

Kambi Group plc

Q1 Report 2022

Financial summary

- Revenue amounted to €36.9 (Q1 2021: 43.2) million for the first quarter of 2022, a decrease of 15%
- Operating profit (EBIT) for the first quarter of 2022 was €7.3 (18.7) million, at a margin of 19.9% (43.2%)
- Profit after tax amounted to €5.4 (15.1) million for the first quarter of 2022
- Earnings per share for the first quarter of 2022 were €0.178 (0.487)
- Cash flow from operating and investing activities (excluding working capital movements and acquisitions) amounted to €5.5 (16.5) million for the first quarter of 2022
- The 2022 AGM will be held on 17 May 2022. The Board proposes that no dividend is paid out.

First quarter financial breakdown

| €m | Q1 2022 | Q1 2021 | Change % | Jan-Dec 2021 |
|----------------------------------|---------|---------|----------|--------------|
| Revenue | 36.9 | 43.2 | -15% | 162.4 |
| Operating profit | 7.3 | 18.7 | -61% | 57.0 |
| Operating margin | 19.9% | 43.2% | | 35.1% |
| Profit after tax | 5.4 | 15.1 | -64% | 46.4 |
| Cash flow ^[1] | 5.5 | 16.5 | -67% | 44.6 |
| Net cash | 72.4 | 70.7 | | 72.3 |
| Earnings per share | €0.178 | €0.487 | -63% | €1.501 |
| Fully diluted earnings per share | €0.176 | €0.475 | -63% | €1.473 |

^[1] Cash flow from operating and investing activities excluding movements in working capital and acquisitions

Key highlights

- Strong financial performance against tough 2021 comparatives and Netherlands headwinds, with operator turnover up 25% when adjusting for the migration of DraftKings
- Extended long-term partnership with Kindred Group until 2026 and announced full control over strategic future with ability to repay convertible bond held by Kindred
- Strengthened North American partner network with the signings of online operators NorthStar Gaming and MaximBet
- Showcased product excellence during the Super Bowl and March Madness while also providing complete platform stability unmatched by various high-profile US sportsbooks
- Obtained regulatory approval in Ontario, Canada, and subsequently launched with partners on day one of the market opening in Q2

CEO comment

“The first quarter of the year proved to be another busy period at Kambi as we delivered new partner signings, contract extensions, continued market expansion and multiple product and technology advancements.

Operator turnover was up 25% when adjusting for the migration of DraftKings which proves the underlying financial performance of the business remains strong. This growth comes despite being up against tough Q1 2021 comparatives and the temporary impact of regulatory headwinds in the

Netherlands, which we expect to ease soon. Turnover was driven by a busy US sporting calendar, including the Super Bowl and March Madness, the US college basketball championship, and I was proud to see Kambi provide its partners with a market-leading offering and platform stability unmatched by some of the most high-profile B2C sportsbooks.

In terms of contract extensions, in February we signed a new agreement with Kindred to continue our very successful partnership which will develop over time to best support the evolving strategies of both companies over the longer term. This agreement is very much reflective of what we see in the wider industry, with some top-tier operators adopting a hybrid approach to technology by blending first-class third-party services with proprietary elements. The industry is now broadly divided into two operator types - those that outsource their sportsbook entirely and those that outsource to varying degrees. As we continue to develop a more open and modularised sportsbook, we believe we’ll become even more attractive to the former group, while also significantly widening our addressable market by making select products and services available to the latter for the first time.

I am particularly pleased with the momentum Kambi continues to build across North America. During the quarter, Kambi completed a total of 11 partner launches in the US and signed two new partnerships with North America-facing operators NorthStar Gaming and MaximBet, the latter moving away from its predominantly in-house technology strategy. With regulation across North America moving at pace, and states such as California, Texas, and Ohio yet to go live, I have never been more confident in our position to capitalise on the opportunities this vast market presents.

In Canada, our excellence in compliance and regulation enabled us to become one of the first sportsbook providers to obtain regulatory approval from the Ontario regulator, ensuring our partners were up and running on day one of single-event sports betting going live in the province earlier this month. Ontario promises to be one of the largest sports betting markets in North America and we look forward to the prospect of additional Canadian partner signings as well as other provinces establishing their regulatory frameworks.

We remain steadfast in our commitment to strengthening our position as the world’s leading sportsbook and continuing to provide exciting sports betting experiences for players. To deliver this requires a strong core platform with the crucial flexibility to facilitate localised offerings to satisfy the varying regional demands. This capability, which we demonstrate across the 40-plus regulated markets we operate in today, will be pivotal to our global success as the expansion of sports betting regulation continues the world over, in turn creating ever more exciting business opportunities.

In short, the future looks bright for Kambi with high interest in the sportsbook and services we offer today, as well as those we are developing for tomorrow. As discussed in the previous report, the ability to repay the convertible bond held by Kindred provides us with complete freedom to make strategic decisions that will deliver value for all stakeholders. With Kambi reaching the milestone of 40 partners during the quarter, the scale of the Kambi network has never been greater nor more diverse, and I believe we have only scratched the surface of what’s possible.”

