



FORTUNA



Acquisition of Fortbet Romanian Entities

(Bet Active Concept S.R.L., Bet Zone S.R.L., Public Slots S.R.L., and Slot Arena S.R.L.)

Presentation for EGM

Amsterdam; August 1st , 2017

Agenda

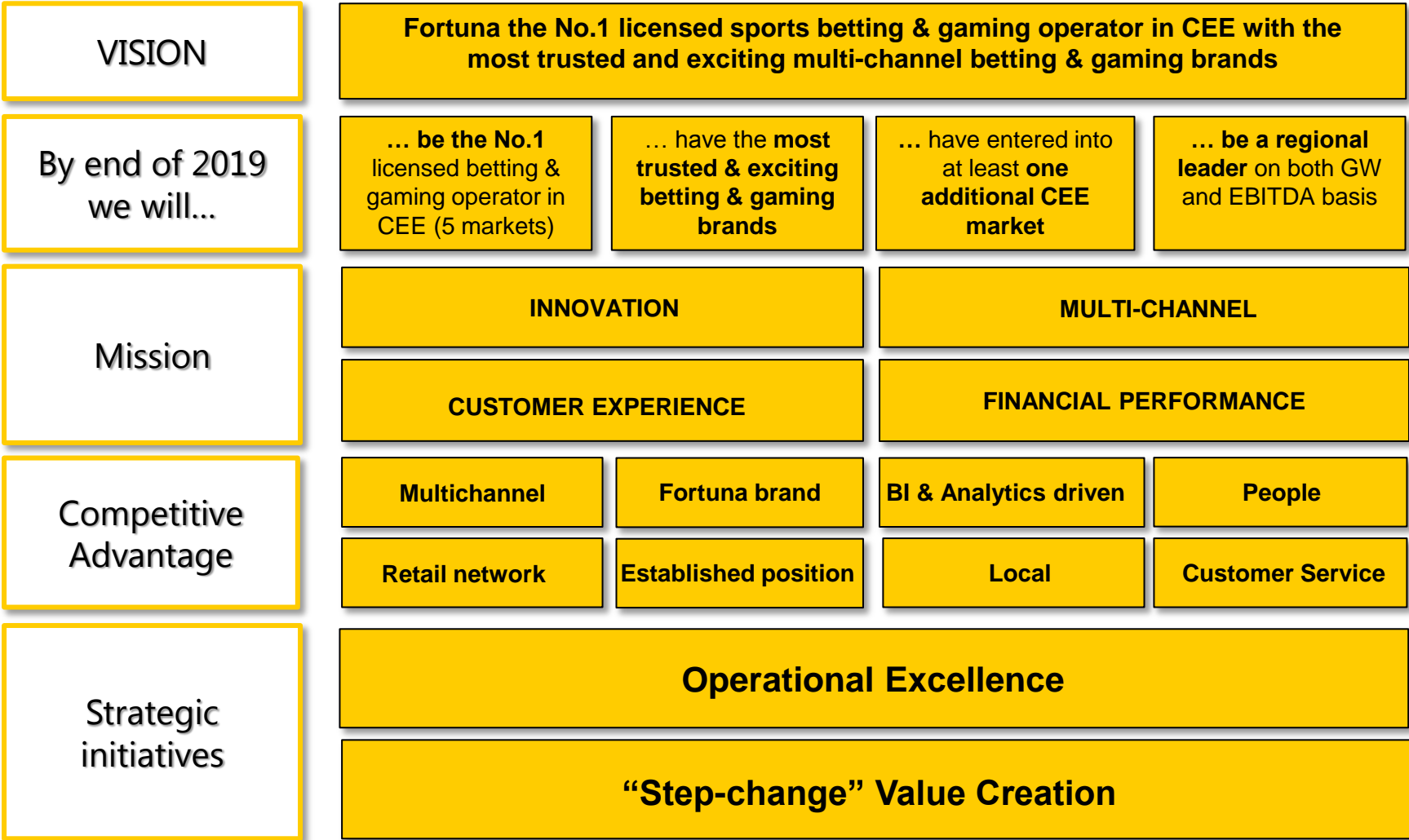
1. Fortuna's Vision, Strategic Framework & Value Creation Story
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Fortuna's Vision, Strategic Framework & Value Creation Story

