



# Kambi Capital Markets Day 2023

**Kambi**

# Welcome and introduction to Kambi

Mia Nordlander, SVP IR



**Kambi**

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# Kambi Capital Markets Day 2023

## Agenda

1. **Welcome and introduction to Kambi** – Mia Nordlander, SVP IR
  2. **View from the CEO** – Kristian Nylén, CEO
  3. **Journey to the limitless sportsbook** – Erik Lögdberg, COO
- Coffee break
4. **Optimising commercial potential** – Cecilia Wachtmeister, CCO
  5. **Growing the revenue opportunity** – David Kenyon, CFO
  6. **Closing remarks** – Kristian Nylén, CEO
  7. **Q&A**

**Kambi**



# Key takeaways from the day

**The world's number one sports betting supplier with a long track record of success**

**Further market regulation and increased outsourcing will grow revenue opportunity**

**Significantly increasing addressable market with modularised product portfolio**

**Removing product boundaries with cutting-edge Algorithmic Trading capability**

**2027 EBIT target of €150+ million**

# The Kambi story

Our history as the leading B2B supplier

Founded by CEO Kristian Nylén and board member Anders Ström in 2010

Listed on Nasdaq First North Growth since 2014 under "KAMBI", current market cap. SEK 5.25 bn

Processed the first legal online sports wager in the US in 2018

Today Kambi has 1,100+ talented employees across eight countries

Kambi powers more than 40 online and retail partners in more than 50 markets



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

# Kambi

# Sports betting value chain

Kambi's position in the sports betting ecosystem



Kambi



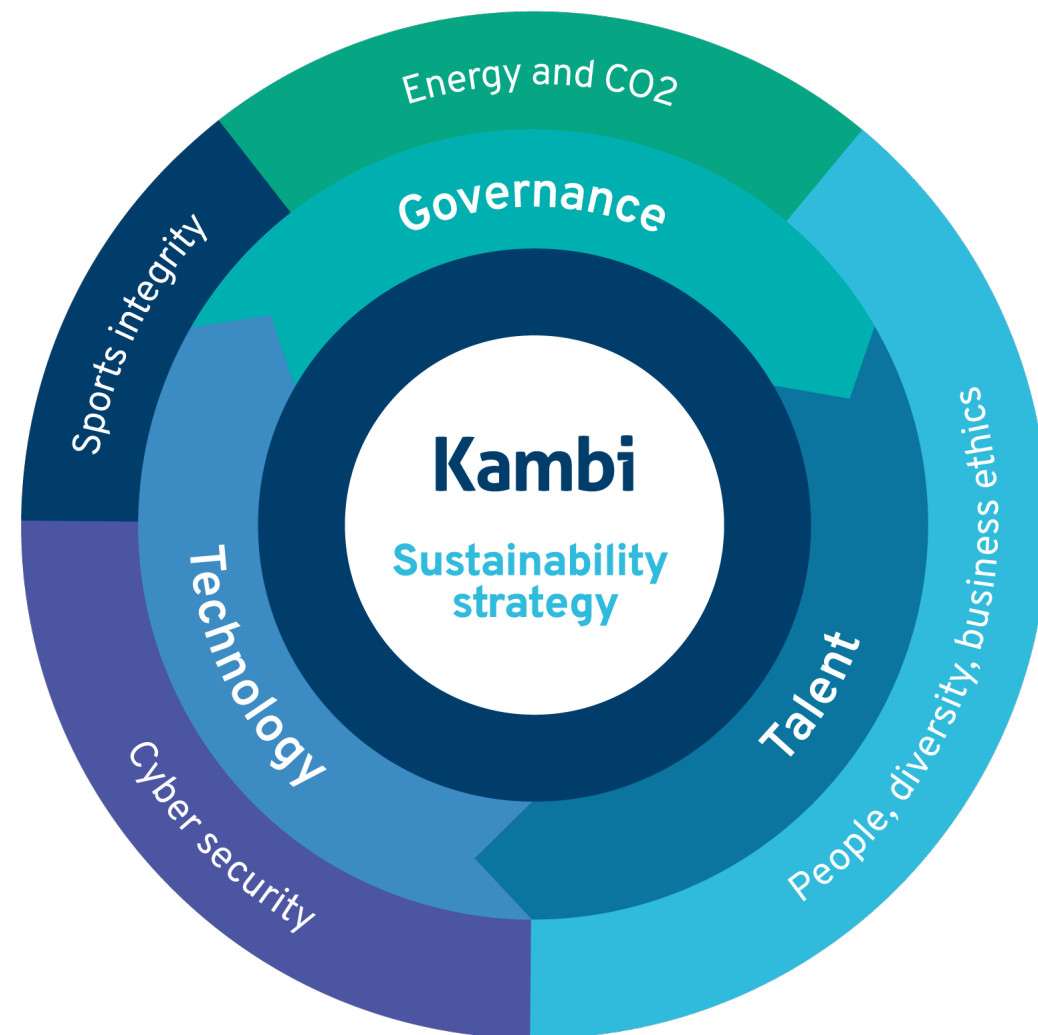
# Kambi's sustainability strategy

Sustainability at the heart of our business

Focus areas:

- **Sports integrity:** upholding trust in global sport
- **Cyber security:** mitigating cyber-related risks
- **People, diversity and business ethics:** providing an environment in which employees can excel and thrive

MSCI recently upgraded Kambi's ESG rating from BBB to A



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# View from the CEO

Kristian Nylén



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# Continued commercial momentum

12 months in review



Agreed partnership extension with Kindred and satisfied requirements to prepay convertible bond

Additional extensions with Rush Street Interactive and Parx



**GREAT CANADIAN**  
ENTERTAINMENT

Signed 10 partners since start of 2022, including Rei do Pitaco in Brazil, Ondiss in Argentina and Great Canadian Gaming

# 60+

Displayed scalability and speed with 60+ launches including New York, Ohio, Ontario and Argentinian provinces

# Kambi



# Successful World Cup

Led by introduction of third generation trading

- Kambi enjoyed a successful World Cup, both in product quality and player engagement
- Unrivalled combinability and greatest range of instant markets – the only sportsbook to offer instants on penalty shootouts
- Pre-match pricing was automated by Kambi's recently developed Algorithmic Trading capability
- World Cup final was highest turnover soccer game of all time for Kambi



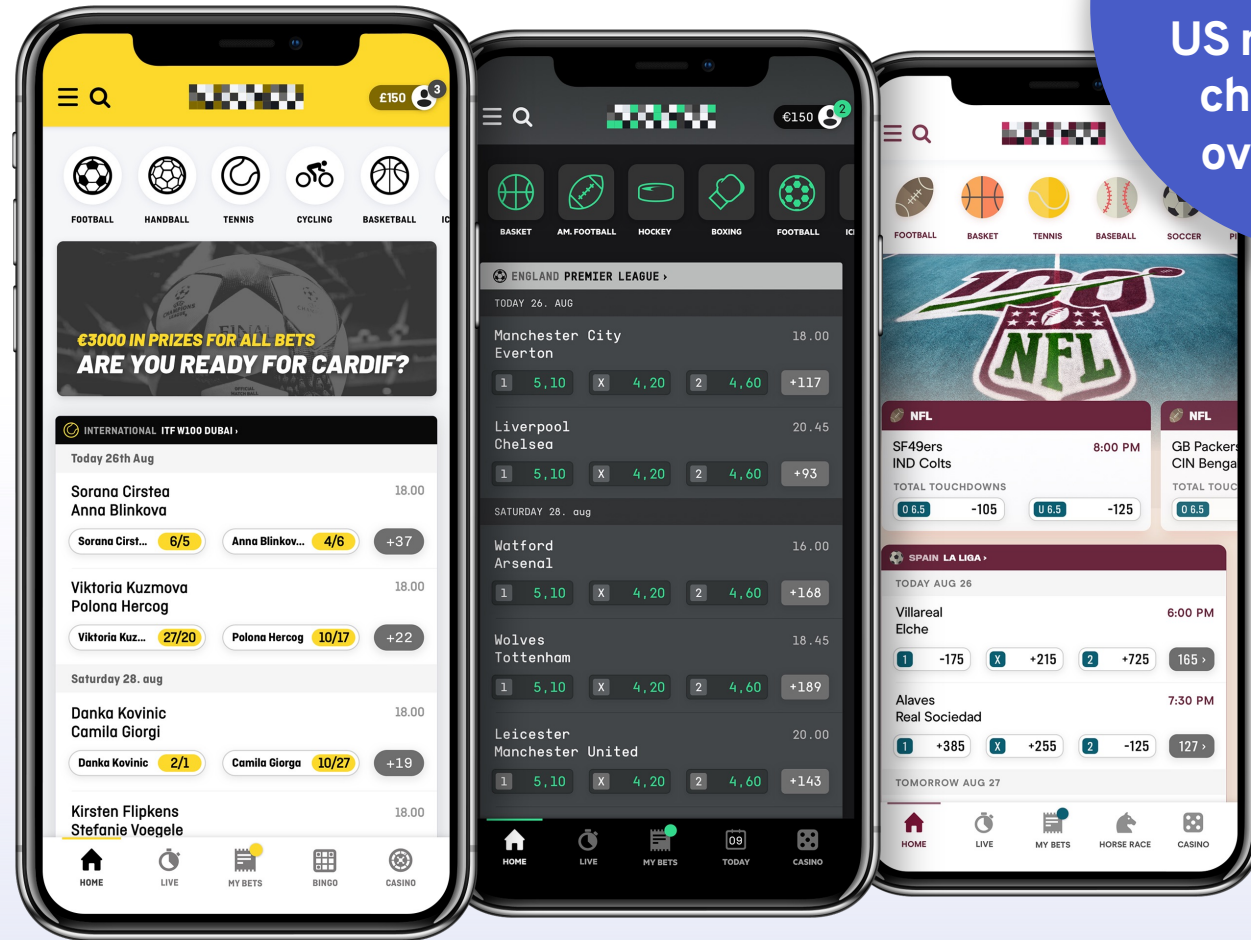
# Acquisition of Shape Games

Adding all-important native capability to front end



Shape Games is the igaming industry's leading developer of native front end technology

Capability to be sold inside and outside of Kambi network. Shape Games recently signed with Kambi partner BetCity



