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## Q3 Report 2015 (unaudited)

### Summary

- Revenue amounted to €12.8 (9.5) million for the third quarter of 2015, an increase of 35%, and €33.5 (26.7) million for the period January to September 2015, an increase of 25%
- Operating profit (EBIT) for the third quarter of 2015 was €2.5 (0.9) million, with a margin of 19% (10%), and €4.1 (1.6) million for the period January to September 2015, with a margin of 12% (6%)
- Profit after Tax amounted to €2.1 (0.7) million for the third quarter of 2015, and €3.3 (0.7) million for the period January to September 2015
- Earnings per share for the third quarter of 2015 were €0.071 (0.023) and €0.109 (0.030) for the period January to September 2015
- Cash flow from operating and investing activities (excluding working capital) amounted to €2.2 (1.2) million for the third quarter of 2015 and €3.4 (2.2) million for the period January to September 2015

### Significant events during Q3

- Strongest financial quarter in Kambi's history
- Exceptional performance for our customers
- Substantial increase in operating margins demonstrates our scalable business model

“Kambi’s revenue reached the highest level during a quarter so far, showing exceptional results with strong underlying growth for our customers in a third quarter which had no major sporting tournaments.

We have continued to invest in our innovative and competitive offering. This has driven the growth of our customers and supported the strong financial results.

We remain focussed on signing new customers and are in a number of advanced discussions.

We are well positioned and prepared to face a time of very exciting opportunities as the market continues to consolidate and become more competitive. The requirement for an outsourced premium Sportsbook becomes greater as operators need to save cost whilst also delivering a service in which user experience is paramount.”, says Kristian Nylén, CEO of Kambi.

## Third quarter financial breakdown (unaudited)

### Summary

	Q3 2015 €m	Q3 2014 €m	Jan - Sep 2015 €m	Jan - Sep 2014 €m	Jan - Dec 2014 €m
Revenue	12.8	9.5	33.5	26.7	36.0
Operating result	2.5	0.9	4.1	1.6	2.2
Operating margin	19%	10%	12%	6%	6%
Result after tax	2.1	0.7	3.3	0.7	1.0
Cash flow <sup>1</sup>	2.2	1.2	3.4	2.2	2.8
Net cash <sup>2</sup>	17.0	14.1	17.0	14.1	16.0
	€	€	€	€	€
Earnings per share	0.071	0.023	0.109	0.030	0.037

<sup>1</sup> Cash flow from operating and investing activities excluding movements in working capital

<sup>2</sup> Total cash at period end less convertible bond

## Q3 Highlights

Q3 showed an excellent financial performance, with Kambi's strongest quarter so far in terms of revenue, operating margin, operating profit and cash flow.

Operator turnover was very strong and increased by 47% from Q3 2014. The operator margin of 7.6% was slightly higher than the long-term average. We have increased the paybacks on key leagues, which has contributed to the growth in operator turnover. This has been made possible by our high-quality risk management.

The major football leagues showed good results since restarting in August. There has been strong turnover growth in those leagues, and the results have been very "bookmaker friendly", which meant a large number of favourites not winning, resulting in very strong football margins, higher than the long-term average.

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## Events after Q3

In October 2015, Kambi was inducted into the new Nasdaq index First North 25 which includes the 25 largest and most traded Nordic companies listed on First North. The aim of the First North 25 index is to improve visibility for the largest and most traded Nordic companies listed on First North.

We are preparing to launch some of our customers on our upgraded Italian site in the coming months.

As an indicator of our strong customer list, four of our operators were recognised by eGaming Review Magazine in late October, when they were named in the latest eGR Power 50. Unibet and 888 were in the top 10, whilst PAF and 32Red were also in the list.

## Market Development

The sports betting market has seen major developments during the last few years. Regulatory and fiscal changes, along with the development of mobile devices, have increased the challenge for gaming operators.

There has been a significant increase in the development of smartphones and connectivity in entertainment services across multiple technologies and screen types, in the home, in the office and on the move. Consumers are becoming more selective, expect great user experience and have less loyalty to one particular operator.

The market is moving at a very fast pace; increased competition, technological challenges and regulatory and fiscal changes have recently led to significant M&A activities. Larger operators have chosen to combine operations and smaller ones have been taken over. The reasoning behind the consolidation trend is enhancement of operational and commercial performance, to stabilise churn and drive growth. Scale and the power of brands are becoming more prominent. In this environment, an outsourced Sportsbook like Kambi's can provide a significant competitive advantage.

