

**Gambling.com Group**  
**Third Quarter 2025 Earnings Conference Call**  
**November 13, 2025**

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**Presenters**

**Peter McGough - Vice President of Investor Relations**

**Charles Gillespie - Co-Founder, CEO & Chief Executive Officer**

**Elias Mark - Chief Financial Officer**

**Q&A Participants**

**Ryan Sigdahl - Craig-Hallum Capital Group**

**Jeff Stantial – Stifel**

**Barry Jonas - Truist Securities**

**David Katz - Jefferies**

**Chad Beynon - Macquarie Research**

**Mike Hickey - The Benchmark Company**

**Operator**

Greetings. Welcome to Gambling.com Group Third Quarter 2025 Earnings Conference Call.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press “\*”, “0” on your telephone keypad.

Please note, this conference is being recorded.

I will now turn the conference over to Peter McGough, Vice President, Investor Relations. Thank you. You may begin.

**Peter McGough**

Hello, everyone, and welcome to Gambling.com Group's Third Quarter 2025 Results Call.

I am Peter McGough, Senior VP of Investor Relations and Capital Markets, and I'm joined by Charles Gillespie, Gambling.com Group's Co-Founder and Chief Executive Officer, and Elias Mark, Chief Financial Officer.

This call is being webcast live through the Investor Relations section of our website at [gambling.com/corporate/investors](http://gambling.com/corporate/investors), and a downloadable version of the presentation is available there as well. A webcast replay will be available on the website after the conclusion of this call. You may also contact Investor Relations support by e-mailing [investors@gdcgroup.com](mailto:investors@gdcgroup.com).

I would like to remind you that the information contained in this conference call, including any financial and related guidance to be provided, consists of forward-looking statements as

defined by securities laws. These statements are based on information currently available to us and involve risks and uncertainties that could affect actual future results, performance and business prospects and opportunities to differ materially from those expressed in or implied by these statements.

Some factors that could cause such differences are discussed in the Risk Factors section of Gambling.com Group's filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date the statements are made, and the company assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws.

During the call, there will also be a discussion of non-IFRS financial measures. A description of these non-IFRS financial measures is included in the press release issued earlier this morning, and reconciliations of these non-IFRS financial measures to their most directly comparable IFRS measures are included in the appendix to the presentation and press release, both of which are available in the Investors tab of our website.

I'll now turn the call over to Charles.

**Charles Gillespie**

Thank you, Pete. Good morning, and thank you for joining our third quarter 2025 conference call.

We generated record third quarter revenue and adjusted EBITDA with revenue rising 21% and adjusted EBITDA growing 3%, year-over-year. Our sports data services business grew over 300% year-on-year in the third quarter. The marketing business was flat year-on-year, as revenue was held back by less favorable search rankings, as previously discussed, that persisted for the entire third quarter.

As has been the case since July, Google search algorithms continue to generously favor low-quality spam content in the gaming space, in particular, outside the U.S. However, since late October, the search marketing dynamics have started to improve for us.

Our sports data services business continues to outperform our expectations with another quarter of strong growth driven by enterprise sales. Sustained strong growth in sports data services is increasingly the future of GAMB, given our attractive offering and the multibillion-dollar TAM in front of us.

I will, therefore, start today's call by laying out the opportunity that we see within sports data services, our fastest-growing segment.

Through a combination of acquisitions and great execution, we have created a fast-growing sports data services business out of nothing, which delights both enterprise and consumer clients and is already responsible for 25% of our 2025 revenue. The tight product market fit we have given us confidence that there is a straightforward path for sustainable and highly predictable growth for this business.

Sports betting operators are increasingly reviewing the cost side of their businesses, particularly in markets which are not growing like they used to. Our next-generation data platform delivers comprehensive premium data services at a competitive price point, enabling both start-up and scaled operators to take costs out of their businesses, while potentially improving their offerings. We expect this business to finish 2025 strong and to continue to grow organically at a healthy pace in 2026, and beyond.

