



FORTUNA



Acquisition of Hattrick Sports Group Limited

Extraordinary General Meeting

Amsterdam; April 26, 2017

Agenda

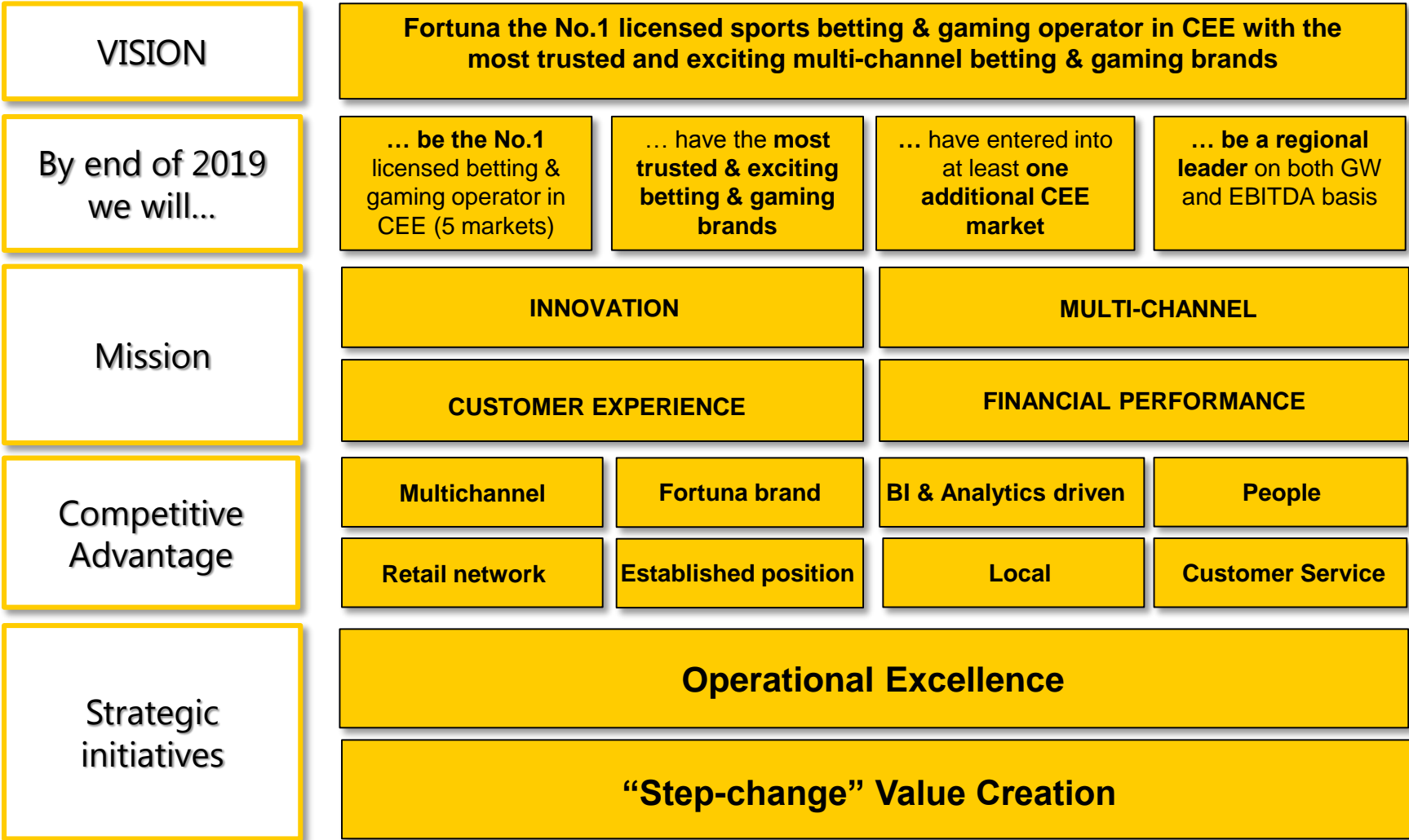
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Fortuna's Vision, Strategic Framework & Value Creation Story