*What does this development mean to gaming suppliers in general and to Kambi in particular?*

We see a need for operators to i) become more focused on their core competencies, such as marketing and product and ii) find solutions that are more cost-efficient. This creates great opportunities for suppliers.

We also see a clear requirement for operators to transform their product proposition. In an era of user experience, mobile and live betting, something very different is required from the product and the technology behind it to meet consumer demands.

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A competitive Sportsbook has to offer a great user experience and at the same time control risk. Kambi continuously improves the betting experience for its customers, including more reliable connections, faster data speeds using official sources and greater coverage of events.

Kambi is a full turnkey sports betting provider with a highly scalable outsourcing model offering a full service from front end to back end. It enables operators to stay competitive with the best in the market and powers them to increase profitability and optimise margins by offering an unrivalled user experience. They can cut cost and focus on player lifetime value.

Compared to other B2B suppliers, Kambi is best positioned to meet the higher quality requirements. With the Kambi Sportsbook, the operator can, after a short implementation, be up and running from day one with one of the best Sportsbooks on the market. The Kambi solution drives revenue at a lower cost than an in-house solution and the operator can focus on interacting with its customers.

In a market where companies are looking to M&A activity to drive growth at a lower cost, this is exactly what the Kambi solution also offers. We see the ongoing trends as a great opportunity to leverage on our business model, creating long-term value both for our customers and shareholders.

## Kambi initiatives

We have now reached a level in our service and in our technology where operators can themselves, with minimal resources, drive innovation and implement different commercial strategies.

Most notably, these differentiation possibilities are evident in the user interface layer – this means that all operators can choose how they present their offering across all channels, to support their own brand and marketing efforts.

Next up for Kambi in this area is to deliver the ability for operators to differentiate the actual odds. This will enable them to adjust the paybacks, for example to promote certain events for marketing purposes.

These initiatives serve to empower the operators, giving them the flexibility to express their brand through user experience and price differentiation, in a cost-efficient way, using a world class Sportsbook.