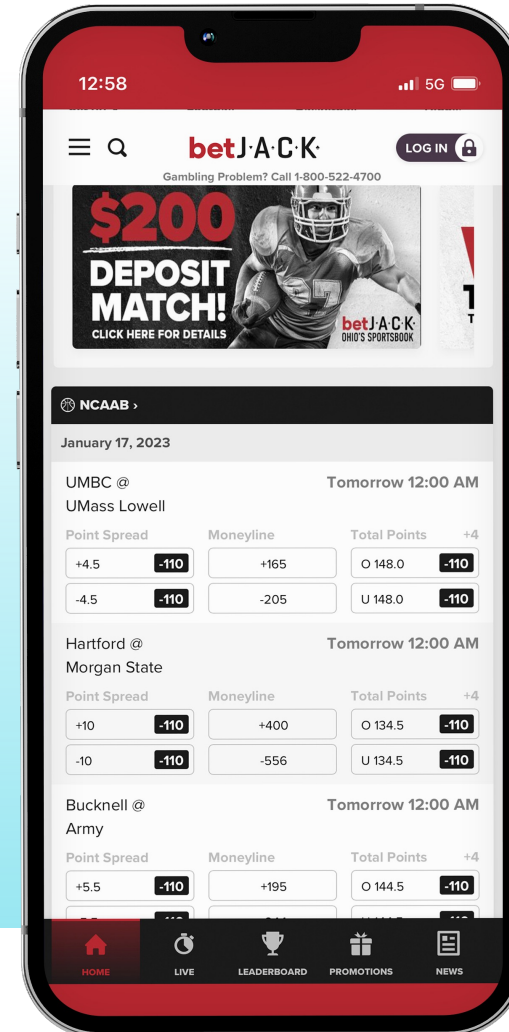
c.90%

Percentage of US mobile users choosing app over browser

Kambi

# The increasingly complex sportsbook

Demands on sportsbooks have increased over time

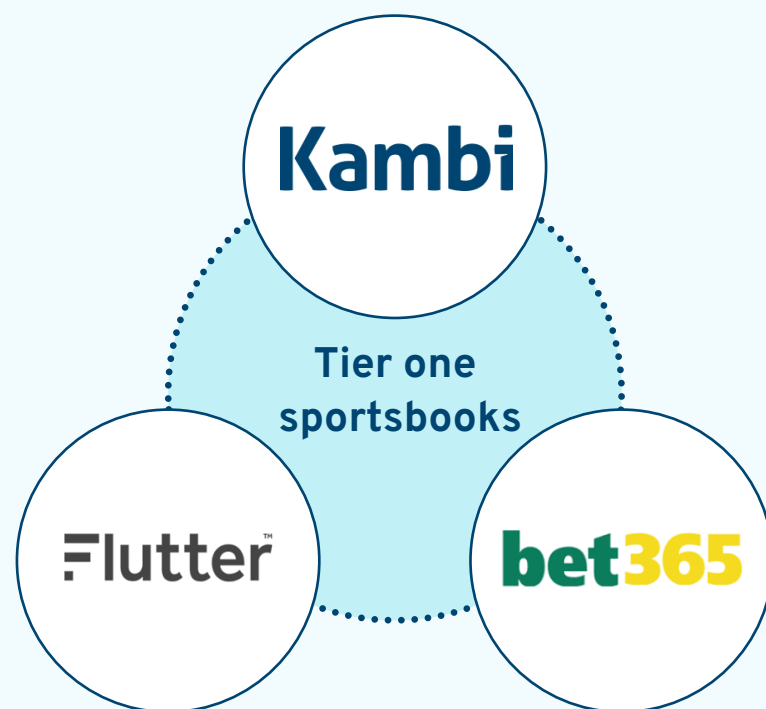




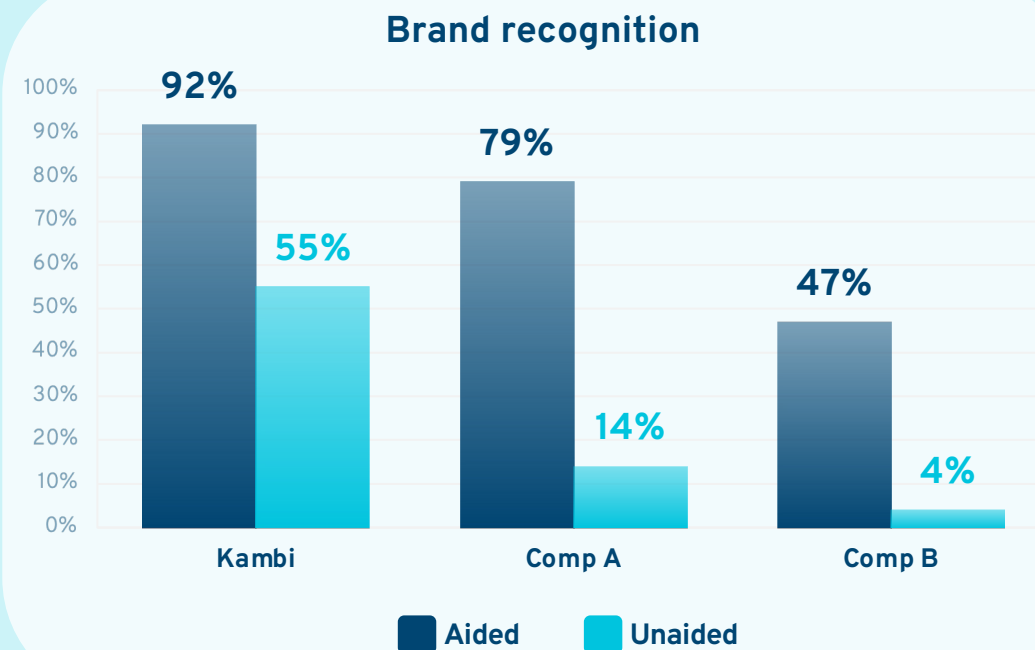
# Kambi is clear B2B market leader

#1 product with #1 brand

Sportsbook capability only  
few B2Cs can compete with



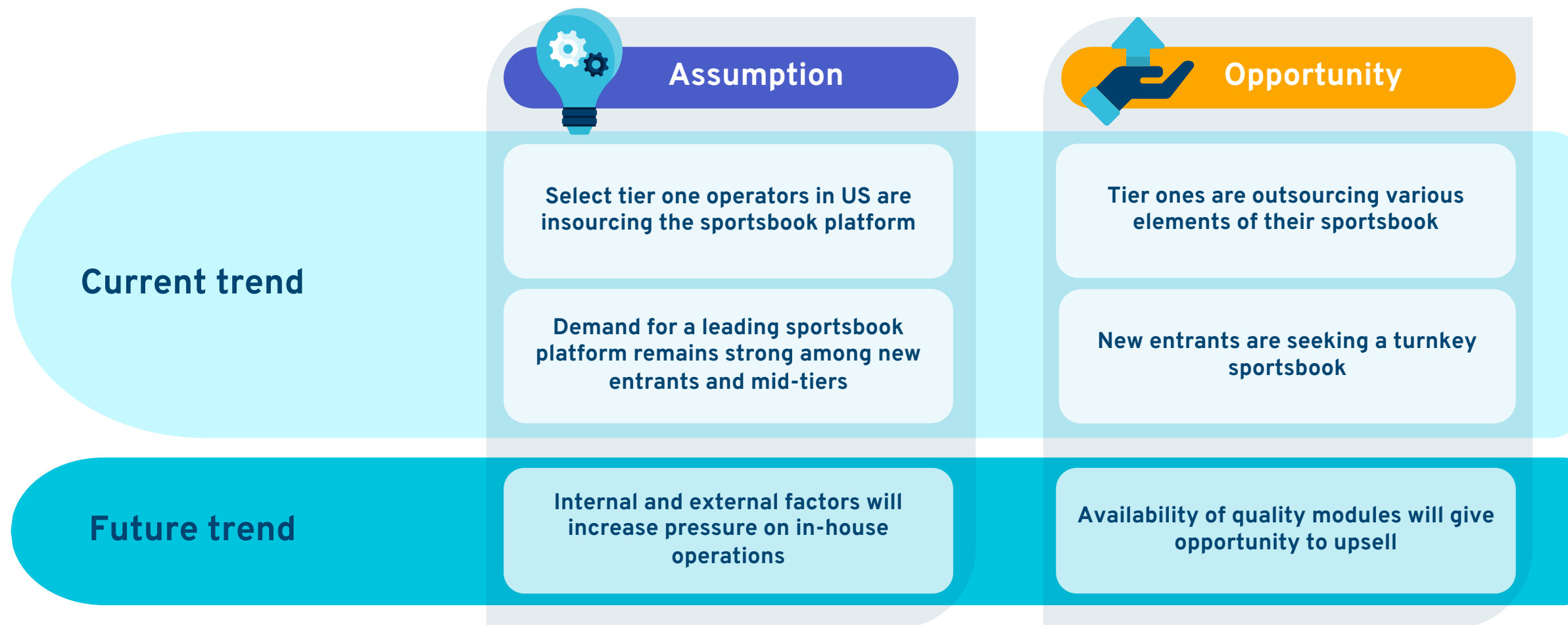
Leading B2B brand  
in the industry



2022 survey conducted by Sports Betting  
Community and Sports Analytics Services

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# Key trends on market development



# High-quality outsourced solutions to be in greater demand

Internal and external factors putting pressure on in-house operations

## External pressures

More regulated markets and tighter existing regulations

Macro economic outlook driving companies to review fixed-cost base

Investors increasingly demanding profitability and cash flow

## Internal pressures

Gap between leading sportsbooks and rest getting wider and more difficult to bridge

Players gravitating towards products which are more complex to deliver

Legacy tech failing to compete and/or enable expansion into new markets



# Strategic aims and progress

Delivering an open, independent and focused service to enhance quality and empowerment



## Aims

An **open** service to give partners more control over individual product parts

**Independent**, standalone services for integration into other sportsbooks

Module **focus** drives innovation and market leadership



## Progress

Trading and UX gateway up and running

Separation of platform and products

Bet Builder first modular service

Algorithmic Trading breaking new ground

Abios and Shape Games ahead of competition

# How Kambi is moving forward

**Increase TAM  
through  
provision of  
high-quality  
open platform  
and standalone  
services**

**Leading  
sportsbook  
platform will  
continue to  
drive growth,  
particularly in  
new markets**

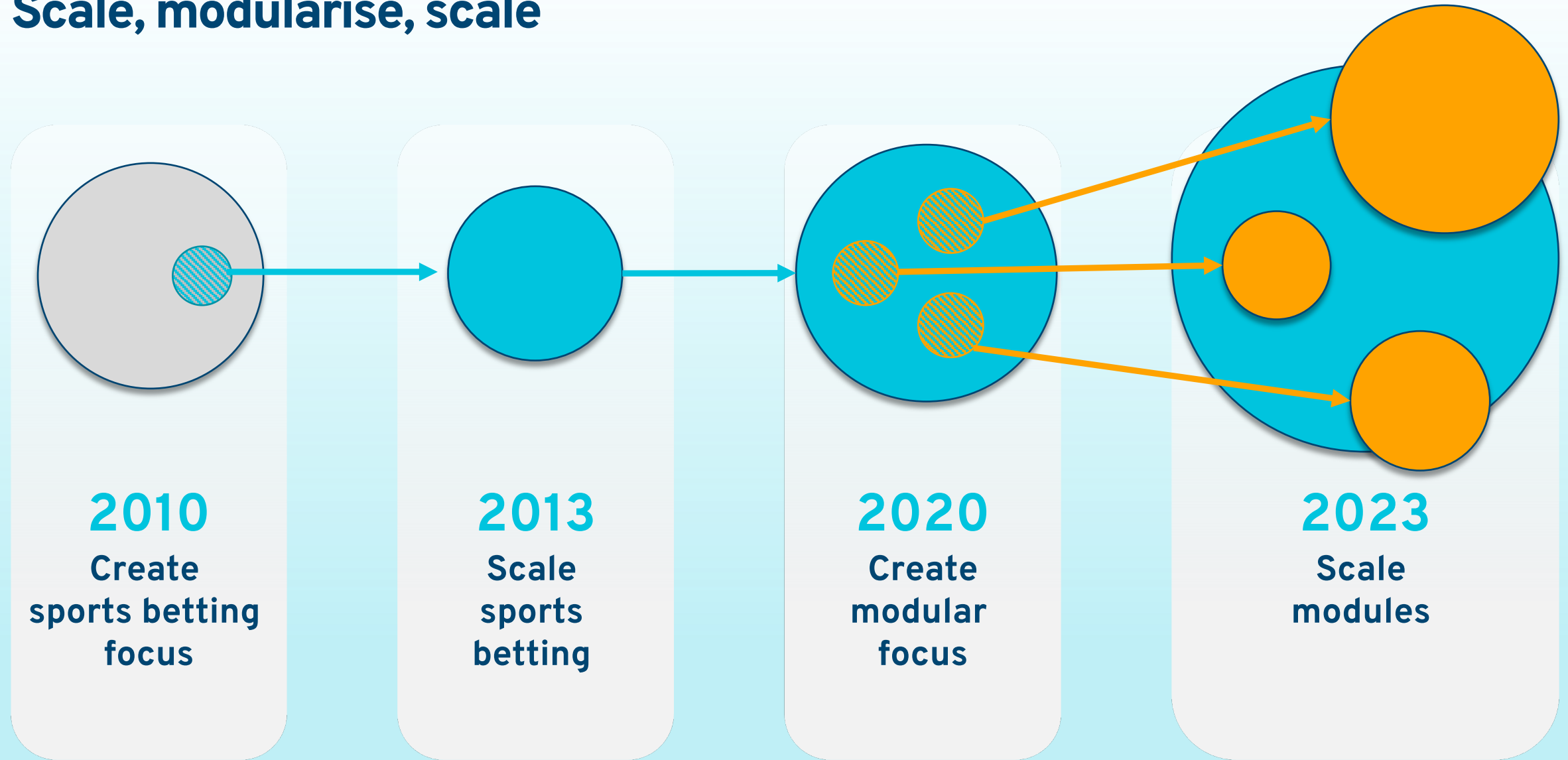
**Algorithmic  
Trading and  
expanded UI  
capability to  
push product  
boundaries**

# Journey to the limitless sportsbook

Erik Lögdborg, COO



# Scale, modularise, scale



# New opportunities

1

Create an **open** service to give customers control over individual product areas

