



H1 2017 Financial Results

Analyst Conference Call
31st August 2017

FORTUNA ENTERTAINMENT GROUP
N.V.

Agenda

- 1 Introduction
- 2 H1 2017 Key Highlights
- 3 H1 2017 Financial Results
- 4 2017 Outlook & Guidance Update

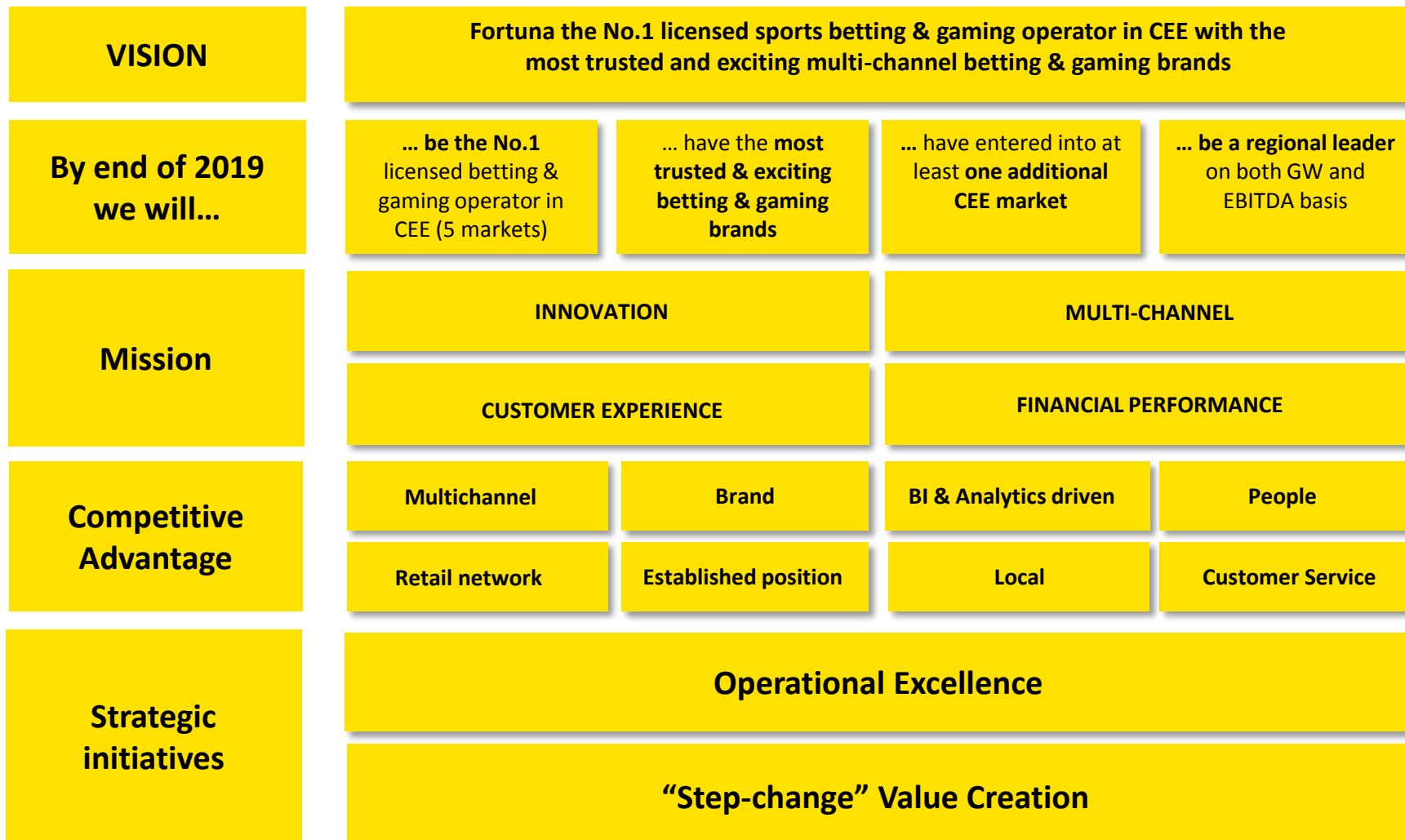


Introduction



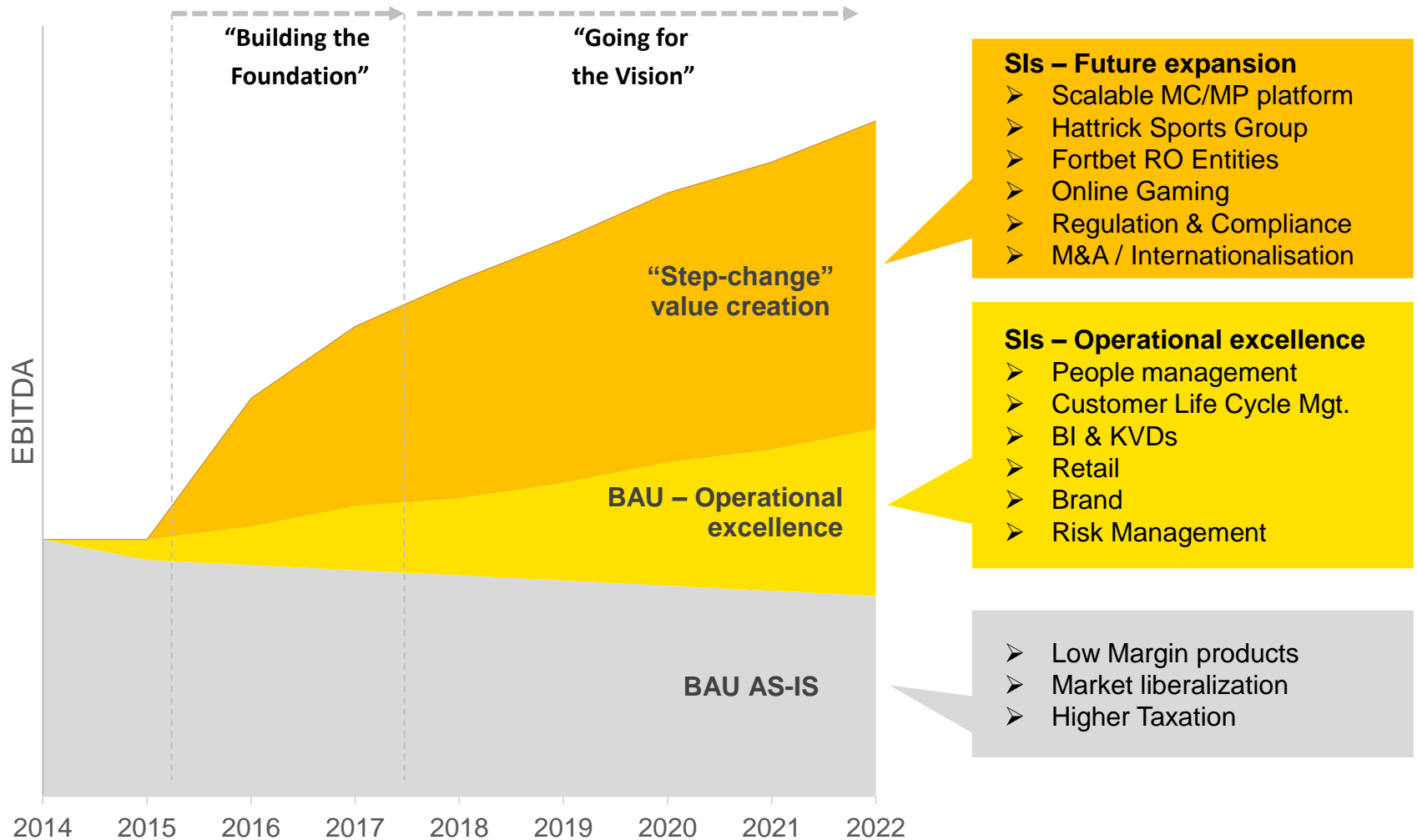
Fortuna Entertainment Group's Strategic Framework

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

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

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

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



