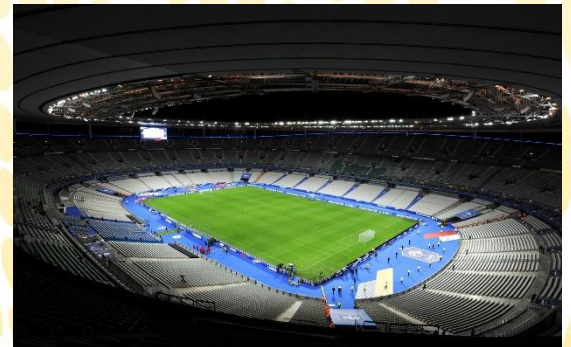


# FORTUNA

## First Six Months of 2016 Financial Results

Analyst Conference Call

25<sup>th</sup> August 2016



# Agenda

**Introduction**

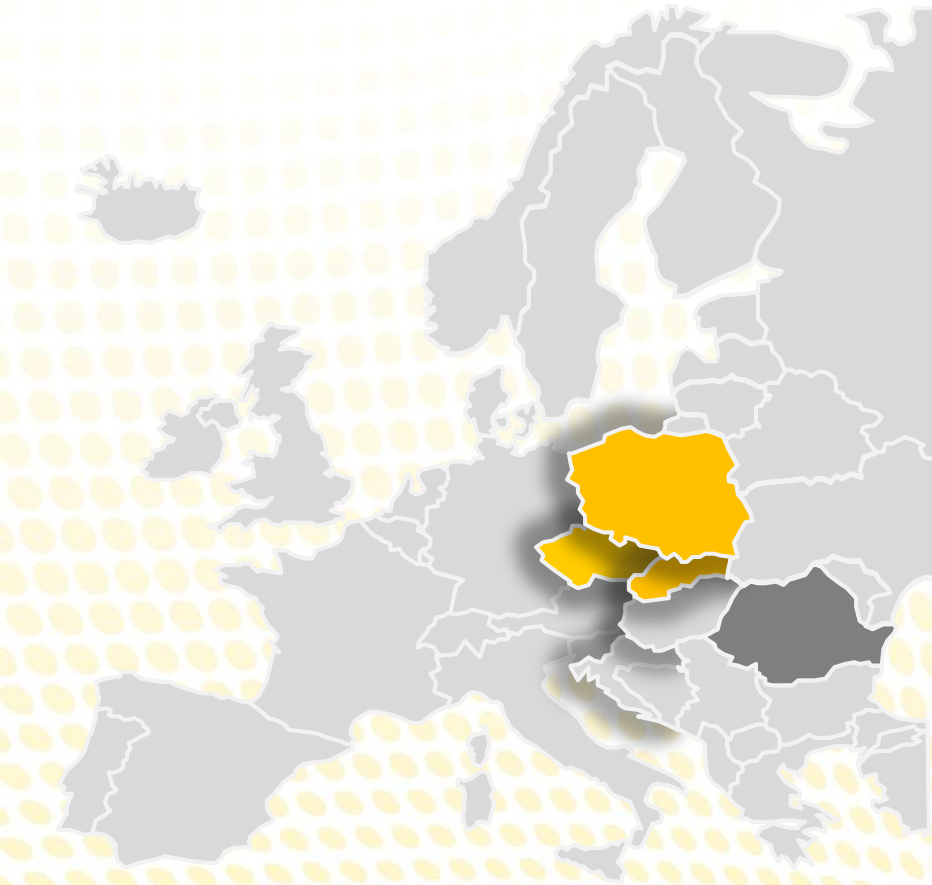
**H1 2016 Key Highlights**

**H1 2016 Financial Results**

**Regulatory Update**

**2016 Outlook & Guidance**

# Fortuna - Leading regulated CEE sports betting & lottery operator



Pop. 38.2 million  
215k registered users  
No. 1 market position (36%)<sup>(1)</sup>  
Retail & Online  
Reg. vs offshore market:  
EUR 200 MM vs. EUR 1.1 bn



Pop. 10.5 million  
377k 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  
194k 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



