

FORTUNA ENTERTAINMENT GROUP N.V.

FORTUNA

POSITION STATEMENT

Regarding the public offer in cash on all outstanding shares in the capital of Fortuna Entertainment Group N.V. by its majority shareholder Fortbet Holdings Limited, dated 31 March 2017

In accordance with article 18 and Annex G of the Dutch Decree on public offers (*Besluit Openbare Biedingen Wft*)

For the annual general meeting of Fortuna Entertainment Group N.V. to be held on 12 June 2017 at 11.00 hours CET at Amsterdam, the Netherlands

2 June 2017

IMPORTANT INFORMATION

This position statement (the **Position Statement**) does not constitute or form part of an offer to sell, or a solicitation of an offer to purchase or subscribe for, any securities to any person in any jurisdiction.

This Position Statement has been published by the management board (the **Management Board**) and the independent members of supervisory board (the **Supervisory Board**) (the Supervisory Board and the Management Board are collectively referred to as the **FEG Boards**) of Fortuna Entertainment Group N.V. (**FEG**) for the sole purpose of providing information to its shareholders on the Polish Tender Offer and the Czech Voluntary Buy-out Offer (collectively: the **Offer**) made by Fortbet Holdings Limited (the **Offeror**), an indirect wholly owned subsidiary of Penta Investments Limited (**Penta**), to the holders of issued and outstanding ordinary registered shares with a nominal value of EUR 0.01 each in the capital of FEG (the **Shares** and each a **Share**; holders of such Shares being referred to as the **Shareholders**) to purchase for cash their Shares on the terms and conditions as set out in the Offer Memoranda, as required pursuant to section 18 paragraph 2 and Annex G of the Dutch Decree on public offers (*Besluit openbare biedingen Wft*).

As at the date of this Position Statement, price offered by the Offeror under the Offer amounts to CZK 118.04 or PLN 18.68 per Share (the **Offer Price**).

In order to cater for a proper decision-making process and to avoid any (potential) conflict of interest, the FEG Boards discussed and decided on an allocation of responsibilities. Therefore, the FEG Boards appointed a transaction committee consisting of the independent member of the Supervisory Board, Mr Morten Rønne as chairman and Mr Per Widerstrøm and Ms Janka Galáčová, both members of the Management Board (the **Transaction Committee**), to make recommendations to the FEG Boards in relation to the review of the Offer and FEG's strategic alternatives. The Transaction Committee reviewed the Offer and prepared its recommendation to the FEG Boards. The FEG Boards – in the case of the Supervisory Board: without the participation of the conflicted members Mr Ian Child and Mr Marek Šmrha – subsequently came to their decisions taking into account the recommendation of the Transaction Committee and the advice rendered by FEG's advisers.

As the Offeror intends to acquire full ownership of FEG and its business, if, following the settlement of the Offer the Offeror and its affiliates hold 95% or more of the Company's aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand kapitaal*) (excluding any Shares then held by FEG), the Offeror may commence a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with article 2:92a or 2:201a of the Dutch Civil Code (**DCC**) or a takeover buy-out procedure in accordance with article 2:359c of the DCC to buy out the holders of Shares that have not disposed of their Shares under the Offer. Furthermore, once the Offeror and its affiliates own 90% of the Shares, the Offeror may decide to transfer FEG's registered seat to the Czech Republic and transform FEG into a Czech legal entity after which the minority Shareholders may be forced to transfer their Shares pursuant to Sections 375 through 394 of the Czech Business Corporations Act.

In addition to the terms defined elsewhere in this Position Statement, any capitalized terms in this Position Statement shall have the meaning attributed to them in paragraph 9 (Definitions) of this Position Statement. Any reference in this Position Statement to defined terms in plural form shall constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by use of a definition shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made.

Certain numerical figures set out in this Position Statement, including financial data presented in millions or thousands, have been subject to rounding adjustments and, as a result, should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Position Statement may vary slightly from the actual arithmetic totals of such information.

This document does not constitute or form part of an offer to buy or sell, or a solicitation of an offer to buy or sell, any securities to any person in any jurisdiction, nor a solicitation of any vote, consent or approval. Shareholders of FEG have to form their own view on the merits of the Offer and have to make their own decision. This document is not for release, publication or distribution

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If you have sold, or otherwise transferred your shares, please send this document as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected. However, this document must not be forwarded or transmitted into any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction. If you have sold or otherwise transferred only a part of your shares, you should retain this document and consult your stockbroker, bank or other agent through whom the sale or transfer was effected.

Copies of the Position Statement can be obtained free of charge by contacting FEG via its website (<http://www.fortunagroup.eu>).

The information included in this Position Statement reflects the situation as of the date of this Position Statement, unless otherwise indicated. Under no circumstances may the issue or distribution of this Position Statement be interpreted as implying that the information contained herein is true and accurate on a later date than the date hereof, unless otherwise indicated. FEG does not undertake any obligation to publicly release any revision to this information to reflect events or circumstances after the date of this document, except as may be required by applicable Dutch securities laws or by any appropriate regulatory authority. FEG is exclusively responsible for the accuracy and completeness of the information contained in this Position Statement, provided that the only responsibility that is accepted for information concerning the Offeror and the Offer is the assurance that such information is properly reported and reproduced from the Offer Memoranda.

This Position Statement includes "forward-looking" statements, including statements about the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risk and uncertainty because these statements relate to events and depend on circumstances that all occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. FEG believes the expectations reflected in such forward-looking statements are based on reasonable assumptions. Nevertheless, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. Any such forward-looking statements must be considered with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, financial, economic, commercial or legal changes in the markets and environments in which FEG does business, to competitive developments or risks inherent to FEG's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting FEG. Shareholders are reminded that under Dutch law the FEG Boards owe fiduciary duties to the company and through the company to all of its stakeholders and not only to Shareholders. Decisions that the boards may have to take pursuant to their fiduciary duties may adversely affect shareholder value.

This Position Statement is governed by the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Position Statement. Accordingly, any legal action or proceedings arising out of or in connection with this Position Statement may be brought exclusively in such courts.

This document is not for release, publication or distribution, in whole or in part, in or into Canada or Japan.

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1. BACKGROUND TO THE OFFER

Set out below is a summary of events.

On 31 March 2017, the Offeror published an offer memorandum for the Polish market¹ (the “**Polish Offer Memorandum**”) which was subsequently updated on 4 April 2017² and an offer memorandum for the Czech market which was subsequently updated on 20 April 2017³ (the “**Czech Offer Memorandum**”) (jointly referred to as the “**Offer Memoranda**”).

On 31 March 2017, the Offeror sent a letter to the Management Board of FEG informing that the Offeror announced a tender offer for the sale of all of the outstanding shares in FEG. At that time, the Offeror held 35,490,330 shares in the share capital of FEG, representing 68.25% of the share capital. Prior to the announcement and the letter, FEG was not aware of the Offeror's intention to launch the Offer. FEG was therefore not involved in the preparation of the Offer Memoranda or in setting the terms of the Offer.

On 10 April 2017 the Supervisory Board concluded Mr Ian Child and Mr Marek Šmrha had a conflict of interest in relation to the Offer and that they would refrain from participating in the deliberations and decision-making in connection with the Offer, including the adoption of the FEG Boards' position regarding the Offer as set out in this Position Statement. To the extent reference is made in this Position Statement to the FEG Boards, this should be read as to exclude Mr Ian Child and Mr Marek Šmrha.

On 10 April 2017 the FEG Boards appointed the Transaction Committee to make recommendations to the Boards in relation to the review of the Offer and FEG's strategic alternatives.

In the period between 10 April 2017 and 28 April 2017, various meetings and calls between members of the Transaction Committee and/or FEG's general counsel and FEG's legal advisers took place.

On 28 April 2017 FEG issued a notice for the general meeting of 12 June 2017. One of the agenda items is the discussion of the Offer.

On 22 May 2017, the Transaction Committee held a conference call to further develop FEG's position in relation to the Offer and to discuss the status of the Position Statement..