FEG B2C



FEG B2B



FEG acquisition in progress



Fortuna Entertainment Group

Leading Regulated Operator in the CEE

Czech Republic

Pop. 10.5 million
385k registered users
No. 2 market position (31%)
Retail & Online
Reg. vs. offshore market:
EUR 780 MM vs. EUR 500 MM

Slovakia

Pop. 5.4 million
183k registered users
No. 2 market position (35%)
Retail & Online
Reg. vs. offshore market:
EUR 365 MM vs. EUR 100 MM

Croatia

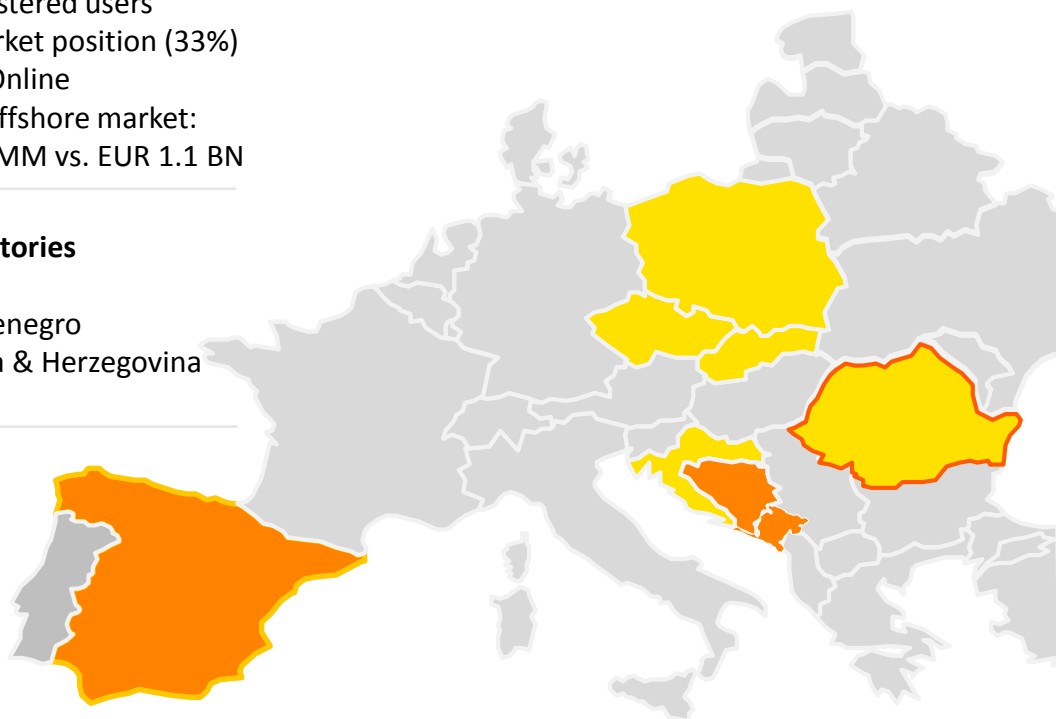
PSK
Pop. 4.2 million
52k registered users
No. 2 market position (25%)
Retail & Online
Reg. vs. offshore market:
EUR 150 MM vs. EUR 30 MM

