

A Little of Everything

Croatia

Most forms of gambling are permitted in Croatia and the industry has flourished despite high taxes and licensing fees. Now the country is a fully-fledged member of the Eurozone, Croatia has even more to offer.

Croatia has been diligently preparing and upping its game over the last few years. After its battle for independence from Yugoslavia in 1991 Croatia was involved in the Bosnia-Herzegovina war for the following four years and then lived for the best part of a decade under the authoritarian nationalism leadership of President Franjo Tudjman.

By early 2003 the country had managed to shake off enough of that legacy to apply for EU membership and 10 years later Croatia became the 28th member of the European Union. Then in January this year, Croatia further integrated into the EU by joining the Schengen Area and becoming the 20th member state of the Eurozone.

As the New Year arrived Croatia swapped the Kuna for Euros and removed dozens of border checkpoints enabling Europeans to travel freely through Croatia and the other member countries

without passport checks and also permitting non-European travellers to apply for a standard 90 day visa for European travel.

The changeover and entry into the Schengen area are expected to bring several practical benefits to Croatian citizens and businesses and will make travel, tourism, and trade much easier.

Tourism is already the main breadwinner for the Croatian economy responsible for around 20 per cent of the GDP whilst the manufacturing industry contributes around 12 per cent.

With its Mediterranean climate, long Adriatic coastline, islands, mountains, and nature parks, Croatia has long been a tourism hot spot and around 70 per cent of tourists to Croatia come from Eurozone countries. It is one of the most visited countries in the Mediterranean with 21 million tourists in 2019. The last couple of years saw a drop in figures due to Covid travel

restrictions with around 11.2 million in 2021 and 18.9 million in 2022.

The vast majority of visitors come from Germany, Slovenia, Austria, and Italy. There are around 750 hotels in Croatia and 1.3 million beds available.

The adoption of the Euro currency has been one of Prime Minister Andrej Plenkovic's main goals and as such he has had to tackle a struggling economy to meet the strict economic conditions required to enable the country to adopt the Euro currency which included having a stable exchange rate, controlled inflation, and sound public spending.

The Croatian government managed to decrease public debt to 78 per cent of GDP from an all-time high of 84 per cent back in 2014 whilst the country has also been privatising its non-strategic assets.



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Under ex-Yugoslavian rule there were no real gambling laws and there was a lot of confusion until the first legislation was established in 1998 called the Law on Games of Chance and Amusement Games. Later the gambling law of 2014 Zakon o Igrama Na Srecu was implemented and replaced the earlier law and this clarified the rules surrounding gambling both in online and offline capacity.

Andrej Plenkovic, heads the main conservative Croatian Democratic Union (HDZ), and became Prime Minister in 2016 and was then re-elected in July 2020. Former Prime Minister Zoran Milanovic became President in early 2020.

Croatia's GDP grew by six per cent in 2022 although the World Bank projection for this year is around 0.8 per cent growth, mostly due to inflation.

It's not been an easy journey. In 2017 a scandal rocked the government when Agrokor, the largest private company in Croatia, faced bankruptcy to the tune of \$6bn of debt and was about to send Croatia spiralling into recession. A special law was introduced to prevent the collapse with a restructuring deal with local and foreign creditors including a change of name and ownership structure making Sberbank the biggest single shareholder. There were many questions about who profited from the operation.

Agrokor, now known as Fortenova, employs around 55,000 in the Balkan region (40,000 in Croatia), has 29 production plants and more than 2,500 sales locations and distribution centres, and is involved in food production, retail chain management, and agriculture.

CROATIA'S GAMBLING MARKET

Aside from its buoyant tourism market, Croatia became one of the first countries from the Eastern Bloc to legalise gambling back in the 1960s and following independence in 1991 the gaming industry began to boom with casinos and then betting shops opening up within the tourist areas and cities.

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The lottery is a monopoly and belongs to the state-owned Hrvatska Lutrija whilst licences for operating gambling activities such as casinos, betting offices, and slot clubs are obtained via the Ministry of Finance.

Under the gambling law, the sector is divided into four groups – lottery games (including bingo), games of chance (casino games), sports betting, and slot machines (including video

poker). Online gambling has been legal since 2010 but after 2014 the government opened up the market.

Around 2013 the market contracted in terms of mergers and acquisitions which saw a reduction in the number of companies in the market from more than 100 in 2008 to around 70 (2016). There were, however, significant revenue increases from HRK1bn in 2009 to more than HRK3bn by 2017 – the majority of this came from the betting sector and the five largest companies which at the time were Super Sport, Hrvatska Lutrija, Interigre, Hatrick-PSK, and International Evona.

