's also a massive cost efficiency going forward, being able to publish automatically in so many markets instead of us before some of the more special markets had to be done by manual labor.

Since World Cup, we have rolled out this product on all the major European leagues such as Premier League, La Liga, Champions League, and now it's roughly 60% of our pre-match turnover on soccer. In the weekends, it's even higher. We are planning to roll this out later in the year in a – in-play game as well. And after that, we are expecting to roll out more sport share, hopefully, one more during this year.

In general, we can say that this capability has already improved the player experience and it's building towards what we expect to become more and more a limitless sportsbook in the future.

As highlighted previously in the quarters, we have a market-leading Bet Builder product. We started developing our Bet Builder product in 2018, and I would say now it's more about really tweaking and making it better and better. And during Super Bowl, we actually were able to introduce it in play and offer cash out for Super Bowl bets.

Today, though, I would like to focus a little bit on pricing. And the reason I would like to talk about the pricing is because it has been quite a discussion on other forums about margins. To do pricing correctly, of course, it's a vast work. You have to work with very, very large data sets. Of course, you have to have great algorithms and again, here, the third generation trading will become more and more important.

Preferably, you have some trading expertise, even if you can automate a lot. There are some situations where you still want to have the manual input. In Kambi, we have a unique network of data spanning across the globe over millions of users, which also gives us a great source of input to get to the most accurate pricing.

I wanted to show you an example, and this is not a random example. It was featured in a Wall Street Journal article, where we compared FanDuel and DraftKings pricing. Our price was, of course, not compared there. But, yes, to give an example here, on this random example, we took Kansas Chiefs to win the Super Bowl; Travis Kelce to win – to score a touchdown, and the same for Jalen Hurts.

When we looked at this price, FanDuel and DraftKings was roughly seven times the money. Kambi had 850. I would say that our price has a roughly 15% theoretical margin. If that's the case, it would have meant that FanDuel and DraftKings has roughly 30% theoretical margin. You can, of course, lower to that in number and create better, better margin for the operator, but I will say that is the wrong way to go. With a higher price, you can create a much, much stickier product, a better UX for the end user, and they will spend more money over a long time but, hopefully, and we would expect a customer to spend more money at a higher price than we would do on lower prices.

So, going into – to our acquisition of Rei do Pitaco, I think this is very, very exciting. Brazil has obviously a massive market when the regulators decided to open it up. One of our primary targets in Brazil was Rei do Pitaco and we are very, very proud to sign them. They have a massive database as a fantasy operator, and we expect and hope that they can emulate what the DraftKings and the FanDuel did in the US when the US market opened and for Rei do Pitaco to become a leading player in Brazil. And we hope that the – this market will be regulated sometime late in 2023 or 2024.

During Q4, we also signed LMG in Puerto Rico and Great Canadian in Ontario, but we covered that in the Q3 report already. In Q4, we continued to do a lot of launches across the Americas. We launched into two new states in Maryland online and in the Washington state, where we opened up a retail casino. In Canada or specifically Ontario, we launched multiple properties for both Great Canadian and Mohegan during the quarter. And in Argentina, we continued our expansion with launches in four new provinces with Casino Club. LatAm is gradually becoming more and more significant market for Kambi. We have a strong position and we believe it's having great potential, particularly with Brazil on the horizon.

[ph] Well (00:20:31), it has been a busy period of the Q4. Most importantly for us, we have extended our partnership with Rush Street. Rush Street was our first US operator after PASPA, and it's one of the leading operators in the US, but also in Colombia and in Mexico.

We extended our partnership with Sun International, a leading operator in South Africa. We launched on day one in Ohio, where we powered nine launches on a market opening day of 1st of January. And in the end of January, we also launched a retail sportsbook in Massachusetts, and we hope for online to be launched in March.

And finally, in the end of a – yeah, we have also done two new partnerships, with Miami Valley Gaming in Ohio and del Lago Resort & Casino in New York, both retail and both already live. Kambi is now live in U – 21 US states, and well-established as the number one supplier in the US market.

Also after Q4, we, of course, had our Capital Markets Day. And as we communicated last month, we have adopted new financial targets to achieve revenues of two to three times full year 2022 figure and an EBIT of at least €150 million. These targets are largely dependent on a few key growth drivers, which I will talk a little bit more about now.

