

Interim Management Statement of Fortuna Entertainment Group N.V. for the period from July 1st, 2017 to November 8th, 2017

Fortuna Entertainment Group accepted bets of EUR 1.3 billion up 69.1% in the first nine months of 2017

AMSTERDAM/Warsaw/Prague – Fortuna Entertainment Group (FEG), the leading Central European betting and gaming operator, has announced its unaudited consolidated results for the first nine months of 2017.

The unaudited consolidated results of Fortuna Entertainment Group for the first nine months of 2017 confirmed growth across all key financial indicators.

- **Total Amounts Staked in 9M 2017 increased by 69.1% yoy to EUR 1.3 billion**
- **Total Gross Win in 9M 2017 went up by 54.1% to EUR 185.3 million**
- **Total EBITDA in 9M 2017 reached EUR 28.3 million, up 77.9% yoy**
- **Net profit of the Company in 9M 2017 was EUR 7.9 million, 18.0% down yoy**

„The solid reported financial results for the first nine months of 2017 reflect our growth strategy with investments into operational excellence, new platforms and regional expansion. Thanks to that, we recorded a substantial growth in all reported key indicators. Our Amounts Staked increased by 69.1% yoy to EUR 1.3 billion, Gross Win amounted to EUR 185.3 million and EBITDA reached EUR 28.3 million a yoy increase of 54.1% and 77.9% respectively. If we adjust for one-off costs related to M&A and Integration, the EBITDA increased 105.6% yoy. We also would like to confirm our original guidance for markets for the rest of 2017 and the increased guidance if we include the acquisitions“ said Per Widerström, CEO of Fortuna Entertainment Group.

The Group's Amounts Staked for the first nine months of 2017 were EUR 1.3 billion, a strong 69.1% yoy growth. This increase was driven primarily by the growth in online, particularly in fixed-odds betting in all countries where Fortuna operates, by online casino in the Czech Republic and partially by consolidation of Hattrick Sports Group¹ and Fortuna Romania².

The Amounts Staked on Sports Betting & Gaming in FEG's original markets reached EUR 1 billion in the first nine months of 2017, a 38.8% improvement on the first three quarters of 2016, out of which EUR 152.6 million came from the online

¹ Consolidation of Hattrick Sports Group in Romania and Croatia from 20 May 2017

² Fortuna Romania include Bet Active Concept S.R.L., Bet Zone S.R.L., Public Slots S.R.L. and Slot Arena S.R.L. consolidated from 1 September 2017

Contact:

Klára Klímová

Mobil: +420 724 255 715

E-mail:klara.klimova@fortunaeg.nl

gaming in the Czech Republic. The Amounts Staked from the discontinued operations of the Lottery segment totalled EUR 5.7 million, a 60.7% decrease yoy. In the first nine months of 2017, the Amounts Staked from the Hattrick Sports Group consolidation reached EUR 209.6 million and from the consolidation of Fortuna in Romania for the month of September 2017 reached EUR 34.4 million.

In the first nine months of 2017, **the total Gross Win reached EUR 185.3 million, an increase of 54.1% compared to the first nine months of 2016.** The anticipated Gross Win Margin decline was driven by the less favourable sports betting results in the first months of this year and by the continuous increase of online betting and gaming.

The Gross Win from Sports Betting & Gaming in FEG's original markets was EUR 146.4 million, a 28.6% increase yoy. Of this figure, the Gross Win from gaming in the Czech Republic represented EUR 6.9 million.

Gross Win from fixed odds betting online (excl. Hattrick Sports Group and Fortuna Romania) amounted to EUR 98.9 million in the first nine months 2017, which is 32.0% more than in the previous year. During the first nine months of 2017 Gross Win from retail sports betting (excl. Hattrick Sports Group and Fortuna Romania) increased 4.3% yoy and totalled EUR 40.5 million.

Gross Win from the discontinued Lottery segment operations amounted to EUR 2.4 million, a 63.0% decrease yoy. Gross Win generated by the Hattrick Sports Group since the consolidation amounted to EUR 32.1 million and Gross Win recorded by Fortuna in Romania in September 2017 was EUR 4.4 million.

Selected financial indicators – FEG total

(in MM EUR)	9 months 2017	Change in %
Amounts Staked	1,278.8	69.1%
- of which Sports Betting & Gaming	1,029.1	38.8%
- of which Lottery (discontinued operations)	5.7	(60.7%)
- of which Hattrick (05-09/2017 only)	209.6	n/a
- of which Fortuna Romania (09/2017 only)	34.4	n/a
Gross Win	185.3	54.1%
- of which Sports Betting & Gaming	146.4	28.6%
- of which Lottery (discontinued operations)	2.4	(63.0%)
- of which Hattrick (05-09/2017 only)	32.1	n/a
- of which Fortuna Romania (09/2017 only)	4.4	n/a

In the first nine months of 2017, total EBITDA reached EUR 28.3 million, a 77.9% increase over the same period last year. Of this, Sports Betting & Gaming EBITDA totalled EUR 20.7 million, up 35.9% yoy. EBITDA generated by the discontinued Lottery segment was negative EUR 0.3 million, down 153.8% yoy.

Contact:
 Klára Klímová
 Mobil: +420 724 255 715
 E-mail:klara.klimova@fortunaeg.nl

EBITDA recorded by the Hattrick Sports Group from the acquisition date was EUR 7.9 million and EBITDA recorded by Fortuna Romania for the month of September 2017 EUR 0.03 million.

