

**MINUTES OF THE ANNUAL GENERAL MEETING OF  
SHAREHOLDERS OF FORTUNA ENTERTAINMENT GROUP N.V.  
HELD ON 12 JUNE 2017 AT 11 A.M. AT STRAWINSKYLAAN 809  
WTC T.A/L 8, 1077 XX IN AMSTERDAM**

**1. Opening:**

Mr Marek Šmrha, the Chairman of the Supervisory Board for Fortuna Entertainment Group N.V. (the "**Company**"), opened the Annual General Meeting of Shareholders (the "**AGM**" or the "**meeting**") and welcomed everybody. He notified the meeting that the Supervisory Board had appointed Mr Per Widerström, the Company's CEO, as the chairman of the meeting (the "**Chairman**").

The Chairman stated that the AGM has a full agenda and that after the opening formalities, the following topics would be the points of discussion:

- (1) The 2016 annual report
- (2) The adoption of the 2016 annual accounts
- (3) The Company's dividend policy
- (4) The Board's decision to allocate all profits to the company's reserves
- (5) The appointment of the company's external auditor
- (6) The public offer made by the Company's majority shareholder, Fortbet Holdings Limited ("**Fortbet**"), as announced on 31 March 2017 and the position statement that the Company published on 2 June 2017.
- (7) The authorization of the management board to buy-back and sell shares in the company's capital.
- (8) Closing.

The Chairman then proceeded with naming the attendees. On behalf of the Management Board, Per Widerström, Richard van Bruchem and Janka Galáčová were present. Morten Rønde and Marek Šmrha were present on behalf of the Supervisory Board.

Also present were:

On behalf of the Company: Ms Hirschová, Group CFO and Mr Lazar, Group Head of Legal and Compliance.

On behalf of Fortbet Holdings Limited ("**Fortbet**"): Mr Rendek, accompanied by Fortbet's counsel.

On behalf of the various Altus funds that registered for the meeting ("**Altus**"): Mr Szymczyk.

Furthermore, Mr Rijkaart van Cappellen and Ms Dijkmans from Jones Day, the Company's counsel, were present.

The Chairman appointed Mr Rijkaart van Cappellen as secretary of the meeting (the "**Secretary**").

The Chairman informed those present at the meeting that all proxy holders present had given their written proxies to the Company and that these proxies would be kept with the other documents relating to the meeting.

The Chairman stated that the meeting had been convened with due observance of all legal and statutory provisions, including the publication of the convening notice and the agenda. This meeting was called by means of an announcement which appeared on the Company's website on April 28, 2017. On the same date, a shareholders' circular with the explanatory notes to the agenda of the AGM was posted on the Company's website. All required documents had been made available for inspection.

The Chairman further stated that the Company's Management Board had received no proposals from shareholders to discuss any other issues than those that have been included in the notice of the meeting.

Furthermore, the Chairman informed those present at the meeting that 42,999,323 of the 52,000,000 issued shares as per the registration date, amounting to 82.69% of the issued capital, were represented at this meeting.

The Chairman further stated that within three months after the AGM, the minutes of this meeting will be made available for inspection on the Company's website for a period of three months. After that period, the minutes will be adopted. All voting items on the agenda require an absolute majority of the votes cast.

## **2. Annual Report 2016**

The Chairman then moved to agenda item 2: the Annual Report 2016.

The Chairman stated that the Annual Report 2016, including the Company's 2016 annual accounts, has been prepared in accordance with Dutch law and the relevant rules, laws and regulations relating to the trade of Company's shares on the Prague Stock Exchange and Warsaw Stock Exchange. The Annual Report 2016 was published on the Company's website ([www.fortunagroup.eu](http://www.fortunagroup.eu)). It is available for inspection at the Company's office and can be obtained from the Company upon request.

The Chairman stated that this agenda item is for discussion purposes only and shall not be voted upon.

The Chairman invited Ms Hirschová to give a presentation on the Annual Report and the Annual Accounts for the financial year 2016. The presentation is attached to these minutes as Appendix I.

[Note to FEG: Please review the following paragraph]

Ms Hirschova began by stating that 2016 was a very strong year overall, especially in terms of key underlying value drivers. However, the revenues were influenced by unfavorable sports results, especially in comparison with a very strong H2 2015, where the results were significantly supported by favorable sports results. Overall, revenues and EBITDA were in line with the Company's expectations and also in line with the Company's competitors' results.