First, I think it's very, very important for us to retain our key partners, and a good sign is that we have already, this year, extended the contract with Rush Street, and I hope you will see more coming in this year. Earlier, I spoke about the third generation trading capabilities, with currently [ph] growth (00:23:01) on soccer, and I hope we will

continue in more sports. And I think this is very, very successful for – important for our success, both when it comes to our product quality, being able to have a leading product, but it also will have a very big impact on our cost efficiency.

We are already a clear market leader, as I said, in the Americas. But I think we need to keep that position, and extend it into new markets as we roll out. And there are a few markets more important than ours, namely Brazil, Texas and California, which we hope and believe will be regulated during next coming years.

We need to be very successful with our modernization strategy as we communicated during the Capital Markets Day. We have done, like, a few signings – [indiscernible] (00:24:08) a few acquisitions with Abios and Shape, but we also needed to be very successful with Kambi's – yeah, say, old own portfolio to be able to modernize that and assign Tier 1 customers. And finally, we need to launch a major regulated Asian market and we are looking especially at two here, Japan or India. If we are successful with these drivers, we are very confident that the EBIT target of €150 million is very achievable.

So to summarize the quarter, we had an excellent financial result. We have growth across various KPIs. We had a very successful World Cup. And I would say this is coming in a quarter where the financial pressure globally is quite tough. So, very pleased with the results. The third generation trading performance, again, underlines the future potential we have. And the success we had during World Cup is very, very promising. And having laid out our story during the recent Capital Markets Day, we feel we are on a path to significant growth and build towards the 2027 targets.

Thank you very much.

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**Mia Nordlander**

*Senior Vice President-Investor Relations, Kambi Group Plc*

Thank you, Kristian and David. And now it's time for Q&A. And as I've mention in the beginning, you can either call in your question or send them through the web to me. So over to the telephone conference, I think. Do we have any questions?



## QUESTION AND ANSWER SECTION

**Operator:** [Operator Instructions] The next question comes from Oscar from ABG. Please go ahead.

**Oscar Rönnkvist**

*Analyst, ABG Sundal Collier AB*

Q

Thank you. Good morning and thank you for taking my questions. So, first of all, just apologize in advance if I ask you anything that is already mentioned because I missed a small part of the presentation. But first of all, I would just like to get the sense of – if you had any impact from the Mattress Mack large win. So for example, Kindred had a pretty substantial negative impact in the US at least. But can you say anything else about your impact? Is it substantial?

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

Yeah. I don't want to go into exact details, but we took two bets, one for Kindred, as you say. And also, I think PENN has mentioned that they had a bet for Mattress Mack. So there is some impact there for us during the quarter. Yes.

**Oscar Rönnkvist**

*Analyst, ABG Sundal Collier AB*

Q

Understood. Thank you. Then on – maybe a question for David, just the reason behind the wide OpEx guidance because, I mean, other than depending on the level, it represents quite a substantial part of EBIT, I guess. Is it any reason why it's like €20 million in the range?

**David Richard Kenyon**

*Chief Financial Officer, Kambi Group Plc*

A

Yeah. Thanks for the question. I mean, I'd say, obviously, there are more parts of our business now, obviously with the Shape Games acquisition recently, there's kind of more parts we have to forecast. And specifically on Shape Games there, we – it's definitely a case of being able to match cost growth to revenue opportunity. So, they don't need to grow the costs, really, unless those revenue opportunities present themselves.

So, that automatically gives us a little bit more kind of breadth in what the cost might be, depending on where the revenue goes, at that to all the parts of the business we talk to after the Capital Markets Day, the growth of [indiscernible] (00:28:25) of the algo trading, the growth of Abios [ph] in (00:28:30) towards revenues. And, of course, the uncertainty in the cost base generally in terms of the global economic position is always going to affect us flowing around. I think that's why we get a slightly broader – a broader kind of range this time.

**Oscar Rönnkvist**

*Analyst, ABG Sundal Collier AB*

Q

All right. But – okay. Since the acquisition of Abios and Shape Games, I mean – because – I mean, a lot of your cost basis is kind of fixed, right? So, I mean, you don't really have a lot of variable costs in the OpEx at the moment or correct me if I'm wrong here.