2

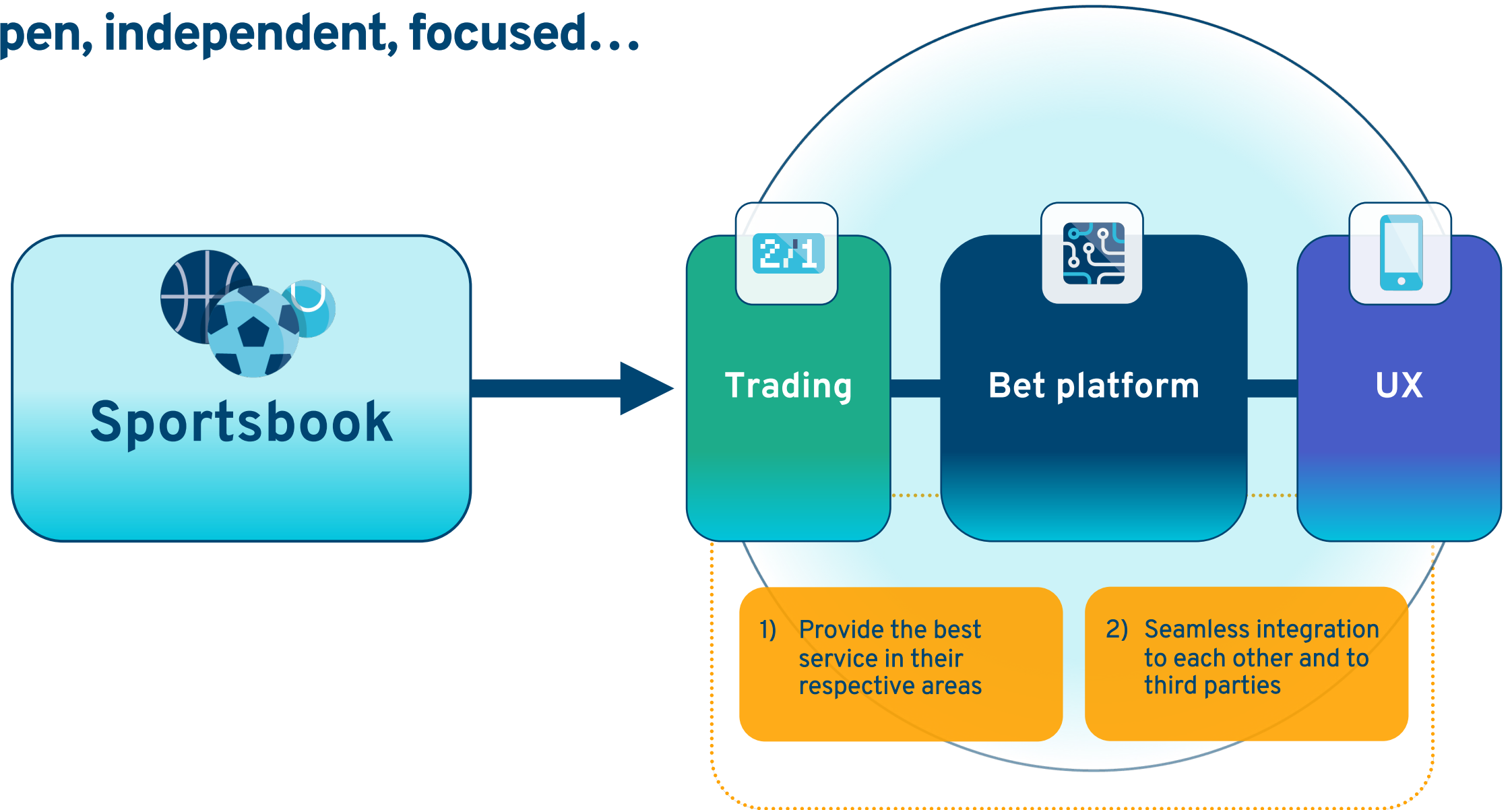
Build **independent** services that can be sold into other sportsbooks

3

Leapfrog B2C competition in each of the product areas with **focus** and new technologies

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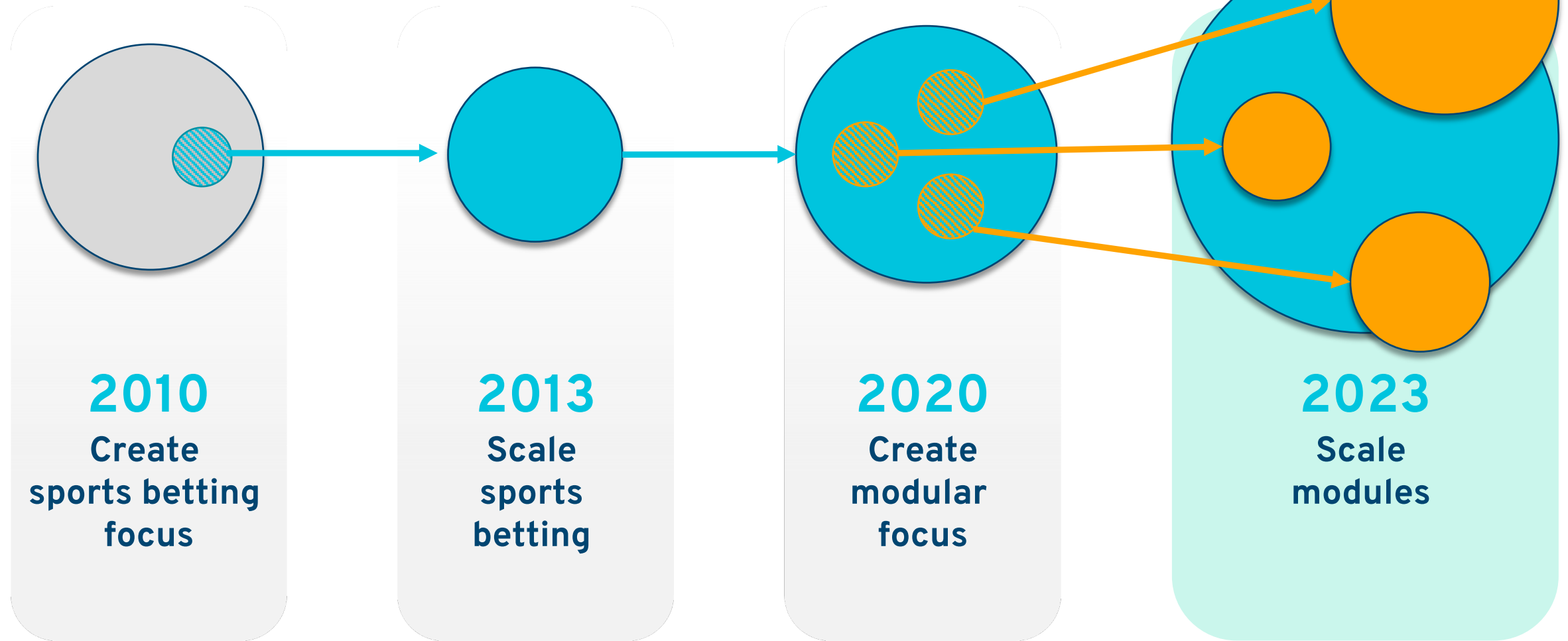
# Open, independent, focused...





# Scale, modularise, scale

Empowered by the full turnkey context



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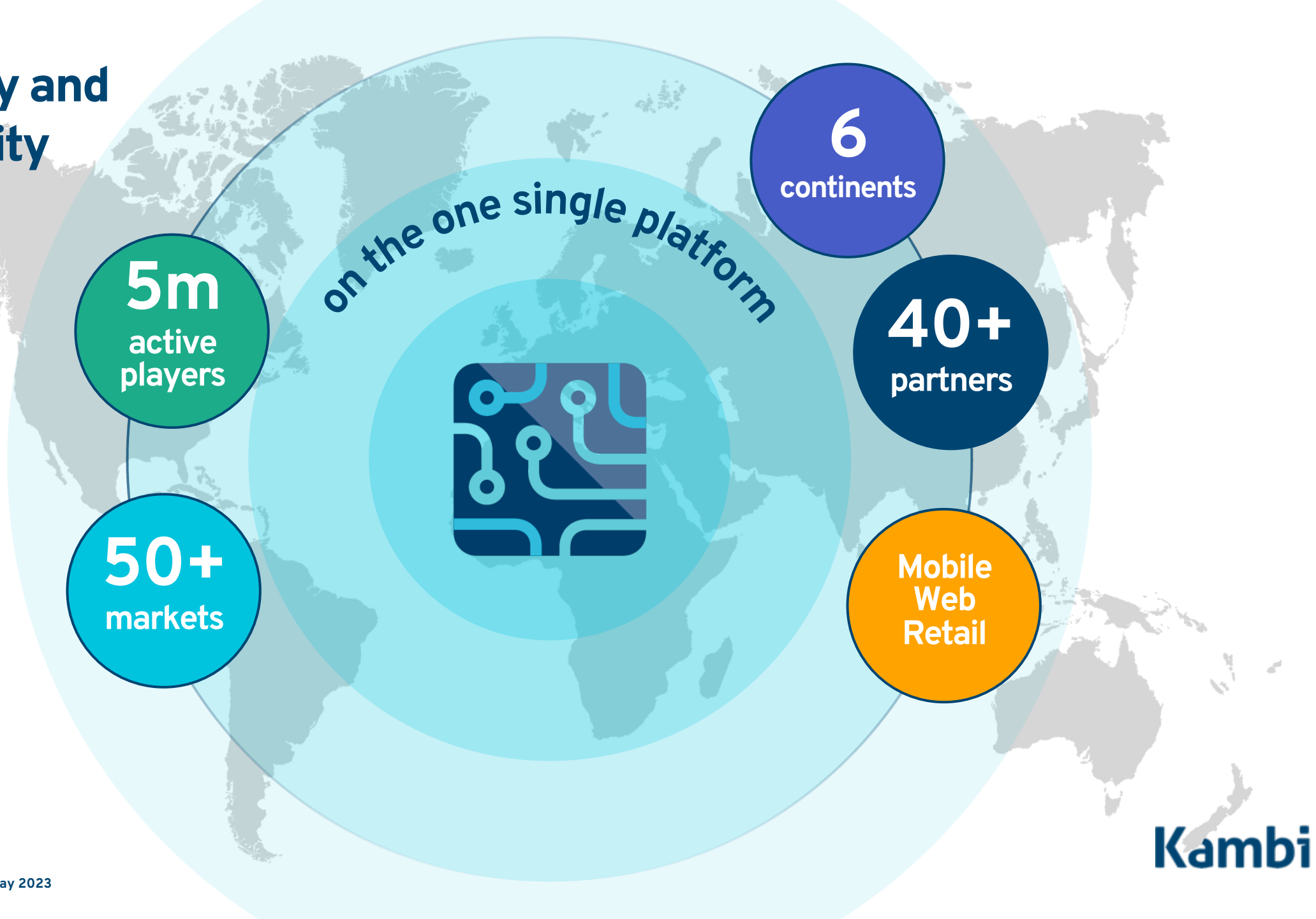
# Kambi bet platform

*You're never faster than your platform's  
ability to securely adapt*



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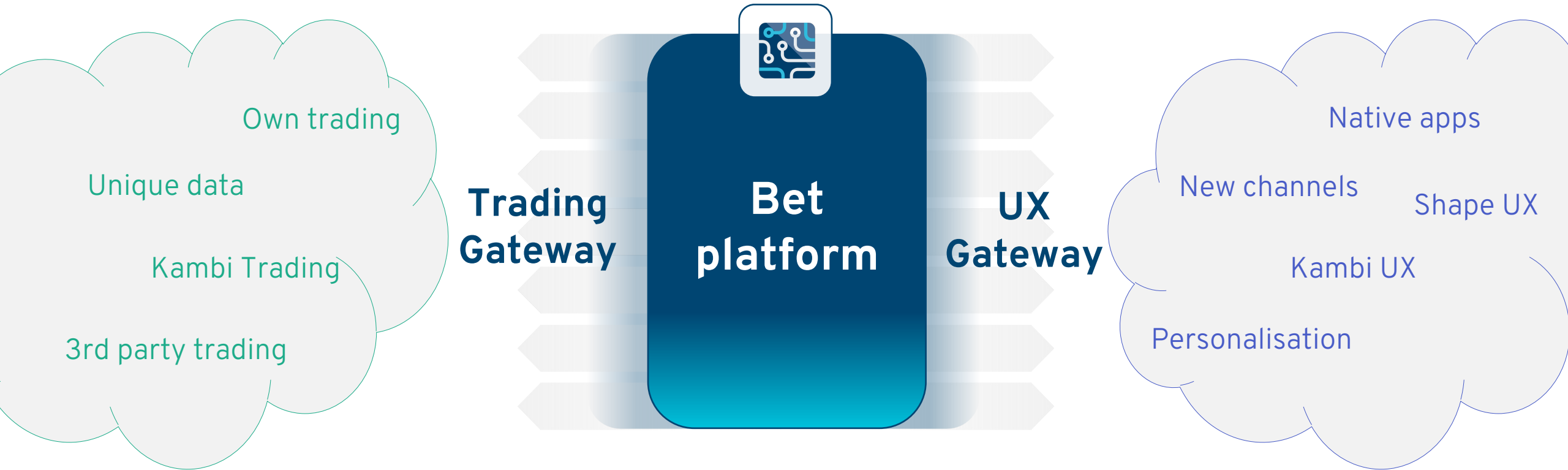
# Scalability and adaptability in action



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# Modularising the bet platform

Unleashing differentiation possibilities everywhere



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# Kambi Trading

*The boundaries to what we can trade are disappearing*



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# Trading strategy

Precision in probabilities in order to entertain

Croatia vs Brazil WC 2022

Bets per minute

- Exciting offering
- Always available
- High limits and odds
- No friction to bet