Q1 Highlights

Trading update

When adjusting for the impact of the DraftKings migration, operator turnover was up 25% in Q1 2021 compared to the comparative period last year. Operator trading margin was 8.2%, down slightly on the 8.5% recorded in Q1 2021, leading to Kambi revenue of €36.9 million. Basketball, soccer and American football were the predominant turnover drivers, combining for approximately 75% of total turnover during the quarter.

The positive impact of Kambi's market-leading Bet Builder product continued to be felt in Q1. Bet Builder, which enables greater combinability of bet selections, is successfully driving turnover and margin for Kambi and its partners. In soccer, for example, Bet Builder was responsible for 15% of all pre-match bets, generating an operator trading margin of 25%. As detailed below, Bet Builder was also a prominent feature of Kambi's Super Bowl offering and is expected to gain further traction as players increasingly become accustomed to the additional flexibility Kambi's product offers.

Super Bowl and March Madness

Kambi continuously monitors the market to compare competing products and gauge competitiveness, with benchmarking across the Super Bowl and March Madness, two of the biggest events in the US sporting calendar, highlighting the strength of Kambi's offering. When scoring leading US operators across various key areas such as pricing, cash-out availability, breadth of markets, combinability of markets and general availability, Kambi held a market-leading position across both pre-match and live products.

This high-quality offering was reflected in the performance numbers, with operator turnover on the Super Bowl and March Madness up by 68% and 49% respectively year-on-year, when adjusting for the DraftKings impact. Meanwhile half of all players who had a bet on the Super Bowl also placed a Bet Builder bet, underlining the popularity of this highly engaging feature.

Across both the Super Bowl and March Madness, which produced significantly high volumes and peaks in volume, Kambi delivered complete platform stability, providing partners with a key edge over several high-profile competitors which encountered technical difficulties.

Commercial updates

In February, Kambi and Kindred announced an extension to their long-term partnership until 2026. Over time, Kindred aims to rebalance its use of proprietary and third-party products, with Kambi's technology to remain an integral part of Kindred's sportsbook offering for the long-term. Additionally, Kambi has the ability to repay the €7.5 million convertible bond first issued to Kindred in 2014 having met certain financial criteria set out in the bond agreement. Repayment of the bond is at Kambi's discretion and ensures Kambi has complete control of its strategic direction.

The Kindred contract extension comes as Kambi continues to build on its market-leading differentiation capability by further modularising its technology and services to give operators greater scope to create unique sports betting experiences. In doing so, Kambi is strengthening its ability to attract and retain a select group of top-tier partners that increasingly demand a hybrid approach to technology.

Kambi signed two partnerships during the quarter, both focused on the North American market. In January, Kambi announced a multi-year sportsbook partnership with MaximBet, a sports betting brand owned and operated by Carousel Group and in partnership with media brand Maxim. MaximBet, which is live with its proprietary technology in Colorado, is set to launch with Kambi in at least five additional

US states - Indiana, Iowa, New Jersey, Ohio and Pennsylvania – and also expects to transition to Kambi in Colorado and launch in Canada in 2022.

In February, Kambi announced a long-term Canadian sports betting partnership with NorthStar Gaming, which will soon launch its online sportsbook in the newly regulated Ontario market. NorthStar Gaming has an omnichannel advertising and marketing services arrangement with Torstar Corporation, owner of one of Canada's most popular daily news brands, the Toronto Star, and more than 80 additional online publications.

In February, Churchill Downs Incorporated (CDI) announced it would focus its resources on the company's larger retail gaming business, which includes its Kambi-powered sportsbook, and close down its online gaming business, by the end of the year. In Q1, CDI's overall sports betting revenue was predominantly generated through its retail division and the decision to close its online business is expected to have no material financial impact on Kambi.

Partner launches

In Q1, Kambi powered a total of 11 launches, all of which took place in the US and underlines the momentum Kambi is building in North America. In January, Kambi supported partner Rush Street Interactive (RSI) with its launch on day one of New York State going live with mobile sports betting having received a 10-year Mobile Sports Wagering Platform licence in Q4. During the quarter, Kambi also launched online with RSI, as well as Penn National Gaming, in the US state of Louisiana.

In Iowa, Kambi supported new partner Affinity Interactive with the launch of its Daily Racing Form online sportsbook in January, less than a month after signing, followed by a retail launch at Lakeside Hotel Casino in March.

Elsewhere in the US, Kambi partner Parx Casino also completed launches online in New Jersey and on-property in Pennsylvania. Other US launches during the quarter included tribal gaming partners Desert Diamond Casinos and Soaring Eagle which launched online in Arizona and at three on-property locations in Michigan respectively.

Response to Ukraine crisis

As part of ongoing efforts to assist people who have been affected by the war, Kambi has put in place an accelerated job application scheme for people from Ukraine and anyone who has been displaced by the tragic events. To date, almost 100 applications have been received via this scheme with the recruitment process ongoing.

At a global level, Kambi has been liaising closely with our partner network to cease activity on sports events taking place in Russia and Belarus until further notice. All partners have since stopped offering all betting on these sports and leagues, while Kambi donated its share of the profits from the short window when the events were still being offered by some partners to the UN Refugee Agency in support of humanitarian efforts.