Poland

Pop. 37.9 million
274k registered users
No. 2 market position (33%)
Retail & Online
Reg. vs. offshore market:
EUR 200 MM vs. EUR 1.1 BN

B2B territories

- Spain
- Montenegro
- Bosnia & Herzegovina



Romania

Brand License / Casa Pariurilor
Pop. 19.7 million
Combined no. 1 position in retail and TOP 5 in online
Retail & Online
Reg. vs. offshore market:
EUR 170 MM vs. EUR 300 MM



FEG B2C



FEG B2B



FEG acquisition in progress



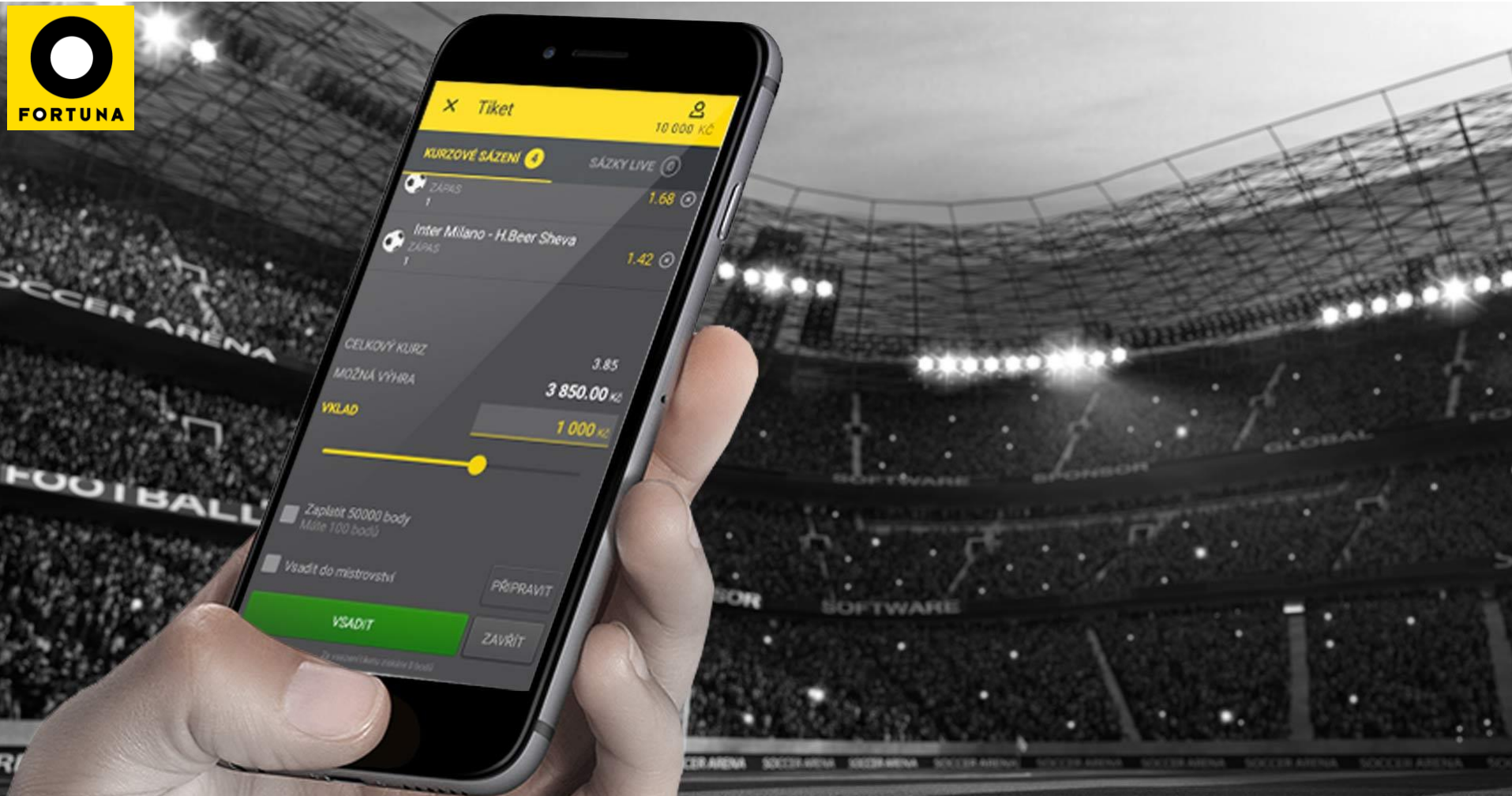
H1 2017 Key Highlights

H1 2017 Key Highlights

Amounts Staked growing across all markets & channels with Hattrick acquisition ensuring further acceleration