Match starts

Extra time starts

Penalty shoot-out starts

20%

Kambi



# Bet Builder

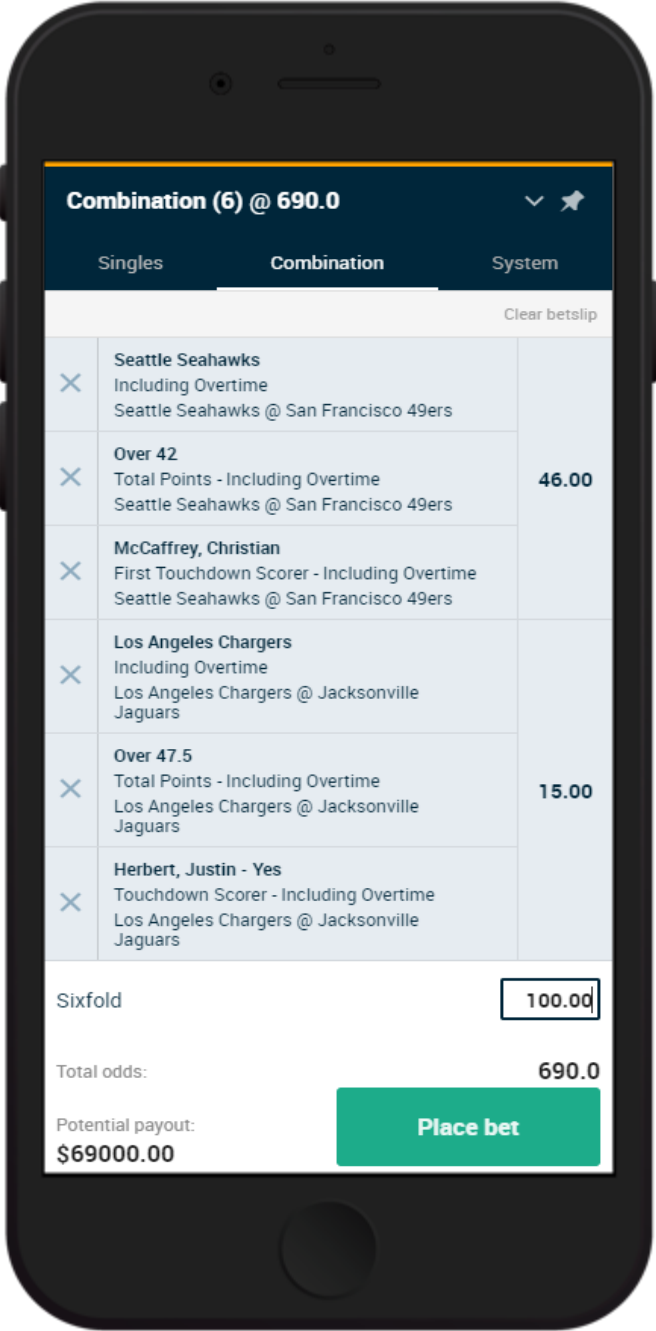
Today's battleground

Q4 all sports pre-match

40%  
of bettors placed  
a Bet Builder


Bet Builder accounted for  
15% GGR across the  
Kambi network

Multi Builder: 70% of Bet  
Builders were across multiple  
games on feature Kambi was first  
to launch



2/1

Trading





Bet Platform



SHAPES



## ESPORTS

# A Vehicle for Differentiation

Abios is a Data-as-a-Service esports company with industry-leading data and technology.

As part of Kambi, Abios helps partners take part in a new high-growth industry vertical that allows them to differentiate from their competition.


## All-in-one Esports Solution for Sportsbooks


Abios provides esports odds, widgets and streams for sportsbooks that want to create an endemic esports experiences for esports fans.

ODDS

WIDGETS

STREAMS



 BLAST Pro Series Season 8

Series

Match 1

Match 2

Match 3

Winner	1.24	3.95
Next Round (8) Winner	1.61	2.20
Round Handicap -4.5/+4.5	1.66	2.10
Round Handicap -5.5/+5.5	1.85	1.85
Round Handicap -6.5/+6.5	2.10	1.66
Round Handicap -7.5/+7.5	2.45	1.50

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# 3<sup>rd</sup> Gen Trading

*From machine-assisted human trading to  
human-assisted machine trading*

**2<sup>nd</sup> Gen**

Info



Parameter

**Algo**

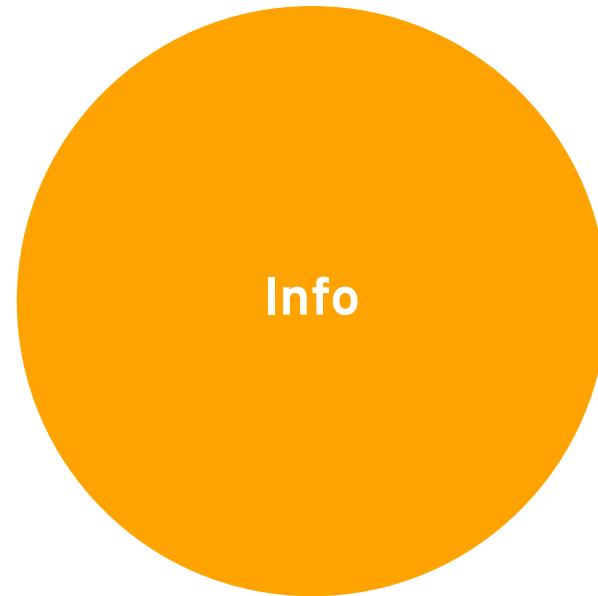
**2<sup>nd</sup> Gen**

Info



Parameter

**Algo**



# 3rd generation trading

Enabling the limitless sportsbook

2<sup>nd</sup> Gen

Info

Parameter

Algo

3<sup>rd</sup> Gen

Info

Algos

Monitor

Kambi



# The story of Kambi's 3rd Gen, Algorithmic Trading capability



**Kambi**

Our progress in this field is rare  
**“85% of all Machine  
Learning projects fail”**

Gartner Research

# Impact of 3<sup>rd</sup> Gen Trading

## Early signals

Player props 16%  
of turnover and  
moves the market

50%

Bet Builder 24%  
of turnover

50%

Full product  
published in 90  
seconds

5 hours

## Going forward

*We can now scale  
and improve  
trading with data,  
which is  
exponentially faster*

The image shows a screenshot of a sports betting application. The top part displays a 'Combination (6) @ 46.00' bet slip with tabs for 'Singles', 'Combination', and 'System'. The 'Combination' tab is selected, showing a list of six bets, each for a player's shots on target being over 0.5. The total stake is 46.00. Below this, a 'Sixfold' section is visible. The bottom part of the screenshot shows a list of player props for various players, including Ayew, Jordan; Casemiro, Carlos; Edouard, Odsonne; Eriksen, Christian; and Eze, Eberechi, with their respective odds for 'Over' and 'Under' 0.5 shots on target.

Combination (6) @ 46.00		
Singles	Combination	System
Clear betslip		
X	Casemiro, Carlos - Over 0.5 Player's shots on target (Settled using Opta data) Crystal Palace - Manchester United	46.00
X	Eriksen, Christian - Over 0.5 Player's shots on target (Settled using Opta data) Crystal Palace - Manchester United	
X	Fernandes, Bruno - Over 0.5 Player's shots on target (Settled using Opta data) Crystal Palace - Manchester United	
X	Rashford, Marcus - Over 0.5 Player's shots on target (Settled using Opta data) Crystal Palace - Manchester United	
X	Zaha, Wilfried - Over 0.5 Player's shots on target (Settled using Opta data) Crystal Palace - Manchester United	
X	Ayew, Jordan - Over 0.5 Player's shots on target (Settled using Opta data) Crystal Palace - Manchester United	
Sixfold		

Player	Over	Under
Ayew, Jordan	Over 0.5: 2.60	Under 0.5: 1.38
Casemiro, Carlos	Over 0.5: 2.80	Under 0.5: 1.38
Edouard, Odsonne	Over 0.5: 1.67	Under 0.5: 2.07
	Over 1.5: 4.00	Under 1.5: 1.22
Eriksen, Christian	Over 0.5: 1.95	Under 0.5: 1.76
Eze, Eberechi	Over 0.5: 2.50	Under 0.5: 1.47

# Kambi UX

*Uniquely positioned together  
with Shape Games*



# UX opportunities

Multi channel and multi brand



Global scale and performance



Developer platform



Native apps



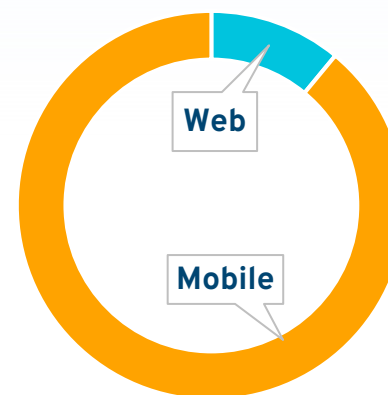
Bespoke UX



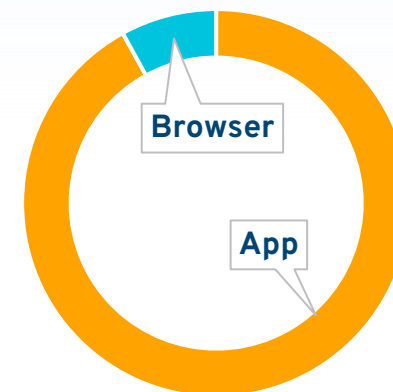
Personalisation and other engagement



Online channels US



Mobile channels US





# We have all the capabilities needed to scale the UX into the future

Multi channel and multi brand



Global scale and performance



Developer platform



Native apps



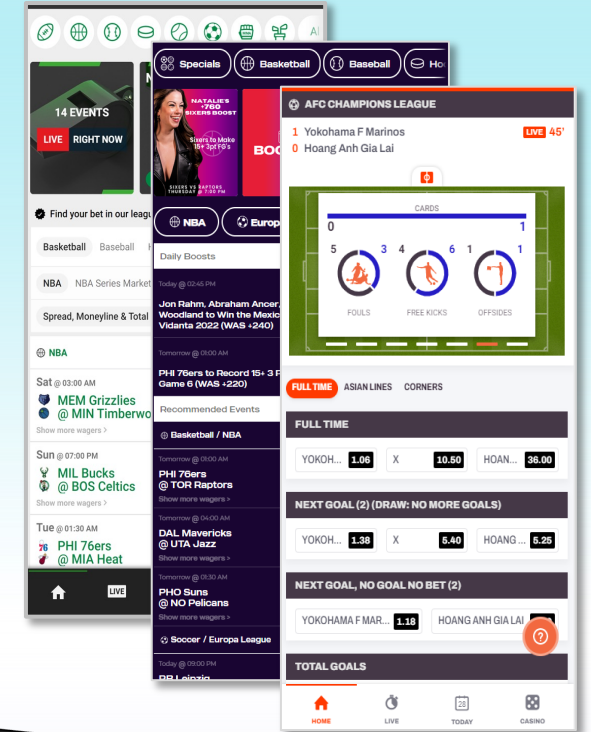
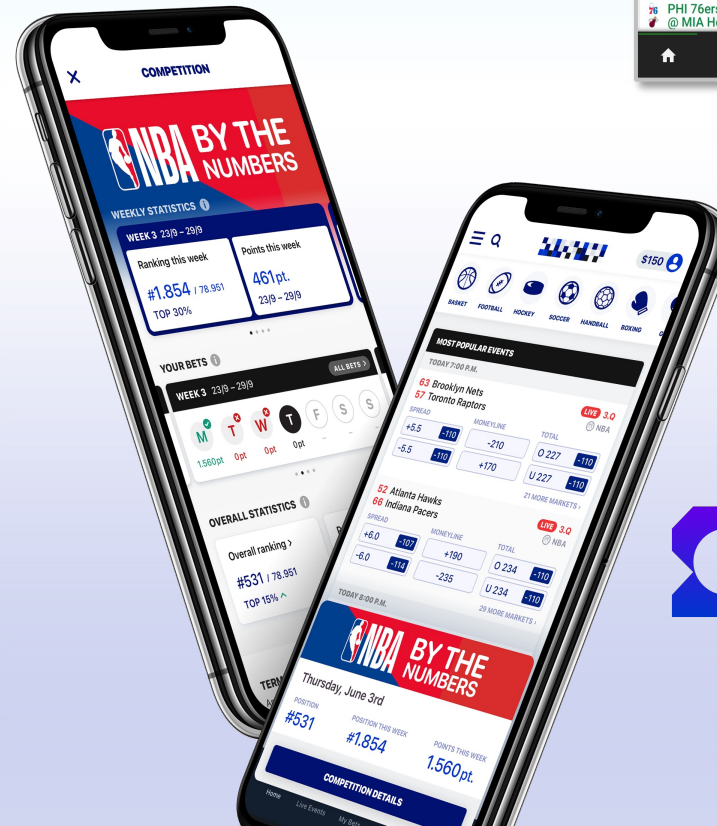
Bespoke UX



