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Kambi Group Plc (KAMBI.SE)

Q1 2024 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 Q1 2024 Quarter Report. My name is Mia Nordlander and I am Senior Vice President, Investor Relations and Sustainability. And I am here today with our CEO, Kristian Nylén; and our CFO, David Kenyon.

Today, we will start with some highlights from the quarter that Kristian will present to you, followed by financial summary from David. Then Kristian will come back and talk about some commercial and strategic updates and a summary. And finally, we have time for questions. You can either call them in directly to us through your telephone or send them through the web to me. So, once again, very welcome to our presentation and over to you, Kristian.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Thank you, Mia, and good morning. So, yeah, this quarter, I will say it's a solid financial performance. Revenues in line with expectations and costs are slightly below. David will, of course, talk more about that later.

Yesterday, we signed [indiscernible] (00:01:14) Tzeract partner with kwiff and we'll provide their Bet Builder product to kwiff. Hopefully, we will be online with that well in advance of the Euro. So, very exciting. I will talk more about that later.

As I already mentioned last quarter, we extended our retail agreement with Penn. And during the quarter, we have done launches of Nigeria. And after the quarters also in Netherlands. And one of the large things for this quarter, I will say, is that we have really done a lot of development to open up our platform more and I will talk more about that later. But for now, I hand over to David to go through with the financials.

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

Thank you, Kristian. Good morning, everyone. So, revenue for this quarter was €43.2 million, helped by strong margin of 9%, compared to 8.2% in Q1 last year. The strong margin was offset by the impact of some new commercial terms on certain renewed contracts that we mentioned actually in the last report.

Earnings before interest, tax and amortization and acquisitions was €5.8 million, which was in line with last year's number. OpEx was actually at the low end of our guidance this quarter at €38.8 million and that compared to €39.5 million last year. Last year did include some one-offs and then FX loss, whereas this quarter we had a very small FX gain that helped in the comparative for the OpEx.

Cash balance at the end of the quarter was €46 million and we put our cash to use this quarter with €2.3 million being invested on share buybacks during the quarter. And I'll talk more about those shortly. We actually also had some major cash receipts after the quarter end, which significantly boosted this cash balance.

This is the Turnover Index that we set out each quarter. It's the aggregation of the performance of the entire Kambi network with the blue columns being an indexed aggregation of the turnover of all our operators that we're working with, originally set at 100 when we started the business. And the line now is an aggregated operator trading margin for the quarter. But firstly, I'll start with the turnover itself. So, you'll see a down click from Q4 last year, very similar to what we saw last – sorry, a downtick from Q4 2023, very similar pattern to what we saw 12 months ago versus Q1 from Q4.

Again, this is a supporting seasonal pattern. So for example, NFL, we had one month of action in Q1 versus three months in Q4. And in the Champions League, fewer matches in Q1 than in Q4, but offset, as usual, by basketball with NBA and NCAAB having a full quarter in Q1 compared to approximately two months in Q4.

Now, it's also the time I should mention an agreement we've reached with Napoleon. So Napoleon have moved off the Kambi platform following their acquisition by Superbet. It was a contract that was due to end at the end of 2024. We've reached a settlement with them which ensures no material impact to our revenues, but of course, it impacts the index. There was no turnover from Napoleon in this Q1 number.

And comparing to Q1 2023, there've been some growth factors. We've seen growth from some new customers, including Bally's, and from some new states in the US. We've also been helped with – by the foreign exchange, particularly the Colombian peso, which has strengthened against the euro. However, when you look versus Q1 last year, there was a reduction – it was a reduction in the number of fixtures in the top European soccer leagues after the football World Cup in Q4 2022, which caused some rescheduling, which meant more matches in Q1 2023.

And also, Napoleon and Penn, as I mentioned, which have left the network, but both, of course, paying fees, so our revenue is not impacted at this stage. The largest impact on the turnover here is from Penn. And stripping out Penn's numbers, we actually see a 3% turnover growth from Q1 last year.

