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Kambi Group Plc (KAMBI.SE)

Q2 2023 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Good morning, everyone, and very welcome to Kambi's Q2 2023 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 to hear our CEO, Kristian, to talk about the highlights followed by our CFO, David, talking about our financial highlights. Then, Kristian will come back on the stage and talk about commercial and strategic updates, and then we will have questions. So, if you have any questions, you can either call to us here or send them in in the text chat box and I will read them out for you.

So, once again, very welcome to our presentation. And over to you, Kristian.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Thank you, Mia. So, yeah. Good morning, everyone.

I think this time overall, we are very pleased with the quarter. We have achieved a lot of what we hoped for, and I will talk more about that later. But first, results, strong revenue growth, 24%. Very pleased with that. And of course, very much driven by a record-high trading margin. Little bit disappointed with the underlying turnover. But I think to a very large extent, it's hampered by the historically high betting margin that we had this quarter. I think David will talk more about it later.

But the main highlight of this quarter, of course, is the signing of Bally's. For many quarters, we have talked about a very, very strong pipeline. And finally, we're happy to announce that we have it out resulted in a major signing

with Bally's, which I will talk more about later. We also have a few significant renewals – BetPlay, LeoVegas and Paf. And we have done further progress on our AI-driven pricing journey, and I will talk more about that later.

But for now, I pass over to David.

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

Thank you, Kristian. Good morning, everyone.

I'll start with the highlights then for the quarter. Firstly, our revenue, revenue was €42.9 million this quarter, up from €34.7 million last year. As Kristian mentioned, an extremely strong operating trading margin of 9.9% was a big contributor to this €42.9 million. And we also saw the addition of Shape Games since Q2 last year, which added just over €3 million to this number versus the comparative. Revenue for the first half was €86.9 million, up from €71.5 million.

The next metric we show here is the earnings before interest, tax and amortization on acquisitions. This, for the quarter, was €5 million compared to €5.2 million Q2 last year. However, it's really important here to mention the big swing we saw on FX. So, we saw a €0.7 million loss on our P&L from FX this quarter, but a €2.3 million gain this time last year. So, stripping this out, actually, a €2.8 million increase in earnings before interest tax and amortization on acquisitions.

In terms of cash, we also used our cash for some important corporate transactions this quarter. Firstly, we used €7.5 million to repay our only external debt, which was the convertible bond, and we used €7.2 million for share buybacks. And this still leaves us with a very healthy cash position of €57.1 million at the end of the quarter.

Here's the Turnover Index which I show each quarter. It's, as you remember, an aggregation of the results of the entire portfolio. So, the blue columns are an aggregation of the turnover of our operators based on an index which started at 100 when we first listed, that is showing 683 for the quarter. The orange line is an aggregated operator trading margin. That's the 9.9% we referenced earlier.

I think the first thing to mention is the typical seasonality we see in a Q2. It's a quiet sporting calendar in this quarter. In Q1, of course, we have the end of the NFL's season with the playoffs and the Super Bowl which contributes materially in Q1; but of course, nothing in Q2. And similar picture in basketball. Big turnover decrease in basketball from Q1 where we saw the vast majority of the March Madness matches in turnover. This is offset, to some degree, by the starts of the of the MLB season which contributes through Q2. But overall, as usual, a quiet sporting calendar in Q2.

In terms of specific factors affecting our number on turnover, there's probably three that's worth mentioning. Firstly, PENN National Gaming have seen decreases in market, in their market share in some of the publicly available states, so that has impacted our numbers. But I think it's an important time to remind you that we will start recognizing our transition fee from PENN as they move away from our online business or their online business moves away from Kambi, then we'll recognize \$15 million of termination fees in the coming five quarters starting in Q3.

In terms of foreign exchange, this has also hurt our Turnover Index here. There's been a weakening of the US dollar, the Swedish krona and the Colombian peso, which are all material factors when we look at calculating our turnover, operator's turnover. And that weakening has led to a decrease in the turnover that we recognize. They would have been just over 7% on constant FX basis in terms of turnover growth.

