Building for the future

Kambi Group plc annual report and accounts 2023

Kambi

Contents

“We have confidence in our strategy for growth, and I have no doubt that Kambi will continue to redefine the sports betting landscape for years to come”

Kristian Nylén
CEO and Co-founder

Read the full CEO’s view on page 13

Legal disclaimer

While certain statements made within this report are forward-looking, 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, 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.

Our purpose

Bring the thrill to every sporting moment

Our vision

The pioneer of next generation betting entertainment that players demand and operators can't compete without

Overview

Together we are limitless

Kambi Group at a glance

A group of market leaders

Kambi Group is the industry's leading, independent provider of premium sports betting technology and services. Comprised of four separate product divisions which are all specialists in their respective field, the Group is the trusted partner to dozens of operators across the globe and has a proven track record of giving partners all the tools necessary to grow and out-compete the market.

The Kambi sportsbook is the Group's core offering, powering leading operators with scalable and flexible technology around the world for over a decade. With a strong track record of delivering regulatory and financial security, Kambi's services encompass a broad offering, from compliance provision and odds compiling through to risk management and a range of differentiation tools, built on and delivered through a sophisticated, in-house developed software platform.

Today, Kambi Group's services not only include its award-winning turnkey sportsbook but also an increasingly open platform and a range of standalone sports betting services. These services include innovative UX and UI powered by front end specialists Shape Games, comprehensive esports data and odds from industry leader Abios, and unique AI-powered trading and product creation capabilities from Tzeract.

In collaboration with our partners, our mission is to bring the thrill to every sporting moment. Our vision is to pioneer next generation betting entertainment.

Kambi Group plc is fully compliant in regulated markets and is listed on the Nasdaq First North Growth Market in Stockholm under the symbol "KAMBI". The Company's Certified Advisor is Redeye AB.

Kambi Group 2023 financial summary

Revenue:	EBITA (acq):	Net cash:	Earnings per share:
€173.3m	€25.2m	€50.5m	€0.488
2022: €153.4m*	2022: €25.0m*	2022: €53.3m	2022: €0.451*

*excluding PENN Entertainment termination fee, see p.57 for more details

Kambi Group in numbers

Founded in 2010

By CEO Kristian Nylén and Chair Anders Ström

Listed on Nasdaq First North Growth Market since 2014

40+ Sportsbook partners across six continents

Live in **50+ regulated markets**

Approx. **1,100 employees** based in nine countries

Our best-in-class product divisons

Kambi

Sportsbook by Kambi

Kambi is the world's leading provider of high-quality sports betting technology and services. Trusted by more than 40 partners worldwide, Kambi delivers its data-driven core turnkey sportsbook and flexible technology to empower operators to innovate and differentiate.

Abios

Esports by Abios

Abios is a premium supplier of enterprise-scale esports solutions. With a data-driven product suite of odds, statistics and widgets, Abios covers the most popular esports titles including Counter-Strike 2, League of Legends, Dota 2 and esoccer.

SHAPE GAMES

Front end by Shape Games

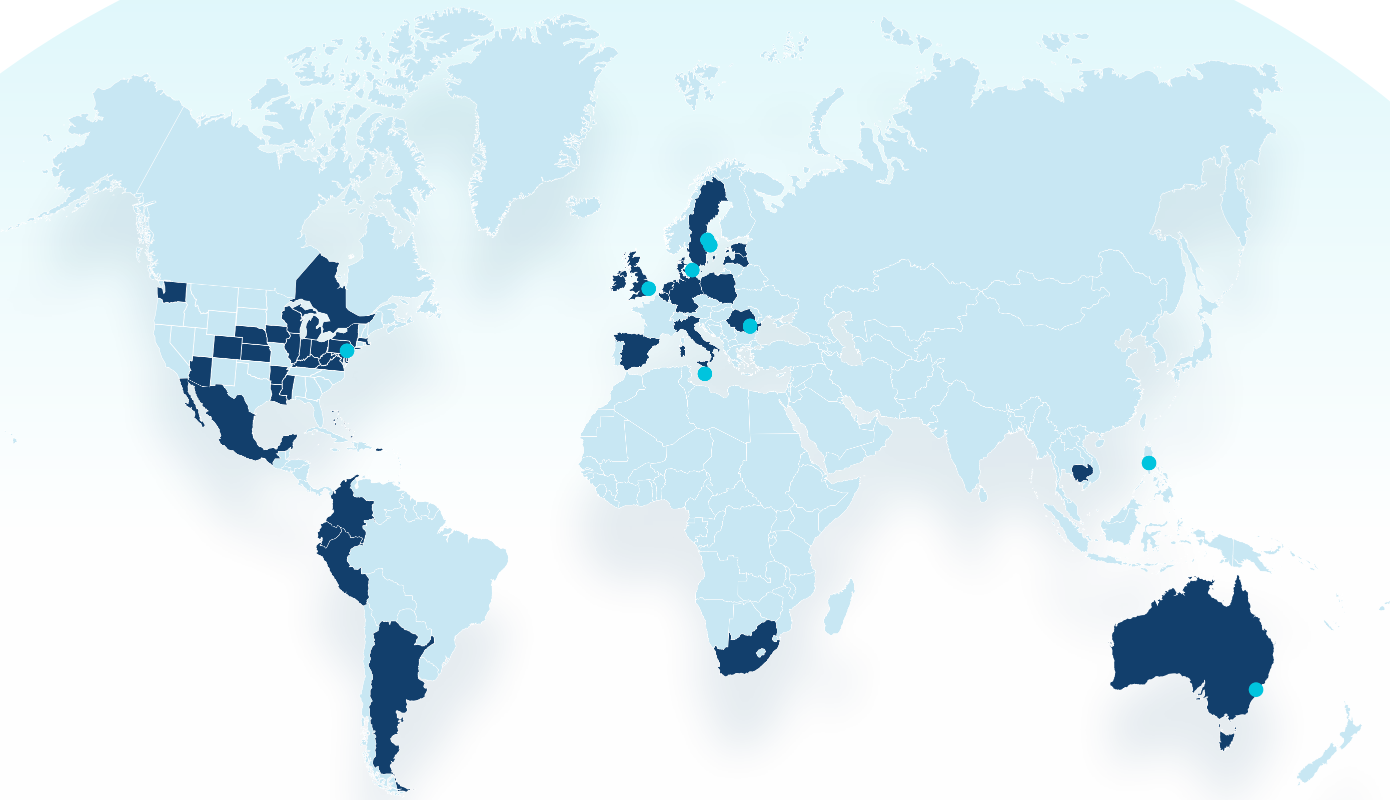
Shape Games is an award-winning provider of fully-native front end technology, delivering results through superior customer experiences where demand for differentiation is often the highest. Shape Games creates thrilling user experiences across the iGaming spectrum, including sports betting and casino.

TZERACT

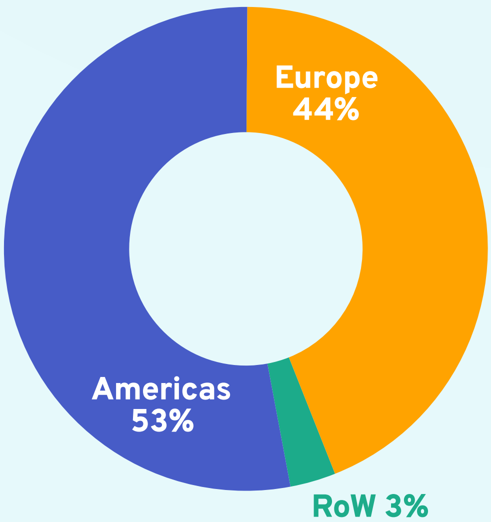
AI trading by Tzeract

Tzeract is a comprehensive AI-powered platform setting a new standard for sports betting through automated odds compiling and trading. Tzeract is also overhauling the conventional, static bet offer list model to unlock the power of innovation and enable operators to create unique products for a new era of sports betting.

A company with a strong global reach



2023 operator GGR by region



Kambi Group offices

- Bucharest, Romania
- Copenhagen, Denmark
- London, UK
- Malta (headquarters)
- Manila, Philippines
- Philadelphia, USA
- Stockholm, Sweden
- Sydney, Australia
- Uppsala, Sweden

Investment case

Five reasons to invest in Kambi Group

Number one sports betting supplier

Kambi is the world leading B2B sportsbook provider with a proven track record of delivering sports betting excellence that few can compete with.

Scalable and profitable business model

Kambi's track record of profitability demonstrates how its business model is built to be operationally and cost efficient to deliver growth in operating margin as revenue increases, ensuring it maintains a strong cash flow and balance sheet.

Leader in a fast-growing regulated industry

Kambi has both the market-leading technology and industry knowhow to deliver in what remains a fast-growing market, with the regulation of sports betting across the globe presenting exciting opportunities for the business.

Redefining sports betting experiences

Kambi, via its Tzeract division, is pioneering next-generation betting entertainment through the development of AI-driven, third generation trading. This cutting-edge capability is opening up innovation possibilities to deliver the future limitless sportsbook experience

Evolving product strategy to increase TAM

The provision of high-quality standalone services and an open platform will significantly expand Kambi's addressable market, with a product portfolio that will appeal to all operators regardless of their strategy or where they are in their lifecycle.

Strategic report

Strong foundations for the future

2023 highlights

A year of strategic progress

Kambi's sportsbook partner network was significantly strengthened with 10 signings and seven renewals, including:

Signings

Bally's

LiveScoreGroup™

Svenska Spel

Renewals

ATG

BetPlay

LeoVegas.com King of Mobile Casino

Rush Street Interactive

Abios and Shape Games partnerships showcased Group commercial progress and cross-sell opportunities

Abios

- Buffed.bet
- Dragoni
- Oyawin
- Tipsport

Shape Games

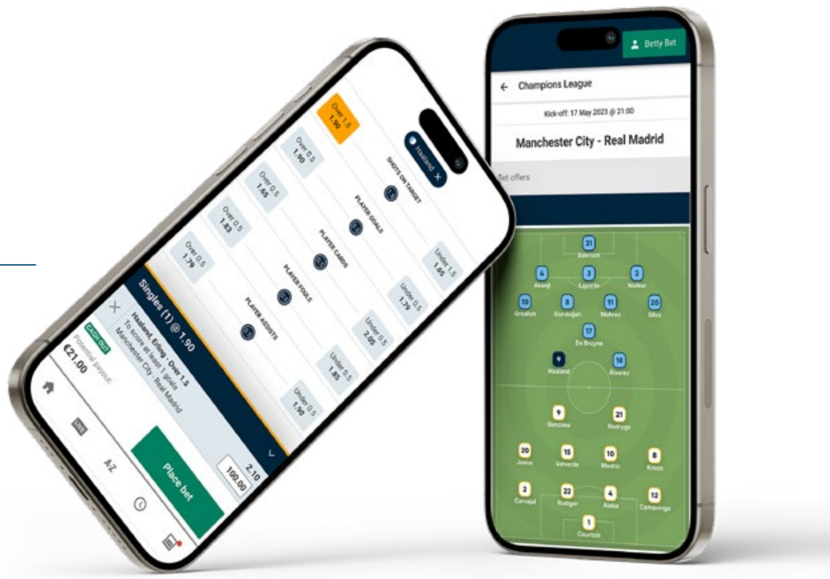
- BetCity
- Betsson Group
- LMG Gaming
- SunBet
- Svenska Spel

In late November, Abios began trading esports and esoccer on the Kambi network, delivering significant performance improvements

Esoccer

July 2023 – Dec 2023

Repaid the full €7.5 million convertible bond previously held by Kindred Group to give Kambi full control over its future strategic direction



Continued development of AI-powered trading, branded as Tzeract ahead of full commercial launch in 2024

Winner of multiple industry awards

Legal Team of the Year

Best Sports Betting Product

Sportsbook Supplier of the Year

Sports Betting Supplier & Innovation in Sports Betting Software

Online Sports Betting Supplier of the Year

13 Kambi Group partners recognised in the EGR Power 50 rankings, an annual rundown of the world's leading operators

Completed 60+ sportsbook launches across multiple markets in Europe, Latin America and the US

Chair's statement

Anders Ström

In November 2023, I had the privilege of succeeding Lars Stugemo, our previous Chair of 10 years since our IPO. His contributions to Kambi during this decade have been invaluable, and I am very grateful for all the work he put in and all that I have been able to learn from him.

My appointment as Chair also entailed taking the helm of ongoing projects at Kambi, in line with our strategic direction - a direction that the Board, of which I have been a member for many a year, initiated under Stugemo's stewardship.

As for the Board's overall assignment and its engagement at Kambi, we have continued to refine our corporate governance model, moving towards a more active and involved Board of Directors. This approach is a shift from the Swedish model of a more detached Board we previously adhered to, and is an inherent development considering that we are a Maltese company.

This direction is further bolstered by the anticipated additions of Kristian Nylén and Benjie Cherniak to the Board, bringing enhanced industry competence, as proposed by the Nomination Committee to our upcoming AGM. I for my part hope to win the AGM's confidence as Chair and attain the privilege to lead the Board through 2024, a year I am convinced will see Kambi gaining greater effectiveness.

The Board's paramount duty is to create value for Kambi's shareholders. Part of our capital allocation priorities includes our share buyback programs, aimed at achieving added value to our shareholders, giving the Board increased flexibility with Kambi's capital structure, including using them to settle share options. Kambi repurchased 462,076 shares during the year for a total of €8.3 million, which represent 1.5% of the outstanding shares in the company. This was made possible by our robust balance sheet, and we intend to continue the program throughout 2024 and if deemed expedient, also further on.

Another crucial responsibility for the Board this year is the recruitment of a new CEO for Kambi, with this process expected to conclude before the summer. The incoming CEO will, alongside the management team and in coordination with the Board, continue to advance Kambi's strategic direction and vision. This includes augmenting our turnkey solutions and developing our modular systems, thereby increasing adjustability in our offerings for our partners and providing greater flexibility for them.

We previously communicated that 2024 is anticipated to be a transitional year for Kambi. Due to the evolving nature of regulation and its influence on new business opportunities, Kambi must consistently review future expectations. Nonetheless, this does not alter our future ambitions and strategic direction, despite the challenges posed.

I am personally excited about the ongoing AI implementation across various aspects of our operations and offerings. At Kambi, we are at the forefront of utilising AI and our aspiration is to further improve machine learning models that can not only run sportsbooks autonomously but also learn on their own. I am confident that our models for leveraging AI will lead to even higher effectiveness in our operations and be directly reflected in our performance and results.

Anders Ström
Chair

A view from the CEO

Kristian Nylén

As I reflect on Kambi's performance over the course of 2023, I do so with both a sense of pride and humility. It was a year marked by fantastic strategic and operational progress but also by a financial performance that, while resilient, fell short of the expectations we set ourselves as a business with high aspirations. However, 2023 will serve as a bridge to a brighter future, anchored in a commitment to executing our long-term vision and strategy targeted to a much-improved financial performance moving forward.

When I founded Kambi with our Chair Anders Ström back in 2010, our ambition was simple: to build a company that would revolutionise the sports betting landscape. Today, Kambi boasts a product portfolio that is stronger than ever and, as Kambi Group, we remain steadfast in our commitment to delivering limitless sports betting experiences together with our partners. No longer just the world's premier turnkey sportsbook, in recent years we have expanded into new frontiers with Abios, a leader in esports, Shape Games setting the bar for exceptional front end experiences and, more recently, Tzeract, which is poised to transform the industry through AI-powered trading.

As such, our open platform, differentiation capabilities and tailored solutions can now equip operators with the flexibility and agility required to succeed in any market, regardless of their size or strategy. Whether they seek a premium full turnkey solution or prefer to integrate select sports betting components, Kambi has a best-in-class product suite to suit all operator requirements and I am excited by the interest we have seen from operators across the full scope of our portfolio, as evidenced by the record number of signings completed in 2023.

We significantly strengthened the Kambi sportsbook network by welcoming 10 new partners, including major industry players such as Bally's Corporation, LiveScore Group and Svenska Spel Sport & Casino (Svenska Spel). These landmark partnerships show just how far our product and commercial strategy have come. From enabling Bally's to potentially acquire elements of our source code to Shape Games building a bespoke front end for Svenska Spel, Kambi is taking product flexibility to the next level and, together with our partners, we will continue to push the boundaries of what is possible in sports betting.

Although these signings will not deliver revenue straight away, they are important milestones towards our long-term targets, highlighting the strength of our sportsbook technology and showcasing the demand that exists for a high-quality outsourced solution such as Kambi. This demand for our product is further evidenced by the completion of several key partner renewals over the course of 2023, notably ATG, BetPlay, LeoVegas Group and Rush Street Interactive, as well as the signings completed across the Kambi Group by Abios and Shape Games.

From a financial perspective, in 2023 we showcased our resilience as a business with revenue increasing 13% to €173.3m when excluding the one-off termination fee from Penn recorded in Q4 2022. However, we acknowledge that this falls short of the high expectations we set ourselves, with revenue impacted by several factors including lower than anticipated revenue from Shape Games, smaller than expected revenue contributions from two of our largest partners and Bally's measured approach to marketing since its launch. Challenges will continue to exist, including a slower roll-out of newly regulated sports betting markets, but I firmly believe the strategic progress we made in 2023 has laid the foundations for a more prosperous future.

As I prepare to step down as CEO of Kambi Group after 15 years, and almost 10 as a public company, I am proud of what we have achieved, from an industry start-up to a global leader in sports betting technology. Although my time as CEO will conclude at some point this year, the Kambi story is just getting started and I hand the reins to a fantastic team, ready to guide the company forward. To them, I offer my support and confidence as a nominee for Kambi's Board of Directors. To everyone at Kambi, past and present, thank you for being part of our success.

Looking forward, there remain hurdles to overcome but I am optimistic about what the future holds for Kambi in what remains a growing, albeit challenging, global sports betting market. With a solid financial foundation, a diversified best-in-class product portfolio, and a growing network of world-class partners, Kambi is well positioned to capitalise on these opportunities. The path to our long-term goals will not be linear but we have confidence in our strategy for growth, and I have no doubt that Kambi will continue to redefine the sports betting landscape for years to come.

Kristian Nylén
CEO

Strategic overview

Building a foundation for limitless possibilities

Kambi Group believes the possibilities in sports betting, for players, partners and Kambi alike, remain limitless. From a product perspective, the industry has only just scratched the surface of what is possible and with the advent of emerging technologies such as AI and machine learning, the opportunity to reimagine the very fundamentals of the sportsbook itself is greater than ever before.

The year 2023 was a landmark one for the Group with significant commercial momentum, innovative product enhancements and a robust commitment to collaboration laying the groundwork for an exciting future filled with limitless possibilities.

Kambi Group's portfolio of market-leading brands are united in delivering for what remains a growing global sports betting market, executing its vision and overcoming any challenges to pioneer next generation betting entertainment that players demand and operators can't compete without. Product is often king in the battle for sports betting supremacy and Kambi has long provided a premium product that only the very best B2C operators can compete with, a factor that is key in Kambi's ability to attract some of the industry's most prestigious operators to its sportsbook service.

The year 2023 was marked by a surge in commercial activity with 10 new turnkey partners joining the Kambi network, including Bally's Corporation, LiveScore Group and Svenska Spel which showcase the continued appeal of Kambi's sportsbook among leading global operators. Beyond this, successful renewals with key existing partners like ATG, BetPlay, LeoVegas, and Rush Street Interactive demonstrate the enduring trust in and demand for Kambi's premium sportsbook solution. This success solidifies Kambi's position as a trusted partner in the industry, catering to both established and emerging operators.

The modern sports bettor demands a personalised and dynamic betting experience, epitomised by the surge in popularity of bet builders where users can curate their own bets across multiple games, leagues and sports. At the same time, sportsbooks have more data at their fingertips than ever before, with Kambi having a distinct advantage over its competitors through access to both granular official sports data and insights gained from the billions of transactions accrued through the Kambi network. These trends are fundamental to Kambi's journey to the limitless sportsbook, a future where Kambi envisions it's possible to bet on anything at any time.

In 2023, Kambi made significant strides towards this limitless future. Kambi continued its roll-out of AI-powered trading and announced its intention to launch as a standalone product division alongside Abios and Shape Games. Branded as Tzeract, the division is utilising cutting-edge technology to set a new standard for bet creation through automated pricing and an overhaul of the traditional bet offer platform. With Tzeract removing the barriers to what is possible to price and risk manage, Kambi is uniquely placed, in addition to the UX capabilities of Shape Games, to deliver a limitless sportsbook experience with bespoke functionality for operators.

The power of collaboration

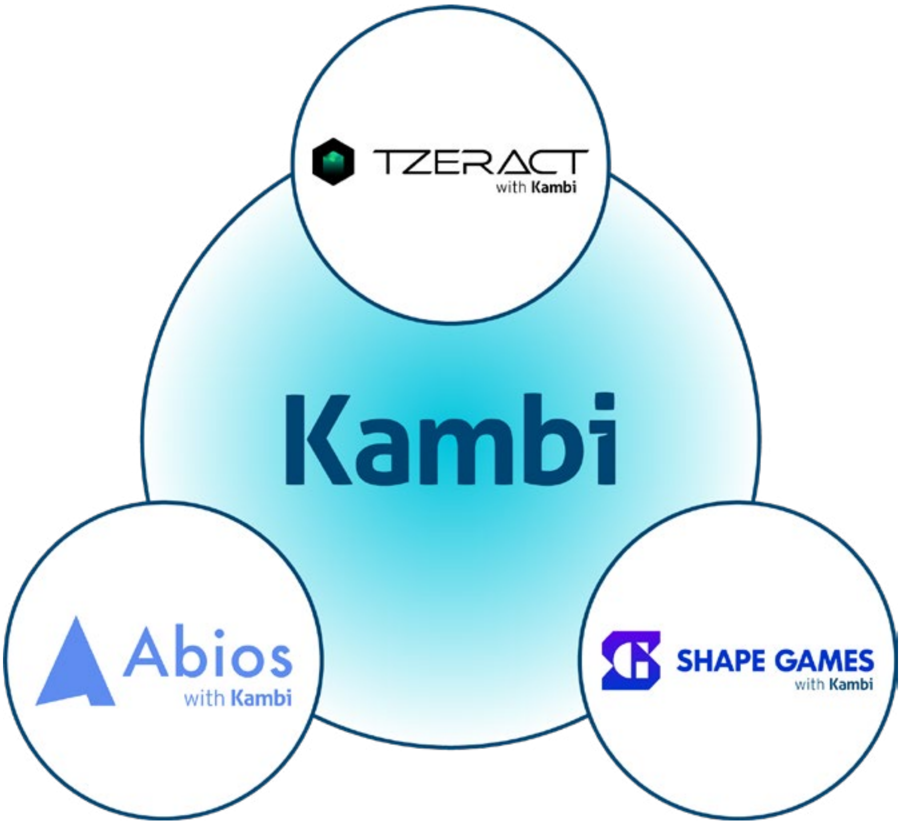
The Kambi Group stands firmly behind the belief that the power of collaboration is key to unlocking these limitless possibilities. This is not just an internal mantra; it fuels the company's approach to partnerships with operators, driving the business to push boundaries, embrace continuous innovation, and redefine the very limits of what's possible in the dynamic world of sports betting.

Operators cannot excel in all aspects of sports betting and be market leaders across the board. As a result, the Kambi Group has focused on creating a sports betting powerhouse within its product portfolio through market-leading standalone entities in Abios, Shape Games and Tzeract, each complementing the flagship Kambi sportsbook. Each brand brings unique strengths to the table, combining deep expertise in the esports market, industry-leading UX capabilities, and cutting-edge AI-powered trading, which operators have the option of leveraging as standalone product services. The divisions also strengthen the Kambi sportsbook, with Abios and Tzeract included in the turnkey service to partners as standard.

Through a collaborative framework across the Group's product divisions together with partners, Kambi can foster innovation, optimise product development and deliver a superior offering to operators, irrespective of their size and strategic focus. Through these powerful alliances, we craft a unique proposition that sets a Kambi-powered sportsbook apart from the competition. This strategy, aligned with Kambi's overarching objective of increasing the flexibility of its product portfolio, will be crucial in enabling the company to expand its total addressable market and help pave the way towards successfully delivering on its long-term strategy.

2023 marked a pivotal moment for Kambi in this regard. The Group underwent a structural reorganisation that transformed the group into independent expert divisions with a high level of autonomy whilst complementing each other to deliver a suite of services necessary to operate a sportsbook and creating shared goals for better alignment. Furthermore, Shape Games and Kambi's UX teams are in the process of being combined to create the world's best UX product, while commercial functions were unified as a Group function to enable sales to offer products tailored to the prospect and facilitate greater upsell and cross-sell opportunities across the Group.