Kambi does not have any partners that target the Russian market, nor has it supplied its products or services to operators from these countries. Similarly, Kambi does not have any staff or offices in Russia or Ukraine and therefore, bar the aforementioned removal of Russian and Belarussian events, has been largely unaffected by the conflict.

Key strategic pillars

Basis for future success

Kambi has four key strategic pillars that provide the basis for its future success. Below are updates on those pillars on which notable progress has been made.

- Technically advanced core platform to enable growth
- Differentiation and empowerment
- Power of the network
- Highly scalable business model

Technically advanced core platform to enable growth – delivering regulatory, financial and technical security and stability

- Automated offering filter

The expansion of ring-fenced regulated markets is increasingly placing an operational strain on companies operating across multiple jurisdictions, with this issue becoming more acute as additional markets regulate. Kambi provides its sportsbook to partners in more than 40 regulated jurisdictions and until recently would, as per other companies, take manual steps to ensure the compliance of its offering in each market. As well as carrying additional risk, this manual work was inherently unscalable, so Kambi has developed an automated tool which filters the offering as per local regulations. This scalable solution not only provides full compliance, but also ensures operators can launch into new jurisdictions at speed with confidence and a full and competitive offering. The automation tool also benefits from the scale of Kambi's global reach, for example, the under-18 participant filtering initially built for the regulation of the Swedish market subsequently enabled a day one launch in Illinois with a more compliant and broad offering than competing sportsbooks that have neither the technology nor manual resources to facilitate such granular filtering. This initiative has placed Kambi at the forefront of regulatory technology not only for the present, but for many years to come.

- Bet Builder expansion

Kambi has continued to develop its market-leading Bet Builder product, widening the scope with which players can combine their betting selections in one game or across multiple games, leagues and sports. In February, Kambi added player prop markets to its ice hockey Bet Builder capability, which has delivered a 70% increase in the number of Bet Builder ice hockey combinations being placed, with the multi-game element of the product generating 75% of these bets. Similarly, in April, player prop bets were added to Bet Builder for baseball, in time for the start of the Major League Baseball season. This development has produced a 100% increase in Bet Builder baseball combinations of which 66% include selections from more than one game. When compared to similar products offered by main competitors in the US, Kambi's range of combinable markets for Bet Builder, including the multi-game element of the product, is out in front.

Differentiation and empowerment - Enabling a broad range of partners to take control where it matters most and express their respective brands

- ***Modularisation update***

As previously communicated, Kambi is in the process of further opening up its platform and modularising its product, a strategy which will not only benefit the turnkey service it provides today, but also increase its addressable market by making available modules to operators which outsource elements of their sportsbook. Recent progress will allow Kambi to launch an internal pricing unit in the coming weeks, which will enable operators to take more control of the odds they offer, while preparations for the integration of the Abios odds product are well advanced with a standalone service expected to be ready in Q3 2022. Kambi has also invested in an advanced data API called GraphQL, which gives clients the flexibility to request and process specific event and bet offer data, rather than consuming entire data sets. Furthermore, new standalone services are also in development with the first completions expected in 2023.

Events after Q1

Partner launches

On 4 April, Ontario became the first Canadian province to launch regulated single-event sports betting. Having become one of the first sportsbook providers to receive regulatory approval, Kambi went live with Kindred, LeoVegas and RSI on day one and will support the launch of additional operators over the coming months. With a strong ice hockey offering and market-leading Bet Builder product, Kambi is well placed to capitalise on the opportunity of Ontario which, with a population of approximately 15 million people, has the potential to become one of the biggest markets in North America.

Outside of Canada, Kambi has also powered additional operator launches across North America since the end of Q1. In the US, tribal partner Soaring Eagle went live online in Michigan after having completed three on-property launches the previous quarter, while Kindred's Unibet brand continued its expansion in Arizona with an on-property launch at the Turf Paradise horse racetrack in Phoenix.

Below, Kambi details all launches during and after the quarter:

| Partner | Territory | Online | Retail | Number of properties |
|----------------|--------------|--------|--------|----------------------|
| Affinity | Iowa | ✓ | ✓ | 1 |
| Desert Diamond | Arizona | ✓ | | |
| Kindred | Arizona | | ✓ | 1 |
| | Ontario | ✓ | | |
| LeoVegas | Ontario | ✓ | | |
| Parx | New Jersey | ✓ | | |
| | Pennsylvania | | ✓ | 1 |
| PNG | Louisiana | ✓ | | |
| RSI | Louisiana | ✓ | | |
| | New York | ✓ | | |
| | Ontario | ✓ | | |
| Soaring Eagle | Michigan | ✓ | ✓ | 3 |

Industry recognition

Kambi's multi-channel sports betting technology was recognised in April when the company won two prestigious awards at the Global Gaming Awards for Retail Supplier of the Year and Online Sports Betting Supplier of the Year. These awards are independently adjudicated by KPMG and judged by experienced industry executives.

Regulatory update

Below, we provide the most relevant regulatory updates on markets which may have an impact on our operations and total addressable market.