On 26 May 2017 Fortbet increased the Offer Price to CZK 118.04 or PLN 18.68 per Share.⁴

¹ <http://infostrefa.com/infostrefa/pl/wiadomosci/26776738,wezwanie-do-zapisywania-sie-na-sprzedaz-akcji-spolki-fortuna-entertainment-group-n-v-ogloszone-przez-fortbet-holdings-limited>

² <http://infostrefa.com/infostrefa/pl/wiadomosci/26822290,komunikat-dotyczacy-wezwania-do-zapisywania-sie-na-sprzedaz-akcji-spolki-strong-fortuna-strong-entertainment-group-n-v>

³ [http://www.csas.cz/static_internet/cs/Obchodni_informace-Produkty/Investovani_\(Fondy_a_Financni_trhy\)/Akcje_a_dluhopisy/Prilohy/nabidka_na_koupi_akcii_spol_fortuna_20170420.pdf](http://www.csas.cz/static_internet/cs/Obchodni_informace-Produkty/Investovani_(Fondy_a_Financni_trhy)/Akcje_a_dluhopisy/Prilohy/nabidka_na_koupi_akcii_spol_fortuna_20170420.pdf)

⁴ http://www.csas.cz/banka/content/inet/internet/cs/sc_18414.xml?archivePage=news_archive_subportal03
<http://infostrefa.com/infostrefa/pl/wiadomosci/27463051,zmiana-tresci-wezwania-zwiekszenie-ceny-w-wezwaniu-na-sprzedaz-akcji-fortuna-entertainment-group-n-v>

On 29, 30 and 31 May 2017 the Transaction Committee again held conference calls to discuss its view on the Offer including the price increase by the Offeror and to discuss the draft Position Statement.

On 2 June 2017, the Transaction Committee communicated its recommendation to the FEG Boards.

On 2 June 2017, the FEG Boards unanimously resolved to adopt the position as set out in this Position Statement.

2. FEG'S STRATEGY

2.1 Current and Future strategy

FEG is the leading Central European betting operator and offers a comprehensive range of online and land network-based betting products, including pre-match and live betting on a range of sporting events as well as number games.

FEG's vision is to be the number 1 licensed sports betting and gaming operator in Central and Eastern Europe (CEE) with the most trusted and exciting multi-channel betting & gaming brands. FEG's mission is focused on four pillars:

- innovation (innovation in products, channels and marketing)
- multi-channel (common brand & betting experience across our retail, web & mobile channels)
- customer experience
- financial performance (sustainable financial performance as a market leader)

In order to achieve FEG's vision and growth ambitions, the Management Board believes it is important to have a clear strategic agenda. Based upon this FEG identified the following strategic initiatives grouped into 3 blocks:

- operational excellence (4 strategic initiatives: customer acquisition and CRM, retail channel, brand, key value drivers system)
- future expansion (3 strategic initiatives: regulation, online sports book and gaming proposition and international expansion)
- people (1 strategic initiative: people management)

In 2016 FEG continued the implementation of its key strategic initiatives in line with FEG's value creation strategy which is based upon the three main pillars:

- market share gain in existing markets driven by regulation and operational excellence
- product vertical extension into online gaming driven by regulation and internationalization
- expansion into CEE regulated markets through mergers and acquisitions

From 2017 onwards FEG will be well positioned to become the number 1 licensed sports betting and gaming operator in CEE with the most trusted and exciting multichannel betting and gaming brands. The key enablers are:

- utilizing a competitive scalable multichannel, multi-product, and multimarket platform
- capitalizing on operational excellence
- people capability and capacity
- using financial strength to drive profitable cash-generative growth through mergers and acquisitions

The objective is to ensure FEG is prepared to provide its customers with a market leading multichannel and cross platform betting and gaming offering in all its markets where the regulation allows it as well as to implement a technology platform that will support FEG's vision and growth strategy. FEG aims, by 2019, to:

- be the #1 licensed betting and gaming operator in the CEE, active in 5 markets;
- have the most trusted and exciting betting and gaming brands;
- have entered into at least one additional CEE market;
- be a regional leader on both Gross Winnings and EBITDA basis.

Achieving these objectives will require further investments in FEG's growth strategy, and in light of this the FEG Boards have previously proposed not to pay dividends until at least the end of FY 2017 but instead to reinvest profits in the FEG Group.

Recent developments

As part of FEG's strategic expansion it acquired Hattrick Sports Group Ltd. on 23 May 2017.

On the same date, FEG divested the lottery business by selling its 98.4% stake in Fortuna sázky a.s. to Sazka, a.s. The transaction was settled and closed on 23 May 2017. The transaction price is confidential. E-invest sold its 1.6% stake in Fortuna sázky a.s. as well.

2.2 The Fortbet Romania Transaction

Background

Prior to the announcement of the Offer, as part of the roll-out of its strategy, FEG announced that it was entering into a purchase agreement with the Offeror to acquire, through two SPVs incorporated in Romania for this purpose Bet Active Concept S.R.L., Bet Zone S.R.L., Public Slots S.R.L. and Slot Arena S.R.L. (collectively **Fortbet Romania** and the proposed acquisition, the **Romania Transaction**).

The Romania Transaction is subject to shareholder approval. The shareholder vote on the Transaction was originally on the agenda of the extraordinary general meeting of 26 April 2017 (the **April EGM**).

Following the announcement of the Romania Transaction, three of FEG's shareholders, who collectively hold approx. 10.6% of FEG's shares, Franklin Templeton Investment Funds - Templeton Eastern Europe Fund, Franklin Templeton Investment Funds - Templeton Emerging Markets Small Cap Fund, and Templeton Emerging Markets Small Cap Fund (together **Templeton**), on 13 April 2017 commenced legal proceedings before the Enterprise Division of the Amsterdam Court of Appeals (the **Enterprise Division**) seeking among others, immediate injunctive relief with the effect of among others (i) prohibiting the voting on the proposed approval within the meaning of 2:107a Dutch Civil Code for the Romania Transaction at the April EGM and (ii) to suspend any actions or resolutions to keep aforementioned transaction from completion.⁵

The Enterprise Division on 24 April 2017 decided that (i) no vote could take place at the April EGM on the approval of the Transaction and (ii) that an independent supervisory director (the **Supervisory Director**) would be appointed with the exclusive authority to decide on the nature,

⁵ See:

http://www.fortunagroup.eu/public/d4/72/79/757688_1300235__2017_04_13_templeton_proceedings_final.pdf

size, content and timing of the information that FEG should provide to its shareholders in relation to the Transaction.⁶

FEG subsequently decided not to discuss the Transaction at the April EGM and the relevant item was withdrawn from the agenda.⁷

On April 25, 2017, the Enterprise Division announced that it had appointed Mr A.A. Olijslager as the Supervisory Director. Mr Olijslager is not a member of FEG's Supervisory Board, but was appointed with the exclusive authority to decide on the nature, size, content and timing of the information that FEG must provide to its Shareholders in relation to the Transaction. Mr Olijslager's powers are limited to this information provision mandate only. Members of the Management Board met with Mr Olijslager in May 2017.

FEG intends to call an extraordinary general meeting to vote on the Romania Transaction, to be convened in consultation with Mr Olijslager.

Impact of the Offer on the Romania Transaction

The Offer is separate from, and is not expected to impact, the Romania Transaction.

3. FORTBET'S INTENTIONS TOWARDS FEG

3.1 Business

According to the Offer, subject to changes in the market conditions, the Offeror intends to continue the business operations of FEG in the foreseeable future. The Offeror intends to continue to support the growth of FEG's group by the organic growth and, subject to market conditions, the Offeror intends to focus on major acquisitions preceded by review of new markets and new opportunities. As such potential future acquisitions will require financial investments, FEG may decide not to pay cash dividends in the near future. Furthermore, the Offeror stated it intends to enhance cost synergies of FEG's operations in Poland, Slovakia and Czech Republic. Additionally, the Offeror is planning to transfer FEG's registered seat from Netherlands to Czech Republic.

3.2 Post-Closing Restructuring Measures

Following the completion of the Offer, the Offeror is planning to delist the Shares from the Prague Stock exchange and the Warsaw Stock Exchange. In order to achieve the foregoing, the Offeror will request convocation of, or as FEG's majority shareholder convene, a general meeting of FEG to be held before the completion of the Offer and request that a resolution on the delisting and rematerialisation of the Shares is included on the agenda for such meeting. It will also request FEG to undertake any other steps required under Polish, Czech or Dutch securities law in relation thereto.

