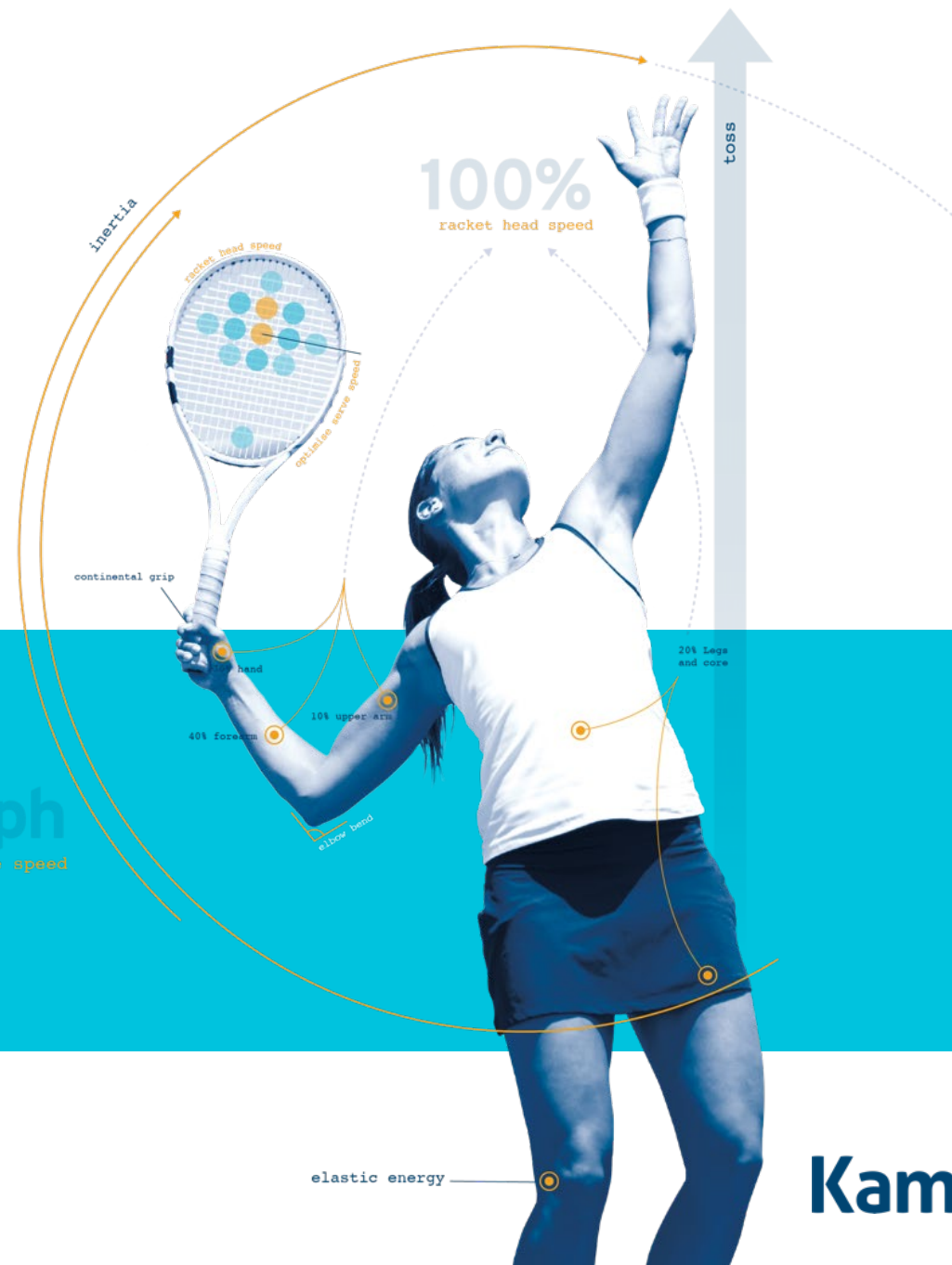


# Kambi Group plc

Q1 Report  
24 April 2020

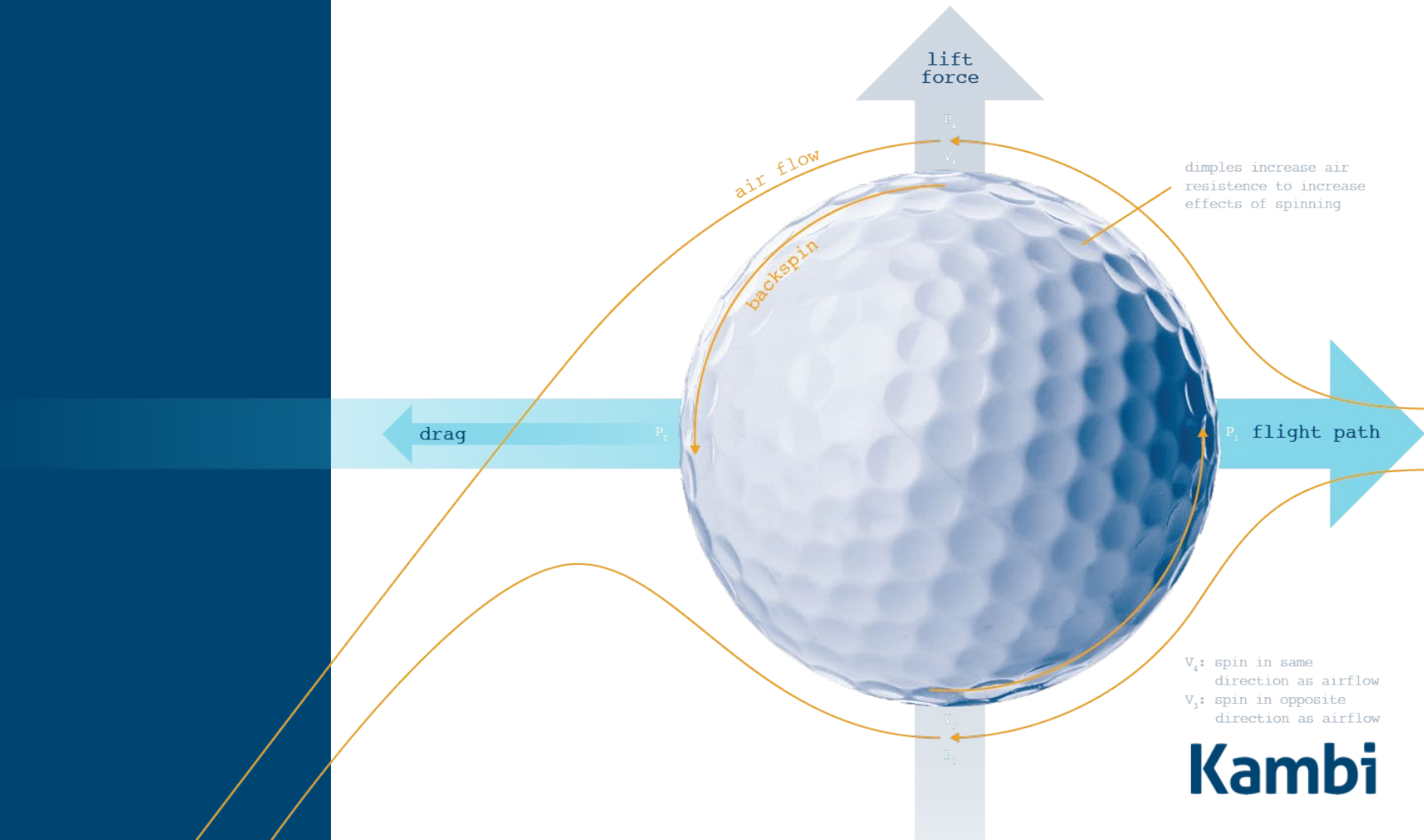
136.7mph  
Fastest serve speed



Kambi

# Agenda

1. Kambi overview
2. Quarterly highlights
3. Financial update
4. Coronavirus impacts
5. US launches
6. Sports update
7. Q&A



# Kambi at a glance

Leading B2B provider of premium end-to-end sports betting services



A global  
organisation

**863**  
employees

Australia | Malta | Philippines | Romania | Sweden | U.K. | U.S.

# Kambi at a glance

Leading B2B provider of premium end-to-end sports betting services

## Business model

- Kambi mainly operates on a revenue share model, thus Kambi's growth is dependent on its operators' success
- The foundation of the strategy is based on scalability and the majority of its cost base is fixed
- Continuous investment into proprietary technology to maintain its market leadership
- Highest level of corporate probity and integrity


20+ partners, including:



# Q1 highlights

## Record performance to mid-March

- Strong financial performance with 33% year-on-year revenue growth
- Operator turnover growth of 27% with an operator trading margin of 9.3%
- Average daily turnover to 12 March up 47% year-on-year and up 7% sequentially
- Took first legal bets in both Illinois and Michigan – Kambi now live in 10 US states

