

FORTUNA

First Six Months of 2015 Financial Results

Analyst Conference Call

27 August 2015

Agenda

Introduction

H1 2015 Key Highlights

H1 2015 Financial Results

2015 Outlook

Fortuna - Leading regulated CEE sports betting & lottery operator



Pop. 38.2 million
176k registered users
No. 1 market position (37%)
Retail & Online
Reg. vs offshore market:
EUR 200 mil. vs. EUR 1.1 bn



Pop. 10.5 million
316k registered users
No. 2 market position (31%)
Retail & Online & Lottery
Reg. vs offshore market:
EUR 780 mil. vs. EUR 500 mil.



Pop. 5.4 million
157k registered users
No. 2 market position (34%)
Retail & Online
Reg. vs offshore market:
EUR 365 mil. vs. EUR 100 mil.



H1 2015 Key Highlights



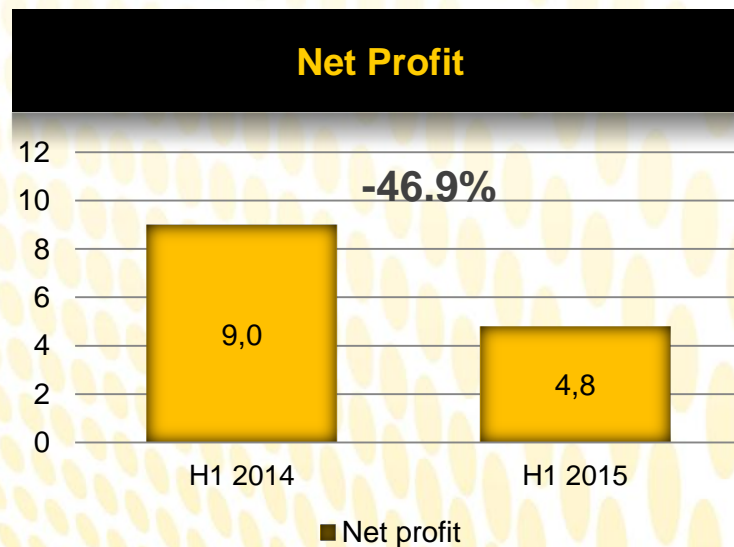
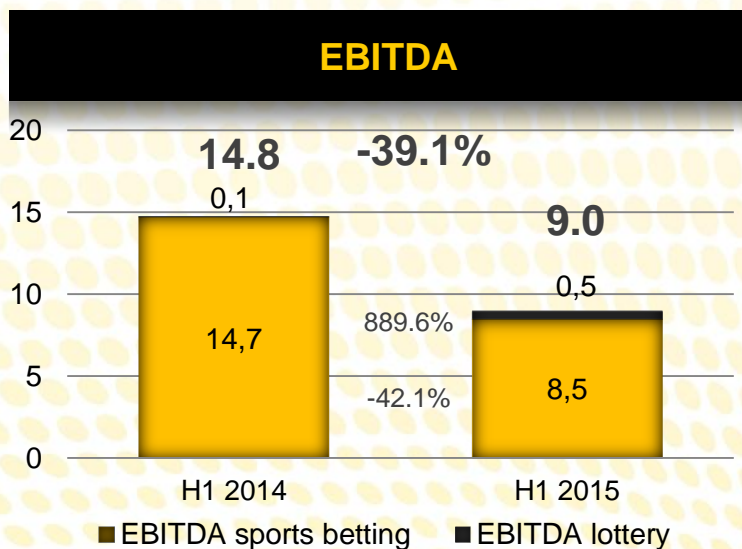
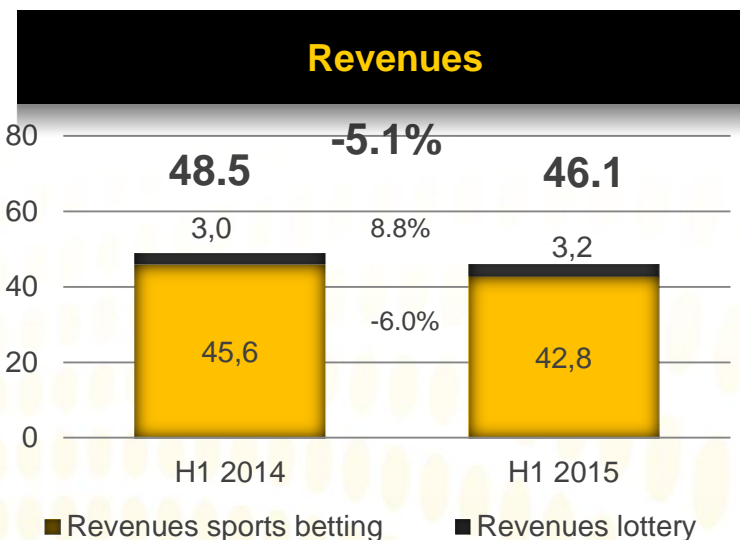
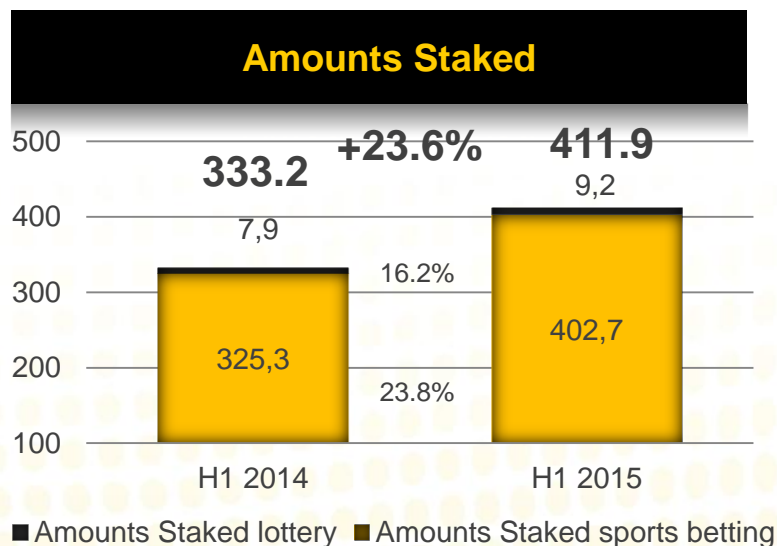
Financial highlights H1 2015