The fastest-growing part of our sports data services business is OpticOdds, our enterprise solution for sportsbook operators. OpticOdds' third quarter revenue doubled year-over-year, reflecting growth in both customers and revenue, per customer. OpticOdds began by providing multi-operator Odds data from around the world to the trading teams and sports betting operators to use as an input to their risk management processes, like a bond trader would use a Bloomberg Terminal to understand the bond market.

We have expanded the products and now also provide bet settlement services, which is now live with multiple customers. Sportsbook operators can now rely on OpticOdds as an end-to-end solution to power both pricing and bet settlement. Included in our bet settlement services is support for the dynamic pricing of same-game parlays, and we are investigating adding on early cash out functionality.

OpticOdds has also partnered with specialist Odds providers like Rimple and Pro League Network to plug into our OpenOdds marketplace, where our operator clients can easily subscribe to additional third-party data services and get delivery through the OpticOdds feed, creating additional value for our customers and enhancing our partners' distribution.

OpticOdds was founded by Americans with an initial focus on American sports. We continue to rapidly expand the Odds data offered on the platform to cater to sports betting operators around the world and year-to-date, we have added 10 sports, 350 leagues and over 1,000 different betting markets to the OpticOdds offering.

OpticOdds recently announced a deal with Pragmatic Play, a leading international platform provider. OpticOdds will expand Pragmatic Play's offering by enhancing U.S. player prop market coverage. In short, we are offering more Odds data and trading tools to an expanding client base, thanks to enhanced distribution.

Another exciting aspect of the OpticOdds business is the clear value we can create for firms trading on prediction markets. This segment of the business is growing rapidly and currently

includes a number of Wall Street's most well-known firms, as well as the market-making arms of Kalshi and Polymarket themselves.

We expect the prediction market ecosystem to become significantly larger given the national addressable market and some advantages over state-regulated sports betting. Prediction markets are additive as a new category in the U.S., not a substitute for sports betting as we know it, which will no doubt still thrive given its simpler and more accessible product.

We believe that our OpticOdds solution is uniquely well-positioned to assist market makers and therefore, monetize the growth of prediction markets, as they expand options for sophisticated consumers who want to create risk exposure with better payouts and fewer gimmicks.

Given the long runway we have for consistent growth in our sports data services business, we believe that this exciting future will be the core of GAMB. Having said that, we expect our sector-leading marketing business to grow in 2026 and beyond, which will throw off more than enough cash for us to continue to invest in our sports data services offering and retain firepower to deploy capital to create shareholder value.

I'd like to congratulate everyone working on our marketing business for winning the EGR Affiliate of the Year Award for an unprecedented third time in October. We are simply unequalled in our success in the online gambling affiliate industry.

Having operated a search marketing business at the highest levels of success for nearly two decades, we remain confident that the recent underperformance of the marketing business is overwhelmingly driven by short-term temporary search dynamics, which will be addressed.

Following Elias's review of the third quarter financial details, I will map out how we expect to return to growth in the marketing business.

### **Elias Mark**

Thank you, Charles. Third quarter revenue grew 21%, year-over-year, to a Q3 record of \$39 million. Sports data services revenue quadrupled to \$9.2 million in the seasonally slower third quarter. Subscription revenue was 24% of total revenue. Inclusive of revenue share arrangements in our marketing business, recurring revenue was 49% of total third quarter revenue.

Our marketing business continues to be impacted by low-quality search results in the gaming space, primarily outside of the U.S. as we have discussed. As a result, marketing revenue was flat and NDCs of 101,000 were down 13%, year-over-year.

Gross profit increased 17% to \$35.6 million. Cost of sales of \$3.4 million compares to cost of sales of \$1.7 million in the year-ago period, reflecting costs associated with the acceleration of our traffic sources diversification strategy for the marketing business and cost of sales from the

acquired OddsJam and OpticOdds businesses. Gross profit margin was 91.2%, compared to 94.7% in the year-ago period.

Operating expenses adjusted for fair value movements and acquisition and restructuring related expenses grew 30% to \$25.7 million. This growth is primarily associated with added headcount from this year's acquisitions, higher marketing costs associated with traffic source diversification and increased share-based payment expense. Headcount outside the acquired businesses is flat, year-to-date.