Personalisation and other engagement



# Kambi



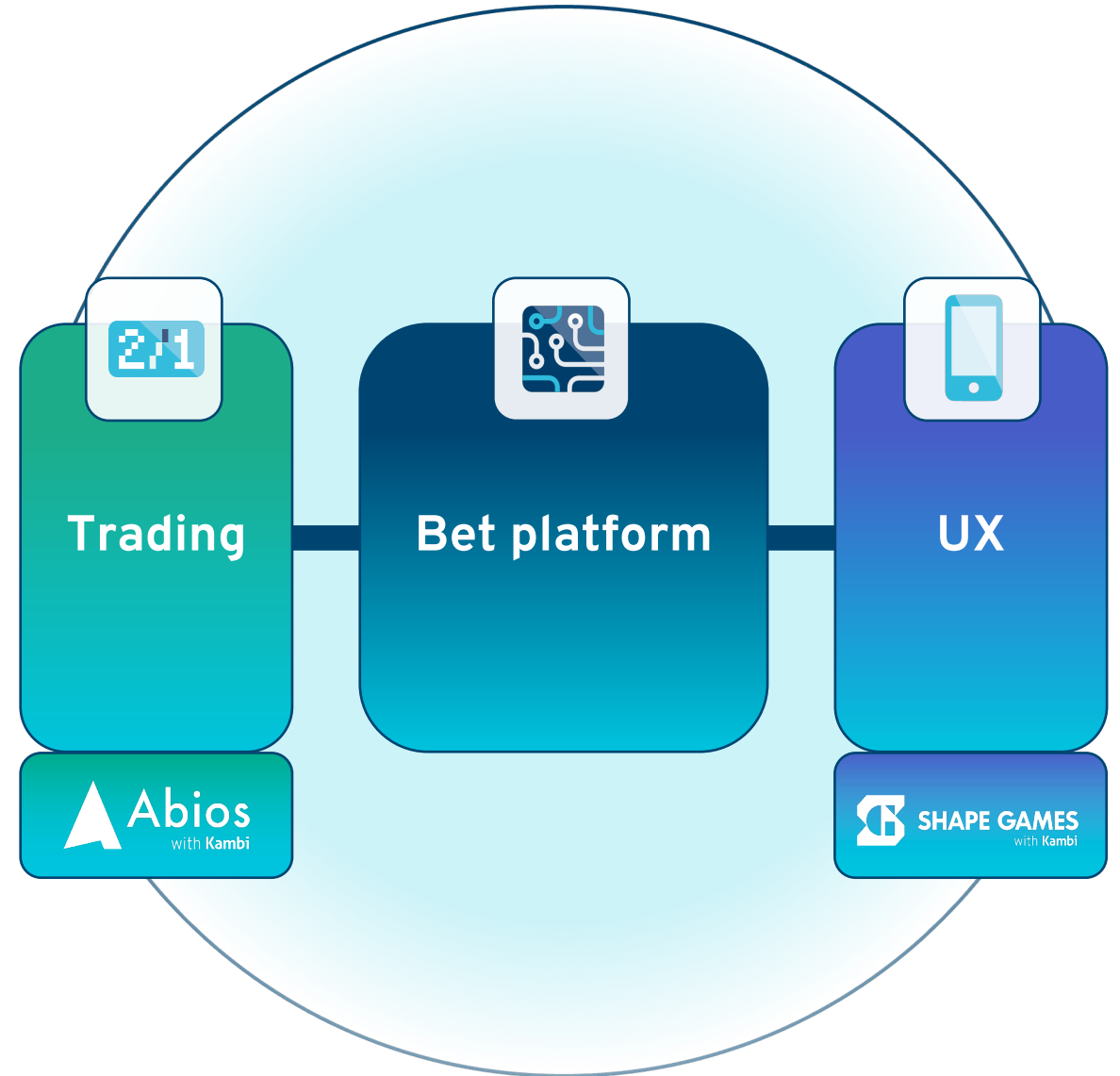
# Conclusion

The industry is facing major challenges in each area of sports betting

1. 3rd Gen **Trading** will be a necessity
2. Adapting the **Bet Platform** to new technical, product and regulatory conditions at speed
3. Creating relevant and cost efficient **UX** across channels and territories

Through modularisation, Kambi is set up to...

- Create solutions better than anyone else
- Support the industry with our solutions in a multitude of ways



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# Break

kambi.com

**Kambi**

# Optimising commercial potential

Cecilia Wachtmeister, CCO



# An expanded portfolio of market-leading products

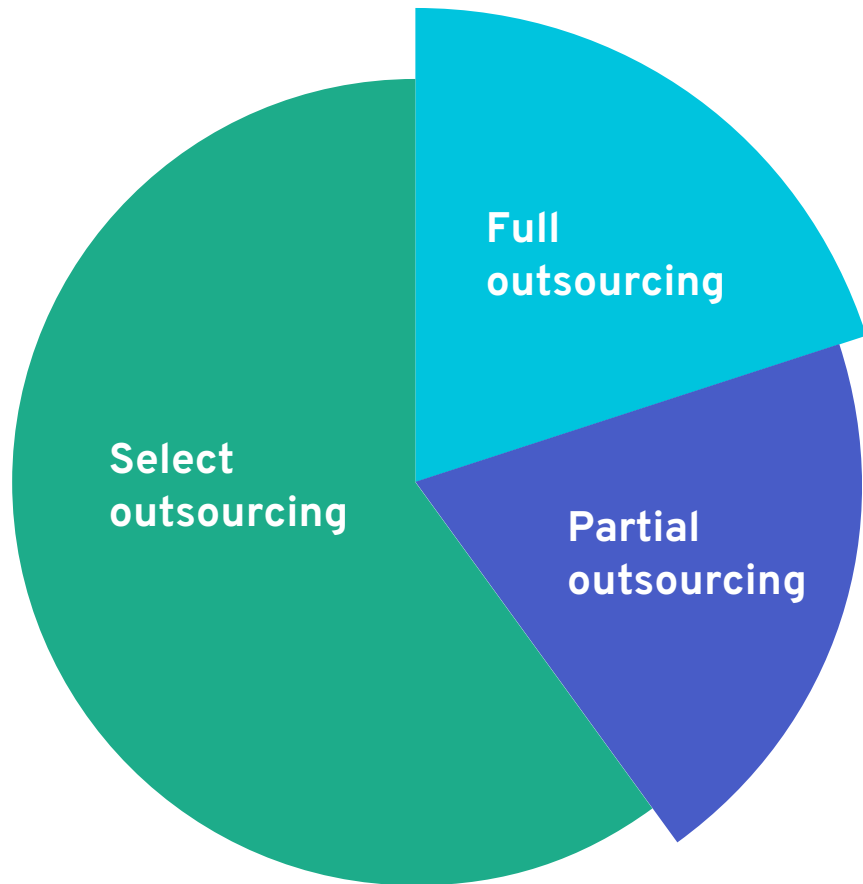
Kambi #1 B2B sportsbook brand in the industry



# Bundles include Kambi services



# Every operator outsources to some degree



## Select outsourcing

**50-60% global GGR\***

- Owns core platform
- Manages majority of services in-house
- Outsources select products

## Partial outsourcing

**20-25% global GGR**

- Own trading requirement
- Specific managed odds feeds
- Requires sportsbook platform

## Full outsourcing

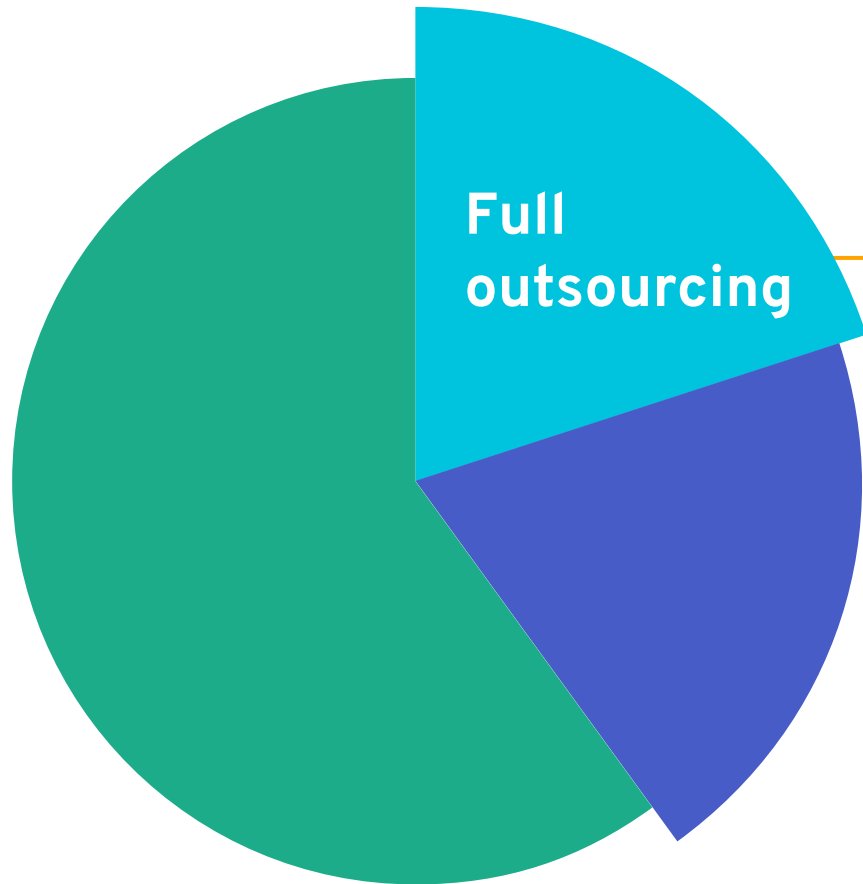
**20-25% global GGR**

- New market entrants and those upgrading tech
- Requires a leading product with no upfront costs
- Ability to differentiate in key areas

