FL/ENTERTAINMENT

UNIVERSAL REGISTRATION DOCUMENT

FL / ENTERTAINMENT

UNIVERSAL REGISTRATION DOCUMENT /2022

AFM

This Universal Registration Document has been prepared in ESEF and approved on 28 April 2023 by the Autoriteit Financiële Markten (the "AFM") as competent authority under Regulation (EU) 2017/1129.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AFM, together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129. The package thus formed is approved by the AFM in accordance with Regulation (EU) 2017/1129.

Such approval should not be considered as an endorsement of the issuer that is the subject of this registration document.

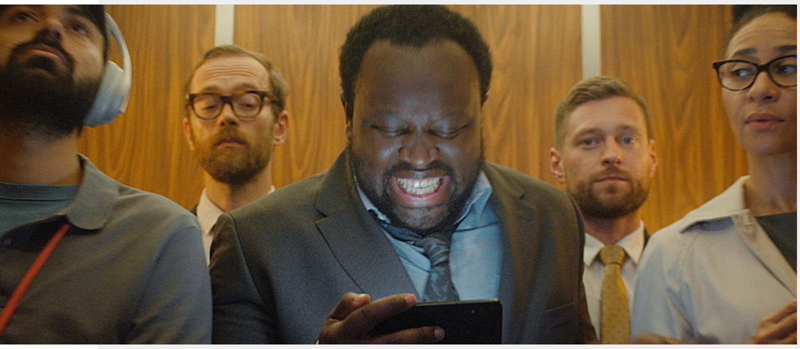
This copy of the Annual Financial Report of FL Entertainment N.V. for the year ended 31 December 2022 is not presented in the ESEF format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The ESEF single reporting package is available on the Company's website: https://www.flentertainment.com/.

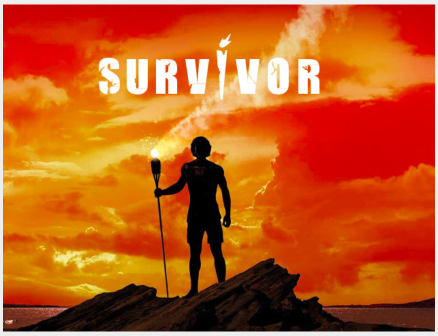
Copies of this Universal Registration Document are available free of charge at the registered office of FL Entertainment, 5 rue François 1er - 75008 Paris - France.

The Document is also available on the website of FL Entertainment (https://www.flentertainment.com).

SUMMARY

FL / ENTERTAINMENT





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Such approval should not be considered as an endorsement of the issuer that is the subject of this registration document. The AFM only approves this Universal Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.

In this Universal Registration Document, the term "Company" means the company FL Entertainment N.V., a Dutch public company with limited liability *(naamloze vennootschap)*, with share capital of €8,582,326.03 whose Ordinary Shares are admitted to listing and trading on Euronext Amsterdam, having its business address at 5 rue François 1er, 75008 Paris, France. The Company is registered with the Dutch Chamber of Commerce *(Kamer van Koophandel)* under number 85742422 and registered under number 913 167 227 RCS Paris, and its Legal Entity Identifier ("LEI") is 894500G73K46H93RF180.

The expressions "FL Entertainment" and the "Group" mean the Company, together with its consolidated subsidiaries. A glossary providing the definitions of the main technical and financial terms used in this Universal Registration Document appears at the end of this Universal Registration Document. This Universal Registration Document describes FL Entertainment on the basis of the Group's structure as at the date of this Universal Registration Document.

This Universal Registration Document includes the Company only financial statements and consolidated financial statements of FL Entertainment for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with Part 9 of Book 2 of the Dutch Civil Code. The consolidated financial statements and the notes to the consolidated financial statements are referred to collectively as the "Consolidated Financial Statements".

In addition to historical information, this Universal Registration Document includes forward-looking statements. The forward-looking statements are generally identified by the use of forward-looking words, such as "consider", "plan", "think", "have the objective", "expect", "intend", "should", "aim", "estimate", "believe", "wish", "could" or other variations of such terms, or by discussion of strategy. This information is not historical data and must not be interpreted as guarantees that the facts and data set forth will occur. This information is based on data, assumptions, and estimates that the Group believes reasonable. They may change or be modified because of uncertainties related, for example, to the economic, financial, competitive, or regulatory environment.

Investors are invited to carefully consider the risk factors described in Chapter 3 "Risk Factors" of this Universal Registration Document on page 99, which could impact the activities, financial position and results of the Group and its ability to achieve its objectives.

Certain calculated data (including data expressed in thousands or millions) and percentages presented in this Universal Registration Document have been rounded. In that case, the totals shown in this Universal Registration Document may show insignificant differences from the totals that would have been obtained by adding the exact values (not rounded) of these calculated data.

Message FROM THE CHAIRMAN

/ Stéphane Courbit

"BEING BOLD AND AGILE IS AT THE HEART OF WHAT WE DO AND HOW WE WANT TO DO IT. INDEED, ENTREPRENEURSHIP IS CENTRAL TO OUR DNA AND CULTIVATED AT EVERY LEVEL OF OUR ORGANISATION"

2022 was a defining year with the creation of FL Entertainment to fulfil our mission to entertain, emote and inspire people worldwide. The success of our public listing last July constituted a major milestone for the Group, demonstrating the strength of our business model and relevance of our strategic initiatives. We are uniquely positioned to deliver sustainable growth in the long run for the benefit of all our stakeholders.

Building on the strong momentum and reinforced shareholder base, we are well-equipped to deliver on the vision outlined above via two world-class businesses in Content production & distribution and Online sports betting & gaming, which benefit from powerful tailwinds and high development potential.

We are already among the leaders in Content production & distribution globally, operating in a market that has ongoing consolidation and expansion opportunities, with a growing share of OTT platforms and increasing buyer and audience appetite for high-quality content.

We also have one of the fastest-growing online sports betting platform in Europe, offering a leading, award-winning customer experience. Structural trends will support our growth in the coming years, such as the expansion of viewership around sporting events, the development of fan communities, the democratisation of sports betting and increasing digitisation.

Being bold and agile is at the heart of what we do and how we want to do it. Indeed, entrepreneurship is central to our DNA and cultivated at every level of our organisation, with our core objective remaining to attract and retain top talent and importantly, support and empower them to enrich our intellectual property.

FL Entertainment is poised for another year of growth in 2023 and we will remain focused on delivering against our strategic roadmap, while maintaining a selective and disciplined approach to capital allocation to maximise growth opportunities and remain at the forefront of innovation.

/ Stéphane Courbit, Chairman

Message FROM THE CEO

/ François Riahi

> “2022 HAS BEEN AN OUTSTANDING YEAR FOR FL ENTERTAINMENT ON MANY FRONTS, NOTABLY WITH THE SUCCESSFUL LISTING OF FLE ON EURONEXT AMSTERDAM”

2022 was an important and productive year for FL Entertainment. Can you highlight a few takeaways?

2022 has been an outstanding year for FL Entertainment on many fronts, notably with the successful listing of FLE on Euronext Amsterdam, which has allowed us to raise capital, amplify our visibility among our stakeholders, and create excellent momentum for the Company.

By benefiting from a reinforced shareholder base, the Group has gained strategic leeway to pursue and accelerate its long-term roadmap and deploy its growth ambitions with 15 bolt-on acquisitions added across 11 countries in 2022 alone.

FL Entertainment enjoyed a strong financial performance for the year, delivering against all its financial objectives and exceeding its adjusted EBITDA guidance; a testament to the robust nature of our business, carried by powerful and much-loved brands. Thanks to our disciplined financial management, we saw a rapid de-leveraging of our balance sheet, delivering on our strategic roadmap.

What are the key differentiators and growth potential of your two activities?

FL Entertainment operates two world-class businesses uniquely positioned in two high-growth potential markets. At the forefront of innovation and technology, and with a proven ability to deliver profitable growth at scale, we have the expertise, and assets, to lead the global entertainment industry.

For both business lines, we can draw on major differentiators to capture future growth opportunities.

Banijay, the world’s leading independent producer and distributor of television programmes, takes pride in its unparalleled intellectual property. This, coupled with its extensive geographic footprint, which extends to more than 20 countries, a fully scalable platform and strong track record of delivering an active bolt-on acquisitions strategy, ideally positions us to capitalize on the growing market.

Operating in strongly-locally regulated markets, Betclic is one of Europe’s leading and fastest-growing online sports gaming platform, with a resilient growth pattern thanks to its cutting-edge, player-centric technology and broad offering encapsulating 55+ sports, casino, poker and horseracing. We are well-positioned to evolve in a fast-growing and addressable online gaming market, banking on the shift from offline to online.

> FL ENTERTAINMENT ENJOYED A STRONG FINANCIAL PERFORMANCE FOR THE YEAR, DELIVERING AGAINST ALL ITS FINANCIAL OBJECTIVES AND EXCEEDING ITS ADJUSTED EBITDA GUIDANCE; A TESTAMENT TO THE ROBUST NATURE OF OUR BUSINESS, CARRIED BY POWERFUL AND MUCH-LOVED BRANDS

What are FL Entertainment's ESG priorities?

ESG is embedded in FL Entertainment's business model – the success and long-term sustainability of our business depends on our ability to guarantee diversity, equity, and inclusion, across all areas to ensure the wellbeing and safety of our talent and accessibility to all areas of the business.

In Content production & distribution, we are deeply committed to doubling down on our efforts to deliver in this area across our programmes on and off-screen, and in doing so, creating a safe environment for all employees. To date, we have already introduced a robust and mandatory global code of conduct, launched a worldwide Diversity, Equity and Inclusion Board, set-up a range of employee resource groups in key areas (Embrace, Pride, Disability, Elle, Green), and activated a host of new initiatives and education-led events.

Our online betting guiding principle is to enhance users' passion for sports. We are committed to protecting the entertainment value of sports betting for our users, and therefore, key to our strategy is being best-in-class for responsible gaming. Positioning this at the heart of what we do, we are constantly pursuing the highest responsible gaming standards, above regulatory requirements, leveraging our latest technology to prevent excessive gaming, and advocating for adequate regulation. We are proud to be one of the most regulated sports betting and online gaming companies in the world, with over 97% locally regulated revenues.

How do you see 2023 shaping up?

The milestones we reached and the momentum we built in 2022 allow us to go into 2023 with strong confidence. Despite a challenging macroeconomic environment, we will continue to expand our shareholder base and increase our resources to pursue further strategic acquisitions.

We will leverage our leadership worldwide and creative DNA to continue attracting talent and maintain our active bolt-on strategy in different geographies, while diversifying our content offering and reinforcing diversity across all our activities.

We will also continue to invest in technology to offer the best gaming experience for our existing players and to attract new users while relentlessly promoting responsible gaming everywhere.

Overall, we expect another eventful year for FL Entertainment, where we will pursue our strategic roadmap and advance our ambition as an entertainment world leader.

/ François Riahi, CEO

> THE MILESTONES WE REACHED AND THE MOMENTUM WE BUILT IN 2022 ALLOW US TO GO INTO 2023 WITH STRONG CONFIDENCE

Group OVERVIEW

FL/ENTERTAINMENT

"OUR MISSION:
ENTERTAIN THE WORLD"

2 Business lines

Content production & distribution
Online sports betting & gaming

3,926 Employees worldwide

26 Countries

Figures as at 31 December 2022.