While keeping a very keen eye on cost control by optimizing our operating teams and adopting AI in our work processes, we continue to invest in product development and diversification strategies that we believe will power growth in coming years.

Adjusted EBITDA grew 3% to \$13 million. Adjusted EBITDA margin of 33%, compared to 39% in the year-ago period, reflecting the higher cost of sales and marketing expenses associated with our traffic diversification strategy.

Adjusted net income and adjusted net income per share for the third quarter fell 16% from the year-ago period to \$9.3 million and \$0.26, respectively, primarily because of increased interest expense.

Free cash flow was \$9.6 million, reflecting strong cash conversion from adjusted EBITDA of 74%. Free cash flow was down from \$14.2 million in the year-ago period as a result of timing differences in 2024, where we saw an atypically strong Q3, following an atypically weak Q2.

At the end of the quarter, we had total cash of \$7.4 million, and we had \$70.5 million of undrawn capacity on our credit facility.

During the quarter, we acquired Spotlight.Vegas, which included a payment of \$8 million before working capital adjustments.

We also made interest and term loan repayments of \$3.4 million and \$5.6 million, respectively, in the quarter, and we've repurchased approximately 562,000 shares for a total consideration of \$4.7 million. Year-to-date, we have acquired 672,000 shares for total consideration of \$5.6 million, and we have \$14.4 million remaining with our share buyback authorization.

We continue to generate strong free cash flow which, together with our healthy balance sheet and undrawn credit facilities, continues to provide us with the flexibility to optimize our capital structure and shareholder value.

This morning, we revised our full year guidance to revenue of approximately \$165 million and adjusted EBITDA of approximately \$58 million. The change in guidance reflects the continued

headwind of poor search dynamics, which affected all of Q3 and while recently somewhat recovering, persists in Q4.

During our Q2 call, we expected Google's anti-spam team to make more progress against bad actors than we have seen, to date. When Google addresses these quite objectively and frankly, serious quality problems with the search results, we will immediately see meaningful revenue improvement, which flows straight through to adjusted EBITDA.

Our revised guidance also includes approximately \$1 million in higher cost of sales than previously anticipated related to the successful acceleration of our traffic diversification strategy.

The midpoint of the revised guidance represents 30% year-over-year growth. The midpoint of the revised adjusted EBITDA guidance reflects 19%, year-over-year growth. Our guidance assumes an average euro to USD exchange rate of \$1.15 for the year.

I will now turn the call back to Charles for a review of the work we're doing to diversify and expand our marketing business.

**Charles Gillespie**

Thank you, Elias. We continue to see tremendous value in our marketing business that far exceeds the value currently being ascribed to it by the public markets. The perception gap is due to the fact that the marketing business has already been transformed from a pure SEO business into a diversified marketing engine, which is less reliant on SEO than ever before.

Our push into non-SEO channels has succeeded and is already evident in our year-to-date results. In Q4, we expect to generate more revenue from non-SEO channels than SEO for the first time as a public company. And as these non-SEO channels scale further, the economics become increasingly attractive. I think the best is yet to come as our marketing business is uniquely well-positioned to drive growth and an exciting new line of business we plan to launch in Q1, which will further diversify our offerings.

My positive tone today reflects the fact that my senior leaders and I are genuinely excited about both our fast-growing sports data services business and the future of the marketing business.

On the marketing side we are, however, behind where we and our analysts thought we would be this year and as a result, the share price has come under substantial pressure. This recent price action seems to suggest that the marketing business is dead or dying, a position which is simply unsupported by the facts, as we produced \$13 million in adjusted EBITDA and nearly \$10 million in free cash flow in the quarter, despite having one hand tied behind our back from short-term search dynamics.

Furthermore, our business is now more resilient than ever, thanks to two years of successful execution against our plan to diversify away from SEO. While the full SEO recovery remains in front of us, we are now past the worst of the short-term challenges and off the low point of the last several months. Even though SEO is a smaller part of our future, there is still substantial upside to the current run rate of the SEO side of our marketing business.

