

FORTUNA

Nine Months 2016 Financial Results

Analyst Conference Call

3rd November 2016

Agenda

Introduction

9M 2016 Key Highlights

9M 2016 Financial Results

Regulatory Update

2016 Outlook & Guidance

Introduction



Fortuna - Leading regulated CEE sports betting & lottery operator



Pop. 38.2 million
218k registered users
No. 1 market position (36%)¹
Retail & Online
Reg. vs. offshore market:
EUR 200 MM vs. EUR 1.1 bn



Pop. 10.5 million
384k registered users
No. 2 market position (31%)
Retail & Online & Lottery
Reg. vs. offshore market:
EUR 780 MM vs. EUR 500 MM



Pop. 5.4 million
203k registered users
No. 2 market position (34%)
Retail & Online
Reg. vs. offshore market:
EUR 365 MM vs. EUR 100 MM



Brand Licence
Pop. 20 million
Retail & Online (betting & gaming)
Reg. vs. offshore market:
EUR 103 MM vs. EUR 550 MM



9M 2016 Key Highlights

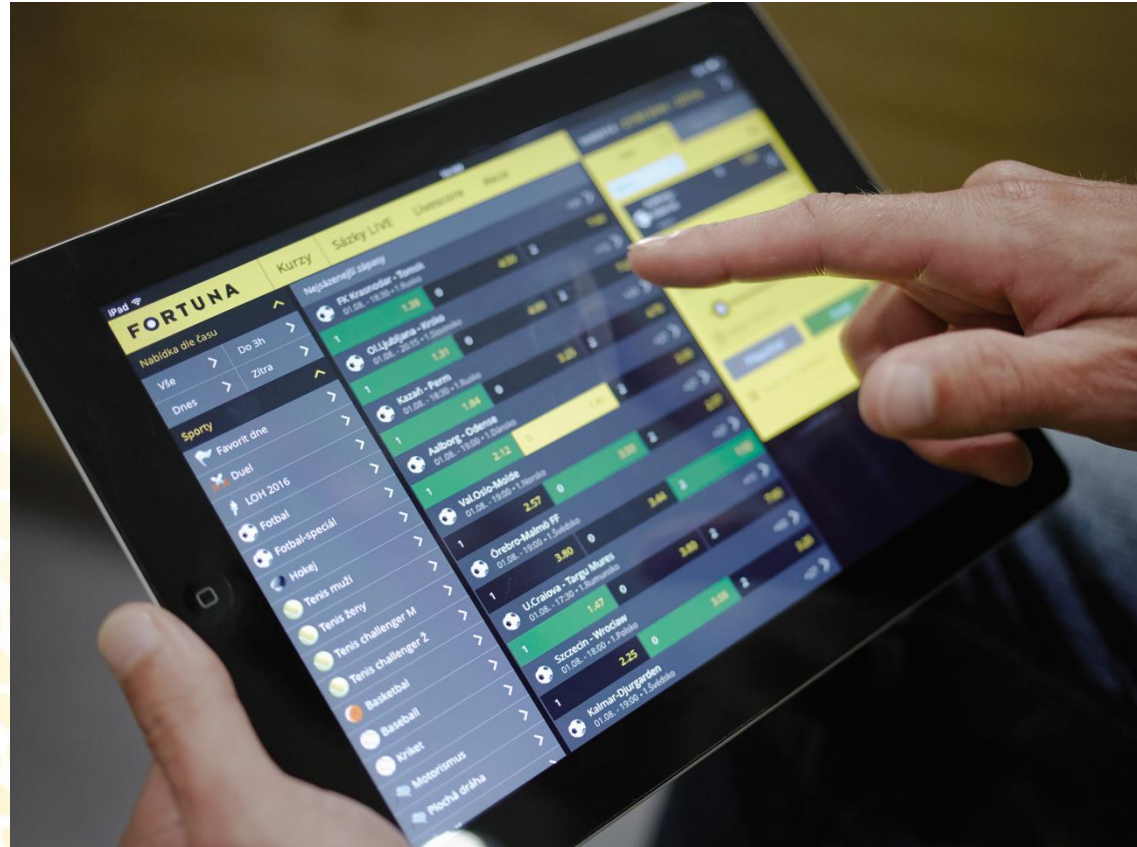


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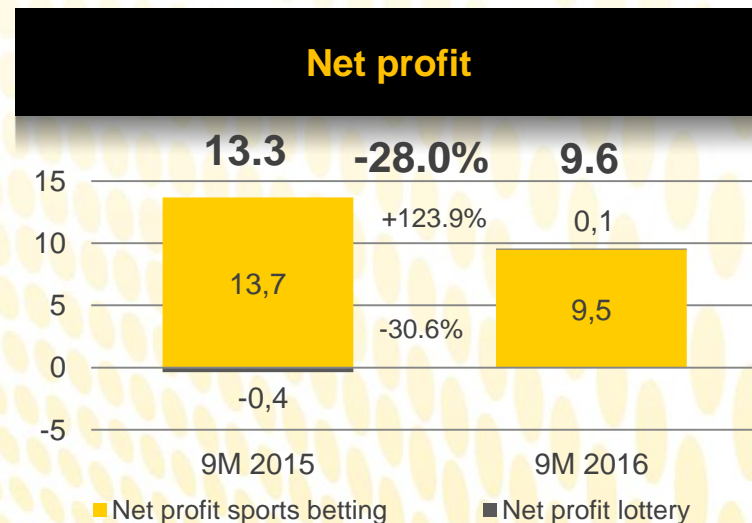
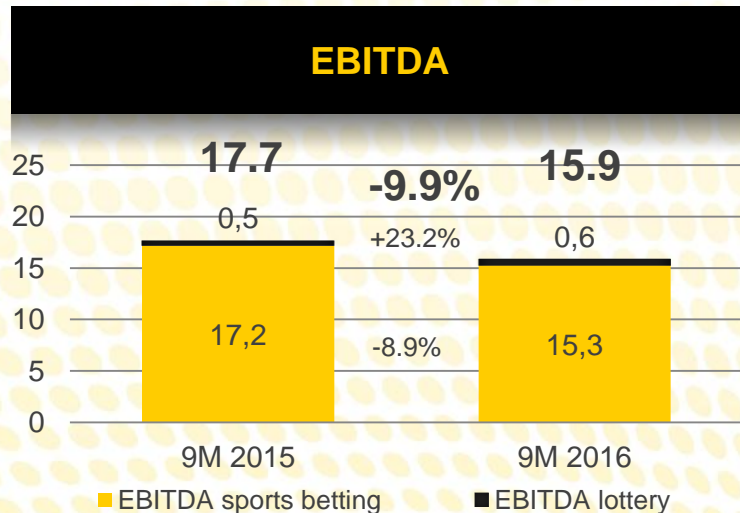
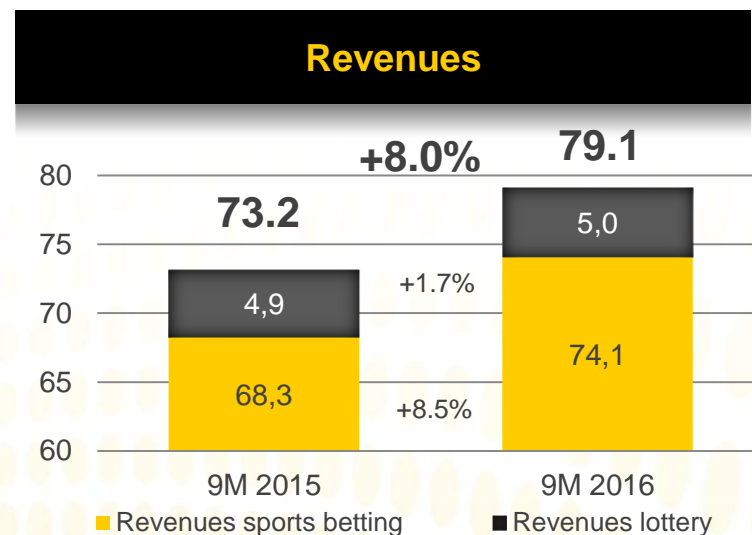
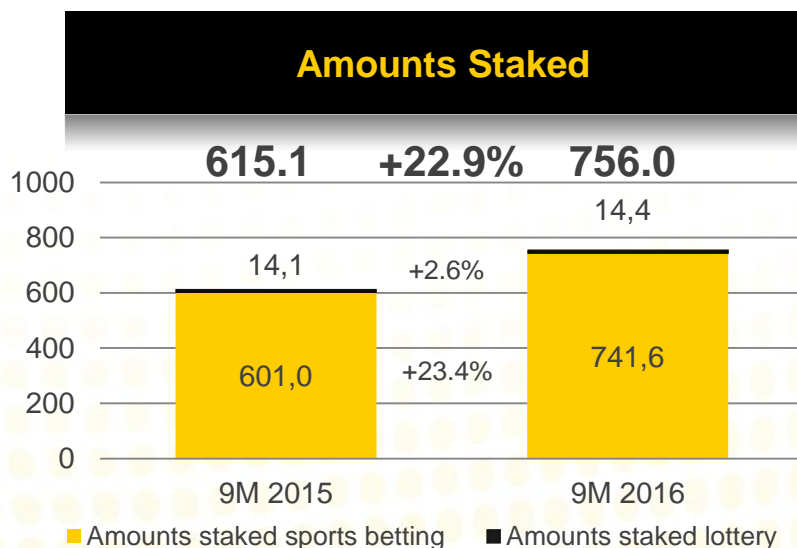
9M 2016 Key Highlights