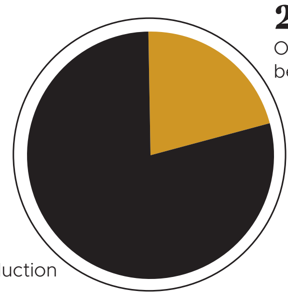
Revenue	Adjusted EBITDA*	Dividend per Share**
€4,047m	€670m	€0.36
+15.7%	+10%	
+13.2% at constant currency*	16.6% Adj. EBITDA Margin*	49% of Adj. Net Income*

Figures as at 31 December 2022.

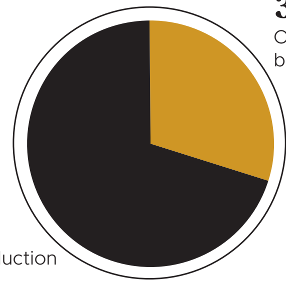
* As defined in the Glossary and in Section 5.2.2 (Other financial information).

** Subject to approval by the Annual General Meeting on 15 June 2023.

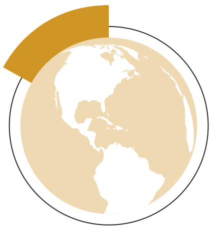
2022 BREAKDOWN OF REVENUE BY BUSINESS



2022 BREAKDOWN OF ADJUSTED EBITDA



2022 REVENUE BY GEOGRAPHICAL REGION



A unique model of growth based on 4 strategic pillars

At a glance

Content production & distribution

Banijay

“BE A POWERHOUSE OF THE BEST CONTENT & TALENT”

Content powerhouse Banijay is home to over 130 production companies across 21 countries, with a multi-genre catalogue boasting 160,000 hours of original standout programming.

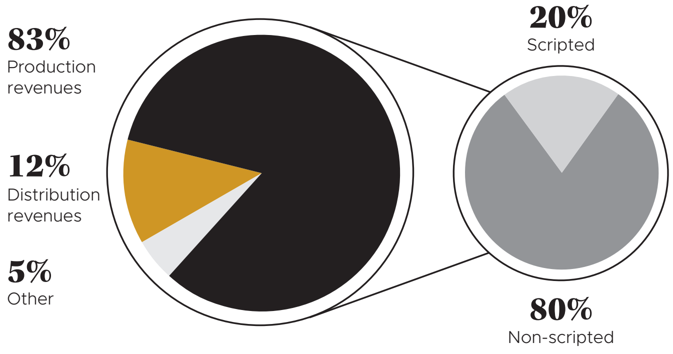
Revenue	Adjusted EBITDA*
€3,212m	€472m
+16.5%	+9.1%
+13.3% at constant currency*	14.7% Adj. EBITDA Margin*

A 15-year history	A unique home for industry's top talent	Leading global content 160,000 hours in catalogue
Recognised and diversified IP	3,084 employees 44 nationalities	Operate in 21 countries

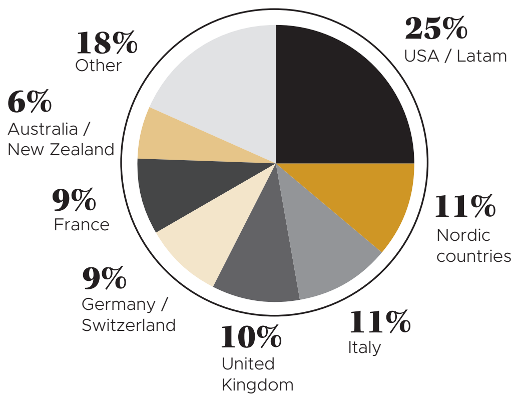
Figures as at 31 December 2022.

* As defined in the Glossary.

/ REVENUE BY BUSINESS TYPE



/ PRODUCTION REVENUE BY GEOGRAPHY



A well-diversified business

Diversification across all areas of the content production and distribution market is key to Banijay. Its eight biggest customers contributed to 39% of its production revenue for the year ending 31 December 2022, with none of its customers contributing to more than 10% of its revenue on an individual basis.

Similarly, its top 20 shows together contributed to 21% of its production revenue for the year ending 31 December 2022, with none of its shows contributing to more than 2% of its revenue on an individual basis.

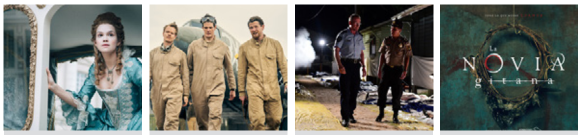
In addition, production subgenres are split between Reality (31%), Entertainment (21%), Drama (16%), Factual Entertainment (14%), Gameshow (7%), Talkshow (4%), Comedy (2%), Documentary (1%), Docudrama (1%), Kids scripted (1%), Feature Film (<1%), Kids non-scripted (<1%) and others (2%).

An exceptional portfolio of long-lasting worldwide brands

The Banijay Group has built an impressive portfolio and pipeline of premium, multi-genre, returning IP, which travel the world both via adaptation within and outside the production footprint, and through finished tape sales. Successfully leveraging and monetizing its brands, the business has built a strong reputation for enhancing the longevity of its titles beyond screen via innovative licensing deals and digital exploitation.

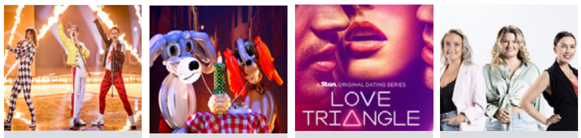
With 130+ production labels in the family, Banijay Group delivers a strong pipeline of IP year-on-year, which it exploits worldwide alongside its existing catalogue of stand-out brands. Leading titles include as *Survivor, Big Brother, Peaky Blinders, Rogue Heroes, Marie-Antoinette* or *MasterChef*.

Selected scripted formats



Marie-Antoinette | Rogue Heroes | Bali 2002 | The Gypsy Bride

Selected unscripted formats



Starstruck | Blow Up! | Love Triangle | Save the Date

A critical scale and agility to integrate

The Banijay Group has a proven ability to integrate and create value through large transactions, which is shown by the synergies realised after large M&A transactions like Zodiak Media and Endemol Shine Group, as well as smaller, value accretive bolt-on acquisitions. The Banijay Group has also set up collaborations through acquisitions or joint ventures with on-screen talent.

EndemolShineGroup zodiak

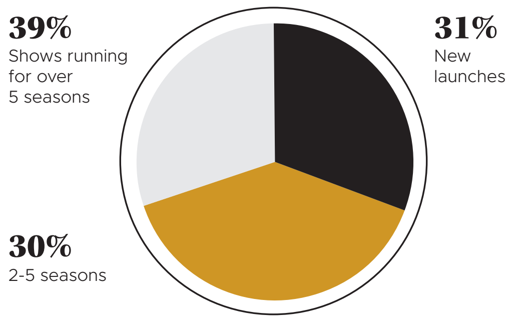
A growing and secured business model

The Banijay Group operates a resilient business model based on unique and diversified assets, with a proven ability to develop long-lasting, travelling content and original standout programming. This is illustrated by the high proportion of returning shows which totalled 69% of production revenue in 2022.

A unique ability to attract and retain key talent

The Banijay Group is a champion of positive change around diversity and inclusion, and sustainability. A safe home for everyone, free of creative restraint, it is committed to attracting and retaining a truly representative and inclusive workforce that thrives on diverse perspectives. A promoter of wellbeing, the group also cares about the environment and is taking the necessary steps to reduce its carbon footprint. Both corporately and on-set, we are transforming our business, all while educating our audiences.

/ DIVERSIFIED RECURRING PRODUCTION REVENUE



At a glance

Online sports betting & gaming

“ENHANCE THE PASSION FOR SPORT”

Betclic’s ambition is to become the most entertaining betting app and to enrich the sports experience while offering Poker, Casino Games and Horse racing.

Betclic offers a simple, intuitive and innovative betting interface on its mobile applications.

Betclic has demonstrated its capacity to operate successfully in a highly regulated and controlled environment and design scalable proprietary technology around its player-centric focus. The majority of its business is operated across four European countries: France, Portugal, Italy and Poland.

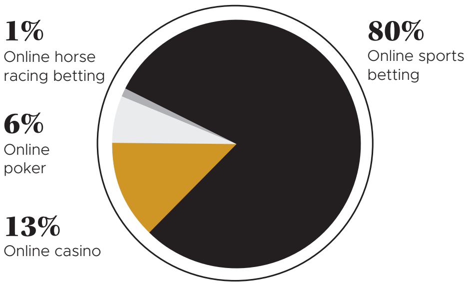
Revenue	Adjusted EBITDA*
€835m	**€203m**
+12.7%	+14.8%
+12.8% at constant currency*	24.3% Adj. EBITDA Margin*

A 17-year history	**97% revenues generated from locally regulated markets**	**1.7m Unique Active Players**
One of the fastest-growing online sports betting platform in Europe	**840 employees 41 nationalities**	**5 offices in Europe**

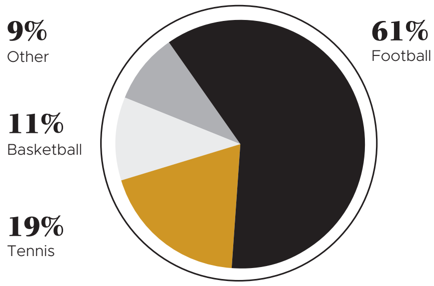
Figures as at 31 December 2022. Unless otherwise stated, figures include Betclic and Bet-at-home.

* As defined in the Glossary.

/ DIVERSIFIED REVENUE



/ BREAKDOWN OF BETS PLACED ON EACH SPORT



Player centricity

Players are at the heart of Betclic's strategy. Betclic offers easy-to-use apps enabling players to register, deposit and place bets. In addition apps are designed to bring to life the powerful emotion of sport. Betclic has developed a model that enhances the player relationship and customer journey to create value, optimized by the knowledge of the players and guaranteeing integrity and a safer approach.

App store sports betting apps ranking in 2022*

1st most downloaded sports betting app in our main countries

2nd most downloaded sports betting app

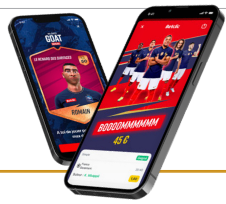
Ratings and reviews
(as at 31 December 2022)
4.9 out of 5

Outstanding rating in iOS app in Poland

FIFA World Cup (18 Nov. 2022)*

Betclic apps among Top 5 most downloaded apps in any sector

#5	#2	#1



* Source: App store Android and iOS (excluding Bet-at-home).

Product innovation

Betclic was the first online sports betting operator to launch a mobile app and for more than 15 years, it has created innovative and exciting products. Betclic provides its players with cutting-edge sportsbetting and gamified features that empower them to enhance their passion for sport. Betclic puts a lot of effort into ensuring all customers enjoy its mobile app experience and look & feel without any bugs, crashes or latencies. Transactions are handled in real-time and fully secured.

Expansion into new markets

Betclic has a proven track-record of operating in highly-regulated and controlled environments with leading positions in France, Portugal, and Poland. With growing sport events audiences, the development of fan communities and increasing digitalization and mobile phone habits, there is a deep, addressable, and growing market, which offers Betclic untapped opportunities in new geographies.

Sustainability & ESG (incl. Responsible gaming)

Compliance by design, Betclic has set as a priority to offer to clients an environment in control. Betclic holds a proven track-record of operating in highly-regulated and controlled environments:

- 97% revenues generated from locally regulated markets;
- Powerful proprietary machine learning algorithms supporting a dedicated workforce of 100 to prevent at risk and underage gaming.