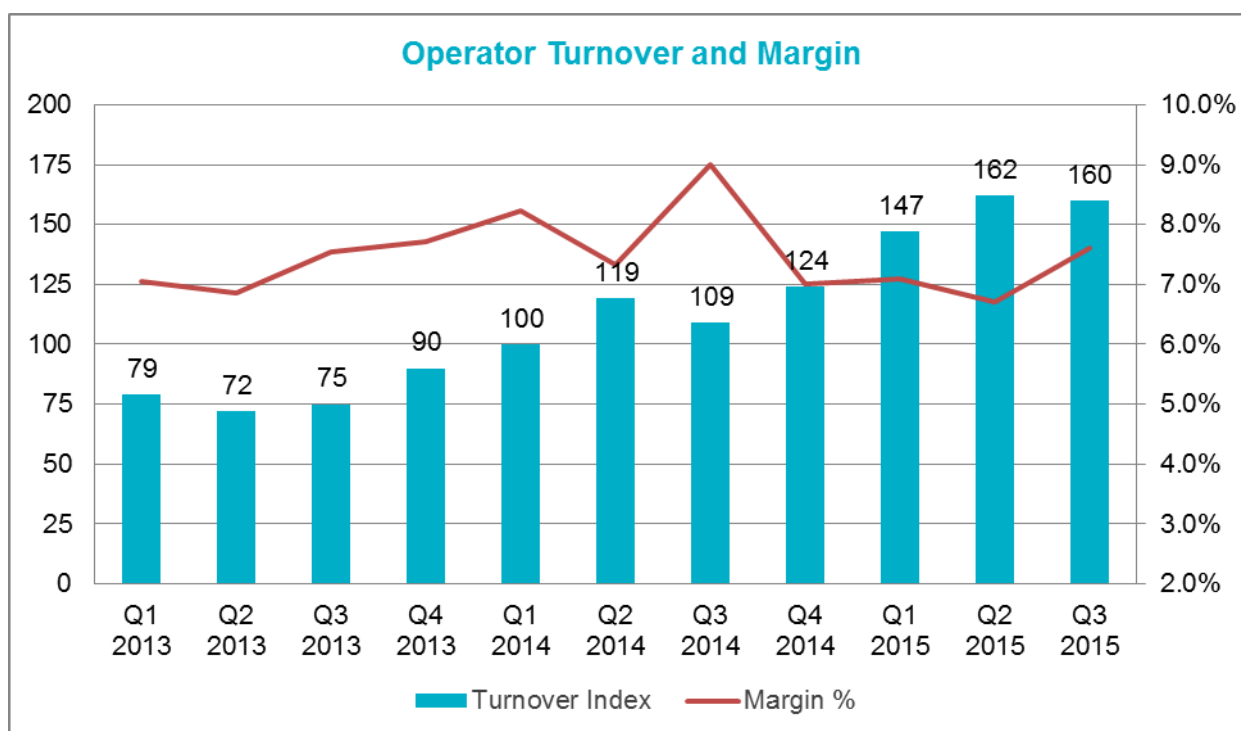
## Financial review

### Revenue

Revenue represents fees received for sports betting services rendered to Kambi's operators. In the third quarter of 2015, revenue was €12.8 (9.5) million. For the period January to September 2015, revenue was €33.5 (26.7) million. Kambi charges its operators a monthly fee, based on a number of variables, including fixed fees, commission based on operators' profits generated and the number of live events offered.

### Operator trading analysis

In the interest of commercial sensitivity, Kambi presents its customers' sports betting turnover as an index, called The Kambi Turnover Index, with the first quarter of 2014 indexed at 100. The graph below shows the index since Q1 2013 and also illustrates Kambi's operators' quarterly betting margin.



Overall the quarter was very strong, mainly driven by a strong operator turnover due to a good start to the football season. The turnover index for the third quarter of 2015 increased by 47% to 160 compared with 109 for the third quarter of 2014.

The operator margin trended higher again to 7.6% as both pre-match and live betting margins were higher than their long-term averages. The margin of 9.0% in Q3 2014 was unusually high, and benefitted from the results of the last 10 matches in the 2014 football World Cup.

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## Operating expenses

Operating expenses are a combination of activity-related costs and fixed costs; the main expenses are salaries, office costs, live information feeds, consultant costs and amortisation. Operating expenses for the third quarter of 2015 were €10.4 (8.6) million and €29.4 (24.5) million for the period January to September 2015. A large proportion of operating expenses is salaries. The increase in salaries can be attributed to the planned increase in full time staff, as part of the continued development of the Kambi product (in particular to support the significant increase in the number of live events offered to the customers), as well as salary increases in line with the market.

## Operating profit

Operating profit for the third quarter of 2015 was €2.5 (0.9) million, with a margin of 19% (10%), and €4.1 (1.6) for the period January to September 2015, with a margin of 12% (6%). The significant increase in the operating margin clearly demonstrates the scalability of our business model.

## Capitalised development costs

In the third quarter of 2015, development expenditure of €1.5 (1.0) million was capitalised, bringing the total for the period January to September 2015 to €4.3 (3.5) million. These capitalised development costs are amortised over 3 years, starting in the year the costs are incurred.

## Profit before tax

Profit before tax for the third quarter of 2015 was €2.4 (0.9) million. Profit before tax for the period January to September 2015 was €3.9 (1.4) million.

## Taxation

The tax expense for the third quarter of 2015 was €0.3 (0.2) million. The tax expense for the period January to September 2015 was €0.6 (0.7) million.

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## Profit after tax

Profit after tax for the third quarter of 2015 was €2.1 (0.7) million. Profit after tax for the period January to September 2015 was €3.3 (0.7) million.

## Financial position and cash flow

The net cash position at 30 September 2015 was €17.0 (14.1) million.

Cash flow from operating and investing activities (excluding working capital) amounted to €2.2 (1.2) million for the third quarter of 2015 and €3.4 (2.2) million for the period January to September 2015. Trade and other receivables at 30 September 2015 were €10.0 (8.7) million, of which trade receivables represented €7.4 (6.5) million. This includes 2 months of invoices to most of Kambi's operators, due to the timing of the issue of invoices at the end of each calendar month.

## Personnel

Kambi had 433 (361) employees equivalent to 405.5 (337) full time employees at 30 September 2015, across offices in Malta, Bucharest, London, Manila and Stockholm.

## Financial information

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

## Financial calendar

Q4 report 2015      10 February 2016

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## Nomination Committee

The Nomination Committee has been updated to reflect Kambi's largest shareholders. The members of the Nomination Committee shall represent all shareholders and be appointed by the four largest shareholders. The Committee chooses the Chairman from those who represent shareholders.

The Nomination Committee is responsible for reviewing the size, structure and composition of the Board. The Committee also looks at succession planning, the appointment of replacement and/or additional directors and for making the appropriate recommendations to the Board.

The members of the Nomination Committee are:

- Lars Stugemo, Chairman of the Board of Kambi Group plc
- Anders Ström, Veralda Investment Ltd
- Evert Carlsson, Swedbank Robur Fonder
- Ulf Strömsten, Catella Fondförvaltning
- Johan Ståhl, Lannebo Fonder

Shareholders who would like to make proposals to the Nomination Committee may do so via e-mail to: [nomination.committee@kambi.com](mailto:nomination.committee@kambi.com).