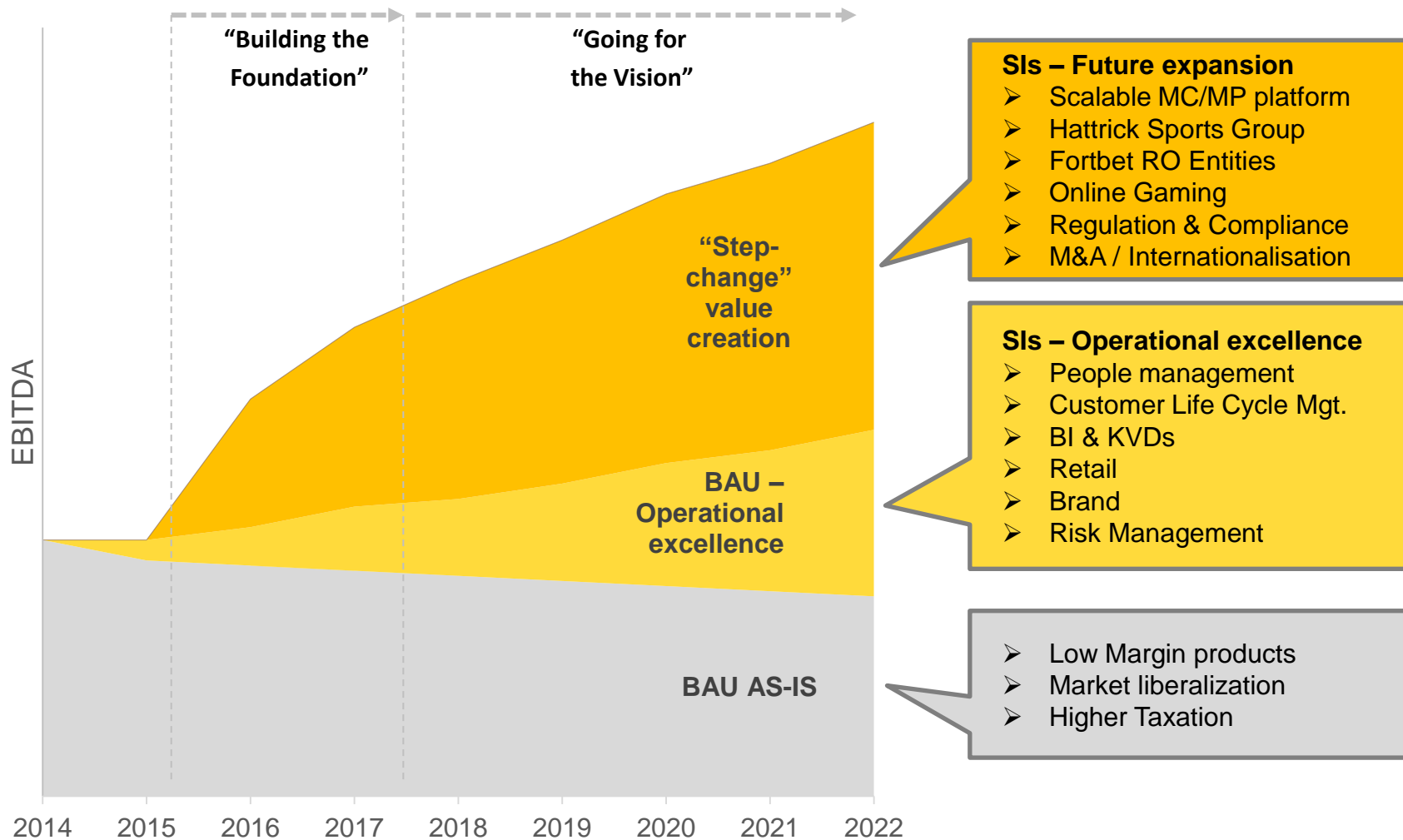
Fortuna's Strategic Framework

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

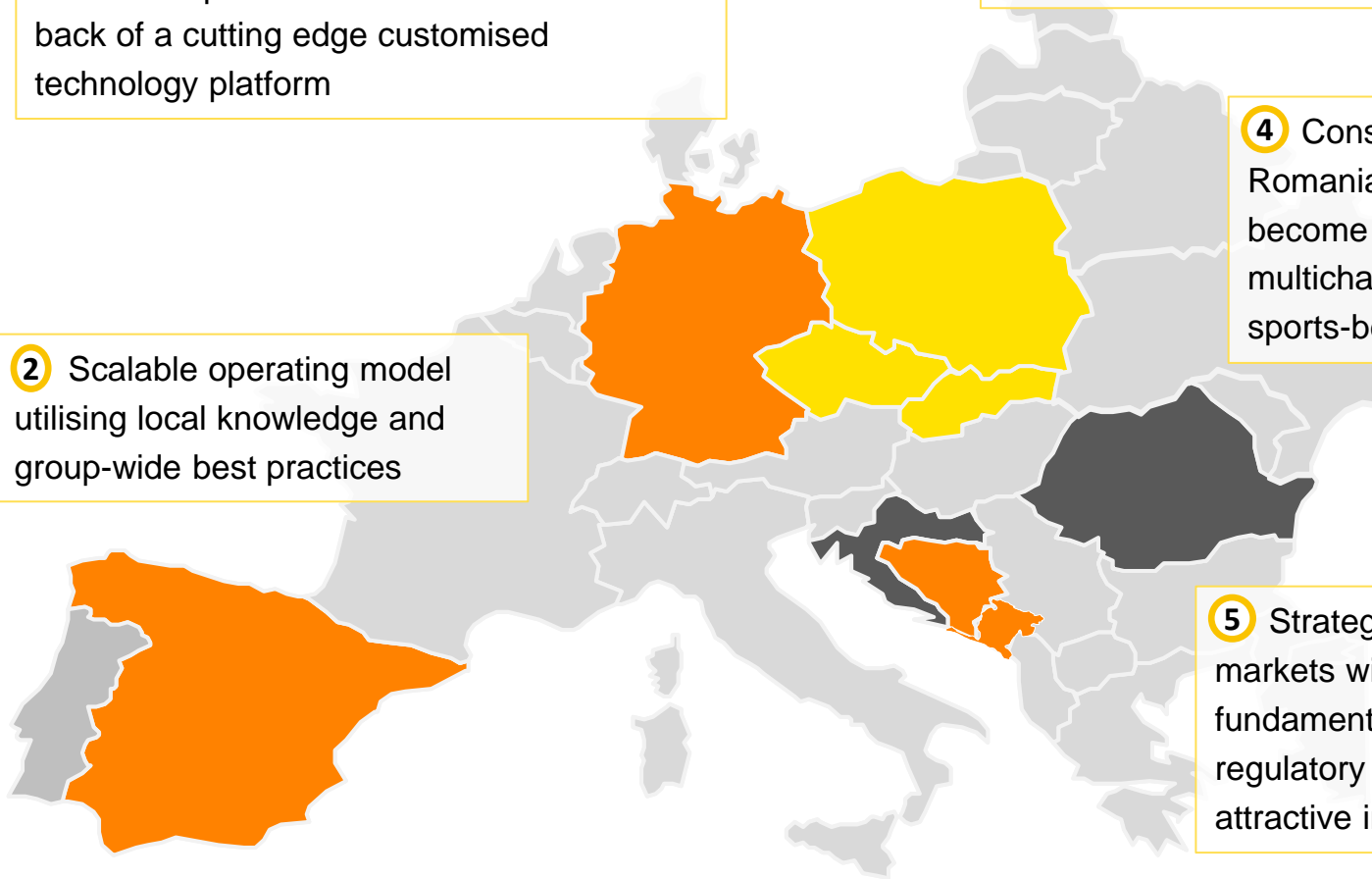
③ Major strengthening of no. 1 position in sports-betting and gaming in CEE

④ Consolidation of the Romanian market to become clear no. 1 multichannel operator in sports-betting and gaming

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

⑤ Strategic expansion into markets with solid macro fundamentals, favourable regulatory framework and attractive industry dynamics

⑥ Dedicated integration team



Current countries

Expansion in progress

B2B expansion in progress



Target's Key Market & Regulatory Overview

Romania

Market & Regulatory Overview



The Romanian betting & gaming market is relatively underdeveloped, but regulated with significant potential (est. GW of EUR 0.5bn)