As the Kambi Group moves forward and as the global sports betting market evolves, Kambi remains dedicated to fostering these powerful partnerships within the Group and across the wider market, pushing the boundaries of what is possible to deliver for all Kambi stakeholders. 2023 was a year of substantial strategic progress for the Group in this regard, laying solid foundations for future growth through new partnerships, renewals, and product enhancements. As the sports betting landscape continues to evolve, Kambi's strategic advancements in 2023 position the company for success in the years ahead. Kambi's journey towards limitless possibilities has only just begun.



Summary of financial targets

In January 2023, Kambi adopted long-term financial targets in line with its strategic vision. The 2027 financial targets are:

1) Revenue of 2-3x FY2022 levels (i.e. approximately €330 - 500 million)

2) EBIT in excess of €150 million

These financial targets are based on five key growth drivers:

- Utilise platform flexibility to retain key partners
- Roll out AI-powered pricing
- Extend lead as number one supplier in the Americas
- Sign tier one operators across product portfolio
- Launch in a major regulated Asian market

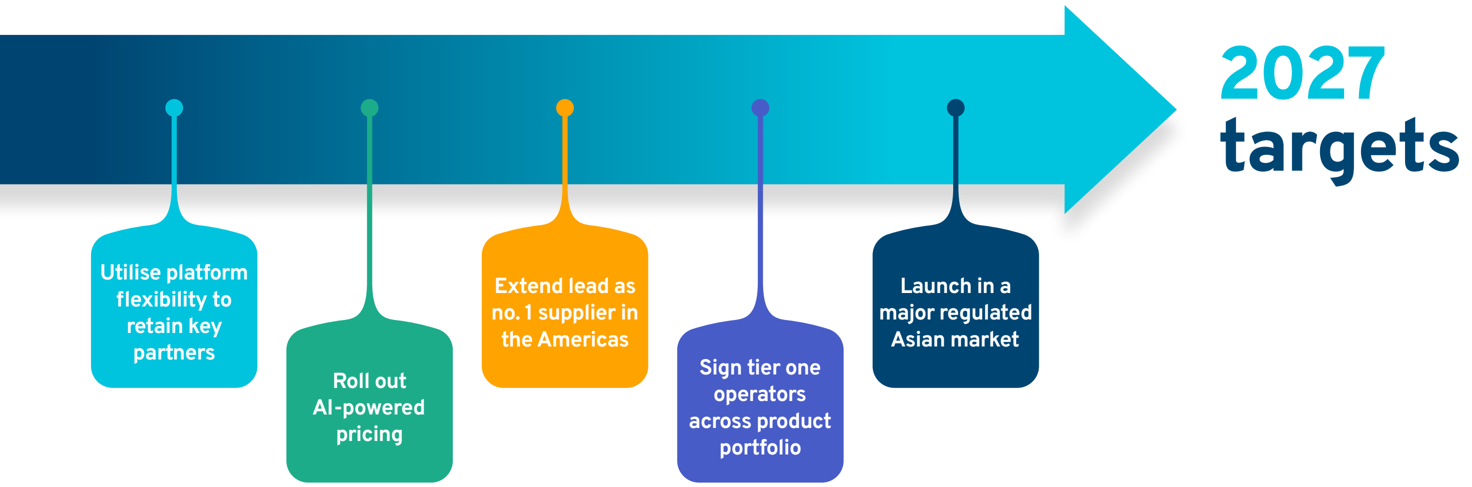
Kambi also estimated a potential increase in its global addressable market to approximately €50 billion GGR by 2027.

Underlying assumptions review

As set out in Kambi's key financial drivers, continued regulation across the Americas, as well in certain strategically important countries in Asia, will be required if Kambi is to reach the targets first set out at the Capital Markets Day in January 2023.

In general, the pace of sports betting regulation has slowed compared to previous years, illustrated by recent news that regulated sports betting in California is unlikely to occur in or before 2027. Due to the evolving nature of regulation and its influence on new business opportunities, Kambi must regularly review future expectations and is currently performing an in-depth review of its 2027 financial targets. Kambi had estimated California would contribute approximately €20 – €25 million of revenue with minimal incremental cost in 2027 but will now revisit this projection along with all underlying assumptions that form the basis of its 2027 financial targets. Kambi will update the market once this review has concluded.

Kambi Group Key Growth Drivers



Product leadership

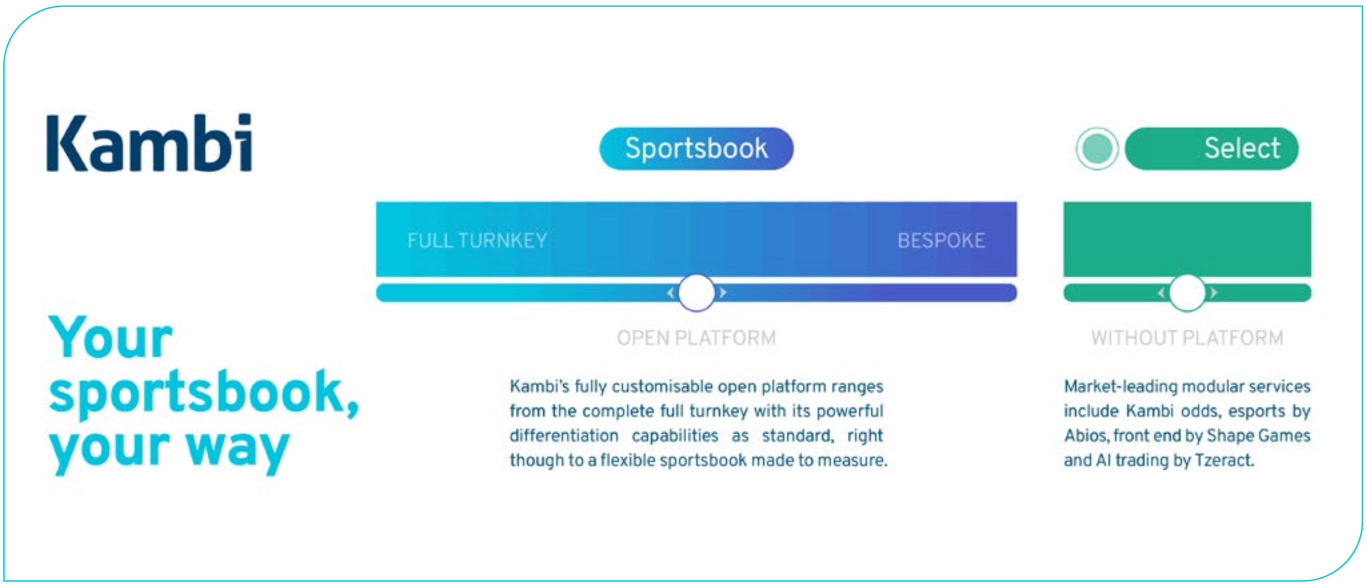
A premium product fit for all

The Kambi product strategy continues its exciting journey with the aim of providing a range of market-leading products to the wider industry. Through its four complementary product-led divisions (Kambi sportsbook, Abios, Shape Games and Tzeract), Kambi increasingly delivers revenue-driving solutions to operators, no matter their technology strategy.

This open and flexible service meets the needs of the evolving industry landscape and gives Kambi the greatest opportunity to be relevant to all operators while increasing its addressable market. At a high level, Kambi's products can be viewed two ways: either with its increasingly open sportsbook platform or without its platform, with a high level of optionality within each.

Kambi's open sportsbook platform provides operators with the empowerment to innovate and differentiate, while leveraging its proven scalability and security. This open platform is offered on a sliding scale of optionality to best suit various operator requirements. On one end of the scale there is the full turnkey, or close to turnkey, with a wide range of differentiation capabilities built in, such as the ability to integrate third parties or freedom to build upon the Kambi platform. At the other end of the scale is the ability to offer a much more bespoke service to operators, which could include some development of the platform right through to the potential sale of source code in exceptional circumstances.

Alternatively, operators which have their own proprietary technology stack and therefore do not require a platform-based service can benefit from Kambi's modular offering. This exclusive group of operators are increasingly seeking modular solutions in an effort to increase the quality and efficiency of their largely in-house sportsbook. Through its four brands, Kambi can offer a range of bespoke services, including AI-driven pricing, front end solutions and esports content and odds.



Kambi

Sportsbook by Kambi

Kambi provides the industry's leading end-to-end sports betting technology and services, trusted by operators more than 40 operators on six continents to provide the high-performance technology and regulatory certainty required to out-compete the market. From pricing and risk management to integrity monitoring and customer services support – all delivered through a market-leading, in-house developed sportsbook platform – Kambi has a proven track record of delivery in the online and on-property arenas.

Developed and continually enhanced over a period of more than 20 years, the Kambi sportsbook is a data-led turnkey product which delivers a superior user experience and provides partners with the freedom to differentiate. Today, these services not only include an award-winning end-to-end sportsbook but also an increasingly open platform and a range of standalone sports betting services which enable operators to engage and excite players to build market-leading positions.

With an unmatched product range that includes an award-winning Bet Builder offering, an advanced suite of online and retail capabilities underpinned by decades of expertise in pricing and risk, the Kambi sportsbook continues to cement its position as the leading, independent sportsbook technology provider to regulated betting and gaming operators.

The Kambi sportsbook's position as the end-to-end service of choice for leading sports betting operators globally was reinforced in 2023 with the addition of 10 new commercial partnerships, including landmark deals with Bally's Corporation, LiveScore Group and Svenska Spel. This commercial progress is underpinned by ongoing refinements and upgrades to the core product made over the course of the year, including the addition of in-game and cash-out functionality to the Kambi Bet Builder and the ongoing expansion of AI-powered trading through Tzeract.

Sportsbook USPs include:

Industry leader

Industry's trusted sportsbook partner powering market leaders globally

Flexible

Bespoke sportsbook deliveries through increasingly open platform and modular services

Speed to market

Proven ability to quickly launch and adapt to new markets with a highly localised and compliant product

Esports by Abios

Kambi Group is a leader in the provision of esports data and odds through Abios. Boasting more than 10 years of experience in esports and an innate understanding of what it takes to compete in a complex and growing vertical, Abios delivers data-driven odds and widgets to sportsbooks looking to develop and enhance their esports offering across all key titles, including Counter-Strike, Dota 2, esoccer and League of Legends.

The year 2023 has been a landmark one for Abios. The launch of Abios' all-new esoccer product to the Kambi network – powered by the automated trading models built by Abios – was a significant milestone. Delivered to Kambi partners via Kambi's recently developed trading gateway (also used by Tzeract), this new esoccer product not only enables a larger number of events to be offered but also vastly improves the quality of offering, delivering a fourfold increase in operator GGR on esoccer in its first full month following launch.

This was accompanied by launching with partners including Dragoni, a UK esports bookmaker which is utilising Abios' superior betting and statistics solutions for Counter-Strike 2: Global Offensive, as well as providing its statistics services to Czech sportsbook and betting operator Tipsport to boost audience engagement.

Having been integrated into the Kambi sportsbook, and with an odds product and accompanying esports streaming product proven to drive both engagement and operator margins, Abios boasts impressive growth prospects with both new and existing Kambi partners and operators outside the network.

Esports USPs include:

Coverage

Extensive data coverage for the most popular esports titles

Infrastructure

State-of-the-art infrastructure built for efficient and performant scaling

Proprietary modelling

Odds creation utilises automated modelling to deliver exceptional experiences

Front end by Shape Games

An award-winning platform and service provider, Shape Games is the betting and gaming industry's foremost provider of fully-native front end technology, delivering results through superior customer experiences where demand for differentiation is often the highest.

Shape Games leads the industry in UX and UI development, and the company's provision of best-in-class front end services form a vital component in Kambi Group's successful delivery of an increasingly limitless sports betting offering.

Not only does Shape Games provide a best-in-class front end, but its complementary customer engagement capabilities, which include personalisation, loyalty and statistics also perfectly match Kambi's sportsbook expertise, enhancing the level of service offered as both build the sportsbook of the future. This strong combination of front end and sportsbook excellence was a key factor in the 2023 partner win of Svenska Spel, one of the leading operators in the Swedish market.

The sports betting UX of Kambi and Shape Games was folded into one product development organisation in early 2024 to unlock superior product journeys through desktop, retail and specifically built native mobile applications. Shape Games revamped its sports front end in 2023, redesigning key parts of the offering with updates to elements including the event list and league navigation, as well as the inclusion of integrated statistics and offerings in league and participant pages.

The addition of Shape Games to the Kambi Group also introduced the opportunity for Kambi to expand its product portfolio in the casino vertical, with the integration of both product verticals within a single application thanks to Shape Games delivery of casino interfaces. This not only enhances convenience for end users engaged in both sports and casino, but also facilitates seamless, organic cross-selling opportunities between the two products.

Shape Games works with many leading operators including Danske Spil and Norsk Tipping and the integration and natural synergy of the business with the Kambi sportsbook has enabled the Group to realise valuable cross-sell potential. BetJACK and BetWarrior were partners in common prior to the integration and this has since grown with the addition of operators including Svenska Spel, BetCity, LMG Gaming and SunBet.

Front end USPs include:

Technology

A powerhouse in fully native technology and UX development

User experience

Seamless UX across the entire gaming spectrum, including player account management, sports betting and casino front end

Flexibility

Adaptability enables local brands to achieve brand ambitions in competition with market leaders

AI trading by Tzeract

Tzeract is a comprehensive AI-driven trading service which is setting a new standard for sports betting. Powered by a team with decades of experience in sports and technology, it is pioneering the next dimension of fixed odds sports betting through the latest in cutting edge AI and machine learning technology.

End user behaviour is increasingly moving towards player-curated markets, and the kind of products only advanced algorithms have the capacity to trade and deliver. To this end, as well as delivering margin-driving pricing, Tzeract is also overhauling the conventional, static bet offer list model – removing the barriers to innovation and enabling operators to craft new, bespoke products for a new era of sports betting. Transforming the bet domain and developing fully automated pricing to price and trade any outcome is enabling Tzeract to meet player demands for more complex markets and products, a trend through which no operator can afford to find themselves left behind.

Being born out of Kambi, Tzeract is forged on the back of the rich data and decades of expertise required to build the world's leading AI-powered trading operation and is a solution already trusted by dozens of operators all over the globe. Tzeract has already been rigorously tested at scale having gone live on the Kambi network ahead of the 2022 FIFA World Cup and powering hundreds of millions of soccer bets since launch.

The decision was taken to spin out AI-powered trading into a separate division under the Tzeract brand in 2023, with a view to enhancing the product's appeal to tier one operators aiming to upgrade their pricing and trading of key sports. In 2024, the focus will be on continuing to develop the product, growing beyond its already extensive pre-match soccer coverage to incorporate in-play soccer, as well as tennis, with more sports to follow.

AI trading USPs include:

Margin-driving pricing

Utilising cutting-edge AI and machine learning technology

No limits innovation

Empowering operators to develop unique betting products

Proven at scale

More than 200 million bets on AI-driven bet offers in past 12 months

Sports betting market

Navigating an attractive yet evolving market

In the ever-evolving global sports betting landscape, Kambi Group maintains its stronghold as the world's leading B2B sportsbook provider. The Group's sportsbook is currently live in more than 50 regulated markets and completed over 60 launches in 2023 alone, including new jurisdictions across the Americas.

The opportunities for growth within the sports betting market segment remain robust. According to H2 Gambling Capital, the global betting market continues its upward trajectory with a compound annual growth rate of 9%.

Regulation has been a key driving force behind the market's growth in recent years, aligning with Kambi's core strategy since its inception to focus on regulated markets and utilise its expertise in compliance as a competitive advantage. In 2023, Kambi derived 94% of revenue from locally regulated jurisdictions.

While regulatory opportunities do continue to exist, there has been a slowdown to the pace of sports betting regulation in general compared to previous years. An example highlighting this trend is the recent revelation regarding the legalisation of sports betting in California which now seems unlikely to regulate sports betting before 2027. However, with almost a third of the US population residing in states that have not yet legalised sports betting, long-term opportunities for growth reamin.

Amidst these regulatory shifts, Kambi is strategically positioned for long-term growth, with Latin America one such market ripe for expansion. Brazil, in particular, holds great promise for Kambi despite delays in the regulation of sports betting. While the market is likely to be competitive, entry into the Brazilian market presents a substantial growth opportunity for Kambi where it expects to gradually increase its market share over time once the regulated market is live.

94%

of Kambi's revenue is derived **from locally regulated markets**

Europe

European markets make up the most mature sports betting region in the world, but there remain evident opportunities for growth with the application of the right technology and solutions, with online betting gross win forecast to grow to €17 billion by 2027 according to VIXIO GamblingCompliance.

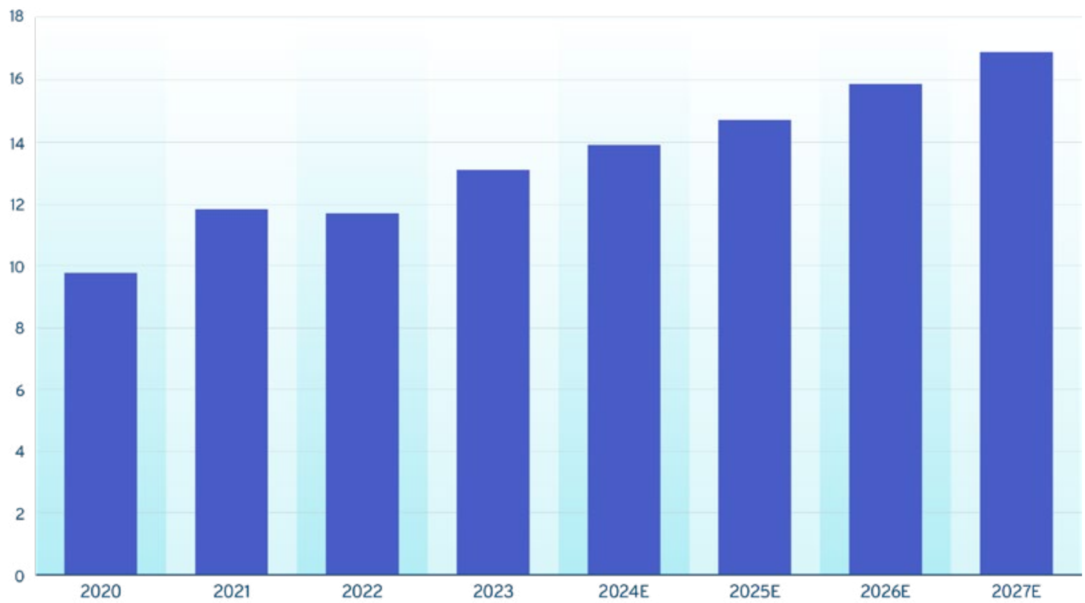
The proven track record and strength of Kambi's technology in locally regulated European markets empowered important growth in our commercial footprint throughout the region in 2023. Agreements were penned with a number of new partners throughout the year, including landmark deals with top-tier operators LiveScore Group and Svenska Spel. Of particular significance in the partnership agreement with Svenska Spel was the incorporation of Kambi Group subsidiary Shape Games' fully-native front end services, underlining the clear commercial rationale behind the Group's wider strategy.

Further underscoring this commercial momentum were new deals throughout the Benelux countries. This included a partnership with leading operator Bingoal in Belgium and the Netherlands encompassing both retail and online, as well as a partnership in the Dutch regulated market to support established casino operator 711's expansion into sports betting.

The year 2023 was another in which Kambi achieved concerted growth to its footprint with existing partners. This was clear with MGM Resorts-owned LeoVegas Group, most notably in the launch of the BetMGM brand in the UK which has grown strongly since launch in what is a competitive market. Kambi now powers LeoVegas' full suite of sports betting brands, including BetUK and Expekt, which expanded to Denmark with Kambi's support in 2023, as well as the LeoVegas brand itself which launched in Denmark in 2023.

Projected regulated online sports betting GGR – Europe

Euros (bn)



Source: VIXIO GamblingCompliance

North America

Regulated sports betting throughout North America is a key driver of growth for the Kambi business. The underlying quality of Kambi's technology and services and its ability to swiftly pivot these to the requirements of any locally regulated state or province, have helped to make Kambi the turnkey sportsbook supplier of choice for operators throughout the continent.

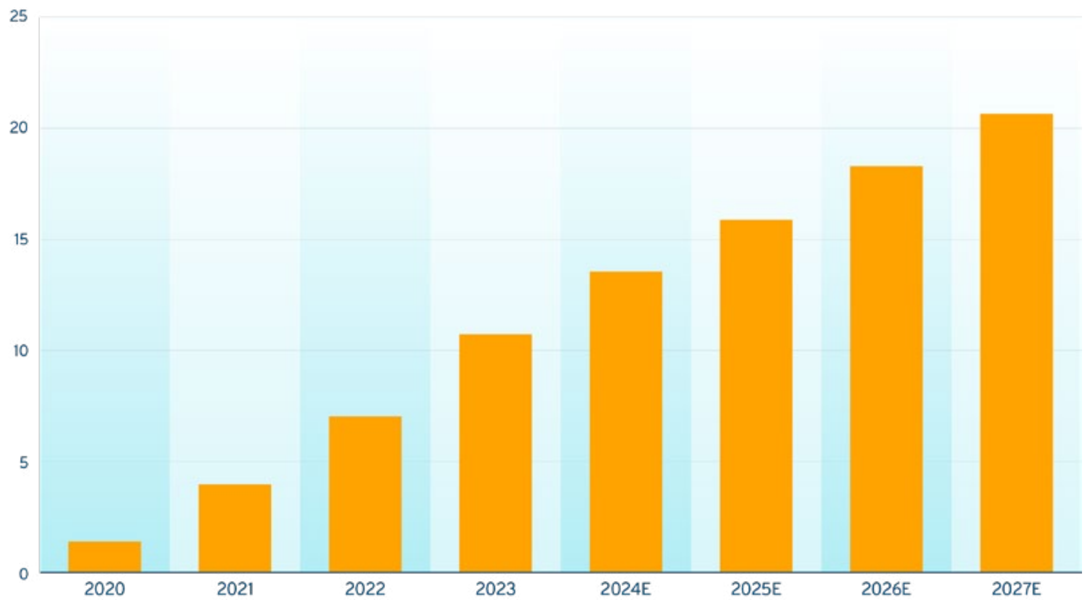
Although there have been delays to the passage of regulation in states including California and Texas, the long-term potential for further expansion of the North American sports betting market is clear, with VIXIO GamblingCompliance forecasting a rise in gross win from sports betting in the United States from €11 billion in 2023 to €21 billion in 2027.

Kambi added several new operators to its North American partner network throughout 2023. Signing with Bally's Corporation in May was a landmark moment, partnering Kambi with an operator with international reach and clear path to growth for its Bally Bet brand in the US with the support of Kambi's sportsbook. Replacing Bally's proprietary sports betting technology, Kambi went on to complete seven online launches and six on-property launches with Bally's throughout the year, in states including Colorado, Iowa and New York.

Kambi's investment in its on-property capabilities, including kiosks and innovative Bring Your Own Device technology, was further vindicated through a series of partnerships with land-based operators. These included del Lago Resort & Casino and Miami Valley Gaming, as well as partnerships with tribal operators including Potawatomi Casinos & Hotels and Prairie Band Casino & Resort. A consultative approach, supporting tribes in navigating the complexities of launching sports betting has seen Kambi become the foremost sportsbook provider to tribal operators throughout North America, including Desert Diamond Casinos, Mohegan Gaming & Entertainment and Seneca Gaming Corporation.

Kambi also facilitated an impressive range of launches for existing partners in new states throughout the year. Rush Street Interactive and JACK Entertainment both went live with real-money sports betting on 1 January 2023 in Ohio, while Kambi also powered the launch of the only online sportsbook in Delaware with Rush Street Interactive in December. Kambi also successfully supported the launch of Churchill Downs in eight locations in Kentucky, with the first bet placed by the Governor of Kentucky at Churchill Downs Racetrack. This was the shortest time from regulation signature to launch in Kambi's history, another impressive marker of Kambi's deployment speed.

Projected regulated sports betting GGR – United States
Euros (bn)



Source: VIXIO GamblingCompliance

Latin America

With the spread of sports betting regulation continuing across a region that is home to more than 650 million people, Kambi has firmly cemented itself as the sportsbook of choice for operators with ambition throughout Latin America. This is most clearly demonstrated in Colombia, where Kambi has supported BetPlay, which Kambi signed a second partnership renewal in 2023, and Rush Street Interactive's RushBet brand into positions of market leadership.