- Lottery – Hrvatska Lutrija has the right to organise lotteries whilst profits are returned to the state budget. Monthly tax rate is 10 per cent on sales. Players must be over 18.
- Casinos – operators must have a share capital of at least €530,891 and a bank guarantee to the amount of €199,084 for each casino. If the casino operates online gaming a bank guarantee of €398,168 must be provided.
- Casinos must pay an annual gambling levy of €66,361 for each casino and a fee of €398,168 for operating online gambling.



Reports

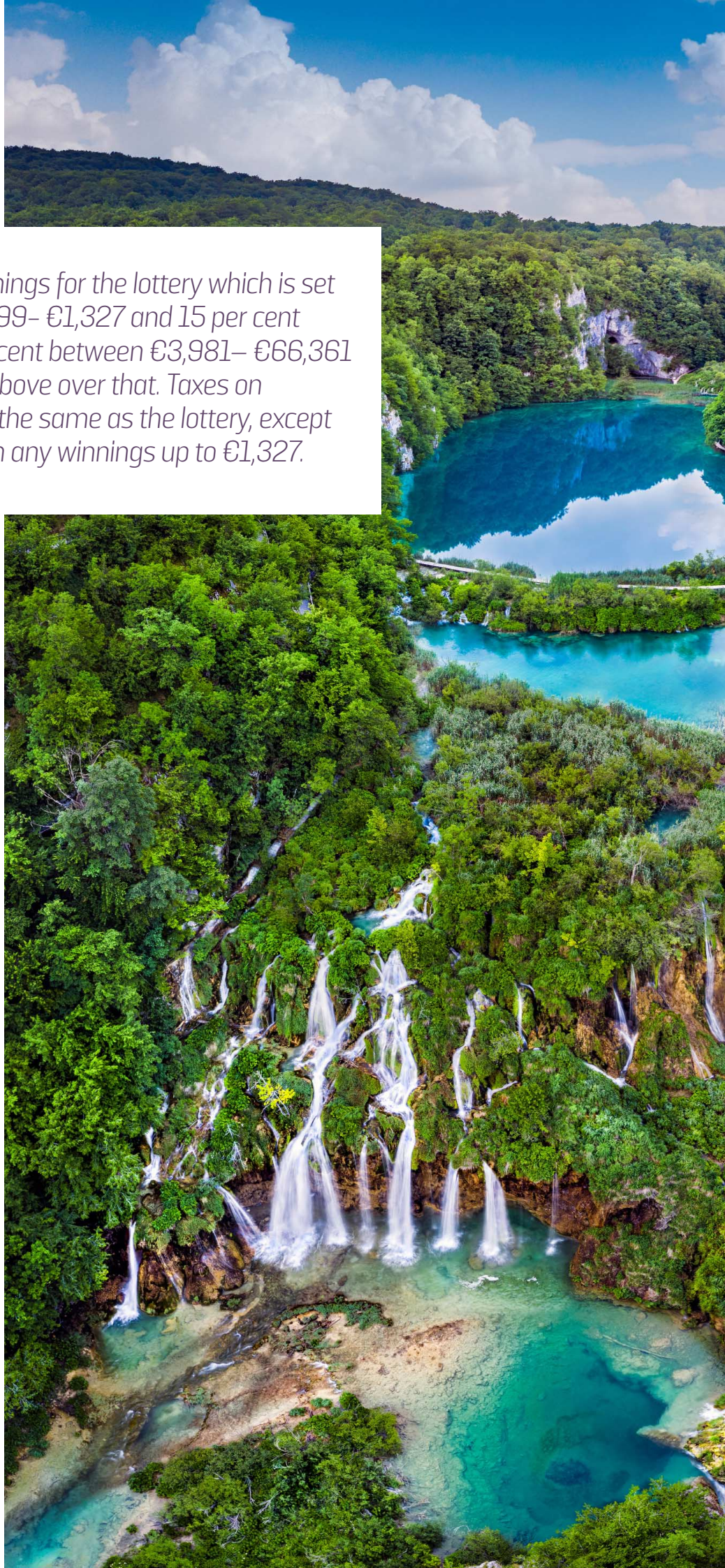
CROATIA MARKET REPORT

Players are taxed on their winnings for the lottery which is set at 10 per cent on gains over €99- €1,327 and 15 per cent from €1,327- €3,981, 20 per cent between €3,981- €66,361 and 30 per cent on anything above over that. Taxes on winnings for betting games is the same as the lottery, except the first 10 per cent is taxed on any winnings up to €1,327.

