

FORTUNA

Q1 2015 Financial Results

Analyst Conference Call

May 7th 2015



Agenda

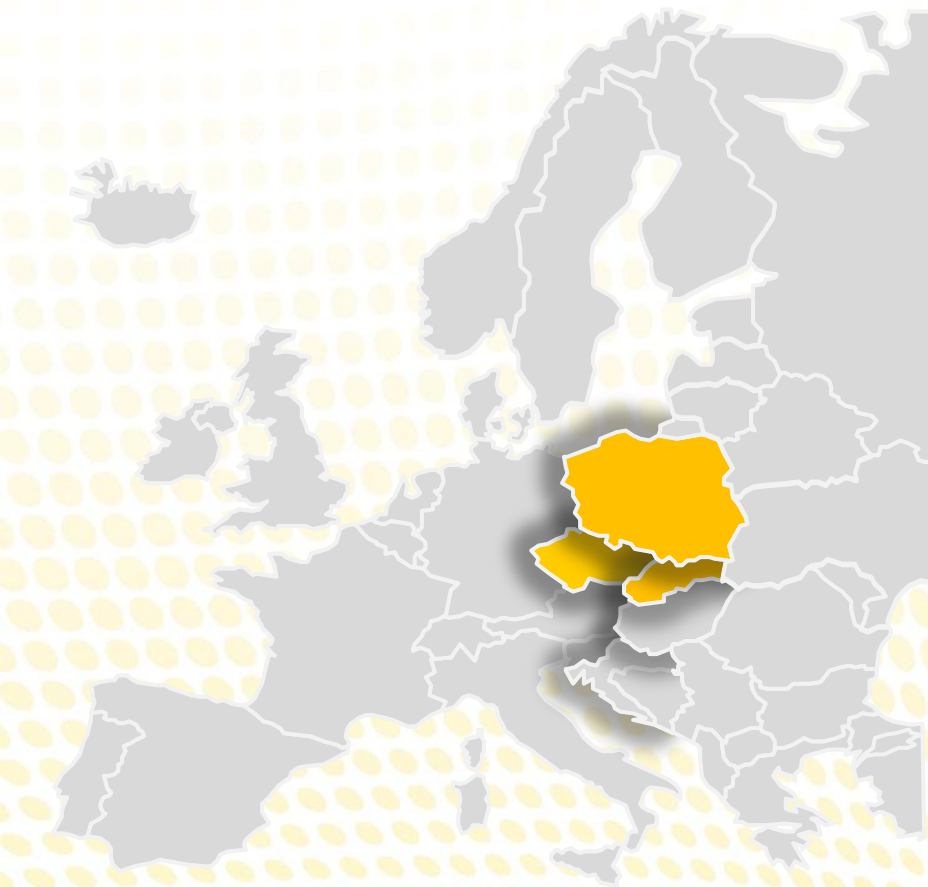
Introduction

Q1 2015 Key Highlights

Q1 2015 Financial Performance

Fortuna Value Creation Story & 2015 Outlook

Fortuna - Leading regulated CEE sports betting & lottery operator



Pop. 38.2 million
168k registered users
No. 1 market position (37%)
Retail & Online
Reg. vs offshore market:
EUR 200 MM vs. EUR 1.1 bn