Ms Hirschová explained that in 2016, there was a growth trend in all key markets in which the Company operates: Czech Republic, Poland and Slovakia.

Total amounts staked for the group as a whole in 2016 reached EUR 1,039.6 million which represented a 22.6% increase in comparison to 2015, backed especially by strong double digit growth of the online sports betting. For online sports betting, the gross win for 2016 increased by 21.7% to EUR 103.1 million. Lottery amounts staked only increased by 2.8%. If we strip out from overall AS the impact of the UEFA Euro 2016 the biggest sporting event in June and July last year, the increase is still significant of almost 22%.

On the sports betting side, growth was driven by online sports betting, especially mobile live betting. The growth of retail amounts staked was more than 7% also due to lower margins that had a positive impact on volume growth. On the lottery side, there was an overall growth of 2.8% driven by scratch cards as well as lottery games.

The Company's net revenues have increased by 3.3%, driven by 3 key drivers:

- I. a higher betting tax rate in the Czech Republic, effective since 1 January 2016, as well as the significant increase in amounts staked in Poland and Slovakia where there is an amounts staked betting taxation ;
- II. online handling fee abolishment in Slovakia in 2015;
- III. unfavorable sports results that competitors also experienced.

Total EBITDA amounted to EUR 22.1 million; it decreased 18.5% due to increase in operational expenditures (+10.7%) driven by higher standard variable costs that move up in line with volume (like live streaming, data feeds, franchise costs, etc.) and higher marketing costs related to the UEFA Euro 2016, and higher personal expenses due to investments in people (+11.5%).

The consolidated net profit decreased by 57.6% to EUR 8.3 million, driven by deferred tax in Poland. Ms Hirschová continued that 2015 the Company had an one-off deferred tax income of EUR 3.5 million in Poland, but due to a change of law in mid-2016, the Company had to derecognize the remaining deferred tax as one-off deferred costs of EUR 3m. In addition, there was an increase of depreciation related to a partial impairment of the lottery business in the amount of EUR 1.9m.

The year ended with a strong balance sheet. The Company has reduced its debt and continues to generate cash.

Ms Hirschová further informed that Group Gross Win growth has slowed down, especially in Q4, resulting in growth of only 10.5% in the full year to EUR 163.0 million. The Company experienced a year-on-year decrease of gross win margin (-1.7 percentage points) and net gross win margin (-1.9 percentage points) due to less favorable sports results than in 2015 and a continuing product and channel mix shift towards lower margins products and channels and tax increase in the Czech Republic and also Slovakian Online Handling Fee Abolishment.

Finally, Ms Hirschová stated that the growth of Amounts Staked in all countries as double digits, mainly supported by online growth and especially by mobile live betting. Slovakia was the fastest growing market. Retail also grew in all markets supported by the UEFA Euro 2016, but only in Poland the retail gross win was still dominant.

The Chairman thanked Ms Hirschová for her presentation. After the presentation, the Chairman opened the floor for discussion and asked those present at the meeting if there were any questions.

The Chairman concluded that no attendees had any further queries or comments and moved to the next agenda item.

### **3. Discussion and adoption of the 2016 annual accounts**

The Chairman moved to the next item on the agenda: the discussion and adoption of the 2016 annual accounts as drawn up by the Management Board and as approved by the Supervisory Board. The annual accounts for the 2016 financial year were prepared under Dutch law (applying IFRS) by the Management Board and audited and provided with the auditor's report by EY, the Company's external auditor.

The Chairman asked whether the attendees wanted to discuss this topic in more depth and whether anyone had any further queries or comments. No attendee had any comments or requests and the Chairman then requested the shareholders to cast their votes.

The Chairman informed the meeting of the outcome of the vote:

42,999,323	votes were cast in favor
0	votes were cast against; and
0	votes abstained

The Chairman recorded that the proposal was adopted and concluded this agenda item.

### **4. Discussion on dividend policy**

The Chairman introduced the next item on the agenda: the discussion on the Company's dividend policy.

The Chairman stated that due to planned investments into future growth opportunities, especially investments into a new IT platform enabling multi-channel, multi-product and multi-country capabilities, operational excellence and people that will support further organic growth and expansion into Central & Eastern Europe, the dividend policy of the Company has been under review since 2015.

The Chairman elaborated that these investments, coupled with the recent acquisition of Hattrick Sports Group, will strengthen the Company's current position as the leading Central European licensed sports betting operator.