- Casino concessions are granted for 15 years and the monthly tax for operating games in casinos is 15 per cent monthly on GGR.
- The maximum number of operators is 20 for casino games.
- Casino can be stand-alone or if within buildings must be category five stars or more or on passenger ships.
- Betting - registered operators must have a share capital of at least €530,891 and a bank guarantee of €663,614.
- Monthly tax rate is five per cent on turnover and an annual fee of €132,722 is required. If they operate online betting an annual fee of €398,168 is required.
- Maximum number of operating licences is 20 for betting games.
- Games of chance - operators need a share capital of at least €265,445 and a bank guarantee for the first 30 slots of €39,816 with an increase per number of slots up to €663,614 for those with more than 250 slots.
- Slot operators must pay an annual fee of €1,327 per machine or €5,308 for multiplayers or €6,636 for a multiplayer with more than six player positions. The monthly tax rate is 25 per cent on GGR.
- Slot halls must be in an area of at least 100sq.m in size with at least 30 machines and at least 200m from educational or religious buildings.
- Maximum number of licences for slot machine operators is 55.

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Advertising is generally permitted although the



CROATIA'S GAMBLING FINANCIAL RESULTS 2019-2021 (IN HRK)

	2018	2019	2020	2021
Number of operators	68	70	65	65
Number of employees	6,474	6,749	6,602	6,259
Total revenue	3.49bn	4.1bn	3.75bn	3.98bn
Casino/slots	1.93bn	2.3bn	1.98bn	2.38bn
Betting	1.21bn	1.27bn	1.05bn	1.2bn
Lottery	349.5m	362.6m	351.6m	367.9m
Total expenditures	2.67bn	3.18bn	3.05bn	3.3bn
Profit before tax	959m	974.6m	844.4m	814.9m
Loss before tax	141.7m	71.7m	184.2m	141.2
Corporate income tax	152.5m	175.6m	152.6m	139.7m
Profit	806.6m	799m	731.1m	675.9m
Losses	141.9m	71.7m	183.6m	141.9m
Total profit/loss (profit – losses)	664.6m	727.3m	547.5m	534m
Export	3.4m	17.3m	2.6m	1m
Import	88.5m	114.8m	79m	61m
Trade balance	-85.1m	-97.5m	-76.3m	-60m

TOP TEN GAMBLING COMPANIES ACCORDING TO INCOME 2019-2021 (IN HRK)

COMPANY	2019		2020		2021	
	TOTAL REVENUES	NET PROFIT/LOSS	TOTAL REVENUES	NET PROFIT/LOSS	TOTAL REVENUES	NET PROFIT/LOSS
SuperSport	847.4m	432.3m	783.2m	382.9m	950.9m	484.6m
Hrvatska Lutrija	636.7m	54.5m	618.9m	32.6m	661m	45.3m
Hattrick-PSK	614.4m	156.5m	733.2m	242.1m	664.9m	45.8m
Interigre	514.7m	11.1m	399.8m	42.9m	300.8m	21.2
Evona	232.7m	30.9m	166.7m	881,000	165m	8.6m
Germania Sport	157.6m	314m	189.5m	17.6m	221.8m	20.5m
Wettpunkt	118.8m	14.2m	87m	5m	81.6m	3.6m
Adria Casino	86.4m	3.2m	69.4m	3.4m	77.3m	8.6m
Super Igra	83.3m	3.1m	78.4m	3.1m	115.4m	5.5m
Puni Broj	57.5m	33.2m				
Mamut Fortis			49.1m	4.2m		
Top Games					99.1m	1.8m
TOTAL TOP 10	3.34bn	739.7m	3.17bn	692.2m	3.33bn	616.1m
				43.8m		29.9m
TOTAL (all)	4.08bn	727.3m	3.75bn	731.1m	3.98bn	675.9m
		71.7m		183.6m		141.9m

Games of Chance Act prohibits gambling advertising and commercials on radio and television, or printed media intended for those under 18. Offshore gambling operators are also forbidden to advertise in Croatia.

In 2019 it was reported that Croatia's gambling and betting industry saw HRK4.1bn (€540m) in revenues compared to HRK3.4bn in 2018. In 2021 revenues were at HRK3.98bn (€445m).

According to Croatia's Financial Agency FINA there were 65 gambling and sports betting companies operating in 2021 with a total of

6,250 employees which saw a net profit of HRK534m (€70m) compared to HRK727 (€95m) in 2019.

Casino/slot halls have a 60 per cent market share (2021) with revenues of HRK2.38bn whilst betting has a 30.5 per cent market share with HRK1.2bn and the lottery has a 9.5 per cent share with HRK367.9m.

The highest revenue earner in 2021 was SuperSport with HRK950.9m followed by Hattrick-PSK with HRK664.9m and the lottery with HRK€661m.

Essential information and facts about Croatia:

Capital	Zagreb
Total Area	56,594sq.km
Population	4.18 million
Median age	43.9 years
Religion	Roman Catholic (86%), Orthodox, other
Ethnic Groups	Croat (90%), Serb, other
Languages	Croatian, Serbian, other.
Currency	Euro
Government type	Parliamentary republic
Chief of State	President Zoran Milanovic (since 2020)
Head of Government	Prime Minister Andrej Plenkovic (since 2016)
Elections	President elected by majority vote. Next due in 2024. Leader of majority party appointed Prime Minister.
Unemployment	6.7% (end 2022)
Tourism	18.9m (2022)



CASINOS AND SLOT HALLS

Gaming in Croatia began to open in the mid-1960s when several Western-style gaming venues were established with around five or six casinos. The first casino to open in Croatia was Casino Rosalia in Opatija in 1963.