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## About Kambi

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 operators. Kambi's services encompass a broad offering from front end through to odds compiling and risk management. The company's current coverage includes more than 120,000 live betting events and 250,000 pre-match events per year covering 65 different sports from all over the world. Kambi utilises a best of breed security approach, with guiding principles from ISO 27001. Kambi Sports Solutions is eCOGRA certified. Kambi Group plc is listed on First North at Nasdaq Stockholm under the symbol "KAMBI". Kambi's certified Advisor is Redeye AB.

## Legal disclaimer

Kambi does not give any forecasts. Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, the effectiveness of copyright for computer systems, technological developments, fluctuation in exchange rates, interest rates and political risks.

## Publication

The information in this interim report follows the required rules for companies trading on First North at Nasdaq Stockholm. This market is not a "regulated market" as defined in EU legislation.

## CONSOLIDATED INCOME STATEMENT

€ '000

	Q3 2015	Q3 2014	Jan - Sep 2015	Jan - Sep 2014	Jan - Dec 2014
<b>Revenue</b>	12,838	9,493	33,491	26,710	36,017
<b>Gross profit</b>	12,838	9,493	33,491	26,710	36,017
Operating expenses	-10,375	-8,566	-29,414	-24,498	-33,228
<b>Underlying profit before items affecting comparability:</b>	<b>2,463</b>	<b>927</b>	<b>4,077</b>	<b>2,212</b>	<b>2,789</b>
Transaction costs	-	-	-	-575	-575
<b>Profit from operations</b>	<b>2,463</b>	<b>927</b>	<b>4,077</b>	<b>1,637</b>	<b>2,214</b>
Investment income	18	-	26	-	15
Finance costs	-77	-56	-233	-202	-315
<b>Profit before tax</b>	<b>2,404</b>	<b>871</b>	<b>3,870</b>	<b>1,435</b>	<b>1,914</b>
Income tax	-282	-173	-617	-701	-947
<b>Profit after tax</b>	<b>2,122</b>	<b>698</b>	<b>3,253</b>	<b>734</b>	<b>967</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ '000

	Q3 2015	Q3 2014	Jan - Sep 2015	Jan - Sep 2014	Jan - Dec 2014
<b>Profit after tax for the period</b>	<b>2,122</b>	<b>698</b>	<b>3,253</b>	<b>734</b>	<b>967</b>
Other comprehensive income:					
Currency translation adjustments taken to equity	-162	352	-45	270	-64
Actuarial loss on employee defined benefit scheme	-	-	-	-	-13
<b>Comprehensive income for the period</b>	<b>1,960</b>	<b>1,050</b>	<b>3,208</b>	<b>1,004</b>	<b>890</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ '000

	30 Sep 2015	30 Sep 2014	31 Dec 2014
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible assets	7,581	7,270	7,143
Property, plant and equipment	1,589	1,900	1,752
Deferred tax assets	1,048	383	424
	<b>10,218</b>	<b>9,553</b>	<b>9,319</b>
<i>Current assets</i>			
Trade and other receivables	9,952	8,680	7,313
Cash and cash equivalents	24,242	21,582	23,155
	<b>34,194</b>	<b>30,262</b>	<b>30,468</b>
<b>Total assets</b>	<b>44,412</b>	<b>39,815</b>	<b>39,787</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Capital and reserves</i>			
Share capital	89	89	89
Share premium	53,273	53,273	53,273
Other reserves	632	213	606
Currency translation reserve	-223	-83	-179
Retained earnings	-24,378	-27,627	-27,631
<b>Total equity</b>	<b>29,393</b>	<b>25,865</b>	<b>26,158</b>
<i>Non-current liabilities</i>			
Convertible bond	7,210	7,500	7,149
Other liabilities	59	-	20
Deferred tax liabilities	286	199	124
	<b>7,555</b>	<b>7,699</b>	<b>7,293</b>
<i>Current liabilities</i>			
Trade and other payables	6,052	5,729	5,771
Deferred revenue	189	112	-
Tax liabilities	1,223	410	565
	<b>7,464</b>	<b>6,251</b>	<b>6,336</b>
<b>Total liabilities</b>	<b>15,019</b>	<b>13,950</b>	<b>13,629</b>
<b>Total equity and liabilities</b>	<b>44,412</b>	<b>39,815</b>	<b>39,787</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