The year 2023 saw Kambi and its partners continue to capitalise on Kambi's momentum throughout the region. Having signed with LMG Gaming in 2022, the operator's ApuestaPR retail sportsbook went live in Puerto Rico with Kambi in 2023. The operator is owned by Liberman Media Group, which is leveraging its Teleonce television network to boost the brand's reach.

Argentina is regulating sports betting on a province-by-province basis, and Kambi powers multiple partners across the country. BetWarrior is a long-term partner of Kambi, initially signing in 2019, and Kambi supported the operator in launching two brands in Buenos Aires City in 2023, BetFun and Casino Buenos Aires, as well as powering the roll-out of its flagship BetWarrior brand in Mendoza.

Brazil

Brazil is a country with the potential to become one of the world's largest regulated markets, and important steps towards this were taken towards the end of 2023 when President Lula da Silva signed the long-await sports betting bill into law, with a view to establishing the regulatory framework for Brazil to launch its federal sports betting market.

Estimates from industry research and intelligence firm VIXIO project the total gross gaming revenue from the Brazilian sports betting market to reach €2 billion by year five of operations after regulation.

Regulation is an important landmark in unlocking the market's growth potential but what must be emphasised here is that Brazil, in comparison to the US following the repeal of PASPA, currently operates as a grey market. Brazilian customers already have familiarity with sports betting, with a number of international operators accepting bets from customers based in the country. However, with a product effectively tailored to the preferences of bettors throughout Latin America, Kambi is well placed to gradually gain market share and drive further growth for partners on the enactment of regulation.

Projected regulated online sports betting GGR – Latin America

Euros (bn)

Source: VIXIO GamblingCompliance

Kambi Group partner network

Empowering growth for visionary sportsbooks across the world

A series of new partnerships throughout 2023 have reinforced Kambi's position as the leading provider of sports betting technology and services in the industry, with commercial momentum outstripping that of any other sportsbook provider.

The proven track record and strength of Kambi's technology in locally regulated Landmark agreements with operators including Bally's Corporation, LiveScore Group and Svenska Spel have served to underscore Kambi's ability to attract leading operators to Kambi's turnkey sportsbook service, driven by a combination of our market-leading technology and products, as well as Kambi's depth of operator empowerment tools.

The depth in quality of Kambi's on-property offering remains a key point of differentiation in a competitive marketplace and the company significantly bolstered its land-based reach throughout 2023 with a series of significant partnerships. This was especially the case in North America, where Kambi agreed partnerships with operators including del Lago Resort and Casino, Potawatomi Casinos & Hotels and WarHorse Gaming.

Of equal value has been Kambi's ability to retain key partners, signing renewals with many existing partners including ATG, BetPlay, LeoVegas and Rush Street Interactive, illustrating the strength of Kambi's long-term trajectory.

Kambi sportsbook signings in 2023

711

Kambi grew its reach in the Dutch regulated market through a partnership with fast-growing operator 711. The long-term agreement sees Kambi provide its turnkey sportsbook service to the operator, which benefits from partnership with several Dutch football teams including Excelsior Rotterdam - and 711 will leverage Kambi's technology and expertise to launch sports betting alongside its established online casino offering.

Bally's Corporation

In a landmark partnership, Bally's selected Kambi to support the global expansion of its sports betting brand 'Bally Bet'. Covering both the online and retail verticals, the agreement saw one of the world's leading casino-entertainment companies move away from its existing in-house sportsbook technology to reduce fixed costs and drive further engagement in the Bally Bet brand.

Bingoal

Kambi closed 2023 by sealing a partnership with Bingoal, a leading operator in Belgium and the Netherlands. With an established online operation in both countries and an extensive retail network of more than 350 betting outlets in Belgium, Kambi replaces Bingoal's pre-existing third-party technology supplier and is now live online in both countries.

Del Lago Resort & Casino

A long-term agreement penned in February 2023, Kambi is providing its on-property sportsbook technology and services to del Lago Resort and Casino in New York, a casino owned and operated by Churchill Downs. Sitting in between Rochester and Syracuse, the casino is one of the premier properties in the state and features an extensive gaming floor benefitting from more than 1,000 sq. ft of modern LED video screens.

LiveScore Group

Kambi achieved a significant milestone in October 2023 in signing with LiveScore Group, one of the world's leading sports media platforms and operator of two established and growing online betting brands. Kambi was selected from a competitive tender process to empower the growth of LiveScore Bet and Virgin Bet, while LiveScore Group's in-house teams will also leverage Kambi's open APIs to craft unique user experiences. Moreover, the Group's renowned sports media brand LiveScore boasts more than 50 million monthly users across more than 200 territories.

Miami Valley Gaming

The first new partnership agreed by Kambi in 2023 was a partnership with Miami Valley Gaming and Racing, a joint venture between Churchill Downs and Delaware North. A multi-year agreement focusing on the on-property vertical, Kambi's technology went live at Miami Valley Gaming racino's retail sportsbook just days after the ink on the partnership was dry. Kambi's sportsbook capabilities complement a large gaming floor at the property which is located in between the cities of Cincinnati and Dayton in Ohio, the seventh largest state in the US.

Potawatomi Casinos & Hotels

Kambi put pen to paper on a multi-channel sports betting partnership with Wisconsin-based tribal operator Potawatomi Casinos & Hotels in March. The operator's properties in both Milwaukee and Carter are among the premier entertainment destinations in the Midwest, with its Milwaukee location the Potawatomi Casino Hotel becoming the city's first sportsbook with 20 kiosks and OTC services.

Prairie Band Casino & Resort

A long-term deal with Prairie Band Casino & Resort, owned by the Prairie Band Potawatomi Nation, saw Kambi power the launch of the first tribal sportsbook in the state of Kansas. The casino introduced an on-property sportsbook at its location near the city of Topeka, complementing its 35,000 sq. ft casino with a best-in-class sportsbook featuring 10 kiosks and four bar top terminals.

Svenska Spel

Recognised as one of the most prestigious sports betting brands in Sweden, renowned operator Svenska Spel chose Kambi to upgrade its sportsbook capabilities due to the strength of Kambi's turnkey sportsbook product, commitment to upholding the highest levels of compliance and its strong record of offering an extensive range of operator empowerment tools. In line with Kambi's modularisation strategy, the multi-channel partnership will also see Kambi subsidiary Shape Games power the front end of the operator's new sportsbook.

Warhorse Gaming

An agreement which sees Kambi power the first sportsbook in the state of Nebraska, Kambi signed a multi-year agreement with WarHorse Gaming, which is a division of Ho-Chunk, Inc. With an initial launch at the Warhorse Casino Lincoln further underlining Kambi's pedigree in facilitating market-first launches, an additional launch will follow this year at the Warhorse Casino Omaha.

Additional Kambi Group partnerships in 2023

In addition to Kambi's turnkey sportsbook signings, the Group's other product divisions also completed a number of important partnerships throughout 2023. Among these were several Shape Games signings with existing Kambi partners, highlighting the potential cross-sell opportunities that exist across the Kambi Group.

Abios

Partner	Territory
Buffed.bet	Global
Dragoni	UK
Oyawin	Nigeria
Tipsport	Czech Republic

SHAPE GAMES

Partner	Territory
BetCity*	Netherlands
Betsson Group	Canada
LMG Gaming*	Puerto Rico
SunBet*	South Africa
Svenska Spel*	Sweden

*Kambi sportsbook partner

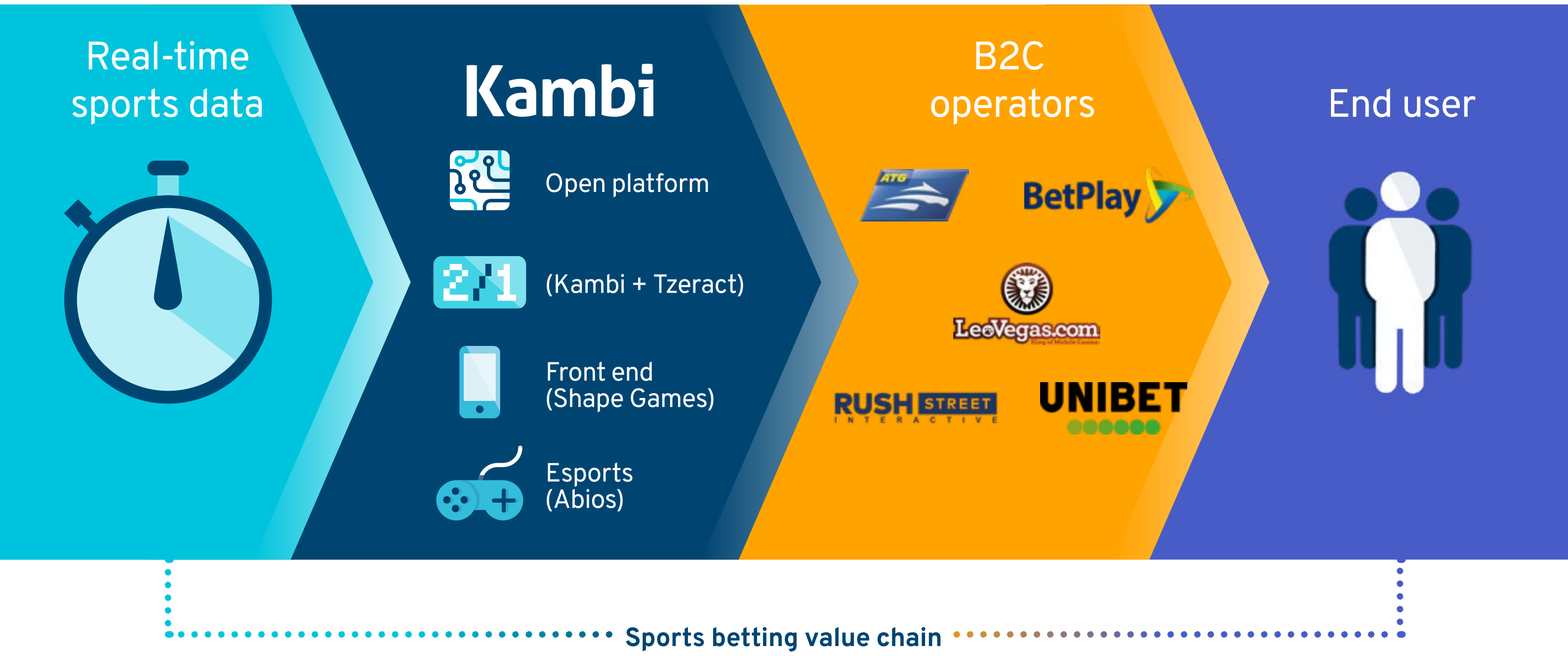
Our business model

Creating values for our partners

Kambi continues to offer a fully managed sports betting service but is now expanding into the provision of an open platform and various standalone services, which will significantly increase its addressable market. Kambi works with real-time data providers, utilising proprietary tools to compile odds and manage risk, all on a sophisticated technical platform.

Kambi provides operators with the freedom to customise their user interface, enabling them to deliver in conjunction with specific marketing campaigns and provide a unique experience to end users.

Kambi's large pool of partners enables us to view player activity across the entire network, monitored by our sportsbook control team and a real-time alerts system, to notify our customers of any suspicious activity which often leads to interception before any manipulation, match-fixing or corruption takes place.



The fully scalable sportsbook

Kambi has an impressive record of providing a superior sportsbook service, and the scalability of our business model is key to this success, with little need to add extra resources for new operators as the number of users is independent of our service.

Creating and sustaining our state-of the-art sportsbook requires continual investment in people and technology. Through our investment programme, we enable operators to cost-efficiently offer end users a premium sportsbook, that delivers a first-rate experience across mobile, online and retail.

Kambi's revenue-sharing model incentivises Kambi to provide odds that maximise our operators' Gross Gaming Revenue (GGR) – creating a natural alignment of interests. We also allow our operators the flexibility to adjust pre-match odds, up to a set level, for certain events, enabling them to differentiate and optimise their marketing campaigns.

The Kambi Turnover Index

Kambi aims to achieve optimal margin, to maximise turnover growth and boost the financial performance of our customers over both the short and long term. We manage this by leveraging our sophisticated risk management tools.

The turnover and margins of our operators vary from quarter to quarter and are impacted by the outcome of sporting events. 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.

Operator turnover at constant exchange rates was flat in 2023, which can largely be attributed to the loss of Penn Entertainment's online business in July, though offset by growth in the Americas market as well as Kambi's historical core market of Europe and the Rest of the World.

Operator trading margin

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 trading margin for 2023 was 8.8%.

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.

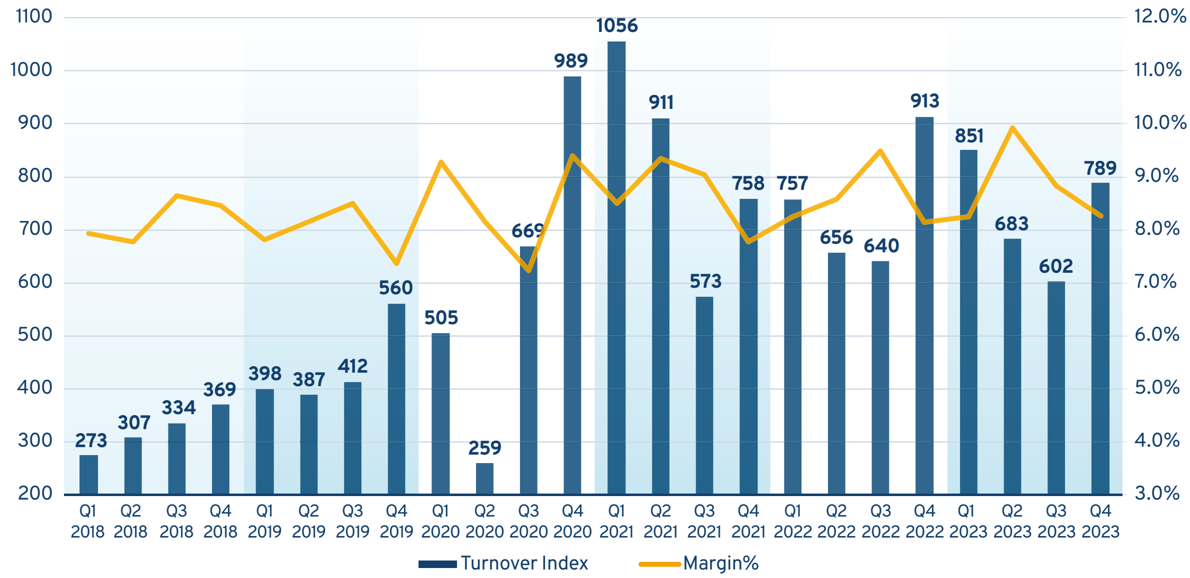
Due to the variance in actual sporting results, there can be deviation from the 12-month expectation without prompting a change in the outlook. The operator trading margin expectations are estimated on a forward-looking rolling 12-month basis and are shared to explain short-term variations in betting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

The 12-month expectation range is updated quarterly and when updated, previously stated expectations should be considered obsolete.

Operator turnover index and trading margin

The Kambi Turnover Index below illustrates the operators' quarterly turnover and betting margin.

The Kambi Turnover Index, with the first quarter of 2014 indexed at 100, is shown on the left-hand axis and shows the index since Q1 2018. The operator trading margin is shown on the right-hand axis. The level of operator turnover is a stronger indicator of performance than margin, which can fluctuate in the short-term due to the outcome of certain events.



The Kambi revenue model

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' GGR less deductible costs, such as certain capped marketing incentives and tax (i.e. NGR, as shown in the graph below). The most significant portion of Kambi's revenue comes from the revenue-share element, which enables us to grow and be aligned with our customers.

The graph on page 33 shows how the growth in operator turnover ultimately drives our own revenue growth.

While Kambi's reporting currency is the Euro, our operators' turnover originates in the currency of their end users.

Including the impact of FX movements on the translation of these amounts, operator turnover declined by 1% in 2023 due to the loss of Penn Entertainment's online business in July. Excluding Penn Entertainment online, operator turnover increased 9% in 2023. As illustrated in the Kambi Turnover Index above, the operator trading margin can fluctuate. Multiplying the margin by the turnover generates the GGR. The 2023 operator trading margin was 8.8%, compared to 8.6% in 2022. Operator GGR increased by 1% year-on-year. Excluding Penn Entertainment online, operator GGR increased 7% year-on-year.

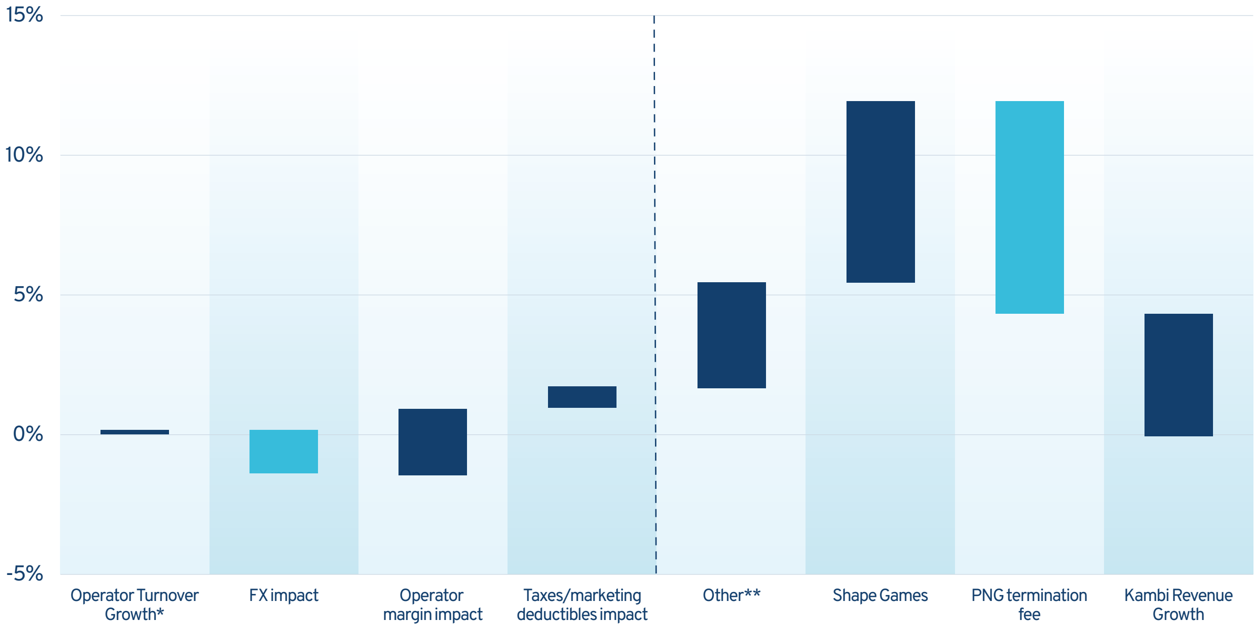
As part of Kambi's revenue model, we share certain costs with our operators. These include:

i. Marketing deductibles: certain capped costs for player incentives linked to sports betting, such as free bets.

ii. Tax: 94% (2022: 94%) of our operators' GGR was subject to betting duties incurred in locally regulated markets.

During the year, the impact (or full year effect) of certain other gaming related taxes, and additional deductions for player incentives, resulted in a increase of operators' NGR by 2%. Excluding Penn Entertainment online, operators' NGR increased by 8%. Kambi's commission is based on a percentage of the operators' NGR. To promote and support growth, some customer contracts include tiers with lower commission rates applied to higher levels of sports betting revenues. The tiered commission levels run on a yearly basis. Furthermore, some parts of Kambi's revenues are fixed and not linked to the growth in operators' businesses. Overall, Kambi's revenues grew by 4% year-on-year. This increase in revenue is due to the extension of Kambi's global network during the year, powering more than 60 online and on-property launches across the globe, as well as the completion of a record ten new partner signings. In addition, Kambi received transition fees from PENN Entertainment and a full year of revenue from Shape Games.

Operator turnover & Kambi revenue growth: 2023 vs. 2022



* Operator turnover growth shown is based on 2022 exchange rates
** Other includes the impact of volume-related commission tiers and fixed revenues
-- Denotes components of NGR from which Kambi's revenue share is calculated

Geographical revenue analysis

Kambi derives its revenue from numerous markets globally, which cover more than 50 jurisdictions and can be split into three areas of focus for the company: Europe, Kambi's historical core market; the Americas, the largest market for Kambi in 2023; and the Rest of the World, being those other opportunities that may arise outside of Kambi's two main focal areas.

Kambi's revenues have historically been dependent upon the European market, however, with the emergence of the US market, alongside the success of Kambi's Central and South American operators, Kambi's reliance upon the European market has decreased substantially over time.

Sustainability report

Building trust with our stakeholders

Fostering sustainable growth

CEO Kristian Nylén

Since its inception over a decade ago Kambi has sought to lead the sports betting industry in its approach to corporate social responsibility, anchoring the company's every action in the values of fairness and inclusion.

Our focus on sporting integrity, security and people has been instrumental in providing a platform for growth and success, delivering the thrill of sports betting in regulated markets all around the world. Our dedication to these areas and focus on delivering sustainable growth is reflected in our ESG rating from investment research firm MSCI, which was once again an A in their latest classification.

Maintaining a dedicated focus on regulated markets and delivering sustainable growth for partners, Kambi's technology adapts swiftly to local requirements, setting high compliance standards. Live in more than 50 jurisdictions, Kambi champions the ongoing spread of regulation across the globe, fostering active relationships with regulators and operating with a commitment to the highest levels of commercial and operational probity.

As the first sportsbook technology supplier to join the International Betting Integrity Association, this commitment extends to upholding global sports integrity. The sports betting industry relies on customers around the world placing their trust in the integrity of sporting events in order to place a bet on them, and Kambi deploys deep network and sporting data though a dedicated sportsbook control team in order to detect any sign of manipulation at the earliest of stages.

Another of our key reporting areas is cyber security. As a technology company, information security is paramount, and as such Kambi has implemented ongoing efforts to enhance procedures and readiness against cyber threats. Fostering a positive work environment for our 1,000+ employees is also fundamental. Kambi's talent-led organisation prioritises diversity and inclusion (D&I) and we further grew our strategy in 2023 building on the success of our inaugural D&I Day in 2021. Additionally, we continued to evolve Kambi's internal e-learning platform to help give our employees the best opportunities to develop their abilities.

Kambi stands as an organisation founded on sustainability, integrity and responsible business practices. By placing compliance, sporting integrity, cyber security and our people at the core, we remain a trusted sports betting partner for operators, ensuring sustainable growth for their businesses.

Company values

Better

We have relentlessly high standards. We rise to the occasion and never settle. We know that to win we need to get better every single day.

Faster

Speed in business matters. We are brave and take calculated risks. We understand that great is not always the same as perfect.

Together

We can achieve great things together with an atmosphere based on talent, respect, trust, and joy.

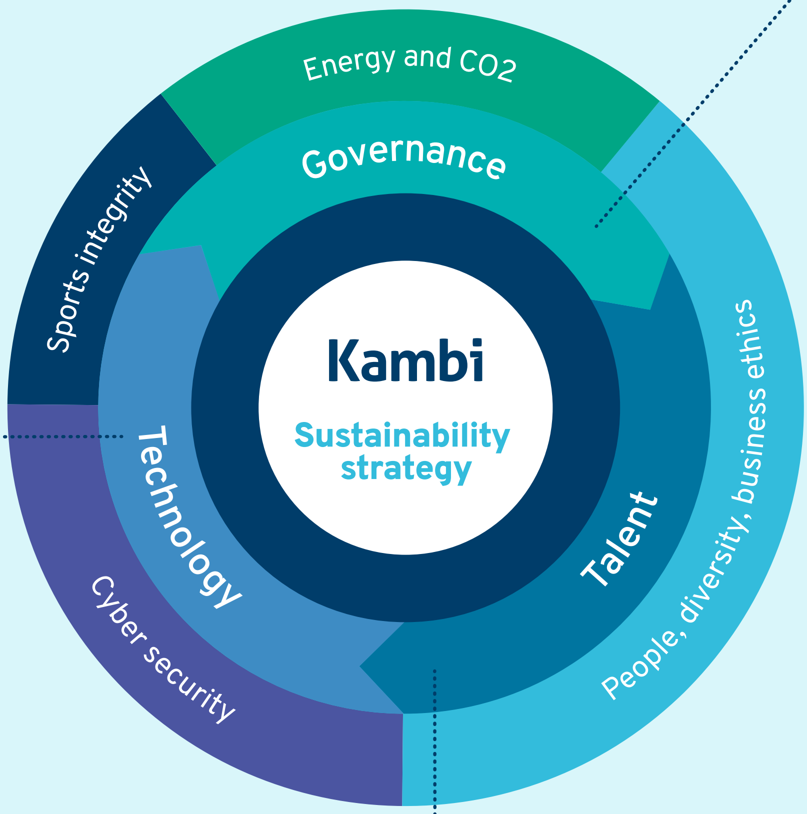
Core sustainability values

- Sports integrity
- Cyber security
- People, diversity, business ethics
- Energy and CO2

Sustainability governance

The governance and oversight of Kambi's sustainability strategy sits with the Kambi Board. The Board monitors and reviews Kambi's progress towards its sustainability goals on an annual basis. Kambi's executive management team is responsible for the ultimate formation of Kambi's sustainability strategy, with the coordination of the plan delivered by Kambi's Senior Vice President Investor Relations & Sustainability. At an operational level, the specific sustainability activities are implemented and recorded by business owners across the company, ensuring the functions with the ability to influence sustainability-related behaviours are given the opportunity to do so.