The dividend policy will also support the Fortuna Group in its ambition to become the undisputed leader in the regulated Central & Eastern European sports betting and gaming sector with the most trusted and exciting multi-channel betting and gaming brand, scalable platform and best-in-class experience for the Company's customers.

The Chairman stated that, as was announced previously, the Management Board proposed no dividend payments in 2016 and 2017 due to high investment into M&A. The long term dividend policy will be revised after 2017.

The Chairman stated that this agenda item was for discussion purposes only and would not be voted upon. The Chairman opened the floor for discussion and questions. The Chairman concluded that no questions were asked or put forward and concluded this agenda item.

## **5. Proposal of dividend payment**

The Chairman introduced the next item on the agenda: the proposal of dividend payment.

The Chairman referred to the previous agenda item. He explained that the Management Board of the Company, with prior approval of the Supervisory Board, determined that the entire net profit will be allocated to the Company's profit reserve. As such, there was no profit remaining for 2017 to be resolved by the general meeting whether to be paid to shareholders or to be allocated to the reserves.

The Chairman opened the floor for discussion. The Chairman gave the shareholders the opportunity to ask questions. Since no questions were asked, the Chairman concluded this agenda item.

## **6. Appointment external auditor**

The Chairman introduced the next item on the agenda: the appointment of the external auditor.

In accordance with the advice of the Audit Committee a proposal was presented to the AGM to appoint EY as the external auditor of the Company for the financial year 2017.

The Chairman gave the shareholders the opportunity to ask questions. Since no questions were asked, the Chairman requested the shareholders to cast their votes.

Thereafter, the Chairman informed the meeting of the outcome of the vote:

42,999,323	votes were cast in favor
0	votes were cast against; and
0	votes abstained

The Chairman recorded that the proposal had been adopted and concluded this agenda item.

## **7. Discussion on the tender offer announced by Fortbet holdings Limited pursuant to Article 18(1) of the Dutch Public Takeover Bids Decree**

The Chairman introduced the next item on the agenda: the discussion of the tender offer announced by Fortbet Holdings Limited ("**Fortbet**"). The Chairman informed the meeting that this agenda item is for discussion purposes only and shall not be voted upon.

The Chairman explained to those present at the meeting that on 31 March 2017 Fortbet announced a tender offer for the sale of all outstanding shares in the Company (the "**Offer**"). Through the Offer, Fortbet intends to acquire the remaining 16,509,670 shares (representing 31.75% of the Company's share capital) in an attempt to become the Company's sole shareholder. Fortbet initially offered PLN 15.43 or CZK 98.69 in cash for each share. The offer price was increased on 26 May 2016 to CZK 118.04 or PLN 18.68 per share.

The Chairman informed those present at the meeting that the Offer was unexpected. Fortbet had not discussed its intentions with the Company beforehand. It was clear to the Management Board and the Supervisory Board that Mr Child and Mr Šmrha should not be involved in the discussions and decision-making regarding the Offer, given their close association with Fortbet and Penta, Fortbet's shareholder. Mr Child and Mr Šmrha therefore did not participate in any part of the decision-making of the Supervisory Board in connection with the Offer.

The Chairman further informed those present at the meeting that the Management Board and Mr Rønde, as the sole member of the Supervisory Board without a conflict of interest, decided to establish a transaction committee, consisting of Mr Morten Rønde as chairman, Mr Per Widerström and Ms Janka Galáčová, both members of the Management Board, to make recommendations to the Company's Boards in relation to the Offer (the "**Transaction Committee**").

The Chairman explained that the Transaction Committee received support from the Company's CFO, Ms Hirschová, and the group head of legal & compliance, Mr Lazar. Jones Day was engaged to provide legal advice and the Transaction Committee eventually decided to ask KPMG to provide a fairness opinion on the price provided in the Offer. KPMG's concluded that the offer price, from a financial point of view, was not fair to the shareholders. The opinion was attached to the position statement.

The Chairman stated that up to the publication of the position statement, the Transaction Committee members, individually and collectively, reviewed and discussed the Offer, and obtained external advice. The Transaction Committee also formally met in person and by telephone conference call. Finally, on 2 June 2017 the Transaction Committee rendered its formal recommendations to the combined Management and Supervisory Boards of the Company. The combined Management and Supervisory Boards of the Company reviewed the recommendations and agreed with them.

The Chairman stated that on 2 June 2017, in accordance with Article 18 of the Dutch Public Takeover Bids Decree, the Company published a position statement stating its opinion on the Offer.