United States

In **Ohio**, the regulator has published several rounds of draft regulations for public stakeholder comment since laws enabling retail and mobile sports betting were passed in December 2021. The regulator expects its rulemaking process to take up the first half of 2022, with licensing anticipated to begin by September 2022, with a required market launch date no later than 1 January 2023, set by statute.

Kansas is on the verge of legalising sports betting following progress of a bill that now only requires senate approval and the signature of the governor. The bill, which seeks to permit retail sports betting through the state's four casinos and also provide each casino with three online skins, gained approval of the state's conference committee on 1 April.

Minnesota is moving closer to legalising sports betting this year as a bill, which would permit Minnesota's 11 federally recognised tribes to run retail sportsbooks at casinos as well as granting one skin for each for mobile sports betting, continues to make positive progress.

In **Missouri**, legal sports betting could launch by the end of 2022 after a bill to allow a total of 39 skins was passed by the House and is now awaiting final approval from the Senate. The bill is backed by a coalition of stakeholders including all of Missouri's major professional sports teams, several major national sports betting operators and a majority of the state's casino operators.

In **Maine**, retail and mobile sports betting could soon become legal after legislation backed by the Governor was approved by both chambers of the legislature in April. The bill, which now awaits signature from the Governor, grants the state's four tribes the exclusive right to offer mobile sports wagering, while casinos, racetracks and off-track betting sites will be permitted to operate land-based sportsbooks.

Below, Kambi details the US states in which it is live and generating revenue:

| State | Affinity | CDI | Desert Diamond | Four Winds | Kindred | Parx | PNG | RSI | Seneca | Soaring Eagle |
|---------------|----------|-----|----------------|------------|---------|------|-----|-----|--------|---------------|
| Arizona | | ✓ | ✓ | | ✓ | | ✓ | ✓ | | |
| Arkansas | | ✓ | | | | | | | | |
| Colorado | | ✓ | | | | | ✓ | ✓ | | |
| Connecticut | | | | | | | | ✓ | | |
| Illinois | | | | | | | ✓ | ✓ | | |
| Indiana | | ✓ | | ✓ | ✓ | | ✓ | ✓ | | |
| Iowa | ✓ | | | | ✓ | | ✓ | ✓ | | |
| Louisiana | | | | | | | ✓ | ✓ | | |
| Maryland | | ✓ | | | | | ✓ | | | |
| Michigan | | ✓ | | ✓ | | ✓ | ✓ | ✓ | | ✓ |
| Mississippi | | ✓ | | | | | ✓ | | | |
| New Jersey | | ✓ | | | ✓ | ✓ | ✓ | ✓ | | |
| New York | | | | | | | | ✓ | ✓ | |
| Pennsylvania | | ✓ | | | ✓ | ✓ | ✓ | ✓ | | |
| Tennessee | | ✓ | | | | | ✓ | | | |
| Virginia | | | | | ✓ | | ✓ | ✓ | | |
| West Virginia | | | | | | | ✓ | | | |

✓ = Retail and Online

✓ = Retail

✓ = Online

Americas (non-US)

In **Chile**, a bill to regulate online gambling and sports betting in the country was introduced by the government in March. The proposed legislation would enable the regulator to issue an unlimited number of licences, with operators required to be located in Chile and have sufficient funds at their disposal to guarantee their operation.

In **Peru**, the country's tourism ministry has submitted a draft law to regulate online gambling and sports betting, requiring all operators to obtain a licence, have a legal representative in Peru and operate via a .pe web address. The bill is awaiting approval from Peru's Cabinet of Ministers before it can be introduced to the National Congress.