And lastly, and this is a big factor and it's a little bit unquantifiable, but there is clearly a correlation between the turnover and the margin. So, when we report a huge really strong 9.9% margin, this directly impacts the level of turnover and reduces it. So, these are all factors which we can say decrease. But offsetting that turnover decrease is the 9.9% margin, which is extremely high. We've seen particularly strong margins in football, so in some of the major European domestic leagues and also the Champions League. We've also seen increased turnover from our – in our Bet Builder product which comes at a high margin and also contributes to this strong number this quarter.

Turning now to our revenue conversion slide. On the left, this is how we move from the turnover growth percentage to the revenue growth percentage. And starting on the left is turnover growth on a constant currency basis versus Q2 last year, and that's 7.3% growth. The operating margin impact is the 9.9% versus the comparative of 8.6%. So, clearly, a huge increase there. And that leads to the operator gross gaming revenue increasing by 21% versus Q2 last year. The impact from tax and marketing these days is relatively negligible. The percentage of our business that's coming from locally regulated markets is fairly steady now in the mid-90%. So, not much impacts there on that line.

Our revenue model is predominately based on revenue share with tiers based on the level of net gaming revenue. So, where we see kind of north of 20% net gaming revenue growth for our operators, this actually has, to their benefit, reduced effective commission rate across the network. So, that's why you see a kind of a downwards push from those reduced effective commission rates as the business of our operators has grown significantly.

And the last one to mention here is Shape Games. Of course, it was not there in Q2 last year. It was an acquisition made in September 2022. And here, we see revenue of €3.2 million enhanced versus last quarter by a full quarter from the wager deal that we talked about last time. All in all, these things contribute to a revenue growth of 24% for the quarter.

Quite a bit to talk about on the cash flow this quarter, starting on the left with an operating profit of €3.7 million. This was boosted in terms of cash-by-cash receipts from our strong Q1 and also some temporary timing differences on payments on some of a couple of large supplier payments, but that will regularize in Q3. Then, we bought 380,000 shares back in the company for a value of €7.2 million, and we now hold over 900,000 shares in the company. We also repaid our convertible bond in full. That was €7.5 million. We had already announced that we had satisfied certain financial performance criteria to enable us to do that, and this was kind of our only external debt in the business and that is now fully repaid.

The tax paid amount of almost €5 million incorporates both corporation tax and withholding tax. But the large kind of feature here, I guess, is the multi-tax structure which we're subject to, whereby you make an initial payment of your corporation tax and then get a refund back of a large part of it. So, although we made the large payments in Q2, we actually have a tax debt of €3.4 million which we expect to receive in Q3. All of that leaves us with a very healthy cash balance of €57.1 million and I'd say a very strong balance sheet as we move into the future.

And with that, I'll now pass you back to Kristian.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Thank you, David.

All right. So, at CMD, we presented the key growth drivers to achieve our 2027 financial targets. And I just wanted to remind you of these before I go through our updates: to retain key partners; roll out the AI-powered pricing; extend our lead in Americas; sign tier one operators across our product portfolio; and launch a major regulated Asian Market.

So, first of all, I would like to talk about Bally's, of course. I'm very, very pleased that we got this deal done. We have been really working hard to get a tier one operator on our books again and very pleased to be able to sign Bally's. Bally's is a global operator who are equally big in US as we are outside of US when it comes to revenues. We are actually number five on the global EGR Power 50. So, it's a major brand we're talking about. Historically, we have been much stronger on casino and iGaming, but we hope we can help them to become a power brand also on sports betting.

With this partnership, Bally's decided to scrap their in-house sports betting technology and go with us instead to maximize their opportunity in the sports betting field. And we are very, very pleased to be able to go on a journey with them, to help them to achieve that target. I think this is a further evidence that Kambi's complete sportsbook here remains on high demand even for larger operators. Bally's have recently and already launched in two on-property locations with us in Louisiana and Mississippi. And we're looking for a quite a fast rollout during autumn in more retail properties and also online.