Today, according to data from the Ministry of Finance states there are 22 casinos operated by 19 operators (maximum 20 permitted). In addition, 44 companies are licensed to operate 357 slot halls across the country with the largest number found in Zagreb and Split plus 1,330 betting sites and 3,607 self-service betting terminals (data 2020).

Between 2010 and 2017 the slot clubs and casino sector saw an average annual growth of 12 per cent which doubled the annual growth rate of the overall gambling and betting sector. There have been a large number of company mergers and today the main slot hall operators include:

Interigre – the local operating company of Gryphon Invest AG, which is a sister company of Novomatic operating gaming venues, online casino games and sports betting in Croatia with a total of two casinos, 93 slot halls and 32 stand-alone betting outlets under the Admiral brand.

They offer around 4,000 player positions in total plus 280 active betting terminals found in 136 locations such as betting outlets, slot halls, and coffee shops.

The group opened the Grand Casino Admiral Zagreb in 2017 which has 211 slots, 33 player positions on automatic roulette tables, and 20 live table games.

The modern Las Vegas-style casino also hosts a sports bar and restaurant and café and the

gaming floors cover 3,000sq.m. The ground floor is dedicated to video slots and a bar whilst the first floor houses the table games, slots, and additional bar.

There is a stage for live acts and shows and modern SSBTs. The Admiral Hotel offers 45 rooms plus business centre, conference halls and meeting rooms, and spa gym.

The group also operates a second Admiral casino in Zadar with 70 slots and 10 player positions on automatic roulette and eight live tables.

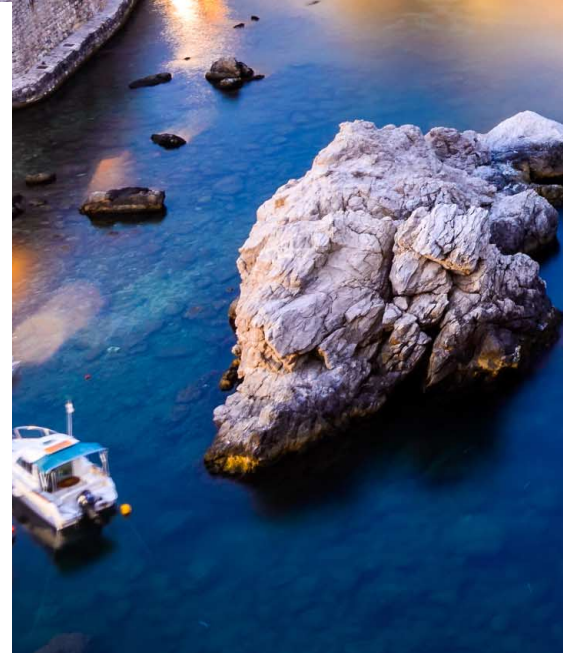
Merkur Casinos – the first Merkur Automat Klub opened in Croatia in 2005 in Zapresic, followed by three more in Zagreb. Zapresic is 243sq.m in size and operates 36 slots and one electronic roulette. The other three clubs, Club Atlanta, Club Metro, and Club Park all operate 29 slots and one electronic roulette in each.

Other operators include Arena Automat Klub with 19 locations; Riviera Automat Klub with 10 locations; Multi Star Automat Klub with 17 locations; Favbet Automat Klub with 15 locations; Luckia Casino and slot Halls; Vulkan Automat Klub with 40 locations and Maxbet machine club with about 15 halls.

The slots and casino market saw a revenue decrease in 2020 by 13.9 per cent due to Covid related closures plus issues with high fees and taxes.

Many slot halls are labelled casinos to mislead tourists and the larger live table gaming casinos are often part of huge hotel or spa resort complexes in the tourist zones.

Poker is also legal and live poker and tournaments can be operated at licensed venues. It's a popular game with tournaments



hosted at the larger casinos with some international tours such as Eureka Poker Tour held in Croatia.

Poker was approved in 2014 and opened up a legalised playing field a year later officially although it wasn't until 2017 that the first poker room was launched online by SuperSport.

SPORTS BETTING & ONLINE

Previously sports betting was operated under a state monopoly by the lottery and was only permitted in state-owned kiosks. Sports betting arrived in Croatia back in the early 1990s. With eager customers, new companies opened betting chains as the nation opened its arms to the new craze. Croatia at the time had one of the highest densities of betting shops per capita in Europe.