- ▶ **Group Amounts Staked increased to EUR 411.9 MM (+23.6%)**
- ▶ **Total Gross Win increased to EUR 67.1 MM (+1.9%) – online Sports Betting Gross Win increased by 18.9% despite FIFA World Cup 2014 comps and impact by Slovakian online handling fee abolishment**
- ▶ **Total EBITDA EUR 9.0 MM (-39.1%) – decline primarily driven by missing positive FIFA World Cup 2014 impact and higher OPEX**
- ▶ **No. of registered customers increased by 20.5% (total of 671 thousand)**
- ▶ **Total net profit EUR 4.8 MM (-46.9%)**

2015 H1 Financial Performance



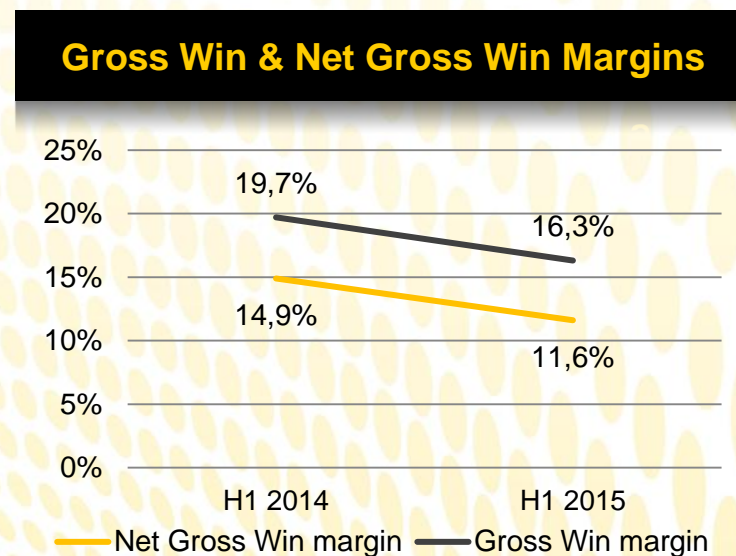
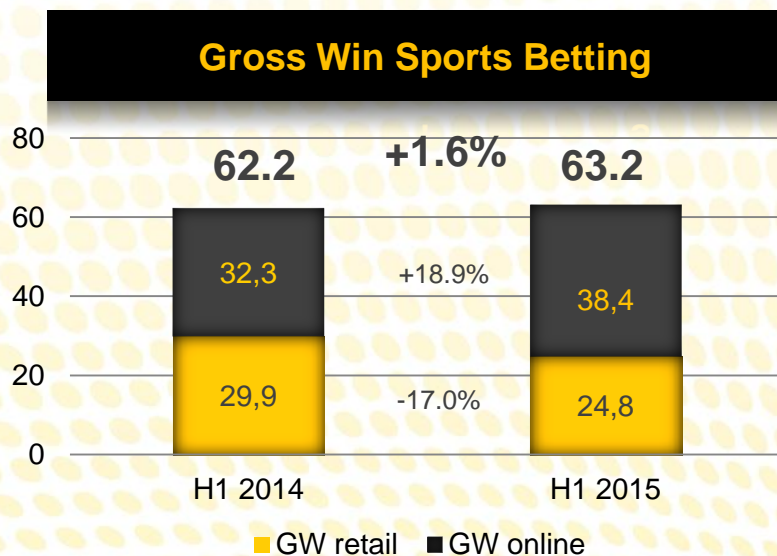
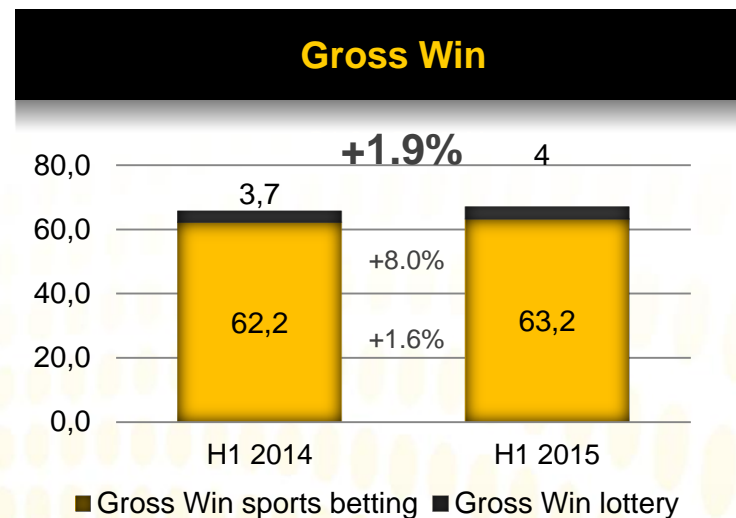
Financial results H1 2015



Source: Calculated based on FEG consolidated unaudited financial results and Company information
 FX rates used for translation: average ČNB and National Bank of Poland
 In EUR MM

Financial results H1 2015 cont'd

- ▶ Total Gross Win EUR 67.1 MM (+1.9%)
- ▶ Gross Win lottery EUR 4.0 MM (+8.0%)
- ▶ Gross Win sports betting online EUR 38.4 MM (+18.9%)
- ▶ Gross Win sports betting retail EUR 24.8 MM (-17.0%)

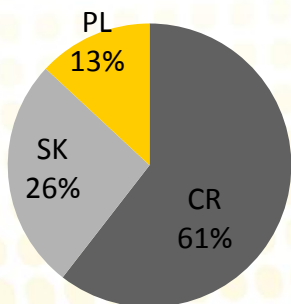


Source: Calculated based on FEG consolidated unaudited financial results and Company information
 FX rates used for translation: average ČNB and National Bank of Poland
 In EUR MM

