

Malta, 8 April 2020

Kambi Group plc gives Q1 update and introduces new measures to strengthen long-term financial position in light of COVID-19 impact

Kambi outlines a cost saving package to mitigate financial impact of pandemic following strong Q1 performance

Kambi Group plc today announces a range of cost saving measures it has recently taken as it seeks to strengthen its financial platform and increase its ability to withstand the impacts of the COVID-19 outbreak and the significantly reduced global sporting calendar for an extended period.

Kambi has previously outlined its strong balance sheet which will enable it to see out a period of reduced sporting action. While this remains the case, Kambi has decided to take various proactive measures to further solidify this platform and protect its staff, partners and investors for the longer-term.

Despite the impact of COVID-19 on the sporting calendar in the last two weeks of the first quarter, Q1 revenue was strong and is expected to be in the range of €27.5-28.0m. Opex is expected to be €21.0-21.5m, giving EBIT of €6.0-7.0m. The cash balance at the end of the quarter was in the range of €45-47m.

The sporting calendar has been severely impacted by COVID-19 since mid-March. In the last three weeks, we have seen a level of sporting activity driving revenues in the range of 25-30% of those in Q4 2019. The timing of a return to normalised activity levels is of course uncertain at this stage, but we do note with interest recent reports that football leagues including the English Premier League and the German Bundesliga are preparing for a return to action in the coming months.

The cost saving programme will result in savings across the whole business, including significantly reduced travel and marketing costs, a freeze on staff recruitment and a substantial reduction in data costs associated with fewer sporting events.

Kambi has also decided to apply for the financial support packages recently announced by the Swedish and UK governments, both of which are designed to protect jobs. Furthermore,

with effect from 1 April 2020, Kambi Board members, the CEO and Executive Management have agreed to salary deferrals of 20%, 15% and 10% respectively.

Based on these savings and several smaller initiatives, operating expenditure in Q2 2020 is anticipated to be in the range of 10-20% lower than in Q4 2019. The cost saving package will also result in associated savings in capitalised development costs of 20-30% compared to Q4.

In the unlikely event that the sporting calendar does not increase from its current level, and based on the cost saving measures taken so far, we would expect the average quarterly cash outflow to be in the range of €7m-€9m, although we anticipate the figure in Q2 to be significantly more favourable for Kambi due to expected working capital movements.

Kristian Nylén, Kambi CEO, commented: “Kambi is conscious of its duty to protect the company, its staff, partners and investors at all times, but particularly during a period of such uncertainty. The cost saving measures we are announcing today enable us to do just that for a significant period of time.

“Kambi is a technology company powered by skilled and experienced people, all of whom have helped establish Kambi as the global market leader, and who will be pivotal to us pushing on further in the coming years. Therefore, it is in Kambi’s long-term interests to retain these staff while also reducing our costs, including payroll, and I firmly believe we have found the right balance in order to achieve this goal. When sports resume, we are ready to gear up to normal activity immediately, and in the meantime, we are being creative and agile in order to offer a high-quality and compliant service to our partners and their end users.”

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About Kambi

Kambi is a provider of premium sports betting services to licensed B2C gaming operators. Kambi Group plc is listed on First North Growth Market at Nasdaq Stockholm. Our services encompass a broad offering from front-end user interface through to odds compiling, customer intelligence and risk management, built on an in-house developed software platform. Kambi's 20-plus customers include 888 Holdings, ATG, DraftKings, Kindred Group, LeoVegas, Penn National Gaming and Rush Street Interactive. Kambi employs more than 850 staff across offices in Malta (headquarters), Australia, Romania, the UK, Philippines, Sweden, Australia and the United States.

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

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Disclaimer: The information in this press release is such that Kambi Group plc is required to disclose under the EU Directive of Market Abuse Regulation.

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