Source: H2GC and own Company's Estimates;  
(1) excl. IVG

# H1 2016 Key Highlights



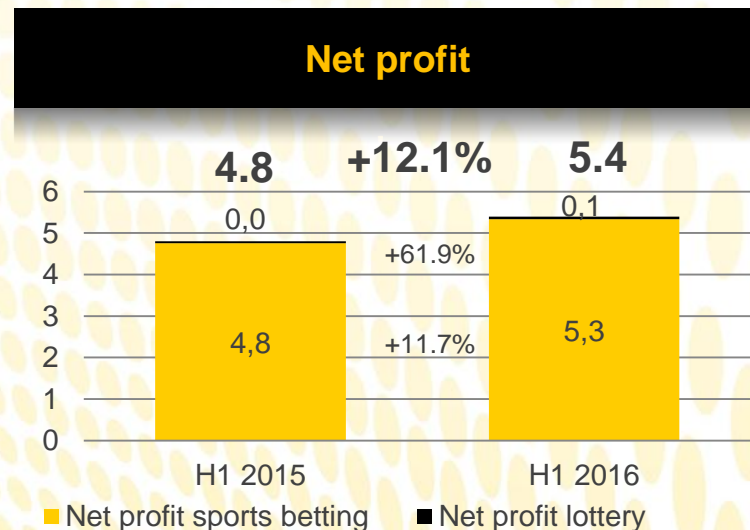
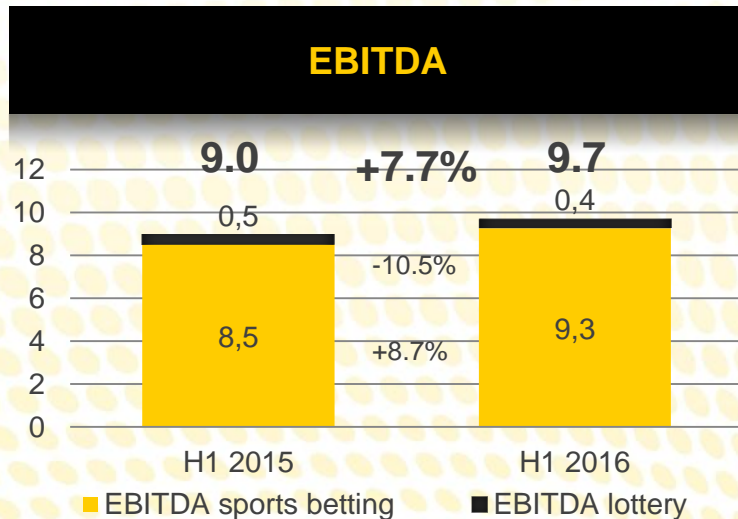
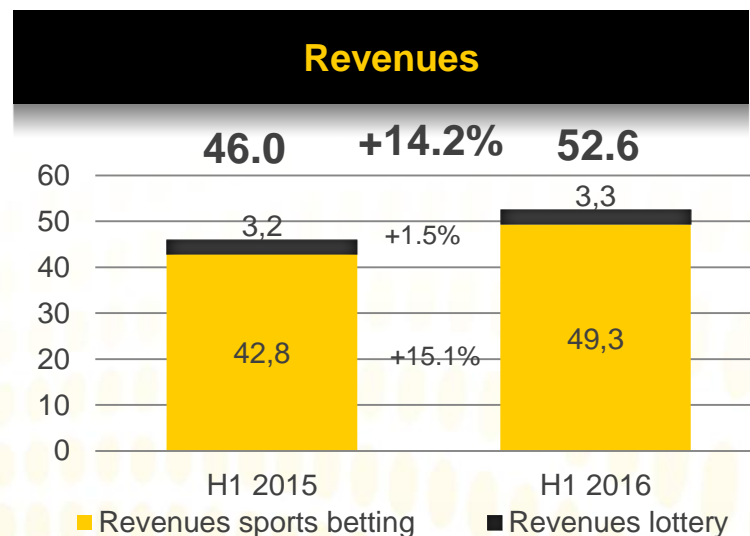
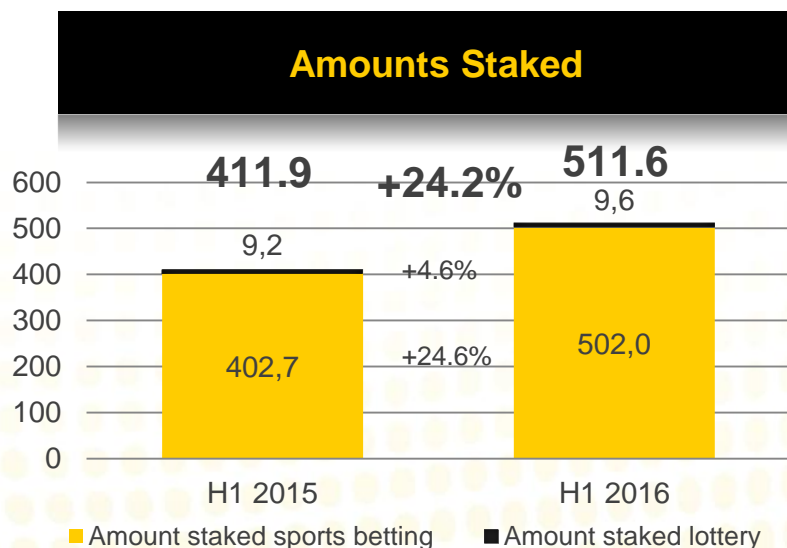
# H1 2016 Key Highlights