The margin was strong this quarter at 9% versus 8.2% in Q1 last year. And we saw, particularly in basketball, a stronger margin with more Bet Builder action on basketball this year.

So turning now to development of our cash during the quarter. We started at €50.5 million of cash at the start of the quarter, boosted by €4.4 million of operating profit. You see a big decrease in working capital. That was as our debt has increased particularly the transition fees for Penn as they accrued during the quarter.

As mentioned, we invested €2.3 million on share buybacks, which I'll talk more about shortly. But that left us with a closing balance of €46.1 million at the end of the quarter. We did see, however, some large balances coming in post quarter end. So specifically, the last Penn transition fee installments, so that was to the value of \$6.5 million or €6.1 million that came in subsequent to the quarter end and also €4.6 million from the annual Malta tax refund process. So, our cash balance significantly boosted from this number as we stand here today.

As mentioned, we've been busy with share buybacks during the quarter, putting our cash to use. So, we invested €2.3 million in buying 244,000 shares during the quarter. This meant that we hold just over 3% of the total shares in the company at the end of the quarter. This is in addition to approximately 0.8% of the shares that we previously used to settle share options. So, we've invested in around 4% of the capital of the company.

We recently announced a new €4 million share buyback program. That runs until the AGM, which – and at the end of the quarter, there was €3.3 million of that €4 million still left to use on that mandate, on that program. And in the AGM, notice you'll see that we're seeking a fresh mandate this year to enable further share buybacks in the future. So, I think we can expect to see more of those post AGM.

And with that, I'm going to hand you back to Kristian.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Thank you, David. So yeah, first, a quick overview of the quarter. I will touch on most of these in the following slides. But yeah, as I mentioned before, we did an agreement with Penn to extend their retail partnership up until 2026. We have partnered with Inspired to do virtual sport, and after the quarter with BetMakers to enhance our UK racing product.

We have done a few launches, Bingoal, both in Netherlands and Belgium, and with LiveScore that I will talk more about – [ph] made (00:08:51), yeah, both in Nigeria and after the quarter in Netherlands. And as I said, kwiff, we signed the Tzeract's first deal yesterday.

So, start with LiveScore Group. I think – I mean, this is one of the most important signings we did last year. And during first quarter, we launched [ph] their (00:09:19) very first market with Nigeria, In Q2, we have already launched [ph] them (00:09:26) in Netherlands. And I think what's really important here is of course the UK launch. It's LiveScore's key market and we are planning to do that prior to Euro 2024.

Very pleased we have done all the launches in time so far. And I mean this has been quite a complex project because it came with quite a few product requirements. And of course, we talked about virtual sports and enhanced racing projects. That's two of the things we had to do for LiveScore. It was on our roadmap, so we would have done it anyways, but we pushed them forward and it was a few other projects that we have been doing for this and for Svenska Spel, which we also plan to launch before the [ph] Euros (00:10:24).

And with that, I would like to talk a little bit about our progress on our platform. I mean, we talked quite a lot about last year that we would push our focus on modular services. And now, we feel that we are in a much, much better position. We have completed most of the requirements but our large signings last year, Bally's, Svenska Spel, and LiveScore had. So we are in a much, much better position now. And we have really started to focus more on our modularization efforts.

And now, we are in a position where we have an – yeah, fully integrated, all the Abios e-sport [ph] shots (00:11:29), all the Tzeract odds, we have, as I said, done some work to bring in external odds feeds. So, we have a much, much better setup for both bringing in new feeds for our current managed service partners, but also a setup where we very easily can deliver our full suite, both from Kami, Abios and Tzeract to prospects who are interested in our odds feeds.

And we believe, I mean, we have very, very high quality odds on more or less most of the things that you could look for. So, it's a very compelling product where you can pick and choose and get most of the things you would look for. And of course, our odds is greatly benefited by the data we have based on our global network.