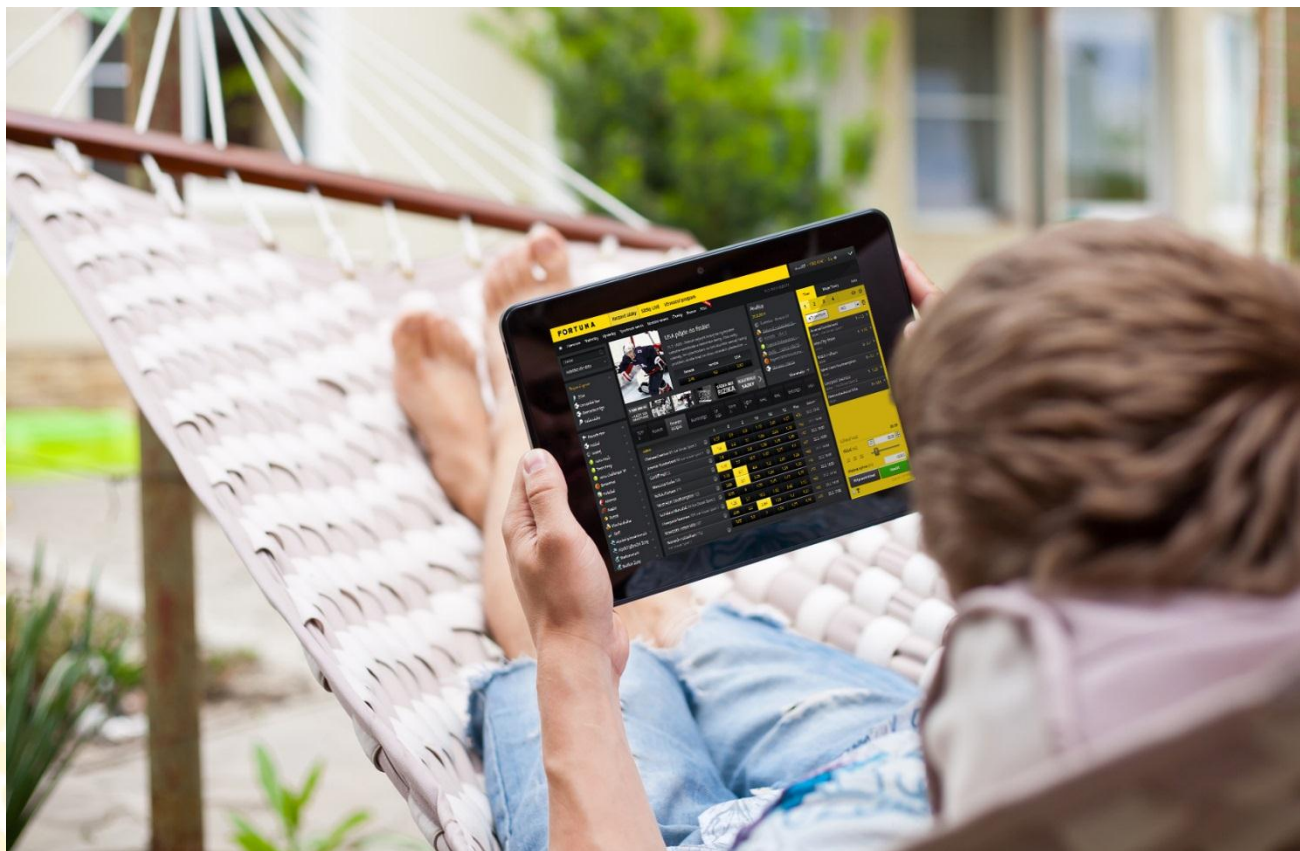
Pop. 10.5 million
316k registered users
No. 2 market position (31%)
Retail & Online & Lottery
Reg. vs offshore market:
EUR 780 MM vs. EUR 500 MM



Pop. 5.4 million
150k registered users
No. 2 market position (34%)
Retail & Online
Reg. vs offshore market:
EUR 365 MM vs. EUR 100 MM