EBITDA adjusted by one-offs related to M&A and integration costs was EUR 31.6 million, up 105.6% yoy.

Selected financial indicators – FEG total

(in MM EUR)	9 months 2017	Change in %
Revenues	124.4	57.3%
- of which Sports Betting & Gaming	89.7	21.0%
- of which Lottery (discontinued operations)	1.9	(63.1%)
- of which Hattrick (05-09/2017 only)	29.3	n/a
- of which Fortuna Romania (09/2017 only)	3.6	n/a
EBITDA	28.3	77.9%
- of which Sports Betting & Gaming	20.7	35.9%
- of which Lottery (discontinued operations)	(0.3)	(153.8%)
- of which Hattrick (05-09/2017 only)	7.9	n/a
- of which Fortuna Romania (09/2017 only)	0.03	n/a

Total Net profit of the Company for the first nine months of 2017 amounted to EUR 7.9 million, an 18.0% decrease yoy. Of this, net profit from Sports Betting, Gaming & Lottery (excl. Hattrick Sports Group and Fortuna Romania) was EUR 8.5 million, down 12.2% yoy.

Total Net profit adjusted by one-offs related to M&A, integration costs and intangible assets impairment reached EUR 14.4 million, up 59.5% yoy more.

Country by Country Overview

Czech Republic

The Czech Republic generated approximately 45% of total Amounts Staked for the Company in the first nine months of 2017. **Total Amounts Staked in the Czech Republic recorded a strong double digit growth compared with the first three quarters of 2016**, driven by growing online sports betting as well as by the newly introduced online casino. **In the first nine months of 2017, Gross Win in the Czech Republic also grew double digit compared to the same period in 2016.**

Slovakia

The contribution of Slovakia exceeded 20% of the Group's Amounts Staked in the first nine months of 2017. **The total Amounts Staked in Slovakia grew at a double digit rate in the first nine months of 2017**, the growth was however slower than in the previous periods. **The first nine months of 2017 Gross Win from sports betting in**

Contact:
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the Slovak Republic grew also double digit driven by online while retail sports betting moderately declined in the first nine months of 2017.

Poland

The share of Poland on Group's Amounts Staked came almost to 13% in the first nine months of 2017. **The total Amounts Staked in Poland in the first three quarters of 2017 grew at a strong double digit rate. The Gross Win from sports betting in Poland in the first three quarters of 2017 also grew at a double digit rate**, driven by a strong growth in online.

Hattrick Sports Group

Hattrick Sports Group consolidated from the end of May 2017 contributed to Group's Amounts Staked by 17% in the first nine months of 2017. Of this, the share of Hattrick Romania was 30% and the share of Hattrick Croatia that also operates online betting in the Romanian territory was 70%.

Fortuna Romania

Companies of Fortuna Romania were consolidated from the period of 1 September 2017 until 30 September 2017 and their share of total Amounts Staked was less than 3% for the first nine months.

Corporate Developments for the period until 30 September 2017

At the end of August 2017, the Company successfully closed the acquisition of Bet Active Concept S.R.L., Bet Zone S.R.L., Public Slots S.R.L. and Slot Arena S.R.L. through two SPVs incorporated by the Company in Romania. The acquisition was approved by an Extraordinary General Meeting of shareholders on 1 August 2017. The Romanian operation will be integrated with Hattrick Sports Group's business in Romania and we will keep a dual-brand strategy. The total consideration to be paid for the acquisition will be EUR 47 million, out of which EUR 32 million was paid as initial base price on the closing date whilst the rest will be paid as an earn-out mechanism with maximum earn-out opportunity of EUR 15 million. In addition, approximately EUR 3 million in loans provided by Fortbet to the Romanian entities was refinanced. The initial consideration was funded via Company's cash and bank loans.

On the 1 September 2017, the Management Board of the Company obtained a notification from its majority shareholder Fortbet Holdings Limited ("Fortbet") that Fortbet had increased its share on the capital and voting rights in the Company to 79.8%. Prior to this increase, Fortbet held 76.3% stake of the capital and voting rights of the Company.

Guidance for the rest of 2017

The Company confirms its previous guidance for rest of 2017 excluding new acquisitions:

Contact:

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The Company anticipates that without the impact of the Hattrick Sports Group and Fortuna Romania acquisitions, the total Amounts Staked could grow up to EUR 1,300 million and EBITDA in 2017 could grow in a range between 20% to 25% yoy. The investments into the sports betting & gaming platform should further drive the CAPEX spending in 2017 and the capital expenditures in 2017 are expected to reach between EUR 8 - 10 million.

Including the Hattrick Sports Group acquisition and Fortuna Romania acquisitions, the Company expects that Amounts Staked will grow to EUR 1,900 million and EBITDA will increase with 80-95% yoy. CAPEX spending could reach EUR 11-14 million.

The Company has convened the Extraordinary General Meeting of Shareholders (EGM) to be held on 1 December 2017. The EGM agenda is the proposal of a new remuneration policy for the members of the Management Board and the Supervisory Board, changes to the Company's articles of association and a proposal of appointment of a new member of the Management Board and two new members of the Supervisory Board in order to strengthen Company's corporate governance standards.

There have been no material events, transactions or changes in the financial position of the Group other than as outlined in this statement. Furthermore, the Board of Directors is not aware of any material events, transactions or changes in the financial position of the Group which have occurred since July 1st, 2017 up to and including November 8th, 2017 – the date before the publication of this Interim Management Statement.

Contact:

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