Our business MODEL

“ OUR MISSION : ENTERTAIN THE

Our resources

Founded and led by creative entrepreneurs at every level of our organization and structured to empower our people and enhance creativity

HUMAN CAPITAL

- 3,926 employees (of which 3,084 for Banijay and 840 for Betclic) in 26 countries
- Talent recruitment and retention
- Health & safety promotion (code of conduct, dedicated hotline…)

FINANCIAL CAPITAL

- €670.2 m Adjusted EBITDA(1)
- €555 m Adjusted Free Cash Flow(1)
- €2,091 m Net Debt(1)
- €689 m Net Cash Position(1)
- Strong alignment between talents and shareholders

PRODUCTIVE & INTELLECTUAL CAPITAL

- Demonstrated track record for M&A and new geographical expansion
- Recognized and diversified IP
- Proven creative capabilities in non-scripted and scripted content
- Leading global content catalogue of 160,000 hours
- Proprietary technology platform with award-winning UX and products
- Compliance by design: highest safer gaming standards, beyond regulatory requirements

SOCIETAL AND ENVIRONMENTAL CAPITAL

- Empowering engagement through global employees' groups on ESG topics
- Diversity and inclusion
- Sustainability-led mindset to reduce carbon footprint and overall impact on environment

Our success drivers

- Leading positions in growing sectors
- Business set-up to foster creativity and entrepreneurial spirit
- Track record of profitable growth
- Sustainability at the heart of our business model

Operating 2 businesses lines through

Content production & distribution | Banijay

World's largest content powerhouse, operating over 130 production companies across 21 countries. Banijay produces both scripted and non-scripted content across all genres, including reality, entertainment and talk shows, game shows, factual entertainment, documentary, drama, animation and comedy.

Figures as at 31 December 2022. (1) As defined in the Glossary. ■ FL Entertainment Group ■ Banijay ■ Betclic

WORLD ❞ FL / ENTERTAINMENT

Our market trends

- Content driving audiences on digital platforms
- Extensive consolidation opportunities
- Increasing sports events audience and fan communities
- Regulation bringing stability and sustainability

2 recognized and powerful brands

Online sports betting & gaming | Betclic

One of the leading online sports betting and the fastest growing in several European countries. Betclic primarily operates in regulated markets that provide regulatory stability and high barriers to entry.

Our value creation

Be a powerhouse of the best content and talent

Enhance the passion for sport

FOR EMPLOYEES

- Bold and agile
- Competitive benefits and retention schemes
- Training and mentoring

FOR INVESTORS

- Resilient to economic downturn
- Highly profitable business
- Strong Adjusted Free Cash Flow(1) conversion: ~80%
- Dividend policy at least 1/3 of Adjusted Net Income(1)

FOR CLIENTS

- Delivering to clients innovative and stand-out content
- Delivering to players an enjoyable and safe experience with data-driven algorithms and a dedicated workforce of 100 to detect and prevent excessive and underage gaming

FOR CIVIL SOCIETY

- Active involvement towards the media and online sports betting regulations
- Long-term partnerships with academic organisations

Highlights OF THE YEAR

2022: Birth of a global entertainment

January

■ **MasterChef** voted world's most popular reality show and was on-air in 54 countries

February

■ New formats launched in non-scripted: **Starstruck** (UK)

■ **Peaky Blinders** (Tiger Aspect and Caryn Manderbach Productions (3P producer)) sixth and final series was number one in its timeslot on BBC One (also on Netflix)

March

■ Acquisition of **Groenlandia**, an Italian premium scripted producer

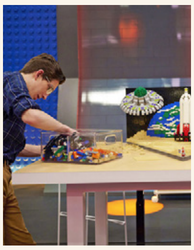
April

■ Acquisition of **Pookepsie Films**, one of the most unique scripted production companies in Spain focused on the fantasy, thriller, and horror space

■ **Starstruck** (Remarkable for ITV) was recommissioned for season 2, with 3 other territories already onboard

May

■ 15 different productions of **LEGO Masters** – 5 new territories added in 2022 alone



June

■ Release of **Road to Elite**, an inside look to follow several young players in the French basket league dreaming of NBA

■ Betclic launches its app in **Ivory Coast**

July

■ Successful **listing** of FL Entertainment on Euronext Amsterdam following the completion of the Business Combination with the SPAC Pegasus Entrepreneurs

■ Acquisition of **SONY Pictures Film-und Fernsehen GmbH** in Germany, a home for high-quality, standout entertainment formats and scripted productions, rebranded Noisy Pictures

September

■ Acquisition of **Kindle Entertainment**, a multi-BAFT-winning production company; and **Movimenti**, an Italian company in animated content for Banijay Kids & Family

■ Release in France of the new ads with the signature ***"Et le sport se vit plus fort"***

■ 25th anniversary of 50-territory **Survivor** and voted number one reality show by Variety – French Canada added for 2022 and UK and Colombia coming for 2023

■ The **Broadcast Distributors Survey** ranked Banijay Rights **2nd** in its annual list, closing the gap on BBC Studios

■ FL Entertainment ■ Banijay ■ Betclic

leader listed on Euronext Amsterdam

October

- Relaunch of existing formats: **Star Academy** in France

- New scripted: **Marie-Antoinette** in France (Canal+), **Rogue Heroes** in the UK (BBC)

- Acquisition of **Mam Tor**, a high-end original television drama producer from the UK

- First Responsible Gaming Week Campaign

- In addition to GamCare, a new partnership with reference association in France, **e-Enfance** was signed (pasdujeu.fr, first website to prevent minors gaming)

- Betclic launches its app in **Senegal**

November

- Acquisition of **MoviePlus Production** an independent Israeli production company specializing in drama series, documentaries and feature-length films

- Signature of the Charter for **responsible digital advertising** in France

- Release of **Betclic Version 6.0**, a new design and new functionalities for a more simple, fun and live experience

December

- Acquisition of **Beyond**, a leading Australian producer/ distributor of scripted and non-scripted content, globally with an 8,000-hour catalogue

- Double digit-growth in stakes during the **World Cup** versus Euro2020

- 3 Betclic apps among top 5 of the **most downloaded** apps combined in all sectors

FL Entertainment | Banijay | Betclic

01/ PRESENTATION OF THE GROUP

1.1 Group profile

FL Entertainment is a global and entrepreneur-led entertainment group combining two complementary and successful business lines in digital entertainment market segments:

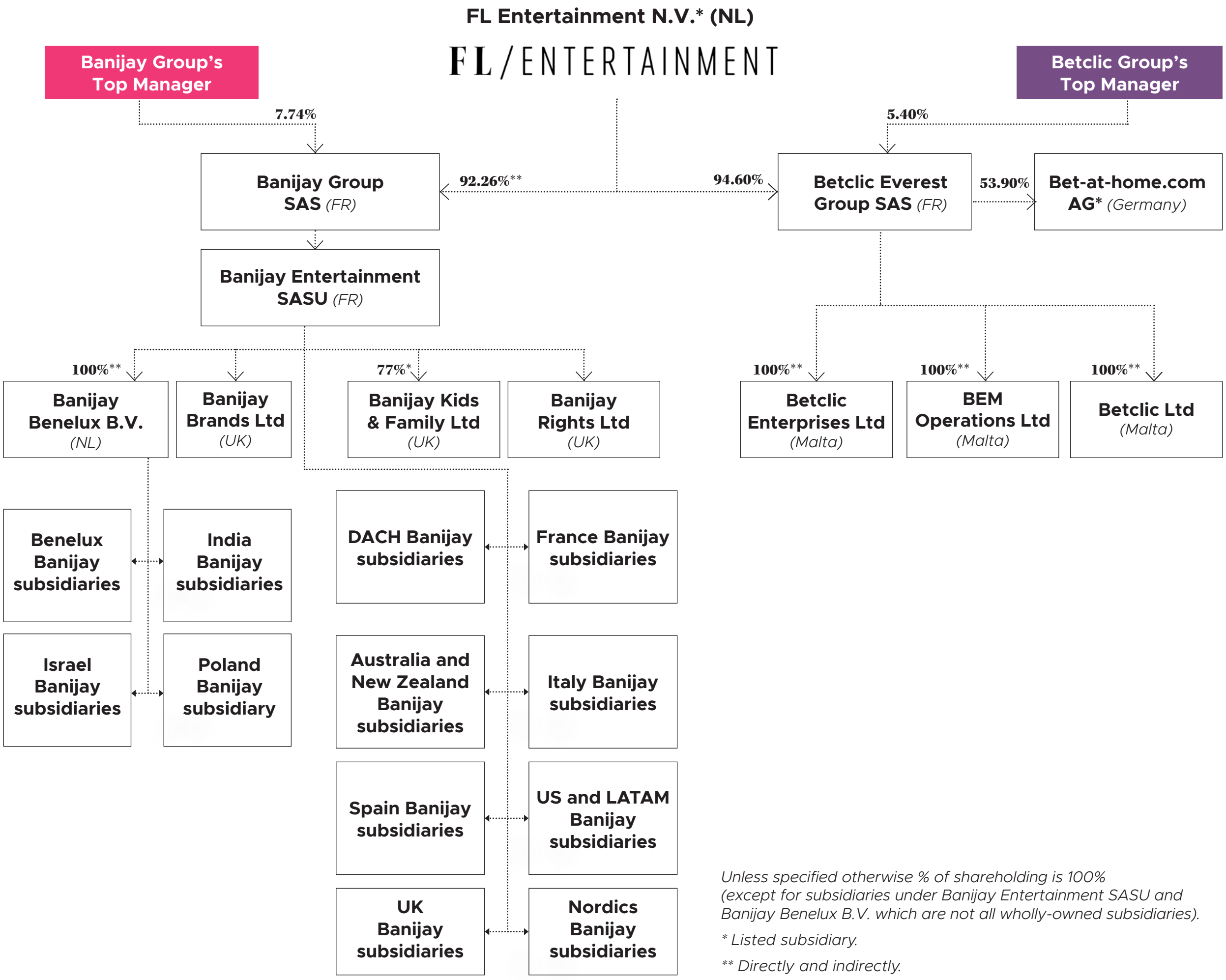
1. the Content production & distribution business line through Banijay Group; and
2. the Online sports betting and gaming business line through Betclic Group

The Group successfully listed on Euronext Amsterdam on 1 July 2022, following its Business Combination with Pegasus Entrepreneurial Acquisition Company Europe BV, a special purpose acquisition company (SPAC) focused on European growth companies.

FL Entertainment is a global group, operating across a variety of platforms and geographies. The Group operates the world's leading independent content production and distribution business based on revenues for the Financial Year 2022 and believes it is the fastest growing online sports betting platform in Europe in terms of Gross Gaming Revenue growth over the year ending 31 December 2015 to the year ending 31 December 2022.

As of 31 December 2022, the revenue amounted to €4,047 million, of which €3,212 million accounts for Content production & distribution and €835 million for Online sports betting and gaming.