- 1 Total Amounts Staked increased by 40.9% yoy to EUR 720.7 million
- 2 Gross Win increased by 24.5% to EUR 100.2 million
- 3 Total EBITDA amounted to EUR 7.6 million down 22.0% yoy – excl. M&A/Integration one-offs EBITDA up by 7.9%
- 4 Net Profit EUR 2.5 million, down 53.1% yoy – excl. one-offs Net Profit up by 3.2%
- 5 Hattrick acquisition consolidated since May 2017 with integration kick-started
- 6 Lottery business sold in May 2017 – reported as discontinued operations



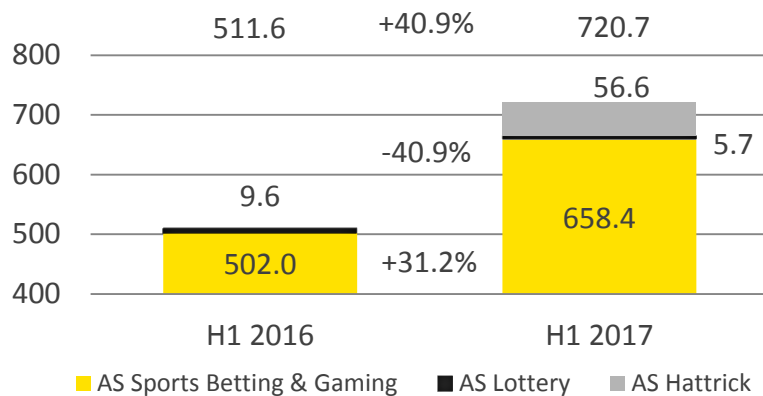


H1 2017 Financial Results

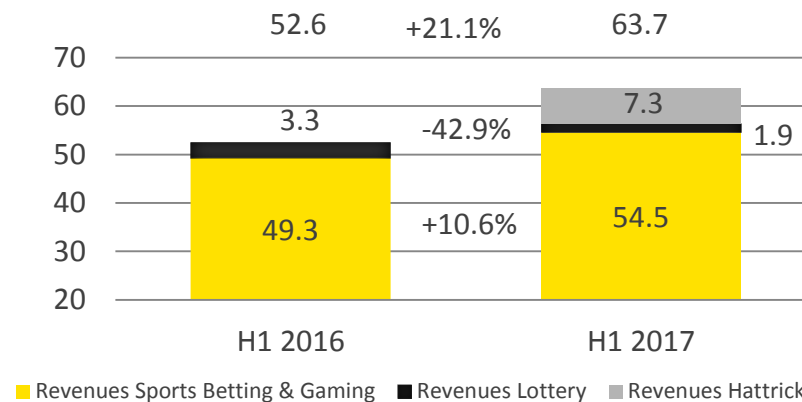
H1 2017 Financial Results

(in EUR MM)