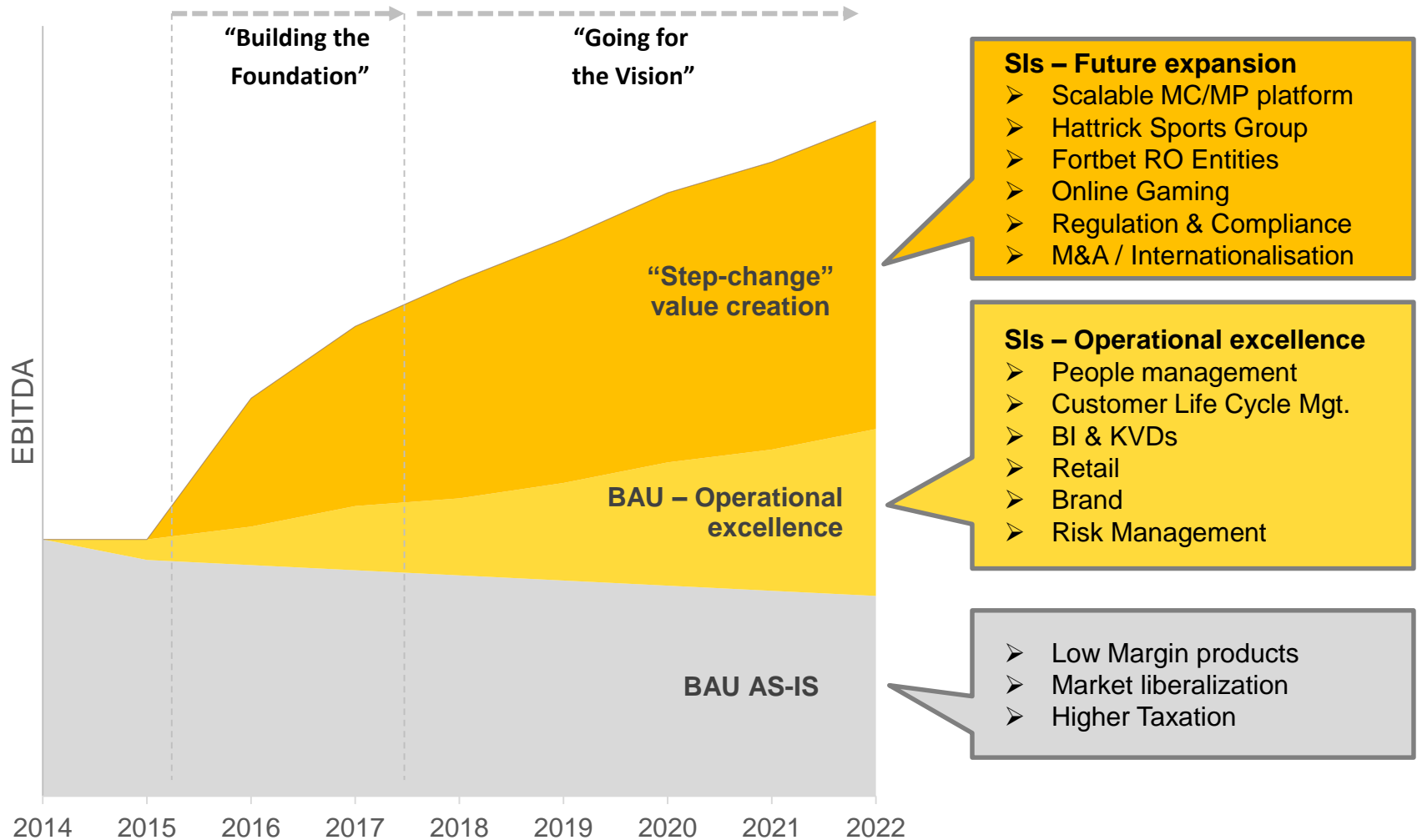
Fortuna's Strategic Framework

Our recipe for Transformation



The Journey...