Q1 2015 Key Highlights



Q1 2015 Key Highlights

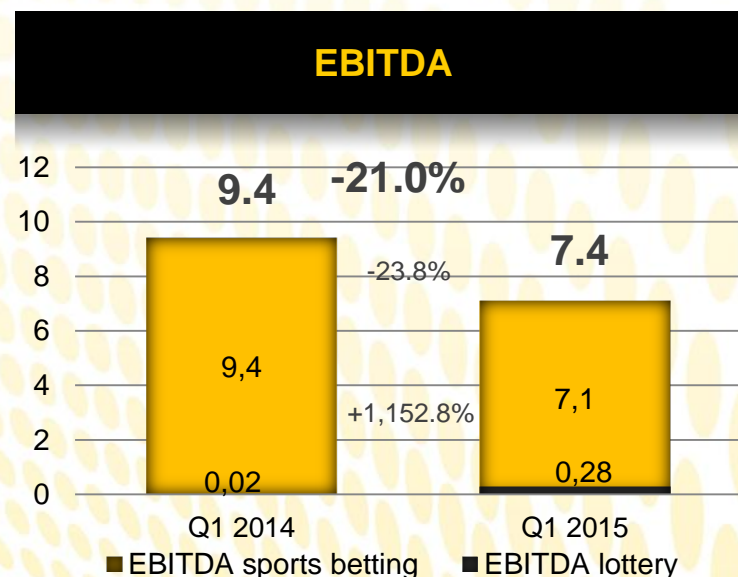
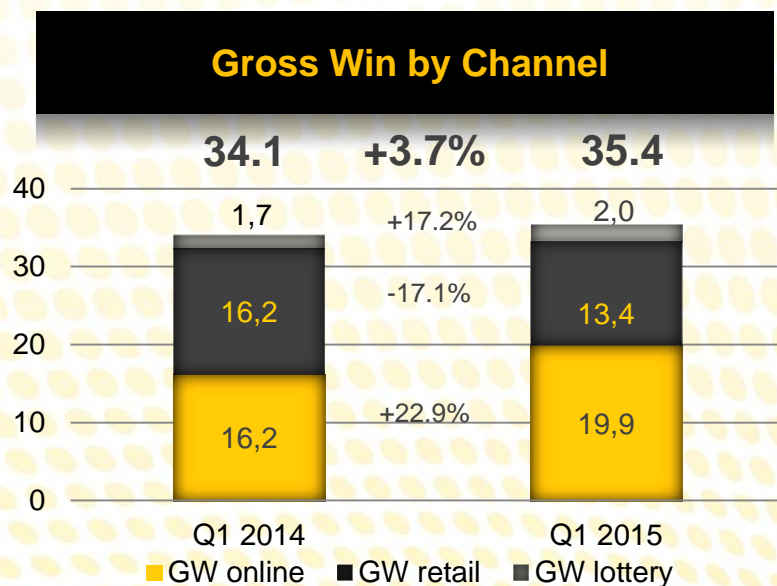
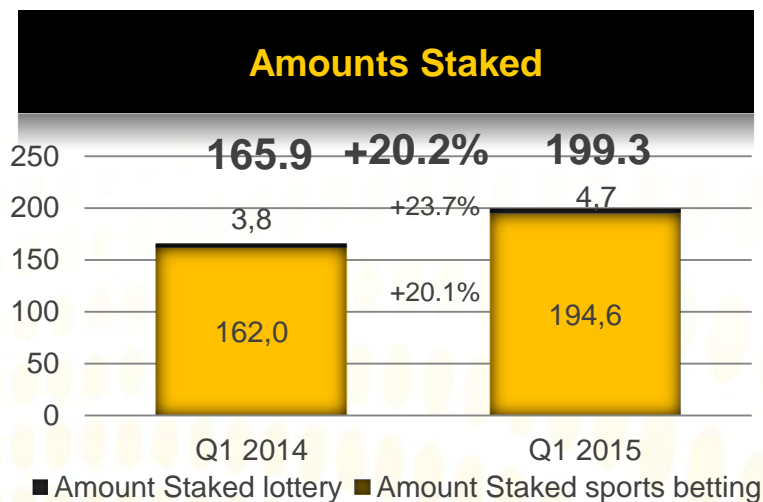
- ▶ **Group Amounts Staked increased to EUR 199.3 MM (+20.2%)**
- ▶ **On-line Sports Betting Gross Win increased to EUR 19.9 MM (+22.9%)**
- ▶ **Total EBITDA EUR 7.4 MM (-21.0%), impacted by abolishment of online handling fee in Slovakia and unfavourable sports results in March**
- ▶ **No. of registered customers increased by 25% (total of 634k)**

