
Interim Management Statement of Fortuna Entertainment Group N.V. for the period from
January 1st, 2018 to May 16th, 2018

Fortuna Entertainment Group accepted bets of EUR 797.0 million up 163.7% in the first quarter of 2018

Amsterdam - Fortuna Entertainment Group N.V., the leading Central Eastern European regulated fixed-odds betting and gaming operator, has announced its unaudited consolidated results for the first quarter of 2018.

The unaudited consolidated results of Fortuna Entertainment Group (FEG) for the first quarter of 2018 confirmed growth in the amount of bets in all countries:

- **Total Amounts Staked in Q1 2018 increased by 163.7% to EUR 797.0 million**
- **Total Gross Win in Q1 2018 increased by 157.6% to EUR 110.0 million**
- **Total EBITDA in Q1 2018 amounted to EUR 22.7 million up 665.5% yoy**
- **Net profit in Q1 2018 increased by 923.6% to EUR 14.0 million**

FEG, the leading Central Eastern European regulated fixed-odds sports betting and gaming operator present in the markets of Poland, the Czech Republic, Slovakia, Romania and Croatia **recorded in Q1 2018 total Amounts Staked figure of EUR 797.0 million, 163.7% more than in Q1 2017.** This increase was driven primarily by organic growth in online, particularly in fixed-odds betting in all original countries, and by online gaming in the Czech Republic. The year-on-year growth was also driven by the new acquisitions of Hattrick Sports Group (“Hattrick”) and Fortbet Romanian entities (“Fortuna Romania”) which were acquired after the first quarter of 2017.

The Amounts Staked on Sports Betting & Gaming in FEG’s original markets reached EUR 477.8 million in Q1 2018, a 60.2% increase on Q1 2017, out of which EUR 93.1 million came from the online gaming in the Czech Republic, a 455.8% increase compared to the same period last year. In Q1 2018, the Amounts Staked from the Hattrick Sports Group consolidation reached EUR 217.4 million and from the consolidation of Fortuna Romania EUR 101.8 million.

In Q1 2018, total Gross Win reached EUR 110.0 million, an increase of 157.6% compared with Q1 2017. The Gross Win increase was driven by Amounts Staked growth as well as by the continuous strong performance of underlying key indicators. The Q1 2018 Gross Win margin was slightly worse than the one in same period last year, primarily due to higher share of online gaming resulting in total Gross Win margin for Q1 2018 of 13.8%.

Contact:

Klára Klímová

Mobil: +420 724 255 715

E-mail:klara.klimova@fortunaeg.nl

The Gross Win from Sports Betting & Gaming in FEG's original markets was EUR 67.2 million, a 63.9% increase yoy. Of this figure, the Gross Win from gaming in the Czech Republic represented EUR 4.0 million, an increase of 279.8% yoy.

Gross Win generated by the Hattrick Sports Group amounted to EUR 27.6 million and Gross Win recorded by the Fortuna Romania was EUR 15.2 million.

„The strong reported financial results for the first quarter of 2018 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, this driven both by strong organic growth as well as M&A. Our Amounts Staked increased by 163.7% yoy to EUR 797.0 million, Gross Win amounted to EUR 110.0 million and EBITDA reached EUR 22.7 million a yoy increase of 157.6% and 665.5% respectively. If we adjust for one-off costs related to Integration, the EBITDA increased 723.9% yoy. We also would like to confirm our guidance for the rest of 2018.” said Per Widerström, CEO and Chairman of the Management Board of Fortuna Entertainment Group.

Selected financial indicators

Financials (EUR thousands)	Q1 2017	Q1 2018	% change
Amounts Staked	302,249	797,007	163.7%
- of which Sports Betting & Gaming	298,316	477,805	60.2%
- of which Lottery (discontinued operations)	3,933	n/a	n/a
- of which Hattrick	n/a	217,409	n/a
- of which Fortuna Romania	n/a	101,793	n/a
Gross Win	42,691	109,966	157.6%
- of which Sports Betting & Gaming	40,968	67,129	63.9%
- of which Lottery (discontinued operations)	1,723	n/a	n/a
- of which Hattrick	n/a	27,618	n/a
- of which Fortuna Romania	n/a	15,219	n/a
Revenues	25,966	77,053	196.7%
- of which Sports Betting & Gaming	24,618	40,168	63.2%
- of which Lottery (discontinued operations)	1,348	n/a	n/a
- of which Hattrick	n/a	24,478	n/a
- of which Fortuna Romania	n/a	12,407	n/a
EBITDA	2,966	22,704	665.5%
- of which Sports Betting & Gaming	2,986	12,304	312.1%
- of which Lottery (discontinued operations)	(20)	n/a	n/a
- of which Hattrick	n/a	8,739	n/a
- of which Fortuna Romania	n/a	1,661	n/a
Net Profit	1,370	14,024	923.6%

In Q1 2018, the Company recorded **total revenues in the amount of EUR 77.1 million, 196.7% more than in the previous year.**

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Of which, revenue from Sports Betting & Gaming in FEG's original markets were EUR 40.2 million an increase of 63.2% yoy. Revenues were impacted by higher betting volumes in all countries and by the expansion of online gaming in the Czech Republic.