3 main pillars & 2 key phases



Acquisition strategy and key success factors

① Replication of proven business model based on operational excellence on the back of a cutting edge customised technology platform

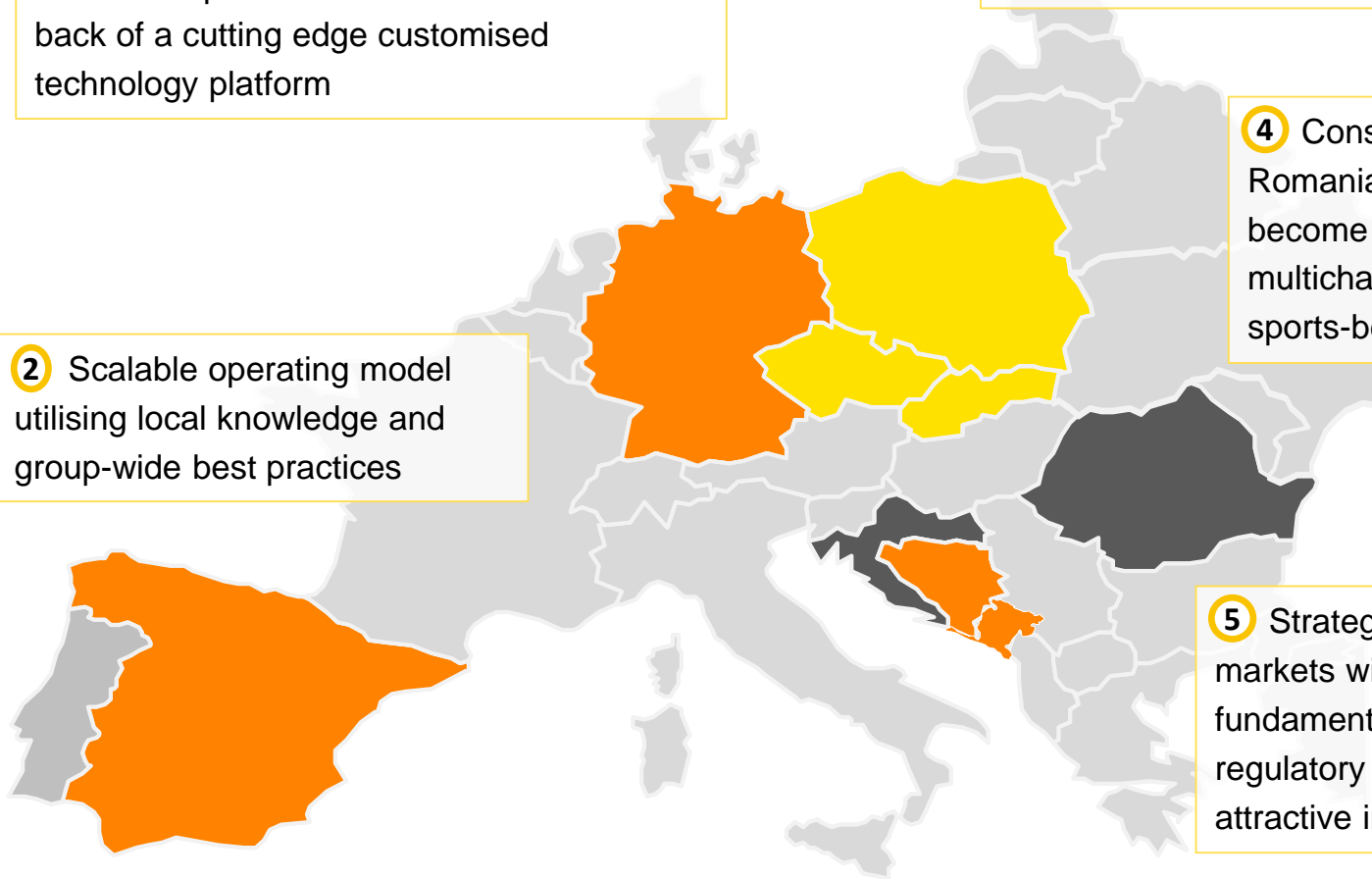
③ Major strengthening of no. 1 position in sports-betting and gaming in CEE