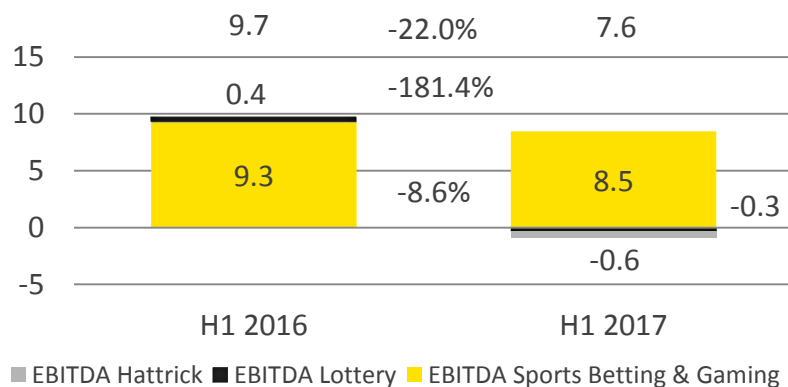
Amounts Staked



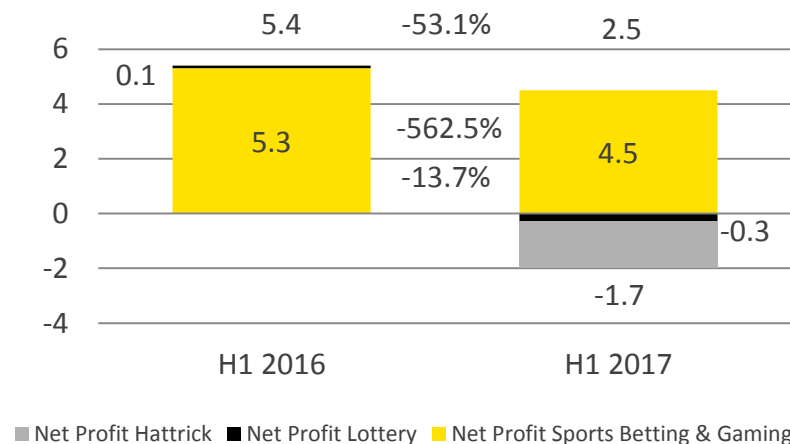
Revenues*



EBITDA*



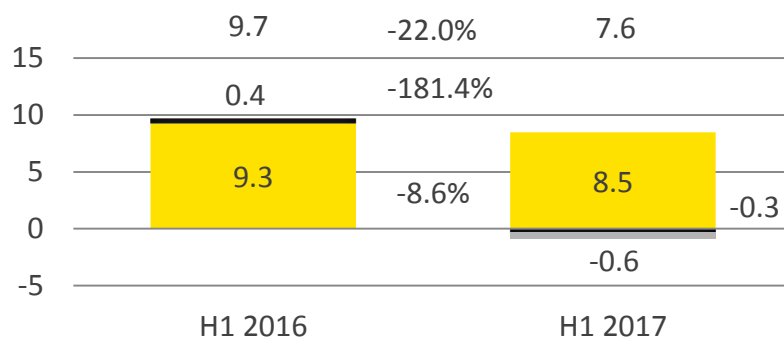
Net Profit*



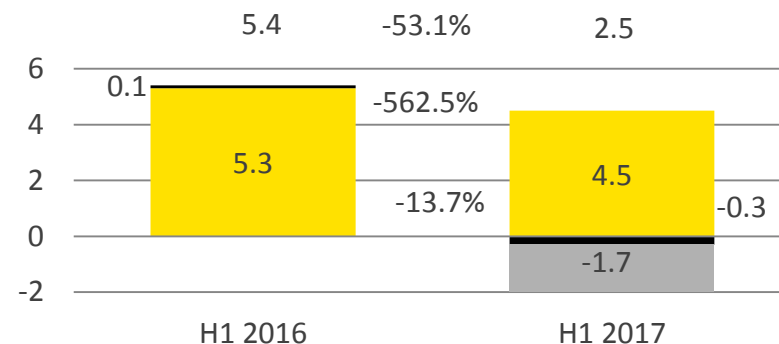
H1 2017 Financial Results

(in EUR MM)

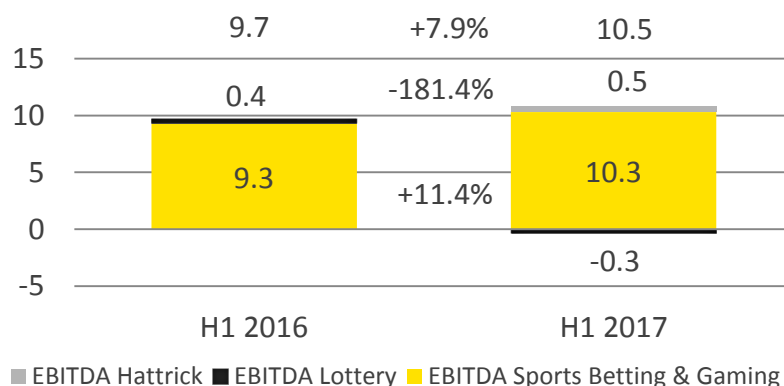
EBITDA



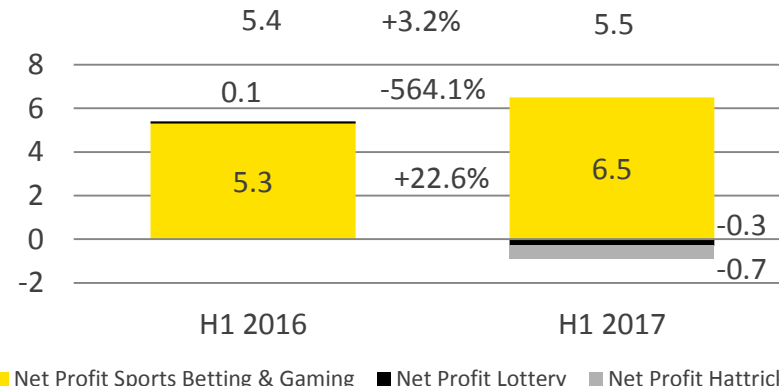
Net Profit



EBITDA adj.



Net Profit adj.