- Focus on regulated markets
- Ethical business practice
- Solid governance



- Superior technology and offering
- Sports integrity
- Most competitive product and advanced user experience

- Employee development
- Inclusiveness
- Engagement

Kambi's core beliefs and aims

Technology

At its core, Kambi is a technology company, and we place the highest priority on delivering the industry's most advanced, reliable and competitive product. We are committed to providing a secure sportsbook for our partners and ensuring a safe, fair and exciting experience for end users in regulated markets globally.

Kambi's identity as a technology-driven entity underscores the significance of the quality and security of our technology as the bedrock of our success. Our technology is not only provably safe but also fully compliant with varying regulations worldwide, subject to continuous scrutiny to uphold elevated standards.

Maintaining Kambi's position as the sports betting industry's leading technology supplier hinges on instilling full confidence in our technology among partners. Our commitment to providing a dependable and secure backend ensures that partners can confidently engage their players with their sportsbook and brand. The secure and reliable technology we offer empowers our partners' end users to enjoy entertaining experiences with all the necessary protections, aligning with the expectations of an increasingly regulated market.

Safeguarding through sustainable governance

With a demonstrable history of prioritising regulated markets and swiftly acquiring licences, Kambi is committed to working closely with regulators based on the highest ethical standards, promoting industry best practices. Our collaborative approach within the sports and betting industries is a key pillar in preventing sporting manipulation.

Kambi proudly holds the distinction of being the first sports betting technology supplier to attain associate membership of the International Betting Integrity Association (IBIA). Our robust and sophisticated sportsbook control and compliance functions consistently deliver the expertise needed to protect our partners' customers from wagering on potentially manipulated events.

Strong governance underpins every aspect of Kambi's operations, serving as a crucial cornerstone in our contributions to building a more sustainable industry. Operating in a fair and compliant manner is the bare minimum for all participants, and Kambi recognises the importance of putting additional efforts into safeguarding the industry, sports, partners and consumers alike.

Kambi's commitment to keeping corruption out of sports and sports betting is an ongoing effort that aligns with our history of focusing on regulated jurisdictions and swiftly attaining licences. Working closely with regulators to deliver a safe and fair market for all is a commitment we continue to build upon.

Talent

Since its inception, Kambi has always sought to provide an inclusive and welcoming workplace for its employees where they can feel respected and reach their full potential.

With offices around the world, Kambi prides itself in employing people of all different cultures and backgrounds, and Kambi employees are able to develop and thrive with a platform that welcomes fresh ideas and new experiences. Our goal is to inspire and support, all while ensuring an inclusive environment and delivering fulfilling careers.

Kambi is dedicated to promoting diversity and inclusion, which is fundamental to the resilience of our business. Engaging in open discussions that embrace diverse perspectives, cultures and experiences significantly enhances our capacity to advance, innovate and expand.

Reporting areas

Sports integrity

The sustainability of the sports betting industry relies on the trust consumers place in the integrity of sporting events and the participants involved when making wagers. A loss of trust could profoundly impact the long-term viability of the sports betting sector, underscoring the utmost importance of safeguarding sports from manipulation.

Over the course of 2023, Kambi continued to uphold these principles and boost protections. An important step was the successful enhancement of Kambi's sports integrity controls with the implementation of a technical block within the offering manager tool. Automatically preventing the inclusion of events that do not meet our integrity standards, the technical block extensively streamlines manual processes and ensures a proactive approach to maintaining a high level of integrity.

This development underscores Kambi's commitment to providing a secure and trustworthy sports betting experience for our partners and their customers. Through this tooling, an average of 2,600 events were blocked every month by Kambi's integrity database. These are not necessarily suspicious events, but events that Kambi chose not to offer due to concerns over the participants involved.

Furthermore, of all alerts officially flagged as suspicious by the International Betting Integrity Association in 2023, a remarkable 69% were never initially included in the offering by Kambi. This highlights the precision of Kambi's blocking strategy and underscores the effectiveness of our integrity database in proactively preventing the inclusion of potentially suspicious events.

In 2023, Kambi's integrity investigations rose 15%, underscoring both the extensive efforts we undertake and the challenges our industry face in addressing integrity issues.

People, diversity and business ethics

Kambi is deeply committed to fostering an inclusive environment where all are valued, respected and empowered to contribute their unique abilities and perspectives. Our workforce consists of more than 1,000 employees who are experts in their respective field, and, as we continue to expand our global footprint, we strive to create a workplace where everyone feels included, respected and empowered to reach their full potential.

Since redeveloping our diversity and inclusion (D&I) strategy in 2021, Kambi has continued to work on embedding diversity in all aspects of the business.

The strategy is built on four pillars: Awareness, Hiring, Policy Development and Mobility. Taking each of these in turn, the cornerstone of our Awareness pillar is our annual Diversity and Inclusion Day, an all-day event encompassing each and every Kambi office across the globe to inspire and inform employees. Our theme in 2023 was 'The Game is Changing', celebrating the evolving landscape of sports where diversity and inclusion are the driving forces behind a more equitable and empowering athletic world. We were joined by industry leaders who shared their experiences in redefining the rules of the game, proving that diversity and inclusion are not just about fairness but also about unlocking the full potential of human performance.

Our Hiring pillar is the cornerstone of ensuring Kambi seeks to hire the best people for any given position, regardless of gender, ethnicity or background, and ensuring a fair and equitable hiring process is vitally important to attracting top talent. Policy Development is crucial in fostering a diverse and inclusive workplace. Our policies address recruitment, hiring, promotion, compensation, training, and workplace culture to create an environment where diversity is embraced, and inclusion is the norm.

The final pillar of Kambi's D&I strategy, Mobility, is centred on ensuring Kambi provides employees with meaningful opportunities for development and career advancement. In 2023, we designed competency frameworks for all departments at work to promote a more diverse and inclusive career opportunity pathway by focusing on the skills and abilities required for success, rather than specific job titles or experiences. This approach opens up opportunities for individuals from all backgrounds and experiences to demonstrate their capabilities and advance their careers, breaking down traditional barriers and creating a more equitable work environment. This is exemplified in the figure for internal hiring in 2023, which stands at 21%, a five-point increase from 2022.

Cybersecurity

Kambi continues to demonstrate an unwavering commitment to the highest standards of information security. Kambi's dedication to stringent security management processes, consistently adopting the latest measures to safeguard critical assets such as intellectual property, employee details and information entrusted by third parties.

During 2023, Kambi successfully recertified to ISO 27001 and WLA-SCS standards, demonstrating our ongoing diligence in meeting and exceeding the rigorous requirements of these certifications. Additionally, Kambi is certified to GLI-33B in multiple US jurisdictions, a testament to our dedication to ensuring the integrity and security of our operations throughout the globe.

Mitigating cyber-related risks remains a pivotal factor in Kambi's progression. The trust placed by our partners in Kambi's commitment to information security is foundational to our commercial growth. We consistently refine and upgrade our cyber security approach and tactics to defend against new and evolving threats. Active monitoring of all systems, collaboration with industry leaders and strategic investments in partnerships and processes further enhance our capabilities in detecting and remediating cyber vulnerabilities.

Kambi has successfully implemented a zero-trust methodology, reinforcing our dedication to robust cyber security practices. This strategic approach eliminates implicit trust, requiring continuous validation at every stage of digital interactions. Enhanced authentication layers and network segmentation ensure that all users, devices, and applications connected to the Kambi network undergo authentication and monitoring before accessing internal data, regardless of their physical location.

Kambi recognises that the pursuit of excellence in information security involves a commitment to continuous improvement. During 2023, we focused on enhancing processes, refining procedures and implementing comprehensive training initiatives, particularly in the areas of asset management and data classification. This strategic emphasis ensures that our cyber security practices evolve to address emerging challenges and align with industry best practices.

Our 'privacy by design' approach extends to the protection of partner end-users' data. As a processor and controller of certain end-user data, Kambi ensures pseudo-anonymity, preventing direct identification of end-users during bet placement or transaction processes. This commitment aligns with our dedication to upholding data rights and maintaining robust privacy safeguards.

Throughout 2023, our security operations team continued to develop comprehensive employee training programs, solidifying Kambi's commitment to cyber security across the entire organisation. Our intranet learning platform offers a range of courses dedicated to raising security awareness and establishing best practices, with completion rates consistently exceeding 90%. We regularly launch new courses to keep our workforce well-versed in the ever-evolving landscape of cyber security threats.

Energy and CO2

At Kambi, we recognise that climate change poses an unprecedented threat to society and we all must do our part to proactively address these challenges.

We continue to aim to improve our environmental performance, building our business in a sustainable manner. Our line of work is predominantly digital, and therefore, do not pose much of a threat to environmental issues. However, we continue to limit our impact on the environment through key areas that we can control.

Many of our office buildings around the globe are certified for meeting strict energy performance standards including certificates from Energy Star, LEED and BREEAM.

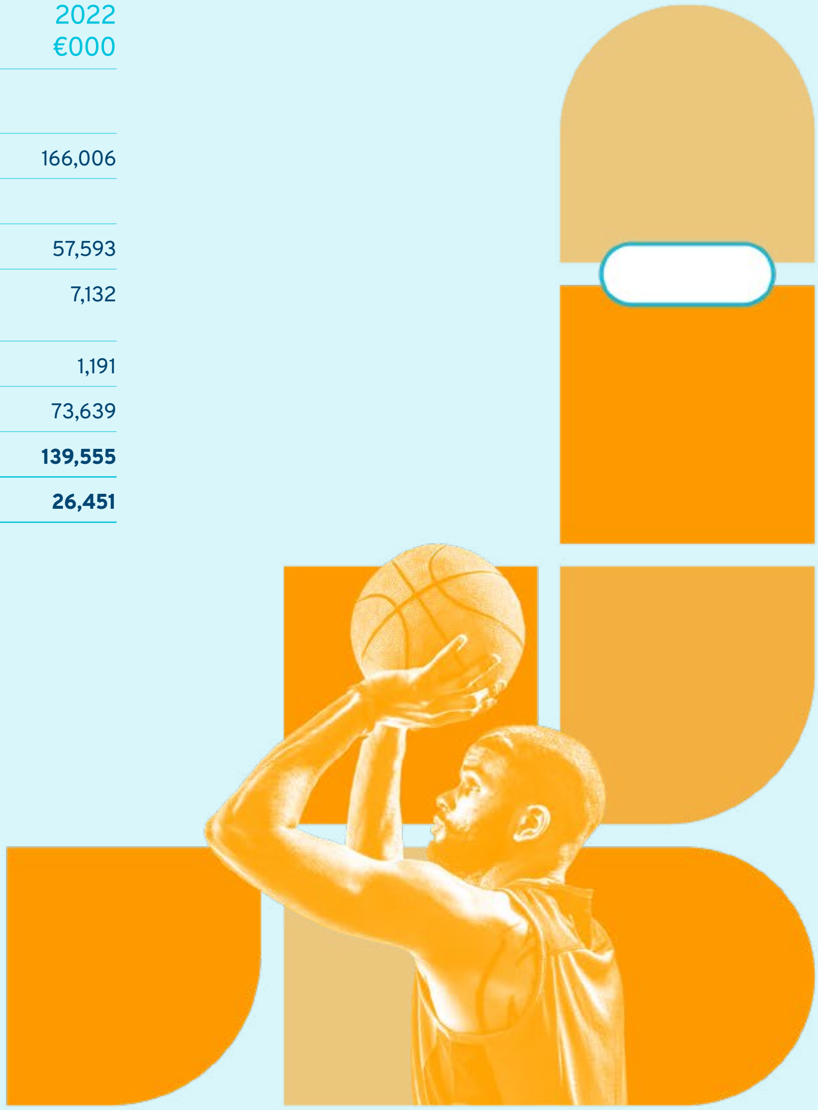
As a global company, it is important to remain connected to our employees and partners in person, although, we recognise that travel is not always essential in today's digital world. In an effort to lower our carbon footprint, we at Kambi do our best to save costs and emission by Ireducing travel as much as possible.

In 2023, a total of 619 kWh of electricity were used per employee, while energy intensity per unit of revenue was 4546 kWh/€m.

Direct economic value distributed and generated

Direct economic value generated and distributed is a widely recognised metric that indicates the wealth that we create through our operations and the subsequent allocation of our revenue by stakeholder group. Throughout our operational activity we create value for a wide variety of stakeholders including employees, suppliers, government authorities' local communities and investors. The value retained by Kambi accounts for the difference between the figures for value generated and value distributed. This value is then applied to the development of our technology and service to partners. We are committed to increasing the value generated and distributed to our stakeholders, as well as to maintaining a high level of transparency and integrity when it comes to information disclosure.

	2023 €000	2022 €000
Economic value generated		
Revenue generated	173,303	166,006
Direct economic value distributed		
Employee wages and benefits	59,639	57,593
Payments to government (corporate and withholding taxes)	5,110	7,132
Payments to providers of capital	8,596	1,191
Operating costs	93,380	73,639
Total direct economic value distributed	**166,725**	**139,555**
Economic value retained	**6,578**	**26,451**



UN sustainability goals

The UN Sustainable Development Goals (SDGs) are a collection of 17 global goals that form a blueprint to achieve a better and more sustainable future by 2030. The goals are interconnected, and within each goal there are several targets and topics.

Kambi carried out an in-depth materiality assessment in order to inform our sustainability strategy, defining how we can most effectively support these goals and carefully mapping out specific areas where our efforts can contribute the most to raising standards for sustainability.

Championing the highest standards of social responsibility is integral to our continued success, and the four goals below are those where Kambi can have the greatest impact on delivering solutions to the challenges we face.

1. **Quality education** is key to ensure a sustainable society and workplace. Kambi not only aims to provide its employees with the learning opportunities they need to be the best they can be, but also use these skills to help those less fortunate in local communities.

2. **Decent work and economic growth.** Everyone should have access to decent work and through its global offices, Kambi has been able to provide more than 1,000 jobs across locations including Malta, Bucharest, Philadelphia and Manila. Kambi will continue to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

3. **Reduced inequalities.** At Kambi, we know that the most successful companies prioritise equality in every aspect of how they conduct their business. This is a cornerstone of building a better and more inclusive society, and we are dedicated to upholding equality of opportunity irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. Kambi adopts this approach across the world, aiming to provide equal opportunities in all countries in which it operates.

4. **Peace, justice and strong institutions.** Kambi is a leader in its field in its efforts to reduce corruption and ensure a fair and safe product for its partners and their end users. Kambi provides anti-bribery and sports integrity training for its employees and collaborates with peers, regulators and sporting bodies to minimise criminal activity.

Corporate governance

Framework for success

Share performance

The closing price on the first trading day of the year, 2 January 2023, was SEK 193.55. The closing price on the last trading day of the year, 29 December 2023, was SEK 167.70 with a market capitalisation of €461.6 million.

The highest closing price during 2023 was SEK 226.00 on 5 May. The lowest closing price during 2023 was SEK 148.30 on 6 November. The average daily volume traded during 2023 was 83,996 shares and the average closing share price was SEK 185.54.

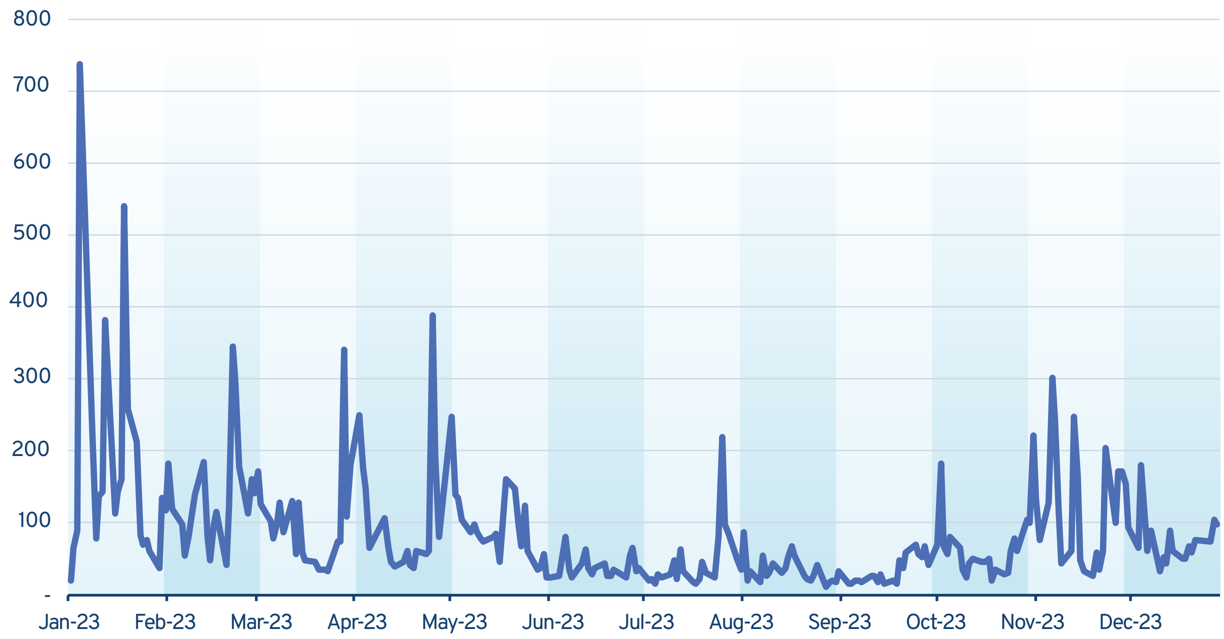
Kambi Group plc is listed on First North Growth Market at Nasdaq Stockholm with the ticker code 'KAMBI' and ISIN code: MT0000780107. For information on analysts covering the Kambi stock, please see the company website www.kambi.com.

Share price development 2023

Closing price (SEK)

Shares traded 2023

Total volume (thousands)



Shareholders on 31 December 2023

Shareholder	Number of shares	% of total
Veralda Investment Ltd	6,078,188	19.4%
Keel Capital	1,946,383	6.2%
Second Swedish National Pension Fund	1,615,269	5.2%
Avanza Pension	1,453,274	4.6%
Nordnet Pensionsförsäkring	767,379	2.5%
Total 5 largest shareholders	11,860,493	37.9%
Total other shareholders	19,417,804	62.1%
Total	**31,278,297**	**100%**

Risk factors

Set out here are some of the most significant business and industry risk factors we have identified as having potential consequences for Kambi's future development and how we mitigate such risks.

Regulatory and political environment

The Group's core business is strictly regulated by law in the markets where Kambi and our clients operate. Accordingly, political decisions, court rulings or changes in laws in the countries where Kambi or our operators have licences or commercial interests could have a material adverse effect on our business and operations. Regulatory changes can also have a positive impact, such as enabling us to access a market that becomes regulated or re-regulated. Kambi continuously monitors the global political environment and responds to changes as necessary.

Risks related to IT

Kambi's business depends on our IT systems. System failures and other events that affect operations could have a material adverse effect on our business and results. We mitigate this risk by using continuous monitoring to detect any problems as early as possible. All critical servers are duplicated, so that if one server fails, another will immediately take over. We carry out detailed analysis following any downtime to ensure that the underlying reason for the outage is understood and rectified.

Match fixing

Match fixing is defined as 'the manipulation of an event where the participants seek to fix the outcome for financial gain'. Kambi has internal systems and alerts in place to highlight any indications of match fixing and so reduce the financial impact of this risk. We also collaborate with industry watchdogs and regulators.
If match fixing were to lead to changes in regulatory environments, this could have an impact on the results of operators and therefore our own financial performance. These risks are reduced through our extensive product compliance procedures and processes, as described on page 38.

Sport-specific intellectual property

In certain jurisdictions, regulators have begun to impose charges on licence holders for the right to offer odds, access data and use trademarks on certain sports. Any future changes in these charges could impact Kambi's financial position which we continually monitor and review our exposure to.

Dependency on key operators

A significant proportion of Kambi's revenue is currently generated from a few large operators, although this risk continues to decrease as our customer portfolio expands. The loss of business with any, or some of these, could have an adverse effect on our business however, our expanding operator base diversifies the risk of loss of any one operator over time.

Underlying performance of operators

Kambi's financial performance depends on the underlying performance of our operators. This is a result of our business model, in which we receive a percentage-based commission on the operators' net gaming revenue. A decline in our operators' financial performance could have a material effect on our own financial position.

Operator trading margins can vary significantly from one period to the next, depending on the outcome of sporting events.

Competition and price pressure

Kambi's growth depends on our ability to develop and sell competitive products and services. As the market matures, increased competition and price pressures may materialise. Our ambition is to continue striving to offer the best B2B sportsbook in the market and to build further on our customer portfolio, with successful and loyal operators.

Foreign currency risk

Two forms of foreign exchange risks exist: transaction risks and translation risks.

Transaction risks occur in conjunction with purchases and sales of products and services that are made in currencies other than the local currency of the company involved.

Translation risks occurs when the income statements and balance sheets of foreign subsidiaries are converted into Euros. Changes in the valuation of Euros, in relation to other currencies, can therefore have positive and negative effects on the Group's profit and financial position. To some degree, we manage currency risk by holding funds on short-term deposit, in the currencies of our principal cash outflows.

Tax risks

Kambi conducts its business in accordance with applicable tax laws and treaties, case law, and the requirements of relevant tax authorities in the countries where we operate. Changes to regulatory, legislative and fiscal regimes in key markets could have an adverse effect on our results due to the added cost of gaming-related taxes, which we share with operators. In managing our taxation affairs, including estimating the amounts of taxation due, we rely on the exercise of judgment concerning our understanding of and compliance with those laws, assisted by professional advice.

Risk related to political and natural events

Kambi relies on the constant availability of its staff and offices to ensure the provision of its service to partners can continue without disruption, as well as a largely unaffected sporting calendar. Therefore, Kambi can be exposed to short-term risk related to political and natural events outside of its control. For example, a natural disaster which may impact Kambi offices and staff, or a global epidemic which may cause office closures and/or postponement or cancellation of sporting events. Kambi is a pure sportsbook provider which means its revenues are linked to sports events – fewer events mean fewer revenue generating opportunities. Kambi has in place mitigation protocols to minimize any direct impact such events may have on its operations, such as the establishment of disaster recovery sites and the ability for staff to work from home.

Board of Directors

The Company's Board of Directors consists of four members, including the Chair of the Board. Holdings in Kambi Group plc include personal holdings, family holdings and holdings through companies in which Directors have an interest, and are as at 28 March 2024.

Anders Ström, Chair

Chair of the Nomination Committee, Member of the Remuneration Committee

Born: 1970

Education: Studies in Mathematics, Statistics and Economics at Karlstad University

Nationality: Swedish

Board member since: 2014 (incorporation)

Experience: Anders is founder of the sports information company Trav-och Sporttjänsten in 1993. He was founder of Kindred Group plc in 1997, where he held various positions including Chief Executive Officer and Chair of the Board. Anders was co-founder of Kambi Sports Solutions in 2010, Chair of the Advisory Board of Kambi until May 2014 and then a Board member since Kambi's listing in 2014.

Other assignments: Director of Veralda (FL) AG and Veralda Investment Limited

Holdings in Kambi Group plc: 6,078,188 shares

Independent of the company and the company management as defined by the Swedish Code of Corporate Governance: Yes

Independent of major shareholders in the company as defined by the Swedish Code of Corporate Governance: No

Patrick Clase

Member of the Audit Committee

Born: 1968

Education: BSc. in Economics from Lund University and a CEFA from the Stockholm School of Economics

Nationality: Swedish

Board member since: 2014 (incorporation)

Experience: Highly experienced in the financial markets, Patrick has worked, among other positions, as a financial analyst with ABG Sundal Collier and with Alfred Berg.