② Scalable operating model utilising local knowledge and group-wide best practices

④ Consolidation of the Romanian market to become clear no. 1 multichannel operator in sports-betting and gaming

⑤ Strategic expansion into markets with solid macro fundamentals, favourable regulatory framework and attractive industry dynamics

⑥ Dedicated integration team



Current countries

Expansion in progress

B2B expansion in progress



Target's Key Market & Regulatory Overview

Romania

Market & Regulatory Overview



The Romanian betting & gaming market is relatively underdeveloped, but regulated with significant potential (est. GW of EUR 0.5bn)

Key legislation	<ul style="list-style-type: none"> • Government Emergency Ordinance 77/2009 • Government Decision 870/2009 • Law 246/2010 • Emergency Ordinance 20/2013 • Emergency Ordinance no. 92/2014
Regulator	<ul style="list-style-type: none"> • National Gambling Office
Licences	<ul style="list-style-type: none"> • For each type of gambling activity a company must apply for a licence at the National Gambling Office • Licences are issued for a period of ten years
Statutory requirements	<ul style="list-style-type: none"> • To be eligible for a Romanian online licence, an operator must be set up within the EU, Switzerland or a contracting State of the Agreement on EEA • Minimum paid-in share capital requirements to obtain a license • Financial guarantees must be made by the online gambling operator • Servers need to be set up in Romania
Online betting	<ul style="list-style-type: none"> • Online gambling is fully regulated • Operators within EU, Switzerland or a contracting State of the Agreement on EEA are not required to hold a Romanian offline licence for gambling (main difference vs. Croatian regulation)
Prohibited activities	<ul style="list-style-type: none"> • Website blocking is in the legislation for unlicensed operators and websites advertising unlicensed activities • Financial institutions may be obliged to refuse to process any payment order from Romanian nationals to foreign online gambling providers
Taxation	<ul style="list-style-type: none"> • Gaming tax: 16% of total gross win • Corporate income tax: 16% of earnings before tax
Advertising	<ul style="list-style-type: none"> • Prohibition on advertising for unlicensed operators, no restrictions in place for licensees

Croatia

Market & Regulatory Overview



Croatia has sophisticated betting & gaming market with high levels of regulation and transparency and high entry barriers (est. GW size of EUR 0.2bn)

Key legislation	<ul style="list-style-type: none"> • Act on Games of Chance 2009 • Ordinance on Organising Remote Betting Games 2010 • Ordinance on Interactive Online Casino Gaming 2010
Regulatory body	<ul style="list-style-type: none"> • Ministry of Finance and the Tax Administration
Licences	<ul style="list-style-type: none"> • The Croatian government has the right to determine the number of licences awarded • Licences are awarded for a term of 15 years
Statutory requirements	<ul style="list-style-type: none"> • Online betting operators are required to already provide land-based betting services, employ a minimum of 100 employees and have a minimum of 50 active payment spots • Online casino operators are required to have a licence for at least one land-based casino in the country and servers have to be located in Croatia
Online betting	<ul style="list-style-type: none"> • Online gambling is fully regulated - Local licensing • Online licences are attached to land-based licences (see 'Statutory requirements' above)
Prohibited activities	<ul style="list-style-type: none"> • International operators ("operators from abroad" not having physical presence in Croatia) prohibited to engage and organise games of chance in Croatia • Only persons who are not Croatian citizens and temporarily reside in Croatia are allowed to hold receipts and tickets issued by international operators of games of chance
Taxation	<ul style="list-style-type: none"> • Sports betting and other: 5% of amounts staked • Casino games: 15% gross win, 25% of gross win for tournament games • Corporate income tax: 18% but companies can forego any corporate tax payments if they decide to re-invest the profits from the financial year • Winnings tax for players
Advertising	<ul style="list-style-type: none"> • Ban on advertising, promotion or any publicity for international games of chance and award games • Prohibition of broadcasting of advertisements on radio or TV programmes for children and youth or in printed media for children and youth

