

# Kambi Capital Markets Day

Accelerating success

22 June 2021



**Kambi**

# Agenda

- 1. Model of success – Kristian Nylén,**  
Chief Executive Officer and co-founder
- 2. Platform for success – Erik Lögberg,**  
Chief Operating Officer

15-minute break

- 3. Mapping out success – Cecilia Wachtmeister,**  
EVP Business & Group Functions
- 4. Measuring success – David Kenyon,**  
Chief Financial Officer

Q&A



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# Model of success

**Kristian Nylén**  
Chief Executive Officer

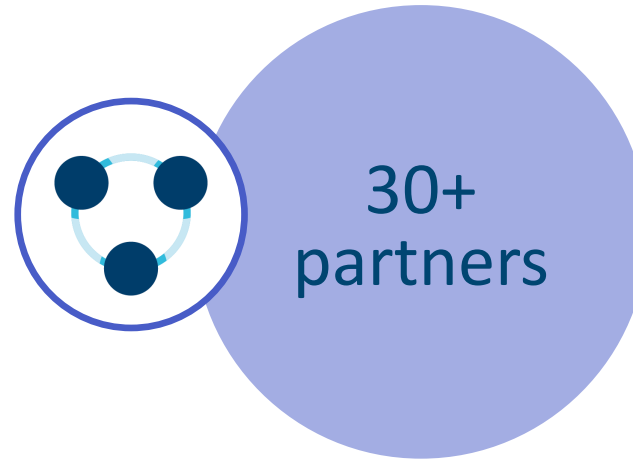


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# Kambi today

A brief overview



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# Investment case

Kambi is the clear front-runner in the market and will only go from strength to strength



Superior technology  
and know-how



Highly scalable model



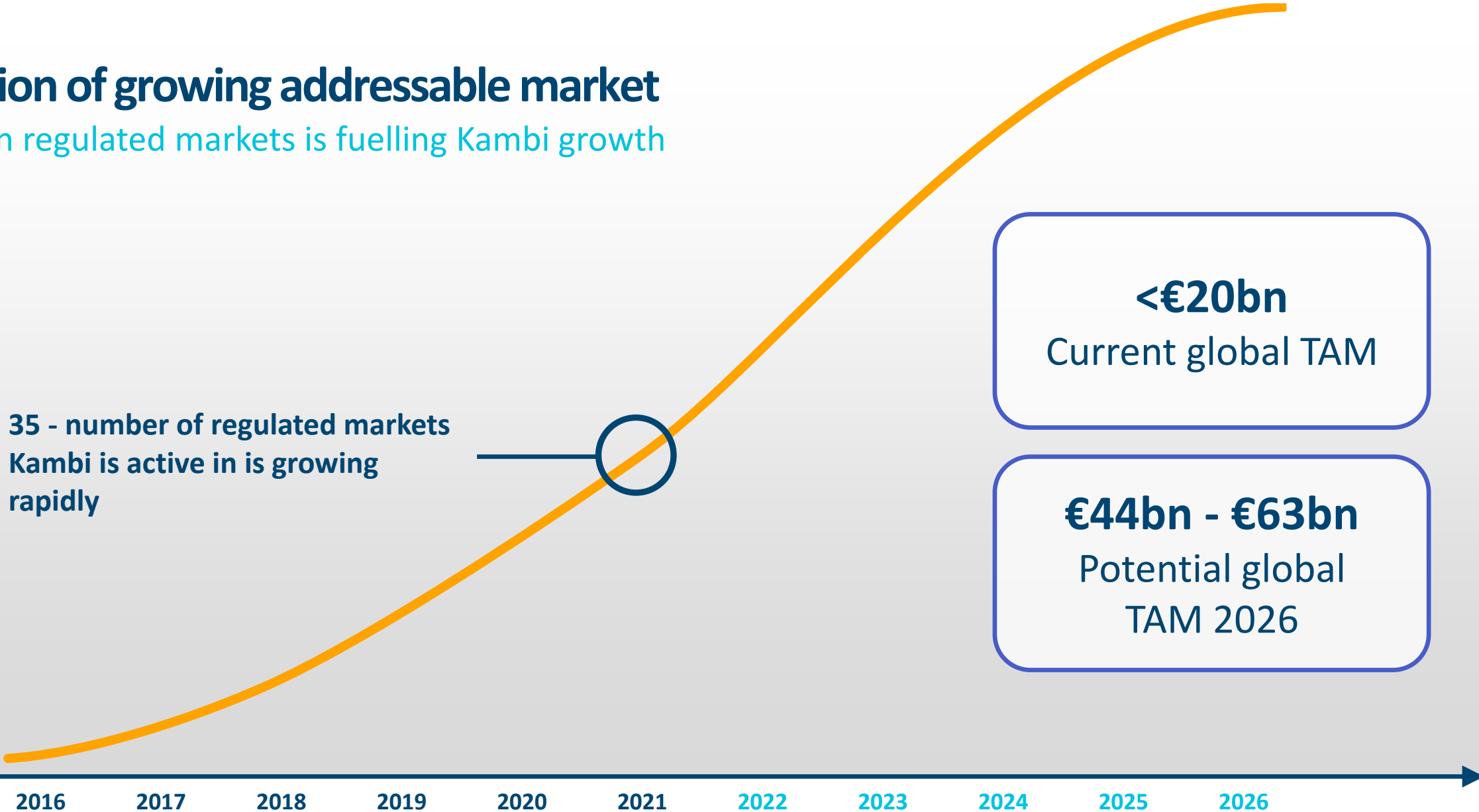
Exceptional growth  
potential

**Kambi**

# Illustration of growing addressable market

Increase in regulated markets is fuelling Kambi growth

35 - number of regulated markets  
Kambi is active in is growing  
rapidly



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**Sports betting –  
the most complex piece  
of enterprise  
and end-user software  
imaginable**



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# Superior technology and knowhow

Formidably challenging for others to imitate

Our focus on these three core areas – where differentiation is of limited value – has been paramount in establishing Kambi as the B2B sports betting industry's clear market leader

The Kambi logo is located in the bottom right corner of the slide. It consists of the word "Kambi" in a bold, dark blue, sans-serif font. The background of the slide features a large, stylized graphic of a flag with a rainbow-colored border and a white center, set against a light blue background with a subtle grid pattern.

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# Superior technology and knowhow

Formidably challenging for others to imitate

Our focus on these three core areas – where differentiation is of limited value – has been paramount in establishing Kambi as the B2B sports betting industry's clear market leader

## Technology

- Operational 24/7/365
- 500,000,000+ transactions per month
- c.5-10m bets placed and settled around the world every day

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# Superior technology and knowhow

Formidably challenging for others to imitate

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## Technology

- Operational 24/7/365
- 500,000,000+ transactions per month
- c.5-10m bets placed and settled around the world every day

## Risk management

- More than 20 years' experience
- All risk and trading managed centrally
- Network effect of c.5m active accounts

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# Superior technology and knowhow

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## Technology

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## Risk management

- More than 20 years' experience
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- Network effect of c.5m active accounts

## Regulation

- Consistently first to market
- Unblemished compliance record
- Leader in sports integrity efforts

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# Two ways to gain sportsbook capabilities

Technology ownership or business control and flexibility?

Proprietary model  
(Vertical integration)

**bet365**

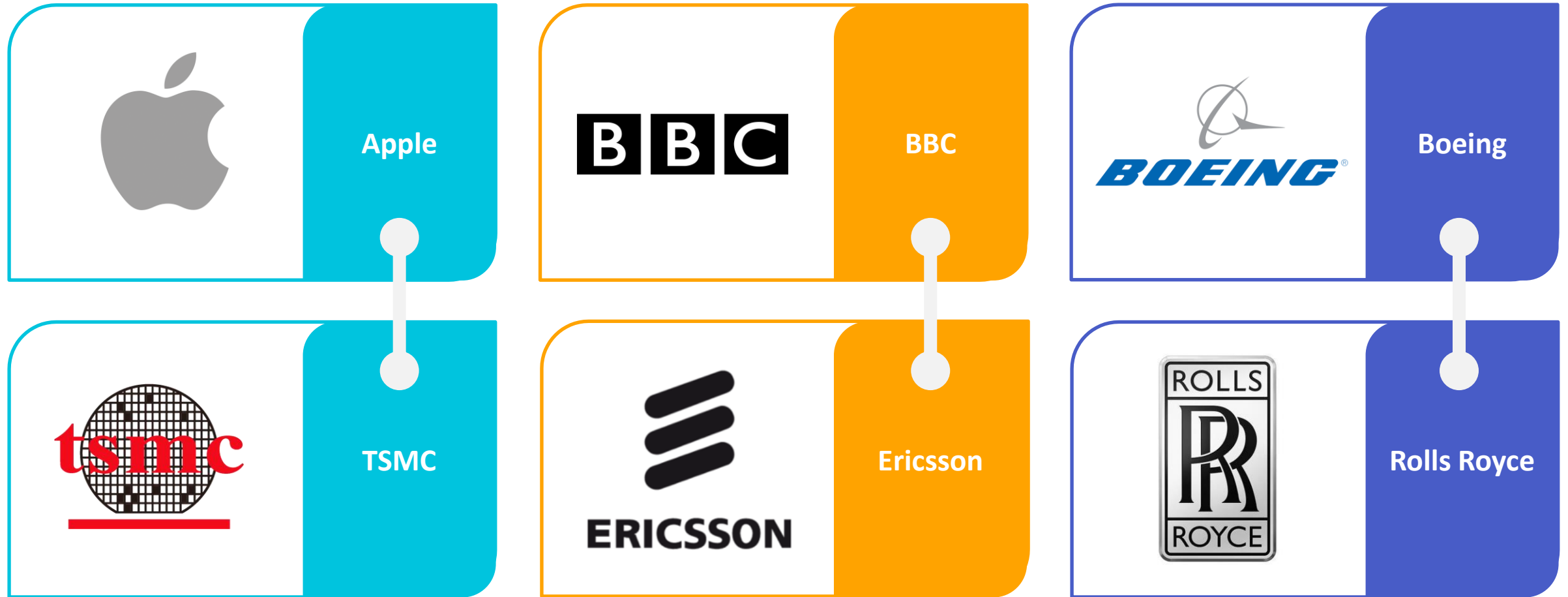
Outsourced model

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**Kambi**

# Learning the lessons from other industries

Outsourcing is central to the strategy of large, successful organisations



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# Vertical integration of sportsbook risks inferior product at higher cost base

Challenging two key assumptions relating to vertical integration



## Cost savings?

- Vertical integration normally means higher cost base
- With outsourcing you can share costs of scalable, non-core elements
- Playing product quality catch-up is expensive, with no guarantee of success
- In meantime, an inferior product and lack of expertise will impact revenue

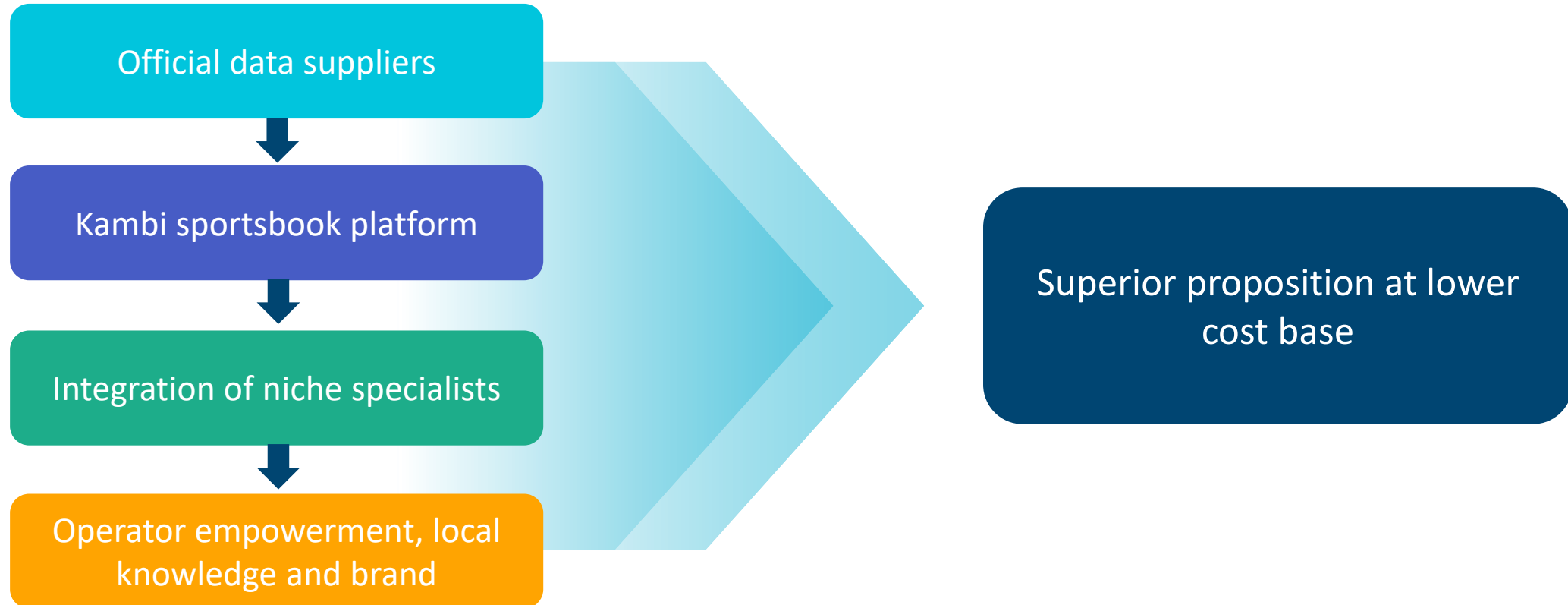


## Financial sustainability / efficiency?

- Sportsbook requires continuous investment to remain compliant and competitive
- High fixed costs leave businesses vulnerable to external uncertainties
- Operators in a regulated sports betting industry will be judged on efficiency and ability to generate profit, particularly if public

# Kambi also takes a collaborative approach

We don't seek to provide everything to everyone



# What does Kambi success look like?

## Two scenarios

**Tier one operators realise in order to compete in the long-term they must leverage the many benefits of the Kambi model**

**Tier ones remain vertically integrated but through higher fixed costs and an inferior product are overtaken by emerging operators who leverage the Kambi model**

# Kambi's four strategic pillars

The industry's only sports betting specialist



## Strong compliant core platform to enable growth

Delivering regulatory, financial and technical security and stability



## Differentiation and empowerment

Enabling partners to take control where it matters most and express their respective brands