One of the major things in this Bally's deals was, of course, their flexibility and possibility to work and have a lot of say on how to work with sports betting as many other operators who have chosen to use their own frontend online and will be powered by our APIs. In this deal, we are also given Bally's an option to acquire certain part of Kambi source code. If they do so, they will take modular services from Kambi. But for them to be able to buy the source code, certain prerequisites has to happen.

A little bit more about Bally's. First of all, I think, yeah, it's very known brand in the US. And I think to fully understand the opportunity, roughly, well, almost \$1 billion of revenues is coming from outside of the US. I think we have very, very strong brands after the acquisition of Gamesys in 2021, both in Europe and also in Asia and especially Japan. Bally's also have a regional network in the US where they are branded at 21 different regional networks where you can watch local professional sports. So, Bally Bet will be a very strong brand in all these local markets. In total, Bally's is – have access in 18 states. So, we think they can be a major player in US, but we also really see an opportunity both in Europe and Asia and possibly also Latin America going forward.

Over the last couple of months and especially on our Capital Markets Day, we started talking about our AI-powered pricing services. In line with our modernization strategy, we now think it's time to create an stand-alone division of these services within Kambi Group. Why do we do this? Yeah, first of all, we want this team who is very fast and agile to continue to be agile and have the speed to create the best product they possibly can without taking too much consideration about the rest of Kambi Group. We will be totally focused on the product and this product Kambi, of course, be sold within Kambi Complete and the existing network but also be sold as a module as Kambi Select.

We also wanted to create the right incentives for key employees here. This is an area where we really believe that we need to incentivize these really talented guys in the right way. We believe we have a fantastic soccer product already, as you can see on the figures here. But amazing increase we have got through with this soccer product pre-match. I think this service will create the new benchmark in the industry. And we have already won an award at EGR for best innovation of the year. We believe we are a step ahead when it comes to AI-powered pricing and we believe that this is the future and that we have something very, very unique here.

During the quarter, we also did a few significant partner extensions. First of all, BetPlay. BetPlay is the market leader in Colombia and has been an absolute fantastic success both for us and BetPlay, of course. And it's now one of our absolutely most important partners. So, it's very pleasing to see what we have extended for a long term with them once again.

LeosVegas (sic) [LeoVegas] (00:17:32), which was recently acquired by MGM, is obviously also a very important partner to us. And they're very pleased to see that they wanted to extend with us. And I hope we can take this partnership to another level given their outspoken plans of expansion.

And finally, on the extensions, we have also extended our first B2B partner, Paf, who has been with us already since the beginning in 2010. We have also signed WarHorse, who is a leading operator in a retail-only State of Nebraska. I believe we will get the really strong position in Nebraska as its only retail, and this is the one partner we really wanted here and we're already gone live in their flagship property.

We already talked about the launches of Bally's and Kindred – and Bally's and WarHorse. We have also extended – we have also gone live with Kindred in Washington State. In Latin America, we have expanded our Argentinian footprint with BetWarrior in the province of Mendoza. And finally, we have also supported LeoVegas with their launch of expekt brand in Denmark.

After Q2, we have done another signing in Eyas Gaming. So, firstly, who is Eyas Gaming? They are backed by a major gaming operator in Europe called Gauselmann Group, and I think they give them some power to do good things in the future. They have a very experienced management team. We are working on the bid gaming platform. For Brazil, they have teamed up with the Brazilian soccer news website, Lance!, who have 15 million active users per month. So, this is a great opportunity in Brazil. And as we heard yesterday, the President signed a provisional measure. So, it's very likely that Brazil will be regulated within four months. After Q2, we have also done – oh, sorry. We have also already launched Lance! in Brazil by way.