As at 31 December 2022, the following structure chart illustrates the simplified structure of the Group:

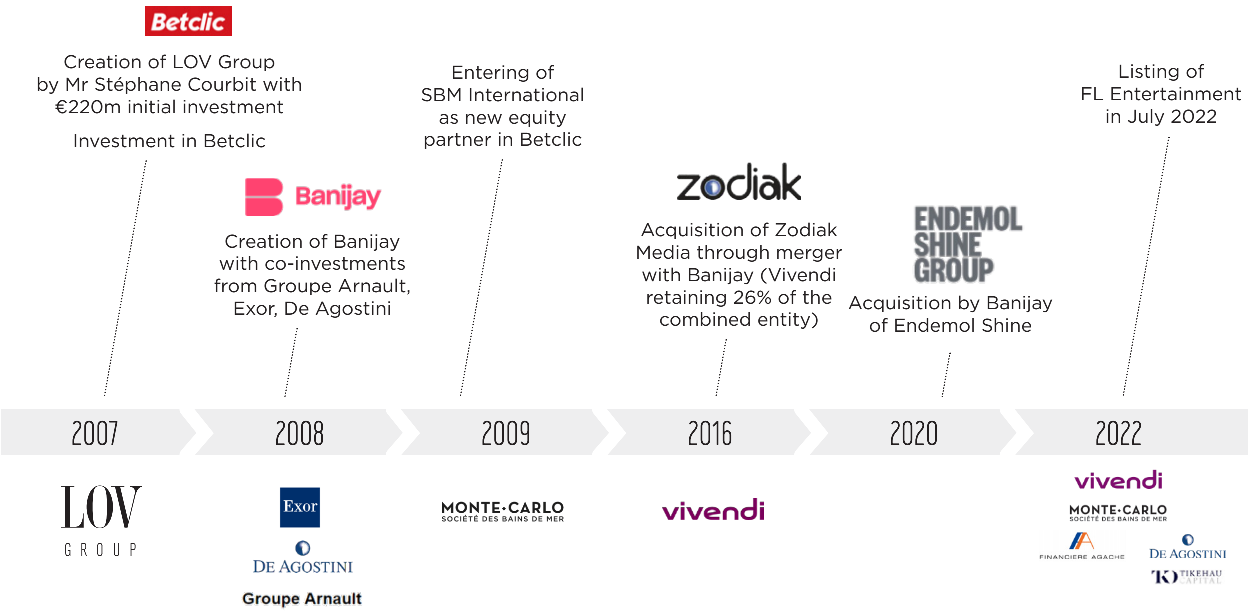


Unless specified otherwise % of shareholding is 100% (except for subsidiaries under Banijay Entertainment SASU and Banijay Benelux B.V. which are not all wholly-owned subsidiaries).

** Listed subsidiary.*

*** Directly and indirectly.*

The following chart describes the main events in the history of FL Entertainment and its two business lines:



1.1.1 Content production & distribution business (Banijay)

1.1.1.1 Overview

Banijay Group is the world's leading independent producer and distributor of content based on revenues for the Financial Year 2022[1]. It develops, produces and distributes television formats and programmes, and digital content for a wide range of customers. The Group operates over 130 production companies, across 21 countries and has a multi-genre catalogue boasting over 160,000 hours of content. It has produced a host of successful and at times, long-running shows, such as *Survivor, Temptation Island, Peaky Blinders, Big Brother, MasterChef, Rogue Heroes, Hunted, Black Mirror, LEGO Masters, Deal or No Deal, Grantchester, Don't Forget The Lyrics!, Marie Antoinette, Fort Boyard, Versailles, Mr. Bean* and *Good Karma Hospital*.

Banijay Group generates revenues from:

(i) producing content;

(ii) distribution of content that it has produced or that have been acquired from third parties; and

(iii) secondary revenues resulting from commercial activities related to Banijay Group's brands, such as merchandising, sponsorships, licensing, digital partnerships, music and live-events.

Banijay Group produces both scripted and non-scripted content across all genres, including reality, entertainment and talk shows, game shows, factual entertainment, documentary, drama, animation (or kids) and comedy.

Non-scripted content includes titles that do not follow a written storyline (for example, entertainment, game shows or reality) and constitutes the majority of its output, while scripted content includes programmes that follow a written scenario, mainly drama and comedy.

Banijay Group owns intellectual property (IP) rights to a broad and diversified portfolio of brands. It distributes and licenses the content it owns and controls through its subsidiary, Banijay Rights Ltd to a licensees base of approximately 1,054 clients in 2022 including linear broadcasters and digital platforms worldwide, selling products into 249 territories.

(1) *Figures from competitors are based on publicly disclosed information on their websites. For more information on competitors, please also refer to Section 1.3.1 (Banijay Group's competition environment) and Section 1.3.2 (Betclic Everest Group's competition environment).*

Banijay Group retains the rights to most of the IP it creates worldwide, when possible, to continue to generate revenues through various channels, in addition to initial sales to broadcasters and digital platforms. It employs creative talent across all territories in which it operates, in order to develop original and produce original IP based on its analysis of trends in the industry and the demands of its customers.

1.1.1.2 History of the Banijay Group

Banijay Group was established in 2008 by a team of experienced professionals led by Mr Stéphane Courbit, the founder and former CEO of Endemol France. Mr Stéphane Courbit initially invested in Banijay through his family holding company, Lov Group Invest SAS, and subsequently added other private investors such as the Agnelli Family through Exor N.V., the Drago and Boroli families through De Agostini SpA, Mr Jean-Paul Bize through AMS Industries and Mr Bernard Arnault through Groupe Arnault SE.

Banijay Group was created in order to build a worldwide brand in the content production space, mostly through acquisitions of key local television and digital content producers. The Group has acquired a number of content production companies since 2008, attracting leading managers in the television and entertainment industries. The year 2016 was a turning point for the business following the completion of the merger with Zodiak Media Group. The Banijay-Zodiak merger significantly reinforced its catalogue in both non-scripted and scripted content. Zodiak also had a complementary customer base (for example in France and in the Nordics, where it focused on scripted content) and a complementary geographical reach (for example with Zodiak's presence in the United Kingdom).

On 2 July 2020, Banijay Group acquired the Endemol Shine Group. The combination of these two content engines presented a unique opportunity to create the largest independent content producer/distributor in an industry where scale is important to address the strong global appetite for scripted and non-scripted content. Endemol Shine Group has now been fully integrated into Banijay Group, which has led to structural simplification (in terms of corporate, IT and other central functions), commercial synergies, IT integration, footprint optimisation and rationalisation of the use of third-party service providers.

Banijay Group also established several joint ventures with key talents in the United Kingdom and the United States.

The following timeline shows the major other bolt-on acquisitions made during the development of its business since 2008:

1.1.1.3 Banijay Group's operations

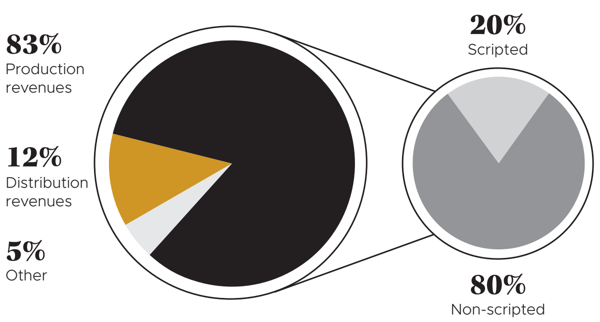
Banijay Group creates and produces television formats, programmes, and digital content in 21 countries, and sells and distributes these globally. It considers the operations of all its subsidiaries to be similar and thus classifies its operations into the following two main businesses:

- *Production Business:* Banijay Group's production business is focused on creating and developing original content (scripted and non-scripted) through its production companies based on its analysis of trends in the industry and the needs of linear broadcasters, global streaming platforms such as Netflix, Amazon Prime Video, HBO Max and other digital platforms. Banijay Group benefits from the creativity and expertise of all its talent. These talent are necessary in order to maintain its policy to exclusively adapt its format catalogue through Banijay Group's global footprint via its local production teams. In addition, it also acquires licenses for titles owned by third parties, which it exploits like its own.
- *Distribution and Secondary Business:* Banijay Group generates revenues from the international distribution and licensing of intellectual property rights and merchandising of successful formats and programmes. Its distribution business is concentrated on licensing and distributing its portfolio of IP owned and/or controlled by the Banijay Group to linear television channels, local producers and digital platforms. Banijay Group operates its distribution business primarily through its subsidiary in the United Kingdom, Banijay Rights Ltd.

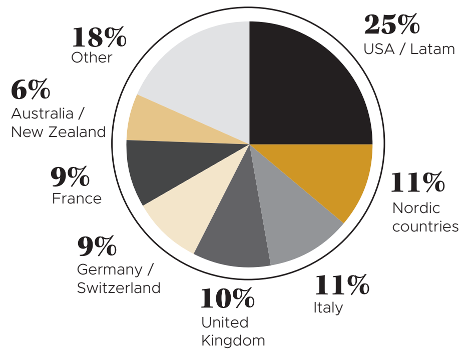
The following graphic shows the main steps with the three first segments referring to the Production business and the last segment refers to Distribution and secondary business:

As at 31 December 2022, the revenues of Banijay Group amounted to €3.2 billion (compared to €2.8 billion as at 31 December 2021). The breakdown of the revenues of Banijay Group by business type (production, distribution or other) and by geography, as at 31 December 2022 are detailed below:

Revenue by business type



Production revenue by geography



PRODUCTION BUSINESS

Banijay Group develops IP in-house, and licenses formats from third parties in order to meet the demands of linear broadcasters and digital platforms.

1) Development of formats

The first step in Banijay Group's production process is to develop new concepts for screen. Once these concepts are developed and formalised, they are referred to as "IP" and Banijay Group maintains rights over such content, when possible. A successful track-record and creative reputation are key to continuing to develop original formats. From time-to-time, Banijay Group also licenses the right to produce formats that are owned by third parties, rather than developed in-house, in order to address popular consumer trends and broadcaster and digital platforms' needs. Banijay Group either continues to develop these titles in-house or pitches them to broadcasters and digital platforms. The Group develops a wide variety of formats in order to avoid exposure to a limited number of titles and to keep a diversified portfolio of formats.

Banijay Group historically focuses on developing non-scripted formats. Non-scripted formats benefit from lower production costs, a shorter development period and more advantageous financing arrangements, because the broadcaster who purchases the non-scripted format typically funds the full production costs. Non-scripted formats can generate significant secondary revenues because they can be licensed and produced in several countries under different names. For example, a game show or reality show can be adapted in many countries, sometimes under different names but with an identical concept and set of format pillars.

Scripted programmes require higher upfront development costs and often need to be co-produced by several parties. Banijay Group has significantly expanded its scripted activity to meet its customers' and the market's increasing demand. The Group currently has companies producing scripted programming in all 21 countries it is present. Scripted programmes can also generate significant secondary revenues, especially if such programmes are in English because they can be sold worldwide as finished tapes to broadcasters and to local or global digital platforms.

Banijay Group develops new formats in each of its geographic markets. Its local subsidiaries have their own creative teams that work together with a central content team, "Creative Networks", which facilitates the sharing of new and existing formats to local teams worldwide, keeps them informed of market trends outside their own territories and supports the creation of formats that address both local markets needs and global trends. Where the approach is successful, these formats are licensed and used in different markets and via different platforms.