We consider the company's current market valuation simply wrong and have a sizable authorization for share repurchases in effect, which we are using. All in all, our diversification initiatives have already resulted in both a new fast-growing sports data services business and a more resilient marketing business that we expect will grow in 2026 and continue to throw out strong free cash flow for years to come.

Operator, we will open up the floor for questions.

### **Operator**

Thank you. If you would like to ask a question, please press “\*”, “1” on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press “\*”, “2” if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset, before pressing the star keys. One moment while we poll for questions.

Our first question is from Ryan Sigdahl with Craig-Hallum Capital Group. Please proceed.

### **Ryan Sigdahl**

Hey, good morning, guys. I want to stay on Google search, just given the impact to results and kind of the transitory impact of the business, right now. I guess, what gives you confidence to step out on a ledge with confidence and say you're positioned to grow that business in 2026? Specifically, I know you gave some comments, but I guess, secondly, to that or more specifically, has Google changed their algorithm where you've actually seen rankings start to change? Or have you guys refined internally to make things better? But what exactly has happened in recent weeks that gives you that confidence?

### **Charles Gillespie**

Hey, Ryan. So, towards the end of October, some of these spammy results started to get thinned out, rankings improved. We saw better rankings. We saw better traffic, and we immediately saw more revenue. So, Google search is still working exactly in the way it has, frankly, always worked.

I know we talked a lot about AI headwinds on the Q2 call. I think we maybe over -- put a little too much emphasis on that. The reality of the situation right now is that this is absolutely a business-as-usual search situation. It's not anything to do with AI. It's just rankings at the end of the day. And as we've seen rankings come back, it has immediately translated to revenue, as we

would have expected it to. So that gives us great confidence that, frankly, it is business as usual with Google.

And we've always managed to get past any sort of ranking challenges in the past, and I don't have any doubt that this time will be different. But it is a little bit -- what is different this time is it's a little bit more dependent on Google than us. We're not -- I'm not responsible for clearing the spam out of the search results. That's obviously the search engine's job.

And we think that there is possibly -- Google -- certain Google people have telegraphed that there could be another update coming end of the year in December and a focus of that update could be on dealing with some of these sort of spam results. And therefore, we, in general, expect this to come back around, and we have reason to believe it could meaningfully change in December, if not before December.

This has taken longer than it normally takes. Obviously, that's affected our results and guidance today, but there's -- we don't have any reason to believe that anything has fundamentally changed.

#### **Ryan Sigdahl**

Helpful. Thanks, Charles. Data services, big focus, great growth, a lot of opportunity. I appreciate kind of the comments there. On the B2B side, it certainly seems like a lot of momentum in core markets and predictions. I want to actually ask about the B2C side which, historically, was the bigger part of that business. But has that continued to grow? Is that an emphasis? And then what are you guys working on specifically on the OddsJam side? Thanks.

#### **Charles Gillespie**

Yeah, revenue year-on-year in the consumer data services, so that includes B2C RotoWire and B2C OddsJam grew marginally. Pro forma growth on a like-for-like basis, year-to-date, is around 10%. The third quarter was affected by the launch of the refreshed RotoWire products, where we are optimizing for improved customer lifetime value at the expense of short-term revenue, which we have historically seen substantial spikes in revenue from that business at the very beginning of football season, due to the way that they used to monetize the apps.

Now we have subscriber numbers for RotoWire are up 20%, 21% year-on-year, and that's on a much better -- much higher estimates of subscriber LTV, so we're well positioned with that business to grow from this point forward. And also in October, OddsJam added some new features, which analyze the liquidity across prediction markets and betting exchanges to identify where the sharp money is.

And so that their users can kind of position themselves alongside that smart money. And that product has been an immediate hit. It's driving growth in ARPU and new users and is a perfect example of how we keep innovating with that product to drive growth through added features.

**Ryan Sigdahl**

Thanks, Charles. I can attest that I've tried your sharp money product, that is fantastic. Good luck, guys.

**Charles Gillespie**

Great to hear. Thanks, Ryan.

**Operator**

Our next question is from Jeff Stantial with Stifel. Please proceed.