To operate an online casino, operators must have at least one land-based casino in Croatia, whilst operators must also have their office registered and servers located in the country. To operate online betting operators must have at least 100 employees and 50 betting shops open. Foreign platforms without a local licence cannot accept players or payments from Croatia.

The first to launch in Croatia were Sport Tip and Prva Sportska Kladionica and today these two companies still dominate the betting market in the country.

The bookmaker section boomed between 2005 and 2015 in what was considered the golden age. By 2006 there were as many as 14 operators with 1,900 betting shops registered. The record year in 2014 saw a total turnover for Croatian betting shops of HRK5.75bn falling to HRK4.9bn in 2015. SuperSport apparently saw a net profit of HRK173m that year with HRK442m in revenues.

However, with high costs, many were struggling to survive whilst the economic crisis in Croatia, coupled with the introduction of a 20 per cent VAT on profits from gambling, many smaller

companies ceased operations and Croatia lost around 25 per cent of its operators.

In 2010 the Games of Chance Act ended the government monopoly on gambling via Hrvatska Lutrija and also legalised online gambling.

Shortly after joining the European Union in 2013 the government then revised the gambling law, and a new act came into force in January 2015 which also enabled sports betting companies to apply for online licences.

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A licence fee of €398,168 is required plus an annual fee of the same amount with a bank guarantee of €398,168. Tax is five per cent tax on GGR monthly.



One of the biggest issues in Croatia is the illegal market operating mostly online and there is a blacklist of more than 500 companies. There are seven betting companies with 1,383 branches and 3,660 self-service terminals (2021) and there are currently nine companies authorised to operate online gaming.

Players must be registered and they can determine their maximum loss and there is also a player exclusion system although at the moment this is done via a request to the operator in writing.

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Adria Casino – senator.hr (casino games)

Adria Casino is the operator of the Senator Casino online which also operates 16 electronic casinos across Croatia with more than 800 machines in total including Amatic, EGT, Novomatic, and Alfastreet multi players plus the Senator Casino 'Kapro' in Koprivnica.

SuperSport – supersport.hr (casino, betting)

The company is a well-known brand in Croatia and began operating betting shops back in 2000. In 2010 due to the success of its retail sports betting network the company launched its own in-house online sports betting platform and app called Sporti.

In 2017 the company's online casino and poker room, SuperSport Casino, was launched. A year later the Sazka Group acquired a 67 per cent controlling stake in SuperSport which was later

transferred to the Emma Group after the division of Sazka's assets between its two shareholders (KKCG and Emma). Emma later bought the remaining one-third share becoming SuperSport's sole shareholder. In 2022 Emma sold 75 per cent of SuperSport to Entain for €690m keeping hold of 25 per cent.

SuperSport saw revenues in 2021 of HRK950.9m (€126m) and has around 1,143 distribution points and has a 50 per cent market share.

Top Games – rizk.hr (casino)

Rizk.hr is managed by Top Games offering online casino games. In 2019 Gaming Innovation Group (GiG) acquired 75 per cent of the shares in Top Games whilst the local partner retained 25 per cent. The company entered the online market in 2020.

Favorit Sportska Kladionica – favbet.hr (casino, betting)



After Arena Casino went online in 2021 ArenaBet was launched and later also went online. Synot Games and Arena signed a deal last year for a selection of Synot's gaming titles whilst BF Games has also agreed to a partnership with Arena to supply slot titles.

This company was established in 2001 and is part of the Favbet group, a leading Eastern European gambling operator founded in 1999. Favbet offers betting and casino services including poker. The company has around 15 Favbet Automat Klub slot halls across as many cities and around 55 betting offices in Croatia

Germania Sport – germaniasport.hr (casino, betting)

Germania was established in 1998 and as one of the bookmakers is hugely popular and today offers a range of betting and casino games and has more than 150 betting locations in Croatia and in Split and is one of the top three operators.

Hattrick-PSK – psk.hr (casino, betting)

This was the first betting company to open in Croatia in 1998 hence the name Prva Sportska Kladionica (First Sports Betting Office). It has grown and now has three headquarter offices and a network of almost 3,000 PoS plus online

betting and casino operations since 2012. In 2015 Hattrick-PSK acquired Romanian company Casa Pariurilor and in 2017 became part of the Czech's Fortuna Entertainment Group and in 2021 PSK was integrated to the Fusion platform used by Fortuna. Last year BF Games further cemented its position in Croatia after launching its slot offering with online casino brand PSK. Through the partnership PSK has gained access to 30 of BF Games' premium games.

Interigre – admiral.hr (casino, betting)

Interigre's online casino launched in 2019 and includes casino games, sports betting and lotto.