(a) Non-scripted formats

Banijay Group develops original formats in four principal noon-scripted genres:

- *Entertainment and Talk Shows:* Entertainment and talk shows mainly encompass entertainment formats and programmes that are studio-based. Banijay Group believes its most successful entertainment titles include *It's Only TV!, MasterChef, All Together Now, Go, Beat the Star, Your Face Sounds Familiar, All Against 1, Fort Boyard, LEGO Masters, Blow up and Starstruck.* Entertainment titles have significant potential for format sales because they are easily adaptable to different local markets;
- *Reality:* Reality includes brands in which ordinary people are continuously filmed outside their usual environment, designed to be entertaining rather than informative. Banijay Group believes its most successful reality programmes include: *Big Brother, Big Brother VIP, The Challenge, Paradise Hotel, Survivor, Temptation Island, Hunted, SAS Who Dares Wins, The Biggest Loser, Beauty and the Geek, Joe Millionaire* and *Star Academy*;
- *Factual Entertainment:* Factual entertainment is a combination of factual/documentary and entertainment programmes, focusing on social experiments and popular topics. Banijay Group believes its most successful factual entertainment brands include *The Secret Life of 4 Year Olds, Location, Location, Location, Below* Deck, *Wife Swap*, *The Island, Ambulance, One Born Every Minute, Home of the Year, Your Home Made Perfect and How to Look Good Naked;*
- *Game Shows:* Game shows are predominantly programmes in which contestants compete for prizes during games of knowledge, physical challenges or by luck. Banijay Group believes its most successful game shows include *Don't Forget the Lyrics!, Limitless Win, Identity, Minute to Win It, Tipping Point, Deal or No Deal, Pointless, The Money Drop, The Wall and The Legacy*. Game shows have significant potential for format sales because they are easily adaptable to different local markets.

The chart below shows the top-three travelling formats (internal and external):

Top 3 shows	Year of launch	Number of countries airing in 2022	Country of origin	Total number of territories since launch	Selected customers
MasterChef	1990	39	United Kingdom	60+	BBC, FOX, Telefe, TVE, Network 10, TV4
BIG BROTHER	1999	33	The Netherlands	70+	CBS, RTL, SAT.1, Noovo, Seven, TV Globo, TVI, TV4, Nelonen
SURVIVOR	1997	21	United Kingdom	40+	CBS, TF1, Mediaset, TV3, TV Globo, RTL, Azteca 1, Skaï

(b) Scripted programmes

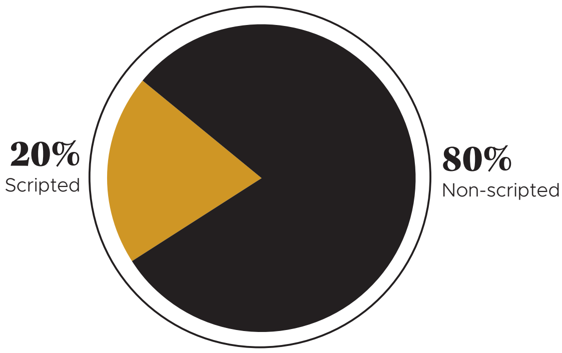
Scripted programmes include drama, docu-drama and scripted comedy. Banijay Group believes its most successful dramas include international premium titles like *Versailles, Peaky Blinders, Black Mirror, The Bridge (Bron), Wallander, Occupied, Millennium, Grantchester, Good Karma Hospital, Queens, Royal Flying Doctor Service (RFDS), Rogue Heroes* and *Saint Tropez (Sous le soleil)* but also local daily drama such as *Family, Good Times Bad Times* and *Ladies' Paradise.*

Banijay Group aired more than 130 scripted titles in 2022, which represent more than 1,000 hours of content, spread over 20 different countries, half of which were new launches and three quarters of which were non-English titles. Its network of scripted producers work with local writers and directors to develop ideas and packages to pitch to local broadcasters.

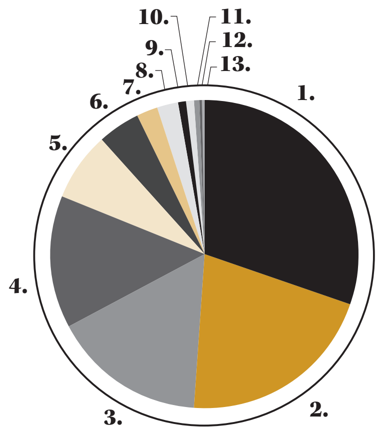
For scripted shows, the development usually includes a large part of script writing. Producers then work with broadcasters to ensure they attach the right cast for local and international audiences. Once a show is formally approved, it enters into pre-production and preparation begins. Once filming ends, the producer will work with the editor until the programme is delivered to the broadcaster.

The charts below show the breakdown of the production revenues of Banijay Group by genre and by subgenre as at 31 December 2022:

Production revenues by genre(1)



Production revenues by subgenre(1)



1.	Reality	30.6%
2.	Entertainment	20.8%
3.	Drama	16.0%
4.	Factual Entertainment	14.0%
5.	Gameshow	7.1%
6.	Talkshow	4.3%
7.	Others	2.3%
8.	Comedy	2.2%
9.	Documentary	0.9%
10.	Docudrama	0.8%
11.	Kids scripted	0.5%
12.	Feature Film	0.4%
13.	Kids non-scripted	0.2%

(1) Unaudited source.

2) Sales and commissioning to broadcasters

Once Banijay Group has developed original titles in-house or acquired option rights to third-party formats, it organises various presentations to pitch these formats to broadcasters and digital platforms. The Banijay Group usually approaches broadcasters and digital platforms with a detailed presentation and/or a trailer for non-scripted formats, but when it presents a scripted format, the pitch consists of a log-line, a synopsis and treatment.

A **"logline"** is a one-sentence description of the show.

A **"synopsis"** is a brief summary of the show that includes information about the main characters and the theme of the show.

A **"treatment"** is more detailed, in that it includes detailed descriptions of the characters and the show's plot.

Banijay Group also develops, in some instances, a trailer or a full pilot for a television show.

The Group provides broadcasters with detailed project timelines and budget plans for production and negotiates with them to agree on the terms of their acquisition of rights to its programmes, particularly with respect to pricing and retaining intellectual property rights. Retaining intellectual property rights will enable Banijay Group to generate secondary sales across various platforms and distribute the titles in other regions.

Key negotiation points include: (i) the duration of the license; (ii) the scope of rights granted to digital platforms and broadcasters, such as free VOD services and ancillary rights; and (iii) holdbacks and options for renewal. Banijay Group uses its combined resources across other production projects and its expertise to propose competitive and lean production plans to broadcasters.

3) Production process

Once IP has been developed and sold to a broadcaster or digital platform, the Banijay Group begins the production process and produces a programme based on that pitch. The process consists of producing and filming the show, editing the content as well as choosing and, when possible, publishing and producing the soundtrack. Banijay Group operates a fully-funded production model for the majority of its programmes whereby broadcasters commit upfront to fund the full cost of the production in exchange for their right to use the programme within the scope agreed with them. If broadcasters pay Banijay Group after it incurs production costs, the Group may fund this shortfall through financing arrangements or through its working capital. If Banijay Group has longer cash flow shortfalls, in particular for scripted projects, it aims for broadcasters to cover its financing costs. Broadcasters also often receive a portion of the secondary revenues and, subject to market trends and Banijay Group's bargaining power, a portion of the intellectual property rights to the format or the programme. The Group assesses its bargaining power by the strength of a particular format. Strong formats generally have high ratings, generate significant advertising revenues or provide for additional subscriptions to the platforms of the Group's clients.

Banijay Group aims to retain the rights to its intellectual property. Rights to a programme are easier to protect than rights to a format, because a programme is a finished product that has already aired, compared to a formalised concept. However, customers of Banijay Group with an international footprint through distribution or broadcasting (such as large broadcasters or SVOD platforms) have increasingly asked to retain a portion or all of the intellectual property rights of the Banijay Group's programmes, in order to exploit such rights globally.

Banijay Group has implemented cost-efficient, flexible and scalable production processes. For example, Banijay Group uses freelancers and leases production facilities in order to limit its investment in fixed assets. Banijay Group has also implemented strict cost controls to deliver final programmes on-time and respectfully of customers' budgets.

4) Internal circulation of the Banijay Group's formats

As an independent production group, one of Banijay Group's major strengths is the network of producers who have exclusive access to its catalogue of formats in their respective geographic markets. This internal feed of formats is key for Banijay Group's local companies. Banijay Group prioritises the production of successful formats in the markets in which it operates. The Group's central content team, "Creative Networks" builds and centralises all the relevant information and material on formats – new promising titles and existing IP – that are circulated among Banijay Group's production companies. For example, *Temptation Island, Big Brother, Your Face Sounds Familiar, All together Now* and *Hunted* are all successful formats developed by one of Banijay Group's production companies in a given market and then produced by several of its production companies in their respective markets.

DISTRIBUTION AND SECONDARY BUSINESS

Banijay Group's policy aims to retain its intellectual property. These titles are assets that continue to generate secondary revenues through various channels, other than the initial sale to a broadcaster or digital platform. Banijay Group owns all or part of the intellectual property rights to a broad and diversified portfolio of existing formats and programmes, for which distribution rights are granted to Banijay Rights Ltd. Banijay Group distributes both formats and programmes that it has produced and formats and programmes that have been produced by a third-party production company but for which the Banijay Group controls the distribution (these formats and programmes representing as of 31 December 2022, approximately 12% of the distribution business' catalogue (calculated in hours of programmes). Through its distribution business Banijay Rights, Banijay Group has globally distributed scripted series just launched in 2022. French series *Marie-Antoinette* has sold in 146 territories, while UK series, *SAS Rogue Heroes,* has already gone to 172. Successful returning series such as *Peaky Blinders* and *Grantchester,* also pursue their global rollout in 233 and 116 territories respectively. Banijay Group distributes the content it owns and licenses through Banijay Rights Ltd to a traditional customer base of linear broadcasters and producers, as well as digital platforms. In the countries in which Banijay Group does not operate, it licenses its portfolio of formats to producers, broadcasters and digital platforms, who can acquire from Banijay Rights Ltd an option to pitch Banijay Group's formats to broadcasters. Once the format is commissioned by such broadcaster, such licensee acquires a license of the format through a format license agreement in order to produce a programme based on such format and allow the broadcaster or digital platform to air the programme as per the terms of the format license agreement. The licensees pay Banijay Group an option fee to be granted the right to pitch the format and a format fee upon signing of the format license agreement once a commission is confirmed. In consideration of such format fee, they are allowed to produce a programme based on Banijay Group's format and to air it in their local territory for a certain period of time.

1) Distribution of programmes to broadcasters

Banijay Group distributes its portfolio of content directly to linear broadcasters, basic and premium cable networks, and international pay-television distributors. For the Financial Year 2022, sales of programmes (finished tapes) to customers represented 79% of Banijay Group's distribution revenues. The broadcasters pay Banijay Group a license fee in return for the right-to-air a programme across a given period of time and for a given number of runs. Banijay Rights Ltd receives a commission on that license fee for its distribution activity, and the remainder of the license fee is paid to the owner of the programme (i.e., either Banijay Group's local production company owning the intellectual property rights or the third-party owner of the intellectual property rights).

2) Distribution of programmes to digital platforms

Banijay Group distributes its portfolio of titles to digital platforms, including SVOD providers such as Netflix, Amazon Prime Video, Disney+, Discovery+, HBO Max, Paramount+, Peacock, and AVOD platforms such as Facebook Watch, Globo, Pluto and IMDB. For the Financial Year 2022, around 29% of the distribution revenue of Banijay Group was generated through revenues from the sales of its portfolio of programmes licensed to VOD platforms such as Facebook Watch, Apple TV+, Amazon Prime Video and Netflix and other revenues allocated to additional digital platforms (mainly SVOD rights).