And very much in line with this modularization strategy, I mean, we did our first commercial agreement for Tzeract partnering with kwiff to provide its leading Bet Builder product. Tzeract's Soccer Builder is planned to go live with kwiff ahead of Euro. And I think this deal marks a significant step forward for Kambi to expand its range of modular services. And now, I think we are in a position where we feel it's a lot of interest for our product and we are very close to have a product that we can start working with many different partners.

So to summarize the quarter, with the LiveScore rollout underway and the UK launch to follow, with Svenska Spel also underway and to be launched before the Euro, we are in a much, much better position when it comes to really commercialize on our modular services. And that's a very big focus for us at the moment. And we feel that we have really put ourselves in a great position to continue to build on the strategy we set out a couple of years ago.

So with that, we are happy to take some questions.

QUESTION AND ANSWER SECTION

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

Yes. So, thank you very much, Kristian and David. [Operator Instructions] But we start with the telephone. I think we Oscar Rönnkvist from ABG here. Good morning, Oscar.

Oscar Rönnkvist

Analyst, ABG Sundal Collier AB

Q

All right. Thank you very much. Thanks for taking my questions. So just first one, I just [indiscernible] (00:14:57) some comments from you, Kristian, on unregulated. I mean, I know that you don't want to expand too much on this, but just wanted to hear your thoughts sort of on the reasoning behind not entering some of the unregulated markets that are not as sort of gray as other markets are operating. Then, just you have an exclusive agreement with Bally's, for instance. And I think that Gamesys has already won a sportsbook that is live in Japan. So, just wanted your thoughts on unregulated space and sort of what's the reasoning behind not entering unregulated markets at the moment, when for instance, New Jersey's gaming division said that it was fine for evolution as a supplier to take revenues indirectly from those markets.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Yeah. I mean, I can't really comment on where we are with this, but as I have said multiple times, we are always evaluating where we think it's acceptable for us to [indiscernible] (00:16:12) or to supply our services and that is

an ongoing thing. And I can't really say very much more than that, but it's something we always are evaluating. And of course, we have seen the news as well with what you talked about when New Jersey found that, yeah Evolution is doing everything according to their rules.

Oscar Rönnkvist*Analyst, ABG Sundal Collier AB*

Q

Okay. Got it. Just the next one, a bit more also sort of on the diversification of your revenues. I think that you still have quite a few large customers that have not announced any migrations. I'm thinking like BetPlay and Rush Street, for instance. And one of them was in the newspapers, I guess it was a few weeks ago, rumored to be acquired or rumored to be put out in a strategic review where DraftKings was, I think, mentioned as a potential buyer.

And again, I guess this is sort of a risk for you that if your customers would get acquired by operators with an in-house sportsbook. So, I just [ph] wanted to (00:17:34), if you could elaborate a little bit on sort of what's your view on how are you preparing to mitigate if such thing would occur. Obviously, you can't really know if it's going to happen or not, but do you have any sort of action plan if you would get another big client drop? Thanks.

Kristian Nylén*Chief Executive Officer, Kambi Group Plc*

A

I mean, the only thing we can do, of course, is to try to make sure that we have a contract that gives us some income protection in the event of M&As and have as long contracts as we possibly can have. So, that is something we always are working with and looking into where we can extend our contracts. But other than that, it's not very much we can do if one of our customers are engaging in M&A.

Oscar Rönnkvist*Analyst, ABG Sundal Collier AB*

Q

All right. So just a follow-up. I guess that's – I mean, you can correct me if I'm wrong, but I think that you're mainly targeting sort of tier 1, tier 2 customers. So, do you think that you might, in such case, could go into lower tiers to accept new signings? Or that – I mean, you would look through your cost base, is it anything sort of related to being sort of less premium but cutting the OpEx base to sort of mitigate such effects? Or do you still sort of – you think that you will keep your plan with offering a premium sportsbook, taking tier 1, tier 2 customers and still expanding? I mean, your OpEx growth has obviously come down a little bit, but it's still a very high-cost maintenance relative to other lower-tier sportsbooks.