Key legislation	<ul style="list-style-type: none"> • Government Emergency Ordinance 77/2009 • Government Decision 870/2009 • Law 246/2010 • Emergency Ordinance 20/2013 • Emergency Ordinance no. 92/2014
Regulator	<ul style="list-style-type: none"> • National Gambling Office
Licences	<ul style="list-style-type: none"> • For each type of gambling activity a company must apply for a licence at the National Gambling Office • Licences are issued for a period of ten years
Statutory requirements	<ul style="list-style-type: none"> • To be eligible for a Romanian online licence, an operator must be set up within the EU, Switzerland or a contracting State of the Agreement on EEA • Minimum paid-in share capital requirements to obtain a license • Financial guarantees must be made by the online gambling operator • Servers need to be set up in Romania
Online betting	<ul style="list-style-type: none"> • Online gambling is fully regulated • Operators within EU, Switzerland or a contracting State of the Agreement on EEA are not required to hold a Romanian offline licence for gambling (main difference vs. Croatian regulation)
Prohibited activities	<ul style="list-style-type: none"> • Website blocking is in the legislation for unlicensed operators and websites advertising unlicensed activities • Financial institutions may be obliged to refuse to process any payment order from Romanian nationals to foreign online gambling providers
Taxation	<ul style="list-style-type: none"> • Gaming tax: 16% of total gross win • Corporate income tax: 16% of earnings before tax
Advertising	<ul style="list-style-type: none"> • Prohibition on advertising for unlicensed operators, no restrictions in place for licensees

Target's market shares

After the acquisition, Fortuna will become one of the leading multichannel betting & gaming operators in Romania

Fortbet Romanian Entities

- One of top 3 leading multichannel operator as well as Hattrick RO (Casa)
 - With ca 750 betting shops Bet Active is shared no. 2 (with Casa) in the retail market; slightly behind Total Bet.
 - Bet Zone's market share estimated at ca 5% (virtually same share as Casa). Strong position of the leading online operators results from their long-term presence as off-shore operators before the online betting & gaming legalization



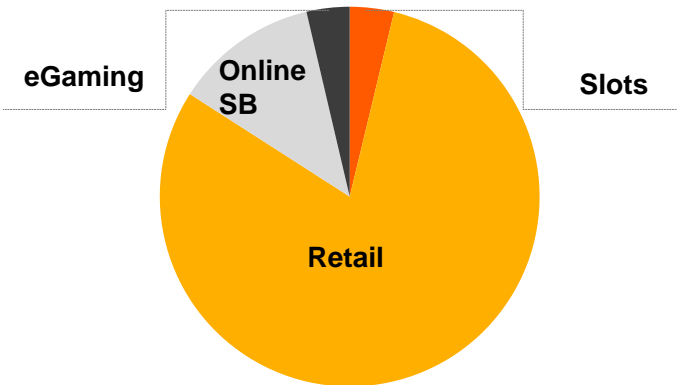
Target's Business Overview

Business overview: Fortbet RO entities

Company snapshot

Products	<ul style="list-style-type: none"> Sports-betting (retail and online) Online gaming Slots operation across the retail network Fixed odds virtual games
Brands	<ul style="list-style-type: none"> Under Fortuna brand (brand-licensing) with high customer awareness (both promoted and spontaneous); Brand licencing fee is paid by Bet Zone & Bet Active to Fortuna Game based on Net Gaming Revenue (in 2016 the brand licencing fee was EUR 0.8m).
Operations overview	<ul style="list-style-type: none"> Started operations in Sept 15 (retail) & Nov 15 (online start up) both based on introduction of a new Fortuna brand 750 retail stores (c.55/45 own vs. JV) Over 1,200 employees Plan to reinforce and grow retail network and drive operational excellence, including cross-sell between channels and products
M&A rationale	<ul style="list-style-type: none"> To become clear no. 1 operator with 30%+ combined market share with Casa in RO Multi-channel (retail-online; importance of cross-sell) and multi-product (sports betting/gaming) value proposition

Revenue by business line (mEUR)



Source: 2016a

Key financials (mEUR)

