

Tribal Sports Betting Report 2023

Kambi

Introduction

The future of the North American gaming sector has never looked brighter, and tribal gaming enterprises are among those leading the way with some of the absolute best-in-class entertainment experiences in the world. Since the repeal of PASPA in 2018, tribal operators have also sought to take the lead with sports betting, exploring new ways to differentiate and innovate to capitalize on the opportunities of this fast growing vertical both on-property and online. The potential is now greater than ever with the possibility of a new federal rule that would grant tribes immediate digital access to the state in which they are located.

While the future for tribal sports betting looks bright, launching a sportsbook also comes with several challenges including different regulations and stiff competition from commercial operators in many states.

In this report, you will learn more about Kambi's contributions to tribal operators in the sports betting space and the steps that should be taken when considering launching a sportsbook. Underlining this is data from Kambi's tribal sports betting network, providing a snapshot of the current state of sports betting in Indian country and the direction it is heading.

Kambi in Indian country

Since the repeal of PASPA, Kambi has become the trusted sportsbook provider to tribal operators throughout North America. Today, Kambi is live with multiple tribes and has a proven track record of providing excellent sports betting services to tribal gaming operators, including Desert Diamond Casinos, Four Winds Casinos and Seneca Gaming Corporation.

Kambi takes a consultative approach, which provides tribal operators with the know-how to effectively navigate the complexities of offering sports betting. Kambi can help tribes through the process, offering insights and advice through the

extensive data we've collected for more than 10 years. An element that has been particularly noteworthy is the potential that Kambi's sports betting services demonstrate to elevate the entire casino floor, enhancing revenues not just from sports betting but gaming and hospitality as well.

Ultimately, the decision is up to the tribes on what strategic approach they wish to take with regards to sports betting, but Kambi's experience has provided a unique opportunity to learn from tribes and the pain-points they've experienced, allowing us to effectively guide them through those decision-making steps.



The Kambi effect

A testimonial from Seneca Gaming Corporation

“Throughout our 20-year history, Seneca Gaming Corporation has always prided ourselves on creating the most exciting, enjoyable and rewarding atmosphere possible for our guests. Partnering with Kambi to provide the best on-site sports betting products is in keeping with that commitment.



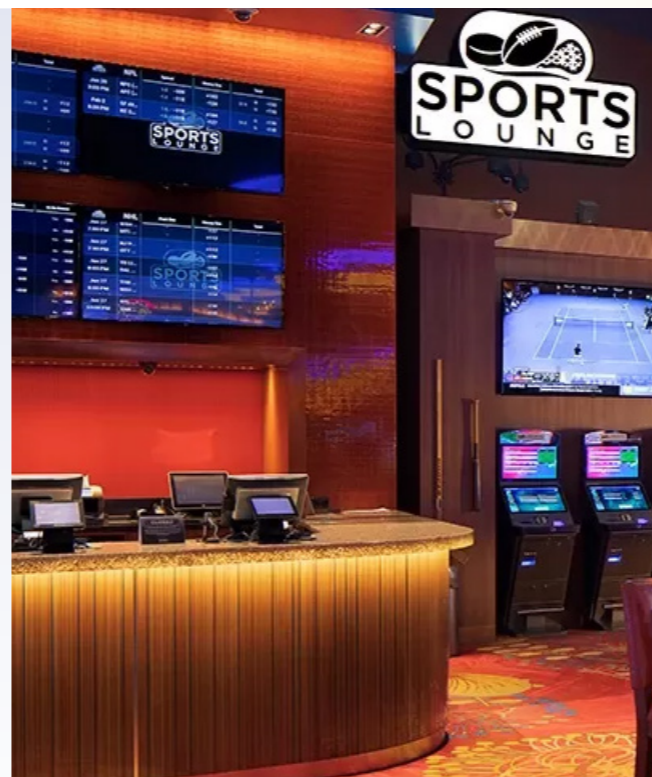
Our sports lounges are a central part of that experience at each of our three casino resort properties. We opened the sports lounges in late 2019, and they were instantly popular. From an operational and

guest interaction standpoint, Kambi combines better options and ease-of-use to deliver a product that is as attractive and exciting for the casual and first-time guest

as it is for the more seasoned and experienced fans, which helps facilitate wagers and allows guests to focus on having fun. Since the sports lounges are physically located in the midst of our gaming floors, you really do have excitement everywhere you turn, which makes for an outstanding environment for our guests.