Other assignments: Chief Investment Officer and a Director of Veralda (FL) AG

Holdings in Kambi Group plc: 52,000 shares

Independent of the company and the company management as defined by the Swedish Code of Corporate Governance: Yes

Independent of major shareholders in the company as defined by the Swedish Code of Corporate Governance: No

Marlene Forsell

Chair of the Audit Committee

Born: 1976

Education: MSc. in Business Administration and Economics from Stockholm School of Economics

Nationality: Swedish

Board member since: 2018

Experience: Marlene recently served as Chief Financial Officer of Swedish Match, a global fast-moving consumer goods company within tobacco. Prior to becoming CFO, Marlene held various positions at Swedish Match, having previously worked as an analyst at Ernst & Young.

Other assignments: Member of the Board of Addsecure AB, Index Pharmaceuticals AB, Lime Technologies AB, Nobia AB, Scandinavian Tobacco Group AS and Viedoc Technologies AB

Holdings in Kambi Group plc: 3,450 shares

Independent of the company and the company management as defined by the Swedish Code of Corporate Governance: Yes

Independent of major shareholders in the company as defined by the Swedish Code of Corporate Governance: Yes

Cecilia de Leeuw

Chair of the Remuneration Committee

Born: 1968

Education: MSc. in Industrial Engineering and Management from Institute of Technology in Linköping

Nationality: Swedish

Board member since: 2019

Experience: Before joining C-RAD as CEO in December 2022, Cecilia was most recently with Tietoevry as Vice President, Head of Industry Telecom and Consumer since 2018. Before this, Cecilia was with Ericsson AB where she held various senior leadership positions, including VP of Sales in Canada for Ericsson North America. Cecilia has vast experience from complex system sales and global product management, including postings in Asia and North America.

Other assignments: Member of the Board of Net Insight AB

Holdings in Kambi Group plc: 2,400 shares

Independent of the company and the company management as defined by the Swedish Code of Corporate Governance: Yes

Independent of major shareholders in the company as defined by the Swedish Code of Corporate Governance: Yes

Executive management

Kristian Nylén

Chief Executive Officer

Born: 1970

Education: BSc. in Business Administration, Mathematics and Statistics from the University of Karlstad

Nationality: Swedish

Employed since: 2010

Experience: Kristian joined Unibet in 2000 and within three years had assumed responsibility for Unibet's entire Sportsbook operation and joined the Group's management team. Kristian became CEO of Kambi upon its formation in 2010 and leads on all commercial aspects of the business.

Member of Kambi's Executive Management team since: 2010

Holdings in Kambi Group plc: 750,000 shares and 77,500 options

David Kenyon

Chief Financial Officer

Born: 1975

Education: MA. in Modern Languages from Oxford University

Nationality: British

Employed since: 2010

Experience: Having qualified at KPMG, David joined Unibet in 2002 as Group Financial Controller, working on Unibet's NASDAQ OMX Stockholm listing. He then spent two years at the Capital Pub Company as CFO, where he floated the company on AIM, before moving back to Unibet in 2008. David has been CFO of Kambi, leading the financial and corporate functions, since its formation.

Member of Kambi's Executive Management team since: 2010

Holdings in Kambi Group plc: 52,560 shares and 57,500 options

Erik Lögdberg

Managing Director, Sportsbook

Born: 1979

Education: MSc. Electrical Engineering from the Royal Institute of Technology (KTH)

Nationality: Swedish

Employed since: 2010

Experience: Erik joined Unibet in 2005, quickly becoming head of live betting, with responsibilities including operations and product development. This period coincided with the growth in live betting and the formation of Kambi. Erik became COO of Kambi in 2021 before being named Managing Director of Kambi in 2023.

Member of Kambi's Executive Management team since: 2010

Holdings in Kambi Group plc: 65,806 shares and 57,500 options

Cecilia Wachtmeister

Chief Commercial Officer

Born: 1966

Education: MSc. in Industrial Engineering and Management from the Institute of Technology in Linköping, Sweden

Nationality: Swedish

Employed since: 2019

Experience: Cecilia joined the Kambi executive management team in 2019, where she took on responsibility for the Group's Commercial, Marketing Communications, Strategy and Human Resources functions. Cecilia previously spent more than 20 years at Ericsson, during which time she held various senior and international positions in the company, gaining vast experience of long sales cycles in B2B.

Member of Kambi's Executive Management team since: 2019

Holdings in Kambi Group plc: 12,536 shares and 57,500 options

David Carter

Chief Legal Officer

Born: 1979

Education: LLB from the University of Exeter

Nationality: British

Employed since: 2022

Experience: Achieving his LLB and LPC from the University of Exeter, David qualified at international law firm Olswang (now CMS Nabarro Olswang LLP) and was a member of the Media, Communications and Technology team from 2001 to 2010. Having headed up the legal team at Endemol Sport until 2012, he then joined iGaming operator Gamesys (now part of Bally's Corporation) where he served as General Counsel until the end of 2020, advising on all material corporate and commercial transactions worldwide. Now Chief Legal Officer at Kambi, David leads the legal and regulatory function.

Member of Kambi's Executive Management team since: 2022

Holdings in Kambi Group plc: 40,000 options

Kamil Gawejski

Chief Strategy Officer

Born: 1982

Education: MSc. in Business Administration from Uppsala University

Nationality: Swedish

Employed by Kambi since: 2011

Experience: Kamil is responsible for overseeing and driving the Kambi Group strategy and corporate development. Kamil previously spent five years as Kambi's head of business development and business intelligence. Prior to joining the company in 2011, Kamil had spells at gaming companies bwin and Ongame.

Member of Kambi's Executive Management team since: 2023

Holdings in Kambi Group plc: 15,667 shares and 42,500 options

Kris Saw

Chief Technology Officer

Born: 1979

Education: Studies in Mathematics and Computer Science at Curtin University

Nationality: Australian and Swedish

Employed by Kambi since: 2010

Experience: Kris joined Kambi in 2010 as Head of IT Operations before being named Chief Technology Officer for the Group in 2020. With a strong background in technical architecture and scaling software systems, Kris is responsible for technical strategy, security and compliance across the whole Kambi Group.

Member of Kambi's Executive Management team since: 2023

Holdings in Kambi Group plc: 6,397 shares and 40,000 options

Corporate governance report

Kambi Group plc is listed on First North Growth Market at Nasdaq Stockholm and is not required to follow all of the provisions of the Swedish Corporate Governance Code (the Code).

The Board, however, recognises the importance and value of good corporate governance practice and accordingly, has selected those procedures and committees of the Code that it considers relevant and appropriate to the Group, given our size and structure. Each of the committees meets regularly.

The Board

The Board has four directors, including the Chair. The Board meets regularly to consider strategy, performance and the framework of internal controls.

The Board of Directors comprises a mix of the necessary skills, knowledge and experience required to provide leadership, control and oversight of the management of the Group and to contribute to the development and implementation of strategy. In particular, the Board combines a group of directors with diverse backgrounds within entertainment, sports betting, technology, B2B industries, the financial markets and other related sectors. This versatility of skills provides the Board with the resources and expertise to drive the continuing development of the Group and advance its commercial objectives.

In 2023, the Board held 13 meetings, where four meetings were held in connection to the quarterly reports and nine were regular meetings spread evenly throughout the year.

The regular Board meetings are prepared jointly by the Chair of the Board and the CEO of the company.

At every regular Board meeting an update is given on the business and financial situation.

Members of the executive management take part in the Board meetings in order to report on matters within their specific areas when relevant and necessary. The CEO provides a monthly report to the Board. This report comprises updates on regulations, operations and financial development.

All members of the Board of Directors are elected at the AGM and their remuneration is recommended by the Nomination Committee, conditional upon approval at the AGM. The basic salary per annum is €55,125 (2022: €52,500) per director. The Chair of the Board receives an additional fee of €55,125 (2022: €52,500) and each member of the Remuneration and Audit Committee receives €7,350 (2022: €7,000) per annum.

Additionally, an extra remuneration of €2,100 (2022: €2,000) is payable to each director per application handled in the US, and a fee, at the rate of €2,205 (2022: €2,100) per day spent in the US in conjunction with on-ground handling of the applications, is paid to any director as required.

Directors' remuneration	Fees/salary €000	Other €000	**2023 €000**	2022 €000
Anders Ström	**62**	**4**	**66**	58
Lars Stugemo	**118**	**2**	**120**	126
Patrick Clase	**62**	**-**	**62**	63
Marlene Forsell	**62**	**-**	**62**	63
Cecilia de Leeuw	**62**	**-**	**62**	62
	366	**6**	**372**	372

	Salary €000	Bonus (short-term incentive) €000	Share-based payments €000	**2023 €000**	2022 €000
Kristian Nylén (CEO)	**775**	**137**	**119**	**1,031**	1,278
Management remuneration	**1,182**	**108**	**319**	**1,609**	1,919
	1,957	**245**	**438**	**2,640**	3,197

Since December 2023, the Executive Management team is now defined as only those employees listed on p. 49 – 50. In the table above, bonuses represent payments received in the financial year, based on the previous calendar year's performance. Share-based payments represent the total gain recorded upon exercise for any share options exercised during the year.

The remuneration of directors remained consistent with the prior year. However, there was a decrease in CEO and management total remuneration for 2023 in comparison to 2022. This reduction can be attributed to lower bonuses, which are based on company performance and decreased gains upon exercise of share options as a result of a lower share price at the point of exercise during the reporting periods.

The Audit Committee

The Audit Committee is responsible for overseeing that the financial performance of the Group is accurately reported and monitored. In addition, it reviews the reports from the auditors relating to the accounts and internal control systems. It meets at least twice a year with the auditors. The Audit Committee is comprised of Marlene Forsell and Patrick Clase and is chaired by Marlene Forsell.

The Nomination Committee

A Nomination Committee is appointed each year by the major shareholders in accordance with the instruction for the Nomination Committee adopted by the Annual General Meeting of shareholders (AGM).

The main responsibility of the Nomination Committee is to propose Board members for election at the AGM. The Nomination Committee, which is independent from the Board, is responsible for reviewing the size, structure and composition of the Board, succession planning, the appointment of replacement and/or additional directors, and for making the appropriate recommendations to the AGM. The Nomination Committee also prepares proposals regarding Chairman of the Meeting, Board remuneration, fees to the auditor and election of auditor, and, if necessary, proposal for changes in the instruction to the Nomination Committee. In its evaluation of the Board, the Committee holds individual interviews with the Board members.

The members of the Nomination Committee shall represent all shareholders and be appointed by the three or four largest shareholders as at 30 September each year having expressed their willingness to participate in the Nomination Committee. Kambi's Nomination Committee shall consist of not less than four, and not more than five members, of which one shall be the Chair of the Board.

The members for the 2024 AGM are: Lars Stugemo – Veralda Investment Limited, Bile Daar – Keel Capital, Jonas Eixmann – The Second Swedish National Pension Fund and Anders Ström – Chair of the Board. The Committee is chaired by Anders Ström.

The Remuneration Committee

The Remuneration Committee reviews the performance of the senior managers and sets and reviews the scale and structure of their remuneration, the basis of their remuneration and the terms of their service agreements, with due regard to the interests of shareholders. The Remuneration Committee is comprised of Cecilia de Leeuw and Anders Ström and is chaired by Cecilia de Leeuw.

Kambi Remuneration policy and report

The policy of the Board is to attract, retain, and motivate the best managers, by rewarding them with competitive compensation packages linked to the Group's financial and strategic objectives. The compensation packages need to be fair and reasonable in comparison with companies of a similar size, industry, and international scope. Remuneration for the CEO and executive management team are dependent on a combination of personal and company-related performance targets which are reviewed annually and subject to approval by the Board.

The components of remuneration for executive managers comprise base salary, pension, benefits, performance-related salary and long-term incentives. The long-term incentives usually take the form of share option schemes. The key performance conditions for long-term incentives are EPS growth or EBIT growth and are dependent upon continued employment during the vesting period.

The short-term incentives are in proportion to the executive's responsibilities and authority and take the form of annual bonuses, usually paid in cash. The incentives are subject to an upper limit and based on fulfilment of targets aligned with the shareholders' long-term interests. Where appropriate, the variable element is based on quantitative and qualitative targets. The variable element of remuneration for the CEO and other members of the executive management are a maximum of 50% of the fixed salary cost, depending on the attainment of personal and company performance targets. These targets include quantitative financial data such as EBIT targets and customer signings as well as qualitative targets such as personal performance agreed each year in advance.

The CEO and the executive management are entitled to the same benefits as other local employees in accordance with market practice and may be eligible to benefits such as life insurance, health insurance and travel allowance.

In the case of the termination and related severance pay of the CEO, there is a reciprocal period of notice of 12 months. In the case of other members of the executive management, there is a mutual period of notice of six months. There is no additional contractual severance payment to the CEO in case the company decides to terminate the employment contract.

Executive management may participate in their local group pension plan and are competitive in regards to total compensation and market practice in the applicable country of the executives' residence or employment. The CEO has decided to opt out of the company pension scheme. Upon termination of employment, a non-compete clause may restrict the CEO or other members of the executive management from competing in competitive business for a period of six to 12 months.

The Board has the possibility, under applicable law, to in whole or in part reclaim variable remuneration paid on incorrect grounds. The Board may, under exceptional circumstances, cancel or limit payments of variable payment provided such actions are deemed reasonable.

Issues concerning remuneration of the executive management are handled by the CEO. Decisions on remuneration of the CEO are taken by the Board of Directors. The members of the Remuneration Committee have no personal interest in the outcome of their decisions and give due regard to the interests of shareholders and to the continuing financial and commercial health of the business.

Directors' report

The directors present their report on the affairs of the Group, together with the audited consolidated financial statements and auditor's report, for the year ended 31 December 2023.

Principal activities

Kambi Group plc is a B2B supplier of fully managed sports betting services, on an in-house developed software platform, providing premium turnkey sports betting services to B2C gaming operators. Kambi also provides front end and Esports solutions through its subsidiaries Shape Games and Abios, respectively.

Results and dividends

The consolidated income statement is set out on page 59. The profit after tax was €14.9 (€26.5) million. The Board does not propose a dividend.

Going concern

The directors confirm the Company's ability to continue in operational existence for the foreseeable future. For this reason, in preparing the financial statements, they continue to adopt the going concern basis.

Performance review

The directors have conducted a detailed review of the Group's performance during the year, the highlights of which are disclosed on pages 10-11 of this annual report. 2023 saw revenue growth of 4% for the year ending 31 December 2023. Ten new customer contracts were signed: 711, Bally's Corporation, Bingoal, del Lago Resort & Casino, LiveScore Group, Miami Valley Gaming, Potawatomi Casinos & Hotels, Prairie Band Casino & Resort, Svenska Spel and WarHorse Gaming LLC. The Group extended its contractual agreement with seven customers: ATG, Corredor Empresarial S.A., LeoVegas Group, Paf, Rank Group, Rush Street Interactive and Sun International.

In May, Kambi repaid the full €7.5 million convertible bond previously held by Kindred Group. The convertible bond was established as part of Kambi's spin-off from Kindred in 2014 and having satisfied certain financial performance criteria, Kambi last year announced it had secured the right to repay the bond at a time of its own discretion. The repayment of the convertible bond has no impact on the partnership between Kambi and Kindred, which was renewed in 2022 and runs from 1 January 2024 until the end of 2026.

Throughout the year, Kambi also completed share buybacks with the objective of achieving added value for Kambi's shareholders and giving the Board increased flexibility with Kambi's capital structure, including using them to settle share options. Kambi repurchased 462,076 shares during the year for a total of €8.3 million, which represents 1.5% of the outstanding shares in the company.

The directors have also conducted a review of the Group's Key Financial and Non-financial Performance Indicators, detailed here as follows:

	FY 2023
Operating (EBIT) margin	11.5%
EBITDA (€m)	56.6
EBITDA margin	32.7%
EBITA (acq) (€m)	25.2
EBITA (acq) margin	14.6%
Employees at period end	1,110
Earnings per share (€)	0.488
Fully diluted earnings per share (€)	0.486

Financial and non-financial risk management

The directors have undertaken a thorough review of both the financial and non-financial risks faced by the Group, and details thereof can be found on pages 45-46 of this annual report.

Future developments

The Company intends to continue its investment in people and technology, to develop its sportsbook service.

Directors

The following have served as directors during the year under review:

Anders Ström (Chair)

Lars Stugemo

Patrick Clase

Marlene Forsell

Cecilia de Leeuw

Lars Stugemo stepped down as a Member of the Board on 15 November 2023 and Anders Ström immediately replaced him as Chair.

Statement of directors' responsibilities

The directors are required by the Maltese Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards, as adopted by the EU, which give a true and fair view of the state of affairs of the Group at the end of each financial year, and of the profit or loss of the Group for the year then ended.

In preparing the financial statements, the directors are required to: select suitable accounting policies and apply them consistently, make judgments and estimates that are reasonable, and prepare the financial statements on a going concern basis – unless it is inappropriate to presume that the Group will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time, the financial position of the Group – and which enable the directors to ensure that the financial statements comply with the Companies Act (Chap. 386).

This responsibility includes designing, implementing and maintaining such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

At the date of making this report, the directors confirm the following: As far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report, of which the independent auditor is unaware, and each director has taken all steps that he / she ought to have taken as a director in order to make him / her-self aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Independent auditor

The auditor, Mazars, has indicated its willingness to continue in office and a resolution for its reappointment will be proposed on behalf of the Board at the Annual General Meeting on 21 May 2024.

Financial report

Building momentum

Financial review

Revenue

Revenue represents fees received for sports betting services rendered to Kambi's operators. Kambi charges our operators a monthly fee, based on a number of variables, including fixed fees, commission based on the profits generated for operators and the number of live events offered. Total revenue in 2023 increased to €173.3 (2022: €166.0) million. The increase of 4% year-on-year demonstrates Kambi's resilience and strong customer base, despite the loss of Penn Entertainment's online business during the year and termination fees of €12.6 million from Penn Entertainment migration recorded in Q4 2022.

Administrative expenses

Administrative expenses for 2023 were €151.1 (2022: €132.6) million. Excluding depreciation and amortisation, ongoing administrative expenses were €114.4 (2022: €104.0) million, of which €59.6 (2022: €57.6) million were salaries and associated costs. The increase in salaries can be attributed to salary inflation and a full year of expenses related to Shape Games, which was acquired by Kambi in September 2022. Note 7 in the financial statements on page 75 provides more analysis of operating costs.

Items affecting comparability

In Q4, Kambi reached an early settlement of the earnout agreement in respect of Shape Games and established a new management team for this division.

The settlement resulted in a one-time payment of €4.7 million and concludes the earnout in relation to the acquisition. Any remaining provision related to the earnout has been released to the Income Statement, resulting in a credit of €11.3 million being recorded in Q4 2023. There was a further credit to the Income Statement of €1.5 million in relation to Abios, following earnout payments of €5.6 million made in Q4 2023.

As the acquisition accounting included a fair value estimate of the earnout and following the annual impairment review, an impairment expense of €12.4 million has been recognised, also shown within items affecting comparability.

Shape Games' expertise in fully-native front end technology is an important strategic complement to the Kambi Group, as illustrated by the crucial role it played in Kambi's recent partner win of Svenska Spel. Closer integration between Kambi's UX teams and Shape Games will better enable further synergies and deliver a market-leading UX product, enhancing Kambi's turnkey sportsbook and unlocking greater opportunities to be sold both inside and outside of the Kambi network.

EBITDA, EBITA (acq) and operating profit

Earnings before interest, tax and depreciation and amortisation (EBITDA) for the full year 2023 were €56.6 (2022: €63.4) million, while EBITA (acq) was €25.2 (2022: €37.6) million. Profit from operations for the full year 2023 was €20.0 (2022: €34.8) million.

Profit after tax

Profit after tax for the full year 2023 was €14.9 (2022: €26.5) million.

Development and acquisition costs of intangible assets

In the full year 2023, development expenditure of €27.6 (2022: €25.5) million was capitalised. The key elements of capitalised development costs during 2023 were sportsbook enhancement, US product development, market expansion, evolution of our retail channel, esports related product and front end development.

Balance sheet

Kambi's strong balance sheet reflects the Group's continued growth during the year. Certain non-current assets of the Group relate to Goodwill, acquired Intangible assets (such as customer contracts, databases, and computer software) and capitalised IT development costs. Other non-current assets include, computer hardware, office related assets (equipment, leasehold improvements, right-of-use assets), fixtures and fittings and deferred tax. The non-cash current assets on the balance sheet relate to trade receivables, other receivables and prepayments. Repayment of the convertible bond and earnout payments made to Shape Games and Abios in 2023 have resulted in lower liabilities heading into 2024.

Cash flow

The net cash outflow (including the effect of foreign exchange rate differences) for 2023 was €10.2 (2022: €19.0 outflow) million as a result of strong operating cash flow offset by significant cash outlays related to share buybacks (€8.3 million), payments of contingent consideration (€10.3 million) and the bond repayment (€7.5 million), decreasing the total cash balance at the end of 2023 to €50.5 (2022: €60.7) million.

Kambi Group plc

Annual report and consolidated financial statements for the year ended 31 December 2023

Financial statements

Statement of consolidated profit or loss and other comprehensive income for the year ended 31 December 2023

	Note	2023 €000	2022 €000
Revenue	6	**173,303**	166,006
Administrative expenses	7	**(151,089)**	(132,591)
Other operating items	8	**(2,230)**	1,359
Finance costs	9	**(836)**	(1,288)
Investment income	10	**563**	97
Profit before items affecting comparability		**19,711**	33,583
Items affecting comparability			
Impairment of goodwill	16	**(12,417)**	-
Contingent consideration reversal	19	**12,717**	-
Profit before tax	11	**20,011**	33,583
Income tax expense	14	**(5,110)**	(7,132)
Profit for the year		**14,901**	26,451
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments	29	**510**	(2,746)
		510	(2,746)
Items that may not be reclassified subsequently to profit or loss			
Actuarial gain/(loss) on defined benefit scheme	24	**(141)**	161
		(141)	161
Other comprehensive income/(expense) for the year		**369**	(2,585)
Total comprehensive income for the year		**15,270**	23,866
Earnings per share	30		
Basic		**0.488**	0.861
Diluted		**0.486**	0.856

The notes on pages 63 to 102 form an integral part of these consolidated financial statements.

Statement of consolidated financial position as at 31 December 2023

	Note	2023 €000	2022 €000 Restated
ASSETS			
Non-current assets			
Intangible assets	16	**101,186**	115,453
Plant and equipment	17	**17,819**	18,505
Deferred tax assets	25	**6,393**	6,247
		125,398	140,205
Current assets			
Trade and other receivables	20	**37,369**	38,968
Tax receivables		**1,585**	-
Cash and cash equivalents	21	**50,540**	60,701
		89,494	99,669
Total assets		**214,892**	239,874
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	26	**93**	93
Share premium	26	**62,046**	62,046
Other equity & reserves	28	**4,543**	5,434
Currency translation reserve	29	**(4,419)**	(4,929)
Treasury shares	26	**(15,089)**	(12,000)
Retained earnings		**124,973**	112,743
		172,147	163,387
Non-current liabilities			
Lease liabilities	31	**9,128**	9,992
Other financial liabilities	23	**-**	7,447
Contingent consideration	19	**-**	12,234
Deferred tax liabilities	25	**6,897**	7,791
Other liabilities	24	**485**	293
		16,510	37,757
Creditors: Amounts falling due within one year			
Trade and other payables	22	**20,883**	18,200
Current tax liabilities		**1,368**	4,020
Contingent consideration	19	**118**	13,267
Lease liabilities	31	**3,866**	3,243
		26,235	38,730
Total equity and liabilities		**214,892**	239,874

These consolidated financial statements were approved by the board of directors, authorised for issue on 22 March 2023 and signed on its behalf by:

Marlene Forsell, Director

Patrick Clase, Director

The notes on pages 63 to 102 form an integral part of these consolidated financial statements.

Statement of changes in equity for the year ended 31 December 2023

	Share capital €000	Share premium €000	Other reserves €000	Foreign currency reserve €000	Treasury shares €000	Retained earnings €000	Total €000
Balance at 1 January 2022	93	59,464	4,608	(2,183)	(12,000)	85,395	135,377
Changes in equity for 2022							
Value of employee share options	-	-	2,054	-	-	-	2,054
Tax on share options	-	-	(492)	-	-	-	(492)
Proceeds from issue of shares	-	2,582	-	-	-	-	2,582
Fully exercised share options	-	-	(897)	-	-	897	-
Total comprehensive income for the year	-	-	161	(2,746)	-	26,451	23,866
Balance at 31 December 2022	93	62,046	5,434	(4,929)	(12,000)	112,743	163,387
Changes in equity for 2023							
Value of employee share options	-	-	(482)	-	-	-	(482)
Tax on retirement benefits	-	-	6	-	-	-	6
Exercise of share options	-	-	-	-	5,234	(2,945)	2,289
Shares repurchased	-	-	-	-	(8,323)	-	(8,323)
Convertible bond settlement	-	-	(274)	-	-	274	-
Total comprehensive income for the year	-	-	(141)	510	-	14,901	15,270
Balance at 31 December 2023	**93**	**62,046**	**4,543**	**(4,419)**	**(15,089)**	**124,973**	**172,147**

The notes on pages 63 to 102 form an integral part of these consolidated financial statements.