## Power of the network

Leveraging unique global network data to enhance product and service for all



## Highly scalable business model

Signing and launching new partners with relatively minimal impact on costs

Sportsbook success and value creation

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# Platform for success

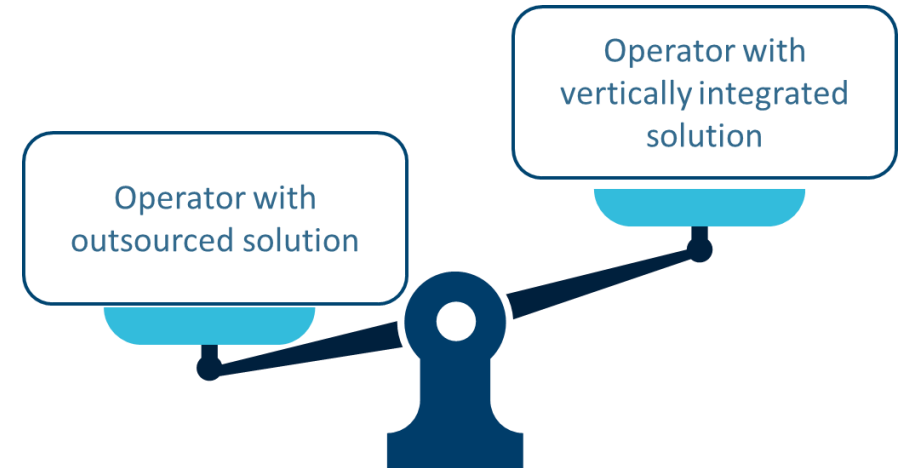
The future of sportsbook  
provision and the role of  
the Kambi platform

**Erik Lögdborg**  
Chief Operating Officer



# Outsourcing benefits starting to outweigh in-house

- Kambi has proven its business model and the many benefits of scalability are starting to show
- We have cemented our global B2B leadership position
- Our partners are highly competitive with the leading B2C brands while running their sportsbooks at a fraction of the cost
- However, Kambi's outsourced model still has much more to give and has the potential to become the outstanding option due to its exponential efficiency advantages



*What is the next "point of disruption"?*



## In this section we address three areas:

1. Breaking down the “outsourcing” concept
2. Where in the sportsbook are the strongest cases for outsourcing based on scalability and where are the important differentiation possibilities?
3. How Kambi proposes to leverage scalability advantages while empowering differentiation



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# The outsourcing concept

## Two models of outsourcing

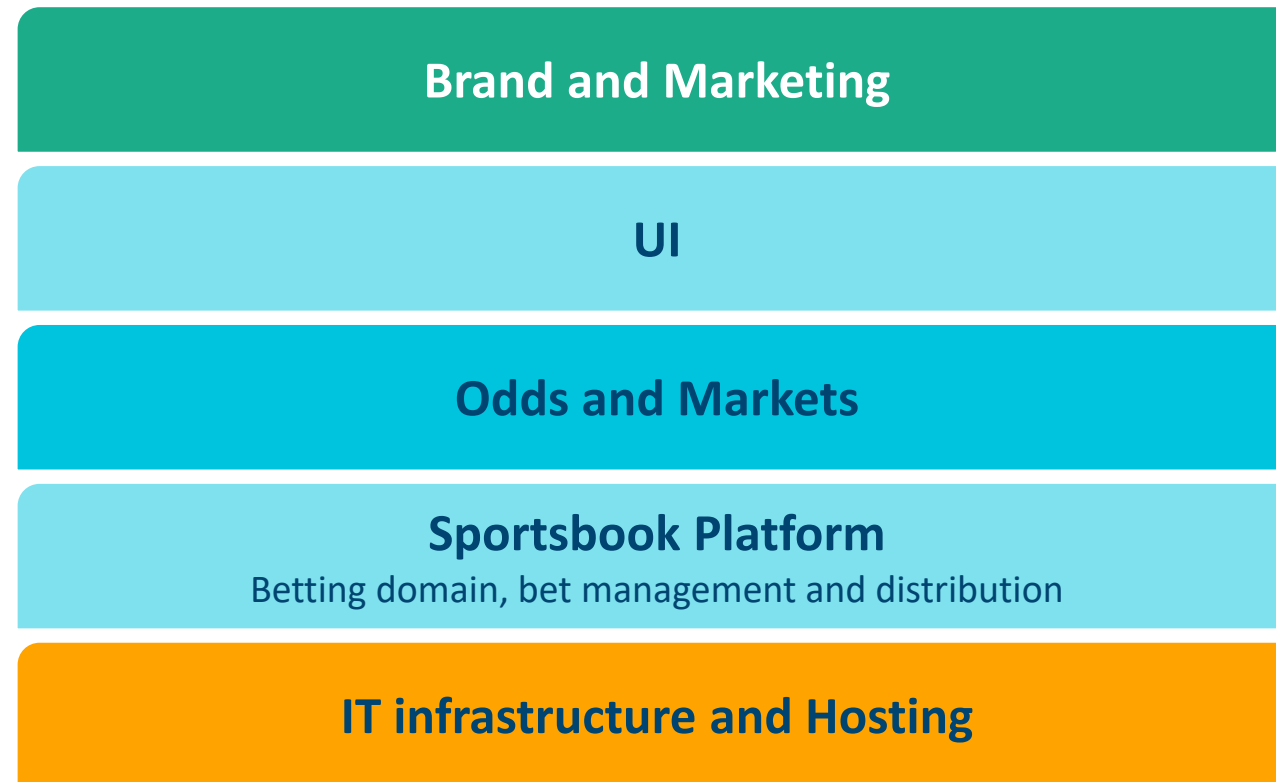
1

To acquire capacity or expertise to perform bespoke tasks for your business

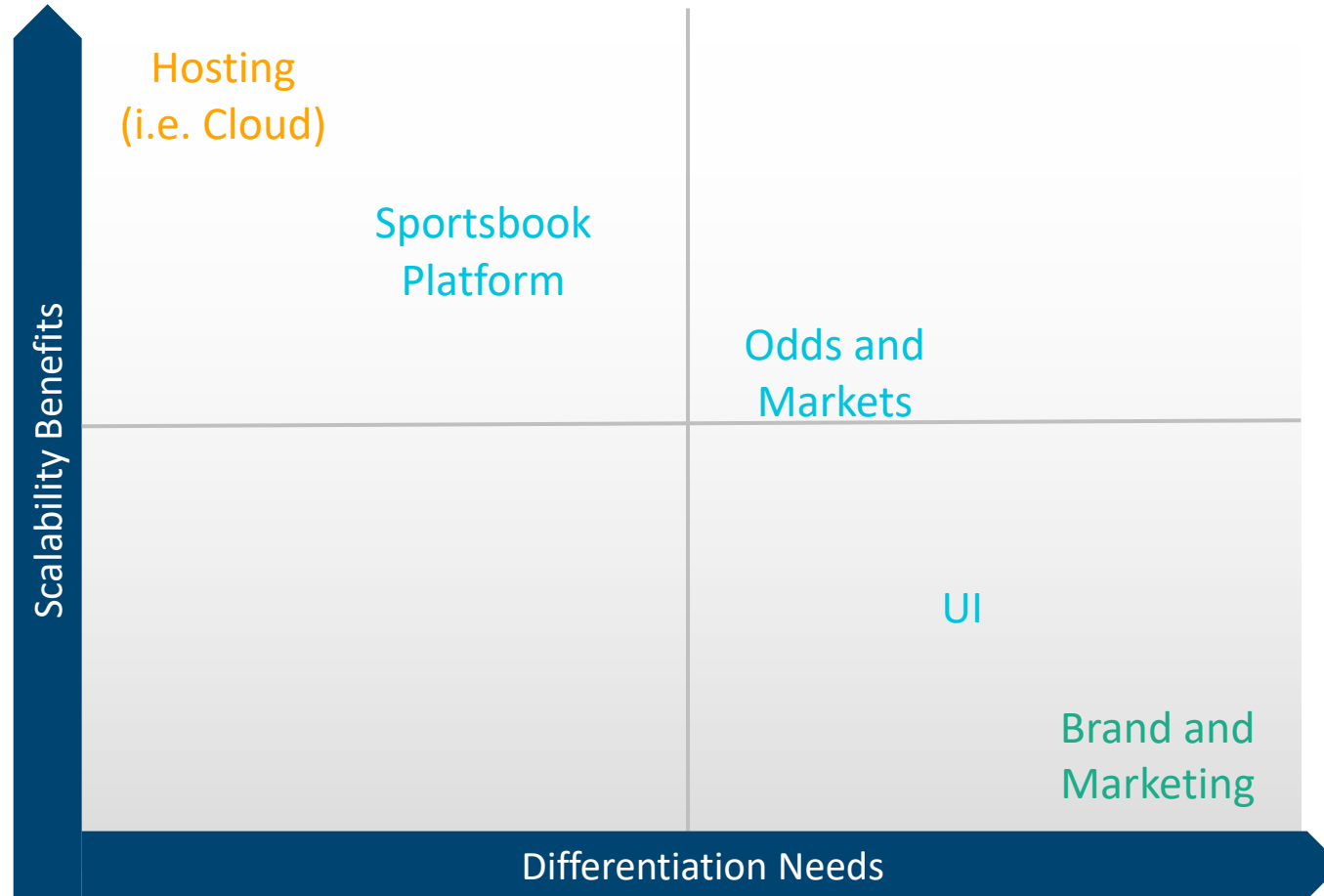
2

To leverage cost and throughput advantages from a supplier that operates a scalable model across its network of customers (SaaS)

# Structure of a sports betting operation



# Parts of a sportsbook perform to a higher level with scalability benefits

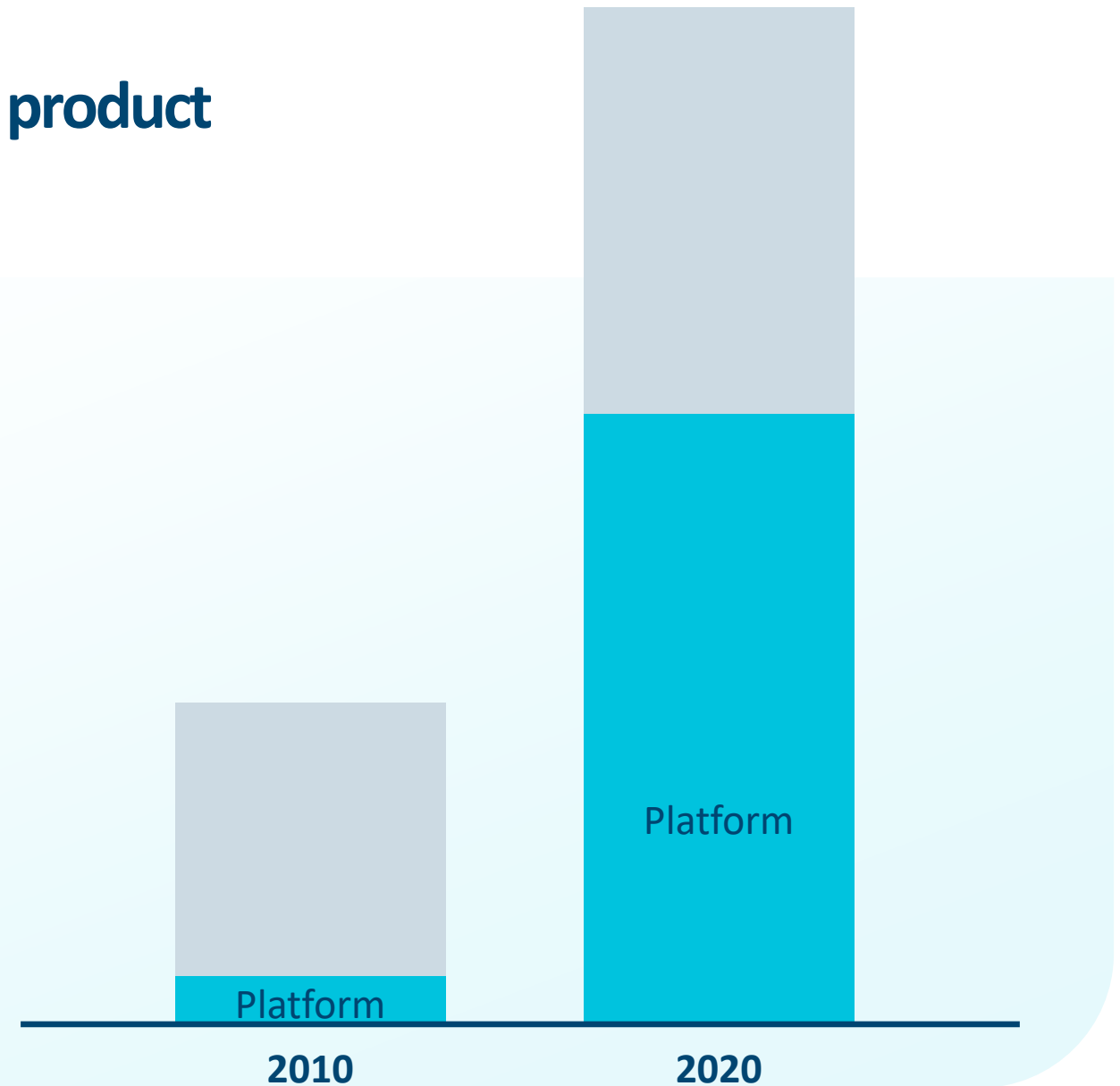


When possibilities increase to bring something unique to the end-user, beyond high performance and precision, then the benefits of scalability decreases

When the ability to compete only is driven by high performance and precision then the benefits of scalability increase

# Sportsbook platform costs versus other product investments

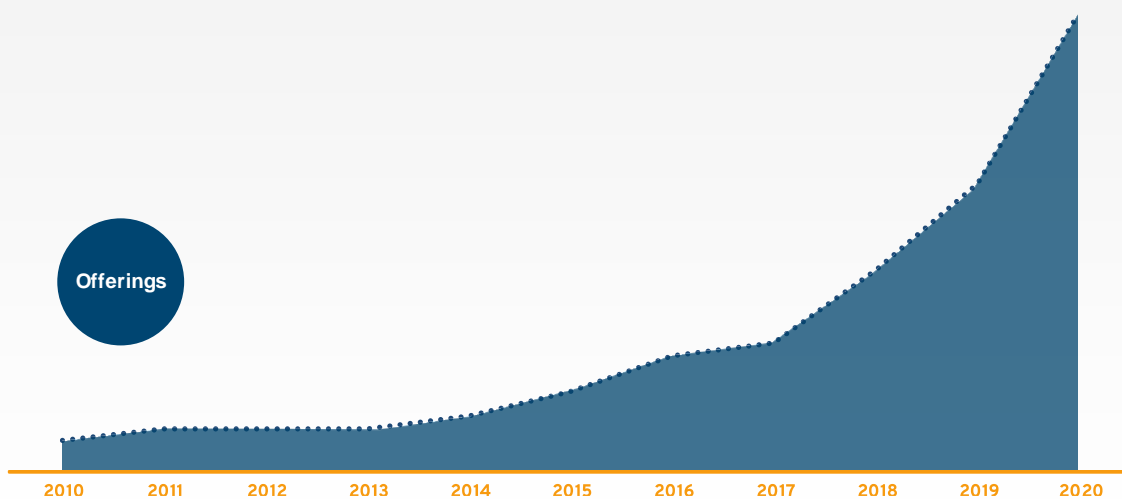
- Every year a bigger proportion of the total sportsbook costs is invested in the platform capabilities
- This is driven by regulatory requirements, structural changes to the product, new ways of creating a sportsbook and increased load