In the United States and, to a lesser extent, in Europe, consumers, particularly younger consumers, are viewing more content on more devices and through SVOD or AVOD platforms, such as Netflix, Hulu, Amazon Prime Video and Roku. SVOD requires consumers to enter into a subscription contract giving the consumer access to content, including exclusive content, from the digital platform. In the United States, SVOD services have increased the value of Banijay Group's catalogue series and movies due to increased viewership by consumers and the correlating demand and spending by digital platforms. Netflix, for example, reported it had spent $17 billion in content in 2022. According to forecasts, the levels of investments for 2022 should be similar. If these investments are primarily made in the United States and in English-language content, the European market is gaining more and more traction with the United States-based streaming platforms that are expanding globally.

As of 31 December 2022, Banijay Group has license agreements with most of the main digital platforms and aims to further expand its agreements with them. These customers, such as Amazon Prime Video, Netflix, Discovery+, Paramount+ and HBO Max, use Banijay Group's content on their platforms. These partnerships allow subscribers of the relevant networks to access its programmes across a variety of devices. In 2022, the number of OTT subscribers amounted to approximately 1.6 billion users[(1)], most of whom have access to Banijay Group's content through its partnerships with customers like Amazon Prime Video, Netflix, Discovery+, Paramount+, Apple TV+ and HBO Max. Netflix alone accounted for 231 million subscribers and Disney for 235 million (including Disney+, Hulu and ESPN+) at the end of 2022.

3) Other secondary revenues

Other secondary revenues include revenues from commercial activities related to Banijay Group's formats, such as merchandizing, sponsorships, licensing, gaming, music and live-events. Other secondary revenues complement revenues from the initial sale to broadcasters and digital platforms and Banijay Group's distribution revenues.

(1) Source: Television Business International press article: "SVOD subscribers to buck trend & grow by 143m in 2023" dated 24 January 2023.

1.1.1.4 Banijay Group's markets and production companies

Banijay Group derives revenues from its operations in 21 countries (the footprint territories). The Group manages its production labels in these countries through a decentralised structure. This structure incentivises Banijay Group's local managers and partners to grow their respective brand in their respective markets. Banijay Kids & Family is the dedicated production, distribution, and sales division for children's programming worldwide.

FRANCE

Banijay Group is the largest independent television content producer in France, with 21 production labels in the region as of 31 December 2022:

Labels	Core business	Leadership	Top shows
Endemol France We are Banijay	Creates and produces audiovisual and digital content, of all genres and for all screens	Jean-Louis Blot	*Les 12 Coups de Midi, Star Academy, LOL, Chacun Son Tour, Les Enfants de la Télé, La Meilleure Boulangerie de France*
H2O Productions We are Banijay	Produces new studio-based entertainment shows in daily and prime-time slots, while maintaining high performance on H2O flagship production (It's Only TV)	Cyril Hanouna	*It's Only TV, Very Bad Luck, The Big Wishaway, Ultimate Star Quiz, Battle Zik*
ALP Adventure Line Productions We are Banijay	Production of long-running prime-time entertainment and reality shows. Specific expertise in adventure programming	Alexia Laroche-Joubert	*Survivor, Fort Boyard, 10 Couples Parfaits, Obsessive Compulsive Cleaners, La Carte au Trésor, Les Grands Quizzs, Miss France*
Miss France We are Banijay	Organise and manage the yearly French women's beauty contest	Alexia Laroche-Joubert	n.a.
Banijay Production Media We are Banijay	Formerly known as Air Productions, Banijay Production Media leverages its music-based experience to create in-house formats and produce entertainment programming as well as long-running daily gameshows	Nagui Fam	*Don't Forget the Lyrics, Chacun son Tour, Taratata, Let's All Play, Tout le Monde a Son Mot à Dire*
Banijay Productions We are Banijay	Focuses on reality programming and factual entertainment	Florence Fayard	*Party Workers, Good Luck Guys, Le Reste du Monde, A season at the Zoo*
DMLSTV We are Banijay	Produces big musical shows, live events and concert recordings, in parallel to documentaries focusing on French musical icons and programmes around comedy and theatre	Anne Marcassus Mathieu Vergne	*The Secret Song, Le Plus Grand Karaoké, Tous Inconnus, Les Enfoirés*
Banijay Studios France We are Banijay	Brings together talent and supports them to develop and produce high-quality fiction that is innovative, entertaining, and relevant to today's society	François de Brugadas	*Versailles, Mouche, Marie-Antoinette, Germinal, Walkyries, Skam France*
KM We are Banijay	Specialises in high-quality content production such as current affairs programming, documentaries, large-scale live promotional events and high-end factual content	Antoine Baldassari	*28 Minutes*
Terence Films We are Banijay	Produce scripted content for television, feature films and branded content	Stéphane Meunier Bertrand Cohen	*OPJ, Magnificat, Les Innocents*
Shine Fiction We are Banijay	Creates, develops, produces and distributes fiction content for the French market, with international potential	Dominique Farrugia	*Heureusement qu'on s'a, L'homme de nos vies, Ultra loin*
Beau Soir Productions We are Banijay	Supports, accompanies, and nurtures new classical music talent for the local and global stage	Renaud Capuçon	*Classical music concerts*
Montmartre Films We are Banijay	Produces scripted series and feature films	Alain Goldman	*The Spy, Flashback, The Mad Women's Ball*

Labels	Core business	Leadership	Top shows
TOOCO We are Banijay	Creates, develops and manages new formats, through originating concepts for the French and international markets	Aurélien Lipiansky, Mikaël Moreau	*Guess My Age, Le Club des Invincibles*
NON STOP PEOPLE We are Banijay	Produces continuous celebrity news updates and covers international and local stars	Hugues Dangy	*Morandini Live, The Big Show*
marathon studio We are Banijay	Creates original scripted content featuring strong emotional characters, while highlighting a valuable message	Malika Abdellaoui	n.a.
Banijay Talent We are Banijay	Manages influencer marketing across different labels to generate noise among its targeted audience	Hugues Dangy	n.a.
ATLANTIS FACTORY	French joint-venture between Endemol Production and Atlantis Film (ITA), which aims to produce TV content and fashion show videos	Frédéric Houzelle	n.a.
PUZZLE MEDIA We are Banijay	Focuses on content production in action, adventure, and alternative culture	Jonathan Politur	*Riding Zone, L'Amour à l'Epreuve*
Yasuke Production We are Banijay	Joint-venture with French judo star, Teddy Riner, which produces sports-focused content for all audiences	Teddy Riner	n.a.
4-3-3 Production We are Banijay	Joint-venture with French soccer player Blaise Matuidi, which producers content focusing on sports, notably football	Blaise Matuidi	n.a.

AMERICAS

Banijay Group is a large independent television content producer in North America and Latin America, with the United States as the world's largest market for the consumption of television programmes and digital entertainment content. Banijay Group has 10 production labels in North and Latin America as of 31 December 2022:

Labels	Core business	Leadership	Top shows
EndemolShine NorthAmerica We are Banijay	Focuses on producing hit group formats in the US & LatAm markets as well as launching new original content for Broadcasters and Streamers	Sharon Levy	*Big Brother, Wipeout, MasterChef, LEGO Masters, Courtship, Big Brother Celebrity*
truly original We are Banijay	Produces volume-based cable titles and premium content for the streamers	Glenda Hersh Steven Weinstock	*Real Housewives of Atlanta, Basketball Wives, Ink Master, Summer House, Real Housewives of Potomac, Family Karma, Swamp People, Serpent*
BUNIM MURRAY PRODUCTIONS We are Banijay	Produces non-scripted volume programming by creating cable franchises and spin-offs, while building on strong talent relationships for new content	Julie Pizzi	*Challenge, Challenge All Stars, Ultimate Challenge, Stallone Sisters, Real World Homecoming, Family or Fiancé, Lizzo, Miz & Mrs*
51 MINDS We are Banijay	Produces non-scripted volume programming, while expanding OTT commissions and relationships	Christian Sarabia	*Below Deck, Surreal Life Reboot, Hack My Home, 24 Hour Flip, Family Values, No Retreat*
Banijay Studios North America We are Banijay	Creates original network, syndicated, and cable programming, as well as developing Banijay Group's format hits for the U.S. market	David Goldberg	*Temptation Island*
Stephen David Entertainment We are Banijay	Expanded the "hybrid" docu-series genre volume through relationships with OTT & new buyers	Stephen David	*Dynasties, Sitting Bull, Gunfighters, History of Hollywood*
EndemolShine Boomdog We are Banijay	Develops and produces original content for the U.S. Hispanic and Mexican TV markets and partners with industry-leading Latinx talent	Alejandro Rincon	*Todo por Lucy, La Casa de los Famosos, MasterChef Latino, MasterChef Mexico, The Mask Singer, Are You For Real?*
Banijay Mexico & U.S. Hispanic We are Banijay	Creates original content in both English and Spanish for broadcast, cable, and streamers in the Mexican and U.S. Hispanic markets	Marie Leguizamo	*LOL*

Labels	Core business	Leadership	Top shows
EndemolShine Brasil We are Banijay	Focuses on branded content & digital revenue streams and serves as a production hub for other LatAm territories	Nani Freitas Renato Martinez	*Casam Ento As Cegas, Iron Chef Brazil, The Masked Singer, MasterChef, All Together Now, All Together Now Kids, Um A Graça Chamada Xuxa*
a fábrica We are Banijay	Produces scripted series and films for TV broadcasters and OTT platforms	Luiz Noronha	*Vai Que Cola, Modo Aviao*

NORDIC COUNTRIES

Banijay Group is the leading content producer in the Nordic countries (Denmark, Finland, Norway and Sweden). Banijay Group has 17 main production labels in the Nordic countries as of 31 December 2022:

Labels	Core business	Leadership	Top shows
mastiff We are Banijay	Develops and produces its own large-scale entertainment shows as well as producing international and 3rd party formats	Matilda Snöwall	*Make or Break, All Against 1, Strictly Come Dancing, Best Singer, Survivor, Trash or Treasure*
METER We are Banijay	Focuses on producing adaptations of international titles for national channels and streamers	Madelene Hansson	*MasterChef, Eternal Glory, Great Swedish Adventure, Stars in the Castle, LEGO Masters, Bake Off, The Bridge*
JAROWSKIJ We are Banijay	Produces content across feature film, drama, current affairs, reality, entertainment and comedy	Iréne Lindblad	*LOL, Fort Boyard, Wild Kids, SAS, If I Ruled the World, Nightriders, Kenny Star Fighter, Off Track*
Filmlance We are Banijay	Produces feature films for cinema, TV and streaming services, as well as producing TV series and children's films	Tomas Michaelsson	*Beck, Top Dog, Moden I Sandhamn, Bron*
YellowBird We are Banijay	Creates and produces high-quality drama for the Scandinavian and international markets, with a Nordic anchoring	Jakob Feeney	*Headhunters, Bäckstrom, Threesome, The Playlist*
metronome We are Banijay	Creates, develops and produces content across all genres including entertainment, comedy, kids, reality, lifestyle and factual entertainment	Tina Christensen	*MasterChef, All Against 1, LEGO Masters, Alone Together, The Block, Taskmaster*
mastiff We are Banijay	Produces entertainment content across various genres such as reality, lifestyle, factual entertainment, reportage, crime, kids and scripted comedy	Kristian Farcin-Leth	*Paradise Hotel, SAS Who Dares Wins, Dancing with the Stars, Versus, Couple Trouble, Survivor, Strictly Come Dancing*
Nordisk Film TV We are Banijay	Produces premium content for TV broadcasters, across scripted (drama, comedy and comedy sketches), non-scripted (reality, factual entertainment, current affairs, game shows and talent shows) and digital and new media	Ulrik Jørgensen	*Our First Gay Summer, Togtet, Gofaellesfunktioner, All Against 1*
Pineapple Entertainment We are Banijay	Creates comedy talk shows and entertainment, alongside other factual entertainment formats, with a focus on lifestyle with a sprinkling of humour	Ricco Wichmann	*The Diamond Family, The Night Shift, Date My Worst Side, Tinder Grannies*
RESPIRATOR ...THERE'S STILL HOPE We are Banijay	Produces satire-based comedy, sitcoms and documentaries on all visual platforms	Chris Didrik Nørgaard	*Dybvaaaad, Theme Saturday, Zulu HQ, Unveiled, Jysk For Begyndere*
mastiff We are Banijay	Produces long-running entertainment, reality and factual entertainment brands.	Jostein Olseng	*Crime Scene, Good Evening/ Morning Norway, Best Singer, Paradise Hotel, TV2 Helps You Out*
Nordisk Banijay We are Banijay	Focuses on content production across various genres like reality, drama, and factual entertainment, leveraging its longstanding heritage on the Norwegian market	Erlend Røeggen	*All Against 1, Eternal Glory, Dementia Choir, Strictly Come Dancing, 71 Degrees, Taskmaster*
SCREEN MEDIA We are Banijay	Reaches production companies and TV channels with post-production services	n.a.	n.a.