Super Game – arenacasinohr / arenabet.hr (casino, betting)

This was established in 1998 as Mamut Fortis and the company merged in 2017 with Europrim and later the ARENA brand was born in 2018 after the brands Club Gold, Crystal and SAN were all merged. The company has three different brands – the ARENA Automat slot halls, ARENA casino and ARENA Bet. The company operates around 18 clubs, 56 betting shops, and its flagship Casino Arena in Makarska within the Hotel Meteor. After Arena Casino went online in 2021 ArenaBet was launched and later also went online. Synot Games and Arena signed a deal last year for a selection of Synot's gaming titles whilst BF Games has also agreed to a partnership with Arena to supply slot titles.

Reports

CROATIA MARKET REPORT



The lottery was established in 1951 as the Directorate for Croatia which was part of the Yugoslav lottery at the time. Games such as the lottery and pools originated from this time.

It became independent in 1973 when the lottery was set up as a separate organisation although it remained part of the business community of the Yugoslav lotteries.

Croatian Lottery – lutrija.hr (casino, lottery, betting)

The state lottery was the first to launch an online casino off the back of the 2010 gaming regulation.

HRVATSKA LUTRIJA

The lottery is operated by state owned Hrvatska Lutrija and offers number lotteries, keno and bingo plus sports betting and online casinos.

Bingo is legal although there are no standalone bingo halls and is only operated by Lutrija either online or via TV bingo.

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It became independent in 1973 when the lottery was set up as a separate organisation although it remained part of the business community of the Yugoslav lotteries. Many games were introduced during this era. In 1993, two years after Croatia gained independence, the lottery was renamed as Hrvatska Lutrija whilst sportsbooks, casino, keno, and bingo TV were added to the range of games.

Funds go towards financing cultural, sports, and humanitarian charities. The company employs more than 1,500 employees which is around 20

per cent of all gambling industry employees.

In September 2010 the lottery established its own online portfolio when the law in 2010 liberalised the online gambling market.

Covid affected lottery operations when in March 2020 sales points were closed down plus the lottery's slot halls. The disruption lasted until mid-May when shopping centres (which house many of the lottery sales points) were permitted to re-open.

Meanwhile, the following year between November 2020 and February 2021 casinos and slots club were closed down again whilst betting games and games of chance on machines were suspended at sales points.

Hrvatska Lutrija has a 7.6 per cent market share in the casinos and slots sector. The lottery

LOTTERY SALES DATA 2019-2021

	2019	2020	2021
TURNOVER (total)	HRK1.31bn	HRK1.17bn	HRK1.34bn
Betting	HRK536.1m	HRK417.7m	HRK539.8m
Lottery	HRK782.5m	HRK761.3m	HRK804.8m
Eurojackpot	HRK334.4m	HRK340.9m	HRK349m
Loto 7	HRK147.7m	HRK124.4m	HRK115.5m
Instant Lottery	HRK107.7m	HRK108.5m	HRK136.1m
Keno 35	HRK53m	HRK57.7m	HRK62.4m
Loto 6	HRK36.9m	HRK38.1m	HRK39.6m
Express Lottery	HRK27.5m	HRK24.2m	HRK25.8m
TV Bingo 15/90	HRK19.9m	HRK18.3m	HRK17.5m
eSreyke	HRK15.1m	HRK14.9m	HRK14.5m
Joker	HRK16m	HRK15m	HRK25.4m
Bingo 24/75	HRK8.1m	HRK7.6m	HRK7.3m
Bingo Plus	HRK5.3m	HRK4.8m	HRK4.6m
Keno	HRK5.1m	HRK4.9m	HRK5.8m
Toto 13	HRK1.1m	HRK0.8m	HRK1.3m
Online bingo	HRK2.6m	HRK1.1m	0
Brojcana lutrija	HRK2.2m	0	0

LOTTERY SALES DATA 2019-2021

	2019	2020	2021
REVENUES (total)	HRK621.9m	HRK596.2m	HRK639.9m
Lottery games	HRK362.6m	HRK351.7m	HRK366.5m
Betting games	HRK107m	HRK94.3m	HRK102.7m
Games of chance slots	HRK44.8m	HRK32.9m	HRK39.1m
Casinos	HRK107.3m	HRK117.1m	HRK131.5m
Other revenue	HRK11.9	HRK22.1m	HRK20.6m
TOTAL INCOME	HRK636.7m	HRK618.9m	HRK661m
TOTAL EXPENDITURES	HRK569.5m	HRK577.9m	HRK606.1m
Profit before tax	HRK67.2m	HRK40.9m	HRK54.9m
Profit tax	HRK12.7m	HRK8.2m	HRK9.5m
NET PROFIT	HRK54.5m	HRK32.6m	HRK45.3m

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Hrvatska Lutrija: "Despite the fact that Hrvatska Lutrija was the leader in organising legal casino games via the Internet, with the entry of competition the market share of the lottery recorded a decline even though revenues recorded an increase.

operates slot halls via its Cro Clubs and Cro Casino brand with 13 locations and one location respectively (2021) plus also operates slots in 145 betting locations branded Cro Bet.