- ▶ **Group Amounts Staked increased to EUR 756.0 MM (+22.9%)**
- ▶ **Total Gross Win increased to EUR 120.2 MM (+14.4%)**
- ▶ **Online Sports Betting Gross Win increased to EUR 75.0 MM (+25.0%)**
- ▶ **Total EBITDA declined to EUR 15.9 MM (-9.9%)**
- ▶ **No. of registered customers increased by 17.2% yoy**
- ▶ **Net profit EUR 9.6 MM (-28.0%)**

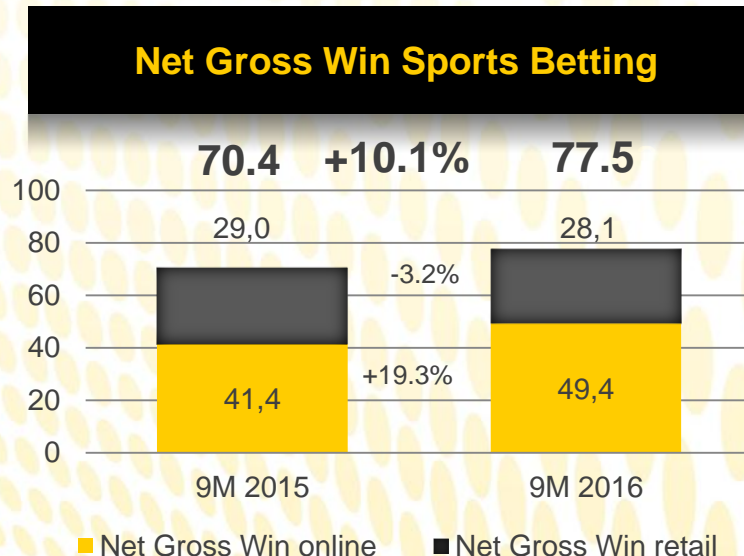
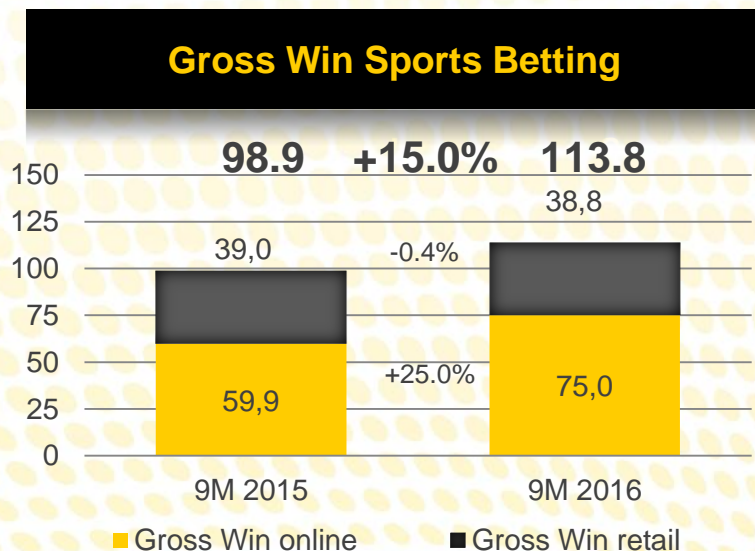
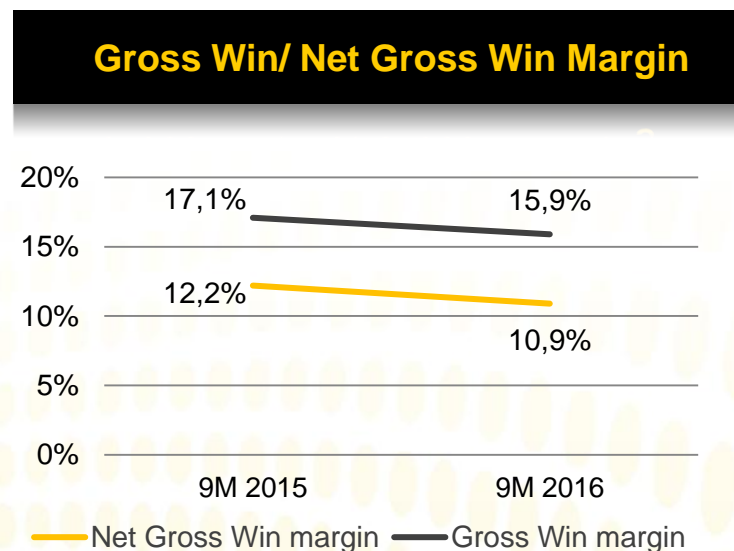
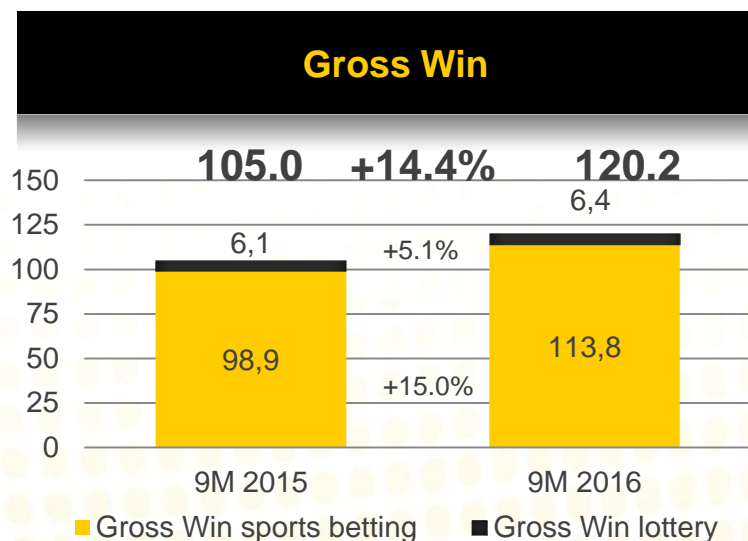
9M 2016 Financial Results



9M 2016 Financial Results

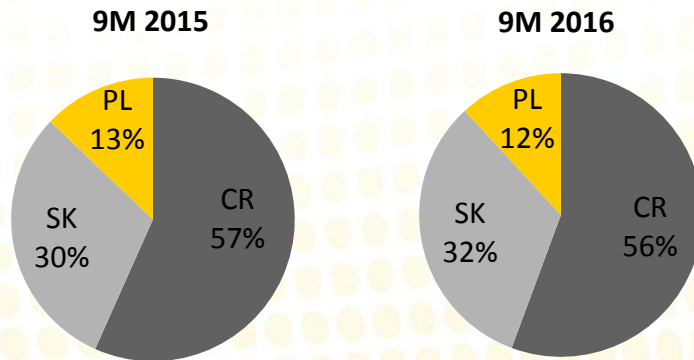


9M 2016 Financial Results cont..