Q1 2015 Financial Performance



Financial results Q1 2015

- ▶ Amounts Staked EUR 199.3 MM (+20.5%)
- ▶ Gross Win EUR 35.4 MM (+3.7%)
- ▶ EBITDA EUR 7.4 MM (-21.0%)



Source: Calculated based on FEG consolidated unaudited financial results for Q1 2015 and Company information
 FX rates used for translation: average ČNB and National Bank of Poland
 In EUR MM

Sports betting by country in Q1 2015



- Total Amounts Staked growing double digit – the fastest growth out of the 3 countries
- Gross Win growth driven by Online double digit growth while Retail slightly in decline but still representing the majority of Gross Win
- Total Gross Win impacted by unfavourable sports results in March



- Total Amounts Staked growing double digit – almost 60% of Group's total Amounts Staked generated by the Czech Republic
- Gross Win single digit growth driven by a strong On-line performance while Retail continuing decline
- Total Gross Win impacted by unfavourable sports results in March



- Total Amount Staked growing double digit driven by Online handling fee abolishment in February
- Gross Win declined due to the abolishment of Online handling fee, which accelerated Online Live betting growth and migration from Retail to Online – Further margin pressure
- Total Gross Win impacted by unfavourable sports results in March

Czech Lottery – Stakes growing and positive EBITDA

In EUR MM	Q1 2014	Q1 2015	change %
Amounts Staked Lottery	3.8	4.7	23.7%
Gross Win Lottery	1.7	2.0	17.2%
Revenues Lottery*	1.4	1.7	17.5%
EBITDA Lottery	0.02	0.28	1,152.8%

*Revenues net of betting tax on Gross Win

- ▶ Amounts Staked growth driven by both scratch cards and numerical games
- ▶ From Q1 2015, Revenues reported net of Betting Tax (previously Betting Tax reported below Revenue)

Source: Calculated based on FEG consolidated unaudited financial results for Q1 2015 and Company information
FX rates used for translation: average ČNB and National Bank of Poland
In EUR MM

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 	<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
- ▶ Updated Guidance: 2015 Amounts Staked EUR 790 MM (previously 730 MM) and 25-30% (previously 20-25%) 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 (due to 6% AS tax in Slovakia). 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
AGM	May 28, 2015
Half Year 2015 Report	August 27, 2015
Q3 2015 Interim Report	November 5, 2015

IR Contacts

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Disclaimer

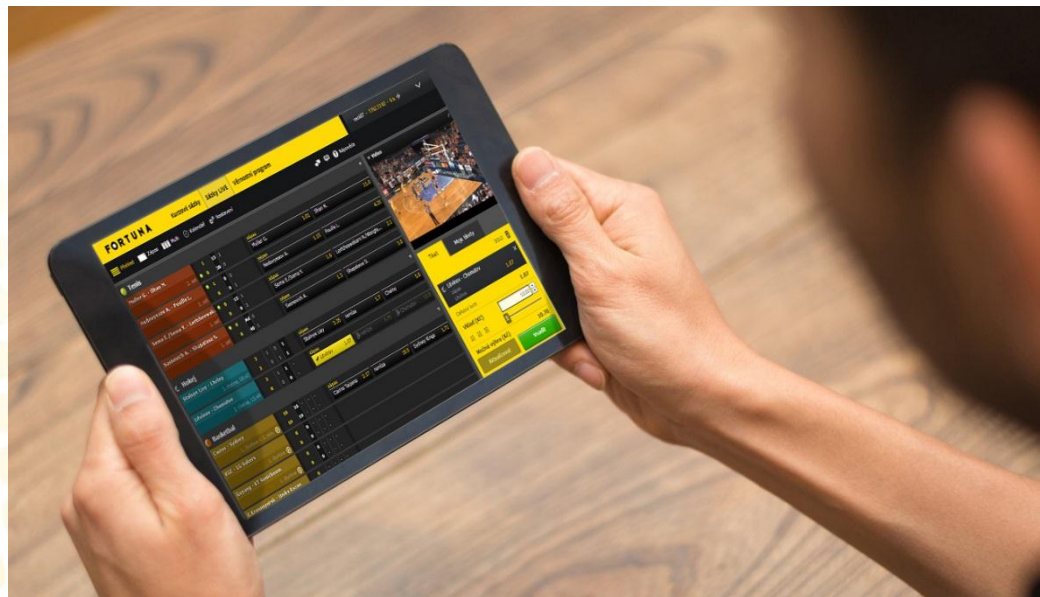
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Appendix