**Jeff Stantial**

Hey, great. Thanks for taking our questions this morning, Charles, Elia. Maybe hanging on Ryan's second question, but switching more to the enterprise side of the data services business.

Charles, could you just give us a little bit more color on progress to date on OpticOdds commercialization? Sort of what inning are you in of having that new sales team attack sort of some of the opportunity in Europe, bring more customers into trial? What's been the conversion rate on those trials? Just any sort of additional metrics or color that can help us think about sort of what point on the J-curve you're at today would be helpful. Thanks.

**Charles Gillespie**

Yeah, I mean, as I said in the prepared remarks, we've got a tight product market fit with the offering we have today with OpticOdds. I think there's a very clear and long runway to grow the business just with that offering. Now having said that, we've got a great team there. They're very ambitious and very keen to build additional features and expand the capability of the product, as we all are.

And so, I think when you look out over '26, '27, there's a lot of opportunity there beyond just pure data and bet settlement. There's an entire kind of category of services called managed trading services. Some people call that sportsbook operations, but you've got personalization of content, player profiling, active risk management, bet acceptance.

There's a whole kind of suite of problems that need to be solved before you get to being a platform provider. We don't want to do that. That, I think operators need to do that, themselves. They need that last step where the UI touches the user. I mean, that's the critical place where an operator differentiates their offering. But everything kind of behind the scenes, especially around risk management, bet acceptance is very interesting to us. And I think it was Bezos that said, your margin is my opportunity.

There's quite a lot of margin out there between Sportradar and Genius and others that are doing very well with this category. And I think we've just got the team, the tools and the platform to be extremely competitive in more than just data and bet settlement. So, that's where our heads are at when you look at the next kind of one to two years.

**Jeff Stantial**

That's great. Thanks for that. And switching gears, Elias, can you just help us think a little bit on -- I know you're not providing formal guidance quite yet, but just on the margin side of things, just how to think about directionality here as we head into 2026, cost of sales starting to tick a little bit higher on some of these adjacencies in the marketing business. I think you touched on it in the prepared remarks that's going to be a bit of an investment mode before you start to realize the benefit of leverage on that. But just can you give for us a sense of sort of puts and takes and how to think about margins maybe relative to your historical guidance, as we start to looking into 2026?

**Elias Mark**

Yes. I think before we look into '26, and you're right, we're not giving formal guidance here, but a few talking points, I think, would be helpful for everyone. But before we get into that, it's important to kind of highlight what Charles said earlier that we think we are through the worst of the SEO challenges, and our non-SEO efforts are really bearing fruit faster than planned. So we have a high degree of confidence that we have bottomed out, and we're on the right path here. So, this means that we expect to see kind of mid-teens growth in revenue and around 10% adjusted EBITDA growth or even mid-teens growth, quarter-on-quarter, from Q3 to Q4.

Our updated guidance implies revenue of \$46 million for Q4, which will be, by far, the biggest quarter in the company history, just to illustrate that we think that although we're not where we thought we would be at the beginning of the year, we're in a healthy place and we have bottomed out.

If we turn into 2026, we expect to see overall revenue growth in the low-teens with the sports data services business continue to lead the way. We expect marketing to grow at a rate in the low-teens and for sports data services to grow in the high-teens with B2C in the high-single digits and B2B above 20%. And if we look at our marketing business, our non-SEO marketing business continues to scale.

The contribution margin becomes more attractive in the non-SEO channels, and that also carries much fewer fixed costs, compared to the traditional SEO business. All in all, we expect to maintain overall adjusted EBITDA margins in the mid-30s, as we see on a run rate basis. So in Q3, our EBITDA margin was 33%. Our Q4 guidance looks towards 33%, 34%. I think that's pretty indicative for our expectations for 2026.

**Jeff Stantial**

Thanks very much.

**Operator**

Our next question is from Barry Jonas with Truist Securities. Please proceed.

**Barry Jonas**

Hey, guys. Some of the other data providers have said they're not ready yet to work with prediction markets. Curious to what extent that impacts your opportunity or strategy, today? Thanks.