Labels	Core business	Leadership	Top shows
RUBICON We are Banijay	Produces scripted and entertainment for all big Norwegian media houses and OTT platforms	Ivar Khøn	*Beforeigners, Countrymen*
EndemolShine Finland We are Banijay	Produces a wide range of award-winning non-scripted and scripted content, supplying TV channels, streamers and brands	Unne Sormunen	*Big Brother, MasterChef, Gogglebox, All Together Now, Married at First Sight*
Banijay Finland We are Banijay	Focus on non-scripted shows, including some local versions of international prime-time hits	Tatu Ferchen	*Survivor, Paradise Hotel, Temptation Island, The Best Singers*
JAROWSKIJ FINLAND We are Banijay	Produces scripted drama content for television broadcasters	Teea Hyytiä	*Maria Kallio, Carousel, Sunnyside*

ITALY

Banijay Group is the main independent television content producer in Italy. Having acquired ITV Movie, Banijay Group has has ten main production labels in Italy as of 31 December 2022:

Labels	Core business	Leadership	Top shows
Banijay Italia We are Banijay	Maintains a high quality of product while developing new projects characterized by an original approach to creativity that suits both Italian and international audiences	Fabrizio Levolella	*Celebrity Chef, Bake Off, 100%, 4 Hotel, 4 Ristorante, 4 Weddings, Cortesi per GliOspiti, Il Collegio, Don't Forget the Lyrics, Dinner Club, Deal with it*
EndemolShine Italy We are Banijay	Creates, adapts and produces entertainment and scripted programmes of all kinds for the main Italian networks, satellite platforms and interactive media	Leonardo Pasquinelli	*Sposa, MasterChef, Tale e Quale, Grande Fratello, Identity, LOL, Masked Singer, Anything Goes, Beauty and the Geek*
GRØENLANDIA We are Banijay	Produces premium scripted TV series, movies, and theatrical films as well as theatrical releases, short films and documentaries through its majority stake in Ascent Films	Matteo Rovere Sydney Sibilia	*Romulus & Remus: The First King, Masterclass and Ad Honorem (I Can Quit Whenever I Want), Husband & Wife, The Champion*
ITV movie We are Banijay	Produces television programmes, fiction and commercials for the most important networks in parallel to events organization	Paolo Schiavone	*Fratelli Di Crozza, DiMartedi', Un'Ora Solo Vi Vorrei*
Aurora TV We are Banijay	Specialises in TV series, notably focusing on telling the stories behind key Italian personalities	Giannandrea Pecorelli	*Paradisio Daily, CuoriCoraggiosi*
Banijay Studios Italy We are Banijay	Develops original scripted IP for local broadcasters and streamers	Paolo Bassetti Massimo Del Frate	*Lea E I Bambini DegliAltri, La Commissaria*
l'OFFicina We are Banijay	Produces the leading prime-time show "Che Temp Che Fa", now in its eighteenth year in Italy, featuring one-to-one interviews and discussions on current affairs as well as interviews with experts, celebrities and the public	Fabio Fazio	*Che Tempo Che Fa (S5, S6)*
ATLANTIS FILM & VIDEO We are Banijay	Produces Italian TV shows and content for fashion, beauty and luxury players, notably live shows during fashion weeks	Emilia Ponti	*Fashion shows, commercials*
4 FRIENDSfilm We are Banijay	Specialises in shooting, editing and live-streaming fashion shows for key international players	Emilia Ponti	*Fashion shows, commercials*
Banijay Nonpanic We are Banijay	Focuses on "experimental" formats, in other words, those titles that provoke reactions and make people talk	Paolo Bassetti	*Married at First Sight*

UNITED KINGDOM

Banijay Group is among the top three key independent television content producers in the United Kingdom. The nation's television and digital content market is large compared to the country's size, partially due to the demand for English-language content, which means huge export potential, outweighing that of other territories. Banijay Group has 21 main production labels in the United Kingdom as of 31 December 2022:

Labels	Core business	Leadership	Top shows
KUDOS We are Banijay	Specialized in scripted content working with global talents to create, develop and produce popular, innovative, award-winning drama and comedy series	Martin Haines	*SAS: Rogue Heroes, Then You Run, Grantchester, Tin Star*
Wild Mercury We are Banijay	Develops and produces bold, irreverent, imaginative stories for UK and US broadcasters, working in creative collaboration with original writers working in drama and comedy	Derek Wax	*The Rig, 6th Commandment*
tiger aspect productions We are Banijay	Creates and produces programmes in various genres such as comedy, drama, entertainment and factual/feature films for the UK's major terrestrial and non-terrestrial broadcasters	Lucy Bedford	*Peaky Blinders, Bad Education, Deep Fakes, Mr Bean, Benidorm, Hitmen*
REMARKABLE We are Banijay	Produces non-scripted programming, mainly in entertainment, factual entertainment and popular factual formats	Natalka Znak	*Star Struck, Pointless, Pointless Celebrities, Richard Osman's House of Games, All Together Now, Sunday Brunch*
SHINE: We are Banijay	Makes popular television in all forms: from single documentaries to global factual entertainment	Jon Swain	*Hunted, MasterChef, MasterChef Pro, MasterChef Celebrities,*
rdf We are Banijay	Produces popular and innovative programmes across entertainment, factual entertainment, comedy, documentaries, daytime and features	Jim Allen	*Tipping Point, Tipping Point Lucky Stars, Dickinson's Deals, Only Connect,*
iNiTiAL We are Banijay	Produce leading entertainment content for TV broadcasters and streamers	Natalka Znak	*The Beauty and The Geek, Soccer Aid, Tenable, The Singles Table*
zeppotron We are Banijay	Produces high-quality comedy and comedy-entertainment shows, as well as reality and scripted programmes	Peter Holmes, Ruth Phillips	*Cats Does Countdown, Would I Lie to You, Frankie Boyle's New World Order, One Night In*
worker bee We are Banijay	Specialises in gripping and global-reaching stories that fascinate and entertain	Rick Murray	*The Bridge, Peter Crouch documentary, The Real Death in Paradise*
Dragonfly We are Banijay	Makes premium factual programming, such as historical documentaries, for local TV broadcasters and international streamers	Richard Bond	*Ambulance, Date Night, Surgeons, Moulin Rouge*
iwc We are Banijay	Specialised in factual content, driven by a passion for great ideas and vivid storytelling	Hamish Barbour	*Location, Location, Location, Susan Calman's Grand Days Out, Britain's Garden of the Year*
YellowBird UK We are Banijay	Focuses primarily on developing and producing premium, English-language drama series for UK broadcasters, streaming and digital platforms	Berna Levin	*The Playlist, Young Wallander*
Bear Grylls	Produces outdoor adventure content	Bear Grylls, Delbert Shoopman	*The Island With Bear Grylls, Bear and Jonny Wilkinson Wild Adventure*
ELECTRIC ROBIN We are Banijay	Works across ideation, development, production and multiplatform content for major global brands and UK's biggest TV and online shows	Ross Brandon	*Birthday Song, Joe Essex's House Party, Innocent*
dsp We are Banijay	Produces films and television programmes for UK, US and international broadcasters, across genres like drama, feature-length drama-documentaries and documentaries	Donna Clark	*Interior Design Masters, Piglet Railway, Aldo Kane Nocturnal*

Labels	Core business	Leadership	Top shows
theComedyUnit We are Banijay	Produces scripted comedy programmes, while simultaneously developing new performing and writing talent	Rab Christie	*The Scotts, Scot Squad, BBC Alba Gaelic Sketch Show, It's Now or Never*
Sidney St. We are Banijay	Makes high quality, formatted factual entertainment with an emphasis on storytelling	Karen Ross	*Mary Berry's Quick Going, My Greatest Dishes, Classic Mary Berry, The Farmers Country Showdown*
ZnakTV We are Banijay	Produces reality shows for the UK market	NatalkaZnak	*I'm a Killer, Masquerade Ball, Ultimate Tag, Revolution and Meghan Markle, 30 Days with: Bretman Rock*
BLACKLIGHT We are Banijay	Produces television drama and film	Ben Bickerton, Phil Trethowan	*4 Stories, Open, That Girl, Ellen*
OP MEDIA We are Banijay	Creates and manages business opportunities and career development across entertainment platforms for its talent	Liam Chivers	n.a.
Mam Tor Productions We are Banijay	Focuses on high-end, contemporary and original returning series, and works predominantly with new talent, women and other underrepresented groups	Tally Garner	*Chloe*

GERMANY, SWITZERLAND AND AUSTRIA (DACH)

Banijay Group is one of the largest independent television content producers in the DACH region (Germany, Austria and Switzerland), with 10 main production labels as of 31 December 2022:

Labels	Core business	Leadership	Top shows
EndemolShine Germany We are Banijay	Produces diversified content from comedy to quizzes, documentaries, light entertainment, reality, to maintain its leadership position in Germany	Fabian Tobias	*Who Wants to Be a Millionaire, The Masked Singer, Celebrity Big Brother, LEGO Master, Big Box Little Box*
BRAINPOOL We are Banijay	Produces comedy and entertainment content for the German and international market	Marcus Wolter	*TV Total, Beat the Star, 7 Tage 7 Köpfe, All Against 1, Catch!, The Next Big Thing*
Banijay Productions Germany We are Banijay	Invests and develops innovative and fresh content that is born locally and travels globally	Arno Schneppenheim	*Battle of the Reality Stars, Temptation Island, Let the Music Play*
GOOD TIMES We are Banijay	Produces docu-soaps, reports, coaching formats, scripted reality, and fiction for various television stations across Germany, Austria and Switzerland	Shona Fraser	*My Restaurant Rocks, Down and Out – Work or Welfare?, Yes We Camp*
MADEFOR We are Banijay	Creates and produces premium scripted series and films for the local and international markets	Nanni Erben	*Dünenreihe, Scene of Crime, Marie Catches Fire*
NOiSY pictures We are Banijay	Produces high-quality, standout entertainment formats and scripted production	Astrid Quentell	*Dragon's Den, Quatsch Comedy Club, Second Chance Saloon, GefährlicheNähe, Heldt*
GOOD HUMOR We are Banijay	Focuses on producing a wide range of scripted titles from comedy series to sitcoms, and sketch shows, for the German market	Stephan Denzer	n.a.
Management Compagnies (OGP, en2rage, SR)	Focuses on music production, rights and podcasts	n.a.	n.a.
influence vision We are Banijay	Connects brands and content creators on a common platform and produces marketing campaigns for brands	Branko Markovic, Florian Bösenkopf	n.a.
B&B EndemolShine We are Banijay	Creates, adapts and produces diversified programmes for the Swiss market	Tommy Sturzenegger	*MasterChef, The Masked Singer, All Against 1*