	2015a	2016a	2017g
AS	43	224	535
Revenue	8	32	49
EBITDA ^(2,3)	-1.1	-1.1	6.4

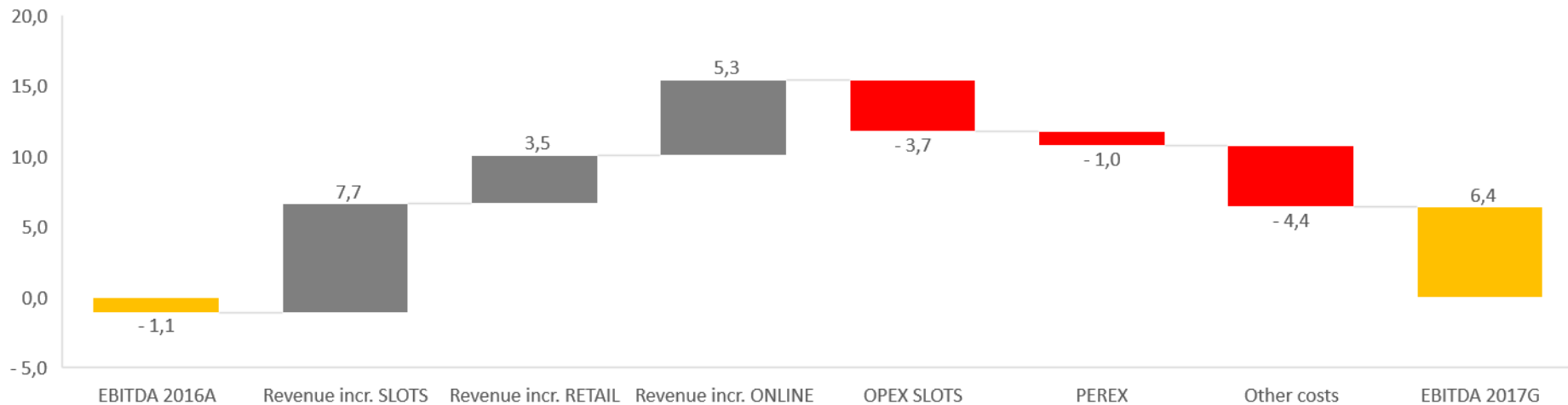
Note: 2015a = actuals; operations launched in Sep (Bet Active) and Nov (Bet Zone); 2016a = preliminary actual, non-audited; 2017g = guidance (Public Slots fully consolidated)

(1) 2016a EBITDA incl. pro-forma consolidation of normalized EBITDA Public Slots is EUR 2.5m; 2017g fully reflects Public Slots

(2) Reflects brand license fee paid to FEG of EUR 0.8m in 2016a

Fortbet RO entities EBITDA/Revenue bridge 2016A-2017B

Romania EBITDA bridge 2016A vs. 2017G (mEUR)