Kristian Nylén*Chief Executive Officer, Kambi Group Plc*

A

I mean, I guess, the cost of producing the service is highly scalable and as long as we have tier 1 customers, I think we have to have that kind of premium service. Having said that, I mean, over the last three to five years, I think we have focused more on taking smaller customers as well. And I mean, if you look on last year, we signed a few large customers, but we also signed quite a few of smaller customers as well. So, I think we have changed our profile when it comes to dependency on our, yeah, largest customers. But of course, it's always a risk. And I think that's one of the largest reasons that we started with our modular study a couple of years ago as well.

Oscar Rönnkvist*Analyst, ABG Sundal Collier AB*

Q

[ph] Understood (00:20:44), thanks. I just had a final question, maybe to David, more on the buyback potential. I know it's not completely up to you, but more sort of on the balance sheet sort of conservativeness, if you like. So

you have a decent net cash position still and I think that – I mean, you have announced two or you have completed two buyback programs, which have been, in my view, at least, fairly small compared to your sort of big net cash position. So, is this just purely out of conservativeness or are you trying to be – I mean, have you sort of any views on what your balance sheet needs to look like to be prepared for, I don't know, are there migrations potentially or anything? Just thinking about sizing the buybacks in relation to the big net cash position.

David Richard Kenyon*Chief Financial Officer, Kambi Group Plc*

A

Yeah. I mean, in the past we've talked about a balance of circa €40 million to keep on the balance sheet to kind of give customers kind of and prospects kind of faith that we're here for the long-haul and we've got strong security on the balance sheet. And also when COVID came, it was pretty reassuring to us to have that strong cash balance at a time when sports slowed down. So we've always had that kind of number in mind to keep running the business in a safe way.

Yeah, the smaller announcements, I guess, we've had some quite lumpy kind of outflows in recent times with repaying the convertible and various outflows relating to earn-outs on acquisitions. So, I think now we're probably in a slightly more stable place there. And I think maybe after the AGM we'll see what the board decide in terms of future buybacks, but yeah, there's some potential for a high number, I would say.

Oscar Rönnkvist*Analyst, ABG Sundal Collier AB*

Q

All right. Thank you. So, €40 million is a healthy cash level position, you think?

David Richard Kenyon*Chief Financial Officer, Kambi Group Plc*

A

Yeah, I feel that's something we've worked towards, yeah, in the past.

Oscar Rönnkvist*Analyst, ABG Sundal Collier AB*

Q

Yeah. Got it. Thank you very much.

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

A

Okay. Thank you very much. I think we have a few more questions from the telephone. [Operator Instructions] Now, we have Martin Arnell from DNB. Good morning.

Martin Arnell*Analyst, DNB Markets*

Q

Good morning team Kambi. So, yeah, my first question is on the – just elaborate a little bit how you get to that guidance that you sort of repeated here because you delivered in the low end of the cost guide and revenue also in line. So, you almost delivered a third of the implied EBIT from the guide in this quarter. So, just curious to hear sort of why you didn't change anything in the guide. Thank you.

David Richard Kenyon*Chief Financial Officer, Kambi Group Plc*

A

I think that's probably a seasonality thing with Q2 and Q3 typically being quieter sporting calendar quarters. I think Q4 obviously picks up again as the American sports and soccer seasons pick back up. So yeah, I mean, I think it's just good to deliver again towards those targets we announced last time around.

Martin Arnell

Analyst, DNB Markets

Yeah.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Talk about the costs.

Martin Arnell

Analyst, DNB Markets

And I mean, yeah.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

No, the cost guidance, I would rather see it as we have narrowed the interval what we see for the full year rather than taking the midpoint. I think that's important to remember here.