**\*Kambi internal estimates**



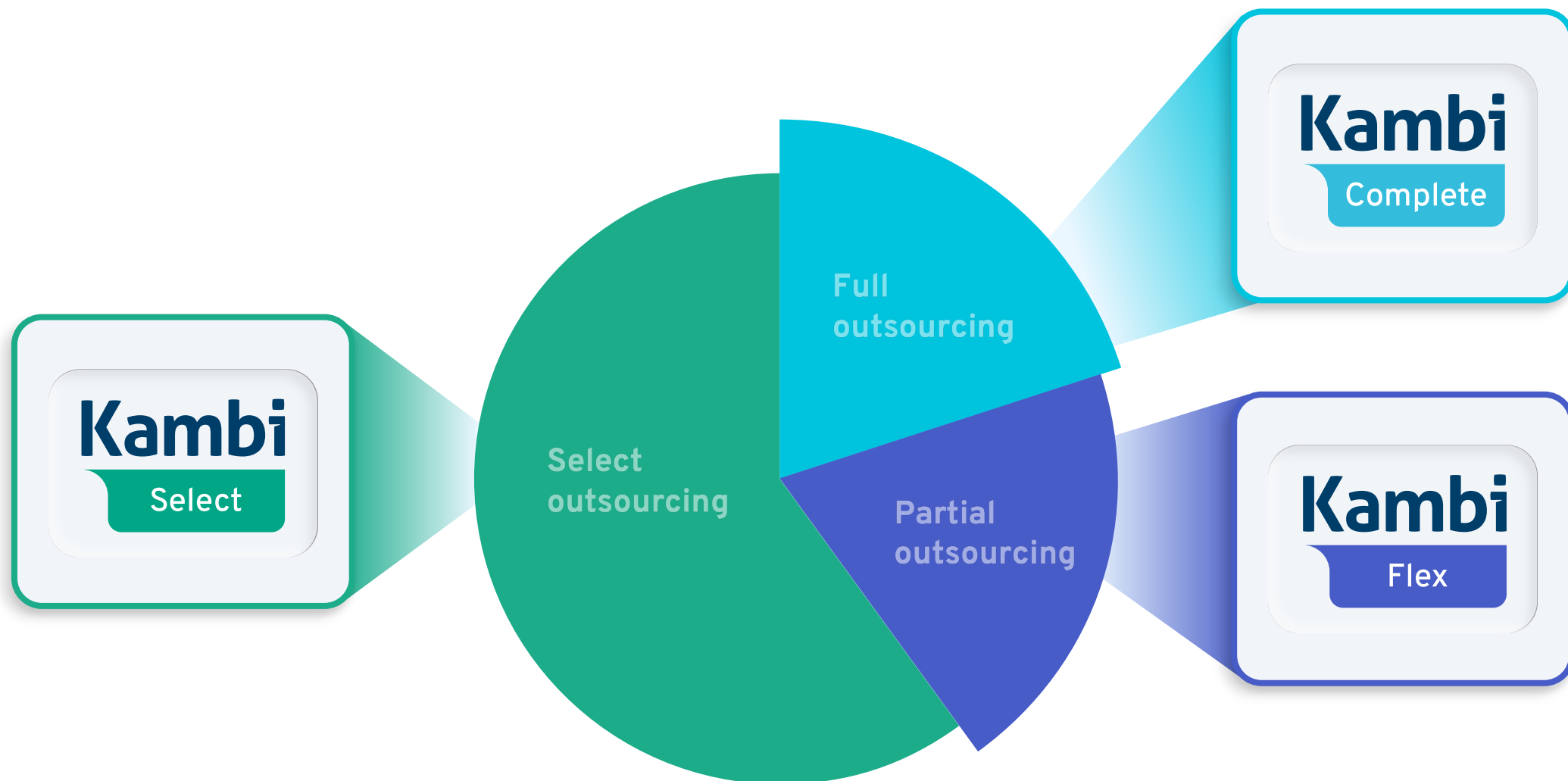
# Kambi today



Kambi sportsbook  
currently addresses  
20-25% of market

# Kambi's new portfolio of products addresses wider market

Unlocking all market segments



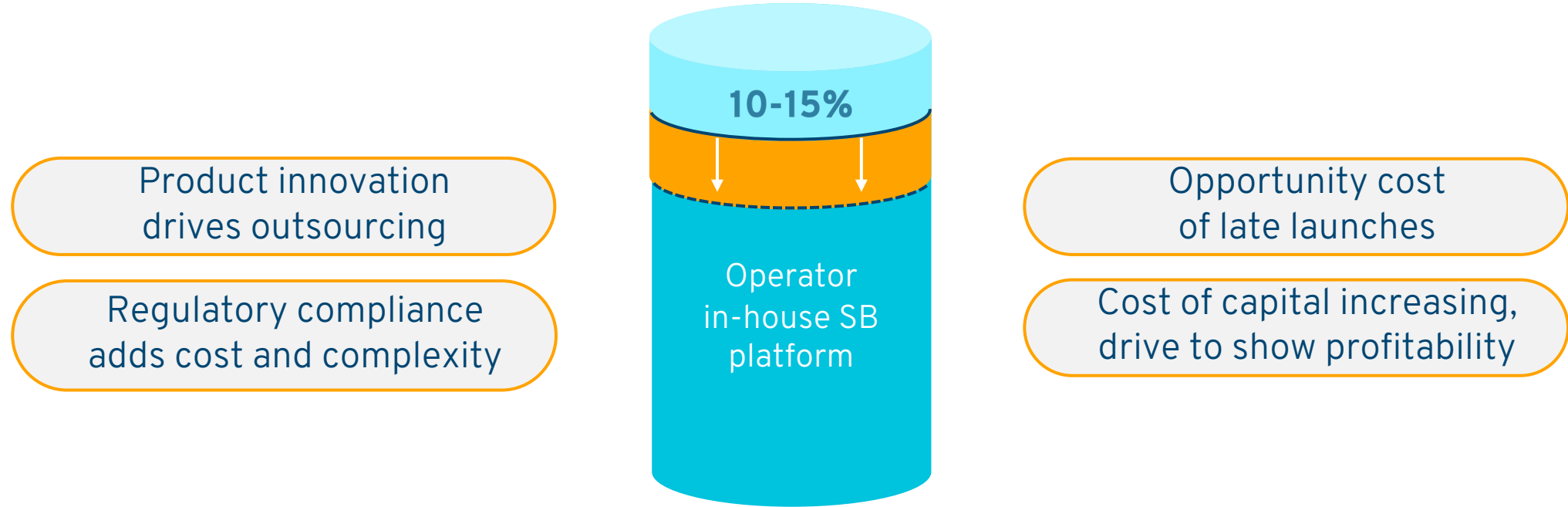
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# Select outsourcing segment

Addressed by Kambi Select



# Outsourcing among Select segment to increase over time



Outsourcing will increase as it is neither sustainable nor cost efficient to do everything in-house

# USPs for Kambi Select

An award-winning  
Bet Builder product



Pioneers of 3rd Gen  
trading powered by  
AI

Shape and Abios  
clear market  
leaders in  
respective  
segments

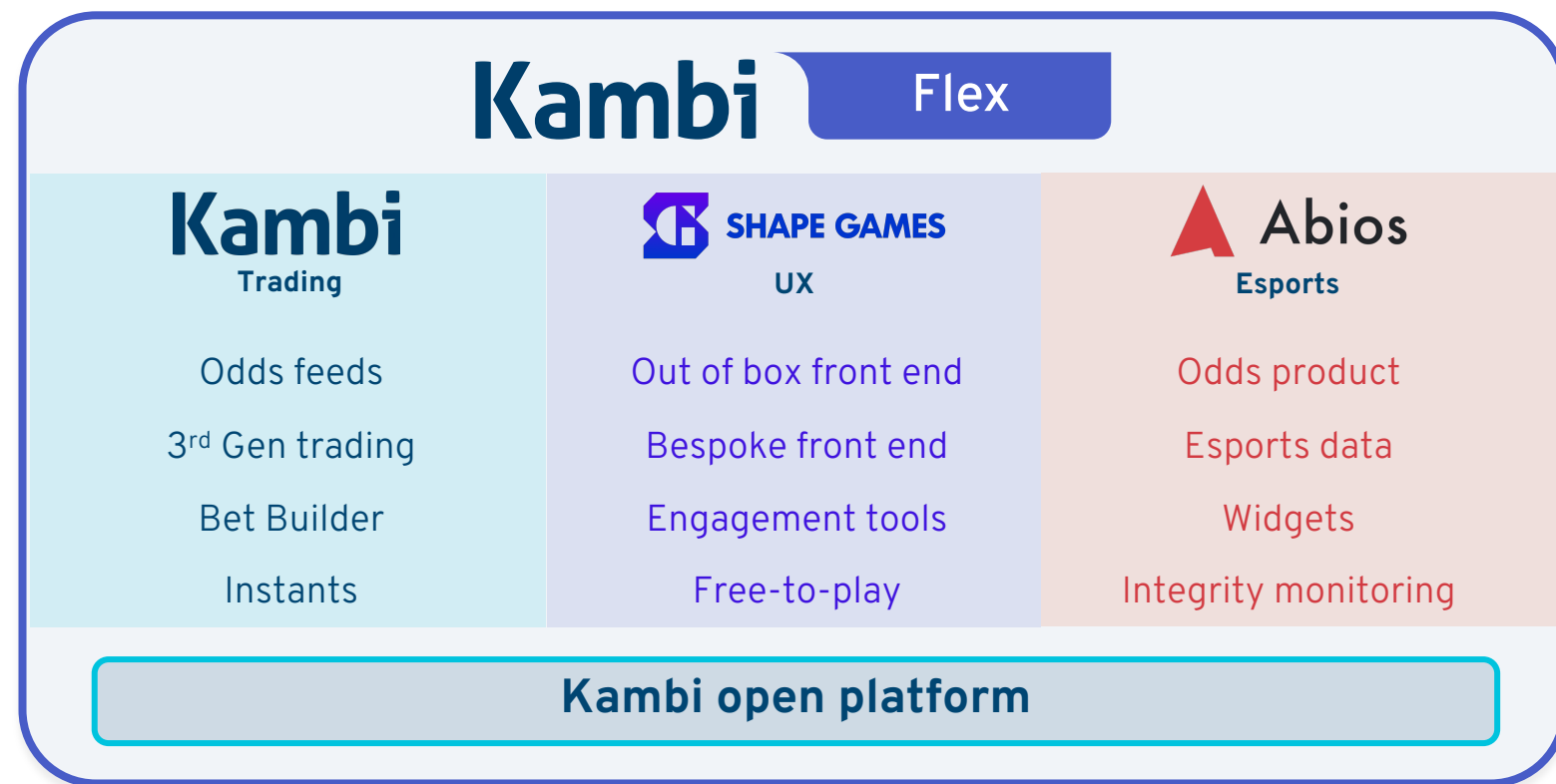


Bespoke  
packages to meet  
differing needs

Enables Kambi to build relationships with operators in  
this segment and upsell over the long term

# Partial outsourcing segment

Addressed by Kambi Flex



Non Kambi/third-party

Odds feeds

Own trading

## Typical operators

- Mix of company types, e.g. state lotteries, incumbent operators with outdated tech
- May have legacy in sports betting
- Has requirements for own trading
- Requires sportsbook platform

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# USPs for Kambi Flex

**A more compelling option than buy (limited) or build (expensive)**

**Leverage the strength of Kambi's core platform**

**Speed to market driven by Kambi's scale and compliance capability**

**Operators can differentiate and leverage their own USPs**

**Provides true flexibility for operators to leverage their own assets while benefitting from Kambi's market-leading platform and services**



# Full outsourcing segment

Addressed by Kambi Complete

## Kambi

Complete

Lead the market with the world's most trusted, revenue-driving, **full turnkey** sportsbook



*Latin American Sports Betting Supplier*

**EGR B2B** AWARDS 2022

Sportsbook Platform Supplier

**american gambling awards**



Platform Provider of the Year

### Typical operators

- Multi-national gaming-focused operators
- Tribal operators
- Local heroes
- New entrants with databases but no sportsbook experience, such as media houses

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# USPs for Kambi Complete

**Proven world leader in B2B sportsbook provision**

**Speed to market driven by Kambi's scale and compliance capability**

**Variable operator costs in line with revenue**

**Full power of the network**

The undisputed market-leading full turnkey sportsbook

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# A product fit for all strategies

More reason to join - less reason to leave



Kambi will have a relevant offering for all operators – regardless of their strategy or where they are in their lifecycle

# Well positioned for the future

**Opens up new market segments**

**Stronger proposition for partners and prospects**

**Ability to upsell and cross-sell**

**Regulated market expansion**

# Growing the revenue opportunity

David Kenyon, CFO



Kambi

# Growing the revenue opportunity

Evolving the business model to capitalise on growth opportunities

## **B2B sportsbook market will grow rapidly**

- Key new market regulations
- Increased appetite for outsourced services
- Automation will drive new product opportunities
- Reinventing the UX

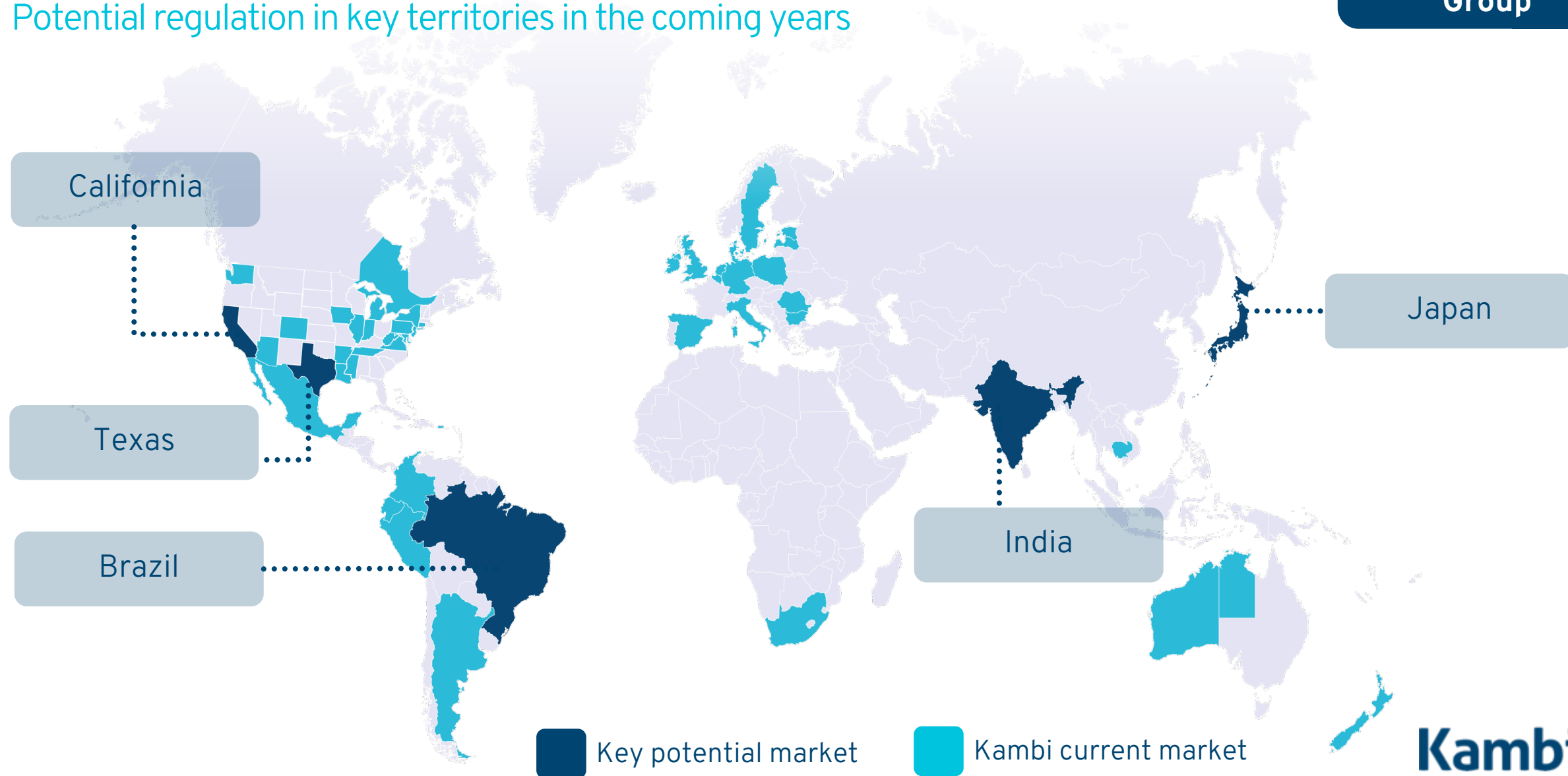
## **Expanding the business model to maximise growth**