Consolidated cash flow statement for the year ended 31 December 2023

	Note	2023 €000	2022 €000
Cash flows from operating activities			
Profit before taxation		**20,011**	33,583
Depreciation	17	**7,182**	6,683
Amortisation	16	**29,481**	21,955
Impairment of goodwill	16	**12,417**	-
Finance costs	9	**836**	1,288
Investment income	10	**(563)**	(97)
Contingent consideration reversal	19	**(12,717)**	-
Share-based payment expense	27	**(482)**	2,054
Movement in working capital:			
Decrease/(increase) in trade and other receivables		**1,599**	(645)
Increase/(decrease) in trade and other payables		**1,926**	(3,897)
Increase/(decrease) in other liabilities		**192**	(96)
Cash generated from operations		**59,882**	60,828
Investment income received		**400**	97
Tax paid		**(10,438)**	(11,922)
Net cash generated from operating activities		**49,844**	49,003
Cash flows from investing activities			
Purchase of tangible fixed assets	17	**(3,547)**	(2,898)
Development costs of intangible assets	16	**(27,630)**	(25,524)
Acquisition of subsidiary, net of cash acquired	19	**(1,244)**	(36,363)
Payment of contingent consideration		**(10,310)**	-
Net cash used in investing activities		**(42,731)**	(64,785)
Cash flows from financing activities			
Proceeds from exercise of share options		**2,314**	2,582
Shares repurchased	26	**(8,323)**	-
Repayment of convertible bond		**(7,500)**	-
Payments of lease liabilities		**(3,424)**	(3,831)
Interest paid		**(419)**	(615)
Net cash generated from/(used in) financing activities		**(17,352)**	(1,864)
Net increase in cash and cash equivalents		**(10,239)**	(17,646)
Cash and cash equivalents at the beginning of the year		**60,701**	79,657
Effect of foreign exchange rate changes		**78**	(1,310)
Cash and cash equivalents at the end of the year	21	**50,540**	60,701

The notes on pages 63 to 102 form an integral part of these consolidated financial statements.

Notes to the financial statements for the year ended 31 December 2023

1. General Information

Kambi Group plc is the Group's ultimate parent company and is incorporated and domiciled in Malta. Its registered office and principal place of business is Avenue 77 Complex, Triq In Negozju, Zone 3, Central Business District, Birkirkara CBD 3010, Malta. The principal activity of Kambi Group plc and its subsidiaries (the Group) is the provision of managed sports betting services and front end development in the iGaming industry.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

The accounting policies adopted are consistent with those of the previous financial period except as noted below. The adoption of the following standards effective from 1 January 2023 did not have any impact on the Group's consolidated financial statements:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in the Material accounting policies (2022 – Significant accounting policies) in certain instances in line with these amendments.

- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- IFRS 17 Insurance Contracts
- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The application of these standards did not have a significant impact on the Group's financial statements.

Standards, interpretations and amendments to published standards as adopted by the EU that are not yet effective for periods beginning on 1 January 2023

Up to the date of the financial position, certain new relevant standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which the Group has not yet adopted. The following standards are not expected to have a material impact on the Group's financial position and performance:

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective on 1 January 2024)
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (effective on 1 January 2024)
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7(effective on 1 January 2024)
- Lack of Exchangeability – Amendments to IAS 21 (effective on 1 January 2025)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (available for optional adoption/effective date deferred indefinitely)

The application of these standards is not expected to have a significant impact on the Group's financial statements.

Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union

Management are assessing the impact that the adoption of the following Financial Reporting Standards will have in the financial statements of the Company in the period of initial application:

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective date has been removed temporarily by the IASB)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Effective from 1 January 2024)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Effective from 1 January 2025)

The Directors are assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Company in the period of initial application.

3. Basis of preparation & consolidation

The Group financial statements consolidate those of the parent company and of all its subsidiaries as at 31 December 2023.

These financial statements have been prepared on the historical cost basis subject to modification where appropriate by the revaluation of financial assets and liabilities at fair value through profit or loss and in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. All references to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU. The individual parent financial statements have been prepared separately.

Historical cost is generally considered to be the fair value of consideration paid in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group has prepared financial statements which comply with IFRS applicable for periods ending on 31 December 2023, together with the comparative period data as at and for the year ended 31 December 2022, as described in the accounting policies. The material accounting policies set out below have been consistently applied to all periods presented unless noted otherwise in Note 1 and have been applied consistently by the Group's entities.

The directors believe that the Group will continue with its forecast growth and therefore the financial statements have been prepared on a going concern basis.

The consolidated financial statements comprise the financial statements of the Group and the entities it controls (its subsidiaries) as at 31 December 2023. An investor considers all relevant facts and circumstances when assessing whether it controls an investee. Control is achieved when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group is considered to have power over an entity when it has existing rights that give it the current ability to direct the relevant activities of the investee. For the Group to have power over an entity, it must have the practical ability to exercise those rights. The entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control identified above. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

Consolidation of a subsidiary begins when the entity obtains control over the subsidiary and ceases when it loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date the company ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full in the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases, less any accumulated impairment charges.

4. Material accounting policies

The consolidated financial statements have been prepared using the material accounting policies and measurement bases as summarised below.

Plant and equipment

The Group does not own property and its tangible non-current assets in the form of plant and equipment are classified into the following classes: office equipment, fixtures & fittings, computer hardware, and leasehold improvements.

Items of plant and equipment are classified into separate classes and initially measured at cost, including any costs directly attributable to bringing the assets to the location and in the condition necessary for these to be capable of being employed in the manner intended by the Group's management. Subsequently they are stated at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure on repairs and maintenance is recognised as an expense when incurred.

Items of plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method. The estimated useful lives for the current and comparative period are as follows:

Leasehold improvements:	5 years
Fixtures & fittings:	5 years
Office equipment:	5 years
Computer hardware:	3 years

Depreciation methods, useful lives and material residual values are reviewed at each reporting date with the effect of any change in estimate accounted for prospectively.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. It is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost, less accumulated amortisation and any accumulated impairment losses.

The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised over their useful life on a systematic basis. Amortisation is charged to profit or loss on a straight-line basis so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives. The estimated useful lives by class are as follows:

Computer software:	3 years
Development costs:	3 years
Brands:	5 years
Customer relationships:	5 years
Databases:	5 years

The amortisation method applied, the useful lives and material residual values are reviewed at each reporting date.

(i) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and install the specific software.

In determining the classification of an asset that incorporates both intangible and tangible elements, judgment is used in assessing which element is more significant. Computer software which is an integral part of the related hardware is classified under property, plant and equipment as computer hardware and accounted for in accordance with the Group's accounting policy on property, plant and equipment. Where the software is not an integral part of the related hardware, this is classified as an intangible asset.

(ii) Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's development of a sportsbook product is recognised only if all the following can be demonstrated by the Group:

- the technical feasibility of completing, and the intention to complete, the product so that it will be available for use or sale

- the probability that the product will generate future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the product, and
- the ability to measure reliably the expenditure attributable to the product during its development.

(iii) Brands

Brands have predominantly arisen as a result of business combinations.

(iv) Customer contracts

Customer contracts and relationships of acquired subsidiaries are valued based on their expected future economic benefits (using discounted cash flow projections) and brought to account as intangible assets. The acquired customer bases are amortised on a straight-line basis in line with the expected economic benefits to be derived.

(v) Databases

Databases of acquired subsidiaries are valued based on their expected future economic benefits (using discounted cash flow projections) and brought to account as intangible assets. These are amortised on a straight line basis in line with the expected economic benefits to be derived.

(vi) Goodwill

Goodwill arises on the acquisition of businesses. Goodwill represents the difference between the cost of acquisition and the Group's interest in the fair value of the identifiable assets and liabilities acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

The Group measures goodwill as the fair value of the consideration transferred less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

If at the reporting date the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities can only be established provisionally, then these values are used. Adjustments to the fair values can be made within 12 months of the acquisition date and are taken as adjustments to goodwill.

When the Group makes an acquisition, management review the business and assets acquired to determine whether any intangible assets should be recognised separately from goodwill. If, based on management's judgement, such an asset is identified, then it is valued by discounting the probable future cash flows expected to be generated by the asset, over the estimated life of the asset. Where there is uncertainty over the amount of economic benefit and the useful life, this is factored into the calculation.

Derecognition of intangible assets: an intangible asset is derecognised upon disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised as the proceeds received, net of direct issue costs. Repurchase of the entity's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the entity's own equity instruments.

Debt and equity instruments issued by the group are classified as either other financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and an equity instrument.

Financial assets

On initial recognition, a financial asset is classified as measured at either amortised cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The group's financial assets relate to trade receivables and cash at bank. These assets are subsequently measured at AC using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Trade receivables which do not have a significant financing component are initially measured at their transaction price and are subsequently stated at their nominal value less any loss allowance for expected credit losses.

Financial assets are derecognised when the right to receive cash flows from the assets has expired or when the Group has transferred its contractual right to receive the cash flows of the financial assets, and either substantially all the risks and rewards of ownership have been transferred or substantially all the risks and rewards have neither been retained nor transferred but control is not retained.

Financial liabilities

Financial liabilities in relation to Trade and other payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material.

Financial liabilities classified as 'other financial liabilities' include borrowings subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, is cancelled or expires.

The component parts of compound instruments (the convertible bond) issued by the entity are classified separately as financial liabilities and equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and an equity instrument.

At the date of issue, the fair value of the financial liability component is estimated using the prevailing market interest rate for similar risk non-convertible instruments. The amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised in which case the balance recognised in equity will be transferred to other equity. When the conversion option remains unexercised at the maturity date of the convertible bond, the balance recognised in equity will be transferred to other equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Changes in the fair value of the equity component are not recognised. Redemptions or refinancings of the equity component are recognised as changes in equity whereas gains or losses associated with redemptions or refinancings of the liability component are recognised in profit or loss.

(i) Trade receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business and are recognised when originated. Trade receivables are classified as current assets and are stated at their nominal value unless the effect of discounting is material, in which case trade receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

The Group applies the simplified approach for trade receivables and contract assets that do not contain a significant financing component. The Group's trade receivables are of a short-term nature as they are based on credit terms of less than one year and, thus, do not include a significant financing component.

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Group measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Where the Group does not have reasonable and supportable information that is available without undue cost or effort to measure Lifetime ECLs on an individual instrument basis and in order to ensure that Lifetime ECLs are recognised before an asset becomes credit-impaired or an actual default occurs, Lifetime ECLs on the remaining financial assets are measured on a collective basis. In such instances and where appropriate, the financial instruments are grouped on the basis of shared credit risk characteristics and the Lifetime ECLs are estimated using a provision matrix based on actual credit loss experience over past years, which is adjusted to reflect current conditions and the Group's view of economic conditions over the expected lives of the receivables.

(ii) Trade payables

Trade payables are classified as current liabilities and are stated at their nominal value unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

(iii) Contingent consideration

Any contingent consideration payable arising on business combinations is recognised at fair value at the acquisition date with subsequent changes recognised in profit or loss. Contingent consideration is remeasured at each reporting date. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition.

(iv) Shares issued by the Group

Ordinary shares issued by the Group are classified as equity instruments. Costs relating to an equity issue are offset against equity, as a deduction from the issue proceeds.

(v) Shares repurchased by the Group

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer arises from the provision of services (performance obligations) and is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax, rebates and discounts, where applicable.

(i) Provision of services

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group and the Company recognise such revenue when (or as) they satisfy a performance obligation by transferring control of a promised good or service to the customer.

Finance income and finance costs

Interest income and expense is recognised on an accruals basis by reference to the principal outstanding and by using the effective interest method when it is probable that the economic benefits will flow to or from the Group and the amount of income or expense can be measured reliably.

Taxation

Income tax expense comprises current and deferred tax and is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable income for the period using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign currency translation

The financial statements of the Group are presented in its functional currency, the Euro, being the currency of the primary economic environment in which the Group operates. Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are re-translated to the presentation currency at the exchange rate prevailing at that date. Non-monetary assets and liabilities denominated in currencies other than the Euro that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement and on the re-translation of monetary items are recognised in profit or loss.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euro using exchange rates at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Exchange differences arising are recognised in other comprehensive income and accumulated in a foreign currency translation reserve in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents comprise cash at bank, including deposits accessible on demand.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are recognised at their present value by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are not recognised for future operating losses.

Items affecting comparability

The Group defines items affecting comparability as those items which, by their size or nature in relation to the Group, should be separately disclosed in order to give a full understanding of the Group's underlying financial performance, and aid comparability of the Group's results between periods.

Leases

At the inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate and lease payments in an optional renewal period that the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets within Plant and equipment and lease liabilities within current and non-current liabilities in the Statement of consolidated financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases less than 12 months or leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

In the Statement of Cash Flows, the Group classifies cash payments for the principal portion of the lease liability within financing activities and the cash payments for the interest portion of the lease liability within operating activities.

Share-based payments

Share-based payment arrangements in which the Group receives goods or services as consideration for equity instruments are accounted for as equity settled share-based payment transactions by recognising in profit or loss the fair value of the awards with a corresponding increase in equity within other reserves.

The total amount to be expensed is measured by reference to the fair value at the grant date of the options granted, taking into account market performance conditions and the impact of any non-vesting conditions, and excluding the impact of any service or vesting conditions. Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period of the options, which is usually three years.

At each balance sheet date, the estimate of the number of options expected to vest is revised with the impact recognised in the statement of consolidated profit or loss and other comprehensive income and a corresponding adjustment to equity within other reserves.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, an impairment test is carried out and the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The Groups non-financial assets include, but are not limited to, goodwill on acquisitions and intangible assets. Goodwill and assets that have an indefinite useful life and are therefore not subject to amortisation or depreciation and intangible assets not yet available for use are tested annually for impairment and whenever there is an indication that there may be an impairment. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, intangible assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non-financial assets other than goodwill that suffer an impairment recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account.

Post-employment benefits

The Group contributes towards the pension contribution plans in accordance with local legislation where required. The only obligation of the Group is to make the required contributions. Costs related to such contributions are expensed in the period in which they are incurred.

The Group also provides for certain additional post employment retirement benefits to employees in the Philippines. The cost of providing benefits under a defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. This cost is recognised in profit or loss and includes the service cost (including current service cost, past service cost and gains/losses on curtailments and settlements), net interest expense or income on the defined benefit liability or asset and re-measurement which comprises actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest). The net defined benefit liability or asset includes actuarial gains and losses which are recognised in other comprehensive income in the period in which they arise.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises service costs and net interest expense or income in the net defined benefit obligation under Administrative Expenses in the Consolidated statement of profit or loss and other comprehensive income.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of every reporting period.

5. Use of judgements and estimates

The amounts recognised in the financial statements are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of financial statements. The judgments made by management in applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements, together with information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed herein.

Deferred taxation

The recognition of deferred tax assets is based upon whether taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. The amounts recognised in the consolidated financial statements are derived from the management's best estimation and judgment of the above.

Recoverability of cash generating units containing goodwill and intangible assets

IFRS requires management to undertake an annual test for impairment of goodwill and internally generated intangible assets to determine if the carrying amount of any asset may not be recoverable. Impairment testing is an area involving management's assessment that technological and economic feasibilities are achieved. In determining the amounts to be capitalised and for any impairment assessment, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The recoverable amount of the assets has been determined based on an estimate of future cash flows applying a discount rate of 8.9% (2022: 11.5%).

A similar approach is taken to reviewing the goodwill for impairment whereby management reviews the goodwill for impairment on an annual basis (or more frequently if there are indicators that the value of goodwill may be impaired) by comparing the carrying value of the cash generating units with their recoverable amounts. As the Group's goodwill balance consists of only goodwill from business combinations, the impairment review is based on an expected future cash flows and the estimated terminal value and compared to the current carrying value. Certain parts of this calculation such as the risk adjusted discount rate and the growth rate are subjective in nature.

Useful lives of plant and equipment

The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed throughout the year for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life. If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset is reduced.

Capitalisation of development costs

The Group capitalises internally generated development costs, these being salary costs for those working on the development and enhancement of its platform. There is a certain degree of judgement in assessing the criteria for recognising these intangible assets, such as the probability that the asset created will generate future economic benefits, and for continuing to ensure that they still meet these criteria. Systems and controls are in place in order to contain this judgement via tracking of each project. The net book value of these internally generated development costs at 31 December 2023 is €40,625,000 (2022: €36,857,000).

Share options

Upon exercise of the share options disclosed in Note 27, the Group will have a liability to pay the employer's social security on any gains, depending on the jurisdiction of the Option holder. The amounts recognised in the consolidated financial statements are derived from the management's best estimation of the likely option vesting patterns and are based on the share price at the balance sheet date.

The Kambi Group Executive Share Option Plan (ESOP) was introduced in December 2013. Under the scheme, options are exercisable over a seven year period, starting at the third anniversary of the date of grant and expiring at the tenth anniversary of the date of grant, and are subject to the optionholders remaining in continued employment with the Group. Options have been fully exercised therefore the scheme is now complete.

The Kambi Group plc Share Option Plan 2018 was introduced in June 2018. The 2018 scheme Options have been fully exercised therefore the scheme is now complete.

The Kambi Group plc Share Option Plan 2019 was introduced in July 2019 and the Kambi Group plc Share Option Plan 2020 in April 2020, with a fixed exercise price equal to 110 per cent of the average share value, based on the average market value of a Kambi share on the First North Exchange, for the 10 business days before the options are granted. The options will be exercisable over a one year period, unless determined otherwise by the Board, which has been extended to a two year period for Share Option Plan 2019, starting at the third anniversary of the date of grant and expiring at the fourth anniversary of the date of grant. Options are exercisable only to the extent that certain performance conditions in relation to EPS growth have been satisfied and are subject to the optionholders remaining in continued employment with the Group.

The Kambi Group plc Share Option Plan 2020 was approved at the Extraordinary General Meeting on 3 July 2020. The scheme includes the Kambi Group plc Share Option Plan 2021, introduced in July 2021, and the Kambi Group plc Share Option Plan 2023, introduced in November 2023. Under the scheme options are granted with an exercise price equal to 110-125 per cent of the average share value, based on the average market value of a Kambi share on the First North Exchange, for the 10 business days before the options are granted. The options will be exercisable over a one year period, starting at the third anniversary of the date of grant and expiring at the fourth anniversary of the date of grant. Awards will be subject to performance conditions related to key financial targets as set by the Board and are subject to optionholders remaining in continued employment with the Group before the share options can be exercised.

Based on the above, an estimation of the employer's social security liability at each balance sheet date has been made and accounted for accordingly. The estimation is updated regularly according to various factors including attainment of the performance conditions, the number of options outstanding and the latest share price.

Post-employment benefit obligations

The cost of the defined benefit retirement plan in the Philippines is dependent on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date and remeasurement gains and losses arising from such reviews are recognised in other comprehensive income.

Leases

When assessing whether a contract is, or contains, a lease, management assesses whether the contract involves use, or right to direct use, of an identified asset or the rights to obtain substantially all of the economic benefits from the use of the asset. Management makes this assessment taking into consideration the substance of the terms of the lease and historical experience with similar contractual arrangements. The only right-of-use assets and lease liabilities that the Group recognises are in relation to office premises.

The recognition of the liability component of each lease requires an assessment of a discount rate which is assessed using the lessee's incremental borrowing rate. Management has estimated this rate based on current economic conditions and historical experience.

Where a lease includes the option for the Group to extend the lease term, the Group makes a judgement as to whether it is reasonably certain that the option will be taken. When doing this management consider the length of time remaining before the option is exercisable, current trading, future trading forecasts and planned future capital investment. These assumptions are reviewed at each reporting period.

Contingent consideration

When the Group acquires a business, the total consideration may consist of an amount paid on completion plus further amounts payable on agreed post-completion dates. These further amounts are contingent on the acquired business meeting agreed performance targets. At the date of acquisition and at subsequent reporting periods, the Group reviews the profit and cash forecasts for the acquired business and estimates the amount of contingent consideration that is likely to be due. Management's best estimate of and judgement are used to determine the latest available performance against the targets.

6. Revenue and segmental information

Revenue represents the amount receivable for services rendered during the year, net of any discounts and indirect taxes, as follows:

	2023 €000	2022 €000
Revenue from contracts with customers for sports betting services	**157,021**	160,287
Subscription revenue from eSports	**2,006**	1,963
Platform revenue	**14,276**	3,756
	173,303	166,006

The Group currently operates through three different revenue streams, the primary being the provision of managed sports betting services. The two secondary revenue streams are as a result of the acquisition of both Abios Gaming AB, that generate revenue through eSports subscriptions, and Shape Games AS (see note 19) that generate revenue through front end-based development platforms.

In October 2022, Kambi reached an agreement with PENN Entertainment, Inc. ('PENN') over the planned migration of PENN's online and retail sportsbooks from Kambi to PENN's proprietary technology. PENN effected the online sportsbook migration in Q3 2023 with the retail sportsbook transition period extended until 2025. The agreement provides for ongoing revenue share payments related to online and retail sports betting services for the duration of the provision of each respective service. Kambi received one-time fees of €12,607,000 ($12,500,000) for early termination which was received and fully recognised within revenue from contracts above during 2022. Kambi will also receive $15,000,000 for transition services, payable in instalments through the transition period, and to be recognised over the transition period.

Geographical information

The Group operates across multiple geographical locations; however, its revenue is derived from external customers in three geographical areas of focus: Europe, Kambi's historical core market; the Americas (North, Central and South America), an emerging market for Kambi, and the Rest of the World. The Group does not analyse non-current assets by location. Revenue from external customers by geographical region is detailed below:

Revenue from external customers	**2023 €000**	2022 €000
Europe	**82,265**	65,016
Americas	**85,763**	95,997
Rest of World	**5,275**	4,993
	173,303	166,006

Information about major customers

Group revenue includes €77.7m (2022: €88.2m) of sales that cumulatively amount to 45% (2022: 53%) of total Group revenue arising from sales to the Group's three largest customers during 2023 (2022: three largest customers).

7. Expenses by nature

Administrative expenses	2023 €000	2022 €000
Marketing costs	**1,749**	1,590
Fees payable to statutory auditor	**228**	200
Staff costs (note 13)	**59,639**	57,593
Facilities costs	**20,124**	15,794
Depreciation of plant, equipment and right-of-use assets	**7,182**	6,683
Amortisation of intangible assets	**29,481**	21,955
Travel costs	**2,304**	1,846
Consultants	**12,807**	8,623
Third party information suppliers	**17,184**	17,672
Other	**391**	635
	151,089	132,591

8. Other operating expenses

	2023 €000	2022 €000
Foreign currency movements	**2,230**	(1,359)

9. Finance costs

	2023 €000	2022 €000
Interest on convertible bond	**128**	277
Interest on lease liabilities	**475**	457
Other interest	**233**	554
	836	1,288

10. Investment income

	2023 €000	2022 €000
Interest income	**460**	97
Gain on financial instrument	**103**	-
	563	97

11. Profit before tax

	2023 €000	2022 €000
The profit before tax is after charging: Total remuneration payable to the Group's auditors for the audit of the Group's financial statements	**228**	200

There were no fees paid to the statutory auditor for non-audit work during 2023 and 2022.
The annual statutory audit fee includes fees for the local statutory audit of some of the Group's subsidiaries.

12. Key management personnel compensation

Directors' remuneration	Fees €000	License fees €000	**2023 €000**	2022 €000
Anders Ström	**62**	**4**	**66**	58
Lars Stugemo	**118**	**2**	**120**	126
Patrick Clase	**62**	**-**	**62**	63
Marlene Forsell	**62**	**-**	**62**	63
Cecilia de Leeuw	**62**	**-**	**62**	62
	366	**6**	**372**	372

	Salary €000	Bonus (short-term incentive) €000	Share-based payments €000	**2023 €000**	2022 €000
Kristian Nylén (CEO)	**775**	**137**	**119**	**1,031**	1,278
Management remuneration	**1,182**	**108**	**319**	**1,609**	1,919
	1,957	**245**	**438**	**2,640**	3,197

The remuneration of the Directors and executive management is also disclosed in the Annual Report. Management remuneration consists of payments to 6 other executives (2022: 4), reflecting that since December 2023, the Executive Management team is now defined as only those employees listed as on the Kambi website.