# Today's Sportsbook

Where “only” delivering bare minimum requires highest sophistication and investments

Regulatory requirements driving platform transformation



Bet Builder (IEC) development driving platform transformation



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# Today's Sportsbook

Where “only” delivering bare minimum requires highest sophistication and investments



REGULATORY SECURITY



FINANCIAL SECURITY



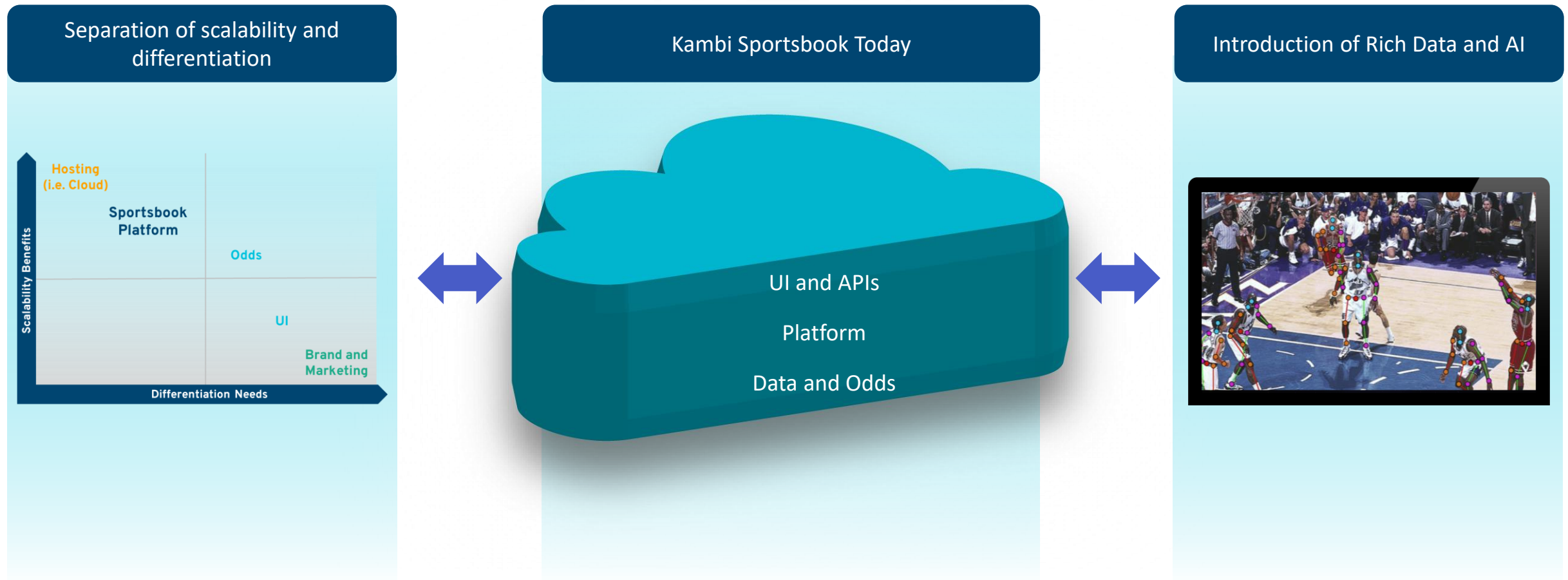
TECHNICAL SECURITY AND DISTRIBUTION

With its scalable platform, focus, network data and experience Kambi has the potential to solve these challenges best in the market and allow for those that use them to compete far more effectively

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# A next generation Kambi Sportsbook

Adapting to fit market needs and new technology



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# A next generation Kambi Sportsbook

Adapting to fit market needs for scalability and differentiation

Through modularization creating an even more powerful and distinct Sportsbook platform that is independent and agnostic to differentiation requirements



The Kambi Sportsbook Platform

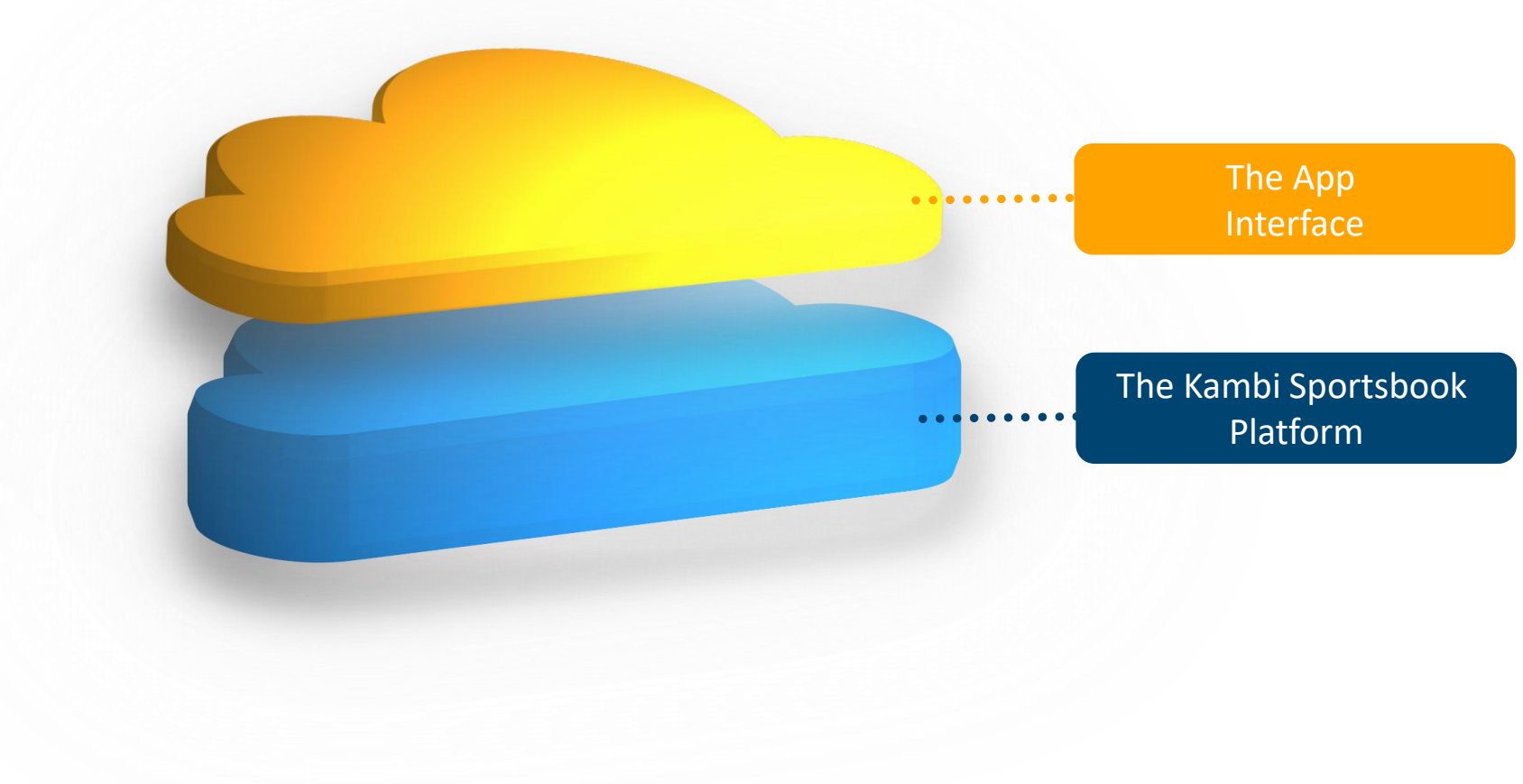
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# A next generation Kambi Sportsbook

Adapting to fit market needs for scalability and differentiation

The app interface will offer all the tools, APIs and support to freely and efficiently package the sports betting offering for the end-users

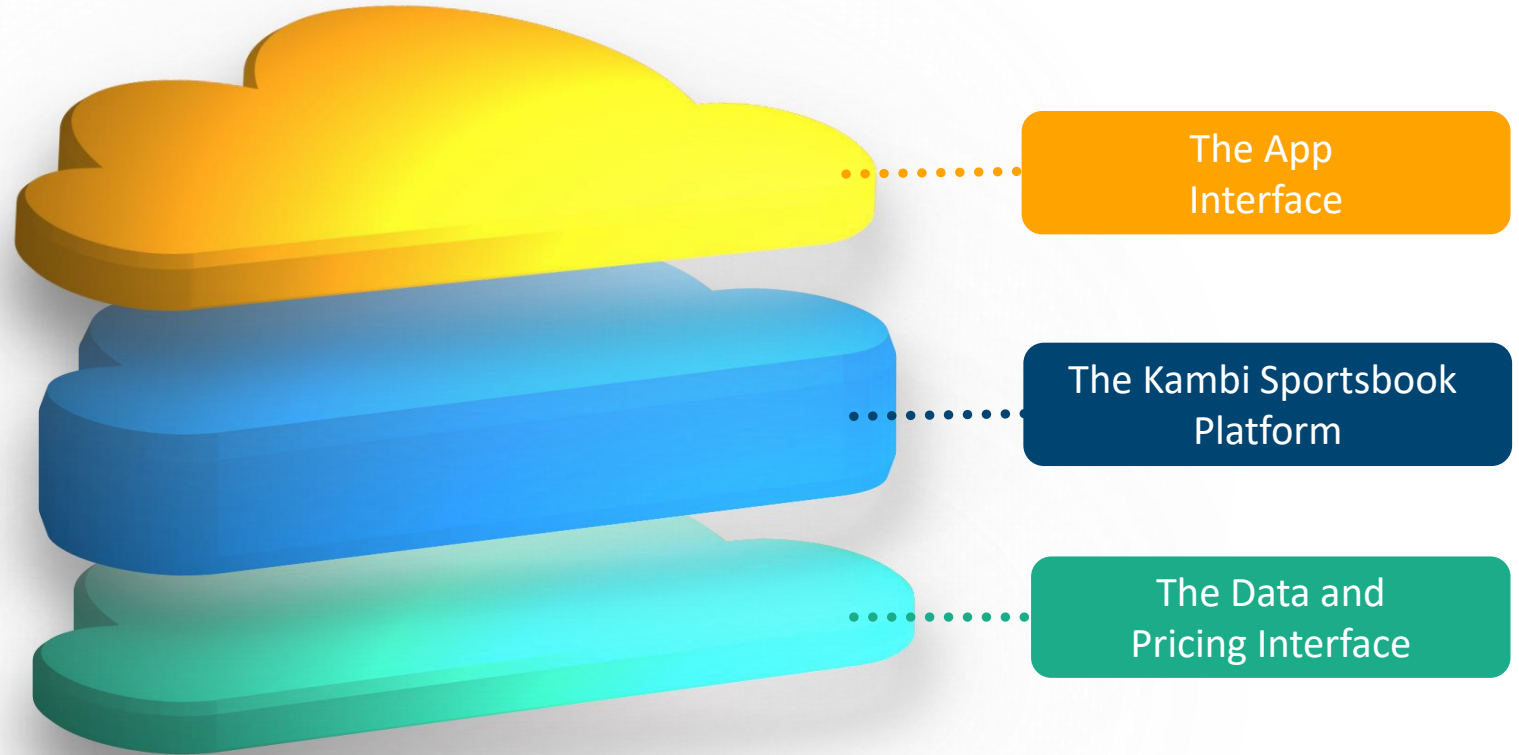
The interface will be used by Kambi, operators and 3<sup>rd</sup> parties in the same way



# A next generation Kambi Sportsbook

Adapting to fit market needs for scalability and differentiation

The data and pricing interface connects internal as well as external data and pricing to the platform



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**15 min  
coffee break**



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# Mapping global success

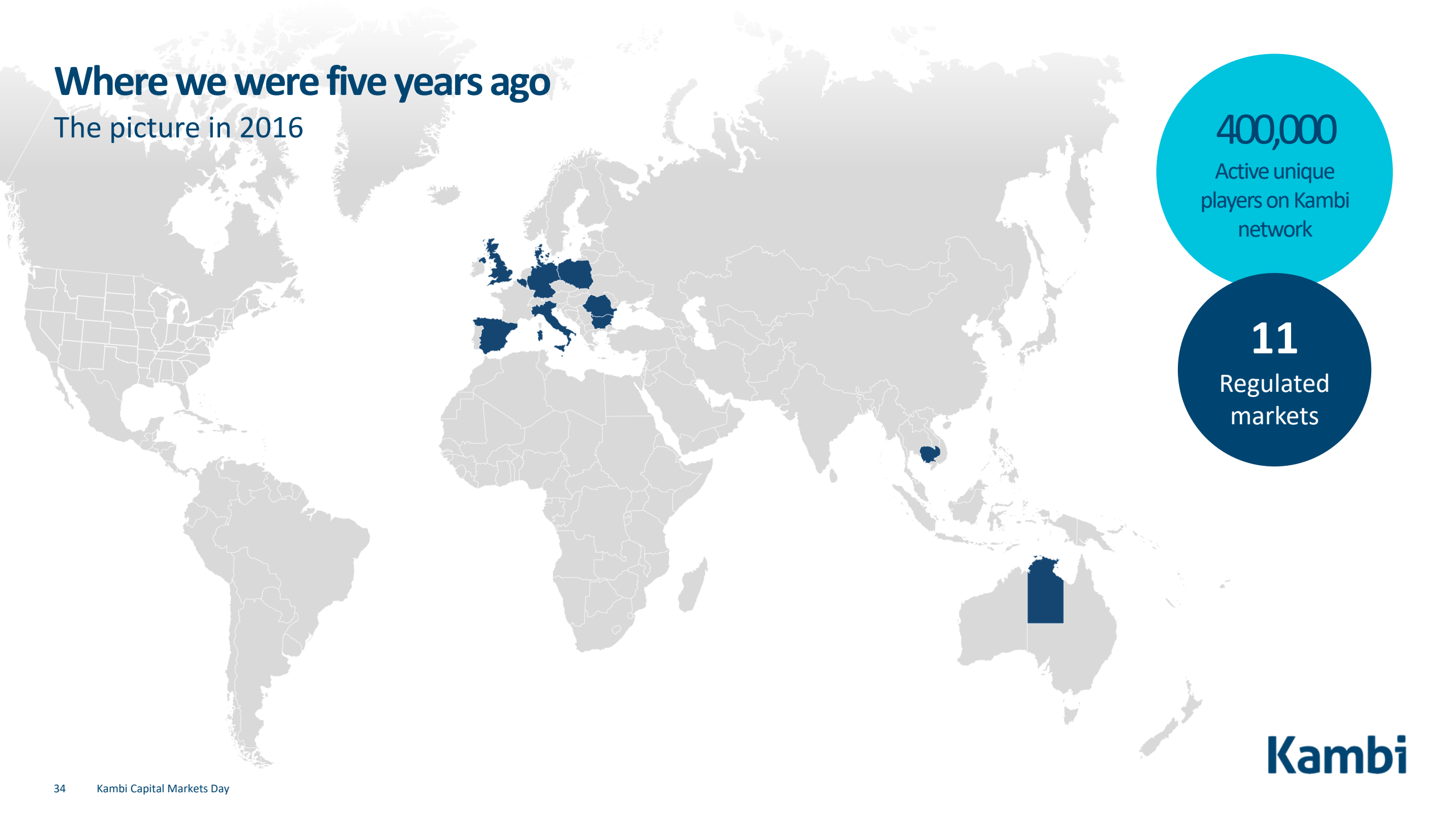
**Cecilia Wachtmeister**  
EVP Business and  
Group Functions



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# Where we were five years ago

The picture in 2016



**400,000**

Active unique  
players on Kambi  
network

**11**

Regulated  
markets

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**Where we are today**  
Global growth

**+5m**  
Active unique players on Kambi network

**35**  
Regulated markets

**Kambi**

35 Kambi Capital Markets Day

The figure is a world map with a light gray background. Countries where Kambi operates are highlighted in dark blue. These include several states in the United States (primarily in the Midwest and Northeast), Argentina, Mexico, South Africa, and various countries across Europe (including the UK, Germany, France, and Spain). In Asia, Thailand is highlighted. In Australia, Western Australia and South Australia are highlighted. Two circular callouts on the right side of the map provide key statistics: a light blue circle at the top right stating '+5m Active unique players on Kambi network' and a dark blue circle below it stating '35 Regulated markets'. The Kambi logo is in the bottom right corner, and the text '35 Kambi Capital Markets Day' is in the bottom left corner.