CroCasino Online was launched in 2015 and remained unaffected by Covid and recorded an increase in traffic and income by about 10 per cent whilst the number of active players in 2020 also increased. The company expanded its portfolio of games last year after switching to the new game system. The company says the largest number of players on Cro Casino Online are aged between 25 and 30.

In 2021 the company saw a total turnover of HRK1.34bn, a 14 per cent increase on 2020 where the turnover was HRK1.2bn (10 per cent less than 2019). Turnover for the lottery games was HRK804.7m, a 5.7 per cent increase compared to 2020 whilst betting games generated a turnover of HRK520m – a 29.2 per cent increase compared to 2020.

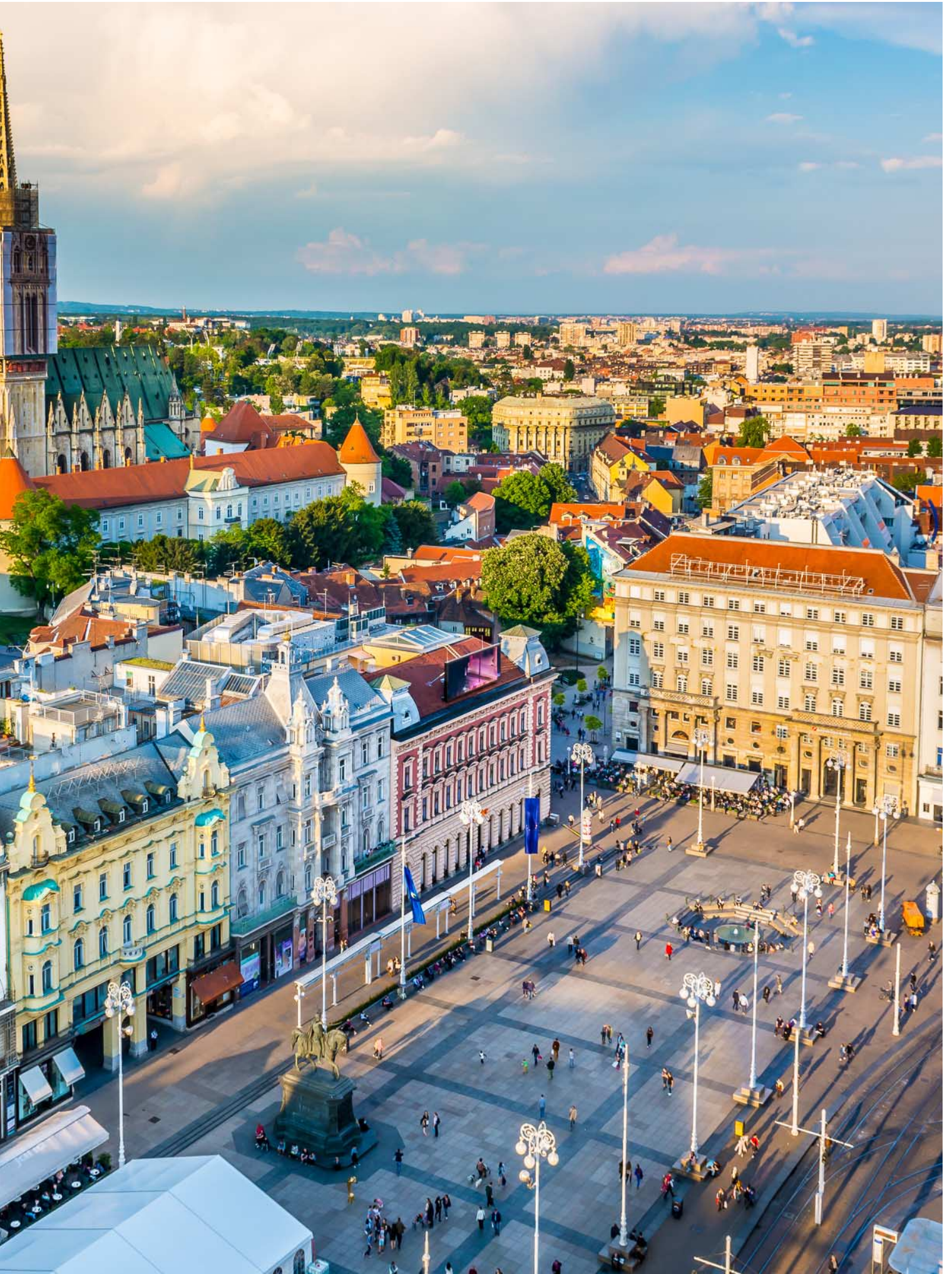
Eurojackpot has the biggest share (43 per cent) followed by instant lottery games (17 per cent) and Loto 7 (14 per cent). Net profit for the group amounted to HRK45.3m (a 37 per cent growth on the previous year). Total revenue for the lottery in 2021 was almost HRK640m.