**Charles Gillespie**

Hey, Barry, it definitely positively impacts us. I mean you're right. I think some of the big names out there are taking an extremely cautious approach to the category, which means if you're a market maker, you literally can't buy data from certain people at the moment.

We've got, as I said on the prepared remarks, quite an interesting business developing there. A lot of the market makers, both on Wall Street and traditional kind of Wall Street market makers, which are active on prediction markets and then the prediction market kind of native prediction learning companies, if you will, are -- they're virtually all clients of the data services business, not necessarily marketing. But that data that we have is exactly what traders are looking for to make markets and reduce risk.

**Barry Jonas**

Great. And then just as a follow-up question, I wanted to talk more about trends in the affiliate business outside of sort of that transitory Google algo change. The larger U.S. operators have talked about heightened OSB promotions. Is that something you're seeing translate to your wider business? At the same time, I'm curious to get your thoughts on any implications from PENN shutting down ESPN bet. Thank you.

**Charles Gillespie**

Yeah, so if you look at our -- just to give you a little extra context there, if you look at North America for us, we grew 55% year-on-year in the third quarter, but that was driven mainly by sports data services. While the marketing business was flat, globally, it was down a bit in North America, but that was actually driven by Canada. In the U.S. itself, marketing grew year-on-year, and that's thanks to a lot of the non-SEO diversification that we've already done in the marketing business.

I think operator demand is healthy on the sports betting side. We haven't seen any meaningful change in the way we work with our operators. We do continue to send more players on a revenue share basis, which delays revenue recognition and suppresses like-for-like growth rates. But even with that, the U.S.-specific marketing business definitely, grew year-on-year.

In regard to PENN and ESPN, I mean, I think we were all watching with bated breath about what was going to happen there. It is -- we certainly had a few kind of ideas about what ESPN could have done if they were not working with PENN. And one option, of course, is to go deeper with an individual operator like they've done with DraftKings, but it's not going to have a major effect on our business. We worked with PENN, of course, but not going to meaningfully move the needle. And of course, we also work with DraftKings.

**Barry Jonas**

Okay, well, thanks very much.

**Operator**

Our next question is from David Katz with Jefferies. Please proceed.

**David Katz**

Hi, good morning, everybody. Thanks for taking my question. Charles, I wanted to go just a little more strategic with respect to the Odds data business and just talk through what the sort of critical success factors are, the barriers, right. I mean, you did mention some others that play in similar spaces that may be larger. How important is scale, bundling as part of offerings? What are the things you really need beyond just your obvious innovation capabilities?

**Charles Gillespie**

Good morning, Dave. Thanks for asking a longer-term question. I think, as I said, I think we've got a clear path with what we've got, but there are these areas which I think are easy for us to move into. There's a lot of people out there that provide these managed trading services. It's not just Radar and Genius. There's tons of private companies. But a lot of these companies are pretty old. They've been around 20, 25 years.

So they don't have state-of-the-art technology. It just wasn't built in the last two or three years using native cloud services, data science, Python, low latency, everything. It's just -- no matter how smart you were 25 years ago, it's very dusty when you bring that forward to today. So that creates real technology debt for some of these larger incumbents.

And we've talked a lot about the ace team we have with OpticOdds and OddsJam. I mean, these guys are hungry and they move very fast. And they start building stuff at the drop of a hat and are extremely effective. So I just -- I think we've got the right people and the right platform to, meaningfully, go after some of these opportunities.

And the other kind of big trend in the space is -- I think there was this big debate a couple of years ago post pass about official data and some of these -- they were lobbyists to try to get it into the statutes that you had to buy official data. And as far as I understand, I don't think that's succeeded anywhere. And -- but if you have the official data today, it's obviously very -- it's great, and it gives you access to other things, which are bundled along with the official data. But not everybody wants the official data.

And this industry, while it's still a growth industry, it's not growing at the kind of furious clip that it was for the first 30 years, which causes a lot of operators to look at the cost side of their business. How can I -- if I'm not going to grow by 25% this year, I'm going to grow by 10%, well, how can I take 5% in cost out and boost that EPS growth.