After Q2, we also completed some more launches. We have already talked about Eyas and Bally's, of course. We are very pleased to see that Abios has gone live with their esports odds products for the first time, with its first partner Dragoni in the UK. And, of course, on the 9th of July we stopped taking bets with PENN online ahead of their transition to their in-house sportsbook.

So, to summarize the quarter, I think we have very strong commercial momentum and, of course, it's headlined with the Bally's signing and the key renewals. Our AI capability to pioneer the next dimension of sports trading takes us to very, very strong position. I believe we have made significant progress made towards the 2027 growth drivers. And [indiscernible] (00:21:46) our sales pipeline is still very, very strong.

Thank you very much. And with that, we go to Q&A.

QUESTION AND ANSWER SECTION

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

Yeah. Thank you very much, Kristian and David. So, now, you can either call into us and ask your questions or you can send them directly to me. But we start with the telephone questions. So, over to them, please.

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

Oscar Rönkvist

Analyst, ABG Sundal Collier AB

Q

Thank you. Good morning, guys. Thanks for taking my questions. So, first, I just have a question on the inverse relationship between the turnover and the sportsbook margin. So, I appreciate that the strong sportsbook margin is a net positive to top line. But I know, David, that you said that difficult to quantify, but if you could help us understand the magnitude of the inverse relationship. Just looking at Q3 last year, the sportsbook margin was exceptionally high at 9.5%, but the Turnover Index excluding DraftKings remained pretty high at 20%. So, just wanted to get a sense here of how we should really think about the run rate on turnover? Thank you.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Yeah. We have never really got to an exact figures. But I think historically – and of course, it's a difference if you're at 7% and change 1 percentage or if you're up 9% changing 1 percentage. But historically, we believe that 1 percentage should probably impact the turnover by 5% to 10%.

Oscar Rönkvist

Analyst, ABG Sundal Collier AB

Q

Got it. I see. All right. Thank you very much. Just the next one, just on the operator trading margin, we're seeing some increasing [indiscernible] (00:24:07) and I think that we could actually call it like a structural trend upwards in operating margin. Now, the last 12 months is at 8.8%, I think. And you reiterate your coming 12 months' guidance of 8% to 9% trading margin. So, just wanted to get a sense of why we should not expect that value or the expected value to be slightly above 8.5% in the future given the structural trends we can see? Thank you.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Yeah, it's possible that we should, again, have a look at this guidance. There are a lot of signs going that direction. So, yeah, I may agree that we should actually look at the guidance again on this. We have more and more of our turnover coming from Bet Builder especially, which makes the margin go up.

Oscar Rönkvist

Analyst, ABG Sundal Collier AB

Q

Understood. Thank you. Just next one on modules. So, given that we have not seen any modular signings, just wanted to get a sense of if it's fair to assume that you currently have a strong turnkey pipeline and that is what you're focusing your recent resources on instead? Just still thinking about the European legacy operator pipeline that you have previously talked about, Kristian. Thank you.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Yeah, I think, I mentioned that last time already that we may be slightly delayed. We were focusing on modular services business because of that. We have already signed Bally's since I mentioned that. And as I said before, we believe our pipeline is in a very good shape at the moment. So, we may push out the modular services slightly to win a few more deals on the complete product which we are in good position on.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

But having said that, we have launched with Abios and their first odds customer so, that's, of course, also Module as well as Shape. So we still have the modular offering but focusing in Shape and Abios right now.

Oscar Rönnkvist

Analyst, ABG Sundal Collier AB

Q

Understood. Thanks. Just have one final question, if that's okay. So, just on the Bally's pipeline internationally, so you said that you are, I mean, obviously, going to expand with the Bally's internationally and they have a strong presence in the UK. But I also wanted to hear some thoughts on Japan, for example. So, I saw that their brand Yuugado, which is a quite big one in Japan, recently went live with sports betting. And I know that it's not with your sports. But given that you sign or you did sign an exclusive partnership with Bally's, can we assume that you will power Yuugado as well, or are you awaiting a regulation before that will happen? And just one question on Brazil. You mentioned that you had already went live with Lance!, if you had any comments on that?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

That's correct. And when it comes to your first question about Bally's in Japan, it will happen at some point, I'm pretty sure. I can't tell you exactly when at the moment.