Martin Arnell

Analyst, DNB Markets

Yeah. Sure, sure. But yeah, it comes to a midpoint when you have a range, right, although – but okay. And on the reasoning with seasonality, I think Q4 is a big quarter and you have the Euros and the Copa América ahead. So I guess this is a special year, right? Correct me if I'm wrong, David.

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

I mean, it should be a good summer of sport, but these tournaments, it's not the same as having the kind of the full seasons running with the American sports and soccer. So, I mean, it's helpful, but [indiscernible] (00:24:50) don't materially changes that whole seasonality pattern.

Martin Arnell

Analyst, DNB Markets

Yeah. Okay. And do you expect those €4 million EBIT that you did in Q1, do you expect a lower number in lower season Q2?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

I don't think we want to get into season – kind of quarterly forecasting. Yeah, [ph] we don't probably (00:25:16) comment on that one.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Yeah. We have given the cost guidance, of course, and then you have the revenue guidance. That's what we can give you, unfortunately.

Martin Arnell

Analyst, DNB Markets

Q

Yeah. Okay. And just moving on, can you talk a little bit about the pipeline expectations for signing modular clients?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Yeah. I think we have seen very good interest for our modular services. And as I said, I mean, we put it little bit on pause. We have done a lot of progress during Q1 and I feel we are in a really good place to really start commercializing the modular services more and more from now on and rest of the year.

Martin Arnell

Analyst, DNB Markets

Q

Okay. Thanks. And also, if you can share what's been the feedback from LiveScore so far, especially thinking about the launch in the Netherlands [indiscernible] (00:26:21)? And also, where are you on onboarding sort of [ph] Svenska Spel (00:26:25) ahead of the Euros?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

I think, yeah, feedback from LiveScore so far is very good. I think it has been a project that has been running very smoothly so far and we are on track to get the UK which is obviously their most important market with quite some distance up and running well ahead of Euros. And same with Svenska Spel, we still expect to be able to launch well before the Euros.

Martin Arnell

Analyst, DNB Markets

Q

Okay. Thanks a lot for clarifying that.

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Thank you.

Martin Arnell

Analyst, DNB Markets

Q

That's all for me.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

Thank you. I think that was it from the telephone. Now, we head over to the chat. We have a few questions about the financial targets. I actually start with you, David. What level do we have in the 2027 targets? You've communicated already last quarter that you are looking to, yeah, communication there. So, can you please elaborate the...?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

A

Yes, it's a work in progress. And the reason it takes a little time is because all these regulations are – they're also works in progress. And it's really – those regulations have a real important impact on that piece of work. So, yeah, it's coming. We will come out with a new view on this, but we want to make sure it's a solid piece of work, really looking into all those regulations there. That's important.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

Thank you. Kristian, when you look at the targets, will they be achieved through organic growth or are you also looking into M&A?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

I mean, that is not impossible. I would say that organic growth is definitely the main road for us, but we have always been looking opportunistically at M&A. So it's not impossible. I mean, 2027 is quite far out still, so I wouldn't rule it out. And as we always have talked about, I mean, especially Penn is something we would really like to add to our business if we could find a suitable partner.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

Thank you. Kristian, I got a few question about esports. I think we start with esoccer. Can you give some insights there? You said in your report that it's actually really good numbers there. Anything you can share with us when it comes to esoccer?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

Yeah. I think, I mean, it has become quite an important source for income for both us and our partners. I think it's quite comparable to, yeah, some of the larger soccer leagues. Of course, I mean, esports is very much less numbers per event, but I mean, we are doing I think up to 8,000 events on a monthly basis now. So I mean, it's quite a large volume and, yeah, it's obviously quite popular.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

How is the margin compared to normal soccer?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

I would say it's much more stable because it's such a large amount of events. And on average, I would say its similar margins.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

Okay. Thank you. And ebasketball, how's the development going there? Anything you can share?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yeah. I think it's something we will be able to roll out later in this year.