**David Richard Kenyon**

*Chief Financial Officer, Kambi Group Plc*

A

That's correct. That's correct. I mean, there's the data costs which, again, are impacted by the revenues – yeah – by the customers that we signed up with. So, again, that's one that's variable. But, broadly, the majority is fixed. So, we've got a pretty tight view on...

**Oscar Rönnkvist**

*Analyst, ABG Sundal Collier AB*

Q

Yeah.

**David Richard Kenyon**

*Chief Financial Officer, Kambi Group Plc*

A

...the turnkey business, where the cost over that is more than these other moving parts, the new modules in the business that come with a bit more kind of slightly more uncertainty from our perspective, hence, the broader range.

**Oscar Rönnkvist**

*Analyst, ABG Sundal Collier AB*

Q

Okay. Yeah. I see. Then just – you were at the ICE conference recently, and I visited myself and saw some positive feedback, mainly on the third-generation algo trading. And also, I mean, I've been on the Bet Builder. Can you share anything from your side? Did you receive a lot of interest for the modularization? And also, what were the sort of key highlights from potential clients on the Bet Builder? I mean, you obviously offer better prices, for example, in the Bet Builder also. How do you make sure that the bettors actually get aware of those differences in pricing?

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

Yes. So, yeah, I would say ICE was a really, really good venue again after last year when it was just before Easter and it was quite slow. And it was packed and it was a great interest for us. I personally was in meeting rooms most of the time, so I don't have the first-hand information what happened on the floor. But what I heard, it was a great interest for all modules, really. I think it was a lot of interest from both when it comes to Abios, Shape, the algo trading, and Bet Builder. So, very, very positive across the board, I would say.

And you touched on another thing here as well with Bet Builder and repricing. I think we reacted a little bit on it lately about the discussions about margins from different various US operators. So I think this is something we will really push operators to be aware of how good pricing they have. And I think we may not have done a great job so far on it, but you can be sure that it's top on mind for us to make sure about the – our current operators. And, of course, new prospects are very, very aware about our pricing and what a significant difference it is. And this will become more and more evident when cash out becomes more of an – a given product for that pillars.

**Oscar Rönnkvist**

*Analyst, ABG Sundal Collier AB*

Q

Brilliant. Thank you. Just a final question on RDP in Brazil. So obviously, we're seeing like FanDuel and DraftKings with a decent conversion rates to sports betting product from the fantasy customers. But can you give any details? Do you have any sense of what the sort of average spending per user in Brazil is compared to –

compared to the US, for example? Because, I mean, 40 million in downloads is quite a substantial number, but then, I mean, sort of the average revenue per user.

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

I'm sorry. I don't have that figure, so I can't really give you anything on it. But Brazil is a very, very large country. Obviously, they don't have the same financial means as Americans, so you should expect a much lower average band per customer. But having said that, with the size of the country, it's very, very exciting.

**Oscar Rönnkvist**

*Analyst, ABG Sundal Collier AB*

Q

Understood. That's all for me. Thank you very much.

**Operator:** [Operator Instructions] There are no more questions at this time. So I hand the conference back to the speakers for any closing comments.

**Mia Nordlander**

*Senior Vice President-Investor Relations, Kambi Group Plc*

A

Okay. Thank you. We have a few questions actually here. We start with you, Kristian. Can you elaborate a bit on when you expect to be able to start selling the Bet Builder as a standalone model? And do you have any plans what's the second model could be as a standalone?

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

We are selling as we speak. When we will sign a customer, I don't know. I would also say that the pipeline for the full turnkey product is very, very strong at the moment. So, it's a little bit a question on what to prioritize at the moment, but I definitely hope, still, that we will have something in place, yeah, maybe in a few quarters at least.

I don't want to expand too much about what is the next module, but that we will start marketing.

**Mia Nordlander**

*Senior Vice President-Investor Relations, Kambi Group Plc*

A

Okay. Another question regarding Bet Builder. How will the pricing model look like? Higher or lower rev share than signing a whole platform? Anything you can elaborate on that?