13. Staff costs and employee information

	2023 €000	2022 €000
Wages and salaries	**46,366**	41,652
Social security costs	**6,374**	6,170
Pension & retirement costs	**4,391**	4,507
Other employee related costs	**2,990**	3,210
Share-based payments (note 27)	**(482)**	2,054
	59,639	57,593

The average number of persons employed during the year was made up as follows:

	2023 Number	2022 Number
Operations	**464**	473
IT	**434**	376
Other	**179**	195
	1,077	1,044

14. Income tax expense

On taxable profit subject to income tax at 35%:

	2023 €000	2022 €000
Current tax (expense)/credit	**(6,127)**	(3,802)
Deferred tax (expense)/credit (note 25)	**1,017**	(3,330)
	(5,110)	(7,132)

Income tax in Malta is calculated at a basic rate of 35% (2022: 35%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax (expense)/credit for the year can be reconciled to the profit per the income statement as follows:

	2023 €000	2022 €000
Profit before tax	**20,011**	33,583
Tax (charge)/credit at the applicable rate of 35%	**(7,004)**	(11,754)
Tax effect of:		
Items of income/expenditure not taxable/deductible	**(708)**	(967)
Prior year (under) provision/over provision of tax	**(7)**	52
Overseas tax rates	**1,260**	3,693
Tax recoverable (i)	**1,985**	2,997
Other (ii)	**(636)**	(1,153)
Tax (charge)/credit for the year	**(5,110)**	(7,132)

(i) The tax recoverable includes €1,985,000 (2022: €2,997,000) related to Malta tax refundable in accordance with the applicable fiscal legislation on intra-group dividends distributed during the year and the Malta tax recoverable in relation to unremitted earnings which are expected to be distributed in the foreseeable future.

(ii) Included in 'Other' is an amount of €1,111,000 (2022: €1,174,000) which represents unrelieved tax incurred by the entities of the Group. The residual items included in 'Other' have not been separately disclosed in the view that individually, and in total, they are not material.

The income tax (charged)/credited directly to equity during the year is as follows:

	2023 €000	2022 €000
Current tax credit in relation to:		
Share-based payments	**-**	-
Deferred tax (charge)/credit in relation to:		
Share-based payments	**-**	(492)
Other	**6**	
Total income tax (charge)/credit recognised directly in equity	**6**	(492)

15. Dividends

There were no dividends paid during 2023 (2022: nil).

16. Intangible fixed assets

	Goodwill €000 Restated	Computer software €000	Development costs €000	Customer Contracts €000	Databases €000	Brands €000	Total €000 Restated
Cost							
At 1 January 2022	17,751	1,270	100,884	3,331	1,623	62	124,921
Additions	-	906	24,618	-	-	-	25,524
Arising on business combination	35,386	-	4,623	20,636	-	996	61,641
Foreign currency translation	-	179	477	-	-	-	656
At 31 December 2022	53,137	2,355	130,602	23,967	1,623	1,058	212,742
Additions	-	15	27,615	-	-	-	27,630
Released on disposal	-	(3)	-	-	-	-	(3)
Foreign currency translation	-	(46)	51	-	-	-	5
At 31 December 2023	**53,137**	**2,321**	**158,268**	**23,967**	**1,623**	**1,058**	**240,374**
Accumulated amortisation							
At 1 January 2022	-	(396)	(73,947)	(222)	(108)	(4)	(74,677)
Provision for the year	-	(149)	(19,303)	(2,166)	-	(337)	(21,955)
Foreign currency translation	-	(162)	(495)	-	-	-	(657)
At 31 December 2022	-	(707)	(93,745)	(2,388)	(108)	(341)	(97,289)
Provision for the year	-	(342)	(23,898)	(4,639)	-	(602)	(29,481)
Impairment	(12,417)	-	-	-	-	-	(12,417)
Released on disposal	-	3	-	-	-	-	3
Foreign currency translation	-	(4)	-	-	-	-	(4)
At 31 December 2023	**(12,417)**	**(1,050)**	**(117,643)**	**(7,027)**	**(108)**	**(943)**	**(139,188)**
Carrying amount							
At 31 December 2023	**40,720**	**1,271**	**40,625**	**16,940**	**1,515**	**115**	**101,186**
At 31 December 2022	53,137	1,648	36,857	21,579	1,515	717	115,453

The amortisation charge for the year of €29,481,000 (2022: €21,955,000) has been included in administrative expenses.

Goodwill, some brands and domains arising on business combinations, together with any separately acquired brands or domains are reviewed for impairment annually, or more frequently if events require. The Group's reported goodwill, customer contracts, databases and acquired brands derive from the acquisition of Abios Gaming AB in 2021 and Shape Games AS in 2022.

During 2023 a correction has been made due to overstatement of goodwill in the initial acquisition accounting of Shape Games. Refer to Note 36 for further information on the correction of the prior period error.

Impairment Review

In performing its assessment of goodwill Abios and Shape Games have been treated as separate cash generating units ('CGU') for the purpose of impairment testing. The carrying amount of goodwill related to the cash generating units are as follows:

	Goodwill €000
Abios Gaming AB	**17,751**
Shape Games AS	**22,969**
	40,720

At 31 December 2023, the total of goodwill and other intangible assets identified with each CGU were tested for impairment on a value in use basis. The value in use calculation is based over seven year projections, as this is deemed the more appropriate life cycle of the CGUs.

The key assumptions used by management for the value in use calculations to assess the impairment are as follows:

	2023
Discount Rate (1)	**8.9%**
Long-term Growth Rates (2)	**Base multiplier 5.4**

(1) The rate has been calculated using Kambi Group Weighted Average Cost of Capital
(2) Weighted average growth rate used in line with Kambi Group and industry average rate

Following a reassessment of the contingent liability related to future earn-out payments related to Shape Games AS and Abios Gaming AB annual impairment review, management recognised that the recoverable amount of Goodwill in relation to Shape Games AS was less than the carrying amount and recognised an impairment expense of €12.4 million.

Based on the Group's impairment review, no further indication of impairment has been identified on other cash generating units.

17. Plant and equipment

	Office Equipment €000	Fixtures & Fittings €000	Computer Hardware €000	Leasehold Improvements €000	Right-of-use asset €000	Total €000
Cost						
At 1 January 2022	1,745	776	14,009	3,364	21,954	41,848
Additions	409	67	1,940	345	137	2,898
Released on disposal	(2)	-	(43)	-	(7)	(52)
Arising on business combination	125	8	-	-	-	133
Foreign currency translation	(82)	4	(696)	(178)	(1,270)	(2,222)
At 31 December 2022	2,195	855	15,210	3,531	20,814	42,605
Additions	61	174	2,935	377	3,031	6,578
Released on disposal	(70)	(109)	(30)	(76)	(990)	(1,275)
Foreign currency translation	-	(16)	17	9	5	15
At 31 December 2023	**2,186**	**904**	**18,132**	**3,841**	**22,860**	**47,923**
Depreciation and impairment						
At 1 January 2022	(829)	(612)	(9,882)	(2,356)	(4,751)	(18,430)
Provisions for the year	(308)	(86)	(2,507)	(332)	(3,450)	(6,683)
Released on disposal	2	-	43	-	7	52
Arising on business combination	(114)	(2)	-	-	-	(116)
Foreign currency translation	37	14	506	111	409	1,077
At 31 December 2022	(1,212)	(686)	(11,840)	(2,577)	(7,785)	(24,100)
Provisions for the year	(325)	(136)	(2,532)	(348)	(3,841)	(7,182)
Released on disposal	70	109	30	76	990	1,275
Foreign currency translation	(8)	10	(27)	(23)	(49)	(97)
At 31 December 2023	**(1,475)**	**(703)**	**(14,369)**	**(2,872)**	**(10,685)**	**(30,104)**
Carrying amount						
At 31 December 2023	**711**	**201**	**3,763**	**969**	**12,175**	**17,819**
At 31 December 2022	983	169	3,370	954	13,029	18,505

18. Group information

Subsidiaries and other related undertakings

The subsidiaries and other related undertakings of the Group at 31 December 2023 are shown below:

Subsidiaries and other related undertakings	Country of incorporation	Description of shares held	Percentage of shares held at 31/12/23 %	Percentage of shares held at 31/12/22 %
Kambi Malta Limited	Malta	Ordinary shares	100	100
Kambi Sportsbook plc (formerly Kambi Spain plc)	Malta	Ordinary shares	100	100
Sports Information Services Limited	Malta	Ordinary shares	100	100
Kambi Services Limited	UK	Ordinary shares	100	100
Kambi Sweden AB	Sweden	Ordinary shares	100	100
Global Technology & Sports Limited	Malta	Ordinary shares	100	100
Kambi Philippines Inc.	Philippines	Ordinary shares	100	100
Kambi Sports Solutions (Alderney) Limited	Alderney	Ordinary shares	100	100
Kambi Australia Pty Ltd	Australia	Ordinary shares	100	100
Sports Analytics Services srl	Romania	Ordinary shares	100	100
Kambi USA Inc.	USA	Ordinary shares	100	100
Kambi SIS USA Inc.	USA	Ordinary shares	100	100
Kambi Sports Espana	Spain	Ordinary shares	100	100
Abios Gaming AB	Sweden	Ordinary shares	100	100
Kambi Argentina SAS	Argentina	Ordinary shares	100	100
Shape Games A/S	Denmark	Ordinary shares	100	100
Shape Games SL	Spain	Ordinary shares	100	100
SIA Shape Games Riga	Latvia	Ordinary shares	100	100
Cyan Limited	Isle of Man	Ordinary shares	100	100

19. Business combinations

Shape Games AS

On 7 September 2022, the Group acquired 100% of the shares and voting rights in Shape Games AS ('Shape Games'), a Danish based front-end development specialist provider for an initial consideration of cash, with potential additional earnout capacity up to €39,600,000 to be paid out based on specific EBITDA targets.

In accordance with the terms of the purchase agreement, earn-out payments were included, subject to Shape Games achieving certain EBITDA targets. The earn-out payments were provisionally fair valued to €18,230,000 million at 31 December 2023 and disclosed as contingent liabilities in the Statement of consolidated financial position.

An early settlement resulted in a one-time payment of €4,466,000 was agreed and a new management team was established within Shape Games. As a result, a total amount of €11,229,000 was released from the total contingent consideration balance during the year ended 31 December 2023. This has been recognised as a credit in the statement of consolidated profit or loss and other comprehensive income and is presented within other items affecting comparability.

The balance of the contingent consideration in the consolidated balance sheet at 31 December 2023 due to the shareholders amounts to nil.

The remaining residual liability of the original contingent consideration liability offset by the settlement, and one-off fees associated to the settlement, and the release to the statement of consolidated profit or loss and other comprehensive income has been repurposed to satisfy performance obligations of the Shape Games employees that were originally included in the sale and purchase agreement. This remains as a liability at year end, recorded in Trade and other payables.

Abios Gaming AB

On 24 August 2021, the Group acquired 100% of the shares and voting rights in Abios Gaming AB ('Abios'), a leading global B2B provider of esports products and services. The agreement consisted of an initial consideration of cash, with up to SEK 120 million to be paid in earnouts related to product development and the future revenue performance of Abios.

In accordance with the terms of the purchase agreement, earn-out payments would become payable in 2023, subject to Abios Gaming achieving certain revenue targets and product development milestones. The earn-out payments were fair valued to €7,271,000 million at 31 December 2022 and disclosed as contingent liabilities in the Statement of consolidated financial position.

During 2023, payments totaling €5,666,000 were made as a result of meeting certain revenue and product targets. The fair value of the remaining contingent consideration was reassessed at 31 December 2023, and as a result, a total amount of €1,488,000 was released from the total contingent consideration balance during the year ended 31 December 2023. This has been recognised as a credit in the statement of consolidated profit or loss and other comprehensive income and is presented within other items affecting comparability.

The balance of the contingent consideration in the consolidated balance sheet at 31 December 2023 amounts to €118,000 and is expected to be paid out in 2024.

	2023 €000	2022 €000
Abios		
Current	**118**	7,271
Non-current	**-**	-
Total Abios	**118**	7,271
Shape Games		
Current	**-**	5,996
Non-current	**-**	12,234
Total Shape Games	**-**	18,230
Current Contingent Consideration	**118**	13,267
Non-current Contingent Consideration	**-**	12,234

During the year a total amount of contingent consideration of €12,717,000 was released to the statement of consolidated profit or loss and other comprehensive income. This was made up of €11,229,000 relating to Shape Games and €1,488,000 to Abios.

20. Trade and other receivables

	2023 €000	2022 €000
Trade receivables	**12,553**	23,040
Prepayments and accrued income	**17,451**	11,252
Deposits	**4,505**	1,283
Other taxation	**1,770**	2,612
Other receivables	**1,090**	781
	37,369	38,968

Trade receivables are generally on terms of 30 days. During the year, an assessment for any further impairment was made based on expected credit losses.

As at 31 December, the ageing of trade receivables is as follows:

	Total €000	Neither past due not impaired €000	<30 days €000	31-60 days €000	61-90 days €000	91-120 days €000	121+ days €000
2023	12,553	8,920	3,468	70	87	-	8
2022	23,040	17,643	5,271	91	3	17	15

21. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position:

	2023 €000	2022 €000
Cash at bank	**50,540**	60,701
Cash and cash equivalents in the statement of cash flows	**50,540**	60,701

Included in the Cash and cash equivalents is a balance held on portfolio of €4,466,000 (2022: €4,485,000). As this balance consists of short-term investments that have a maturity date of 3 months or less from the Balance Sheet date, the amount has been included as Cash and cash equivalents.

22. Trade and other payables

	2023 €000	2022 €000 Restated
Trade creditors	**3,458**	2,196
Other taxes and social security	**1,384**	1,659
Other payables	**135**	67
Other accruals	**9,668**	7,533
Data supplier accruals	**2,403**	3,619
Employment related accruals	**3,835**	3,126
	20,883	18,200

The credit period for trade creditors is generally no more than 30 days. Refer to Note 36 for further information on the 2022 restatement.

23. Other financial liabilities

	2023 €000	2022 €000
Convertible bond	**-**	7,447
Less amount due for settlement within 12 months	**-**	-
Amount due for settlement after 12 months	**-**	7,447

Convertible bond

A convertible bond of €7,500,000 was issued by Kambi Group plc to a wholly owned subsidiary of Kindred Group plc on 23 May 2014, repayable on 1 January 2019. During 2018, the convertible bond terms were renegotiated with a new repayment date of 1 January 2024. On 8 February 2022, it was noted that Kambi's strong financial performance had seen it meet specific conditions required to prepay, at its own discretion, the convertible bond. The group did not have the intention to repay the bond at the time and hence the loan was disclosed as a non-current financial liability as at 31 December 2022. Kambi Group plc repaid the convertible bond in full in May 2023.

24. Other liabilities

Net employee defined benefit liabilities	2023 €000	2022 €000
Philippines post-employment retirement plan	**485**	293
Total	**485**	293

The Group provides for certain post-employment retirement benefits to employees in the Philippines. This plan is governed by the employment laws of the Philippines, which require retirement benefits to be provided. The level of benefits provided depends on the member's length of service and salary at retirement age and is determined by an amount equivalent to one half of a month's salary for every year of service, with six months or more of service considered as one year.

The Group has used the actuary E. M. Zalamea Actuarial Services, Inc. based in the Philippines to determine the current liability. The fee paid to the actuary for these services in 2023 was €800 (2022: €1,000).

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the statement of financial position for the plan:

Net benefit expense (recognised in profit or loss)	2023 €000	2022 €000
Current service cost	**41**	55
Interest cost on benefit obligation	**21**	10
	62	65

Movement in the present value of the obligation (PVO)	2023 €000	2022 €000
PVO at beginning of year	**293**	389
Current service cost	**41**	55
Interest cost	**21**	10
Actuarial (gain)/loss due to:		
Experience adjustments	**153**	19
Changes in demographic assumptions	**(10)**	(186)
Movement in exchange rate	**(13)**	6
PVO at end of year	**485**	293

The principal assumptions used in determining retirement benefit obligations for the Group's plans are shown below:

Actuarial assumptions	2023	2022
Discount rate	**6.31%**	7.22%
Salary increase rate	**4.00%**	5.00%
Mortality rate	**2017 PCIM**	2017 PCIM
Turnover rate	**Scale**	Scale
Employees profile		
Number of plan members	**323**	305
Total annual compensation €000	**3,293**	2,801
Average annual compensation €000	**10**	9
Average attained age	**30.50**	30.00
Average years of service	**4.60**	4.50

A quantitative sensitivity analysis for significant assumptions as at 31 December 2023 is as shown below:

Discount rate	Present Value	Present Value
1% increase	**414**	246
Actual	**485**	293
1% decrease	**593**	376
Salary increase rate	**Present Value**	
1% increase	**594**	377
Actual	**485**	293
1% decrease	**412**	244

The following payments are expected contributions to the defined benefit plan in future years:

	2023 €000	2022 €000
Less than one year	**-**	-
More than one year to five years	**-**	-
More than five years to 10 years	**169**	-
More than 10 years to 15 years	**101**	-
More than 15 years to 20 years	**827**	808
More than 20 years	**6,172**	6,927

The average duration of the defined benefit obligation at the end of the reporting period is 29.5 years (2022: 30.0 years). The entire obligation relates to active plan members.

25. Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% (2021: 35%). The following are the deferred tax assets and liabilities (prior to offset) recognised by the Group and movements thereon during the current and prior reporting period:

	2021 €000	Movement for year €000	2022 €000	**Movement for year €000**	**2023 €000**
Unremitted earnings	7,564	(3,656)	3,908	**223**	**4,131**
Tangible fixed assets	284	45	329	**130**	**459**
Intangible assets	(1,538)	(4,179)	(5,717)	**1,497**	**(4,220)**
Unrealised exchange differences	2	52	54	**(38)**	**16**
Tax losses	442	51	493	**215**	**708**
Other	1,361	(1,972)	(611)	**(987)**	**(1,598)**
	8,115	(9,659)	(1,544)	**1,040**	**(504)**

The 'Intangible assets' movement for the year 2022 includes a deferred tax liability of €4,759,000 recognised on the fair value of intangible assets acquired through a business combination.

Certain deferred tax assets and liabilities may have been offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The movement for the year is reconciled as follows:

	2023 €000	2022 €000
(Charge)/Credit to income for the year	**1,017**	(3,330)
(Charge)/Credit directly to equity	**6**	(492)
Movement in relation to business combination	**-**	(5,766)
Foreign currency translation	**17**	(71)
	1,040	(9,659)

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2023 €000	2022 €000
Deferred tax assets	**6,393**	6,247
Deferred tax liabilities	**(6,897)**	(7,791)
	(504)	(1,544)

26. Share Capital and Share Premium

	2023 €000	2022 €000
Authorised		
750,000,000 Ordinary 'A' shares of €0.003 each	**2,250**	2,250
250,000,000 Ordinary 'B' shares of €0.003 each	**750**	750
Issued and fully paid up		
31,278,297 Ordinary 'B' shares (31,278,297 Ordinary 'B') of €0.003 each	**93**	93
Share premium		
Share premium reserve	**62,046**	62,046

Ordinary "A" shares and Ordinary "B" shares carry rights to dividends. One Ordinary "B" share entitles the holder to one vote at shareholders' meetings of the Company. Ordinary "A" shares could have been issued on the conversion of the bond however the bond was repaid in May 2023.

At the 19 June 2023 Extraordinary General Meeting ('EGM'), shareholders granted the Group the authority to repurchase up to 3,127,830 Ordinary 'B' shares. The authority expires on the date of the 2024 Annual General Meeting ('AGM'). During the year, 462,076 (2022: nil) shares were repurchased at a total of €8,323,000. During the year, 246,984 (2022: nil) shares were utilised to satisfy the exercise of share options.

At 31 December 2023, the Group held 738,592 (2022: 523,500) of the Group's shares.

Treasury shares are not entitled to dividend or voting rights whilst held by the Group.

27. Share-based payments

The Group operates a share-based payment scheme as set out within this note. The total credit for the year relating to employee share-based payment schemes was €482,000 (2022: €2,054,000 charge) related to equity-settled share-based schemes. In 2023, Kambi Group plc Share Option Plan 2021 recognised a credit of €2,168,000 in relation to the fact that performance conditions were not satisfied for two of the three year tranches.

The information provided below relates to the share option scheme operated by Kambi Group plc, for the benefit of employees of the Group.

Kambi Group Executive Share Options Plan

The Kambi Group Executive Share Option Plan (ESOP) was introduced in December 2013. Under the scheme, the Board can grant options over shares in the Group entities to employees of any entity within the Kambi Group.

Options are granted with a fixed exercise price equal to 130 per cent of the average share value, based on an external valuation. Awards under the scheme are generally made to employees at a senior level. Options will be exercisable in accordance with a vesting schedule set at the date of grant and will expire not later than the tenth anniversary of the date of grant. The performance conditions in relation to this plan have been satisfied.

Options have been fully exercised therefore the scheme is now complete.

Grants made under the ESOP are valued using the Black-Scholes option-pricing model. The fair value per option granted and the assumptions used in the calculation are as follows. The exercise price of the options was set in GBP as this was the functional currency of Kindred Group plc, which was the owner of the Group at the date of grant.

Grant date	14 Dec 2013
Exercise price GBP	1.23
Number of employees	53
Shares under option	961,000
Vesting period (years)	3
Expected volatility %	21
Option life (years)	10
Expected life (years)	3.50
Risk-free rate %	1.23
Expected dividends expressed as dividend yield %	0
Fair value per option GBP	0.08

The expected volatility is based on the standard deviation of Kindred Group's share price over a year, prior to the grant date. During 2013, Kambi Group plc was not publicly traded and therefore Kindred Group's share price was used to calculate the expected volatility.

The risk-free rates of return applied to the ESOP grant is the approximate implicit risk-free interest rate for the options' term to maturity, based on the three-year maturity rate offered by Riksbanken at the date of each grant.

Share Option Schemes approved at 2015 Annual General Meeting

Kambi Group plc Share Option Plan 2019

The Kambi Group plc Share Option Plan 2019 was introduced in July 2019. Under the scheme, the Board can grant options over shares in the Group to employees of any entity within the Kambi Group.

Options are granted with a fixed exercise price equal to 110 per cent of the average share value, based on the average market value of a Kambi share on the First North Exchange, for the 10 business days before the options are granted. Awards under the scheme are generally made to employees at a senior level. Options will normally be exercisable in accordance with a vesting schedule set at the date of grant and will expire not later than the fourth anniversary of the date of grant. The performance condition in relation to this plan, based on the EPS target for the 12 months to 31 December 2021, were satisfied in excess of 190% of the target and therefore the options vested in full and are exercisable. Using board discretion, an extension of the exercisable window has been granted for an additional 12 months due to lack of an exercisable window during the original exercise period. Options are exercisable subject to continued employment.

Grants made under this plan are valued using the Black-Scholes option-pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	3 July 2019
Exercise price SEK	192.16
Number of employees	47
Shares under option	403,000
Vesting period (years)	3
Expected volatility %	46%
Option life (years)	4
Expected life (years)	3.50
Risk-free rate %	-0.55%
Expected dividends expressed as dividend yield %	0
Fair value per option EUR	3.94

The future volatility assumption is an average of the Company's share price performance over the 60 months immediately preceding grant. This reflects the Company's own performance since its IPO in June 2014.

Kambi Group plc Share Option Plan 2020

The Kambi Group plc Share Option Plan 2020 was introduced in April 2020. Under the scheme, the Board can grant options over shares in the Group to employees of any entity within the Kambi Group.

Options are granted with a fixed exercise price equal to 110 per cent of the average share value, based on the average market value of a Kambi share on the First North Exchange, for the 10 business days before the options are granted. Awards under the scheme are generally made to employees at a senior level. The performance condition in relation to this plan, based on EPS target for the 12 months to 31 December 2023, have been satisfied in excess of 130% of the target and therefore the options vested in full and are exercisable until no later than the fourth anniversary of the date of grant.

Grants made under this plan are valued using the Black-Scholes option-pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	27 April 2020
Exercise price SEK	121.38
Number of employees	62
Shares under option	418,484
Vesting period (years)	3
Expected volatility %	47%
Option life (years)	4
Expected life (years)	3.50
Risk-free rate %	-0.29%
Expected dividends expressed as dividend yield %	0
Fair value per option EUR	3.95

The future volatility assumption is an average of the Company's share price performance over the 72 months immediately preceding grant. This reflects the Company's own performance since its IPO in June 2014.