Financial review

Revenue

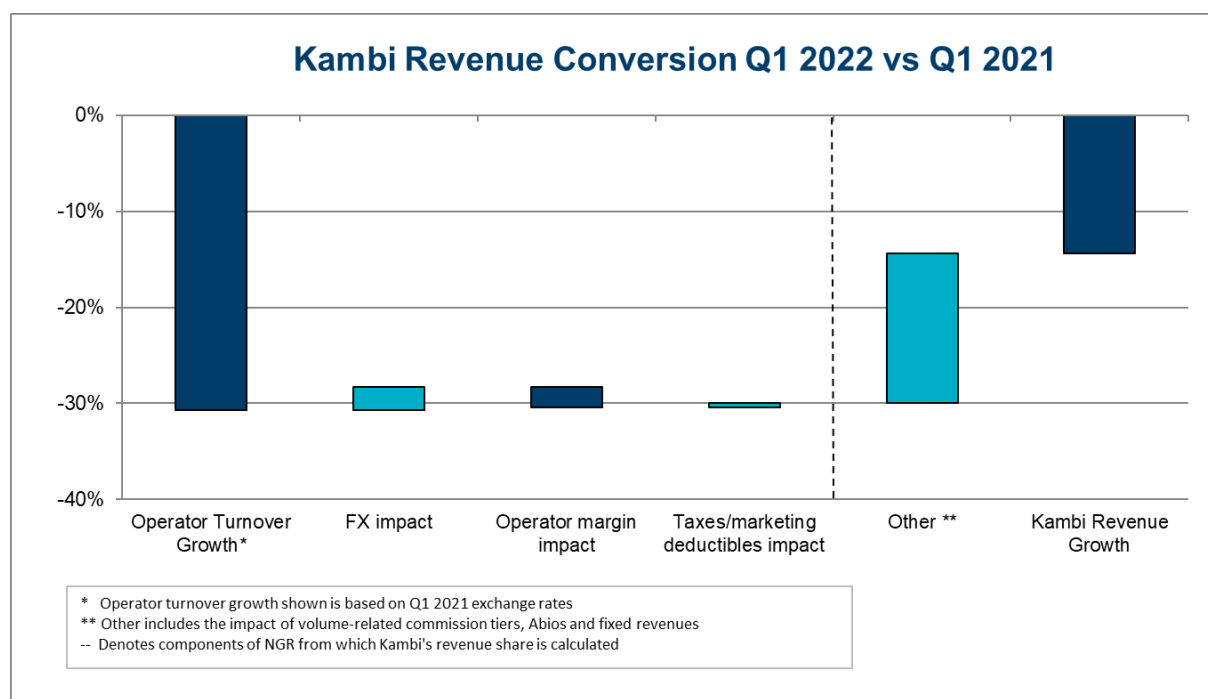
Revenue represents fees received for sports betting services rendered to Kambi’s operators. In the first quarter of 2022, revenue was €36.9 (Q1 2021: 43.2) million. 93% (87%) of revenue in Q1 was derived from locally regulated markets.

Operator turnover at constant exchange rates decreased by 31% and the operator trading margin for Q1 was 8.2% (8.5%). However, when removing DraftKings from the comparative period, operator turnover increased by 25% during the same period. There was a positive impact on Kambi’s revenue due to significant movement of USD against EUR compared to Q1 2021.

Kambi charges its operators a fee based on a number of variables including fixed fees, the number of live events offered and commission based on a revenue share of operators’ Gross Gaming Revenue (GGR) less deductible costs, such as certain capped marketing incentives and tax (i.e. NGR, as shown in the graph below).

To promote and support growth, some of the customer contracts include tiers with lower commission rates on the higher levels of their sports betting revenues. Due to different levels of activity within Kambi’s customer composition, a full quarter of Abios revenues and other fixed revenues, the ‘other’ category in the below chart shows an increase.

The graph below demonstrates how the change in operator turnover ultimately results in Kambi’s revenue change:

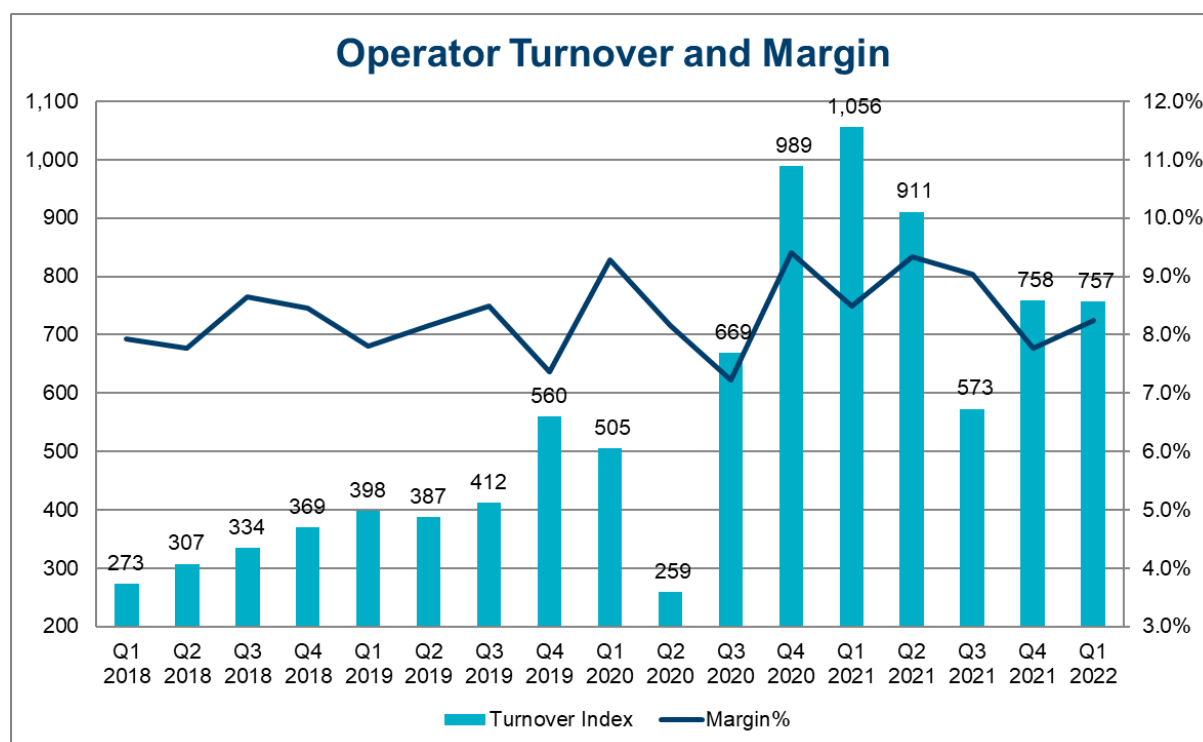


Geographical GGR analysis

Kambi's operators' GGR derives from numerous markets globally, which can be split into three areas of focus for the company: Europe, Kambi's historical core market; the Americas; and the Rest of the World. In Q1 2022, Americas contributed 55% (63%), Europe 43% (36%) and Rest of the World 2% (1%).