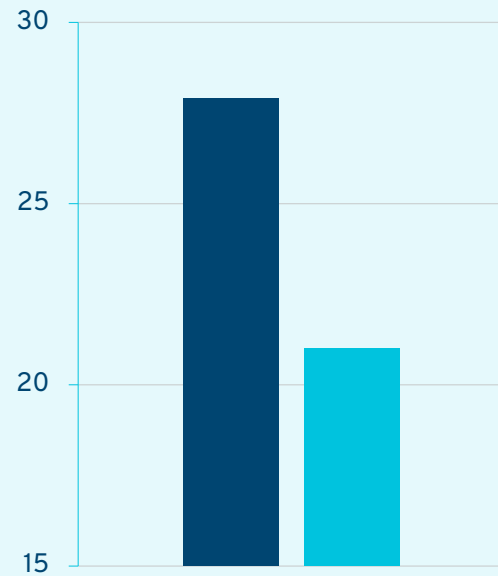


**33%**  
**Kambi revenue growth**

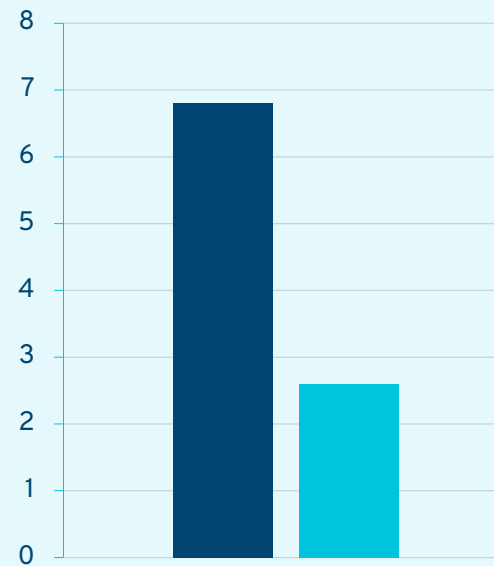
# Financial headlines

€m

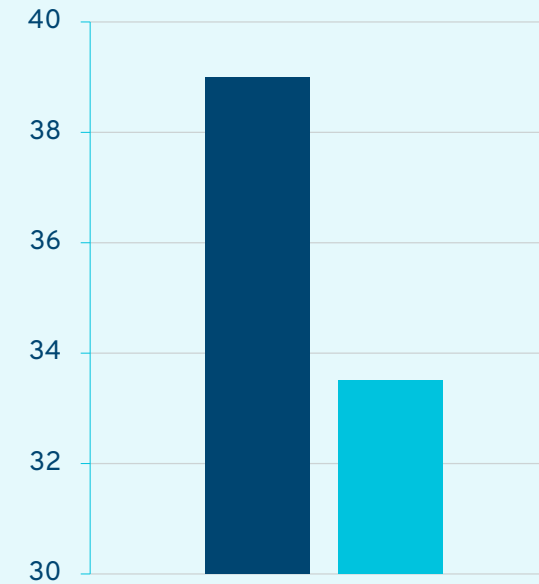
## Q1 Revenue



## Q1 Operating Profit



## Net cash at end of Q1

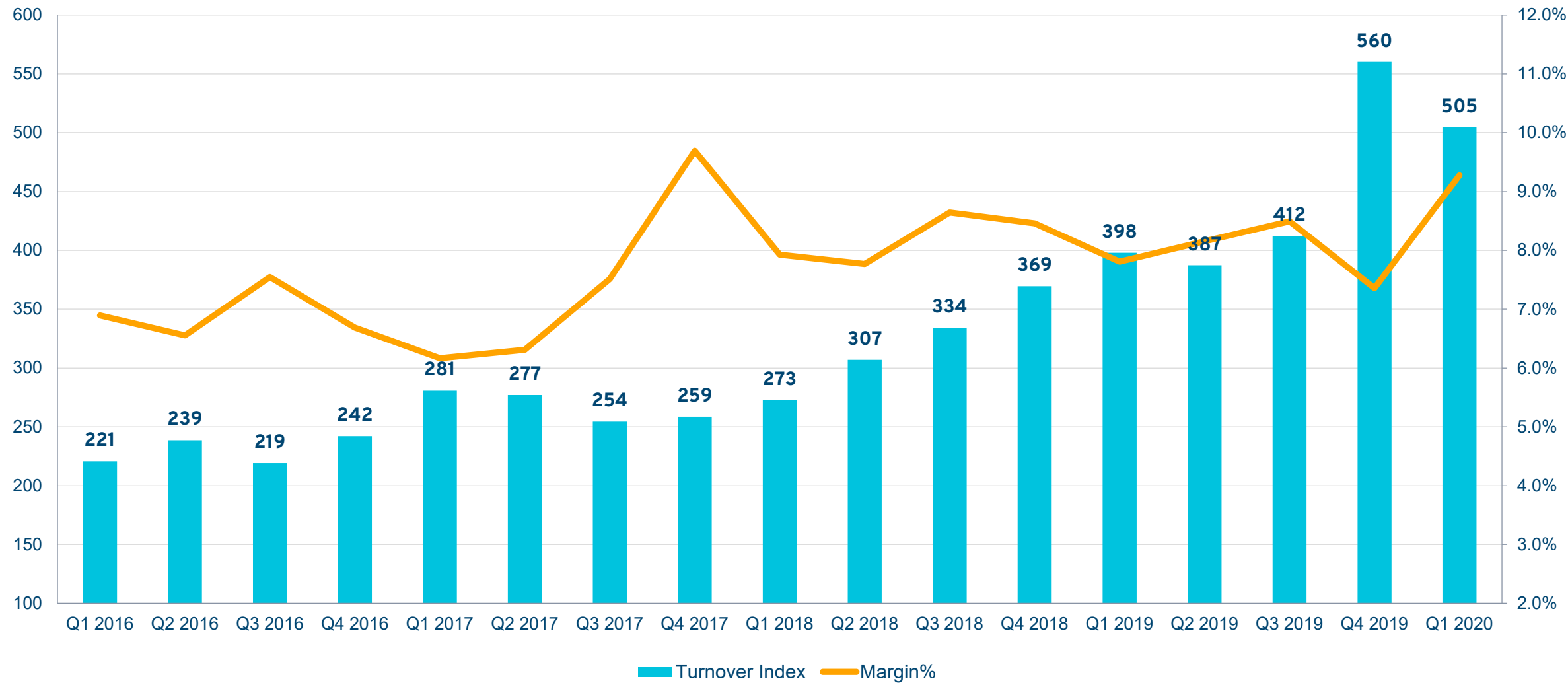


2020

2019

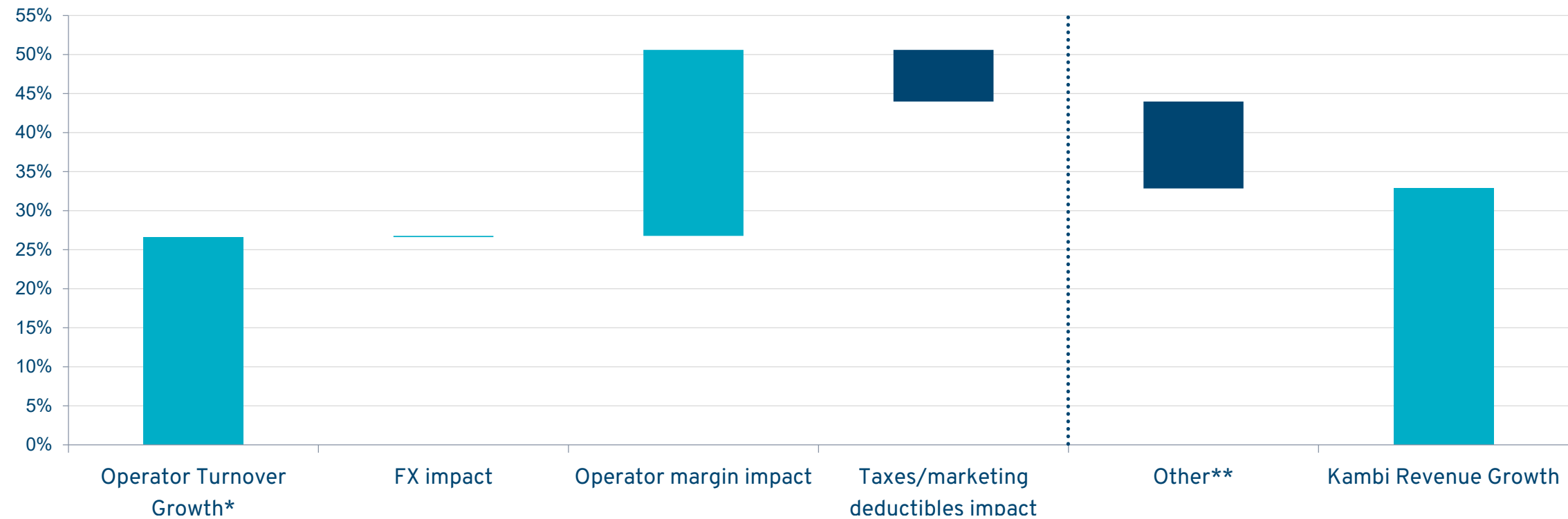
# Operator trading analysis

## Kambi operators' turnover and trading margin



# Kambi revenue conversion

Q1 2020 vs Q1 2019