Kambi Group plc Share Option Plan 2021

The Kambi Group plc Share Option Plan 2021 was introduced in July 2021. Under the scheme, the Board can grant options over shares in the Group to employees of any entity within the Kambi Group.

Options were granted during 2021 with an exercise price equal to 110 per cent of the average share value, within the approved range of 110 to 125 per cent, based on the average market value of a Kambi share on the First North Exchange, for the 10 business days before the options are granted. Awards under the scheme are generally made to employees at a senior level. Options will normally be exercisable in accordance with a vesting schedule set at the date of grant and will expire not later than the fourth anniversary of the date of grant. Options are exercisable only to the extent that certain performance conditions in relation to EBIT have been satisfied and are subject to continued employment. Awards will be subject to performance conditions and vest in tranches – one third each year within the 3-year vesting. In 2023, it was determined that the performance conditions were not satisfied for two of the three years, and therefore these tranches will not vest.

Year granted	2021
Weighted average exercise price SEK	445.47
Number of employees	45
Shares under option	308,500
Vesting period (years)	3
Expected volatility %	53.2-56.42%
Option life (years)	4
Expected life (years)	3.50
Risk-free rate %	(0.01) – (0.16)%
Expected dividends expressed as dividend yield %	0
Fair value per option EUR	10.25-15.47

Grant date	2023
Weighted average exercise price SEK	199.91
Number of employees	25
Shares under option	429,000
Vesting period (years)	3
Expected volatility %	50.03%
Option life (years)	4
Expected life (years)	3.62
Risk-free rate %	2.84%
Expected dividends expressed as dividend yield %	0
Fair value per option EUR	5.08

Kambi Group plc Share Option Plan 2023

The Kambi Group plc Share Option Plan 2023 was introduced in November 2023. Under the scheme, the Board can grant options over shares in the Group to employees of any entity within the Kambi Group.

Options were granted during 2023 with an exercise price equal to 125 per cent of the average share value, within the approved range of 110 to 125 per cent, based on the average market value of a Kambi share on the First North Exchange, for the 10 business days before the options are granted. Awards under the scheme are generally made to employees at a senior level. Options will normally be exercisable in accordance with a vesting schedule set at the date of grant and will expire not later than the fourth anniversary of the date of grant. Options are exercisable only to the extent that certain performance conditions in relation to EBIT have been satisfied and are subject to continued employment.

Grants made under this plan are valued using the Black-Scholes option-pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

A reconciliation of option movements over the year to 31 December 2023 is shown below:

Kambi Group Executive Share Option Plan

	2023		2022	
	Number	**Weighted average exercise price GBP**	Number	Weighted average exercise price GBP
Outstanding at 1 January	**40,500**	**1.23**	40,500	1.23
Exercised	**(40,500)**	**-**	-	1.23
Granted	**-**	**-**	-	-
Lapsed	**-**	**-**	-	-
Forfeited	**-**	**-**	-	-
Outstanding at 31 December	**-**	**-**	40,500	1.23

Kambi Group plc Share Option Plan 2019

	2023		2022	
	Number	**Weighted average exercise price SEK**	Number	Weighted average exercise price SEK
Outstanding at 1 January	**252,000**	**192.16**	274,000	192.16
Exercised	**-**	**-**	-	-
Granted	**-**	**-**	-	-
Lapsed	**-**	**-**	-	-
Forfeited	**(8,000)**	**192.16**	(22,000)	192.16
Outstanding at 31 December	**244,000**	**192.16**	252,000	192.16

Kambi Group plc Share Option Plan 2020

	2023		2022	
	Number	**Weighted average exercise price SEK**	Number	Weighted average exercise price SEK
Outstanding at 1 January	**304,984**	**121.38**	352,484	121.38
Exercised	**(206,484)**	**-**	-	-
Granted	**-**	**-**	-	-
Lapsed	**-**	**-**	-	-
Forfeited	**-**	**121.38**	(47,500)	121.38
Adjustment	**7,500**	**-**	-	-
Outstanding at 31 December	**106,000**	**121.38**	304,984	121.38

Kambi Group plc Share Option Plan 2021

	2023		2022	
	Number	**Weighted average exercise price SEK**	Number	Weighted average exercise price SEK
Outstanding at 1 January	**278,500**	**445.47**	296,000	445.47
Exercised	**-**	**-**	-	-
Granted	**-**	**-**	-	-
Lapsed	**-**	**-**	-	-
Forfeited	**(19,000)**	**445.47**	(17,500)	445.47
Outstanding at 31 December	**259,500**	**445.47**	278,500	445.47

Kambi Group plc Share Option Plan 2023

	2023		2022	
	Number	**Weighted average exercise price SEK**	Number	Weighted average exercise price SEK
Outstanding at 1 January	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Granted	**429,000**	**199.91**	-	-
Lapsed	**-**	**-**	-	-
Forfeited	**-**	**-**	-	-
Outstanding at 31 December	**429,000**	**199.91**	-	-

The weighted average remaining contractual life at 31 December 2023 was 0.5 years (2022: 1 years) for Kambi Group plc Share Option Plan 2019, 1 years (2022: 2 years) for the Kambi Group plc Share Option Plan 2020, 2 years for Kambi Group plc Share Option Plan 2021 (2022: 3 years) and 4 years for the Kambi Group Option Plan 2023.

Dilution effects: During 2023, 27,000 (2022: 87,000) options over shares were forfeited during the year due to employees leaving the Group. Nil (2022: 46,000) options lapsed during the year. If all options are fully exercised, the nominal share capital of the Group will increase by a total maximum of €3,113 (2022: €2,628) by the issue of a total maximum of 1,038,500 ordinary shares (2022: 875,984) corresponding to 3.3% (2022: 2.8%) of the nominal share capital of the Group.

28. Other reserves

	Share-based payment reserve €000	Defined benefits €000	Convertible shares €000	Capital contribution €000	Total €000
At 1 January 2022	**4,435**	**(156)**	**270**	**59**	**4,608**
Share-based payments expense for the year	2,054	-	-	-	2,054
Tax on share-based payments	(492)	-	-	-	(492)
Actuarial gain/(loss) for the year	-	161	-	-	161
Fully exercised share option schemes	(897)	-	-	-	(897)
At 31 December 2022	**5,100**	**5**	**270**	**59**	**5,434**
Share-based payments expense for the year	(482)	-	-	-	**(482)**
Tax on retirement benefits	-	6	-	-	**6**
Actuarial gain/(loss) for the year	-	(141)	-	-	**(141)**
Convertible bond settlement	-	-	(274)	-	**(274)**
Other	(4)	-	4	-	**-**
At 31 December 2023	**4,614**	**(130)**	-	**59**	**4,543**

Share-based payments

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration package.

Defined benefits

The defined benefits reserve is used to recognise any actuarial gain/(loss) from the employee defined benefits scheme in place.

Convertible shares

The convertible share reserve covers the equity component of the issued convertible bond.
The liability component is reflected in other financial liabilities.

The Group repaid the convertible bond in full in May 2023 resulting in release of this equity component to retained earnings.

Capital contribution

The capital contribution is unsecured and interest-free and is repayable exclusively at the option of the Group.

29. Foreign currency translation reserve

	2023 €000	2022 €000
Opening balance	**(4,929)**	(2,183)
Movement for the year	**510**	(2,746)
Closing balance	**(4,419)**	(4,929)

The translation reserve of the Group comprises all foreign currency differences arising from the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency. This amount is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. This reserve is non-distributable.

30. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, including the impact of treasury shares on the calculation.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all outstanding share options that are dilutive at the reporting date. The following reflects the income and share data used in the basic and diluted EPS computations:

	2023 €000	2022 €000
Profit attributable to ordinary equity holders	**14,901**	26,451
Profit attributable to ordinary equity holders adjusted for the effect of dilution	**14,901**	26,451

	2023 '000	2022 '000
Weighted average number of ordinary shares for basic EPS	**30,529**	30,706
Effects of dilution from:		
Share options	**102**	190
Weighted average number of ordinary shares adjusted for the effect of dilution	**30,631**	30,896

Earnings per share	€	€
Basic	**0.488**	0.861
Diluted	**0.486**	0.856

The convertible bond has been excluded from the 2022 earnings per share calculation as it is considered antidilutive. The convertible bond was repaid in full in May 2023.

31. Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Group's leases relate to its office in Malta and other territories. Each lease has various terms and length however they are generally entered into 3-5 years at a time with the option to renew.

Included within finance costs for the year to 31 December 2023, €475,000 (2022: €457,000) was recognised in relation to interest on lease liabilities under IFRS 16.

At 31 December 2023, the Group the following maturity analysis of cashflows on an undiscounted basis:

	2023 €000	2022 €000
Within one year	**4,157**	3,162
Between one and five years	**9,495**	10,231
Over five years	**-**	275
	13,652	13,668

Lease liabilities included at 31 December included in the Consolidated statement of financial position:

	2023 €000	2022 €000
Creditors: Amounts falling due within one year	**3,866**	3,243
Non-current liabilities	**9,128**	9,992
	12,994	13,235

32. Capital commitments

There were no capital commitments at 31 December 2023 or 31 December 2022.

33. Contingent assets

There were no contingent assets at 31 December 2023 or 31 December 2022.

34. Contingent liabilities

There were no contingent liabilities at 31 December 2023 or 31 December 2022.

35. Financial risk management

Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including unfavourable outcomes on the events where it offers odds, foreign exchange and interest rate risks), credit risk and liquidity risk. The Group's overall risk management approach, covering risk exposures for all Group undertakings, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The exposures to risk and the way risks arise, together with objectives, policies and processes for managing and measuring these risks, are disclosed in more detail below. The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

(a) Market risk

Unfavourable outcomes on the events where the Group offers odds: The Group has adopted specific risk management policies that control the maximum risk level for each sport or event on which the Group offers odds. The results of the most popular teams in major football leagues comprise the predominant market risk. Through diversification, which is a key element of the Group's business, the risk is spread across a large number of events and sports. The Kambi Compliance Officer is responsible for day-to-day monitoring of market risk. It is also their responsibility to advise the odds compilers and risk managers on appropriate levels for certain events. The Kambi Compliance Officer assesses risk levels for individual events as well as from
a longer term perspective. The Group continuously monitors its risk limits for each operator and end user.

Foreign exchange: The Group undertakes transactions denominated in foreign currencies and is also exposed to foreign exchange risk from recognised assets and liabilities in foreign currency. Currency risk is managed by means of holding funds on short-term deposit in the currencies of the Group's principal cash outflows. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	31/12/23 €000	31/12/22 €000	**31/12/23 €000**	31/12/22 €000
GBP	**5,804**	5,984	**9,418**	8,823
SEK	**14,837**	11,934	**18,687**	23,834
PHP	**1,966**	2,309	**2,778**	3,442
RON	**1,279**	386	**2,252**	1,109
AUD	**241**	383	**544**	596
USD	**671**	750	**22,726**	23,943
DKK	**3,730**	5,940	**8,645**	4,414

Foreign currency sensitivity analysis: The Group is mainly exposed to the currencies of GBP, SEK and USD. The following table details the Group's sensitivity to a 2% increase and decrease in the EUR against the relevant foreign currencies. A 2% shock is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

The sensitivity analysis includes external cash flows as well as cash flows within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the EUR strengthens by 2% against the relevant currency. For a 2% weakening of the EUR against the relevant currency, there would be a comparable negative impact on profit or equity.

	GBP Impact		SEK Impact		USD Impact	
	€m					
	2023	2022	**2023**	2022	**2023**	2022
Profit or loss	**0.1**	0.1	**0.1**	0.2	**0.4**	0.5
Equity	**0.1**	0.1	**0.1**	0.2	**0.4**	0.5

The exposure is mainly attributable to the net outstanding value in GBP, SEK and USD receivables, payables and cash of the Group at the end of the reporting period.

Interest rate: The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has managed this risk through the negotiation of a fixed interest rate on the convertible bond and has no other borrowings.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Receivables

The Group applies the IFRS 9 simplified approach to measurement expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped on the geographical location and the days past due. The expected loss rates are based on the corresponding historical credit losses experienced in the past. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Cash at bank

The Group principally banks with local and European financial institutions with high-quality standing or rating.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Group monitors and manages its risk to a shortage of funds by maintaining sufficient cash and short-term deposits and by monitoring the availability of raising funds to meet commitments associated with financial instruments, and by maintaining adequate banking facilities.

The following tables detail the Group's remaining contractual maturity of its non-derivative financial liabilities and non-derivative financial assets. The tables are based on the undiscounted cash flows and in the case of financial liabilities on the earliest date on which the Group can be required to pay.

	Weighted average effective interest rate (%)	Less than 1 month €000	1 – 3 months €000	3 months to 1 year €000	1 – 5 years €000	5+ years €000	Total €000	Carrying Amount €000
Financial assets 31 December 2023								
Cash & cash equivalents	**0.75%**	**50,540**	**-**	**-**	**-**	**-**	**50,540**	**50,540**
31 December 2022								
Cash & cash equivalents	0.0%	60,701	-	-	-	-	60,701	60,701
Financial liabilities 31 December 2023								
Convertible bond	**0.0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
31 December 2022								
Convertible bond	3.0%	-	-	-	7,500	-	7,500	7,447

Capital management

The Group's objectives when managing capital are:

- to safeguard its ability to continue as a going concern; and
- to maximise the return to stakeholders through optimising the debt to equity balance.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group is not subject to any externally imposed capital requirements.

The capital structure of the Group consists of cash and cash equivalents and items presented within equity in the consolidated statement of financial position. The Group's directors manage the capital structure and makes adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis and has remained unchanged from the prior year. Based on recommendations of the directors, the Group balances its overall capital structure through the payments of dividends, new share issues or the issue of new debt.

Kambi Group repaid the convertible bond in full in May 2023.

The Group's policy in managing capital has remained unchanged from the prior year.

The gearing ratio at the end of the reporting period was as follows:	2023 €000	2022 €000
Debt	-	(7,447)
Cash and cash equivalents	**50,540**	60,701
Net cash	**50,540**	53,254
Equity	**172,147**	163,387
Net cash to equity %	**29%**	33%

Fair values of financial instruments

The fair values of cash and short-term deposits, trade & other receivables, trade & other payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Amount 2023 €000	Fair Value 2023 €000	Carrying Amount 2022 €000	Fair Value 2022 €000
Financial liabilities				
Convertible bond	-	-	7,447	7,500

The fair values of the Group's convertible bond were determined by using the Discounted Cash Flow method using a discount rate that reflects the revised borrowing rate as at the end of the reporting period. The convertible bond was repaid in full in May 2023.

36. Correction of prior period error

There has been a correction posted to the prior year numbers in relation to the purchase price allocation for the acquisition of Shape Games in September 2022. Goodwill and Trade and other payables were overstated in the previously reported figures, whilst current tax liabilities were understated. The corrections have restated each of the affected financial statement line items for the prior period.

A summary of the amounts corrected in the Statement of consolidated financial position is illustrated in the table below:

	31 December 2022 As previously reported €000	Adjustments €000	31 December 2022 As previously reported €000
Intangible assets	118,467	(3,014)	115,453
plant and equipment	18,505	-	18,505
Deferred tax assets	6,247	-	6,247
	143,219	**(3,014)**	**140,205**
Current assets	**99,669**	**-**	**99,669**
Total assets	**242,888**	**(3,014)**	**239,874**
Equity and Liabilities	**-**	**-**	**-**
Capital and reserves	**163,387**	**-**	**163,387**
Non-current liabilities	**37,757**	**-**	**37,757**
Creditors: Amounts falling due within one year			
Trade and other payables	22,582	(4,382)	18,200
Current tax liabilities	2,652	1,368	4,020
Contingent consideration	13,267	-	13,267
Lease liabilities	3,243	-	3,243
	41,744	**(3,014)**	**38,730**
Total equity and liabilities	**242,888**	**(3,014)**	**239,874**

Independent auditor's report

To the Members of Kambi Group plc

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Kambi Group plc (the Group), set out on pages 59-102, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Laws and Regulations

Risk description

The group operates in a number of different jurisdictions and is subject to a number of regulations. As a result of the ever increasing complexities and continuous development in such laws and regulations this area was considered as an area of emphasis during the audit.

How the scope of our audit responded to the risk

We assessed how management monitors legal and regulatory developments and their assessment of the potential impact on the business. We reviewed the Group's procedures in place and where relevant, external legal and regulatory advice sought by the Group. We also reviewed the internal communication process between key management on regulatory issues and inquired with management on how regulatory issues are addressed. We acknowledge that this is an area which also involves a degree of management judgement.

Intangible assets

Risk description

One of the main assets of the Group, relates to intangible assets consisting of computer software, development costs, customer contracts, databases, and brands which amounts to €60,466,000 as per note 16 to the consolidated financial statements. Due to the significance of the balance, the intangible assets are reviewed in order to identify whether there is an impairment trigger in accordance with IAS 36 Impairment of Assets. One must also note that the group monitors these assets and carries out periodic impairment testing on such assets. The impairment test was significant to our audit because the assessment process is complex, involves judgement and is based on assumptions that are affected by expected future market or economic conditions.

How the scope of our audit responded to the risk

We have performed the following tests so as to address the above mentioned risk:

- We have critically tested the forecasts adopted by the Group and evaluated the assumptions and methodologies used by the Group in preparing these forecasts. Particular emphasis was placed in reviewing the forecasted revenue growth and profit margins
- We have performed sensitivity analysis on the forecasts to ensure that the overall value was still in excess of the book value.

- We have reviewed correspondence and minutes where impairment charges were considered.

The group's disclosures on the significant judgement surrounding the impairment testing are found in note 5 to the consolidated financial statements.

Goodwill impairment

Risk description

The Group has recorded goodwill of €40,720,000 (2022: €53,137,000) as at 31 December 2023 which decreased as a result of the impairment of €12,417,000 allocated to Shape Games AS, as further outlined in Note 16.

Note 4 to the consolidated Financial Statements sets out the group's accounting policy for testing impairment. The basis for the impairment reviews is outlined in Note 16, including details of the pre-tax discount rate and perpetual growth rate used.

How the scope of our audit responded to the risk

We obtained the annual impairment assessment performed by management. A key component of our work was to consider the budgets and cash flow forecasts prepared by management, as outlined below. This was supplemented by specific procedures on the key assumptions used.

We agreed the 2023 cash flow forecasts in the impairment models to the latest Board approved budgets. For the remaining periods covered by the models we evaluated the assumptions (including growth rates, EBITDA margins and discount rates) in the forecasts and considered the evidence available to determine whether the forecasts were reasonable and supportable. We determined that the application of the key assumptions was considered to be reasonable. We performed a sensitivity analysis on the level of cash flows, the risk adjusted discount rate, growth rate and margin used in the impairment assessments.

The Group's disclosures in respect of the goodwill are found in note 16 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, chairman's statement, chief executive officer review, strategic review, financial review and sustainability report. Our opinion on the consolidated financial statements does not cover this information, including the directors' report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Directors

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with EU IFRS's, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on the statement of compliance with the Principles of Good Corporate Governance

The First North Listing Rules require that the Annual Report is prepared in accordance with the laws of the home country. The Malta Financial Services Authority, which is the regulator of Kambi Group plc, require that a company quoted on a regulated exchange provides a statement of compliance with the Principles of Good Corporate Governance. These Listing Rules issued by the Malta Finance Services Authority in its capacity as the listing authority require the directors to prepare and include in their annual report a Corporate Governance Statement providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Listing Rules also require the auditor to include a report on the Corporate Governance Statement prepared by the directors. We read the Corporate Governance Statement and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements included in the annual report.

Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the annual report.

We are not required to, and we do not, consider whether the board's statements on internal control included in the Corporate Governance Statement cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

In our opinion, the Corporate Governance Statement set out on pages 51 to 53 has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.

Adequacy of explanations received and accounting records

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The consolidated financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

Use of the audit report

This report is made solely to the Group's members as a body in accordance with the requirements of the Companies Act (Cap 386). Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the full extent permitted by law we do not accept responsibility to anyone other than the Group and the Group's members as a body for our audit work, for this report or for the opinions we have formed.

Consistency with the additional report to those charged with Governance

Our opinion on our audit of the financial statements is consistent with the additional report to the audit committee required to be issued by the Audit Regulation (as referred to in the Act);

Non-audit services

We have not provided any of the prohibited services as set out in the Accountancy Profession Act.

Appointment

We were appointed as auditors of the Group following its listing in 2014 by the directors of the Group. Our appointment has been reviewed annually by shareholder resolution representing a total period of uninterrupted engagement of ten years.

This copy of the audit report has been signed by

Anita Grech (Partner)

for and on behalf of
Mazars Malta

Certified Public Accountants
Birkirkara,
Malta

26 March 2024

AGM and company information

Shareholders in Kambi Group plc are invited to participate in the Annual General Meeting on Tuesday 21 May 2024 at 14:00 CEST at Avenue 77 Complex, A4, Triq in-Negozju, Zone 3, Central Business District, Birkirkara, CBD 3010, Malta.

Rights to participate

Holders of Kambi Group plc who wish to attend the AGM must be entered on the Company's register of members by Thursday 2 May 2024. In order to be entitled to participate in the proceedings at the AGM, shareholders who have their shares registered with a nominee account, must ensure their shares are temporarily registered in their own name latest by Thursday 2 May 2024.

Financial calendar

24 April 2024	Q1 204 report
21 May 2024	2024 Annual General Meeting
24 July 2024	Q2 2024 report
6 November 2024	Q3 2024 report

Company information

Registered office	Avenue 77, A4, Triq in-Negozju, Zone 3, Central Business District, Birkirkara, CBD 3010, Malta
Company registration number	C 49768
Certified advisor	Redeye AB, Stockholm
Company secretary	Sarah Grima and Joseph Ghio
Auditors	The Watercourse, Level 2 Mdina Road Zone 2, Central Business District Birkirkara, CBD 2010, Malta
Corporate website	kambi.com

Glossary

A

AI trading
Automated pricing and management of odds without human intervention

Average number of employees
Average number of employees based on headcount at each month end

B

B2B
Business-to-business

B2C
Business-to-consumer

Bet builder
A product which gives bettors the opportunity to combine individual selections in the same game within a single betslip

C

Cash flow (excluding working capital and M&A)
Cash flow from operating and investing activities excluding movements in working capital and acquisitions

Cash flow per share
Net increase/(decrease) in cash and cash equivalents, divided by the number of ordinary shares at the balance sheet date

Customer/partner
B2C operator to whom Kambi provides services

E

Earnings per share, fully diluted
Profit after tax adjusted for any effects of dilutive potential ordinary shares divided by the fully diluted weighted average number of ordinary shares for the period

EBIT
Earnings before interest and taxation, equates to operating profit

EBIT margin
EBIT as a percentage of revenue

EBITA (acq)
Earnings before interest, taxation, Items affecting comparability and amortisation on acquired intangible assets

EBITDA
Operating profit before depreciation and amortisation charges

End user
A player that places bets with an operator

Equity/assets ratio
Total shareholders' equity as a percentage of total assets

Equity per share
Total shareholders' equity divided by the number of ordinary shares at the balance sheet date

G

Gross Gaming Revenue (GGR)
The amount wagered minus the winnings returned to players

I

Items affecting comparability
Financial items reported
separately due to their non-recurring nature and are not related to underlying business operations

K

The Kambi Turnover Index
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

M

Modularisation
The technical separation of the complete sportsbook into individual sports betting products (i.e. modules) enabling the provision of standalone services to B2C operators

N

Native technology
Technology and applications built for a specific platform or device type

Net cash
Total cash less debt at period end

Net Gaming Revenue (NGR)
GGR less deductible costs such as gaming tax

O

On-property
An American term for retail establishment

Operating margin
Operating profit as a percentage of revenue

Operator
A B2C gambling operator

Operator trading margin
The operator trading margin is the GGR as a percentage of operator turnover

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

Operator turnover and margin index
This index shows Kambi's operators' turnover and margin based on the total stakes and payouts of their players

R

Return on total assets
Profit after tax as a percentage of average total assets

Revenue
Income from Kambi's operators based on fixed and variable elements

S

Sportsbook
A platform (excluding the player account management platform) where bets are placed and accepted on sporting and other events

T

Turnkey
An end-to-end sportsbook solution

Turnover
The total amount staked/wagered

U

User experience (UX)
How players interact and experience products and services

W

Weighted average number of shares
Calculated as the weighted average number of ordinary shares outstanding during the year

Weighted average number of shares, fully diluted
Calculated as the weighted average number of ordinary shares outstanding and potentially outstanding (i.e. including the effect of exercising all share options) during the year

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