And whereas I think everybody just kind of naturally gravitated to the official data for a long period of time, I think there's an increasing willingness from a variety of customers in the space to not start there and actually just look and say, okay, well, what else is out there, what can we do?

And of course, that's just one thing that we do, but it is a gateway to get the door open and then sell other things to our operator clients. We have great relationships with them on the data services business. They trust us. They ask us if we can build things for them. There's a lot of back and forth in terms of communications and customer feedback. And I think we have operators as trust to solve more problems for them. So why would we not?

### **David Katz**

Understood. I see clearly the upstart advantage. But the natural follow-up to that, and it's one that we get about this end of the business all the time is, if not for the official data and the scale and the length of tenure, would larger operators just be able to -- why can't they do it themselves, right? I mean, that's the question we get all the time. So I'd like to sort of put that one out there, too, yeah.

### **Charles Gillespie**

If you just think about the OpticOdds market data business, we spend upwards of \$1 million a year on compute to process that data. So if any individual operator wants to do it themselves, well, it's going to cost them at least that, plus then obviously building all the software, the team and everything else. Well, it doesn't -- we don't charge that much per client per year, so there's just an obvious advantage to buy it from us instead of trying to do it yourself. It's a big complex industry.

You can't do everything, but I think it's very helpful to break the operators down into tiers, okay? Like the Tier 1 guys are always going to kind of try to do everything themselves, absolutely everything themselves. That's their whole stick. If they can't do it all themselves, their equity free kind of doesn't make sense. So, we're not going after Tier 1s. I mean, we do work with Tier 1s on data services, but we're not trying to overhaul their businesses.

But there's this very long list of Tier 2, Tier 3, Tier 4 operators, which are very happy to give away substantial portions of their business to anyone that can do it better for them. You think about the long list of online casino operators in Europe, which offer sports betting. It's not the core product. It's just a kind of -- it's a tab on the website. And they want a set it and forget it solution. They don't ever want to think about it. They just want to get a little bit of incremental extra revenue through. And cases like that, they're very happy to work with the most efficient provider that they can find.

And when I think about all this stuff, it gives us an opportunity to really invest and win on product. We're a marketing company so historically, we've won by having great marketing, great distribution. But with our data services business, we can actually win on product. We can

kind of go Tesla style and say, okay, we're going to make something that's so good and so obviously better than everything else out there that it sells itself. And I just -- I think we have the team to build products like that.

**David Katz**

Helpful. Thank you very much.

**Operator**

Our next question is from Chad Beynon with Macquarie. Please proceed.

**Chad Beynon**

Hi, good morning. Thanks for taking the questions. Charles, I wanted to ask about the upcoming U.K. autumn budget and how this could affect the business. You guys are obviously a leader in that market. So from what we've heard, it could hurt some of the smaller players. But anything you can help in terms of how you think this will change the affiliate business in that market and what you've learned in the past when taxes have been adjusted. Thank you.

**Charles Gillespie**

Good morning, Chad. Chad, to the extent that the next U.K. budget does raise gaming duty, it does hold back player lifetime values in the market, and that does ultimately affect what we can charge our clients, but that doesn't happen instantly. The perceptions of the player lifetime value take time to evolve and our commercial agreements take time to evolve.

But in any event, if they raise gaming duty, it's obviously not helpful. I think our expectations for the U.K. and Ireland segment next year are very feet on the ground. I think we're actually planning -- when we're looking at our budgeting for next year, we're not expecting it to grow. We're certainly not expecting it to fall apart either, but it's not going to be a growth driver next year for us like it has been in the past.

**Chad Beynon**

Okay, thank you. And then in terms of maybe a medium or longer-term question in terms of how you're thinking about running the company's leverage. You talked about at the outset that you are active in terms of share repurchases and you're unhappy with the stock price. So that's obviously a use of capital. You've made some recent acquisitions in the last couple of quarters.

And then more importantly, with OpticOdds and the sports data business, there might be other tuck-in acquisitions. So how are you thinking about running the company's leverage at this point, if maybe this is a time to lever up, create the best product for the future or if you're going to run more conservative with just what you currently have in the tank? Thank you.