CEE regulatory environment



Key legislation	<ul style="list-style-type: none"> Lottery Act (No. 202/1990 Coll.) covering numeric lotteries, gambling games, betting games, casinos, etc. 	<ul style="list-style-type: none"> Act on Gambling Games covering also betting games 	<ul style="list-style-type: none"> New gambling law since 1 January 2010 covering games of chance, betting and gambling machines
Regulatory body	<ul style="list-style-type: none"> Ministry of Finance and local financial authorities Municipalities to regulate shops on their territories 	<ul style="list-style-type: none"> Ministry of Finance Municipalities have to allow operation of betting shops in their territory Ministry of Agriculture has to allow betting on Slovak horse racing 	<ul style="list-style-type: none"> Ministry of Finance
Licenses	<ul style="list-style-type: none"> Licenses are awarded for a maximum period of 10 years 	<ul style="list-style-type: none"> Betting licenses are issued for 5 years 	<ul style="list-style-type: none"> License for betting organizing issued for 6 years for a specified number of betting shops
Statutory requirements	<ul style="list-style-type: none"> Operator must have its registered office in the Czech Republic and not be entirely or partly owned by a foreign entity or individual(s) Persons below 18 years of age must not participate in any betting game Certain minimum registered capital required Security deposits on a special bank account required to secure payments of winnings etc. 	<ul style="list-style-type: none"> An operator must be a Slovak legal entity with share capital of at least EUR 331,939 owned by Slovak, EU or OECD member entities Security deposit on a bank account required to secure payments of winnings etc. 	<ul style="list-style-type: none"> An operator must be a Polish legal entity with share capital of at least PLN 2 million Obligatory collateral (banking or insurance guarantee, cash deposit or mortgage) Betting organizers should obtain consents of Polish organizers of the competitions, on which bets are accepted
Taxation/ Fees	<ul style="list-style-type: none"> Betting tax on turnover (GW) of 20% and newly applied corporate income tax of 19% 	<ul style="list-style-type: none"> Taxation of 6.0 % on Amounts Staked for fixed-odds betting and 1% for horse racing betting 	<ul style="list-style-type: none"> 12% withholding tax on Amounts Staked (10% under the previous law)
Advertising	<ul style="list-style-type: none"> Advertising is allowed for licensed operators 	<ul style="list-style-type: none"> Advertising is allowed for licensed operators; no special rules 	<ul style="list-style-type: none"> Advertising is restricted; only presentation of sponsor's name and logo is acceptable (only for licensed operators). Advertising inside shop is allowed
Online betting	<ul style="list-style-type: none"> Not specifically regulated; in December 2008 first licences issued by the MinFin 	<ul style="list-style-type: none"> Online betting is allowed since 2007, though not specifically regulated 	<ul style="list-style-type: none"> Regulated by law adopted in 2011, first licences issued in January 2012 Separate registration from retail betting
Prohibited activities	<ul style="list-style-type: none"> Operating and mediation of foreign lotteries and participation in foreign lotteries, collection of bets for participation in foreign lotteries 	<ul style="list-style-type: none"> Operating and mediation of foreign games and offering of participation on games operated by a foreign company 	