Operator trading analysis

In the interest of commercial sensitivity and instead of disclosing actual turnover figures, Kambi presents its customers' sports betting turnover as an index called The Kambi Turnover Index, with the first quarter of 2014 indexed at 100. The graph below shows the index since Q1 2018 and also illustrates Kambi's operators' quarterly trading margin.



Operator turnover for the first quarter of 2022 was 757, a decrease of 28% versus Q1 2021. However, removing DraftKings from the comparative quarter, operator turnover increased by 25% due to strong growth from US partners, launches in new US states such as Connecticut and New York, and growth from new partners including BetCity. This growth was achieved despite reduced turnover as a result of certain operators temporarily withdrawing from the Netherlands market.

Operator trading margin

The operator trading margin for the quarter was 8.2% (Q1 2021: 8.5%).

The operator trading margin can fluctuate from quarter to quarter, mainly due to the outcome of sporting events with the highest betting volumes and value. Based on the current commercial and market outlook, Kambi expects the operator trading margin for the coming 12 month period to be in the range of 8.0 – 9.0%.

The operator turnover is affected by short-term variations in operator trading margins; over time there is likely to be a negative correlation i.e. a higher operator trading margin results in lower turnover.

Due to the variance in actual sporting results, there can be deviation from the 12 month expectation without prompting a change in the outlook. The operator trading margin expectations are estimated on a forward-looking rolling 12 month basis and are shared to explain short-term variations in betting patterns and therefore revenues. They are updated quarterly and when updated, previously stated expectations should be considered obsolete.

Currency effects

Kambi's principal currency is the Euro, which is also the reporting currency, but has both costs and revenues in certain other currencies, such as SEK, GBP and USD which can be subject to short-term fluctuations. However, as Kambi has both revenues and costs in the same currencies, this creates, to some extent, a natural hedge which partly mitigates the impact these fluctuations may have. A €0.5 million unrealised gain generated from the revaluation of USD currency held by the Group was recorded within other operating expenses in Q1 2022.

Cost development

Kambi's cost development is driven by our continued commitment to building a market-leading Sportsbook. Our scalable business model requires strategic investments to deliver on future growth, which impacts both operating expenses and capitalised costs, in:

- Product development
- Channel enhancements
- Market expansion
- New customer integrations
- Software transformation

Capitalised development costs and acquired Intangible assets

In the first quarter of 2022, development expenditure of €6.4 (4.5) million was capitalised. These capitalised development costs are amortised over three years, starting in the year the costs are incurred. The amortisation charge this quarter was €4.8 (3.6) million, including amortisation on acquired Intangible assets.

Operating expenses

Operating expenses are a combination of activity-related costs and fixed costs; the main expenses are salaries, office costs, data supplier costs, consultant costs and amortisation.

Operating expenses for the first quarter of 2022 were €29.5 (24.5) million.

Total operating expenses are expected to be in the range of €30.5 – 32.0 million in Q2 2022 and €125.0 – 135.0 million for the full year 2022.

Operating profit

Operating profit for the first quarter of 2022 was €7.3 (18.7) million, with a margin of 19.9% (43.2%).

Profit before tax

Profit before tax for the first quarter of 2022 was €7.1 (18.5) million.

Taxation

The tax expense comprises corporation tax and withholding tax. The tax expense for the first quarter of 2022 was €1.6 (3.5) million, including €0.5 (0.5) million of withholding tax.

Profit after tax

Profit after tax for the first quarter of 2022 was €5.4 (15.1) million.

Financial position and cash flow

The net cash position at 31 March 2022 was €72.4 (70.7) million.

Cash flow from operating and investing activities (excluding working capital and acquisitions) amounted to €5.5 (16.5) million for the first quarter of 2022.

Net cash flow was an increase of €0.5 (€17.1) million for the quarter. Trade and other receivables were €41.0 (€34.7) million at 31 March 2022, an increase of €6.9 million from 31 December 2021, due to the timing of invoicing and customer receipts. €2.6 million of other receivables related to the exercise of share options, which has since been received post quarter end.

Personnel

Kambi had 1,032 (903) employees equivalent to 1,019 (890) full time employees at 31 March 2022, across offices in Malta (headquarters), Australia, Philippines, Romania, Sweden, the UK, and the United States.

Financial information

The financial information has been presented in accordance with International Financial Reporting Standards as adopted by the European Union. All numbers in this report are unaudited. All numbers in this report are shown in Euro (€) and all the numbers in brackets refer to the equivalent period in the previous year.