**Where we are today**  
Global growth


**+5m**  
Active unique players on Kambi network

**35**  
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**Kambi**

35 Kambi Capital Markets Day

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+5m

Active unique  
players on Kambi  
network



+5m

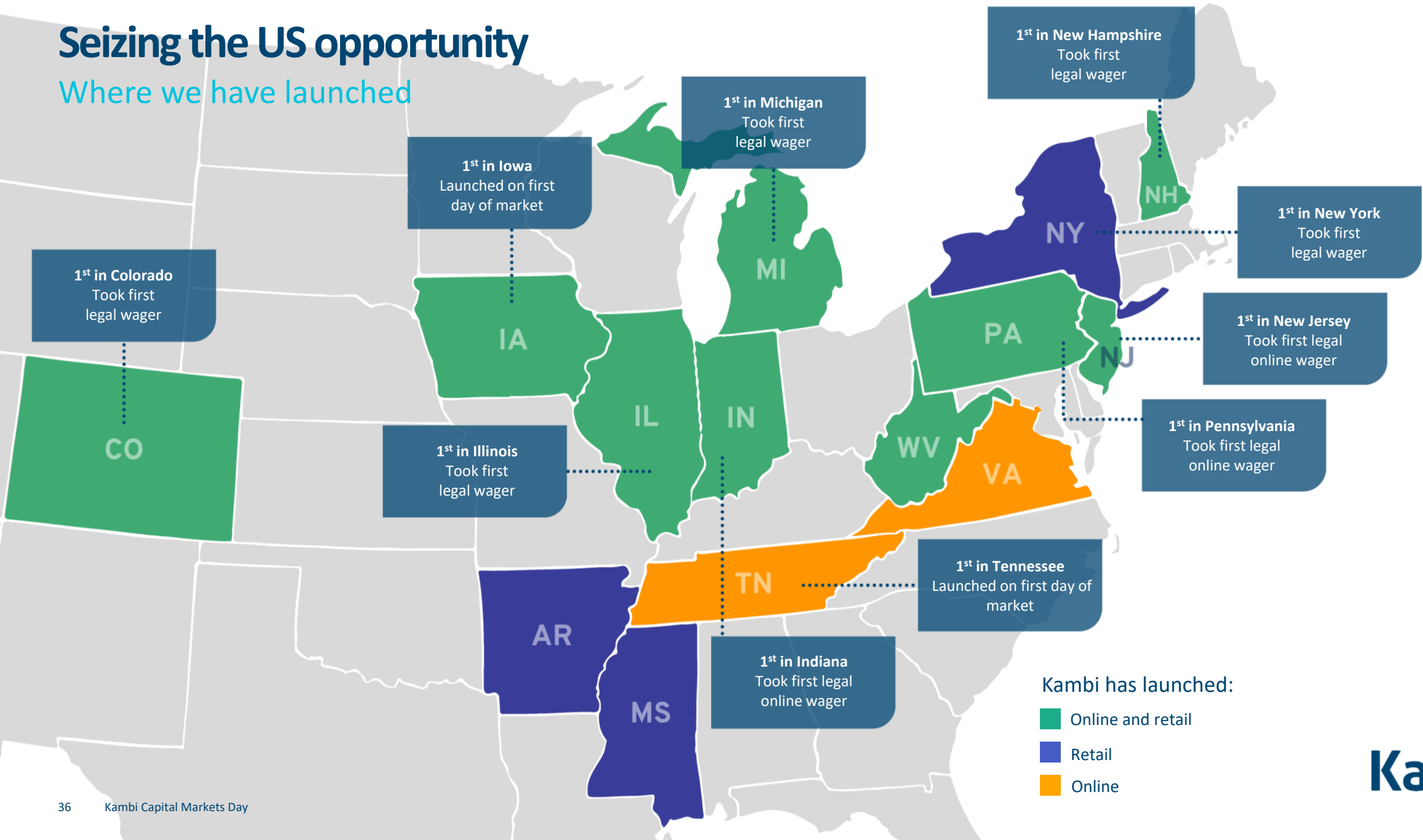
Active unique  
players on Kambi  
network

**35**  
Regulated markets

**35**  
Regulated markets

# Seizing the US opportunity

Where we have launched

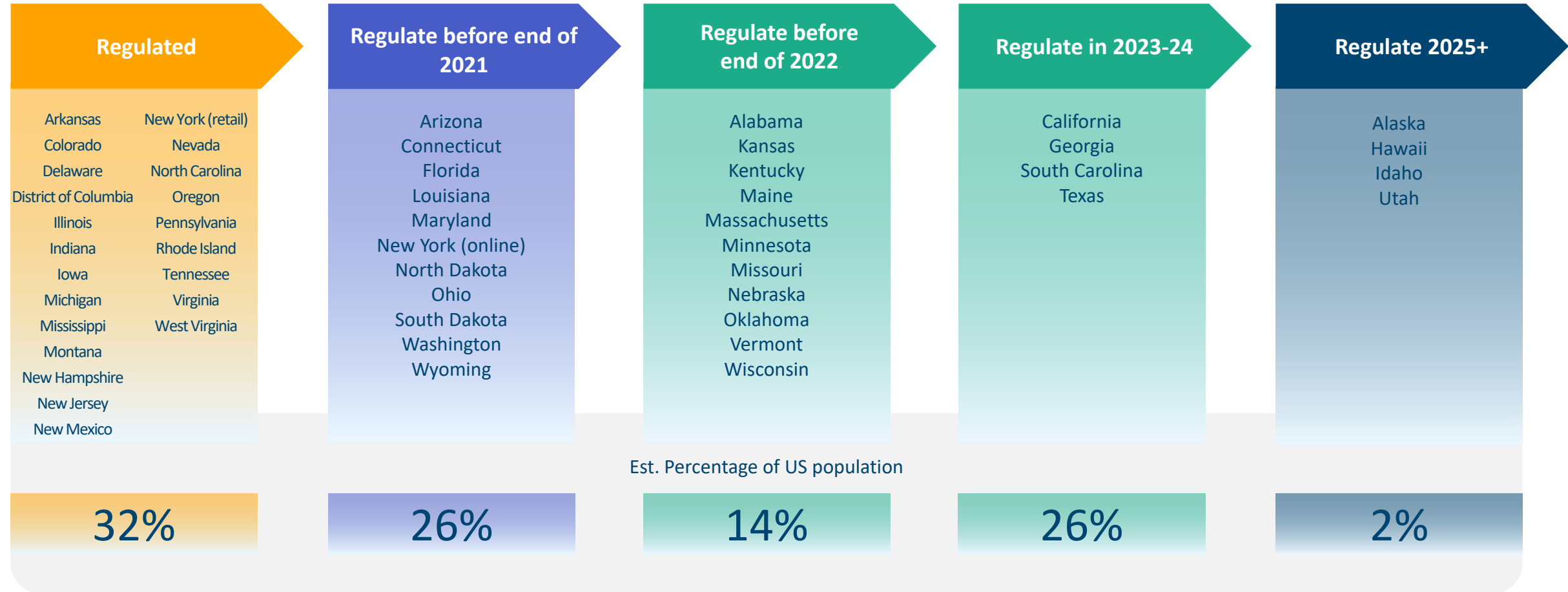


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# Much more to come in US

Only scratched the surface

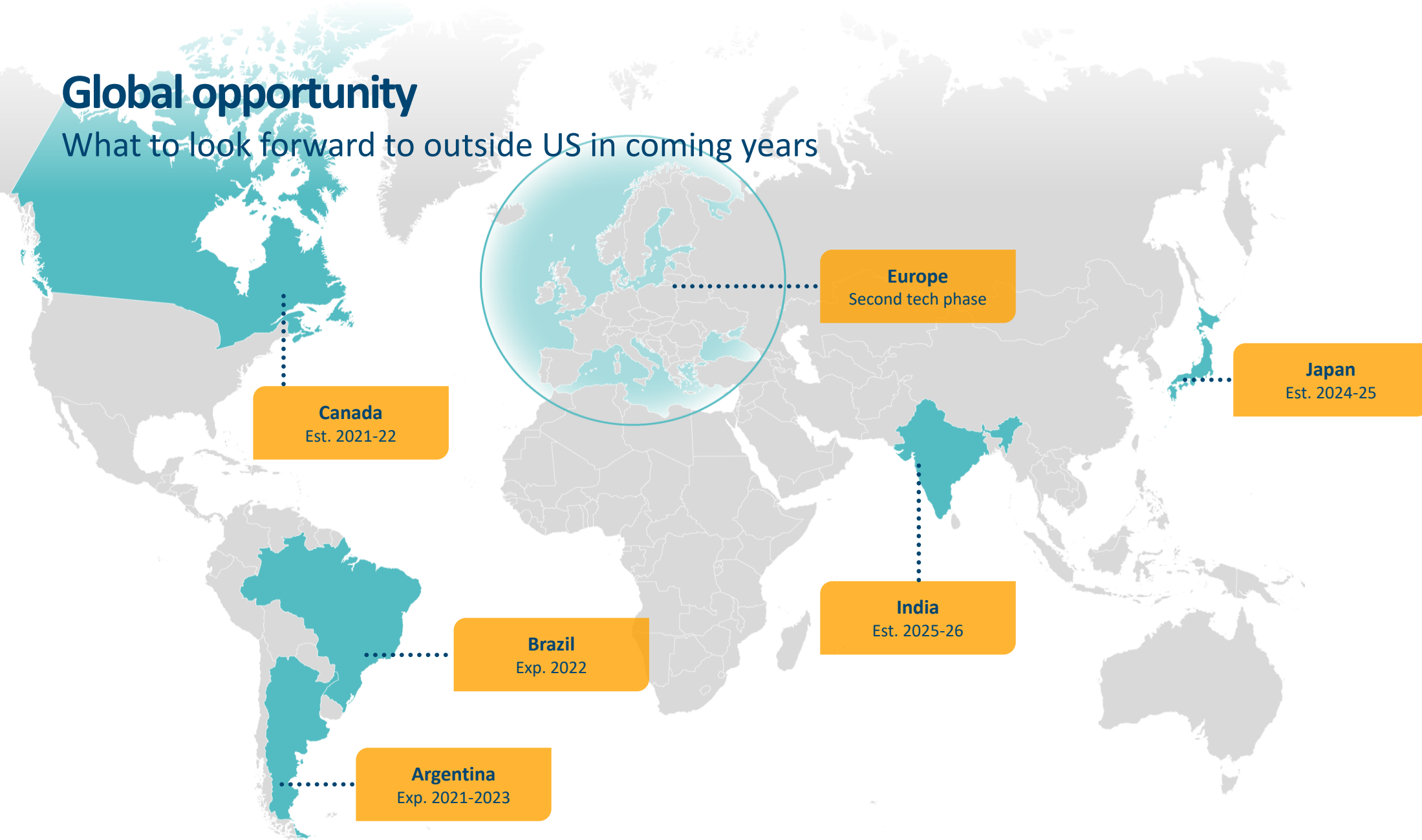


Projections based on current available information. Legislative sessions in certain jurisdictions are due to come to an end in July 2021, therefore timings could change. New York (online) used for population calculation.