\* Operator turnover growth shown is based on Q1 2019 exchange rates  
\*\*Other includes the impact of volume-related commission tiers and fixed revenues  
- - Denotes components of NGR from which Kambi's revenue share is calculated



# Income statement

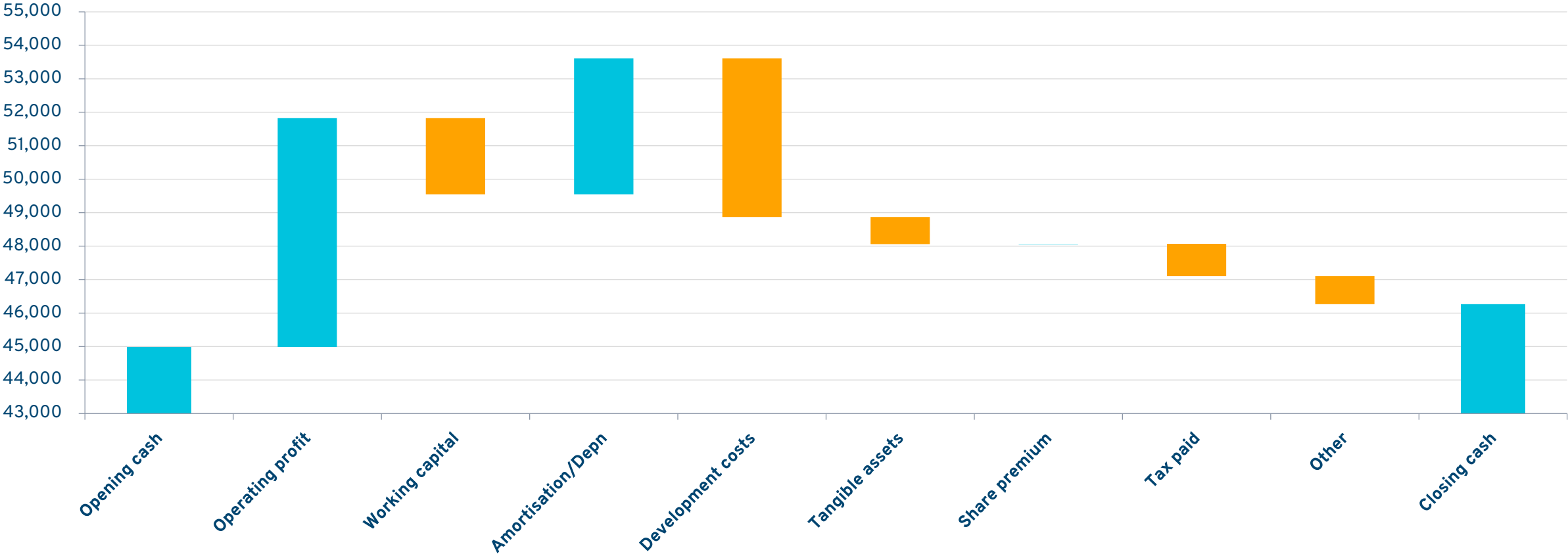
€m	Q1 2020	Q1 2019	Change %	FY 2019
Revenue	27.9	21.0	+33%	92.3
Operating expenses	21.1	18.4	+15%	77.6
Operating result <sup>1</sup>	6.8	2.6	+162%	14.7
Result after tax <sup>2</sup>	4.8	2.0	+141%	10.4

<sup>1</sup> Operating result before items affecting comparability in Q1 2020 (bad debt expense of €0.6m)

<sup>2</sup> Result after tax includes items affecting comparability in Q1 2020 (bad debt expense of €0.6m)

# Q1 Cash flow

€ '000



# Financial outlook

Impact on sporting calendar reduces revenues to 25-30% of previous levels

Major cost saving programme introduced

Quarterly operating costs whilst current circumstances persist will fall by 20-25%