Target's market shares

After the acquisition, Fortuna will become one of the leading multichannel betting & gaming operators in Romania and Croatia

Hattrick (PSK) – Croatia

- PSK with approx. 25% market share is no. 2 on betting & gaming market in Croatia
- Clear no. 1 is Super Sport
- Remaining market share captured by Hrvatska Lutria, Germania, Stanley Bet, and Favorit

Hattrick (Casa) – Romania

- One of top 3 leading multichannel operator
 - Ca 750 betting shops making Casa shared no. 2 in the retail market; slightly behind Total Bet.
 - Online market share is estimated at ca 5%. Strong position of the leading online operators results from their long-term presence as off-shore operators before the online betting & gaming legalization



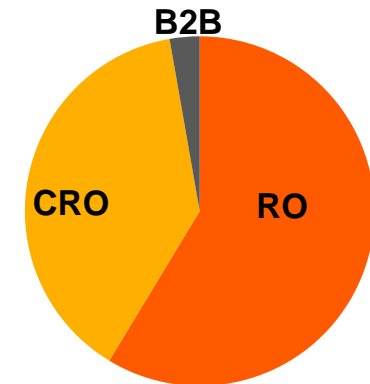
Target's Business Overview

Business overview: Hattrick Sports Group

Company snapshot

Romania	<ul style="list-style-type: none"> Sports-betting under Casa Pariurilor brand (retail and online) Online gaming launched in 10/2016 Slot joint ventures Ca 750 retail stores with introduction of self-service-betting terminals (SSBT)
Croatia	<ul style="list-style-type: none"> Sports-betting under PSK brand, long term leader in SSBTs (2,400+) Online gaming launched in 2017 189 retail stores (own POS) Cooperation with slot business operator Strong IT and SW development (inhouse) capabilities covering Group
B2B	<ul style="list-style-type: none"> B2B technology platform with licencing revenue model <ul style="list-style-type: none"> Significant presence in Spain (Luckia) – retail software provider to 120 retail stores and 600 SSBTs in different regions Other focus geographies include (i) Balkan area with largest revenue from Montenegro and (ii) Germany “Go-to-market” tool for B2C penetration of new markets
M&A rationale	<ul style="list-style-type: none"> To strengthen CEE presence (become one of the leading multichannel betting & gaming operators in Romania and Croatia) To exploit revenue and cost synergies opportunity (retail combination, online knowledge transfer and market build-up, growth of SSBTs) Drive further growth based on strengths of Hattrick management & track record Tangible regulatory and revenue upsides

Revenue by market (mEUR)



Source: 2016a as per management accounts

Key financials (mEUR)

	2016a
AS	372
Revenue ⁽¹⁾	62
EBITDA ⁽¹⁾	12.4
B2B Spain	1.5
EBITDA incl. Spain	13.9

Note: 2016a = preliminary actual non-audited

(1) Excludes income from Spain

Hattrick Purchase Price

Consideration (mEUR)

Initial Consideration	85
Earn-out (max)	50
Total Consideration (max)	135

The initial consideration to be paid for the acquisition will be approximately EUR 85 million.

As a further consideration, an earn-out mechanism has been agreed with the Sellers which is based on the future financial performance of Hattrick Sports Group and which may lead to payment of a maximum additional amount of EUR 50 million.

Implied Transaction Multiples

Total Invested Capital to	2016a
Revenue incl. Spain	2.1x
EBITDA incl. Spain	9.7x



Appendix

Abbreviations and definitions

- *AS = Amounts staked incl. commissions*
- *BAU = Business as usual*
- *CEE = Central Eastern Europe*
- *GW = Gross Win*
- *HSG = Hat trick Sports Group*
- *KVD = Key Value Drivers*
- *PSK = Prva Sportska Kladionica (Hat trick Croatia)*
- *SB = Sportsbook, sports betting*
- *SSBT = Self-service-betting terminal*