The Chairman briefly summarized the conclusions that the Company's Management and Supervisory Boards reached:

- From a financial standpoint, the Management and Supervisory Boards of the Company concluded that, taking into account the current circumstances, the PLN 18.68 or CZK 118.04 per share in cash to be paid pursuant to the Offer does not represent a meaningful premium above the current market price and therefore could be considered not to be fair to the Shareholders. This view was supported by the fairness opinion obtained from KPMG.
- The Chairman explained that from a non-financial point of view, the Management and Supervisory Boards of the Company took a number of aspects into account:
  - First, as far as the boards could tell, the Offer was not expected to have a material impact on employment. Second, if Fortbet would seek for a delisting in the event the Offer was successful, there were certain advantages to be obtained from such delisting:

- a) it would ease the burden imposed by regulatory and compliance aspects
  - b) as a private company, FEG may be better placed to take advantage of market opportunities and adopt a more aggressive capital structure or acquisition strategy
  - c) the Company would have to disclose less information publicly that its competitors could take advantage of;
  - d) the relatively low market liquidity for the Shares, which, given the allocation of Shares, is not likely to change soon.
- Secondly, a transfer of the Company's corporate seat may bring certain advantages from a costs perspective and has its merits given where the operations are located.
- The Chairman continued to explain that the Management and Supervisory Boards of the Company realize that a delisting or a change of corporate seat could have a big impact on the minority shareholders, and are therefore of the opinion that a reasonable opportunity to exit the Company against a price that reflects the value of the Company should be offered to them. The Management and Supervisory Boards believe that the price offered in the Offer does not represent a reasonable exit.
- The Chairman stated that after taking all of these considerations into account, the Management and Supervisory Boards have concluded that the rationale behind the Offer in as far as it concerns the delisting/public-to-private aspects and a potential transfer of corporate seat to the Czech Republic has merits. However, the Management and Supervisory Boards are of the opinion that this should be accompanied by offering the minority shareholders a reasonable opportunity to exit against a price that reflects the value of the Company.
- The Chairman explained that the Management and Supervisory Boards therefore finally reached the conclusion that they could not recommend the offer from a financial point of view to the shareholders.

The Chairman invited the attendees to ask questions and to discuss this agenda item.

Mr Szymczyk, Altus' representative, began by explaining that Altus is a Polish fund. Altus supports the position of the Company and KPMG. Mr Szymczyk stated that Altus believes the Offer price is below the fair value of the shares. He then asked Mr Rendek, Fortbet's representative, what Fortbet thinks about the Offer price and why Fortbet believes it is a fair value.

Mr Rendek responded by reading a statement:

Fortbet took note of the Position Statement published by the Fortuna Management Board and the independent member of its Supervisory Board (the "**Fortuna Boards**") on 2 June 2017. Fortbet was pleased to see that the Fortuna Boards share Fortbet's vision on Fortuna on a wide variety of very important topics, such as, most importantly:

- The fact that, in terms of strategic rationale, Fortuna as a private company will be better placed to take advantage of market opportunities and to adopt a more effective acquisition strategy, noting that, indeed, all of Fortuna's competitors are private companies that are subject to less extensive reporting requirements, which currently puts Fortuna at an unnecessary and costly disadvantage;

- The fact that a significant cost reduction can be effected by ending the dual listing of Fortuna's shares on the WSE and the PSE, in terms of alleviating the unnecessary burden on Fortuna both financially in terms of legal fees and compliance costs and in terms of time and effort spent on these issues by Fortuna management;
- The fact that the listing has not been, and will continue not to offer any real advantages to Fortuna, given the low market liquidity for its shares, also given the presence of a majority shareholder which can cast the majority of the votes in the general meeting of shareholders of Fortuna; and
- The fact that a transfer of Fortuna's corporate seat to the Czech Republic to end the unnecessary presence in the Netherlands, which involves both significant costs in terms of operating an office and in terms of logistics, as well as an undue regulatory burden.

Fortbet thanked the Fortuna Boards and its Transaction Committee for conducting such a thorough analysis of the offer and coming to these conclusions. Fortbet also considered the opinion of the Fortuna Boards that the current offer price does not represent a meaningful premium above the current market price and therefore could be considered unfair to the shareholders from a financial point of view.

Fortbet stressed that the current market price for Fortuna shares only reached the current high level after the announcement of the Tender Offer on 31 March 2017 and the subsequent increase of the tender offer price of 26 May 2017. As such, it makes little sense to take a reference date of 31 May 2017, as is done in the Position Statement, to base any sort of meaningful calculations on.