⁶ See: http://www.fortunagroup.eu/public/f/ed/4/758362_1305166__2017_04_25_court_decision_eng.pdf

⁷ Reference is made to the additional information on the April EGM which can be found at: http://www.fortunagroup.eu/public/bd/ae/d4/758457_1305763__2017_04_25_EGM_voting_change_final.pdf

Moreover, as the Offeror is planning to acquire full ownership of FEG and its business, if, following the settlement of the Offer the Offeror and its affiliates hold 95% or more of the Company's aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand kapitaal*) (excluding any Shares then held by FEG), the Offeror stated it plans to buy out the holders of Shares that have not disposed of their Shares under the Offer through:

- a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with article 2:92a or 2:201a DCC; or
- the takeover buy-out procedure in accordance with article 2:359c of the DCC

Other Post-Closing Restructuring Measures

The Offeror has announced that, without prejudice to the measures described in the previous paragraphs, it will be entitled to effect or cause to effect any other restructuring for the purpose of achieving an optimal operational, legal, financial and/or fiscal structure in accordance with the applicable laws in general, some of which may have the effect of diluting the interest of any remaining shareholders (the **Post-Closing Restructuring Measures**), including but not limited to:

- a subsequent public offer for any Shares held by minority shareholders;
- a restructuring by way of an asset sale pursuant to which FEG's business including all assets and liabilities of FEG shall be transferred to the Offeror (or its affiliate), which may be followed by a liquidation of FEG;
- a statutory cross-border or domestic (bilateral or triangular) legal merger (*juridische (driehoeks-)fusie*) in accordance with article 2:309 et seq of the DCC between FEG, the Offeror and any affiliate of the Offeror;
- a statutory legal demerger (*juridische splitsing*) of FEG in accordance with article 2:334a et seq of the DCC;
- a contribution of cash and/or assets by the Offeror or by any affiliate of the Offeror in exchange for ordinary shares or preference shares in FEG's share capital, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of minority Shareholders of FEG may be excluded;
- a distribution of proceeds, cash and/or assets to the shareholders of FEG or share buybacks;
- a sale and transfer of assets and liabilities by the Offeror or any of its affiliates to FEG and its subsidiaries as meant in article 2:24a DCC and the entities in which FEG directly or indirectly has a minority stake (the **FEG Group**), or a sale and transfer of assets and liabilities by any member of the FEG Group to the Offeror or any of its affiliates;
- the conversion of FEG into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*);

- the transfer of FEG's registered seat (*statutaire zetel*) from the Netherlands to the Czech Republic, the conversion of the Company into a Czech joint-stock company (*akciová společnost*) and/or the initiation of a Czech Squeeze-Out;
- any transaction between the Company and the Offeror or their respective affiliates on terms that are at arm's length;
- any transaction, including a sale and/or transfer of any material asset, between FEG and its affiliates or between FEG and the Offeror or their respective affiliates with the objective of utilizing any carry forward tax losses available to FEG, the Offeror or any of their respective affiliates;
- any combination of the foregoing; or
- any other cross-border or domestic transactions, restructurings, share issues, procedures and/or proceedings in relation to FEG and/or one or more of its affiliates required to effect the aforementioned objectives.

In the implementation of any Post-Closing Restructuring Measure, the Offeror acknowledges that due consideration must be given to the requirements of the applicable laws and regulations, including the requirement to consider the interests of all stakeholders, including any minority Shareholders of FEG, and the requirement for the members of the Supervisory Board of the FEG to form an independent view of the relevant matter.

Czech Squeeze-Out Procedure

In the event of a transfer of FEG 's registered seat from the Netherlands to the Czech Republic and/or the conversion into a Czech joint-stock company (*akciová společnost*) and/or the merger of the company with a Czech joint-stock company, the Offeror stated that it would be entitled and may seek to implement the forced transfer of all minority Shareholders' Shares pursuant to Sections 375 through 394 of the Czech Business Corporations Act if the Offeror holds at least 90% of the Shares in the Company (the **Czech Squeeze-Out Procedure**). In such case, the Offeror would have the right to demand that FEG's Management Board convenes a general meeting to resolve on the forced transfer of all minority Shareholders' Shares to the Offeror. The adoption of such resolution by the general meeting of FEG requires the consent of at least 90% of votes of all FEG's shareholders.

Consequences of the Offer

(A) De-listing

The Offeror stated that in the Polish Offer Memorandum that it is the Offeror's intention, subject to applicable laws and regulations, to terminate the listing of the Shares, as further set out in the Polish Offer Memorandum.

(B) Liquidity of the Shares

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly and thus adversely affect the liquidity of the Shares which are not disposed of under the Offer.

Once the listing of FEG is terminated, such termination will further adversely affect the liquidity of any Shares not disposed of under the Offer. In addition, the Offeror may initiate any other procedures as set out in the paragraphs above, including procedures which would result in the termination of the listing of the Shares (including Shares which are not disposed of under the Offer).

(C) Reduced governance rights

In the event that FEG or its successor entity will no longer be listed and none of the Shares in FEG will be publicly traded, the statutory provisions applicable to the governance of public or listed companies will no longer apply and the rights of minority Shareholders will be limited to the statutory minimum.

(D) Other measures

Subject to the terms and conditions of the Offer, the Offeror reserves the right to submit proposals to the Shareholders in order to change the corporate structure and the capital structure of FEG and/or achieve an optimal financial or other structuring, including amendments to FEG's articles of association and changes in the accounting policies applied by FEG, all in accordance with applicable laws and regulations and FEG's articles of association.

(E) Dividend policy

The shareholders should be aware that FEG may or may not pay cash dividends in the future. Future dividends may be of a one off nature only and the amount of any dividends will depend on a number of factors associated with the Offeror's tax and financial preferences from time to time. Any distribution made in respect of the Shares after the final settlement date will be deducted for the purpose of establishing the value per Share in any statutory merger, takeover buy-out procedure, squeeze-out procedure or other measure contemplated in the paragraphs above.

(F) Tax treatment of distributions

The Offeror has no insight into and no responsibility with respect to the tax treatment of shareholders with respect to any distributions made by the Company or any successor entity to FEG, which may include dividends, repayments of capital and liquidation distributions. In the event that there is a sale of substantially all assets of the Company, followed by a liquidation and a distribution of the sale proceeds, this may raise specific tax issues for shareholders, including without limitation a liability to Dutch dividend withholding tax.

3.3 Other terms of the Offer

Shareholders who do not intend to dispose of their Shares under the Offer should carefully review the risks they will be subject to as set out in the Offer Memoranda if they elect not to accept the Offer and certain measures the Offeror may take to achieve its goal of obtaining 100% of the Shares in the Company. These risks are in addition to the risks associated with holding securities issued by the Company generally, such as the exposure to risks related to the business of FEG and its subsidiaries, the markets in which FEG operates, as well as economic trends affecting such markets generally as such business, markets or trends may change from time to time.

The Offer Memoranda, as subsequently updated or amended by publication pursuant to applicable laws, are the sole legally binding documents including information on the Offer in the Czech Republic and Poland.

The Offeror will not reimburse any costs incurred by a shareholder, their attorneys-in-fact or legal representatives in connection with taking actions necessary to respond to the Offer, and will not reimburse any costs or pay any damages if the Offer does not close as provided in the Offer Memoranda.

Shareholders should further take regard to the conditions upon which Fortbet may cancel submitted notices of acceptance. Submitted notices of acceptance may only be cancelled in circumstances set out in the Offer Memoranda, in particular if another entity launched an offer for the Shares and the rights arising from the Shares subject to the cancelled notices of acceptance in the Offer have not yet been transferred to the Offeror.

4. TERMS OF THE OFFER

In this paragraph a high level overview of the terms on which the Offer was made on 31 March 2017 is provided.

4.1 Public Offer

The Offer consists of two public offers, the Polish Tender Offer and the Czech Voluntary Buy-out Offer:

- The Polish Tender Offer concerns those Shares that were acquired through transactions executed as part of trading on a regulated market in Poland and which were registered in a securities account maintained in Poland as at the end of the third day from the announcement of the Offer;
- The Czech Voluntary Buy-out Offer is made in the Czech Republic and concerns all issued outstanding shares in the Company admitted to trading on the PSE and WSE; shareholders who hold their shares in the Company on the securities accounts maintained in the Republic of Poland, may transfer their shares to the securities accounts in the Czech Republic and choose to tender their shares within the Voluntary Buy-Out. It should be noted that transferring the shares from the securities accounts maintained in Czech Republic to the securities accounts in the Republic of Poland may be constricted and require additional arrangement with relevant entities keeping the securities accounts. Notwithstanding the above, Shares transferred to and registered on the securities accounts in the Republic of Poland after the end of the third calendar day after the announcement of the Polish Tender Offer will not be eligible for subscription in the Polish Tender Offer.