Financial calendar

| | |
|-----------------|----------------|
| 17 May 2022 | 2022 AGM |
| 27 July 2022 | Q2 2022 report |
| 26 October 2022 | Q3 2022 report |

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About Kambi

Kambi is a provider of premium sports betting services to licensed B2C gaming operators. Our services encompass a broad offering from front-end user interface through to odds compiling, customer intelligence and risk management, built on an in-house developed software platform. Kambi's 40-plus customers include ATG, Churchill Downs Incorporated, Kindred Group, LeoVegas, Penn National Gaming and Rush Street Interactive. Kambi employs more than 1,000 staff across offices in Malta (headquarters), Australia, Philippines, Romania, Sweden, the UK and the United States.

Kambi utilises a best of breed security approach and is ISO 27001 and eCOGRA certified. Kambi Group plc is listed on First North Growth Market at Nasdaq Stockholm under the symbol "KAMBI". The Company's Certified Advisor is Redeye AB.

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Legal disclaimer

Kambi does not give any forecasts. Certain statements in this report are forward-looking and the actual outcomes may be materially different. Even though management believes any expectations expressed are deemed reasonable, no guarantee can be given that such expectations will prove correct and even if such expectations remain, quarterly fluctuations are common. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, the effectiveness of copyright for computer systems, technological developments, fluctuation in exchange rates, interest rates and political risks.

Publication

The information in this report is such that Kambi Group plc is required to disclose under the EU Directive of Market Abuse Regulation and rules for companies listed on the First North Growth Market at Nasdaq Stockholm.

The information in this report was sent for publication on Wednesday 27 April 2022 at 07:45 CEST by CEO Kristian Nylén.

CONSOLIDATED INCOME STATEMENT
€ '000

| | Q1 2022 | Q1 2021 | Jan - Dec 2021 |
|--|----------------|----------------|-------------------|
| Revenue | 36,855 | 43,215 | 162,418 |
| Staff costs | -13,862 | -12,816 | -50,215 |
| Amortisation | -4,764 | -3,598 | -15,987 |
| Data supplier costs | -4,071 | -3,362 | -13,523 |
| Other operating expenses | -6,813 | -4,751 | -25,650 |
| Total operating expenses | -29,510 | -24,527 | -105,375 |
| Profit from operations | 7,345 | 18,688 | 57,043 |
| <i>Operating margin</i> | <i>19.9%</i> | <i>43.2%</i> | <i>35.1%</i> |
| Investment income | 4 | 1 | 9 |
| Finance costs | -286 | -148 | -887 |
| Profit before items affecting comparability | 7,063 | 18,541 | 56,165 |
| Items affecting comparability | - | - | - |
| Profit before tax | 7,063 | 18,541 | 56,165 |
| Income tax | -1,636 | -3,462 | -9,734 |
| Profit after tax | 5,427 | 15,079 | 46,431 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
€ '000

| | Q1 2022 | Q1 2021 | Jan - Dec 2021 |
|--|--------------|---------------|-------------------|
| Profit after tax for the period | 5,427 | 15,079 | 46,431 |
| Other comprehensive income: | | | |
| Currency translation adjustments taken to equity | -256 | 600 | 1,174 |
| Actuarial gain/(loss) on employee defined benefits | - | - | 11 |
| Comprehensive income for the period | 5,171 | 15,679 | 47,616 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ '000

| | 31 Mar 2022 | 31 Mar 2021 | 31 Dec 2021 |
|---------------------------------------|----------------|----------------|----------------|
| ASSETS | | | |
| <i>Non-current assets</i> | | | |
| Intangible assets | 51,914 | 23,361 | 50,244 |
| Property, plant and equipment | 22,422 | 9,737 | 23,418 |
| Deferred tax assets | 9,436 | 6,599 | 9,443 |
| | 83,772 | 39,697 | 83,105 |
| <i>Current assets</i> | | | |
| Trade and other receivables | 41,005 | 34,662 | 34,097 |
| Cash and cash equivalents | 79,774 | 78,056 | 79,657 |
| | 120,779 | 112,718 | 113,754 |
| Total assets | 204,551 | 152,415 | 196,859 |
| EQUITY AND LIABILITIES | | | |
| <i>Capital and reserves</i> | | | |
| Share capital | 93 | 92 | 93 |
| Share premium | 62,045 | 58,423 | 59,464 |
| Other reserves | 5,198 | 6,236 | 4,608 |
| Currency translation reserve | -2,439 | -2,757 | -2,183 |
| Shares repurchased | -12,000 | - | -12,000 |
| Retained earnings | 90,822 | 52,172 | 85,395 |
| Total equity | 143,719 | 114,166 | 135,377 |
| <i>Non-current liabilities</i> | | | |
| Lease liabilities | 13,059 | 3,465 | 13,656 |
| Convertible bond | 7,407 | 7,358 | 7,395 |
| Contingent consideration | 3,852 | - | 3,852 |
| Deferred tax liabilities | 1,259 | 1,220 | 1,328 |
| Other liabilities | 408 | 360 | 389 |
| | 25,985 | 12,403 | 26,620 |
| <i>Current liabilities</i> | | | |
| Trade and other payables | 17,062 | 15,316 | 16,722 |
| Tax liabilities | 10,334 | 8,402 | 10,455 |
| Lease liabilities | 3,484 | 2,128 | 3,718 |
| Contingent consideration | 3,967 | - | 3,967 |
| | 34,847 | 25,846 | 34,862 |
| Total liabilities | 60,832 | 38,249 | 61,482 |
| Total equity and liabilities | 204,551 | 152,415 | 196,859 |