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# Global opportunity

What to look forward to outside US in coming years



# Americas (non-US)

## Canada and South America



### Canada:

- Current expectations for Ontario to go live by Q4 2021 with other provinces to follow
- Province by province approach requires flexible, compliant technology
- Similar sporting profile to US, with hockey set to be main sport
- Kambi is a member of Canadian Gaming Association, sharing global experiences with regulators



### South America:

- Argentina in process of going live on province-by-province basis, Kambi live in Neuquén
- Brazil expected to go live in H1 2022
- Population of 200m+, projected to be among the top five largest regulated markets in world
- Highly focused on soccer and tennis, little/no product development costs
- Other countries in region also expected to regulate

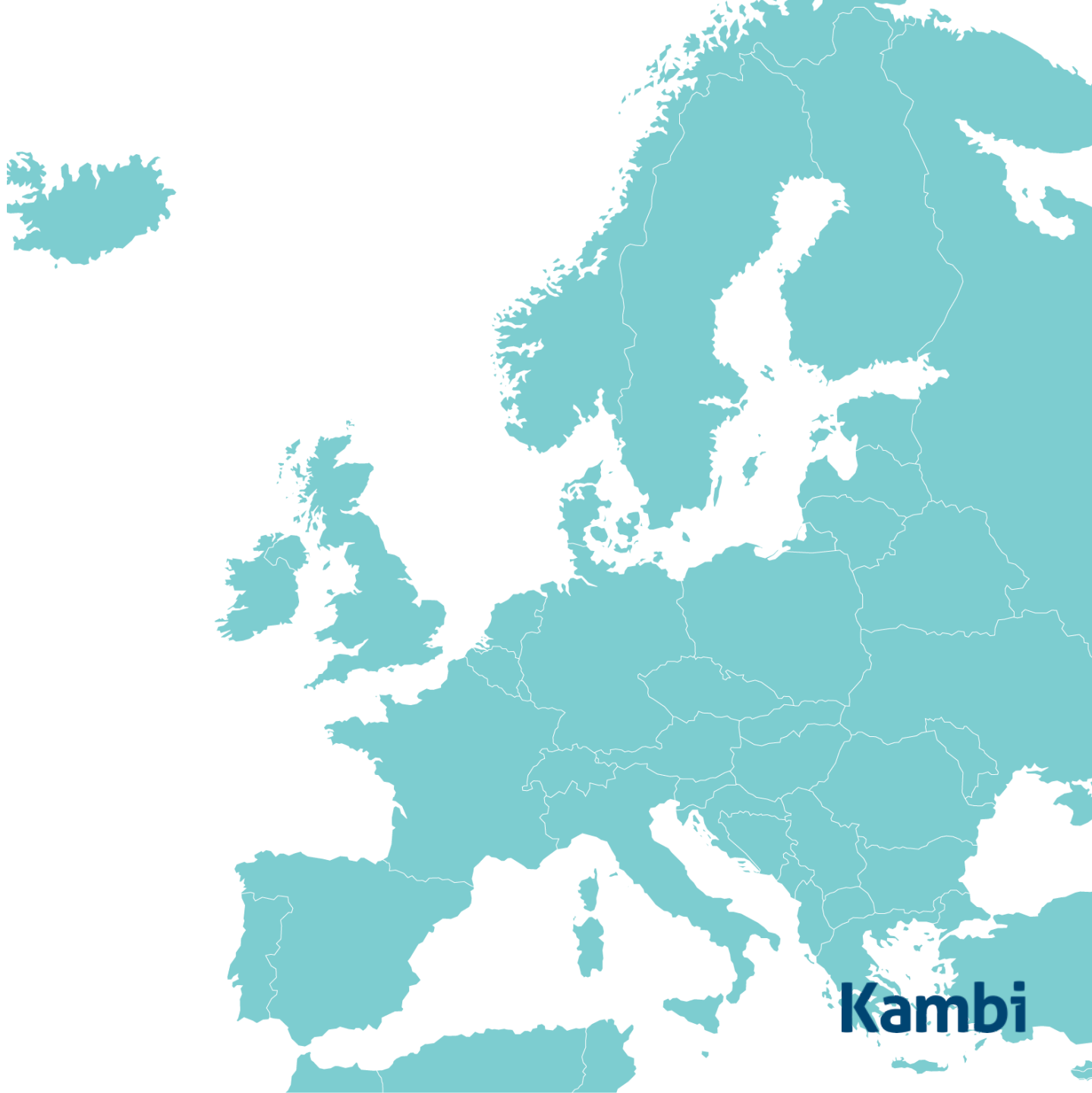
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# Europe

In-house tech is struggling to keep pace

## Second phase opportunities:

- Europe is the most mature online sports betting market
- Technologies that were fit for purpose years ago are no longer able to remain competitive
- This process has been expedited by increased regulation and complex compliance requirements
- This technology cycle will present further opportunities for Kambi
- Expect to see similar cycles in other regions in the future



# Asia

Japan and India most likely in coming years



## Japan:

- As in many other markets, Japan is considering the regulation of sports betting to generate tax revenue
- Sports betting is available in limited form but could be extended to include baseball and soccer
- Likely to be a highly regulated market, Kambi would be well positioned partner with local brands



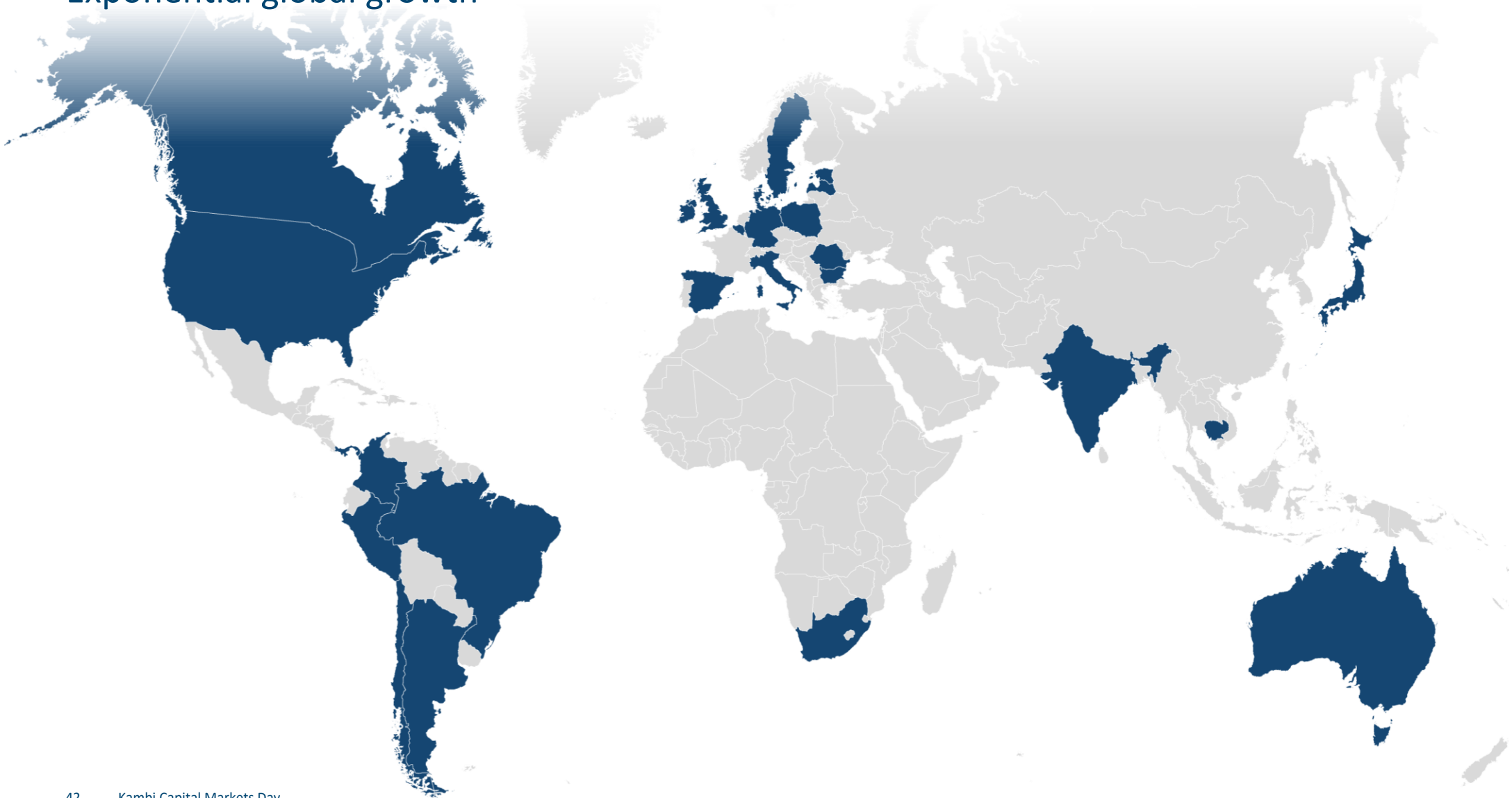
## India:

- Conversations around sports betting in India have been ongoing for many years
- More recently, some states have explored regulating sports betting, looking to recoup revenue and reduce instances of corruption
- A state-by-state approach seems likely, with a variety of regulations, favouring the Kambi model

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# Where we could be in next five years

Exponential global growth



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# Why Kambi is well positioned

We know what it takes to succeed on a global level

## Expertise in compliance

Coupled with regulatory track record to realise opportunities quickly

## Global product

Already serving six continents, relatively little development work required

## Model for success

Strong core sportsbook providing scale, cost and differentiation benefits

## Growing global network

Provides Kambi with ever more powerful data to outcompete market

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# Measuring success

**David Kenyon**  
Chief Financial Officer



**Kambi**



# Total Addressable Market 2026

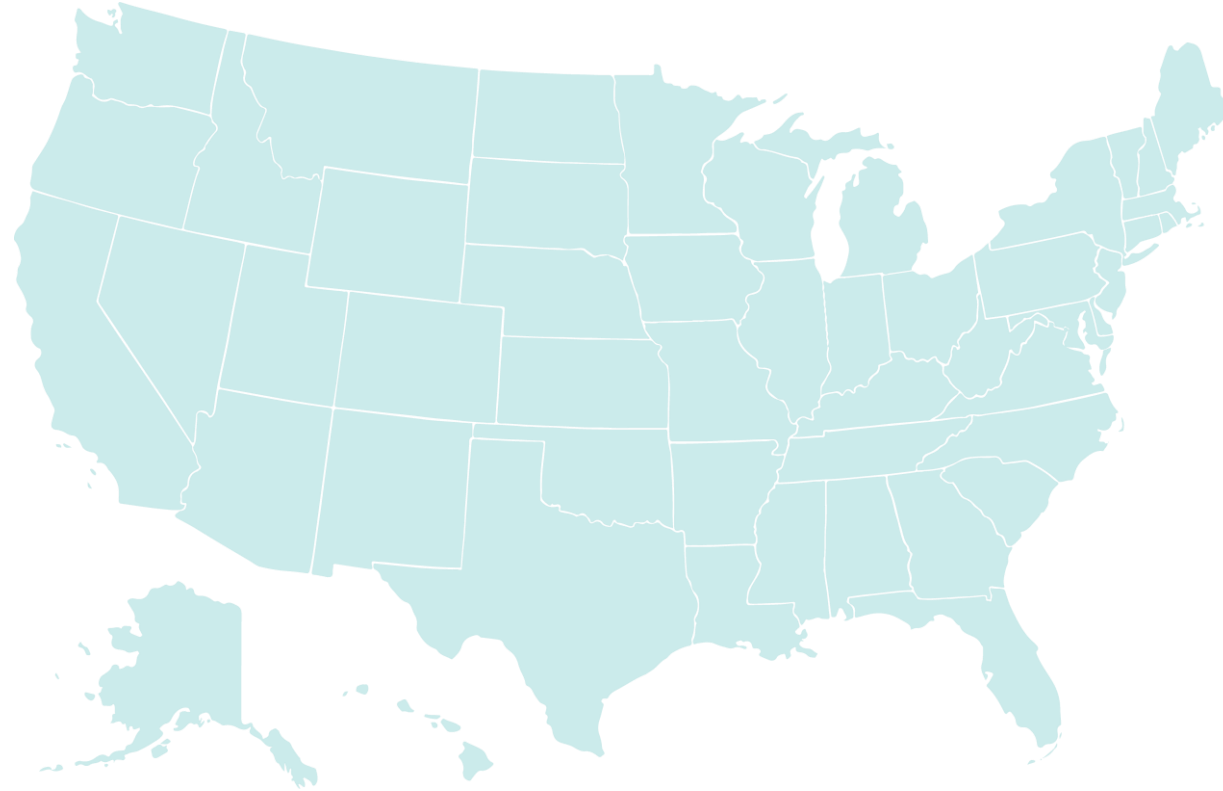


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# TAM US

Reasons for success:

- Proven track record of launches across multiple states/locations
- Partnerships with market-leading multi-state operators
- Superior quality of US product and regulatory compliance

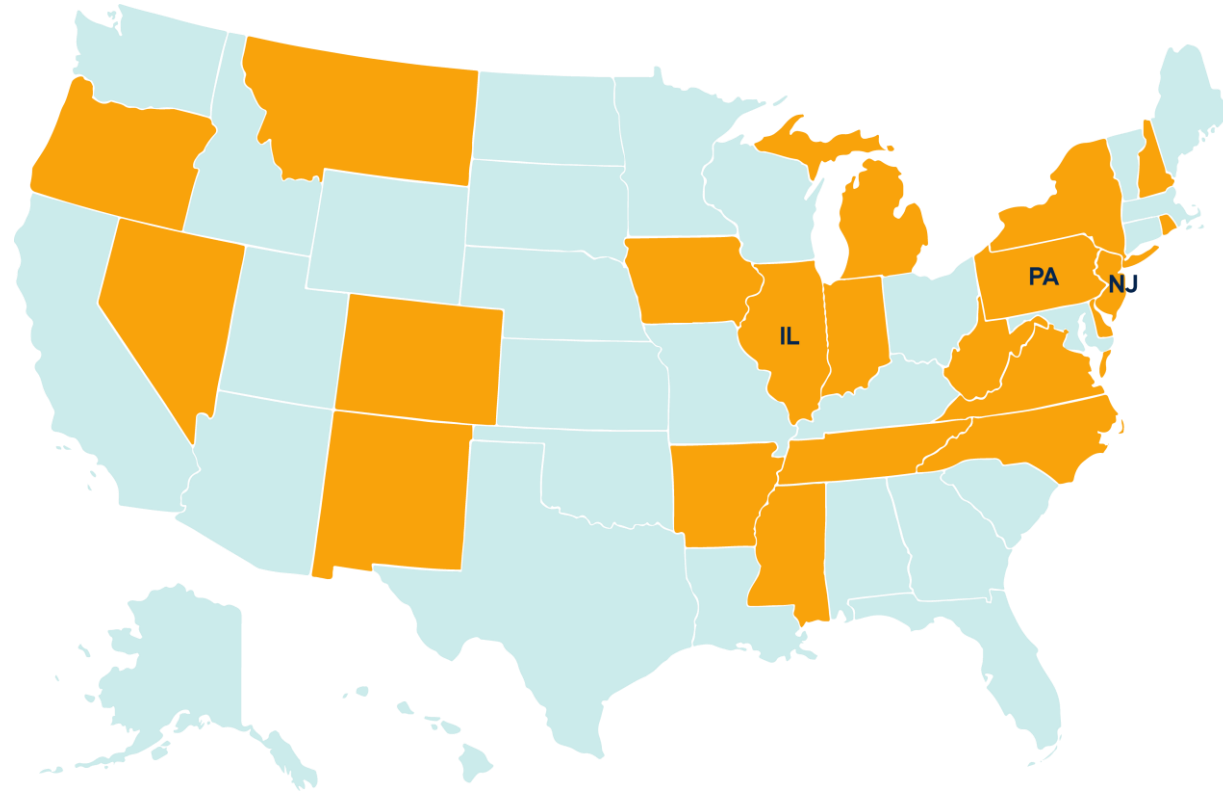


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# TAM US

## Reasons for success:

- Proven track record of launches across multiple states/locations
- Partnerships with market-leading multi-state operators
- Superior quality of US product and regulatory compliance