At the date of the Offer, the Offeror holds 35,490,330 of the 52,000,000 outstanding Shares, entitling to exercise 35,490,330 votes at the general meeting of FEG and representing 68.25% of the share capital and 68.25% of the total number of votes at the general meeting of FEG. At the date of the Offer, all other Shares and voting rights are owned by other parties, not being the Offeror's subsidiaries nor parent entities.

Through completion of the Offer, the Offeror intends to hold 52,000,000 Shares entitling to exercise 52,000,000 votes at the general meeting of FEG, representing 100% of the registered issued and outstanding share capital and 100% of votes in the general meeting of FEG.

4.2 Initial Offer Price

Shareholders tendering their Shares were initially offered an amount of PLN 15.43 or CZK 98.69 in cash for each Share.

The price is determined in PLN per share, converted into CZK using the PLN/CZK exchange rate published by the Czech National Bank on the day preceding the date of the announcement of the Offer.⁸

According to the Polish Offer Memorandum, the initial Offer Price of the Shares complies with the provisions of Polish law regulating tender offers, i.e. the Act of 29 July 2005 on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies (the **Act on Public Offerings**).

Furthermore, given the fact that pursuant to the Act on Public Offerings, the PSE is the main market on which the Shares are traded (the market with the highest volume of transactions in the Company's Shares in the calendar year preceding the year in which the main market is determined), the arithmetic means provided below were calculated based on the price of the Company's Shares on the PSE, and then converted into PLN based on the average CZK/PLN exchange rate announced by the National Bank of Poland on each session day. Where the average exchange rate was not published by the National Bank of Poland for the given trading session day on the PSE, the conversion was made based on the last available average exchange rate announced by the National Bank of Poland on the preceding day.

The initial Offer Price of the Shares was not lower than the six-month arithmetic mean of the daily volume-weighted average prices.

The arithmetic mean of the daily volume-weighted average prices during the six (6) months preceding the announcement of the Offer, during which the Shares were traded on the PSE, is PLN 14.86 (fourteen zlotys and eighty-six groszy).

The arithmetic mean of the daily volume-weighted average prices in the three (3) months preceding the announcement of the Offer, during which the Shares were traded on the PSE, is PLN 15.42 (fifteen zlotys and forty-two groszy).

The initial Offer Price of the Shares was not lower than the three-month arithmetic mean of the daily volume-weighted average prices.

The Offeror is entitled to change the Offer Price but not more often than every 5 business days, if:

- the new Offer Price is higher than the previous Offer Price - the Offeror has to pay the higher Offer Price to all Shareholders who submitted a notice of acceptance before the change of price. In that case, the settlement will be performed for the previous Offer Price and the difference between the previous Offer Price and the new Offer Price will be paid by the Offeror to the Shareholder;

⁸ Please refer to section 5 of the Czech voluntary buy-out offer document, updated wording valid as of 20 April 2017. Please also refer to the definition of Offer Price.

- the new Offer Price is lower than the previous Offer Price - the Offeror has to pay the higher Offer Price to all Shareholders who submitted a notice of acceptance before the change of price.

The above-mentioned restrictions on the price payment do not apply if the Offeror has already acquired the Shares from the Shareholders who submitted a notice of acceptance before the change of the Offer Price in the interim settlement.

On 26 May 2017, the Offeror increased the Offer Price to CZK 118.04 or PLN 18.68 per Share.⁹

4.3 Offer Conditions

As the Offer is unconditional and the Offer is also not subject to any minimum acceptance threshold and accordingly, the Offeror will accept all Shares that have been validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and not previously withdrawn pursuant to the terms of the Offer in accordance with the procedures set forth in the Offer Memoranda.

Notwithstanding the above, the Offeror may withdraw from the Offer if another entity has announced another offer for all Shares in FEG at a price not lower than the Offer Price.

The Offer only relates to shares without encumbrance of any pledge or other third party rights.

The information in this paragraph 4.3 on the terms of the Offer is not complete and additional information is contained in the FEG Offer Documentation.

The FEG Offer Documentation is described in:

- (A) the Polish Offer Memorandum dated 31 March 2017 by the Offeror (in Polish)
(<http://infostrefa.com/infostrefa/pl/wiadomosci/26776738,wezwanie-do-zapisywania-sie-na-sprzedaz-akcji-spolki-strong-fortuna-strong-entertainment-group-n-v-ogloszone-przez-fortbet-holdings-limited>);
- (B) the update of 4 April 2017 to the Polish Offer Memorandum dated 31 March 2017 by the Offeror (in Polish),
(<http://infostrefa.com/infostrefa/pl/wiadomosci/26822290,komunikat-dotyczacy-wezwania-do-zapisywania-sie-na-sprzedaz-akcji-spolki-strong-fortuna-strong-entertainment-group-n-v>);
- (C) the consolidated text of the Polish Offer Memorandum, published on 20 April 2017 in the Polish newspaper, Parkiet;
- (D) the voluntary buy-out offer for the Czech Republic dated 31 March 2017 as the updated on 20 April 2017 (in Czech):

⁹ http://www.esp.pl/pl/Wezwanie_0317

([http://www.csas.cz/static_internet/cs/Obchodni_informace-Produkty/Investovani_\(Fondy_a_Financni_trhy\)/Akcije_a_dluhopisy/Prilohy/nabidka_na_koupi_akcii_spol_fortuna_20170420.pdf](http://www.csas.cz/static_internet/cs/Obchodni_informace-Produkty/Investovani_(Fondy_a_Financni_trhy)/Akcije_a_dluhopisy/Prilohy/nabidka_na_koupi_akcii_spol_fortuna_20170420.pdf));

and

- (E) other documents or announcements in relation to the Offer available on the website of Erste Securities Polska S.A. (http://www.esp.pl/pl/Wezwanie_0317).

these documents are together referred to as the **FEG Offer Documentation**.

4.4 Offer Timetable

Offer Date:	31 March 2017
Commencement of the acceptance period:	21 April 2017
Cut-off dates for delivery of notices of acceptance:	24 May 2017 7 June 2017 20 June 2017
Interim settlements during the acceptance period:	30 May 2017 13 June 2017
End of the acceptance period:	20 June 2017
Final settlement:	27 June 2017 ¹⁰

According to Polish law and the Offer Memoranda, the acceptance period may be extended (once or several times) by up to 70 days if, in the sole discretion of the Offeror, such extension is necessary to achieve the purpose of the Offer. The Offeror shall publish an extension of the acceptance period no later than 13 June 2017.

In addition, the acceptance period may be extended (once or several times) by, up to 120 days, if after the announcement of the Offer the circumstances give reasons to believe that the purpose of the Offer may not be achieved and the Shares to which acceptance notices were received in the first 70 days of the acceptance period are acquired no later than within 10 business days following such first 70 days. The Offeror shall publish an extension of the acceptance period no later than 6 June 2017.

The acceptance period may be shortened if the purpose of the Offer is achieved prior to its expiry. The Offeror shall publish the shortening of the acceptance period no later than 7 days prior to the expiry of such shortened acceptance period for the Shares covered by the Offer.

¹⁰ Note that the Offeror may amend the dates mentioned in this paragraph up to 5 business days prior to the first interim settlement date, being ultimately 23 May 2017. That date is before the publication of this Position Statement.

5. ASSESSMENT OF THE OFFER

The Transaction Committee further reviewed and discussed the unsolicited Offer with a view to come to a recommendation to the FEG Boards, allowing it to forming a reasoned opinion on the Offer based on the current situation.

The fundamental guiding principle on which the Transaction Committee based their recommendation and upon which the FEG Boards have based their assessment of the Offer is to act in the best interests of FEG and its business, all Shareholders and other stakeholders.

In addition to the interests of the Shareholders, the FEG Boards thoroughly considered both the financial and the non-financial consequences of the Offer.

In reaching its conclusion, the FEG Boards extensively consulted with the Transaction Committee and FEG's legal adviser, Jones Day. In arriving at its view, the Transaction Committee has independently reviewed the unsolicited offer, and considered the implications for FEG's future.