Revenues recorded by the Hattrick Sports Group amounted to EUR 24.5 million and revenues recorded by Fortuna Romania were EUR 12.4 million.

Total consolidated EBITDA recorded in Q1 2018 was EUR 22.7 million, up 665.5% yoy, resulting from higher betting volumes, online gaming addition and consolidation of Hattrick Sports Group and Fortuna Romania.

Of which, EBITDA from Sports Betting & Gaming in FEG's original markets was EUR 12.3 million up 312.1% yoy. EBITDA recorded by the Hattrick Sports Group amounted to EUR 8.7 million in 2017 and EBITDA recorded by Fortuna Romania was EUR 1.7 million.

Total EBITDA in the first quarter of 2018, if adjusted by one-offs related to integration, was EUR 22.8 million, up 723.9% yoy.

Total Net profit of the Company for the first quarter of 2018 amounted to EUR 14.0 million, an increase of 923.6% yoy, driven primarily by higher EBITDA. Total Net profit of the Company in the first quarter of 2018, if adjusted by one-offs related to M&A and integration costs, was EUR 14.2 million, up 1,113.4% yoy.

Breakdown of Revenues by Country

Sports Betting and Gaming – Czech Republic

Czech Republic generated 33.3% of all Amounts Staked for the Group in the first quarter of 2018. **Total Amounts Staked from sports betting in the Czech Republic grew at a double digit rate compared with the first quarter of 2017 in both online and retail segment.** Bets from online casino in the first quarter of 2018 more than quadrupled. Gross Win from sports betting in the Czech Republic in the first quarter of 2018 grew also double digit, the online casino more than tripled.

Sports Betting – Slovakia

The share of Slovakia with regards to total Amounts Staked in Q1 2018 represented 14.8%. **The total Amounts Staked in Slovakia in the first quarter of 2018 grew at a double digit rate driven by online betting while** the Amounts Staked from retail betting slightly declined.

The total Gross Win in Slovakia went up double digit in the first quarter 2018, thanks to online segment. Gross Win from retail betting in the first quarter of 2018 in Slovakia grew also double digit but at a slower pace.

Sports Betting - Poland

Poland accounted for an 11.8% share of total Amounts Staked in Q1 2018. **The total Amounts Staked in Poland in the first quarter of 2018 grew at a triple digit rate**, primarily driven by online.

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The Gross Win from betting in Poland in the first quarter of 2018 grew at a triple digit rate, due to rising Gross Win from online betting. The Gross Win from retail betting grew double digit.

Hattrick Sports Group

Hattrick Sports Group contributed to Group's Amounts Staked by 27.3% in Q1 2018. Of this, the share of Hattrick Romania on total Amounts Staked was 6.7% and the share of Hattrick Croatia that also operates online betting in the Romanian territory was 20.6%.

Fortuna Romania

Companies acquired from Fortbet in Romania reported the share on the total Amounts Staked of 12.8% in Q1 2018.

2018 Outlook and Guidance confirmed

The Company confirms its full year guidance communicated in March 2018.

In 2018, the Company expects that the organic growth will continue to be primarily driven by online betting & gaming as well as through the newly acquired entities in Romania and Croatia. In addition, the growth should be further boosted by the 2018 FIFA World Cup in Russia.

As a result, the Company anticipates that the total Amounts Staked could grow up to EUR 3.0 billion and EBITDA in 2018 could increase in a range of 25% to 35%. The investments into new enhanced sports betting & gaming platform, data warehouse and front-end system should drive the CAPEX spending in 2018 that are expected to be between EUR 20 – 24 million.

Corporate Events in the Reported Period

In March 2018, Fortuna Entertainment Group N.V. was advised by its majority shareholder Fortbet Holdings Limited that it had settled a transaction with Franklin Templeton Investments to purchase 5,518,968 of FEG shares, being all Franklin Templeton Investments' FEG shares listed in Poland.

As a result, as of 9th March 2018 Fortbet had owned a total of 49,837,879 shares in FEG, which represented approximately 95.84% of the issued and outstanding shares in FEG.

On 30th April 2018, the Board of Directors convened the Annual General Meeting of Shareholders to be held on 11th June 2018 in Amsterdam. Further information concerning the meeting agenda can be found on: http://www.fortunagroup.eu/en/about_fortuna_group/corporate_governance/shareholder_meetings/index.html

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As of 2nd May 2018, the shares issued by Fortuna Entertainment Group N.V. were delisted from the Prime Market of the Prague Stock Exchange (“PSE”). The trading of Fortuna’s shares on the PSE was moved to the unregulated Free Market where it remains until the delisting from the Warsaw Stock Exchange.

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