One of the unique aspects within our sports lounges is the sense of camaraderie among the guests. It is very common to see guests discussing their wagers and strategy, what they think will win and why, and guests rooting for one another. That energy attracts attention from other guests on the gaming floor and those passing by and creates a flow of excitement and interest throughout the properties, especially during big sporting events and when our local professional sports teams are playing. It's almost like being in the stadium on game day.”

Kevin Nephew,
President & CEO of Seneca Gaming Corporation



A testimonial from Desert Diamond Casinos

“Desert Diamond Casinos has operated retail sportsbooks at our Tucson, Sahuarita, and Glendale properties for over a year now and the response from guests has been tremendous. It's added a whole new



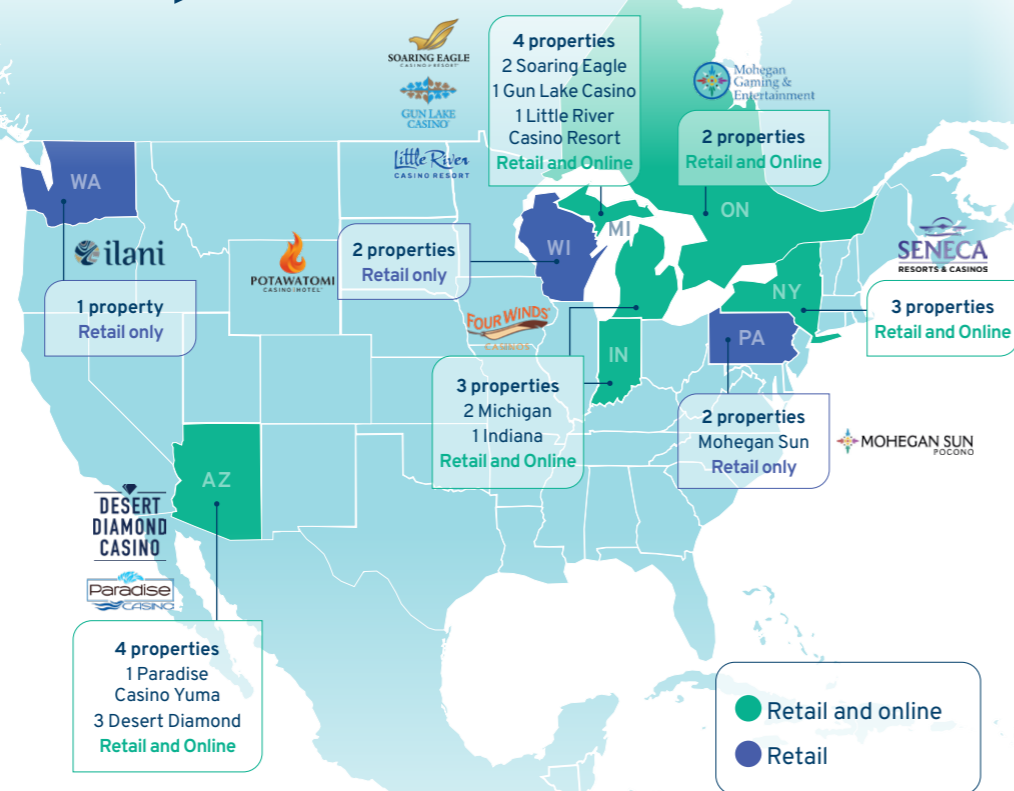
level of casino experience for our guests that complements our existing slot machines, table games, restaurants and other amenities. We are proud of the personalized and professional sportsbook experience at Desert Diamond

Casinos, thanks to Kambi's state-of-the-art technology. Kambi has been a great partner and we are excited to keep moving forward together.”

Mike Bean,
CEO of the Tohono O'odham Gaming Enterprise

Kambi tribal partner network

The following map provides a snapshot of Kambi's tribal partner network across North America. Kambi also provides sports betting solutions to several other tribal properties across the United States in Pennsylvania, Arizona, and Michigan which are operational through a B2C partner on the Kambi network.