Oscar Rönnkvist

Analyst, ABG Sundal Collier AB

Q

Got it. Thank you very much. That was all from me.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Thank you.

Operator: [Operator Instructions] The next question comes from Viktor Högberg from Danske Bank. Please, go ahead.

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

Q

Morning, yeah. So, just a bit more on the modular versus turnkey customers and the focus internally. Could you help us understand why focusing on turnkey customers is hampering your ability to sign modular customers? Is the demand not really there, you need to work the customers to them understanding the new products? Or just what are the dynamics here that makes one focus hurt the other in the short-term? Thank you.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

As I said already last quarter, some of these potential customers and that may include Bally's as well, we have agreed on a certain order, potentially have to agree to certain development work that would take up quite a lot of our resources. And as we said from the beginning, with [ph] the modernization (00:29:14), there is some work to be done why – when we have signed the first customer on the modular side services. So, it's an in-house capacity question.

Viktor Högborg

Analyst, Danske Bank A/S (Sweden)

Q

And is that something you can manage with the existing organization or [ph] would assigning (00:29:34) until further hiring?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

We can manage it with the existing organization as long as we push out other things.

Viktor Högborg

Analyst, Danske Bank A/S (Sweden)

Q

And would you say it would make sense to add that extra capacity so that you wouldn't have to delay stuff? Or is it testament to the uncertainty of the potential signings in the pipeline?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

It's something we're evaluating but it's not impossible. Having said that, it's not always the easiest to just integrate new people into an organization and get them fully up to speed day one.

Viktor Högborg

Analyst, Danske Bank A/S (Sweden)

Q

I respect that. Okay. On the OpEx guidance then and ties into that this one, it keeps on narrowing but still a quite wide range €10 million for the second half. What's the puts and takes to that range?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

A

Yeah. It's – there's a few that are kind of share price-linked where we have cost to on options, for example, that are linked share prices or/and various kind of stuff, variable stuff cost which are performance-based. So, there is some uncertainty but, overall, we've got a pretty clear view on where we're heading with costs. There are – but of course, there are a few moving parts, which is why we can't narrow it even tighter yet. But hopefully, we will know it again at Q3. And we – I think, we've got a good track record of coming in within our guidance. So, hopefully, you can get a good steer from it.

Viktor Högborg

Analyst, Danske Bank A/S (Sweden)

Q

Yeah. Given the Q2 guidance leaves a lot for the fourth quarter...

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

[indiscernible] (00:31:19)

A

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

...it can't all be tied to share. I'm just thinking, it seems like quite a big range for the fourth quarter actually, given what we know now. Is it too wide? Very comfortable with not being above it or – sorry, not above but in the high end of it? Would it be more reasonable to be in a mid/lower-end of the guidance what we know now?

Q

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

I think historically, we've typically come in at the towards the middle, maybe lower middle. So, use that information as you wish. We will know it again at Q3 for Q4. I mean, it's there's no great moving parts here. There are just [ph] sum (00:32:04) and we don't want to give you the wrong guidance, so [indiscernible] (00:32:10)

A

Viktor Högberg

Analyst, Danske Bank A/S (Sweden)

Okay. That's it from me. Thank you.

Q

Operator: 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

Thank you. We have a few here. We start with Bally's. First, just to clarify that they will use us outside of US as well, right? It's correct?

A

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yes, absolutely. I think the focus from Bally's at the moment is on getting us up and running as soon as possible in the US. And after that, we will focus on the outside of US.

A

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Yeah. And after the decision of Bally's to leave their own sportsbook technology, do you expect the similar trend?

A

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yeah, I surely hope so. I think there are definitely more operators out there that are working on a technology that is very likely to not be giving them the best chance to win market shares and also not being very cost-efficient for them.