- Continue to deliver market-leading technology
- Enhancing our portfolio with open platform and modular services
- Generates new revenue streams and opportunities

# Kambi's total addressable market is increasing rapidly

Potential regulation in key territories in the coming years

**Kambi**  
Group

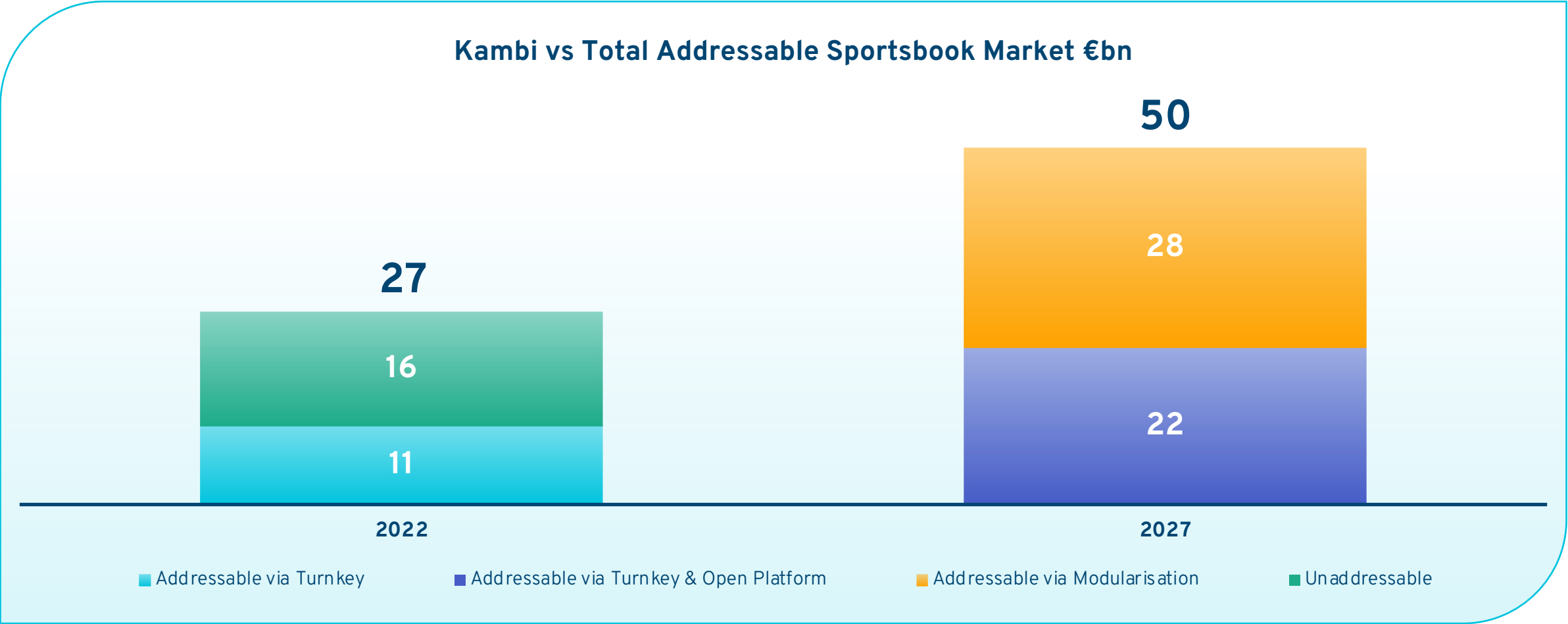


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# Kambi's addressable market is increasing rapidly

Kambi's addressable market expected to grow from €11 billion to €50 billion GGR in 2027



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

# Kambi in numbers

Track record of driving profitable growth

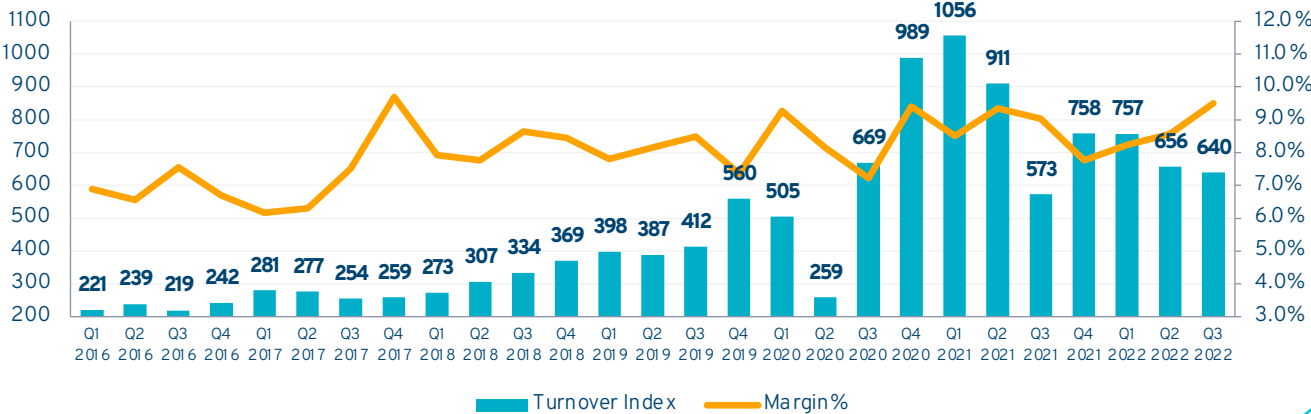


40+ partners

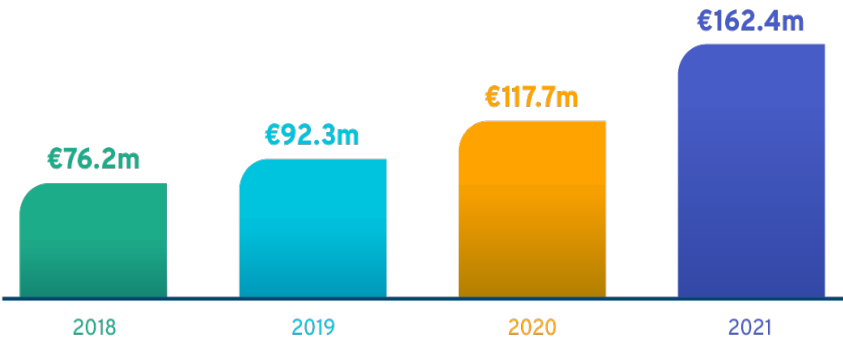


50+  
Regulated markets  
across 6 continents

Operators' turnover and trading margin

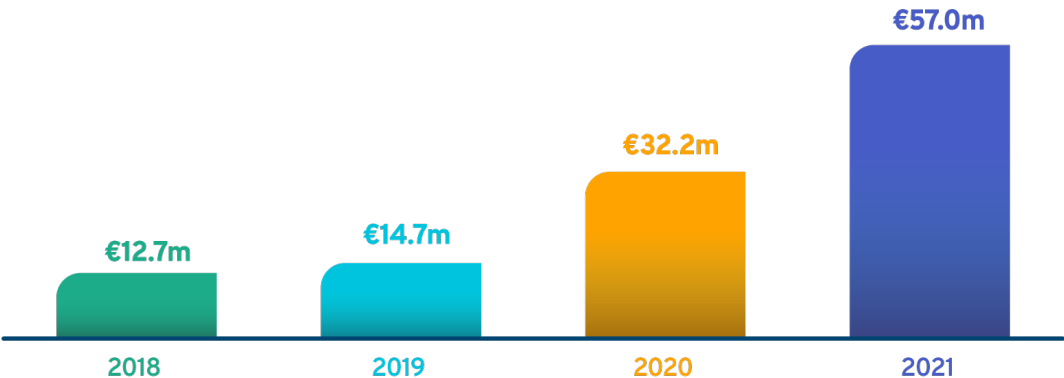


Annual revenue 2018-2021



Revenue first nine months 2022: €108.2m

Annual operating profit 2018-2021



# Operators are more profitable using Kambi

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Operator  
revenue grows  
faster than the  
market

Operator needs  
to spend less  
on bonusing to  
drive revenues

Removes major  
upfront costs,  
risk of delayed  
market  
launches and  
risk of project  
failure

Flexible pricing  
ensures  
operational  
costs are much  
lower for any  
size of operator