Quarterly cash outflow of €7-9m until the sporting calendar resumes

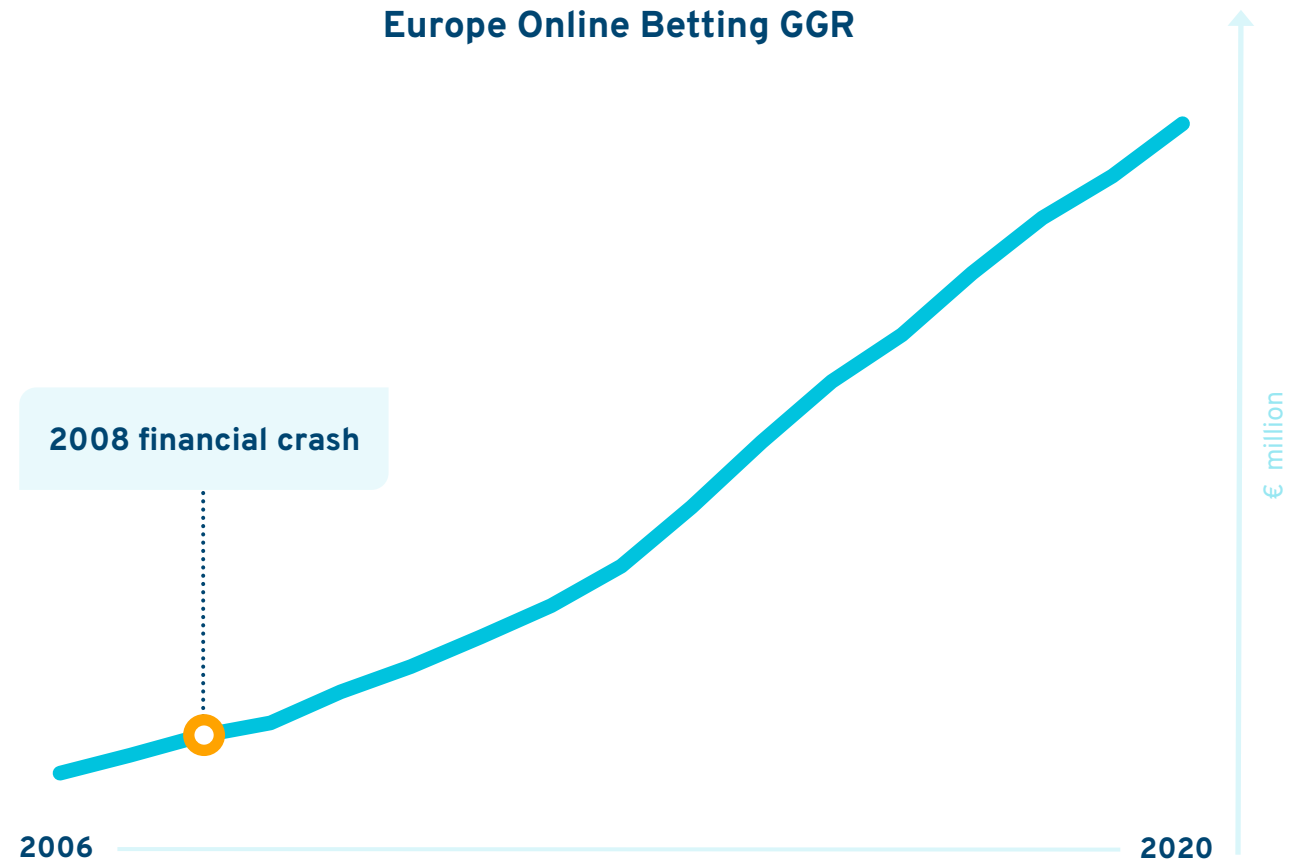
Q2 cashflow significantly more favourable due to working capital movements

Strong Balance Sheet with €46m cash puts us in a good position

# Coronavirus mid-to-long-term impacts

Short-term negativity could lead to longer-term opportunity

- Due to postponements, sporting calendar expected to be busier than normal in coming years
- Jurisdictions will expedite regulation of online sports betting due to impact on retail sector
- Situation serves as a reminder of the benefits of outsourcing to a high-quality third-party
- Sports betting industry has previously shown resilience during times of wider economic pressure



# Making history

## First to market in Illinois and Michigan

- In Illinois, Rush Street's Rivers Casino in Chicago, Illinois, took the first legal sports bet on 9 March
- Two days later in Detroit, Michigan, Penn National's Greektown Casino launched ahead of the competition
- Kambi added Mississippi to its list of active states, with five PNG retail launches, now active in 10 states
- Kambi and partners ready for further launches as soon as it is safe to do so and restrictions are lifted