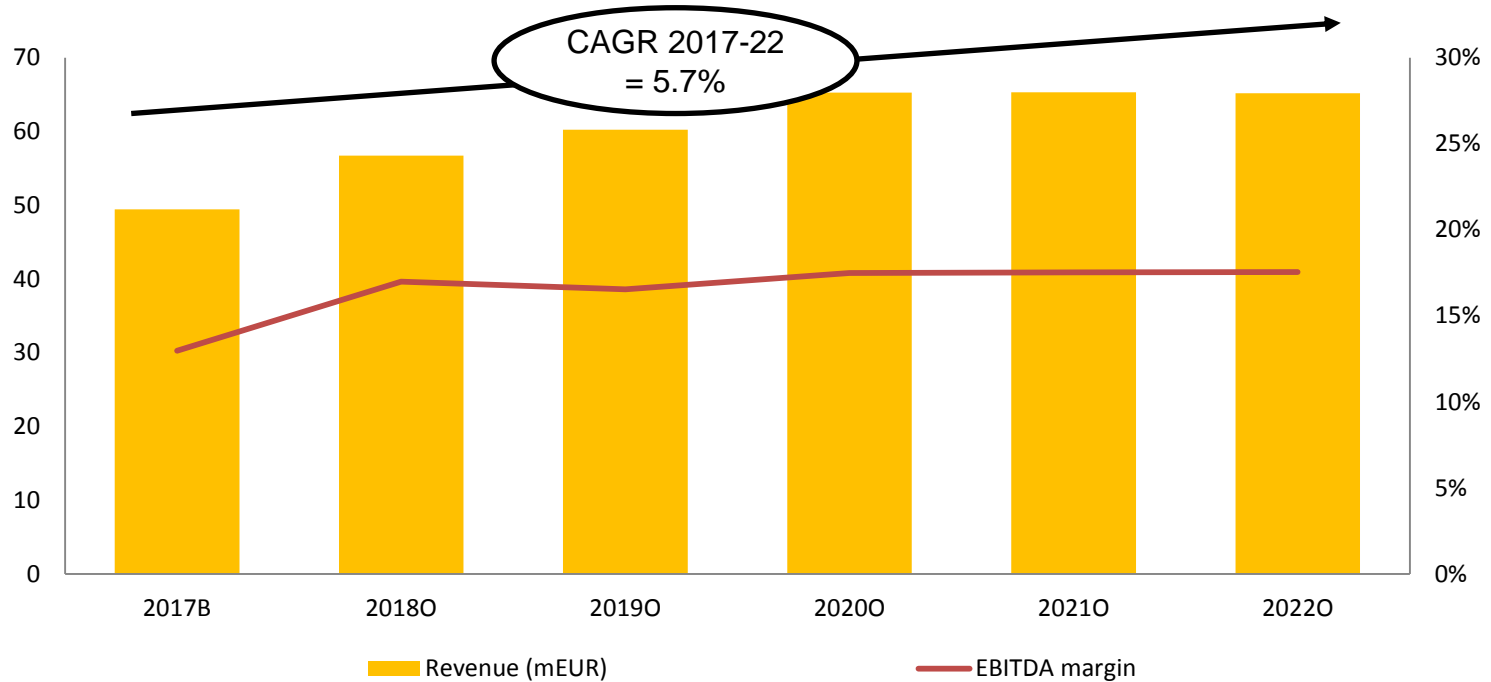
Revenue

- Slots – Increment driven by acquisition of slot business in January 2017 and further increase of number of slot machines (by 31% to more than 1,000 machines)
- Retail – Expected growth driven by increasing number of branches / geographical expansion (by 12% to almost 840 shops)
- Online – Growth driven by overall market expansion, improved CRM and new products introduction (e.g. live dealer casino)

OPEX

- Slots – Primarily rent of slot machines
- Personnel expense – Growth driven by expected minimum wage increase and increasing number of FTEs
- Other costs – Primarily driven by increase in variable fees (platform & content providers, franchise costs, IT services, bookmaking costs)

Fortbet RO entities Revenue & EBTIDA margin 2017B-2022O



Revenue

- Revenue growth primarily driven by Online Sportsbook and eGaming due to the overall market expansion as well as accompanying cannibalization of the retail channel (resulting in projected decline in Retail revenue)
- Slot revenue anticipated to remain flat

EBITDA margin

- 2018 EBITDA margin expected to improve to 17% as a result of economies of scale and remain flat afterwards

Growth drivers Fortbet RO entities further explained

- The Romanian gambling market in a European context, creation of a new licensing system for online gambling
- Growth drivers in a gambling market
- Comparisons with other markets in Europe

Fortbet RO entities purchase price

Implied Transaction Multiples

Total Invested Capital to	2016a	2017g
Revenue incl. slots*	1.3x	1.0x
Revenue excl. slots	1.6x	-
EBITDA*	20.3x	7.9x

* 2016a - pro-forma consolidation w/slots (normalized)

For comparison:

Implied Transaction Multiples - Hattrick

Total Invested Capital to	2016a	2017g
Revenue incl. Spain	2.1x	1.8x
EBITDA incl. Spain	9.7x	6.2x

The consideration to be paid for the acquisition will be EUR 47 million out of which approx. EUR 32 million will be paid as an initial base price and the rest will be paid as Earn-out under the following conditions:

- If the Proforma consolidated EBITDA for 2020 exceeds EUR 3.5m the Earn-out will equal to:
(Proforma Consolidated EBITDA – EUR 3.5m) x 35% x 7
- Max Earn-out is EUR 15m

The Earn-out carries an interest of 4% p.a.

In addition, ca. EUR 3 million of Fortbet loans shall be refinanced.

The consideration will be funded via FEG's cash and bank loans.

The price is supported by fairness opinion from KPMG that states the overall price is FAIR.

Latest Trading Update

Fortbet RO entities vs. Hattrick RO – YTD Apr/2017

YTD Apr/2017 (mEUR)	AS excl. HF	YoY growth	NGW	YoY growth
Fortbet RO entities	154.8	41.4%	14.6	21.9%
Hattrick RO	114.9	68.5%	13.1	8.9%

Fortbet RO entities – Total AS composition: 39% Slots, 33% Retail, 16% Online sportsbook, 12% E-gaming; Growth driven by more than tripling E-gaming AS, more than doubling Online Sportsbook and also Retail growth.

Hattrick RO – Total AS composition: 53% Retail, 34% Online, 13% E-gaming; Growth driven almost 180% Online growth, E-gaming and also Retail.



Appendix

Abbreviations and definitions

- *AS = Amounts staked incl. commissions*
- *BAU = Business as usual*
- *CEE = Central Eastern Europe*
- *GW = Gross Win*
- *KVD = Key Value Drivers*
- *SB = Sportsbook, sports betting*