**Charles Gillespie**

Yeah, Elias and I are always aiming to maximize shareholder value by continuously optimizing the capital allocation. We continue to see buybacks as a tactical tool to maximize shareholder

value, but not as a means to return a specific amount of capital. At the moment, we've got about \$89 million in interest-bearing debt outstanding, and we have about \$70 million in undrawn credit facilities available to us. So as we generate cash, debt repayment is one of the options available to us.

OddsJam and OpticOdds are doing really well. They are in a good position to capture most, if not all, of the contingent consideration in respect of 2025. That means that we will owe them \$40 million in April '26 and \$20 million in April '27. So we do have those payments coming up.

At this stage, I don't think we're looking at leveraging up beyond our existing credit facility. I think we'd like to see a little more rebound in the marketing business, a little more progress on growth in sports data services. And then I think we have some confidence to lean in harder in terms of creating shareholder value through buybacks and other things. But we are -- yeah, it's an everyday conversation every year and something we think about a lot.

**Chad Beynon**

Thank you. Appreciate it, guys.

**Operator**

Our next question is from Mike Hickey with The Benchmark Company. Please proceed.

**Mike Hickey**

Yeah, hey, Charles, Elias. Good morning, guys. Just two from us. On the predictions market, obviously, we can't stop talking about it, either can investors, either can operators, it's obviously accelerating here. We've got Flutter last night saying they're going to launch in December. DraftKings probably like to be the same. And part of that, Charles, is pretty meaningful investments in UA, as we heard last night, and of course, Kalshi and Polymarket are there. So you've got a pretty vibrant ecosystem.

So, with that context, how are you thinking about the marketing services opportunity in this category? I know your data peer Sportradar is already active. Just curious how you -- if you're active and how you see the opportunity unfolding, especially in '26 for growth?

**Charles Gillespie**

Hey, Mike, thanks for the question. I think the sports data services, as we've covered, is where prediction markets are very exciting. When you think about the marketing side of the business, one unique feature of the prediction markets in contrast to sports, traditionally regulated sports betting is that everybody has to be treated the same. It has to be a totally level playing field. So you can't have personalization. You can't have different bonuses. There's frankly less marketing involved.

Now people still need to find these services and sign up, and we can obviously help with that. But I think we're taking a little more of a cautious approach with that, given our partnerships

with all of our regulators in the United States. I think broad data services is fairly innocuous. But on the marketing side, I think there's also an opportunity there, but we're very focused on the data services side.

**Mike Hickey**

Thanks, Charles. On the data services, it sounds like you might be constrained a little bit on M&A, just given your current leverage profile and your stock being down. How are you thinking about investment there? It sounds like you're adding layers, which is exciting. But how do you sort of balance, I guess, internal investment and capital allocation to sort of the organic development of data versus M&A, which I imagine there's probably some nice tuck-in assets out there that could sort of round out your current offering?

**Charles Gillespie**

Yeah, it's a great question, again, something we are talking about often these days. I think if you come at it from a first principles perspective, you need to figure out what you want to buy and if it makes true sense for the business, if it literally ticks all the boxes and everybody has very high conviction, then okay, then you need to find a way to pay for it and, hopefully, that'll come together.

At the current share price, virtually nothing is accretive. It's certainly a headwind in terms of justifying M&A. But that doesn't mean we're not still thinking about things. But obviously, it's front of mind, and we're going to be as focused on capital efficiency as we've ever been. But there's different ways to skin the cat. Every one of these deals is unique and interesting, and there are ways to go out things which preserve our capital efficiency.

**Mike Hickey**

Thanks, Charles

**Operator**

With no further questions, I would like to hand the conference back over to management for closing remarks.

**Charles Gillespie**

Thanks for joining us, today. We do expect to finish the year strong here in Q4, subject to our updated guidance, and we look forward to updating everybody on that, early next year. Thanks for joining. Bye-bye.

**Operator**

This will conclude today's conference. You may disconnect your lines at this time, and thank you for your participation.