Desert Diamond Casinos
An enterprise of the Tohono O'odham Nation, Desert Diamond Casinos has four properties throughout Arizona located in Tucson, Sahuarita, Glendale and Why. Kambi entered an agreement with Desert Diamond to provide on-property sportsbook solutions to three of their locations, as well as online under the brand Desert Diamond Sports.

Four Winds Casinos
Operated by the Pokagon Band of Potawatomi, Four Winds Casinos has three locations in Michigan, and one location in Indiana. As one of the top gaming and entertainment brands in the Midwest, Kambi has provided on-property and online sports betting technology and services to Four Winds since 2020.

Ilani
Kambi signed an agreement with ilani in 2022 to provide on-property sportsbook solutions. Developed by the Cowlitz Tribe and Salishan-Mohegan, a partnership that includes Mohegan Sun, ilani is one of Washington state's largest casino properties with 100,000 total square feet of gaming space.

Mohegan Gaming and Entertainment
Following the legalization of single-event sports wagering in Ontario, Canada, Kambi partnered with Mohegan Gaming and Entertainment to support a mobile sportsbook branded PlayFallsview. Later in 2022, Kambi partnered with MGE properties - Fallsview Casino and Niagara Casino - in the Canadian province to provide sports betting solutions to each property.

Potawatomi Casinos and Hotels
Kambi's most recent partner agreement with Potawatomi Casinos and Hotels will see Kambi provide sports betting services to two locations in Wisconsin. Potawatomi will open the first sportsbook in Milwaukee, with additional kiosks in a second location located at Carter Hotel & Casino in northern Wisconsin.

Seneca Gaming Corporation
Kambi signed a partnership with Seneca back in 2019, making them the first tribal operator on the Kambi network. Kambi has since provided its award-winning sports betting technology to three properties in Western New York, as well as online and mobile sports betting solutions.

Soaring Eagle and Saganing Eagles Landing
Kambi entered a multi-channel agreement in 2021 with Saginaw Chippewa Gaming Enterprises to provide on-property and online sports betting technology to two of Michigan's most popular casino properties, Soaring Eagle Casino & Resort and Saganing Eagles Landing Casino & Hotel.

In addition to Kambi's tribal operators which opted for a complete B2B approach with their sportsbook, while others decided to outsource operations to a B2C operator within the Kambi network

Mohegan Sun Pocono Pennsylvania
Kindred Group

Mohegan Sun Pocono Lehigh Valley Pennsylvania
Kindred Group

Paradise Casino Yuma Arizona
Kindred Group

Gun Lake Casino Michigan
Parx

Little River Casino Resort Michigan
Rush Street Interactive

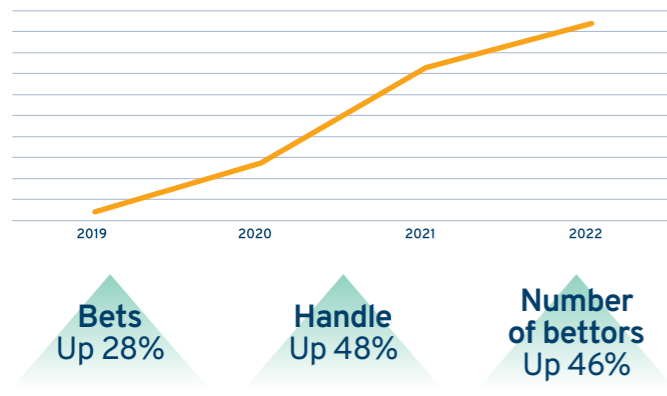
Kambi network insights

As the trusted partner to tribal operators across North America, Kambi is able offer unique insights into current and future trends that few B2B sportsbooks can match. Below, are a selection of key takeaways using data from the Kambi tribal partner network.

Growth of online sports betting

Online sports betting for tribal operators has increased substantially year over year from 2019-2022 and a high-quality mobile sportsbook will be critical in the face of stiff competition from commercial operators in certain states.