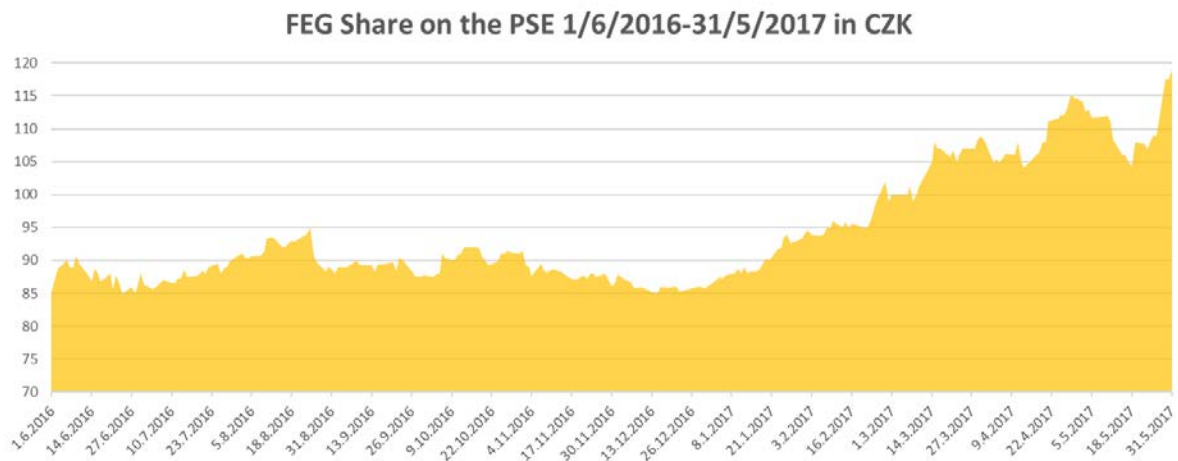
The FEG Boards' assessment of the Offer is detailed below.

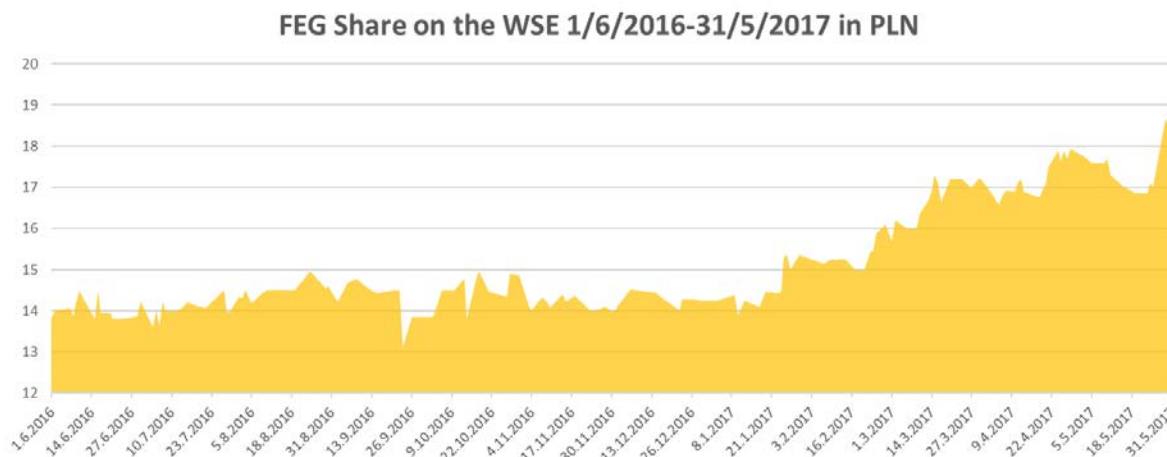
5.1 Financial assessment of the Offer

Share price of FEG

The Offer Price of CZK 118.04 or PLN 18.68 per Share is marginally above the 52-week highest price for Shares on the PSE and represents a premium of 59.08% above the 52-week lowest price for Shares on the PSE and approximately 25.7% above the six-month arithmetic mean of the daily volume-weighted average prices during the six months preceding the announcement of the Offer, which for Shares traded on the WSE was PLN 14.86.

The graph below sets out the Share price development for FEG from 1 June 2016 to 31 May 2017.





Premium

The Offer Price of CZK 118.04 or PLN 18.68 in cash per Share represents a premium (discount) of:

- -1.7% and -0.8% to the closing price per Share on the WSE and the PSE, respectively, 31/5/2017 (the **Reference Date**);
- 1.3% and 2.8% to the daily volume weighted average closing price per Share on the WSE and the PSE, respectively, for the 1 month prior to and including the Reference Date;
- 7.7 % and 9.2% to the daily volume weighted average closing price per Share on the WSE and the PSE, respectively, for the 3 months prior to and including the Reference Date;
- 11.0% and 18.3% to the daily volume weighted average closing price per Share on the WSE and the PSE, respectively, for the 12 months prior to and including the Reference Date;

Other

In addition to the foregoing, the FEG Boards have also considered the following in their financial assessment of the Offer:

- that KPMG Česká republika, s.r.o. delivered a fairness opinion (the **Fairness Opinion**) to the Transaction Committee dated 29 May 2017 that - as of such date and based upon and subject to the factors, qualifications and assumptions set forth in the fairness opinion – the PLN 18.68 or CZK 118.04 per Share in cash to be paid pursuant to the Offer was not fair from a financial point of view to such Shareholders.

The full text of the Fairness Opinion is included in Schedule 1. KPMG Česká republika, s.r.o. provided its opinion solely for the information and assistance of the Boards in connection with their consideration of the Offer. The Fairness Opinion is not a recommendation as to whether or not any Shareholder should tender such Shares in connection with the Offer or any other matter;

- that, given the majority shareholding of the Offeror, it seems unlikely that a third party will make a competing offer;
- that at the date of this Position Statement, FEG is not in discussions with a third party regarding a competing offer;

Assessment

Based on all the above considerations, the FEG Boards have 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 from a financial point of view.

5.2 Non-financial considerations with respect to the Offer

Consequences for FEG's business and its employees

The Offeror stated that it intends to continue the business operations of FEG in the foreseeable future. As the current strategy of FEG has the support of the Offeror as the majority shareholder, the FEG Boards do not expect the consummation of the Offer to have a material impact on employment within FEG's group. The FEG Boards note that the Offer Memoranda do not contain specific information in this respect however. The proposed transfer of its corporate seat to the Czech Republic will not have a material impact on employment within the group.

Delisting / "Go Private"

In principle, the FEG Boards see the advantages of a delisting of FEG as the costs associated with a dual listing of Shares on the WSE and PSE and the associated regulatory / compliance aspects, impose a significant financial and management burden on FEG. In addition, 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.

In addition, the FEG Boards considered that FEG is active in a market where all of its major competitors are private companies that are subject to less extensive reporting requirements and that therefore disclose less information to the market on their financial performance and strategy.

Finally, the FEG Boards considered that there is relatively low market liquidity for its Shares which given the allocation of Shares is not likely to change in the short term.

However, the FEG Boards are of the view that a delisting should be on terms that are fair to the minority shareholders and minority shareholders should be offered a reasonable opportunity to exit FEG against a price that reflects the value of FEG. Please refer to paragraph 5.1, above, for an assessment of the merits of the Offer Price.

Transfer of FEG's corporate seat to the Czech Republic

As with the proposed delisting, the FEG Boards are not opposed to transferring FEG's corporate seat to the Czech Republic. Such a transfer of FEG's corporate seat may bring with it certain advantages from a costs perspective and has its merits given where FEG's operations are located. A transfer of FEG's corporate seat should be thoroughly prepared as to ensure that it minimally impacts FEG from an operational, regulatory, and tax perspective.

However, to the extent that such transfer of corporate seat has adverse consequences for the minority shareholders, those minority shareholders should be offered a reasonable opportunity to exit FEG against a price that reflects the value of FEG. Please refer to paragraph 5.1, above, for an assessment of the merits of the Offer Price.

Majority Shareholding of the Offeror

The Offeror is, and has since the initial public offer been, the majority shareholder of FEG and as such can cast the majority of the votes in the general meeting of shareholders of FEG. This will likely continue to be the case whether the Offer succeeds or not.

Assessment

Taking into account on all the above considerations, the FEG 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 FEG Boards are of the view that this should be accompanied by offering the minority shareholders a reasonable opportunity to exit FEG against a price that reflects the value of FEG.