- ▶ **Group Amounts Staked increased to EUR 511.6 MM (+24.2%)**
- ▶ **Total Gross Win increased to EUR 80.5 MM (+19.9%)**
- ▶ **On-line Sports Betting Gross Win increased to EUR 50.2 MM (+30.9%)**
- ▶ **Total EBITDA increased to EUR 9.7 MM (+7.7%)**
- ▶ **No. of registered customers increased by 17.5% yoy**
- ▶ **Net profit EUR 5.4 MM (+12.1%)**

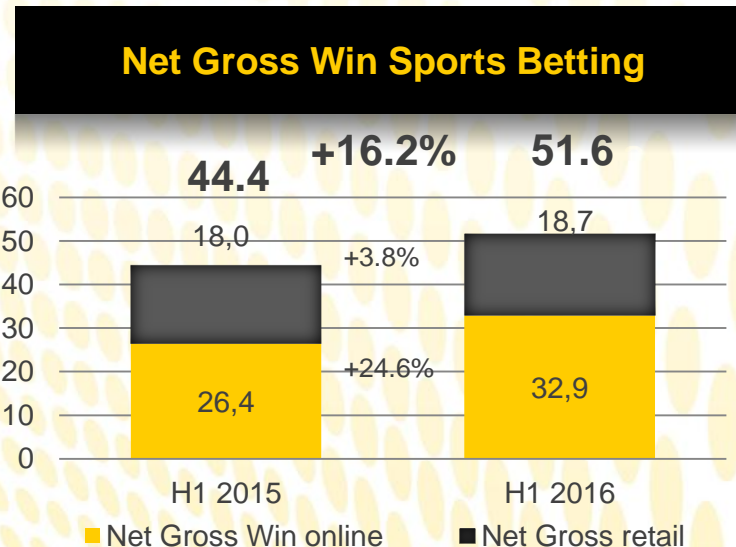
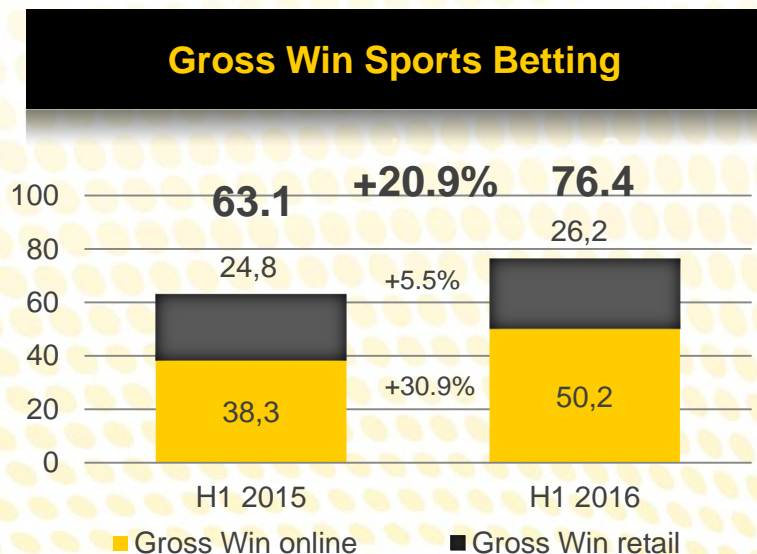
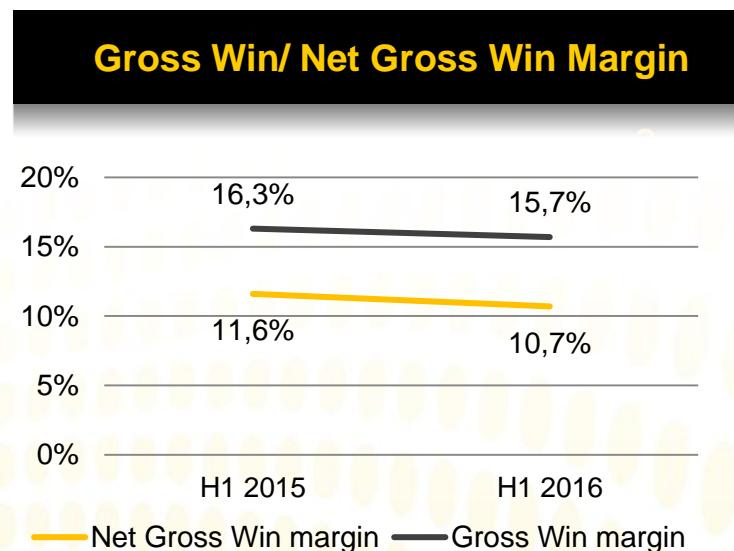
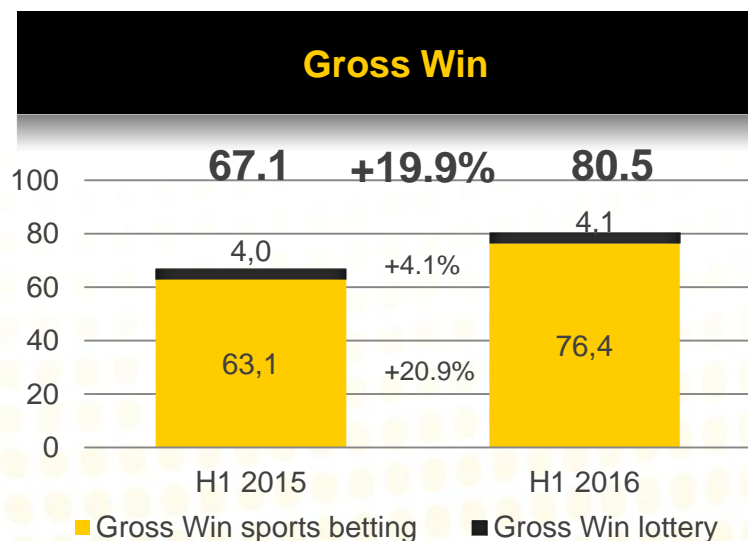
# H1 2016 Financial Results