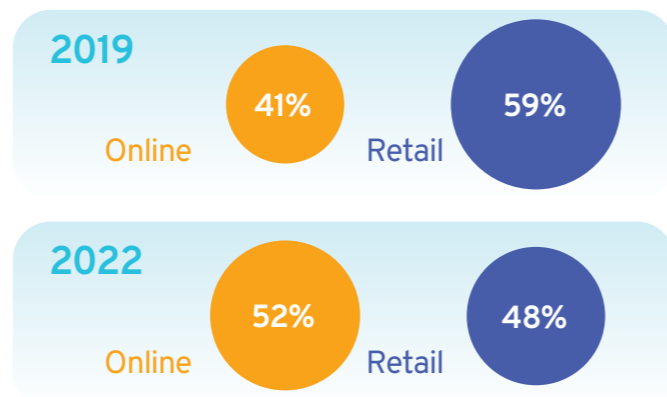
Handle



Figures are 2022 compared to 2021

Online sports betting turnover growing at pace

With mobile sports betting on the rise, there has been a trend towards turnover from online growing at a faster rate than on-property sports betting. In 2022, online overtook on-property for the first time.

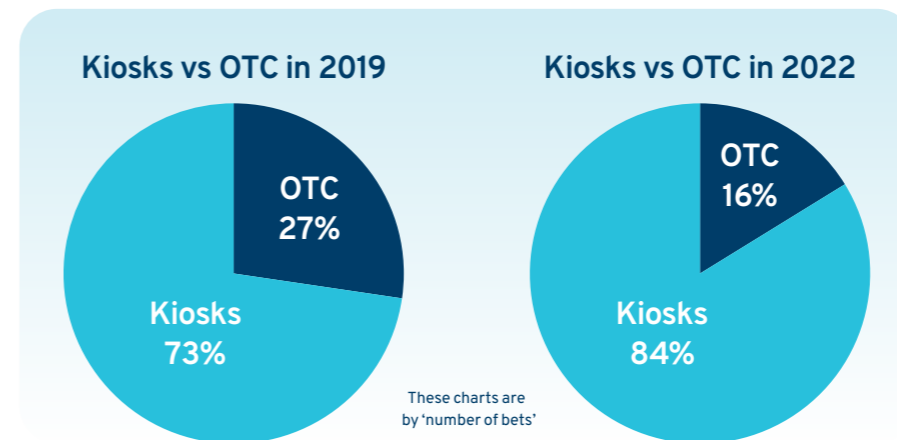


Kiosks vs over the counter

Over the course of the last four years, there has been steady increase in usage of kiosks compared to patrons betting over the counter (OTC).

Kambi's Bring Your Own Device technology can be leveraged to allow for an easy and exciting on-property sports betting experience conducted in a safe and contactless manner.

The technology enables bettors to construct bets anywhere from their mobile device, generating a QR code which can be scanned at a Kambi kiosk or OTC. This reduces the time that customers spend waiting in line at the counter and allowing them to explore the rest of the casino.



A quality product is much needed in every aspect of sports betting, but having a high-performance kiosk, where customers place about 4.5x more bets than at the counter, can keep lines at the counter shorter, which is where larger wagers tend to be placed.

Kiosks vs OTC 2022

Average of \$50 wagered at kiosk

Average of \$160 wagered OTC


Loyalty bettors 2022*

Loyalty bettors wagered on average \$5,000 throughout the year


*bets placed when using operator loyalty/rewards card


The growing tribal sports betting opportunity

With more than half of US states offering some form of regulated sports betting, there are still several states with a substantial tribal gaming presence that will offer a huge boost to the industry. The following is a snapshot of some of the most opportune states waiting to pass legislation.

 **Oklahoma (140 tribal casinos)** – As one of the largest tribal gaming states in the US, there are more than 130 casinos that are operated by tribes, which own exclusive rights to offer gambling in the state. Oklahoma is currently in its four-month legislation period, and Governor Kevin Stitt has expressed interest in getting sports betting signed off during this time.

 **California (77 tribal casinos)** – Following the most recent election period in 2022 in which voters overwhelmingly voted against sports betting on both propositions offered to them, the key takeaway is that any future sports betting expansion in California must go through the tribes. Unless an agreement can be reached this year, sports betting looks likely to be on the ballot once more in 2024.

 **Texas (2 tribal casinos)** – Texas has joined the growing list of states considering legalizing sports betting. In February of 2023 a bill was introduced to the Texas legislature with the backing of major sports teams in the state. The bill proposes a constitutional amendment that would require a statewide vote in November if approved.