6. POSITION OF THE FEG BOARDS

Since the Offeror publicly announced its intention to make the Offer on 31 March 2017, the Transaction Committee has had conference calls and meetings to discuss the developments, preparations and progress in relation to the Offer, as well as the considerations underlying the key decisions in connection therewith.

Throughout the process up to publication of this Position Statement, the independent Transaction Committee consisting of Morten Rønde as chairman, Per Evald Widerström and Janka Galáčová, held frequent (conference) calls or meetings with all key advisers retained to be fully updated on the latest developments, discuss the Offer and alternatives thereto, and monitor the process. Each step in the decision making process relating to the Offer, including the decision on its reasoned opinion set out in this Position Statement, has been carefully taken by the FEG Boards from the beginning.

After having received extensive external professional assistance and advice, and having given due and careful consideration to the strategic, operational, financial and social aspects and consequences of the unsolicited Offer, both the Supervisory Board and the Management Board have reached the conclusion that, while there are certain advantages to a delisting of FEG, it cannot recommend the Offer as it stands, from a financial point of view to the Shareholders. Reference is made to the FEG Boards' assessment of the Offer, as included in paragraph 5 of this Position Statement.

Supervisory Board of FEG

Mr. Morten Rønde

Management Board of FEG

Mr. Per Evald Widerström

Ms. Janka Galáčová

Mr. Richard van Bruchem

7. FINANCIAL INFORMATION

The information in accordance with Annex G paragraph 2 of the Dutch Decree on public offers is contained in the adopted and approved annual report of FEG for the financial years 2013, 2014 2015, the annual report for the financial year 2016, as well as the announcement of FEG's Q1 2017 results as published on 11 May 2017 (copies can be obtained from <http://www.fortunagroup.eu>). The 2013, 2014, 2015 and 2016 annual accounts and Q1 2017 announcement of FEG are incorporated by reference in this Position Statement.

8. INFORMATION ON SHARES HELD BY THE MEMBERS OF THE FEG BOARDS

No members of the Supervisory Board, of the Management Board, or their spouses and/or registered partners, their minors or any legal entities in which they and/or these persons have control hold any to securities of FEG or have concluded transactions and agreements in relation to securities of FEG in the year prior to the public statement announcing the availability of the Offer Memorandum (i.e. 31 March 2016 up to 31 March 2017).

9. DEFINITIONS

Defined terms used in this Position Statement shall have the following meanings:

Definition	Explanation
April EGM	FEG's extraordinary general meeting held on 26 April 2017
Business Day	any day other than a Saturday, Sunday or public holiday on which banks in the Netherlands, according to the collective agreements for the banking sector (<i>Algemene Bank-CAO</i>) are generally open for business
CEE	Central and Eastern Europe
CEST	Central European Summer Time
Czech Offer Memorandum	the voluntary buy-out offer for the sale of shares in Fortuna Entertainment Group N.V. (<i>Nabídka na koupi akcií společnosti Fortuna Entertainment Group N.V. oznámená společností Fortbet Holdings Limited</i>) announced by Fortbet Holdings Limited on 31 March 2017 and updated on 20 April 2017 https://www.csas.cz/static_internet/cs/Obchodni_informace-Produkty/Investovani_(Fondy_a_Financni_trhy)/Akcije_a_dluhopisy/Prilohy/nabidka_na_koupi_akcii_spol_fortuna_20170420.pdf
Czech Squeeze-Out Procedure	the Post-Closing Restructuring Measure as described in Section 0 of this Position Statement
Czech Voluntary Buy-Out Offer	the voluntary buy-out offer in the Czech Republic announced by the Offeror on 31 March 2017, as described in the Czech Offer Memorandum
DCC	the Dutch Civil Code
Enterprise Division	the Enterprise Division of the Amsterdam Court of Appeals
Fairness Opinion	an opinion as prepared by KPMG Česká republika, s.r.o. and delivered to the Transaction Committee regarding the fairness of the Offer
FEG	Fortuna Entertainment Group N.V., a public company organized and existing under the laws of the Netherlands, with its registered office in Amsterdam at Strawinskylaan 809 WTC T.A/L 8, 1077 XX Amsterdam, the Netherlands, registered with the Dutch Commercial Register under number 34364038
Fortbet Romania	Offeror's (indirect) subsidiaries Bet Active Concept S.R.L., Bet Zone S.R.L., Public Slots S.R.L. and Slot Arena S.R.L. collectively
Fortbet	Fortbet Holdings Limited, a company organized and existing under the laws of Cyprus, with its registered office at Agias Fylaxeos & Polygnostou, 212, C&I

	Center Building, 2 nd floor, P.C. 3082, Limassol, Republic of Cyprus, registered with the Department of Registrar of Companies and Official Receiver of the Ministry of Commerce, Industry and Tourism under registration number HE 295409
FEG Boards	the Supervisory Board and the Board of Management collectively
FEG Group	FEG and its subsidiaries as meant in article 2:24a DCC and the entities in which FEG directly or indirectly has a minority stake
FEG Offer Documentation	the following documents collectively: (i) the Polish Offer Memorandum; (ii) the Czech Offer Memorandum, both as updated from time to time; and (iii) other documents or announcements in relation to the Offer made publicly available by Fortbet and/or FEG
Management Board	the board of management of FEG
Offer	the Polish Tender Offer and the Czech Voluntary Buy-out Offer as described in the Offer Memoranda
Offer Memoranda	the Polish Offer Memorandum and the Czech Offer Memorandum
Offer Price	as at the date of this Position Statement, a cash amount of PLN 18.68 or CZK 118.04 per Share
Offeror	Fortbet
Penta	<p>Penta Investments Limited, a limited liability company organized and existing under the laws of Jersey, with its registered office in Jersey at Channel Islands, 3rd floor Osprey House, 5-7 Old Street, St. Relier, Jersey, Channel Islands, JE2 3RG, registered under registration number 109645, direct and indirect holder of 100% of the shares in the Offeror, split out as follows:</p> <ul style="list-style-type: none"> • directly 99,09% of shares in the Offeror; and • indirectly the reminder of shares in the Offeror, through Penta Investments Cyprus Limited, a limited liability company organized and existing under the laws of Cyprus, with its registered office in Cyprus at Agias Fylaxeos & Polygnostou, 212, C&I Center Building, 2nd floor, P.C. 3082, Limassol, Republic of Cyprus, registered in the Cypriot Commercial Registry under registration number HE 324471
PSE	the Prague Stock Exchange
Polish Offer Memorandum	the Polish Tender Offer Document as published on 31 March 2017 and supplemented by an update report published on 4 April 2017
Polish Tender	the tender offer in the Republic of Poland announced by the Offeror on 31

Offer	March 2017, as described in the Polish Offer Memorandum
Position Statement	this position statement of FEG on the Offer in accordance with article 18 and Annex G of the Decree on Public Takeover bids of 6 June 2017
Post-Closing Restructuring Measures	the restructuring measures as described in Section 3 of this Position Statement
Reference Date	the last trading date prior to the publication of the Position Statement
Romania Transaction	the purchase agreement with the Offeror pursuant to which FEG wishes to acquire Fortbet Romania from the Offeror
Shareholder(s)	the holder(s) of one or more Shares
Shares	all ordinary shares in the capital of FEG issued from time to time
Supervisory Board	the supervisory board of FEG
Supervisory Director	Mr A.A. Olijslager as appointed by the Enterprise Division on 25 April 2017
Templeton	Franklin Templeton Investment Funds – Templeton Eastern Europe Fund, Franklin Templeton Investment Funds – Templeton Emerging Markets Small Cap Fund, and Templeton Emerging Markets Small Cap Fund together
Transaction Committee	a committee established to discuss and prepare the Position Statement on the Offer, consisting of Morten Rønne as chairman, Per Evald Widerström and Janka Galáčová.
WSE	the Warsaw Stock Exchange

SCHEDULE 1: FAIRNESS OPINION



KPMG Česká republika, s.r.o.
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186 00 Praha 8
Česká republika
+420 222 123 111
www.kpmg.cz

Transaction Committee

To the attention of Mr Ronde, the chairman of the Transaction Committee

Fortuna Entertainment Group N.V.
World Trade Center, Tower Kevel 8
Strawinskylaan 809, 1077XX
Amsterdam
The Netherlands

29 May 2017

Dear Sir,

Re: Fairness opinion on the financial conditions of the public offer for the shares of Fortuna Entertainment Group N.V. announced on 31 March 2017 and amended on 26 May 2017

KPMG Česká republika, s.r.o. ("KPMG"), is acting as financial adviser to the Transaction Committee of Fortuna Entertainment Group N.V. ("FEG" or the "Company") pursuant to the engagement letter concluded on 11 May 2017 between KPMG and FEG in connection with the public offer for the buy-out of 16,509,670 ordinary common shares of the Company traded on the officially regulated markets operated by the Warsaw Stock Exchange ("WSE") and the Prague Stock Exchange ("PSE") announced on 31 March 2017 and amended on 26 May 2017 by Fortbet Holdings Limited („Fortbet" or the „Offeror"). The offer is described in the Voluntary buy-out offer for the sale of shares in Fortuna Entertainment Group N.V. announced by Fortbet ("Voluntary buy-out offer") as of 31 March 2017, updated as of 26 May 2017 and effective as of 29 May 2017, which has been provided to us. The Transaction Committee has been formed by the Board of Managing Directors and the Supervisory Board of FEG and includes certain members of both bodies (the "Transaction Committee").