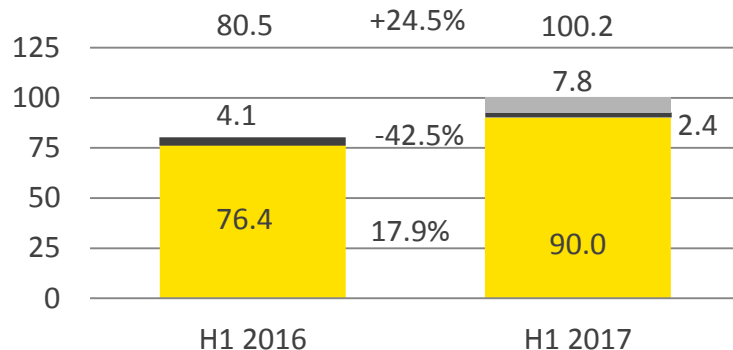


EBITDA and Net Profit split between Lottery and Sports Betting & Gaming is including intersegment income and expenses unlike financial statements

H1 2017 Financial Results

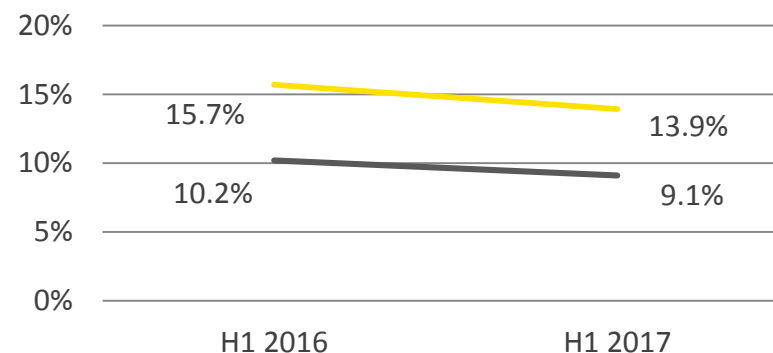
(in EUR MM)

Gross Win



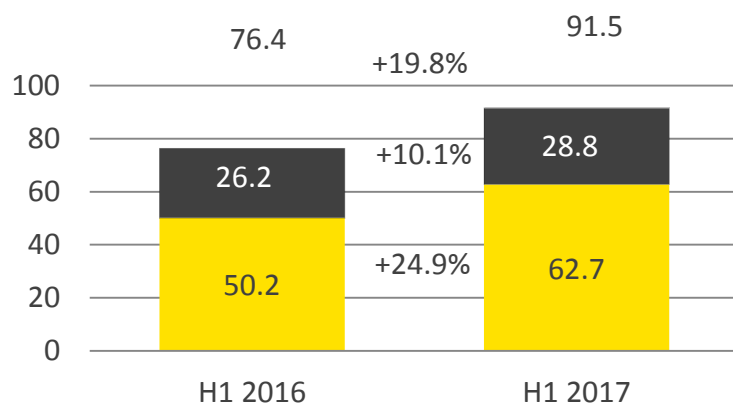
■ GW Sports Betting & Gaming ■ GW Lottery ■ GW Hatrick

Gross Win / Net Gross Win Margin



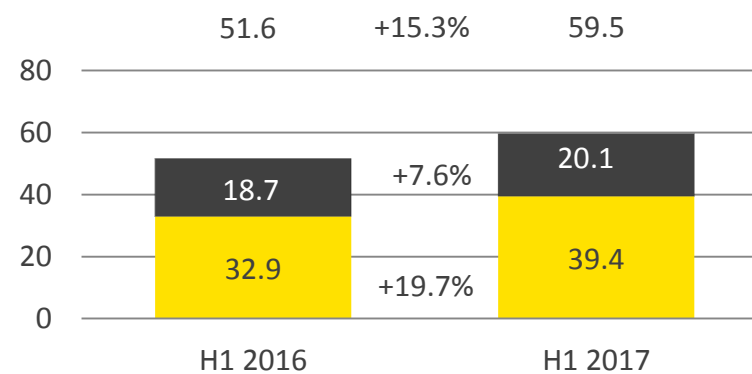
— Gross Win Margin — Net Gross Win Margin

Gross Win Sports Betting*



■ Gross Win SB Online ■ Gross Win SB Retail

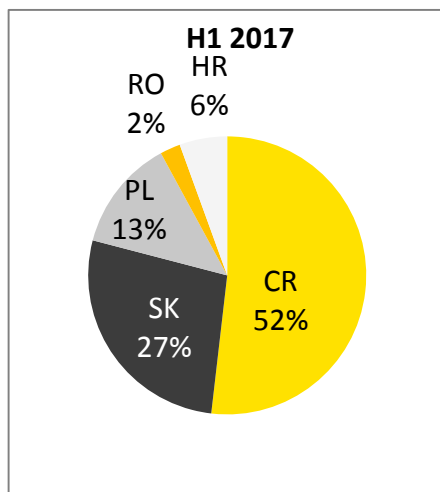
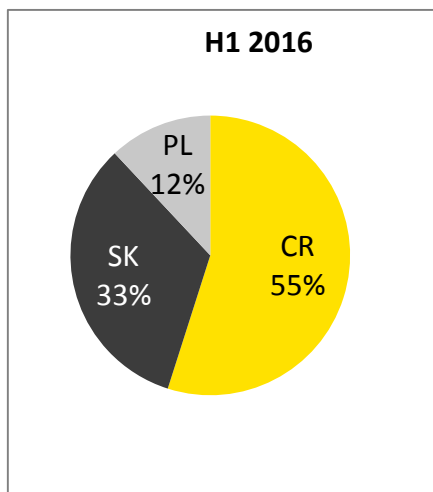
Net Gross Win Sports Betting*