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

Yeah. I guess, it should always be a discount if you take the full product and also the Bet Builder is a very complex part compared to, for instance, the straight Moneyline prices on a top league in soccer, for instance. And so, it will definitely be a higher pricing on the Bet Builder than a full product.

**Mia Nordlander**

*Senior Vice President-Investor Relations, Kambi Group Plc*

A

Okay. And another question for you, Kristian, do you think that one of the big US operators could have been profitable already today with a third party sportsbook provider rather than going in-house?

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

Yes, I do think so. Having said that, I guess that the largest cost that they have at the moment is in marketing rather than the build of a sportsbook product. But, I think, they would have a more solid product service. And so, I think that would have been possible. Yes.

**Mia Nordlander**

*Senior Vice President-Investor Relations, Kambi Group Plc*

A

Okay, and quite a few questions here – let's see if we have anything on – and another one for you here. Looking at your pipeline, are there any contracts you had hoped to secure with have fallen off or does it remain intact?

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

I don't really want to comment on the pipeline or on things that we haven't announced, but I can tell you this much, I'm still very, very excited about our pipeline.

**Mia Nordlander**

*Senior Vice President-Investor Relations, Kambi Group Plc*

A

Great. And this is a question and another one for you, Kristian, which operator is your biggest customer in Europe?

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

I think that is quite obvious still and I think we can...

[indiscernible] (00:37:31)

**Mia Nordlander**

*Senior Vice President-Investor Relations, Kambi Group Plc*

A

Yeah.

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

Yeah. So yeah, it's still looking good but by quite a big – big margin, I would say.

**Mia Nordlander**

*Senior Vice President-Investor Relations, Kambi Group Plc*

A

And we will disclose in our annual report as well our three largest customers as well, which we do every year. So, new numbers will come out soon. Here, only for you today, Kristian, do you have any comments on the performance through Super Bowl relatively to last year and how should we think about the prospects for March Madness?

**Kristian Nylén**

*Chief Executive Officer, Kambi Group Plc*

A

Yeah. I think Super Bowl was great. I think, yeah, especially we're very, very pleased with the performance. We had a great offering and a perfect uptime. So really, really happy about what we were able to do, especially being able to offer Bet Builders in live and with cash out, so, we're very pleased. And I hope we have some – some good new features for March Madness as well.

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**Mia Nordlander***Senior Vice President-Investor Relations, Kambi Group Plc*

A

Great. When should we expect full third generation rollout across football or football?

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**Kristian Nylén***Chief Executive Officer, Kambi Group Plc*

A

Football as in soccer?

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**Mia Nordlander***Senior Vice President-Investor Relations, Kambi Group Plc*

A

Yeah. I think so. Yeah. I think it's soccer.

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**Kristian Nylén***Chief Executive Officer, Kambi Group Plc*

A

Sometime during the autumn, I hope we are there.

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**Mia Nordlander***Senior Vice President-Investor Relations, Kambi Group Plc*

A

And another one for you, Kristian. Giving lower average player values in Brazil, do you expect less competition in Brazil?

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**Kristian Nylén***Chief Executive Officer, Kambi Group Plc*

A

Not really. I mean, Brazil is a massive country. So, I think, yeah, we see quite a tough competition already in Latin America. So, I would expect the same. I think one thing that makes it a little bit trickier, technically, is when we have very low stakes, the cost of taking a bet becomes a bit of a thing you have to think about. We feel very capable of handling that, but it may be one or two suppliers or operators. [ph] But it (00:40:04) could get into issues with that.

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**Mia Nordlander***Senior Vice President-Investor Relations, Kambi Group Plc*

A

I think that was it. I think we don't have any more questions.

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**Mia Nordlander***Senior Vice President-Investor Relations, Kambi Group Plc*

Okay. Thank you very much, Kristian and David. We will be back at the 26th of April with our Q1 report. And if you have any further questions, feel free to reach out to the IR department, either to myself or my colleague, Chris Stutzman. We are very happy to answer your questions.

So, thank you very much for today and have a really good day.

## Kristian Nylén

*Chief Executive Officer, Kambi Group Plc*

Thank you.

## David Richard Kenyon

*Chief Financial Officer, Kambi Group Plc*

Thank you.

### Disclaimer

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