A

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Exciting. Also, lot of questions here. Brazil, any comments there? Do you see any opportunities with existing operators in Brazil? Operators are already live and established, but looking for a better sportsbook.

A

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yes. I think there is still a lot of opportunities in Brazil potentially with some of our partners, with operators that has not started business, but also, as you said, with some of operators that are already active in Brazil and are looking to upgrade.

A

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Thank you. We got a question. Update us on the share of LatAm and North America and Americas. Should I take it or you, David?

A

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

You can take it.

A

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Yeah. Well, we said in the report that now 50% comes from Americas versus last year was 55%. So, of course, Americas has gone down. I think historically around one-quarter, one-third used to be LatAm. But, of course, now when we don't have Penn online anymore, that share should be a bit bigger, that's what we shared.

A

Yeah. Kristian, this is for you. You talked about a test customer for Tzeract, was that kwiff or anything you can share?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

We have one our customer that has been working with kwiff for some time but is more on a test contract [audio gap] (00:32:07) one of our customer currently on – with kwiff [indiscernible] (00:32:16).

A

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

And when it come to a potential modular customer, how is the integration time between signing and going live?

A

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

I mean, it totally depends on the kind of module. I mean, if we take what we have really been working on now to get the – and odds fee that is based on a quite simple API, I would say it's very quick. I think, yeah, the Tzeract Bet Builder is also quite quick work. But then of course we have some modules that is much more complex.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Okay. Sales pipeline, Kristian, how does it look?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yeah, very pleased. As I mentioned before, I think the interest for modular services has been picking up a lot. And on top of that, I think we have quite a lot of interesting leads in more or less all the regions where we are operating. So, I'm thinking the rest of the year can be very exciting, actually.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Great. Another one for you, Kristian. Can you elaborate about Abios performance and the outlook going forward regarding both pipeline of new customers and new products? Anything you can share?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

Yeah. I mean, a lot of focus has obviously been to get the odds product out. Now, I think we are doing great strides on soccer. And as I mentioned, I think we will have basketball later in the year. And I think our aim is to be able to distribute more or less all our esports from the Abios platform within this year.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Great. Another one for you, Kristian. Are you happy with our Bet Builder product regarding speed, price, UX?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

First of all, I think there is not one Bet Builder product. It's based on each and every sport. I would say that, yeah, I'm very pleased with our Bet Builder product compared to what we can see on the market. The one thing I think where we really are standing out is that we have much, much stronger control over the risks and can therefore have a higher paybacks than many other competitors.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Okay. And David, one for you here. How much revenue did Abios generate during the quarter? Anything you can share with the modules versus sportsbook?

David Richard Kenyon

Chief Financial Officer, Kambi Group Plc

I mean, to start with, actually now that the modules are – the divisions are kind of more settled in the business, we're actually kind of grouping them together in how we disclose them. So, we're looking at kind of the sportsbook and then the modules. So, the modules as a whole, around 10% of our €43 million of revenue. Within that, Shape

is the biggest part. But that comprises Tzeract, Abios, and Shape in those numbers. So, that's how we're going to look at it going forward. So, around 10% for now.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

A

Thank you, David. Kristian, do you still mainly aim to sign tier 1 customers with Tzeract?

Kristian Nylén

Chief Executive Officer, Kambi Group Plc

A

I think for – when it comes to [indiscernible] (00:36:04), I think definitely it's more tier 1s and that is really interesting for us. Having said that, the Tzeract is a new product and we will of course be more interested in getting a more customer early in than only tier 1s.

Mia Nordlander

Senior Vice President-Investor Relations, Kambi Group Plc

Okay. Thank you very much for the questions. And thank you very much, everyone, for listening-in to us today. We will be here back 24th of July for the Q2 report. And as always, feel free to reach us if you have any questions. Thank you very much and have a very good day.

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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