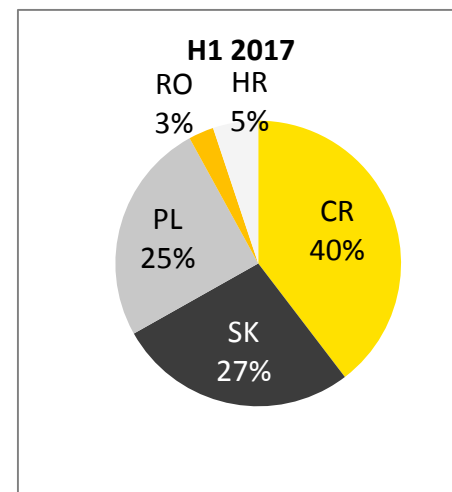
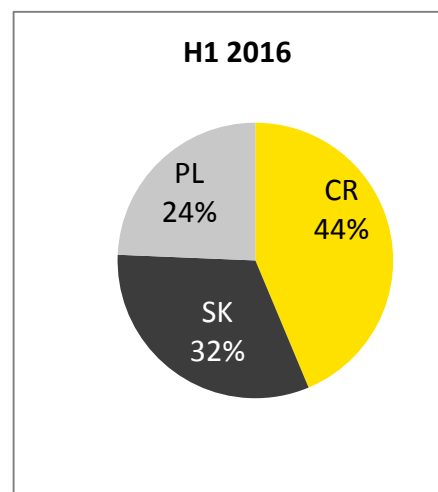
■ Net Gross Win Online ■ Net Gross Win Retail