 **Minnesota (40 tribal casinos)** – A Minnesota House Committee recently moved forward on a bill that would put tribes in charge, with support from 11 tribes in the state as well as professional sports teams. This year's version of the bill would give tribal operators the ability to have one online operation as well as a retail sportsbook.

Route to market

With the right approach, there is plenty of room for success and growth when it comes to tribal sports betting. There is no one size fits all blueprint when launching a sportsbook, and creating a strategy that aligns with their wants and needs can be beneficial in the long run. The most important thing a tribal

operator can do when entering the sports betting space is to take their time and weigh all the options that are available to them. Here you will find a step-by-step to launching your very own sportsbook, things you should consider, and what options are available to you.

1

Consultation and communication

Kambi has always taken a collaborative approach with our tribal partners and prospectives, offering advice and direction to help them enable their strategies and keep them from overspending in areas they may not feel comfortable with. Many operators have had to switch their technology and strategies after a year or two due to haste, which can be very costly. Being patient from the get-go and understanding the long-term effects of every available option will ultimately prove beneficial.

2

Understanding state regulations

Even if a state has legal sports betting, there may be certain limitations to what a sportsbook can and can't offer to bettors. Kambi's track record in sports betting regulation is thanks in part to our relationships with regulators and governing bodies.

3

B2B – as a sports betting entry point

A full B2B partnership model is seen as the best option for tribal operators when it comes to long term independence and returns. Kambi's end-to-end sportsbook solution enables tribal operators to leverage the strength of their brand and take a full 360-degree view of the player. Engaging a B2B partner with the tools to power a bespoke offering tailored to the casino's brand ensures full control over high-level strategy to achieve long-term sustainable growth.

4

Choosing the right partner

Finding the right fit in terms of technology, culture and ambition is one of the most important decisions a tribe can make in selecting a sportsbook partner. A partner with a proven track record of delivering on-property and online uplift for US and tribal partners is essential. No aspect of a tribal casino's offering is a bolt-on, and for those with trust and confidence in their own brand, sports betting need not be either.

5

Planning your launch

Selecting a partner capable of driving quick-to-market launches will enable rapid gain of market share. Kambi is focused on delivering the marginal gains which will enable our partners to deliver consistently engaging sports betting experiences for their players

About Kambi

Since taking the first legal post-PASPA wager in 2018, Kambi has established itself as the leading independent provider of premium sports betting technology and services to the regulated North American betting and gaming industry.

The trusted partner to more than 40 operators including betPARX, Churchill Downs Incorporated, Great Canadian Entertainment, Mohegan and Rush Street Interactive, Kambi has a track record of proven excellence in online and on-property sportsbook provision, providing operators with the high-performance technology and regulatory certainty required to grow and out-compete the market.

Kambi's core sportsbook encompasses a broad offering, from scalable technology and odds-compiling through to customer intelligence and risk management, delivering a market-leading on-property sportsbook, including the Kambi kiosk, that brings online pace to the retail space.

Trusted partner to more than 40 operators including

betPARX

CHURCHILL DOWNS
INCORPORATED

DESERT
DIAMOND
CASINO

FOUR WINDS
CASINOS

GREAT CANADIAN
ENTERTAINMENT

ilani

Mohegan
Gaming &
Entertainment

RUSH STREET
INTERACTIVE

SENECA
RESORTS & CASINOS

SOARING EAGLE
CASINO RESORT

Founded in 2010, Kambi has spent more than a decade focused exclusively on the sports betting vertical, building a cutting-edge and data-led turnkey product that delivers a superior user experience and provides partners with the freedom to differentiate.

Today, its 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 offices in eight global locations, including its US headquarters in Philadelphia, Kambi employs a growing team of more than 1,100 highly skilled employees who are experts in the fields of sports, esports and technology. Together, we know what it takes to succeed in the competitive US sports betting market.



Kambi

EBRNORTH
AMERICA
AWARDS 2022

Sports Betting Supplier

EBRB2B
AWARDS 2022

Sports Betting Supplier
Sportsbook Platform Supplier

GLOBAL
GAMING
AWARDS
LAS VEGAS
2022
WINNER
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