In 2021 the lottery introduced a new gaming system aimed at eliminating technical issues and modernising the sales systems and new games and payment equipment were installed at 1,100 locations. Meanwhile, a new Joker game alongside the Loto 7 and Loto 6 games can now also be played with the EuroJackpot game. After switching to the new gaming system the lottery's betting sector was also redesigned.

The share of revenue of Hrvatska Lutrija in the sector of casinos (land-based and online) and slot hall machines at the end of 2020 amount to 7.56 per cent whilst in 2021 was reduced to 7.4 per cent.

The company said: "Despite the fact that Hrvatska Lutrija was the leader in organising legal casino games via the Internet, with the entry of competition the market share of the lottery recorded a decline even though revenues recorded an increase. This market segment is also the subject of the greatest interest for competition and marketing investments are adequate to the goals of capturing as much of the market as possible."





Market Access

Croatian Market

Marko Tomic, Partner at the Zagreb-based boutique Law Firm Andelović, Siketić & Tomić Ltd (AST Law), drills into the Croatian legislative framework to explain the most important aspects of the law as it applies to licences and licencees for both land-based and online operators.





Marko Tomic
Partner, Anđelović, Siketić & Tomić Ltd
(AST Law)

Croatian legislative framework for games of chance, consisting of the Act on Games of Chance, together with a set of bylaws regulating in more detail technical requirements or organisation of online gambling activities, remains unchanged since 2014. The latest amendment to the same, which occurred in 2022, refers solely to the introduction of EURO as an official currency in the Republic of Croatia. Under the applicable law, games of chance in Croatia are classified into four groups: (i) lottery games (Croatian lottery Ltd has the exclusive right to provide lottery games), (ii) casino games, (iii) betting games, and (iv) slot machine games.

When it comes to the licensing regime, the Croatian government i.e. Ministry of Finance is the competent authority overseeing the system and granting licences. The Government also determines the number of operators which may organise specific game of chance in the territory (e.g. 20 entities may obtain authorisation for casino games and 20 entities for betting games in Croatia).

Licences (approvals) are granted through a public tender for a 15-year term. Respective contract concluded between the parties (i.e. operator and the Ministry of Finance) can be terminated without cause with six months' notice and, in case the same is terminated due to losses of the operator, with a 60-day notice. Granted licence is non-transferable.

In general, only entities with (i) a registered seat in Croatia, and (ii) licence to operate betting and/or casino games through their brick-and-mortar presence, may offer/operate casino and/or betting games through interactive sales channels of online gaming.

Licensing regime prescribes that any entity applying for the licence must:

- Maintain a minimal registered share capital (€530.891,23 for casino and betting games operators and €265.445,62 for slot machine operators).
- Hold a valid bank guarantee in the minimum amount of €199.084,21 for casino operators, €663.614,04 for betting operators and from €39.816,84 (for 30 machines) to €663.614,04 (for over 250 machines) for slot machine operators.
- In case of the organisation of online casino/betting an additional bank guarantee in the minimum amount of €398.168,43.

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Further to the above, each casino operator has the obligation to pay an annual fee in the amount of €66.361,40 for each casino (payable for a full year in case the casino is opened during the year) and in the amount of €398.168,43 for online casino. Betting operators pay an annual fee in the amount of €132.722,81 and €398.168,43 for online betting. Lastly, slot machine operators pay an annual fee of €1327,23 per slot machine.

In case that a certain entity organises more than one type of game of chance, the above amounts cumulate.

Furthermore, every entity applying to a public tender, in addition to the provision of standard corporate documents (e.g. registry excerpt of the applying entity and of its shareholder(s), AoAs and compete shareholders' structure), must provide the Government with (i) the information on UBO of the applying entity as well as of its shareholder(s) which is a legal entity; (ii) certificate from the competent criminal record that there is no pending procedure against the management or supervisory board members nor against shareholders; (iii) evidence that there is no tax debt of any management or supervisory board member nor of the shareholder(s), issued in their country of residence and lastly (iv) a three year business plan of the operator.

As noted above, only operators holding a valid licence for organisation of landbased games of chance can apply for an "online licence", whereby the casino operators are required to hold at least one brick-and-mortar casino in the territory while betting operators must employ at least 100 employees and at each moment have at least 50 opened betting shops.

Online operators must fulfil additional requirements when it comes to maintaining constant direct connection to servers of the Ministry of Finance, certification of games by independent laboratories, AML procedures regarding registration of players and structuring pay-in and pay-out transactions.

Operators are obliged to notify the Ministry about changes of any delivered information during the tendering procedure, especially on the change in management or supervisory board. In case of change of the shareholder structure within the operator, the operator must submit a complete set of documents as it was re-applying for the licence. Should this be the case, the Ministry reserves the right to review and revoke the issued licence.