Sports Betting & Gaming by Country H1 2017

Amounts Staked



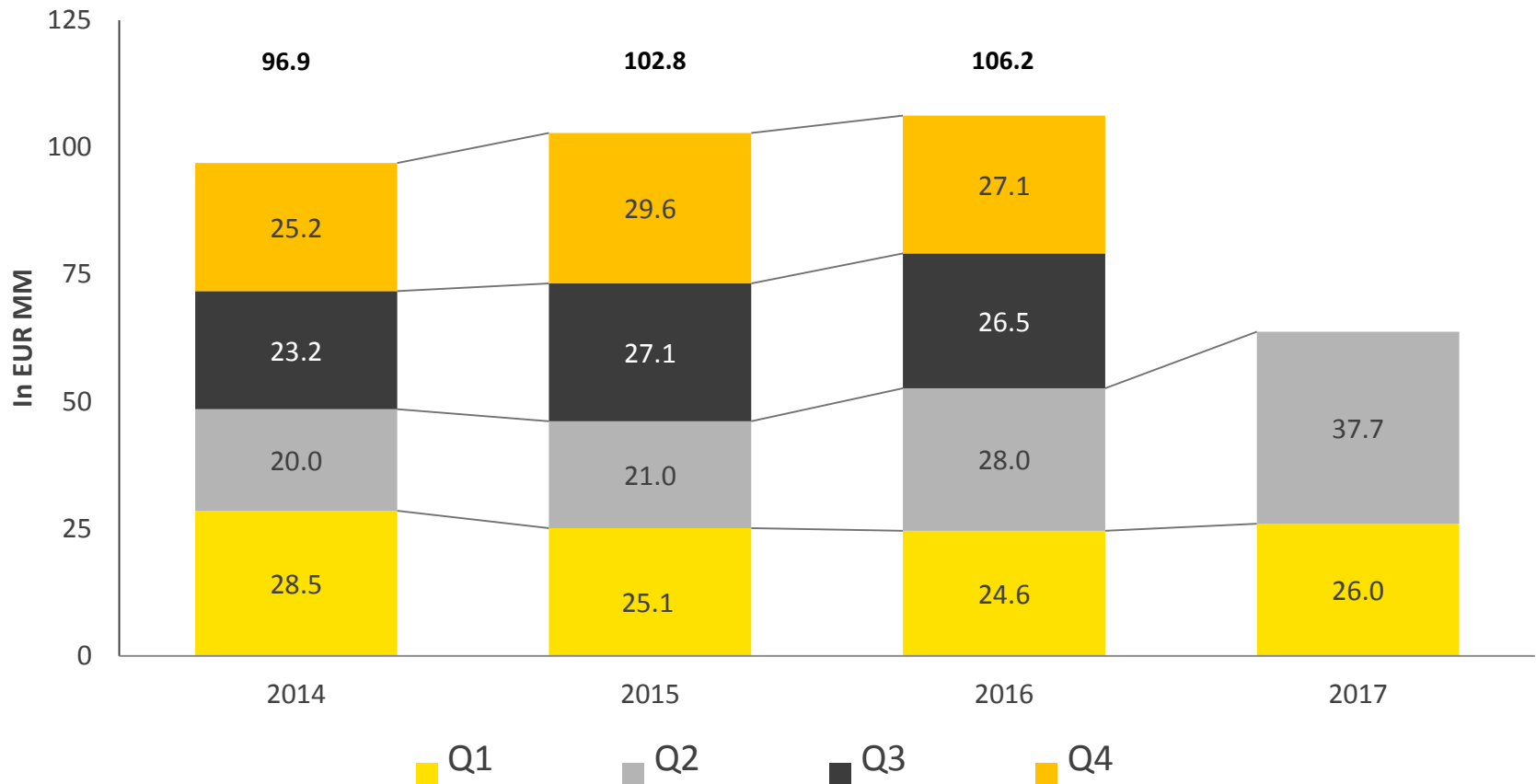
Gross Win



- Hattrick Sports Group has been consolidated since May 20th 2017
- Increasing share of Polish online business at the back of improved key value drivers driven by operational excellence and blocking of off-shore operators
- Czech Republic includes online gaming which was launched by end of February 2017
- Croatia (HR) includes also Romanian (RO) online business which is licensed and operated by the Croatian entity Hattrick PSK
- Romania (RO) includes Casa Pariurilor retail business

Revenue development

Revenue

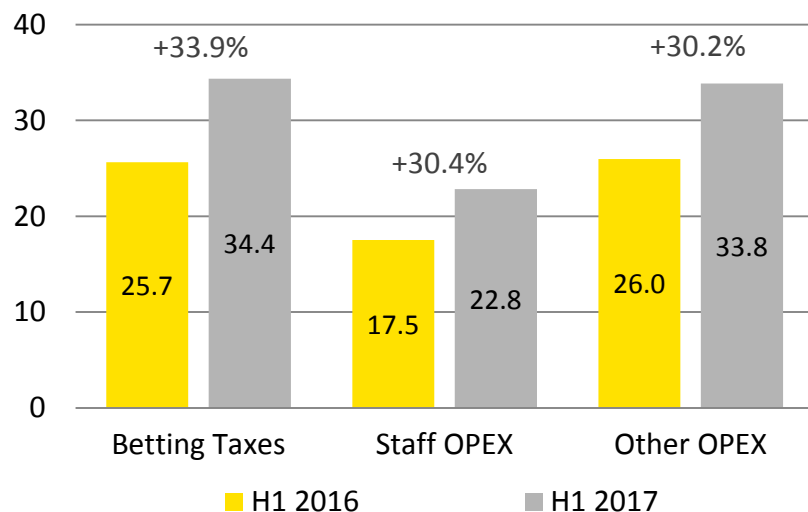


Consolidated Revenue incl. Lottery and Hatrick

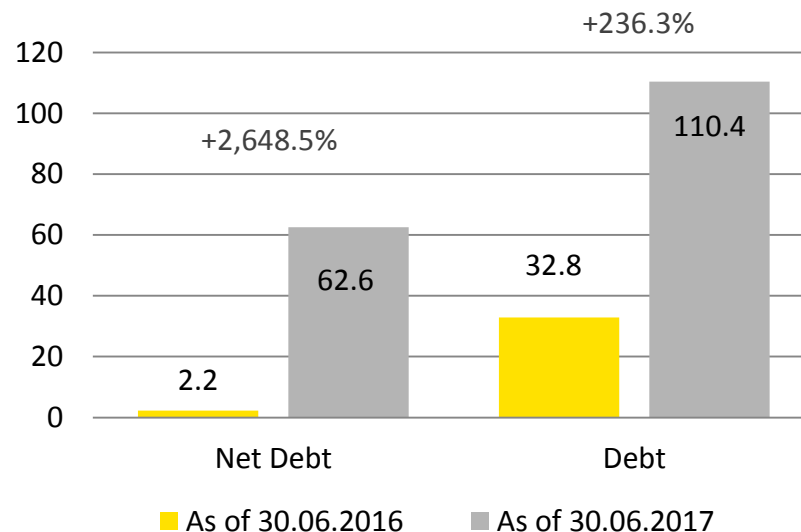
H1 2017 Taxes, OPEX & Net Debt

(in EUR MM)

Group Taxes & OPEX



Net Debt/ Debt



- Increase in Betting Tax due to higher betting volumes (+27.5%) and consolidation of Hatrick Sports Group (Hattrick) since May 2017 (EUR 1.7 million)
- Staff OPEX increased due to inflationary increase in retail, new hires related to acquisitions and Group restructuring (+13.6%). Hatrick Staff OPEX represented with EUR 2.9 million
- Other OPEX increased due to higher variable costs and one-off acquisition costs. Hatrick Other OPEX represented with EUR 4.9 million
- Higher indebtedness as a result of Hatrick acquisition financing



2017 Outlook & Guidance Update

2017 Outlook & Guidance Update

The company confirms its previously announced full year guidance excl. Hattrick acquisition.



2017 Guidance (incl. Hattrick):

- Amounts Staked EUR 1.7bn
- EBITDA increase by 55-60%
- CAPEX spending estimated to EUR 11-13m

- CZ – Online Gaming
- PL – virtual games
- Blocking of offshore operators

- Investment into multi-product, -channel, and -jurisdiction platform
- Operational excellence & people
- New marketing activities & sponsoring
- Integration of Hattrick Sports Group and Fortbet Romanian companies
- Internationalisation opportunities



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