A

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

Thank you. David, a question for you here. You have previously talked about how big PENN is of revenue. Is anything you can say today?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

Yeah, a little bit. Yeah, sure. I mean, in the past, we've talked about them being 10% to 15% of our revenue based on the property data that you can then kind of make some wild assumptions and get back to 10% to 15%. I'd say, with the trend that we've talked about in the last couple of quarters, they definitely come towards the low-end of that range in terms [ph] of contributing (00:34:01) to our revenue. Worth bearing in mind, of course, we're going to keep operating the retail from July onwards, so that's approximately a quarter of the business that will stay with us. And for the rest were then covered by those transition fees of \$15 million over the next five quarters I talked about. So, yeah, of course, it's a shame to lose that business. But I feel financially, we're actually quite well-protected for the coming quarters.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Thank you. And, Kristian, during the negotiation with Eyas, how did it go? How did you do? And you were live since day one, and how do you feel about them being live in Brazil?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Not sure I understood the question there.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Yeah. No, no, sorry. Me neither.

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

I guess it was that they launched so quickly after signing.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yeah. I mean, we feel that the Brazil is a gray market. There, we have not restricted our current operators to operate in Brazil historically either. So, we felt quite confident to let the Lance! operate from day one if they felt they wanted to.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Are you excited about announcement from Brazil?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yes, absolutely. I think I would be quite surprised if a parliament is not going on the same line as a President and that this will be signed off within the mandated time of 120 days.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Yeah, great. Exciting. I think, we have been discussing for many, many years. So, it's very exciting that it's moving. There are quite a few questions regarding AI. Is this is this the module you actually believe most in of all the modules, or how do you think about it?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

The module of pricing? Yes, without a doubt. I think there will always be some sports where it's not really worthwhile taking it the whole way because the sports are so small. But for all the big sports, this is definitely the way. I think it will create a much, much richer product for the end users. We can do it more cost-efficiently and we can do it with well less errors as well. So, I can only see upside with the new technology out there.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

And how do you see the product road map? We are now live now with soccer. What's next?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

So, as we said earlier, we hope to be able to get soccer in play launched during autumn. And next up is tennis, which we would hope to, best case, get up and running in early next year. If we're really, really doing a good job, maybe even for Australian Open.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Great, exciting. Kristian – no, David, sorry, over to you. Do you plan to announce any further buybacks in the coming month?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

I mean, we did, of course, very recently completed some so there's no imminent plans and nothing announced. But what I would say, you saw the cash balance now which is we're debt-free and we're just going to build that cash balance back up again so we'll have the firepower to do it. Ultimately, it's a board decision if we'd go ahead. But it's definitely a possibility. We've done two rounds now, so.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

And then, another one for you, David. Quick clarification. Did you say that Shape Games contributed €3.2 million in Q2?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

In revenue, yes.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Yes, in revenue. Yes?

A

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

Yes.

A

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Yes. Clarifying that. And, Kristian, can you talk a bit more about Abios and their odds products and their launch with the first partner?

A

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yeah. So, I mean, this has been ongoing quite a long time. They already had started working on their odds product when we acquired them, and it's looking really, really good. It's very early days. I would say that this is very much based on similar technology as the rest of our AI trading since they, obviously, have corporated. So, very exciting. Now, I think the biggest step for us is to actually being able to utilize this on the Kambi network, which is ongoing. And I think that is probably, for Abios, extremely important to get a larger audience on it to be able to sell it to more customers.

A

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Cool. And last question here, the classic pipeline. Can you say anything more? Is it US, Lat Am or Europe?

A

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yes, I think we have opportunities more or less everywhere except Antarctica at the moment.

A

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Great stuff. Thank you very much, Kristian and David. And thank you very much for listening to us today. We will be back here with our Q3 report 1st of November. As always, if you have questions, feel free to reach out to the IR Department. And I really wish you a very good day. Thank you.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Thank you.

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

Thank you.

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