CONSOLIDATED STATEMENT OF CASH FLOWS

€ '000

| | Q1 2022 | Q1 2021 | Jan - Dec 2021 |
|---|---------------|---------------|-------------------|
| OPERATING ACTIVITIES | | | |
| Profit from operations | 7,345 | 18,688 | 57,043 |
| <i>Adjustments for:</i> | | | |
| Depreciation of property, plant and equipment | 1,660 | 1,348 | 6,168 |
| Amortisation of intangible assets | 4,764 | 3,598 | 15,987 |
| Share-based payment | 589 | 286 | 1,637 |
| Operating cash flows before movements in working capital | 14,358 | 23,920 | 80,835 |
| (Increase)/decrease in trade and other receivables | -4,325 | 1,970 | 2,535 |
| (Decrease)/increase in trade and other payables | 340 | -1,137 | 269 |
| (Decrease)/increase in other liabilities | 19 | 31 | 59 |
| Cash flows from operating activities | 10,392 | 24,784 | 83,698 |
| Income taxes paid net of tax refunded | -1,748 | -2,428 | -11,379 |
| Interest income received | 4 | 1 | 9 |
| Net cash generated from operating activities | 8,648 | 22,357 | 72,328 |
| INVESTING ACTIVITIES | | | |
| Purchases of property, plant and equipment | -682 | -410 | -4,816 |
| Development costs of intangible assets | -6,435 | -4,534 | -20,056 |
| Acquisition of subsidiary, net of cash acquired | - | - | -14,751 |
| Net cash used in investing activities | -7,117 | -4,944 | -39,623 |
| FINANCING ACTIVITIES | | | |
| Proceeds from issue of new shares | - | 610 | 1,651 |
| Shares repurchased | - | - | -12,000 |
| Payment of lease liabilities | -967 | -884 | -3,645 |
| Interest paid | -89 | -39 | -254 |
| Net cash generated/(used in) financing activities | -1,056 | -313 | -14,248 |
| Net increase/(decrease) in cash and cash equivalents | 475 | 17,100 | 18,457 |
| Cash and cash equivalents at beginning of period | 79,657 | 60,826 | 60,826 |
| Effect of foreign exchange differences | -358 | 130 | 374 |
| Cash and cash equivalents at end of period | 79,774 | 78,056 | 79,657 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ '000

| | Q1 2022 | Q1 2021 | Jan - Dec 2021 |
|--|--------------------|--------------------|---------------------------|
| Opening balance at beginning of period | 135,377 | 98,015 | 98,015 |
| <i>Comprehensive income</i> | | | |
| Profit for the period | 5,427 | 15,079 | 46,431 |
| <i>Other comprehensive income:</i> | | | |
| Translation adjustment | -256 | 600 | 1,174 |
| Actuarial gain/(loss) on employee defined benefits | - | - | 11 |
| | 5,171 | 15,679 | 47,616 |
| <i>Transactions with owners</i> | | | |
| Share options - value of employee services | 589 | 286 | 1,637 |
| Other | 2,582 | 186 | 1,228 |
| Shares repurchased | - | - | -12,000 |
| Tax on share options | - | - | -1,119 |
| | 3,171 | 472 | -10,254 |
| Closing balance at end of period | 143,719 | 114,166 | 135,377 |

KEY RATIOS

This table is for information only and does not form part of the condensed financial statements

| | Q1 2022 | Q1 2021 | Jan - Dec 2021 |
|---|--------------------|--------------------|---------------------------|
| Operator turnover ¹ as index of Q1 2014 | 757 | 1,056 | n/a |
| Operating (EBIT) margin, % | 19.9% | 43.2% | 35.1% |
| EBITDA (€m) | 13.8 | 23.6 | 79.2 |
| EBITDA margin, % | 37.4% | 54.7% | 48.8% |
| Equity/assets ratio, % | 70.3% | 74.9% | 68.8% |
| Employees at period end | 1,032 | 903 | 1,006 |
| Earnings per share (€) | 0.178 | 0.487 | 1.501 |
| Fully diluted earnings per share (€) | 0.176 | 0.475 | 1.473 |
| Number of shares at period end ² | 30,754,797 | 30,975,697 | 30,541,297 |
| Fully diluted number of shares at period end ² | 31,962,888 | 32,107,681 | 31,738,781 |
| Average number of shares ² | 30,555,690 | 30,961,697 | 30,924,214 |
| Average number of fully diluted shares ² | 30,906,745 | 31,768,040 | 31,525,018 |

¹ Operator turnover is defined as total real money stakes placed with operators by end users

² Net of 523,500 Treasury shares repurchased in Q4 2021