€ '000

	Q3 2015	Q3 2014	Jan - Sep 2015	Jan - Sep 2014	Jan - Dec 2014
<b>OPERATING ACTIVITIES</b>					
Profit from operations	2,463	927	4,077	1,637	2,214
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	252	269	732	831	1,059
Amortisation of intangible assets	1,310	1,383	3,882	3,994	5,310
Share-based payment	9	6	27	31	39
<b>Operating cash flows before movements in working capital</b>	<b>4,034</b>	<b>2,585</b>	<b>8,718</b>	<b>6,493</b>	<b>8,622</b>
(Increase)/decrease in trade and other receivables	-427	1,867	-2,639	-3,396	-2,160
(Decrease)/increase in trade and other payables	185	104	317	686	440
(Decrease)/increase in other liabilities	11	-	39	-	7
(Decrease)/increase in deferred revenue	-203	-106	189	112	-
<b>Cash flows from operating activities</b>	<b>3,600</b>	<b>4,450</b>	<b>6,624</b>	<b>3,895</b>	<b>6,909</b>
Income taxes paid net of tax refunded	-136	-46	-422	-152	-360
<b>Net cash used in operating activities</b>	<b>3,464</b>	<b>4,404</b>	<b>6,202</b>	<b>3,743</b>	<b>6,549</b>
<b>INVESTING ACTIVITIES</b>					
Purchases of property, plant and equipment	-240	-382	-570	-720	-764
Development and acquisition costs of intangible assets	-1,454	-965	-4,320	-3,467	-4,656
<b>Net cash used in investing activities</b>	<b>-1,694</b>	<b>-1,347</b>	<b>-4,890</b>	<b>-4,187</b>	<b>-5,420</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds (repaid)/from borrowings - related party	-	-	-	-11,919	-11,919
Interest paid	-	-	-225	-126	-126
Proceeds from issue of convertible bond	-	-	-	7,500	7,500
Proceeds from issue of new shares	-	-	-	23,563	23,563
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>	<b>-225</b>	<b>19,018</b>	<b>19,018</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,770</b>	<b>3,057</b>	<b>1,087</b>	<b>18,574</b>	<b>20,147</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>22,472</b>	<b>18,525</b>	<b>23,155</b>	<b>3,008</b>	<b>3,008</b>
<b>Cash and cash equivalents at end of period</b>	<b>24,242</b>	<b>21,582</b>	<b>24,242</b>	<b>21,582</b>	<b>23,155</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ '000

	Q3 2015	Q3 2014	Jan - Sep 2015	Jan - Sep 2014	Jan - Dec 2014
<b>Opening balance at beginning of period</b>	27,424	24,809	26,158	1,267	1,267
<b>Comprehensive income</b>					
Profit/(loss) for the period	2,122	698	3,253	734	967
<i>Other comprehensive income:</i>					
Translation adjustment	-162	352	-45	270	-64
Actuarial loss on employee defined benefits	-	-	-	-	-13
	<b>1,960</b>	<b>1,050</b>	<b>3,208</b>	<b>1,004</b>	<b>890</b>
<b>Transactions with owners</b>					
Share options - value of employee services	9	6	27	31	39
Convertible bond	-	-	-	-	399
Proceeds from shares issued	-	-	-	23,563	23,563
	<b>9</b>	<b>6</b>	<b>27</b>	<b>23,594</b>	<b>24,001</b>
<b>Closing balance at end of period</b>	<b>29,393</b>	<b>25,865</b>	<b>29,393</b>	<b>25,865</b>	<b>26,158</b>

## KEY RATIOS

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

	Q3 2015	Q3 2014	Jan - Sep 2015	Jan - Sep 2014	Jan - Dec 2014
Operator turnover as index of Q1 2014	160	109	n/a	n/a	n/a
Operating (EBIT) margin, %	19%	10%	12%	6%	6%
EBITDA (€ m)	4.0	2.6	8.7	6.5	8.6
EBITDA margin, %	31%	27%	26%	24%	24%
Equity/assets ratio, %	66%	65%	66%	65%	66%
Employees at period end	433	361	433	361	364
Earnings per share (€)	0.071	0.023	0.109	0.030	0.037
Fully diluted earnings per share (€)	0.070	0.023	0.107	0.029	0.037
Number of shares at period end	29,741,197	29,741,197	29,741,197	29,741,197	29,741,197
Fully diluted number of shares at period end	30,440,491	30,445,791	30,440,491	30,445,791	30,519,385
Average number of shares	29,741,197	29,741,197	29,741,197	24,750,408	26,015,841
Average number of fully diluted shares	30,454,529	30,419,415	30,480,934	25,130,060	26,491,918