As of the date of the Voluntary buy-out offer, the Offeror held 35,490,330 shares of the Company which accounted for 68.25% of the outstanding number of FEG shares and the total number of votes at the General Meeting of the Company's Shareholders (the "SGM"). As the result of the Offer, the Offeror intends to acquire 16,509,670 ordinary common shares of the Company with a nominal value of EUR 0.01 per share (the "Transaction"), which account for 31.75% of the outstanding number of FEG shares and the total number of votes at the SGM, and thus (together with the shares already owned) to become the owner of 52,000,000 FEG shares, constituting 100% of shares and votes on its SGM.



The consideration proposed to be paid by Fortbet for one ordinary share of FEG is PLN 18.68 or CZK 118.04 (the "Consideration").

The Transaction Committee of FEG has requested KPMG to provide an opinion as to whether the Consideration to be paid by Fortbet as part of the Transaction is fair from a financial point of view. The opinion does explicitly not address the underlying business decision of Fortbet to effect the Transaction, nor does it address any potential alternatives. Consequently, no opinion is expressed whether an alternative transaction might be more beneficial to the holders of ordinary shares of FEG than the Transaction.

For the purposes of this fairness opinion analysis, we have also included as a part of FEG (the Company) (i) the operations of Hattrick Sports Group Ltd., acquired by FEG on May 19, 2017 and (ii) the operations of Bet Active Concept S.R.L., Bet Zone S.R.L., Public Slots S.R.L. and Slot Arena S.R.L., for which FEG signed a purchase agreement on April 13, 2017, acquisition of which had not yet been closed as of the date of this fairness opinion.

In arriving at its opinion, KPMG has:

1. Reviewed certain publicly available financial and other information relating to FEG;
2. Reviewed certain internal reports and financial forecasts with respect to FEG's business operations, earnings, cash flow, assets, liabilities and prospects, prepared by the management of FEG;
3. Held discussions with the management of FEG regarding the past and current business operations and financial condition and the expectations for the future relating to the strategic and financial development of FEG;
4. Reviewed certain publicly available reports prepared by third parties, including reports concerning prospects of gambling markets in which FEG conducts its operations, prepared by third parties;
5. Reviewed the reported prices and trading activity of the ordinary shares of FEG;
6. Analysed the Voluntary buy-out offer;
7. Considered the Voluntary buy-out offer versus the value of the shares in FEG from a financial point of view;
8. Reviewed certain comparable companies operating in sectors similar to FEG; and
9. Performed such other studies and analyses and considered such other matters as it deemed appropriate.



For the purpose of this opinion, KPMG has assumed and relied upon the accuracy and completeness of all information, whether furnished to it or publicly available, and has not assumed responsibility for independent verification of, and has not independently verified, any information concerning FEG. KPMG has not conducted any physical inspection of the properties or assets of FEG and has not prepared or obtained any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise). In rendering this opinion, KPMG has assumed that the Transaction will be consummated on the terms described in the Voluntary buy-out offer.

With regard to the financial forecasts provided to or discussed with KPMG and used in its analyses, KPMG has assumed that they have been reasonably prepared and reflect the best currently available estimates and judgments of the management of FEG as to the expected future financial performance of FEG.

KPMG has assumed that no information has been withheld from it which could have had a material influence on the assumptions underlying and consequently the outcome of this opinion. The Board of Managing Directors of FEG has confirmed to KPMG that, to the best of its knowledge and belief, the information made available to KPMG is in all material respects complete and not misleading in the manner of its portrayal and without omissions and therefore forms a reliable basis for the opinion.

The fairness of the Consideration expressed in this opinion is only in the context of the Transaction and consequently this opinion does not address any other transaction that FEG has considered, may consider or could have considered in connection with FEG shares.

This opinion is addressed solely to, and for the use and benefit of, the Transaction Committee of FEG and is not a recommendation of KPMG to any shareholder or other security holder of FEG to accept or reject the Voluntary buy-out offer. Other parties cannot derive any rights from this opinion and may not rely on its contents. This letter shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to in any document or provided to any person without the prior written consent of KPMG, other than through reproduction in full of this final signed letter in relation to the Voluntary buy-out offer and subsequent buy-out procedures, for information purposes to the holders of ordinary shares of FEG.

KPMG is acting as financial adviser to the Transaction Committee of FEG and will receive a fee for its services which is not contingent on the content of this opinion or execution of the Transaction. Besides KPMG Česká republika, s.r.o. and KPMG Advisory Spolka z ograniczona odpowiedzialnoscia sp.k. no other practices or other KPMG member firms have been involved for the purpose of this opinion. Information available to all these other independent KPMG practices cannot be considered part of the information that was available to KPMG for the purpose of the opinion.

KPMG has been engaged by the Transaction Committee of FEG. All other parties involved in the Transaction should obtain separate advice in relation to legal, tax and technical accounting matters in connection with the Transaction. The work of KPMG related to issuing this opinion did



not include analysis of the financial or legal-tax status of FEG (*due diligence*), potential impact of financial-accounting-tax or legal issues, which may be relevant for the execution of the Transaction. KPMG does not accept any responsibility or liability in respect thereof.

KPMG has not been involved in, nor have we influenced, the process of discussions and negotiations between Fortbet and any other third parties.

KPMG's opinion is necessarily based on financial, economic, monetary, market and other conditions existing on, and the information which has been provided to us up until, the date of this letter. Any subsequent changes in respect of these conditions or this information could change both the assumptions on which this opinion is based and the opinion itself. In that case, KPMG is not obliged to renew, review or confirm this opinion.

Based upon and subject to the contents of this letter, KPMG is of the opinion that as at the date of this letter the Consideration is **NOT** fair from a financial point of view.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Alex Verbeek', written over a horizontal line.

Alex Verbeek

Partner and proxy holder

KPMG Česká republika, s.r.o.

SCHEDULE 2: AGENDA AGM AND EXPLANATORY NOTES

This document and the accompanying explanatory notes are important and require your immediate attention.

**NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
FORTUNA ENTERTAINMENT GROUP N.V.**

Shareholders and persons entitled to attend shareholders' meetings of Fortuna Entertainment Group N.V. (the "**Company**") are invited to the Annual General Meeting of Shareholders of the Company (the "**AGM**") to be held at the registered office of the Company at the address Strawinskylaan 809 WTC T.A/L 8, 1077 XX AMSTERDAM, The Netherlands, on June 12, 2017, starting at 11.00 a.m. (CET) and to take note of these explanatory notes to the agenda of the AGM.

Agenda for the Annual General Meeting

1. Opening
2. Annual Report 2016
3. Discussion and adoption of the 2016 annual accounts*
4. Discussion on dividend policy
5. Proposal of dividend payment
6. Appointment external auditor*
7. Discussion on the tender offer announced by Fortbet Holdings Limited pursuant to Article 18 (1) of the Dutch Public Takeover Bids Decree
8. Authorization to 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*
9. Closing

* denotes an agenda item that the shareholders will be asked to vote on.

The Management Board of the Company considers that the proposals described in this notice are in the best interests of the Company as a whole, and unanimously recommend shareholders to vote in favour of the resolutions.

Documents

The agenda, the explanatory notes to the agenda and the Company's Annual Report (including the 2016 annual accounts) can be found on the Company's website (www.fortunagroup.eu) and are also available for review at the Company's offices at Strawinskylaan 809, 1077 XX Amsterdam, The Netherlands.