Illinois  
€1.0bn GGR potential

Pennsylvania  
€0.9bn GGR potential

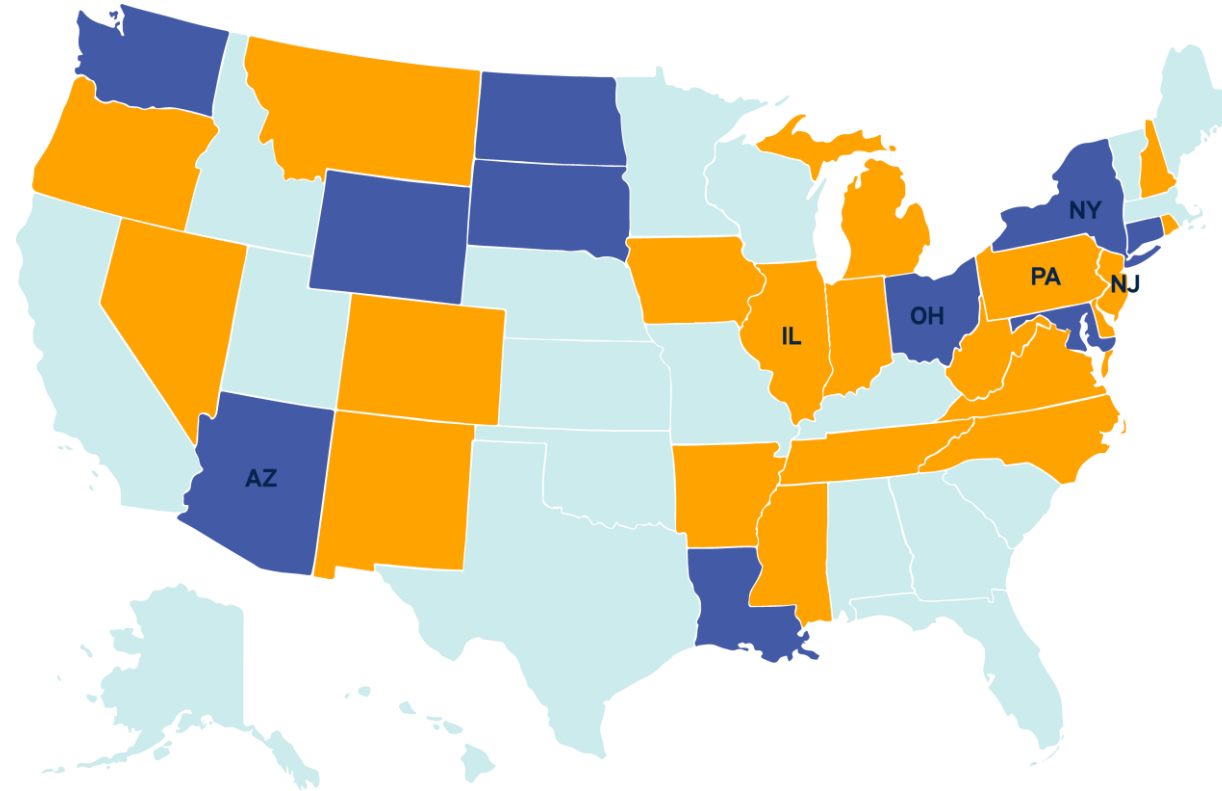
New Jersey  
€0.7bn GGR potential

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# TAM US

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Pennsylvania  
€0.9bn GGR potential

New Jersey  
€0.7bn GGR potential

New York  
€1.5bn GGR potential

Ohio  
€0.7bn GGR potential

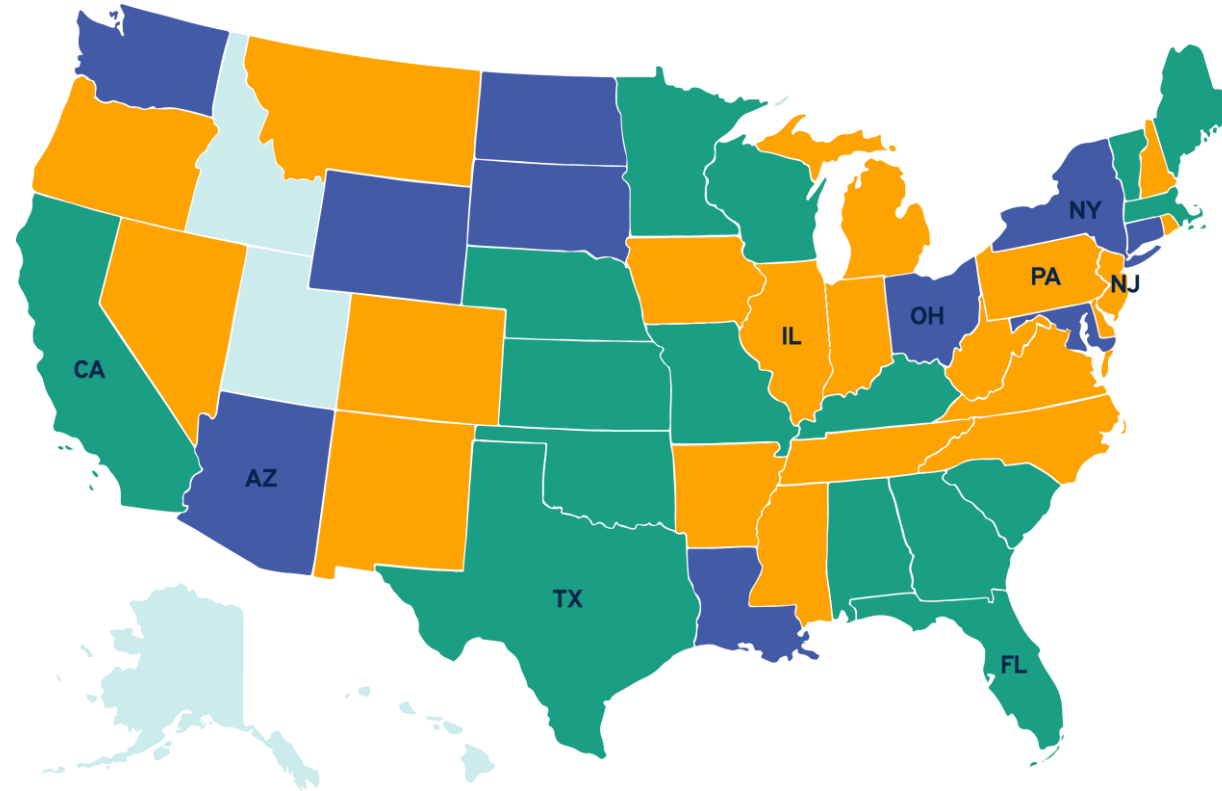
Arizona  
€0.4bn GGR potential

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Illinois  
€1.0bn GGR potential

Pennsylvania  
€0.9bn GGR potential

New Jersey  
€0.7bn GGR potential

New York  
€1.5bn GGR potential

Ohio  
€0.7bn GGR potential

Arizona  
€0.4bn GGR potential

California  
€2.7bn GGR potential

Texas  
€1.7bn GGR potential

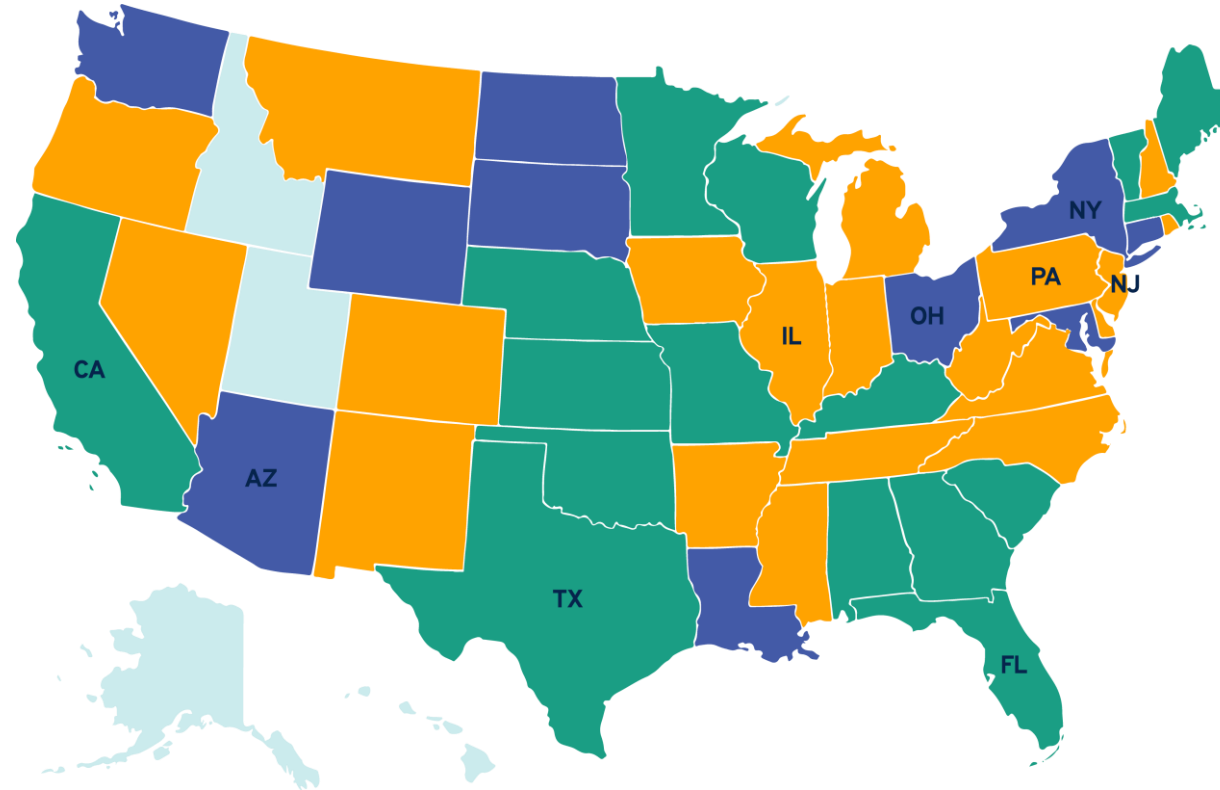
Florida  
€1.1bn GGR potential

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# TAM US

## Reasons for success:

- Proven track record of launches across multiple states/locations
- Partnerships with market-leading multi-state operators
- Superior quality of US product and regulatory compliance



Illinois  
€1.0bn GGR potential

Pennsylvania  
€0.9bn GGR potential

New Jersey  
€0.7bn GGR potential

New York  
€1.5bn GGR potential

Ohio  
€0.7bn GGR potential

Arizona  
€0.4bn GGR potential

California  
€2.7bn GGR potential

Texas  
€1.7bn GGR potential

Florida  
€1.1bn GGR potential

TAM: €15bn - €20bn

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# TAM Americas (non-US)

Reasons for success:

- Successful launches with market-leading operators
- Strong product fit
- Track record of regulatory compliance and agility



# TAM Americas (non-US)

Reasons for success:

- Successful launches with market-leading operators
- Strong product fit
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Canada

Canada  
€2.1bn  
GGR potential

Kambi



# TAM Americas (non-US)

Reasons for success:

- Successful launches with market-leading operators
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**Canada**

Canada  
€2.1bn  
GGR potential

Brazil  
€2.0bn GGR potential

**Brazil**

**Kambi**

# TAM Americas (non-US)

Reasons for success:

- Successful launches with market-leading operators
- Strong product fit
- Track record of regulatory compliance and agility



**Canada**

Canada  
€2.1bn  
GGR potential

Brazil  
€2.0bn GGR potential

Argentina  
€1.0bn GGR potential

**Brazil**

**Argentina**

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# TAM Americas (non-US)

Reasons for success:

- Successful launches with market-leading operators
- Strong product fit
- Track record of regulatory compliance and agility



**Colombia**

**Brazil**

**Argentina**

**Canada**

Canada  
€2.1bn  
GGR potential

Brazil  
€2.0bn GGR potential

Argentina  
€1.0bn GGR potential

Colombia  
€0.7bn GGR potential

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# TAM Americas (non-US)

Reasons for success:

- Successful launches with market-leading operators
- Strong product fit
- Track record of regulatory compliance and agility



TAM: €4bn - €7bn



Canada

Canada  
€2.1bn  
GGR potential

Brazil  
€2.0bn GGR potential

Argentina  
€1.0bn GGR potential

Colombia  
€0.7bn GGR potential

Colombia

Brazil

Argentina

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# TAM Asia

## Reasons for success:

- Track record of selling and delivering globally
- Proven ability to adapt quickly and effectively to local legislation
- Strong global product fit

# TAM Asia

## Reasons for success:

- Track record of selling and delivering globally
- Proven ability to adapt quickly and effectively to local legislation
- Strong global product fit

India  
€2.5bn GGR potential

**India**

**Kambi**

# TAM Asia

## Reasons for success:

- Track record of selling and delivering globally
- Proven ability to adapt quickly and effectively to local legislation
- Strong global product fit

India  
€2.5bn GGR potential

Japan  
€5.5bn GGR potential

**India**

**Japan**

**Kambi**

# TAM Asia

## Reasons for success:

- Track record of selling and delivering globally
- Proven ability to adapt quickly and effectively to local legislation
- Strong global product fit

India  
€2.5bn GGR potential

Japan  
€5.5bn GGR potential

**India**

**Japan**

TAM: €7bn - €10bn

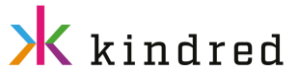
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# TAM Europe

## Reasons for success:

- Significant partnerships with market-leading operators outperforming market
- Superior quality of European product and regulatory compliance
- Future growth from existing customers, new regulations and new signings
- Current TAM: €15bn

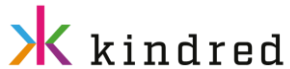


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# TAM Europe

## Reasons for success:

- Significant partnerships with market-leading operators outperforming market
- Superior quality of European product and regulatory compliance
- Future growth from existing customers, new regulations and new signings
- Current TAM: €15bn