# H1 2016 Financial Results



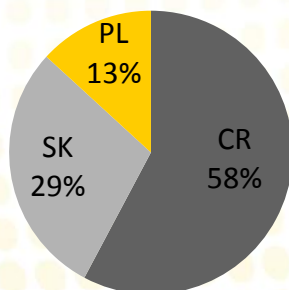
# H1 2016 Financial Results cont.



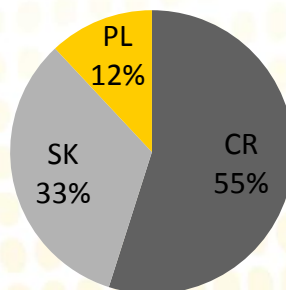
# Sports Betting by Country

## Amounts Staked

H1 2015



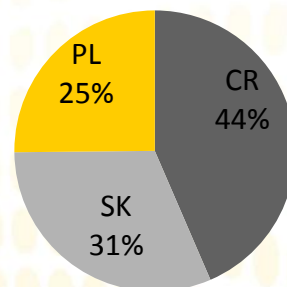
H1 2016



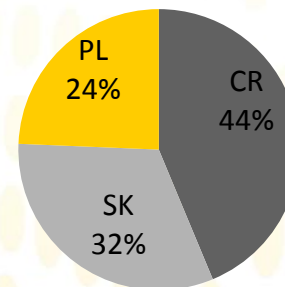
In EUR MM	H1 2015	H1 2016	%
Czech Republic	232.6	275.7	18.5%
Slovakia	116.9	166.2	42.2%
Poland	53.1	60.1	13.2%