Attending the AGM / Voting instructions

Registered shareholders

With respect to holders of registered shares, the sub-register will be the shareholders' register of the Company, as maintained by it. Holders of registered shares (and other persons/entities entitled to attend the AGM) who wish to attend the AGM must inform the Company's Management Board thereof in writing at the latest on June 6, 2017.

Beneficial holders of shares listed on the Warsaw Stock Exchange or the Prague Stock Exchange ("Listed Shares")

Beneficial holders of Listed Shares who wish to (i) exercise voting rights in writing, (ii) attend the AGM and exercise voting rights in person, or (iii) authorize another person to attend the AGM and to exercise voting rights on their behalf, are requested to contact the bank or broker through which they hold their Listed Shares. Such bank or broker will provide the beneficial holder of Listed Shares with additional information and the appropriate form(s). Please complete, sign and return the form(s) in accordance with the instructions specified thereon. The recipient institution will arrange that the forms and/or the information included therein, as required, will be received by the Company by no later than 16:00 (CET) on June 6, 2017.

Requirements to vote / Registration Date

The Company has set a registration date for registered shares at 23:59 (CET) on May 15, 2017. Shareholders who are registered at the registration date in the Company's shareholder register will be entitled to vote the number of shares held by them at the registration date. The Company does not require the blocking of shares in order to vote at the AGM.

The Company has ascertained that the same date, i.e. 23:59 (CET) on May 15, 2017, is also applicable as the notional registration date for beneficial holders of Listed Shares, in accordance with the internal rules, policies and practices of the depositary(s), custodian(s), broker(s), nominee(s) or clearing system(s) through which they hold Listed Shares. Beneficial holders of Listed Shares may have their accounts blocked when they vote, depending on the internal rules, policies and practices of the custodian(s), broker(s), nominee(s) or clearing system(s) through which they hold Listed Shares. Beneficial holders of Listed Shares who acquire their beneficial holdings or holdings after the notional registration date will not be able to exercise voting rights.

Identification

FORTUNA

FORTUNA ENTERTAINMENT GROUP N.V.

World Trade Center, Tower Kevel 8, Strawinskylaan 809, 1077 XX, Amsterdam, The Netherlands

Registration Number: 34364038, Bank: ABN Amro Bank 531 964 426, Tax ID Number: NL8214 64 838 B01

www.fortuna-group.eu

Persons/entities, entitled to attend the AGM, can be requested to show proof of identity prior to admission to the AGM. We therefore request those persons / entities to bring valid identification.

Registration of Admittance

Registration of admittance will take place on June 12, 2017 from 10.00 a.m. to 10.55 a.m., before commencement of the AGM. It will not be possible to register after that time.

If you are in any doubt as to what action you should take, you are recommended to seek your own advice from an appropriate authorized independent professional adviser.

If you have sold or transferred all your shares in the Company please pass this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

Amsterdam, April 28, 2017

The Board of Managing Directors
Fortuna Entertainment Group N.V.

SHAREHOLDER'S CIRCULAR / EXPLANATORY NOTES TO THE AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF FORTUNA ENTERTAINMENT GROUP N.V.

Shareholders and persons entitled to attend shareholders' meetings of Fortuna Entertainment Group N.V. (the "**Company**") are invited to the Annual General Meeting of Shareholders of the Company (the "**AGM**") to be held at the registered office of the Company at the address Strawinskylaan 809 WTC T.A/L 8, 1077 XX AMSTERDAM, The Netherlands, on June 12, 2017, starting at 11.00 a.m. (CET) and to take note of these explanatory notes to the agenda of the AGM.

Agenda for the Annual General Meeting

1. Opening
2. Annual Report 2016
3. Discussion and adoption of the 2016 annual accounts*
4. Discussion on dividend policy
5. Proposal of dividend payment
6. Appointment external auditor*
7. Discussion on the tender offer announced by Fortbet Holdings Limited pursuant to Article 18 (1) of the Dutch Public Takeover Bids Decree
8. Authorization to 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*
9. Closing

This shareholder's circular / explanatory notes includes facts and circumstances relevant to shareholders of the Company with respect to agenda items that require to be voted upon, such agenda items are marked with *.

AGENDA ITEM	EXPLANATORY NOTES
Agenda item 1	Opening
Agenda item 2	<p>Annual Report 2016</p> <p>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 trading of the Company's shares on the Prague Stock Exchange and the Warsaw Stock Exchange. The Annual Report 2016 is published on the Company's website (www.fortunagroup.eu) and is available for inspection at the office of the Company and can be obtained from the Company upon request.</p> <p>This agenda item is for discussion purposes only and shall not be voted upon.</p>
Agenda item 3 *	<p>Discussion and adoption of the 2016 annual accounts</p> <p>A proposal to adopt the annual accounts for the financial year 2016 as drawn up by the Management Board and as approved by the Supervisory Board will be presented to the General Meeting. The annual accounts for the financial year 2016 were prepared under Dutch law (using IFRS rules) by the Management Board and audited and provided with the qualified auditor's report by Ernst & Young, the Company's external auditor.</p> <p>It is proposed to the General Meeting to adopt the Company's annual accounts for the financial year 2016.</p>
Agenda item 4	<p>Discussion on dividend policy</p> <p>The profit appropriation and dividend for 2016 will be presented to the General Meeting. The profit appropriation policy and dividend policy enables the Company to continuing growth.</p> <p>This agenda item is for discussion purposes only and shall not be voted upon.</p>
Agenda item 5	<p>Profit appropriation and dividend for 2016</p> <p>Since 2015, the dividend policy of the Company has been under review due to the planned investments into future growth opportunities, especially investments into a new IT platform enabling multi-channel, -product and -country capability, operational excellence and people that will support further organic growth and expansion into Central & Eastern Europe. These investments coupled with the newly acquisition of Hattrick Sports Group, will strengthen the Company's current position as the leading Central European licensed sports betting operator. It will also support Fortuna Group in its ambition to become the undisputable leader in the regulated Central & Eastern European sports betting & gaming sector with the most trusted and exciting multi-channel betting & gaming brand, scalable platform and Best-in-class experience for our customers. In light of this development, the Management Board of the Company, with prior approval of the Supervisory Board, has determined that the entire net profit will be allocated to the Company's profit reserve. As such, there is no profit remaining to be disposed by the general meeting for 2017. The dividend policy after 2017 going forward will be announced after year end of 2017.</p>
Agenda item 6 *	<p>Appointment external auditor</p> <p>A proposal will be presented to the General Meeting, in accordance with the advice of the Audit Committee, to appoint Ernst & Young as the external auditor of the Company, for the financial year 2017.</p> <p>It is proposed to the General Meeting to appoint Ernst & Young as the external auditor of the Company, for the financial year 2017.</p>
Agenda item 7	<p>Discussion on the tender offer announced by Fortbet Holdings Limited pursuant to Article 18 (1) of the Dutch Public Takeover Bids Decree</p> <p>On 31 March 2017 Fortbet Holdings Limited ("Fortbet"), a company organized and existing under the laws of Cyprus (registration number HE 295409), announced a tender offer for the sale of all outstanding shares in the Company (the "Tender Offer"). Through the Tender Offer,</p>

AGENDA ITEM	EXPLANATORY NOTES
	<p>Fortbet intends to acquire the remaining 16,509,670 shares representing 31.75% of Company's share capital with a view to becoming the Company's sole shareholder.</p> <p>The Company will prepare a position statement setting out its view on the Tender Offer, which will, in accordance with Article 18 of the Dutch Public Takeover Bids Decree, be published ultimately 4 business days before the day of the AGM. The Company will discuss its position on the Tender Offer set forth in the position statement at the AGM.</p> <p>This agenda item is for discussion purposes only and shall not be voted upon.</p>
<p>Agenda item 8 *</p>	<p>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</p> <p>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.</p> <p>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 (the "Acquisition") is effectuated. Any Acquisition shall require the prior approval of the Supervisory Board. This authorization, if approved by the AGM, shall replace the prior authorization to purchase shares in its own capital as permitted by the AGM on 23 May 2016.</p>
<p>Agenda item 9</p>	<p>Closing</p>

Amsterdam on April 28, 2017.

Management Board and Supervisory Board
Fortuna Entertainment Group N.V.