TAM: €18bn - €26bn

# TAM summary by region 2026

US market size by 2026

**€15bn - €20bn**

Americas (non-US)  
market size by 2026

**€4bn - €7bn**

Asia market size by 2026

**€7bn - €10bn**

Europe market size by 2026

**€18bn - €26bn**

Sources: Vixio/H2GC/Kambi's own internal estimates

Potential global TAM **€44bn - €63bn**

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# Kambi market share 2026

Potential global TAM €44bn - €63bn

# Kambi market share 2026



Potential global TAM €44bn - €63bn

Kambi market share at 15%

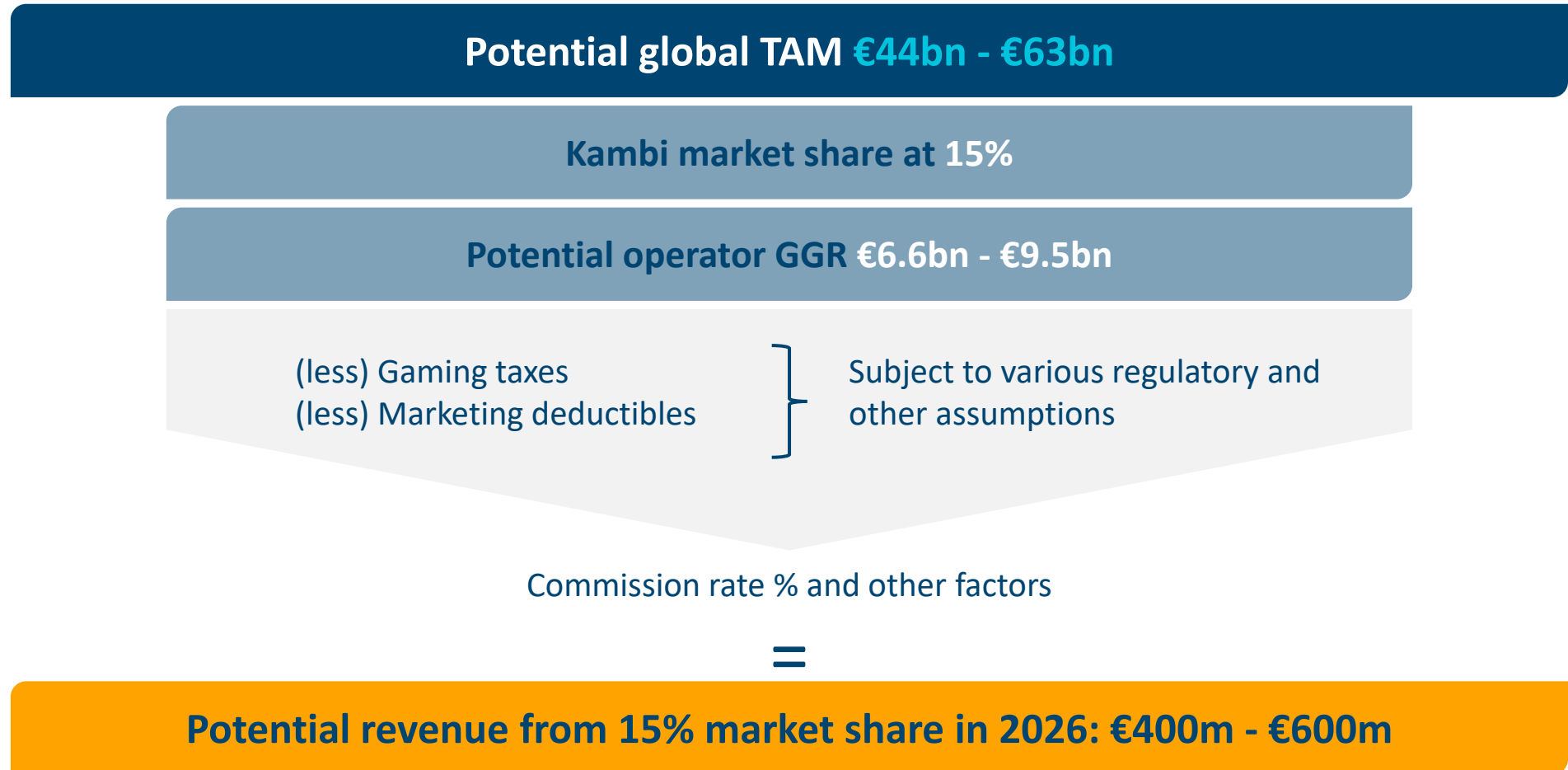
# Kambi market share 2026

Potential global TAM €44bn - €63bn

Kambi market share at 15%

Potential operator GGR €6.6bn - €9.5bn

# Kambi market share 2026



# Business model



**Kambi**



# Underlying scalability

Kambi does things once, for the benefit of all operators



Product development



Trading  
and risk management

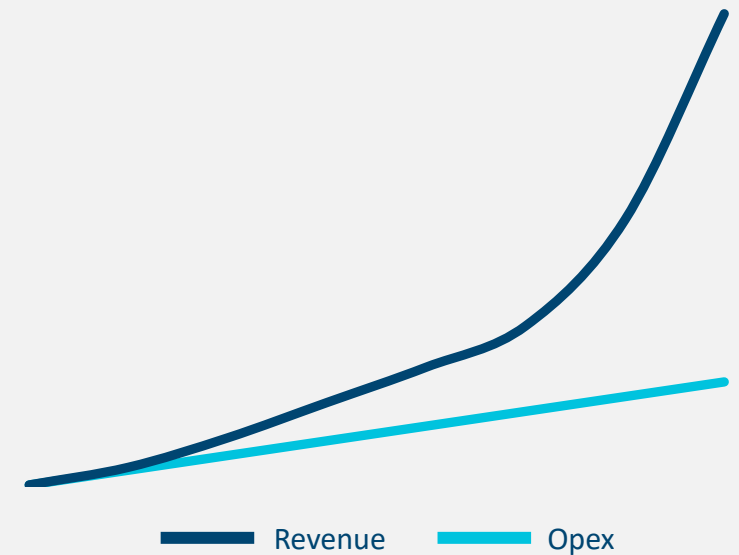


Technical infrastructure



Regulatory compliance

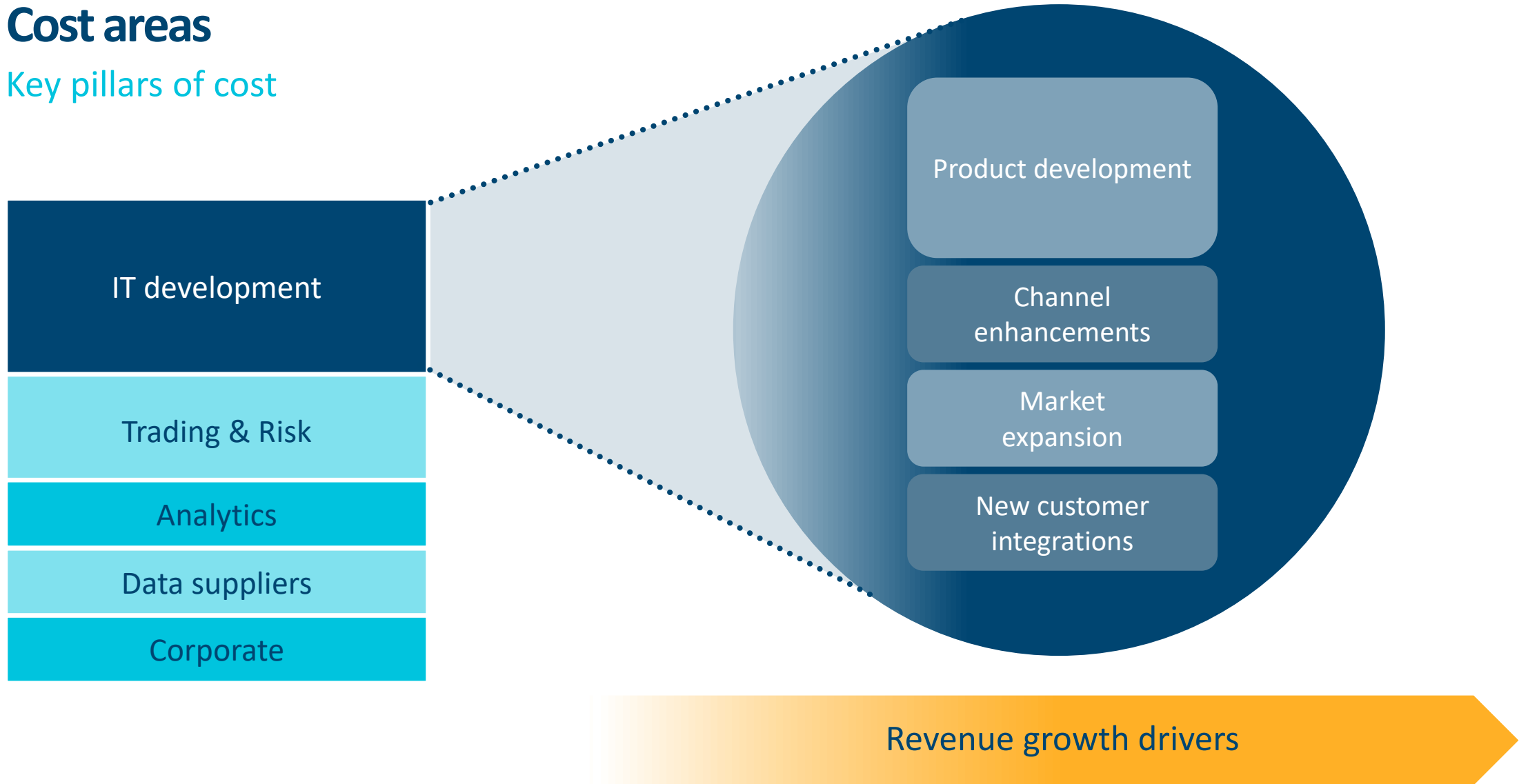
## Illustration of scalability



**Kambi**

# Cost areas

## Key pillars of cost



# Competitive moat

Major barriers to entry due to high cost of running and maintaining a best-in-class sportsbook



Significant continuous capex investment

- Product development
- Infrastructure



Experience and know-how

- Operation of best-in-class sportsbook
- Agility to adapt to market evolutions



Regulatory and technical compliance

- Complex licensing landscape
- Significant infrastructure requirements



- Very high barriers to entry in terms of cost and complexity
- Widening moat to alternative options

**Kambi**

# Strategic rationale for outsourcing

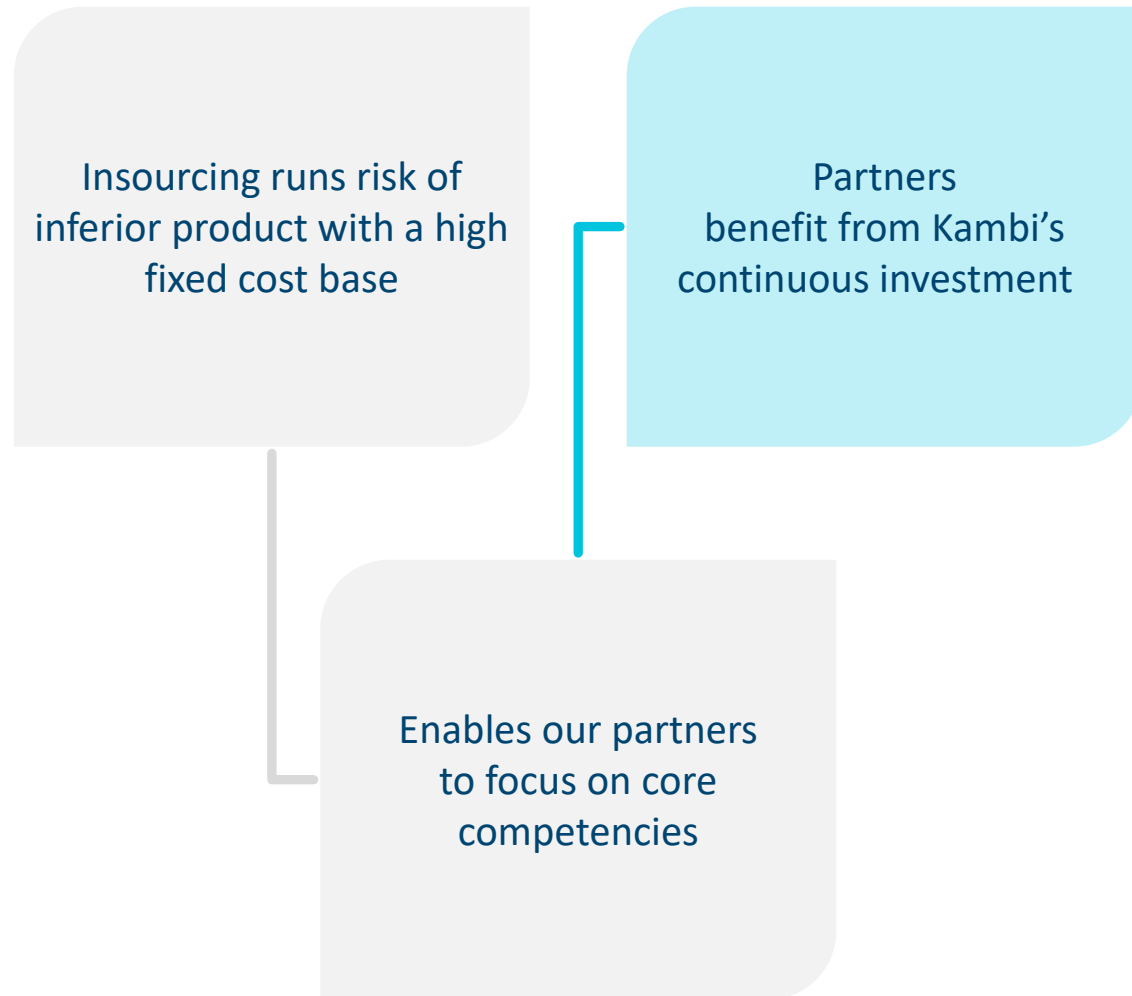
Insourcing runs risk of inferior product with a high fixed cost base