## Gross Win

H1 2015



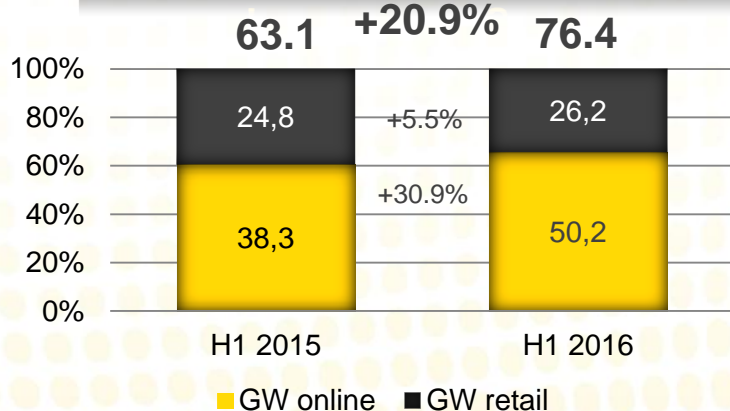
H1 2016



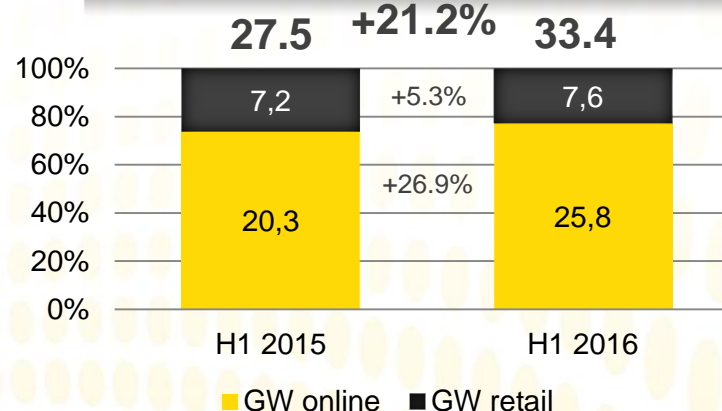
In EUR MM	H1 2015	H1 2016	%
Czech Republic	27.5	33.4	21.2%
Slovakia	19.8	24.4	23.6%
Poland	15.9	18.6	17.2%