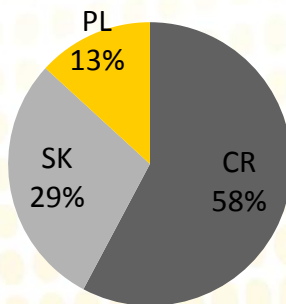
Sports betting by country

Amounts Staked

H1 2014 (ex. Malta)

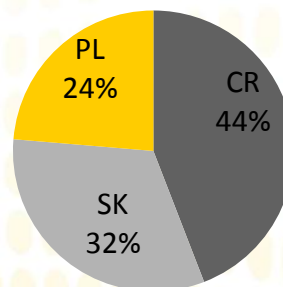


H1 2015 (ex. Malta)

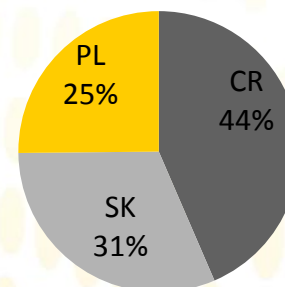


Gross Win

H1 2014 (ex. Malta)



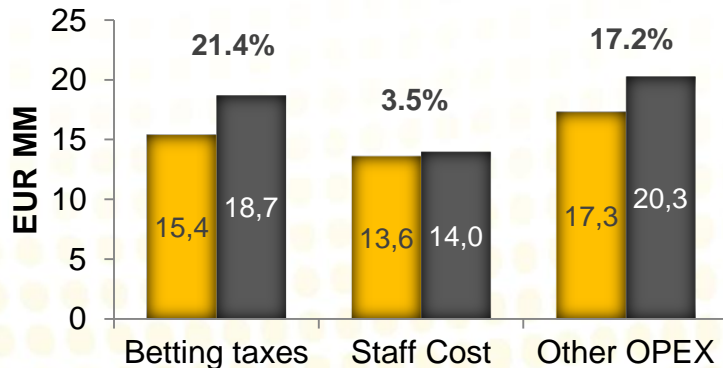
H1 2015 (ex. Malta)



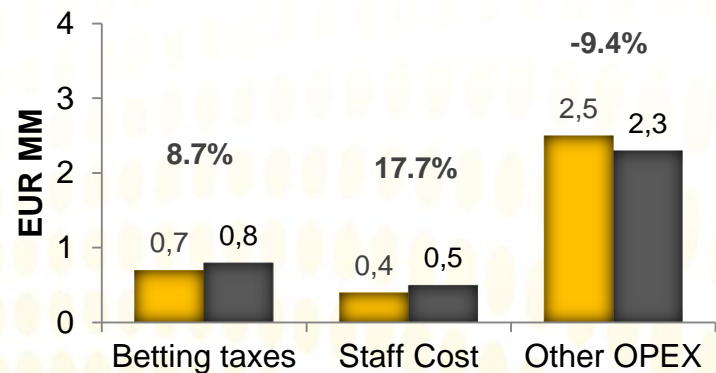
- Total Amounts Staked growing double digit in all countries, fastest growth recorded in Slovakia driven by on-line handling fee abolishment
- Gross Win up in Poland, stable in the Czech Republic and declining in Slovakia
- Retail sports betting declining in all countries, mainly in Slovakia as anticipated (migration to on-line)

OPEX, taxes & Net debt

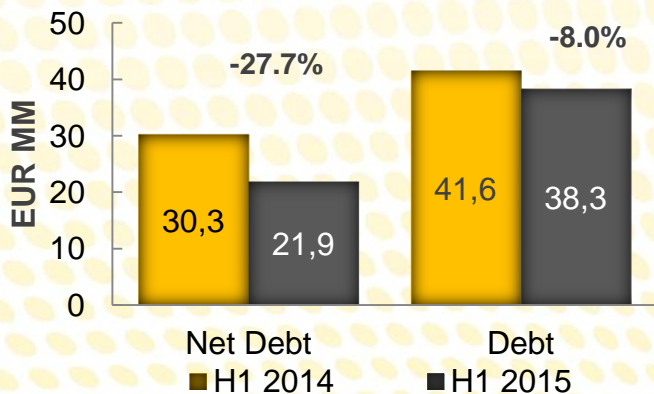
OPEX & Taxes Sports Betting



OPEX & Taxes Lottery



Net Debt/ Debt



- Higher betting taxes related to higher Amounts Staked
- Other OPEX increased due to higher costs for live streaming, live data feed services and sponsoring
- Company further reduced its debt