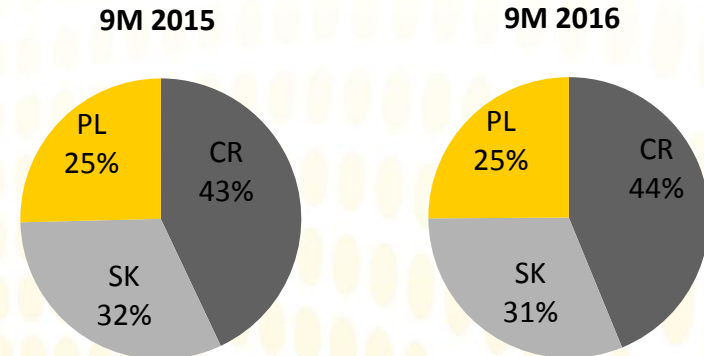


9M 2016 Sports Betting by Country

Amounts Staked



Gross Win



- ▶ Slovakia growing fast in terms of Amounts Staked triggered by the handling fee abolishment on online betting and solid development of active customer base
- ▶ Poland delivers the highest Gross Win margins based on the Polish market structure
- ▶ Czech Republic growing stable driven by solid development of active customer base

Regulatory Update



Regulatory Update

CZ taxation 2015	CZ taxation 2016	Happened
✓ Betting tax of 20% from Gross Win	✗ Increase of Gross Win tax on sports betting and lottery to 23%	1 st January 2016
CZ Regulation & Taxation today	Anticipated Changes	Likely to happen
✗ Customer's registration only in betting shops	✓ Online registration to be permitted	1 st January 2017
✗ No measures taken against offshore operators, local market opened only to Czech entities	✓ Opening the market to foreign operators ✓ Blocking of offshore operators marketing - done ✓ Blocking of offshore operators IP/payments to be implemented	1 st January 2017
✗ Online gaming not regulated	✓ Opening the market to online gaming	1 st January 2017
PL Regulation & Taxation today	Anticipated Changes	Likely to happen
✗ No measures taken against offshore operators	✓ Blacklisting illegal websites by MF and blocking such websites and payments	1 st January 2017
✗ Virtual sport bets disallowed	✓ Allowing bets on virtual sports	1 st January 2017
✗ Only licenced sports betting online, other online games disallowed	✓ Bets and promo lotteries permitted online; Other online games as State monopoly only (casino, poker, bingo)	1 st January 2017
✓ No fees for permit amendments (such as POS localisation)	✗ A new fee of 10% of base sum will apply to all permit amendments	1 st January 2017
SK Regulation & Taxation today	Anticipated Changes	Likely to happen
✗ Withholding tax on Amounts Staked 6%	✗ Withholding tax on Amounts Staked to stay at 6%	1 st January 2017
✗ No measures taken against offshore operators	✓ Blocking of offshore operators	Q1 2018

Note: Anticipated changes in Poland are based on the gov't draft of the new law before enactment by the Polish Parliament

2016 Outlook & Guidance



2016 Outlook & Guidance

Continuing strong online growth Investments into future scalability

- ▶ Multi-channel capitalisation and optimisation
- ▶ Building operational excellence
- ▶ 2016 Guidance confirmed: Amounts Staked up to EUR 1 bn (+18% YOY) and 10-15% EBITDA decline. CAPEX EUR 11-13 MM
- ▶ Change of the Czech betting tax from 20% to 23% - approx. EUR 2 MM negative impact on the 2016 EBITDA

Unlocking regulatory barriers

- ▶ Focus on Poland and the Czech Republic
- ▶ “Blocking” of offshore operators
- ▶ Introduction of online gaming in the Czech Republic
- ▶ Getting ready for new regulatory changes in Poland from Jan 2017

Investments into future growth

- ▶ Re-platforming into multi-product and -channel, and -jurisdiction
- ▶ Operational excellence
- ▶ People
- ▶ New marketing activities – Czech football association sponsorship
- ▶ Internationalisation opportunities

IR Calendar & Contacts

IR Contacts

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