# Sports Betting Gross Win Breakdown Geographically

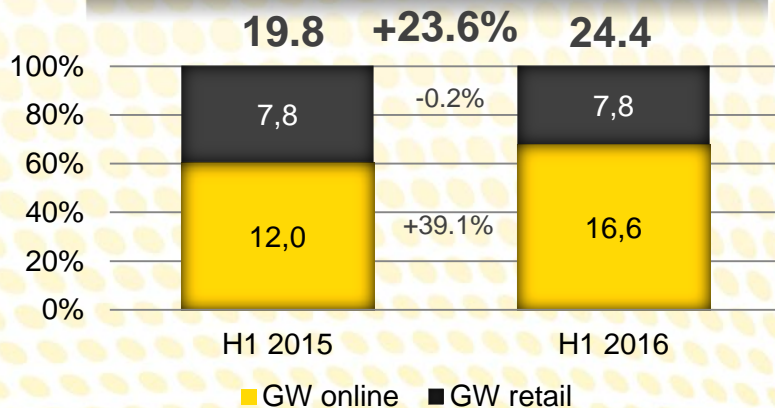
## Sports Betting Total



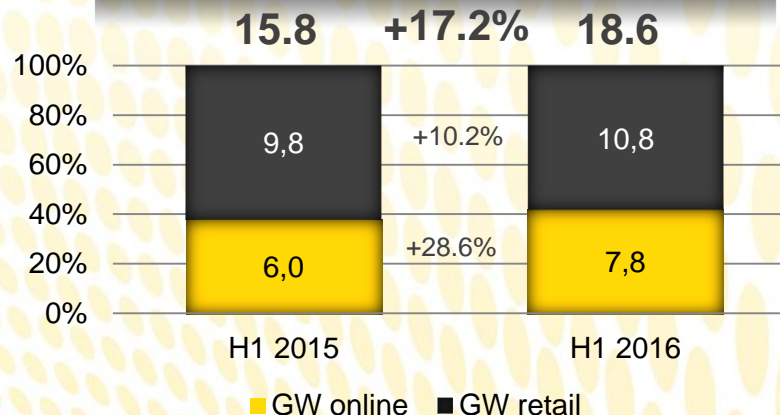
## Czech Republic



## Slovakia

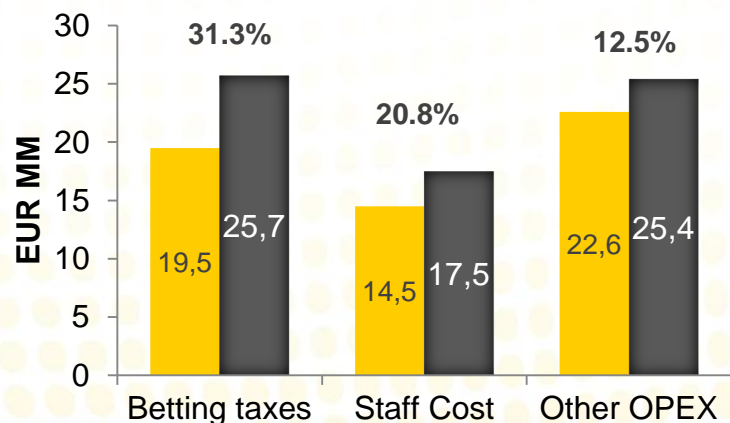


## Poland

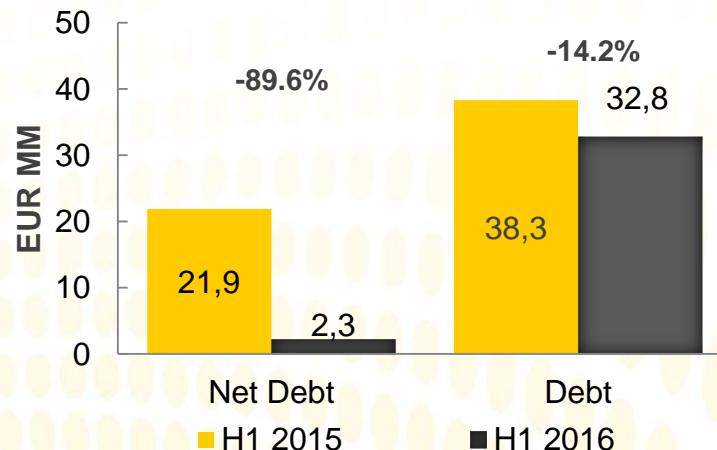


# H1 2016 Taxes, OPEX & Net Debt

## Group Taxes & OPEX



## Net Debt/ Debt



- ▶ Higher betting taxes related to higher betting volumes in all countries and increase in betting tax rate in the Czech Republic
- ▶ Personnel costs up due to inflationary increase in retail and new hires related to investments into future growth opportunities
- ▶ Other OPEX increased due to higher variable costs (live streaming, live data feed services and marketing)
- ▶ Company further reduced its debt and continues to generate cash

# 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 <sup>st</sup> January 2016
CZ Regulation &Taxation today	Anticipated Changes	Likely to happen
✗ Customer's registration only in betting shops	✓ On-line registration to be permitted	1 <sup>st</sup> January 2017
✗ No measures taken against off-shore operators, local market opened only to Czech entities	✓ Opening the market to foreign operators ✓ Blocking of off shore operators marketing - done ✓ Blocking of off-shore operators IP/ payments to be implemented	1 <sup>st</sup> January 2017
✗ On-line gaming not regulated	✓ Opening the market to on-line gaming	1 <sup>st</sup> January 2017
PL Regulation &Taxation today	Anticipated Changes	Likely to happen
✗ No measures taken against off-shore operators	✓ Blacklisting illegal websites by MF and blocking such websites and payments	1 <sup>st</sup> January 2017
✗ Virtual sport bets disallowed	✓ Allowing bets on virtual sports	1 <sup>st</sup> January 2017
✗ Only licenced sports betting online, other online games disallowed	✓ Bets and promo lotteries permitted online; Other online games as State monopoly	1 <sup>st</sup> 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 <sup>st</sup> January 2017
SK Regulation &Taxation today	Anticipated Changes	Likely to happen
✗ Withholding tax on Amounts Staked 6%	✗ Withholding tax on Amounts Staked increased to 6.5%	1 <sup>st</sup> January 2017
✗ No measures taken against off-shore operators	✓ Blocking of off shore operators	Q1 2018

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

# 2016 Outlook & Guidance



# 2016 Outlook & Guidance

**Continuing strong online growth. Investments into future scalability.**

- ▶ Strengthening of online sport betting proposition
- ▶ Retail network 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, already visible in H1

**Unlocking regulatory barriers**

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

**Investments into future growth**

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

# IR Calendar & Contacts

Event	Date
EGM	September 7, 2016
Q3 2016 Interim Report	November 3, 2016

## IR Contacts

Klára Klímová  
IR Consultant  
e-mail: [klara.klimova@fortunaeg.nl](mailto:klara.klimova@fortunaeg.nl)

[www.fortunagroup.eu](http://www.fortunagroup.eu)

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