# Strategic rationale for outsourcing

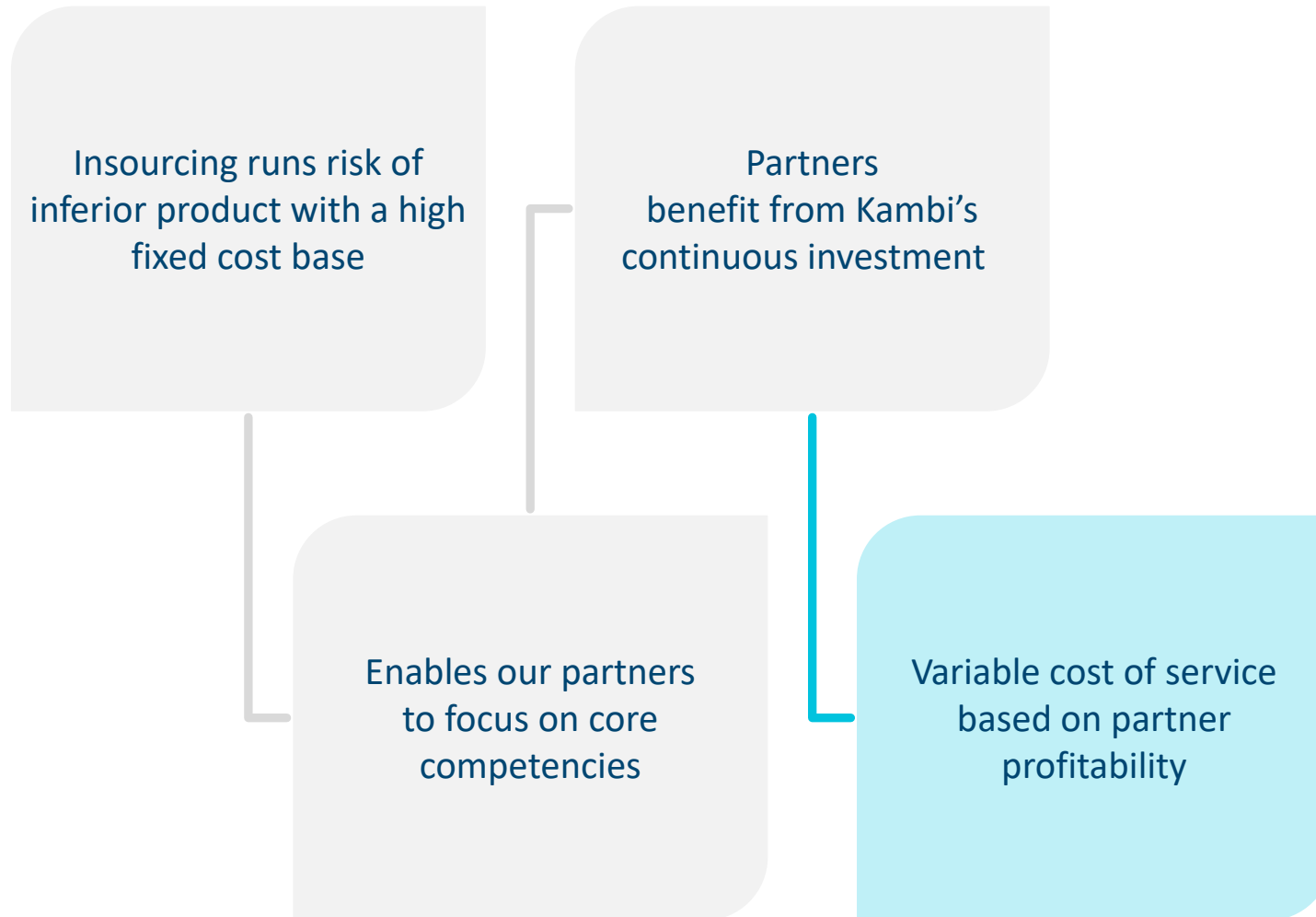
Insourcing runs risk of inferior product with a high fixed cost base

Enables our partners to focus on core competencies

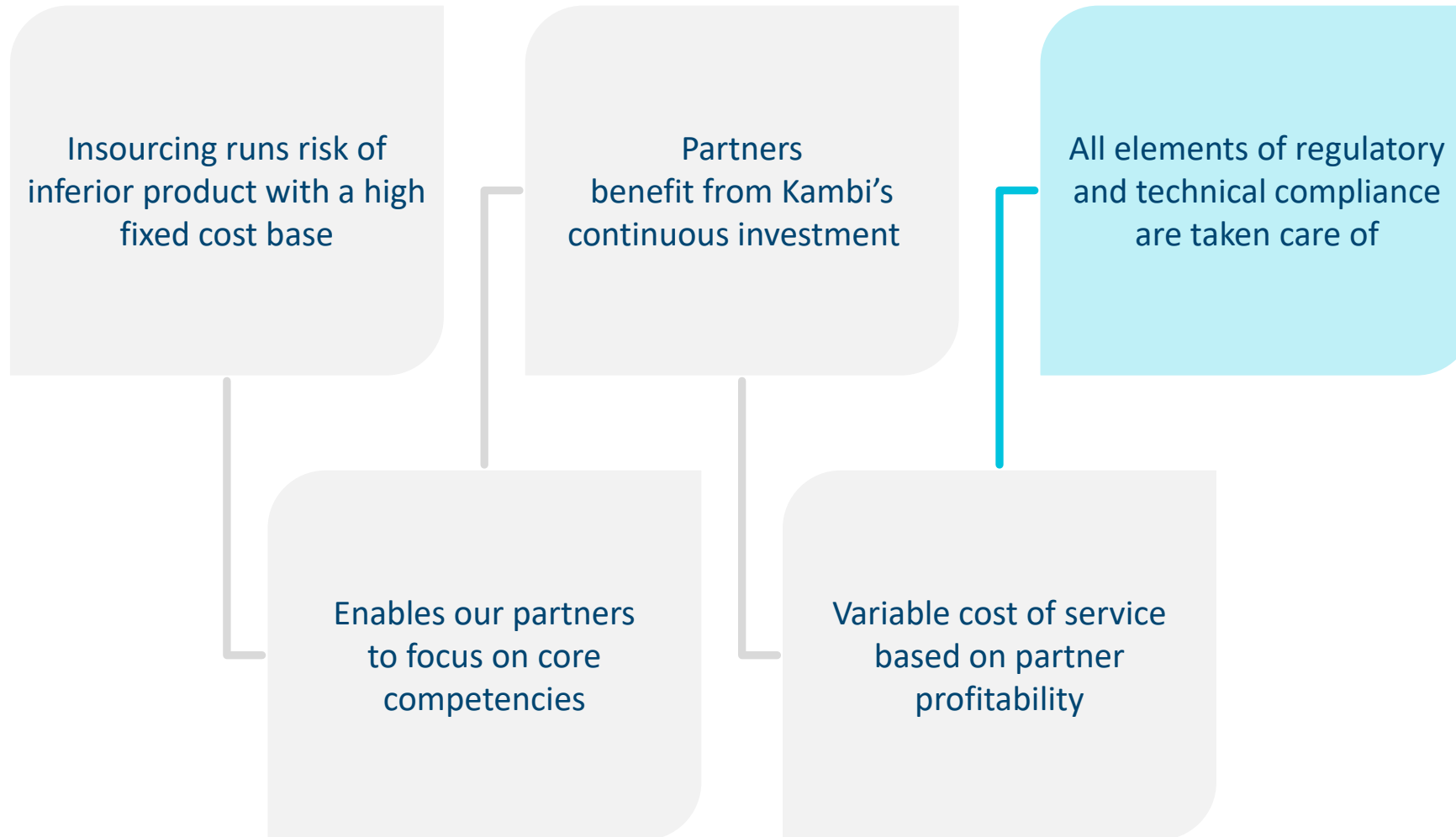
# Strategic rationale for outsourcing



# Strategic rationale for outsourcing

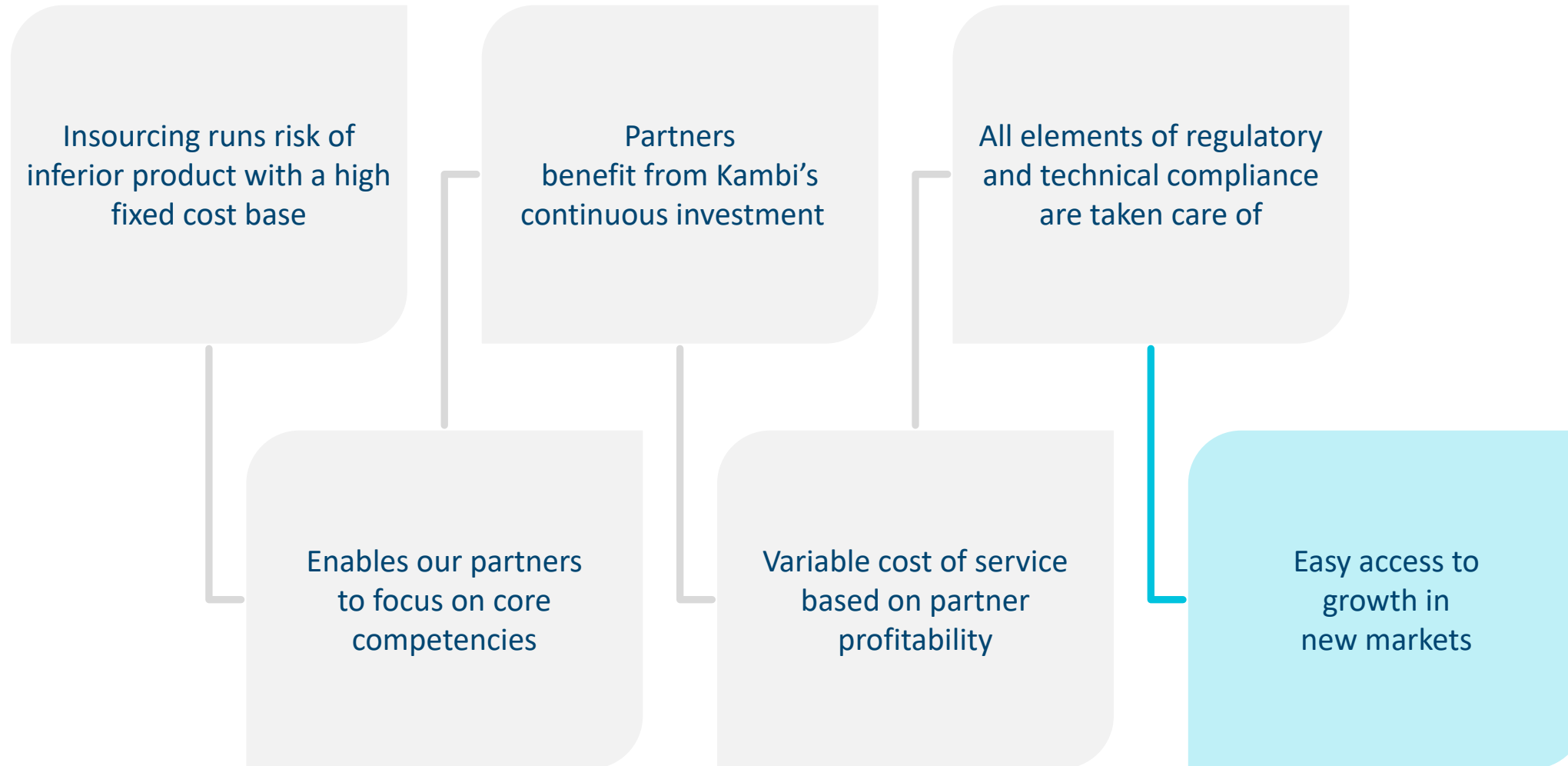


# Strategic rationale for outsourcing

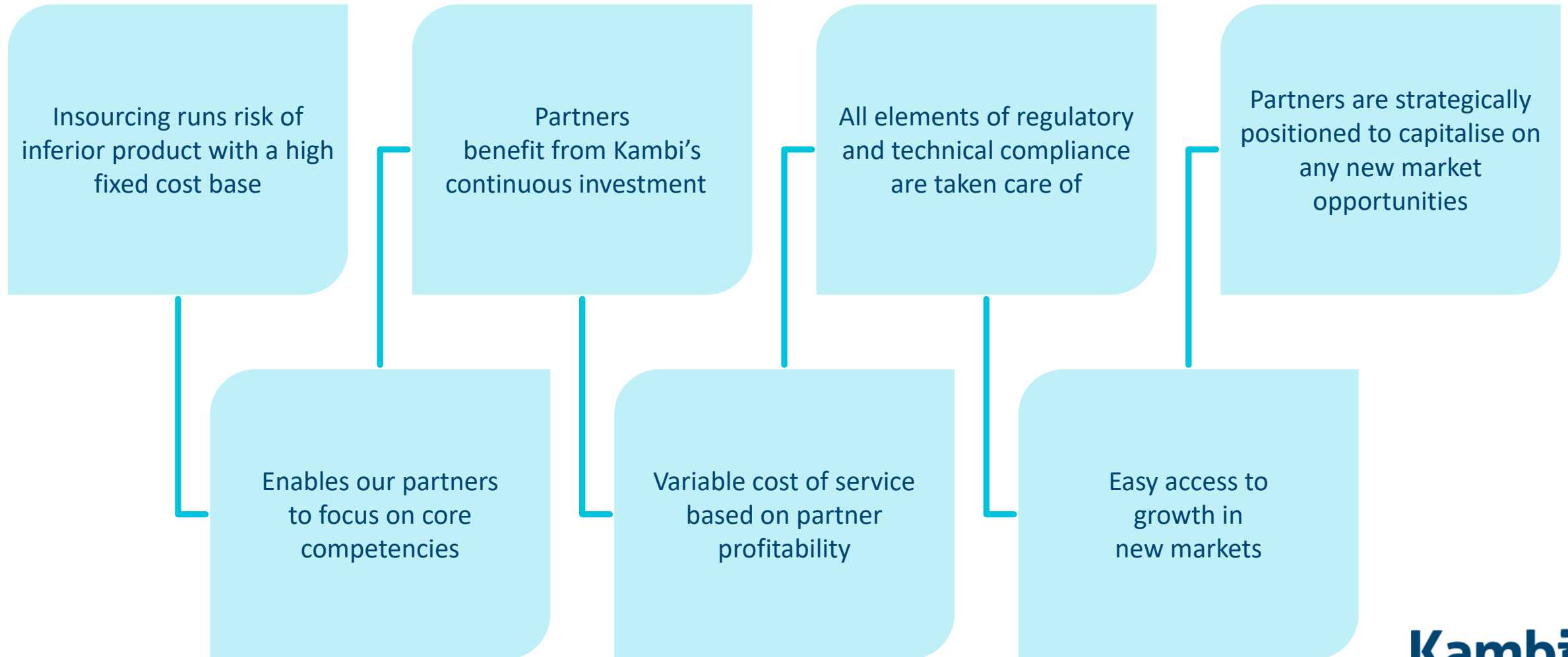




# Strategic rationale for outsourcing



# Strategic rationale for outsourcing



# Balance sheet



**Kambi**

# Kambi's balance sheet

Strong balance sheet, perfectly positioned to support both organic and acquisitive growth

€70m+

Net cash at 31 March 2021

€17m

Cash inflow Q1 2021

75%

Equity/assets ratio as  
at 31 March 2021

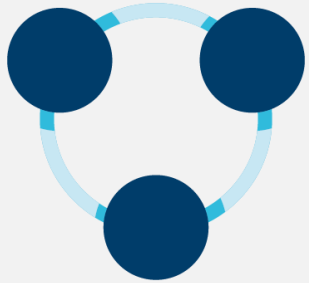
€120m+

value of shares available to be  
issued for M&A purposes

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# M&A target areas

What are we looking for in the market?



Complementary  
products



Offering  
enhancement



Artificial  
intelligence/  
automation



Player account  
management  
systems

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# Investment case



**Kambi**

## Investment case

Kambi is the clear front-runner in the market and will only go from strength to strength



Superior technology  
and know-how



**Kambi**

## Investment case

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Superior technology  
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Highly scalable model



**Kambi**



# Investment case

Kambi is the clear front-runner in the market and will only go from strength to strength



Superior technology  
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Highly scalable model



Exceptional growth  
potential

**Kambi**

# Q&A

[kambi.com](https://kambi.com)