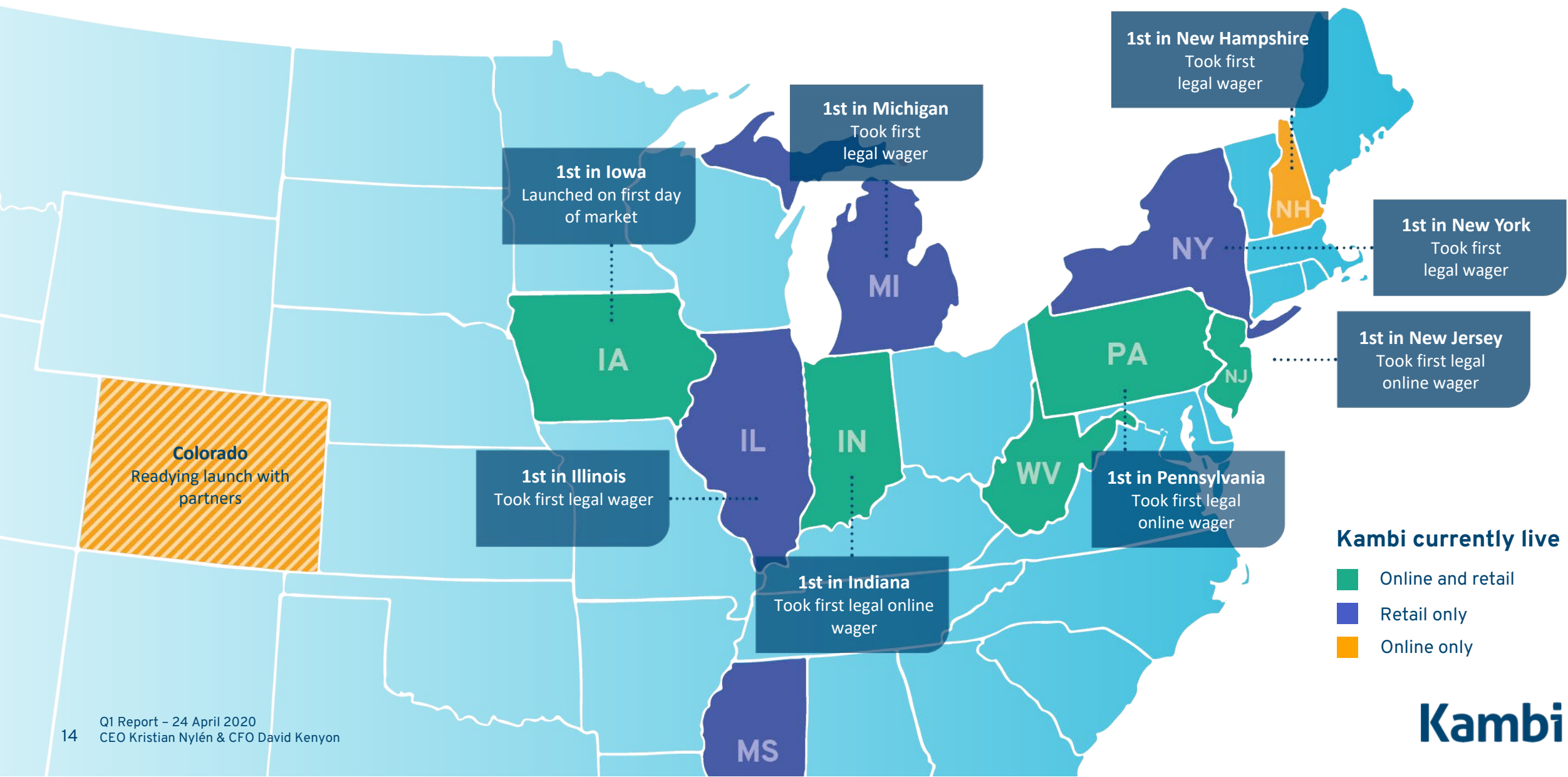
## Illinois

One of the most populous states, expected to be key sports betting market

## Michigan

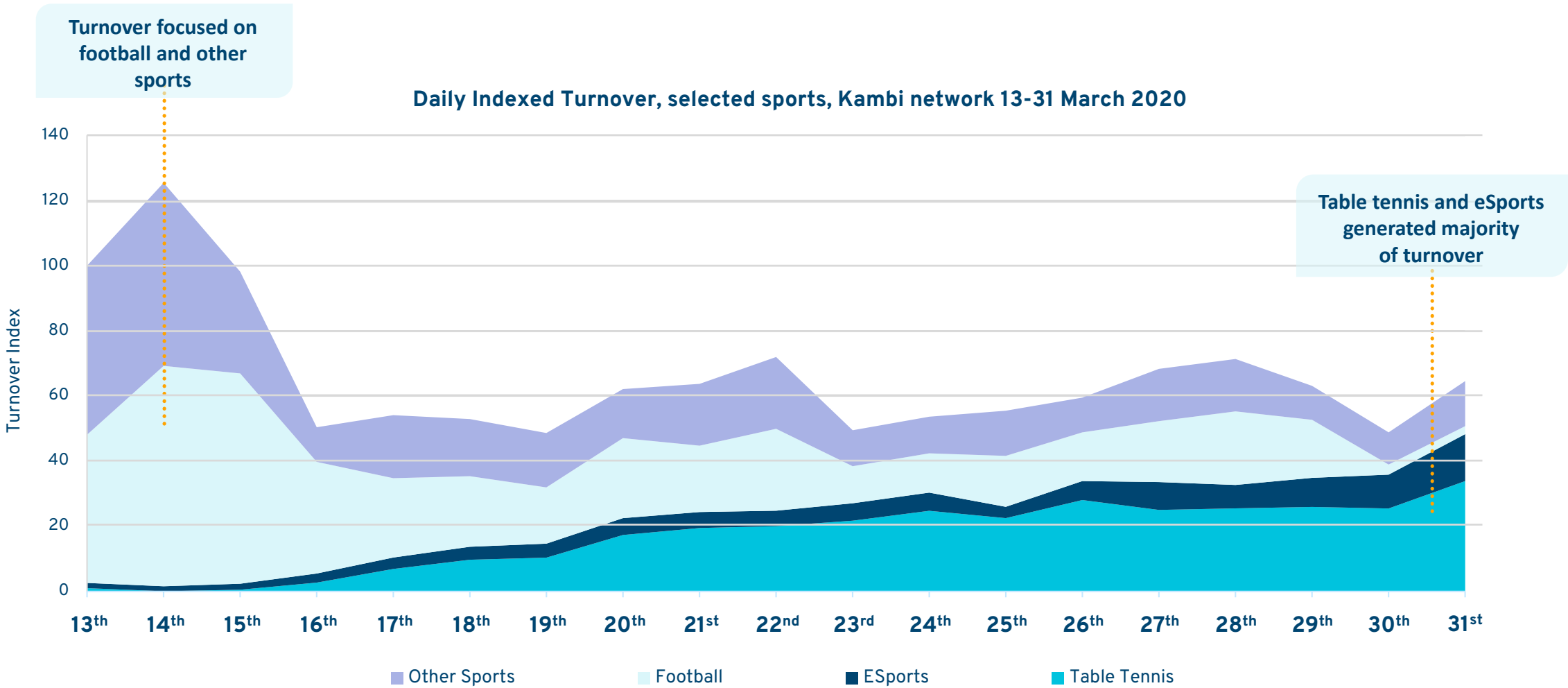
Population of c.10m, on-property sports betting live with online to follow shortly

# Setting the pace in the US



# Sports turnover

Turnover composition during final weeks of quarter



# Leagues and tours set out resumption plans

May, June and July should see return of sports

**Premier League backs plans to finish season by July 31 and some matches could be screened on free-to-air TV**

Evening Standard

**Bundesliga 'ready to return on 9 May', says German Football League**

BBC

**Fauci says MLB season during coronavirus could be played without fans**

Fox News

**PGA Tour to resume with Charles Schwab Challenge behind closed doors on June 11**

Colonial Country Club will host the first tournament after the coronavirus lockdown, the Tour has announced

The Guardian



# Summary

Strong financial performance  
with 33% revenue growth

Measures implemented  
to mitigate financial impact  
while protecting long-term future

Resumption of sports will  
restore momentum  
displayed in past quarters

aerodynamic drag

$$F_D = \frac{1}{2} \rho A C_D V^2$$

28mph  
average speed

friction

propulsion force

# Q&A



$$V_{ball\ exit} = (0.65 + \frac{1}{2})(75mph) + (0.65 - \frac{1}{2})(90mph)$$

ball exit velocity

# Thank you

parabolic arch



40"

average NFL  
vertical jump

1.25

distance covered per game  
(miles)

velocity during take-off:

$$\int_t^t F_{\text{jumper}}(t)dt = mv$$

acceleration

deceleration