Regulatory changes Czech Republic

Czech Republic Regulation & Taxation today	Proposed Changes in discussion	Likely to happen
<ul style="list-style-type: none"> ✓ Betting tax of 20% from Gross Win 	<ul style="list-style-type: none"> ✗ Increase of Gross Win tax on sports betting and lottery from 20% to 25% ✗ Estimated EBITDA impact EUR ~3MM (based on 2014 figures) 	1 st January 2016
<ul style="list-style-type: none"> ✗ Customer's registration only in betting shops 	<ul style="list-style-type: none"> ✓ On-line registration to be permitted 	1 st January 2017
<ul style="list-style-type: none"> ✗ No measures taken against off-shore operators, local market opened only to Czech entities ✓ Blocking of off shore operators marketing has now been implemented 	<ul style="list-style-type: none"> ✓ Opening the market to foreign operators through issuance of new licenses. Blocking of pure off-shore (unlicensed) operators to be enacted 	1 st January 2017
<ul style="list-style-type: none"> ✗ On-line gaming not regulated 	<ul style="list-style-type: none"> ✓ Opening the market to foreign operators through issuance of new licenses. Blocking of pure off-shore (unlicensed) operators to be enacted 	1 st January 2017

Fortuna Value Creation Story & 2015 Outlook



Fortuna Value Creation Story

The value creation strategy is based on 3 main pillars and two key phases

**Value creation
strategy**

**2015 – 16
building the
“foundation”**

**2017 -
going for the
Vision**

Value creation strategy will be based on 3 main pillars

- 1) Market share gain in existing markets driven by regulation (offshore blocking) and operational excellence
- 2) Product vertical extension into online gaming driven by regulation and internationalization
- 3) Expansion into CEE regulated markets through M&A (Betting and gaming)

Phase 1: Competence build-up/Investments into the future

- Investment into core competencies, competitive advantage and scalability for future value creation
- Strategic focus;
 - Operational excellence
 - Technology foundation
 - People

Phase 2: Going for the Vision

- From 2017 onwards Fortuna will be well positioned to become the 'No.1 licensed sports betting & gaming operator in CEE with the most trusted and exciting multi-channel betting & gaming brand'
- Key enablers;
 - Utilizing a competitive scalable multi-channel, -product, and -market platform
 - Capitalizing on operational excellence
 - People capability and capacity
 - Using financial strength to drive profitable cash-generative growth through M&A

2015 Outlook

Continuing strong online growth. Investments into future scalability. Adverse EBITDA effect of cancellation of online handling fee in Slovakia.

- ▶ Strengthening of online sport betting proposition
- ▶ Retail network optimisation
- ▶ Building operational excellence
- ▶ Confirmed Guidance: 2015 Amounts Staked EUR 790 MM and 25-30% EBITDA decline (excl. one-off income of EUR 0.6 MM in 2014). Cancellation of online Handling fee in Slovakia resulting in acceleration of online betting growth, though at the same time increasing tax burden. Further investments into building foundation for future growth.



Unlocking regulatory barriers

- ▶ Focus on Poland and the Czech Republic
- ▶ “Blocking” of off-shore operators
- ▶ Introduction of online gaming in the Czech Republic

Investments into future growth

- ▶ Re-platforming into multi-product and -channel
- ▶ Operational excellence
- ▶ People

IR Calendar & Contacts

Event	Date
Q3 2015 Interim Report	November 5, 2015

IR Contacts

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