Reduces fixed  
cost base for  
operator

Increased  
profitability and  
competitiveness  
for our partners

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# Growth opportunities

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## Organic growth

Grow faster than the market through best-in-class technology and speed to market



## New markets

Key markets to be regulated within the next five years

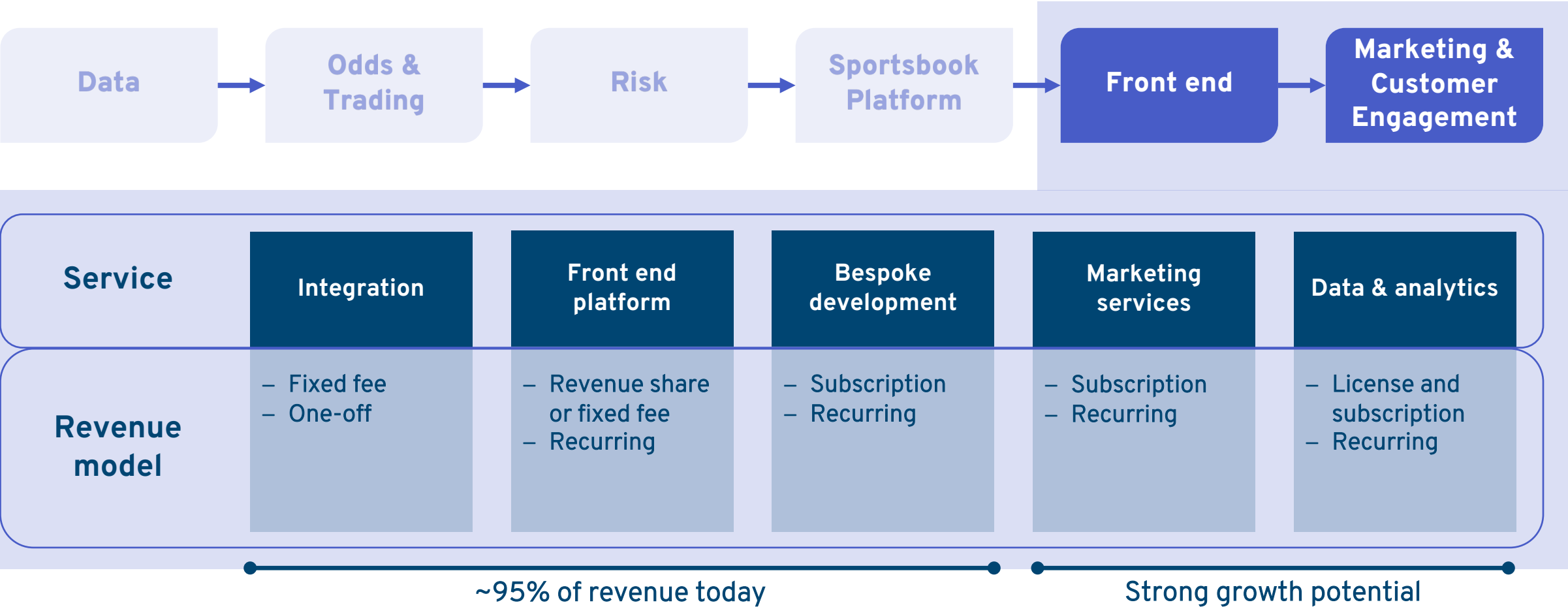


## New signings

Business model will empower more new customer signings

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# Revenue model



# Growth opportunities

## Client portfolio

**Danske Spil**  
*til glæde og til gavn*



  
**Norsk Tipping**

 **BETCITY**

**betJ·A·C·K**

## Levers for growth

Cross-sell to Kambi customers

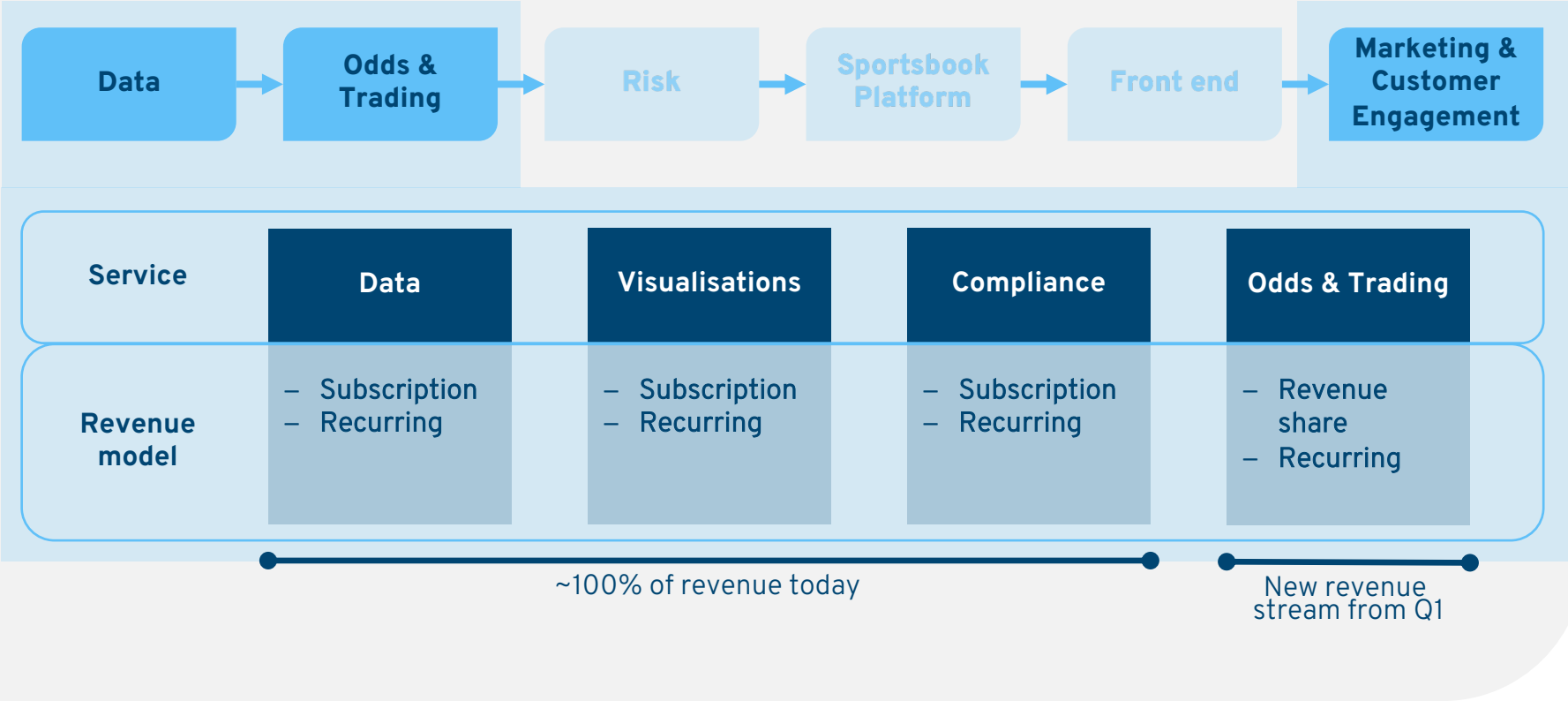
Continued dominance of native front end

Renewed importance of a strong UI

Newly regulated markets demand  
customer engagement tools

Revenue first nine months 2022: €8.9m

# Growth opportunities



## Levers for growth

Long-term supply of data rights has been secured

Odds product ready to be launched in Q1

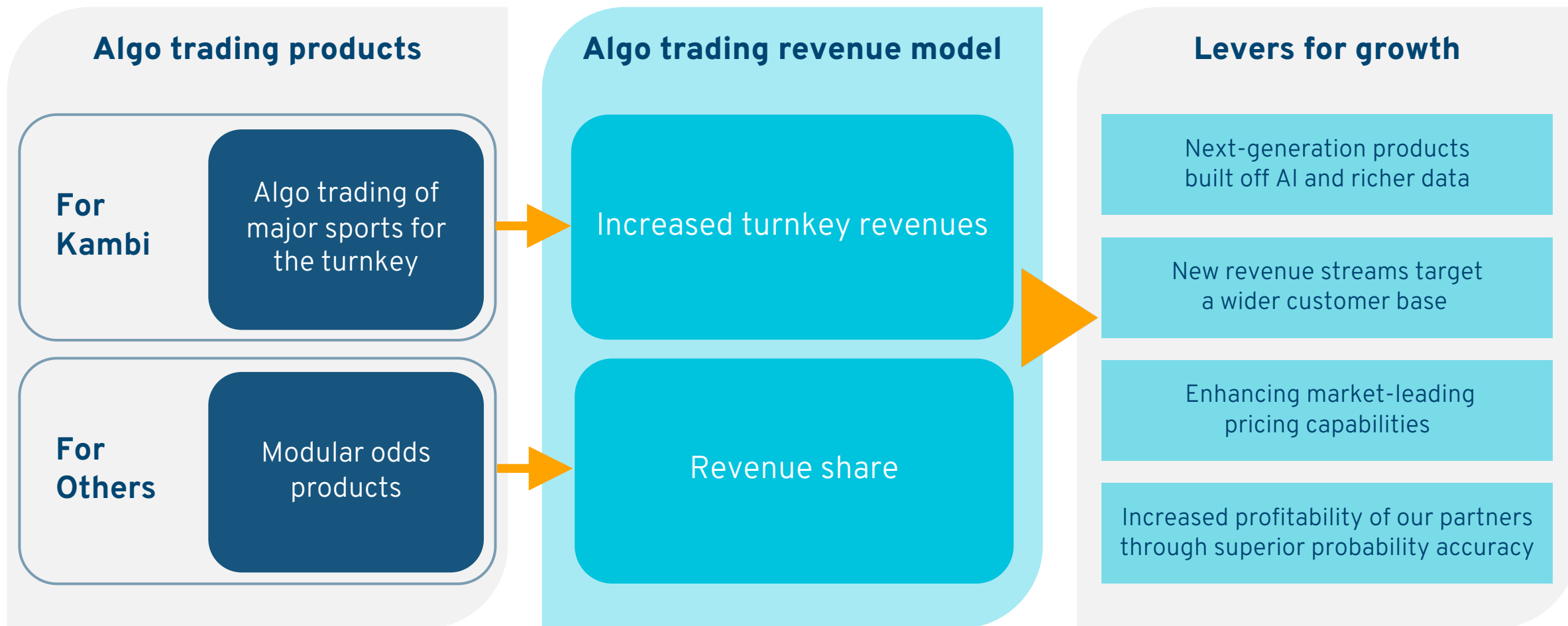
Global interest in esports continues to grow rapidly

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# Revenue model

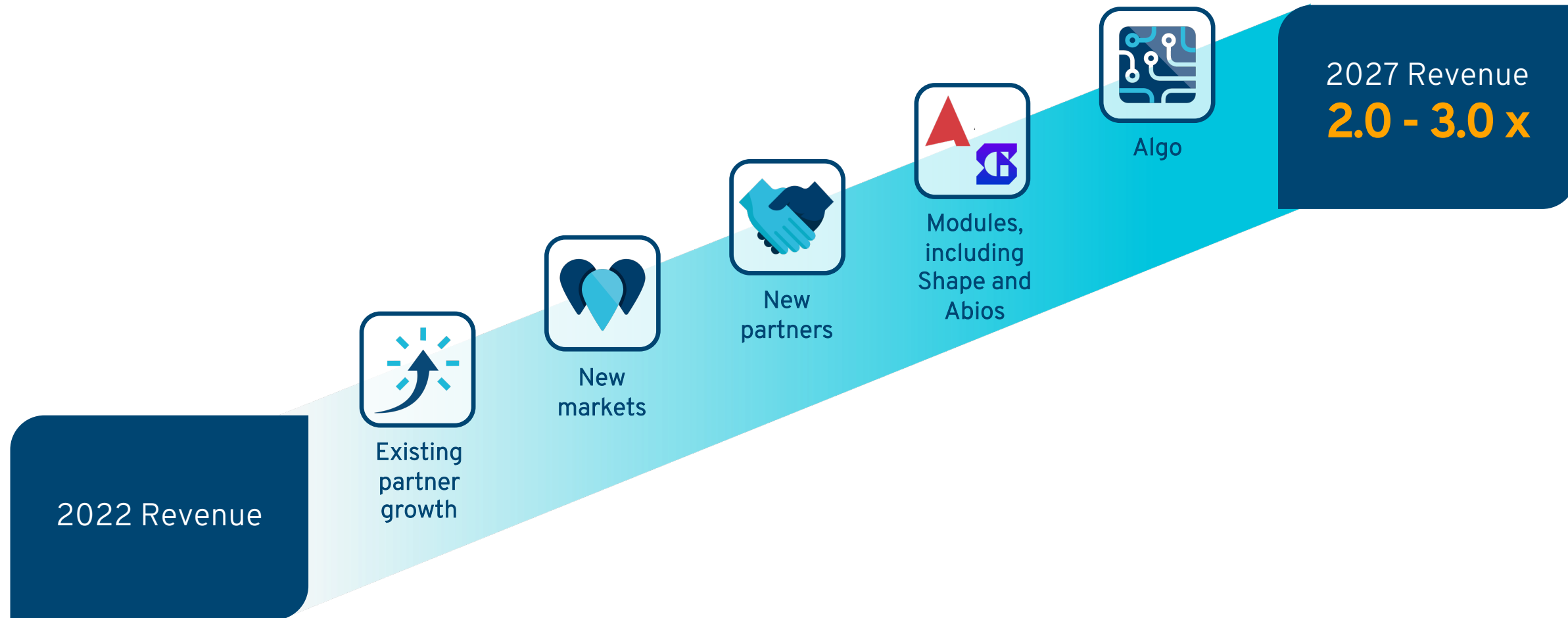
Algorithmic  
Trading



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# Target revenue development to 2027

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# Optimising the cost base



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# Kambi Group cost strategy

Focused investments to maximise revenue and profitability growth

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Underlying cost growth  
will be reduced



Scalability principle will  
continue to apply



Significant cost  
efficiencies realised  
through modules

# Principal elements of cost base

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	Staff	Infrastructure	Other
Details	<ul style="list-style-type: none"><li>– 1,000 employees</li><li>– Significant decrease on previous growth rates</li></ul>	<ul style="list-style-type: none"><li>– Data centres</li><li>– Cloud-based services</li></ul>	<ul style="list-style-type: none"><li>– Sales &amp; marketing</li><li>– Licences</li><li>– Offices</li><li>– Data costs</li><li>– Amortisation on M&amp;A</li></ul>
Drivers	<ul style="list-style-type: none"><li>– Primarily driven by product development</li></ul>	<ul style="list-style-type: none"><li>– Primarily driven by regulation</li></ul>	<ul style="list-style-type: none"><li>– Primarily driven by business development</li></ul>
	~60%	~10%	~30%

Cost driven by careful investment in product development and market expansion

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# Underlying scalability

Kambi does things once, for the benefit of all operators

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Product development



Trading and risk management

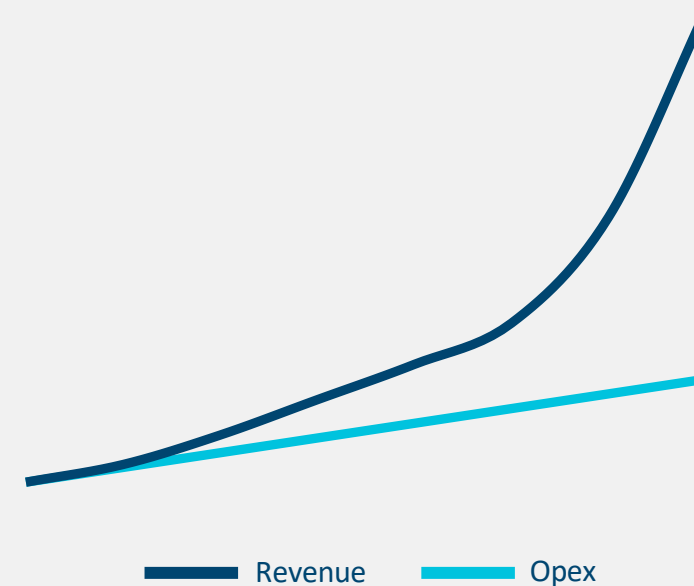


Technical infrastructure



Regulatory compliance

## Illustration of scalability



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# Synergies and cost savings



One front end organisation

One front end platform

Shared central functions



Automated esports trading platform

Single esports trading team

Shared central functions

## Algorithmic Trading

Frees up development capacity and innovation power

Less resources required in trading

Shared central functions

# Cost development to 2027

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# Financial development



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## 2027 Targets

Revenue

**2-3x**

EBIT

**€150m+**

# Strong financial base



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# Strong financial base underpins our model

## Strong Balance Sheet supports our financial prospects

Structurally  
cash generative

Cash  
conversion of  
60-80% of  
operating profit  
over longer  
term

Strong cash  
balance

Two recent  
acquisitions  
using cash  
reserves

Ability to repay  
the convertible  
bond, no other  
debt

Repurchased  
shares to fund  
future M&A

# Capital allocation strategy

Our sound financial base gives confidence to our partners and enables growth opportunities

Reinvestment into  
the business

Share repurchases

M&A

# Investment case



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# Investment case

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1

Unique strategic  
asset

2

Flexibility  
increases sales  
opportunities

3

Highly  
scalable  
business model

4

Exceptional growth  
potential

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# Closing remarks

Kristian Nylén, CEO



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# Drivers to 2027 targets



# Key takeaways from the day

**The world's number one sports betting supplier with a long track record of success**

**Further market regulation and increased outsourcing will grow revenue opportunity**

**Significantly increasing addressable market with modularised product portfolio**

**Removing product boundaries with cutting-edge Algorithmic Trading capability**

**2027 EBIT target of €150+ million**

# Q&A



# Thank you