For the sake of completeness, Mr Rendek noted the following. The price of Fortuna's shares at the close of the markets on 30 March 2017, the day before the announcement of the Tender Offer, was PLN 17.19 on the WSE and CZK 108.80 on the PSE respectively. The current offer price represents a premium of 8.67% and 8.49% over the closing price on the WSE and the PSE, respectively, on 30 March 2017, and more importantly, assuming the same methodology as it was used for the purpose of the calculation of the tender offer price, it represents a premium of:

- 13.17% and 13.57% over the daily volume weighted average price per share on the PSE expressed in PLN and CZK respectively, for the 1 month prior to and including 30 March 2017;
- 21.12% and 22.41 % over the daily volume weighted average price per share on the PSE, expressed in PLN and CZK respectively, for the 3 months prior to and including 30 March 2017; and
- 28.51 % and 30.68% over the daily volume weighted average price per share on the PSE, expressed in PLN and CZK respectively, for the 12 months prior to and including the 30 March 2017.

These calculations were made using publicly available information. Mr Rendek told the meeting that Fortbet would be happy to share the underlying data. In Fortbet's view, this represents a very substantial premium, also taking into account that Fortbet already holds the majority of Fortuna's shares. Fortbet therefore respectfully disagrees with this assessment and they believe it is a fair price.



After Fortbet's elaboration on the offer and the offer price, Fortbet's lawyer asked Mr Szymczyk, Altus' representative how long Altus has been a shareholder in the Company and when Altus acquired its current position.

Mr Szymczyk responded by explaining that Altus started buying shares before the announcement on 31 March 2017. There is no exact date, however Mr Szymczyk believes it was sometime last year. Today or Friday they will announce that Altus' shareholder has reached 5%. Mr Szymczyk stated that purchasing the shares is a constant process and he could for the moment not be more precise on the timing of Altus' acquisition of the Company's shares.

Mr Szymczyk and Fortbet's lawyer agreed that Altus would later inform the Company on the timing and in which way Altus acquired its position.

After asking whether any of the attendees had any more questions, the Chairman closed this agenda item.

**8. *Authorization of the Management Board (subject to approval of the Supervisory Board) to purchase shares in the Company's own capital and to alienate purchased shares in the Company's own capital***

The Chairman introduced the next item on the agenda, similar as in previous years, being the authorization of the Management Board subject to approval of the Supervisory Board, to purchase shares in the Company's own capital and to alienate purchased shares in the Company's own capital.

The Chairman informed the meeting that under article 9, paragraph 2 of the Company's Articles of Association, the Company may, subject to certain Dutch statutory provisions, acquire and hold up to 10% of the Company's issued share capital. Any acquisition of shares by the Company is subject to the authorization of the General Meeting, which authorization shall be valid for no more than 18 months, and shall require the prior approval of the Supervisory Board. The General Meeting has most recently granted the abovementioned authorization at the 2016 AGM. In Dutch corporate practice, an annual extension is customary.

It is proposed to authorize the Management Board for a period of 18 months, taking effect per the date of this AGM, to acquire the Company's own ordinary shares up to 10% of the issued share capital at the date of the authorization (June 12, 2017), whether through purchases on the stock exchange or by any other means, for a price per share that is between an amount equal to the nominal value of these shares and 110% of the average quotation of the listed shares on the stock exchange maintained by WSE / PSE of the past 5 trading days before the date on which the purchase of such shares is effectuated. Any acquisition of such shares shall require the prior approval of the Supervisory Board.

The Chairman stated that this authorization shall replace the prior authorization to purchase shares in its own capital as permitted by the AGM on 23 May 2016.

The Chairman opened the floor for discussion and gave the opportunity for shareholders to ask questions. Since no questions were asked, the Chairman requested the shareholders to cast their votes. Thereafter, the Chairman informed the meeting of the number of votes represented:

42,999,323	votes were cast in favor
0	votes were cast against; and
0	votes abstained

The Chairman recorded that the proposal had been adopted and concluded this agenda item.

### **9. Closing**

As the final agenda item, the Chairman gave the opportunity to discuss any other business or ask any further questions which they might have regarding the Company.

As no shareholders had any questions, the Chairman concluded the meeting and thanked all present for their attendance and participation.

The meeting was closed at 11:50 AM

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P. Widerström  
Chairman

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M.A. Rijkaart van Cappellen  
Secretary

## **APPENDIX I: Presentation**