IBERIA

Banijay Group is the largest independent television content producer in Iberia (Spain and Portugal), with 10 main production labels in the region as of 31 December 2022:

Labels	Core business	Leadership	Top shows
SHINEIBERIA We are Banijay	Creates television hits for the Spanish market and adapts international formats	Macarena Rey	*MasterChef (regular, celebrities, junior, Christmas), Sewing Bee, Miguel Bosé*
DIAGONAL We are Banijay	Produces series and TV movies, as well as feature films, historical and period dramas, thrillers and dark comedies	Jaume Banacolocha	*Amar Es Para Siempre, La Novia Gitana, Pacientes Dr. Garcia, Isabel and La Catedral del Mar*
ZEPPELIN We are Banijay	Creates and produces entertainment programmes and fiction series, notably in reality content, anime projects and scripted shows	Miguel Martín	*Secret Story, LOL, My Restaurant Rocks, Susi Caramelo, La Roca*
gestmusic We are Banijay	Produces big prime-time shows including music shows, entertainment and game shows	Tinet Rubira	*Your Face Sounds Familiar, Boom, Still Standing, The Traitors, It Is Your Turn,*
Cuarzo Producciones We are Banijay	Creates, adapts and produce successful formats in many genres like entertainment, fiction, drama, factual television, talk shows, investigation, docureality, current affairs	Juanra Gonzalo	*Madrid Directo, Temptation Island, Viva la Vida, Hablando Claro, El Debate Temptation*
portocabo We are Banijay	Produces premium scripted drama	Alfonso Blanco	*Rapas Das Bestas, Los Enviados, Honor, Hierro, Argonautas*
Dlo/Magnolia We are Banijay	Produces scripted fiction, notably psychological thrillers and comedy movies	Manuel Lorenzo	*La Caza, El Immortal*
Pokeepsie Films We are Banijay	Produces premium scripted series and films	Álex de la Iglesia Carolina Bang	*The Fourth Passenger, Prison, The Piety*
SHINEIBERIA We are Banijay	Creates television hits for the Portuguese market and adapts international formats	Macarena Rey	*The Voice, Married at First Sight, MasterChef*
endemol portugal We are Banijay	Specialises in reality programing by creating, adapting and producing leading formats	Macarena Rey	*Big Brother, All You Need Is Love, 5 Para a MeiaNoite*

AUSTRALIA AND NEW ZEALAND

Banijay Group is the largest independent television content producer in Australia and New Zealand. It has two main production labels in Australia and New Zealand as of 31 December 2022:

Labels	Core business	Leadership	Top shows
EndemolShine Australia We are Banijay	Focuses on commissioning new original IP, as well as delivering premium adaptations of international formats.	Peter Newman	*MasterChef, Married at First Sight, Survivor, Big Brother, LEGO Masters, Goglebox, Ninja Warrior, SAS, Underbelly Vanishing Act*
Screentime New Zealand We are Banijay	Looks for opportunities to sell big format series from Banijay's catalogue, develop new local formats and strengthen complementary business growth	Philly de Lacey	*LEGO Masters, MasterChef, Police Ten 7, First Responders, Eat Well for Less, I Am*

BENELUX

Banijay Group is the largest independent television content producer in the Netherlands and a key player in Belgium and Luxembourg (Belgium, the Netherlands and Luxembourg together the "Benelux"). It has 10 main production labels in Benelux as of 31 December 2022:

Labels	Core business	Leadership	Top shows
Banijay Belgium We are Banijay	Produces various content across sports, scripted, documentaries and unscripted	Isabelle Dams	*Familie, Starstruck, The Police Station, Hunted, Extreme Makeover, Buying Blind, Best Singers*
JONNYDEPONY We are Banijay	Produces strong fiction series in several genres appealing to a broad audience internationally	Philippe De Schepper	*Black-out, Arcadia, Transport*
SOUTH FIELDS Embracing sports & entertainment We are Banijay	Produces sports content (with or without rights attached). Extending business to other sports.	Ernst Veldkamp	*Rondo, F1 Café, Europa League, Eretribune*
nl film We are Banijay	Focuses on long-running scripted series and docu/scripted combinations	Sabine Brian	*Penoza, Modern Love, Commandos, Van der Valk, Spangas, The Rules of Floor*
EndemolShine Nederland We are Banijay	Develops content for every platform, in every genre and for everyone. Produces long-running blockbuster titles	Rob Van Der Vleugel	*Deal or No Deal, Fear Factor, All You Need is Love, Holland's Next Top Model, Big Bounce*
simpel zodiak We are Banijay	Focuses on the development and production of content-driven factual entertainment, reality adventure and true-crime shows	Justine Huffmeijer	*Survivor, Temptation Island, MasterChef VIPS, Hunted, I'm Leaving, Special Forces VIPS*
TVBV We are Banijay	Makes programmes for public broadcasters and commercial channels, focusing on the genres of current affairs, human interest and infotainment	Mirei Franssen	*5 Years Later, Peacock,* *Emmen Op 1, From Hofbar*
SCENERY We are Banijay	Formerly known as Totem Media, focuses on high-end documentaries with international appeal	Isidoor Roebers, Lea Fels	*Human Playground, Jamal*
TOPKAPI FILMS We are Banijay	Produces high-end scripted content, mainly across drama and film, through an expanded international network	Frans van Gestel	*Flying Dutchmen, The Terrible Eighties, Piece of My Heart, Another Round, Close*
POSH PRODUCTIONS We are Banijay	Develops and produces documentaries related to social themes such as crime or psychology	Jessica Villerius	*The Children of Ruinerwold, Emma wil Leven, Deal met de Dood, Onder de Radar*

INDIA

Banijay Group is a large independent television content producer in India, with two main production labels as of 31 December 2022:

Labels	Core business	Leadership	Top shows
Banijay Asia We are Banijay	Creates content for television, films and OTT platforms, through many genres, including entertainment, factual, scripted and reality	Deepak Dhar	*The Kapil Karma Show, The Night Manager, Casa Toh Banta Hai, Survivor, Wildmate Specials, The Good Wife*
EndemolShine India We are Banijay	Produces exciting and popular programming for television broadcasters and streamers	Rishi Negi	*Big Boss, MasterChef, India's Next Superstars, The Voice, Bombay Begums*

ISRAEL

Banijay Group is a large independent television content producer in Israel, with two main production labels as of 31 December 2022:

Labels	Core business	Leadership	Top shows
EndemolShine Israel	Creates and produces critically-acclaimed, popular series in all genres	Amir Ganor	*Big Brother, Game of Chefs, Survivor, All Included*
MoviePlus	Specialises in full-length feature drama films, series, and documentaries as part of EndemolShine Israel	David Mandil	*Our Boys, Embezzlement, A Tale of Love and Darkness, Miguel, Deus, Jerusalem Brew, Footnote, Beaufort*

POLAND

Banijay Group is a large independent television content producer in Poland, with one production label as of 31 December 2022:

Labels	Core business	Leadership	Top shows
EndemolShine Polska	Creates and produces content on both local and international commissions, in parallel to developing technology and software for production	Ryszard Sibilski	*So You Think You Can Dance, Your Face Sounds Familiar, Fort Boyard, MasterChef, MasterChef Junior, Znachor*

BANIJAY KIDS & FAMILY

The Banijay Group also has production labels specialised for Kids & Family:

Labels	Core business	Leadership	Top shows
MoviMenti	Produces animated TV series, music videos, live-shows and multi-platform projects for local and global audiences	Giorgio Scorza, Davide Rosio	*Tear Along the Dotted Line, Topo Gigio*
Zodiak Kids & Family Productions UK	Creates original and innovative programmes focusing on a pre-school to teenager audience	Gwen Hughes	*Flatmates, Silverpoint, Scrambled, Ted's Top Ten, Secret Life Boys*
Tiger Aspect Kids & Family	Produces bold, funny and iconic content for all ages, from pre-school through to family, spanning live-action series and animated shows	Tom Beattie	*Corpse Talk, Danny & Mick, Charlie and Lola*
Zodiak Kids & Family France	Creates, develops and produces children's animation	Benoît Di Sabatino	*Mumfle, Yello Yeti*
Zodiak Kids & Family Distribution	Distributes Zodiak Kids & Family formats	Benoit Di Sabatino	*Mr Bean*
Kindle Entertainment	Focuses on female-led, premium 4-quad drama	Melanie Stokes, Emma Stuart	*Ivi & Bean*
Monello Productions	Creates strong original shows for children and the whole family, covering comedy, action-adventure and education	Giorgio Welter, Cécile Sady	*When I Was Your Age, Street Football*

1.1.1.5 Banijay Group's customers

Banijay Group works with a broad network of customers and partners, including broadcasters, television channels, producers and digital platforms active in the markets in which it operates, as well as with licensees, retailers of consumer products and commercial partners from around the world. Banijay Group sold its content to approximately 1,054 licensees worldwide in 2022.

Banijay Group's main customers for its production business include broadcasters, such as France Télévisions, TF1 Group, ITV, the BBC, Channel 4 Television, FOX, CBS, Bravo, Antena 3, TVE, Channel 5, RTL Group, TV2 Denmark, NENT, DR Denmark, TV4 Sweden, SKY, Mediaset, Rai Uno, Canal Plus Group, ABC Network, NBC, Discovery and MTV, and also global OTT players, such as Netflix, Amazon Prime Video, Discovery+, Disney+, Paramount+, Peocock and HBO Max.

For the Financial Year 2022, the top ten broadcasters of Banijay Group's production business accounted for 48% of the production revenues of this business and no single broadcaster accounted for more than 12% of the production revenues of this business.

1.1.1.6 Operational organisation

MARKETING AND SALES

Each of Banijay Group's production companies develops its marketing and sales strategies independently to address the local needs of broadcasters. Banijay Group's central content team, "Creative Networks", focuses on increasing the international appeal of Banijay Group's IP and partners with Banijay Rights to market programmes in other countries in order to export successful formats into new markets. Local production teams work in close partnership with Banijay Group's central content team to provide all the marketing materials needed (for example, sales video trailers or presentations) to promote the show internationally. Banijay Group's distribution business promotes its formats and programmes in various international and regional markets at events such as MIPCOM, London Screenings, C21 Content London, Series Mania, NATPE Miami and Budapest, Berlinale and Sundance.

INTELLECTUAL PROPERTY

Banijay Group's intellectual property assets principally include copyright for its content, trademarks and service marks in brand names, trade names and logos and domain names, as well as licenses to use other intellectual property rights and licenses of its intellectual property to others.

Banijay Group's proprietary content constitutes a significant part of Banijay Group's value, and the protection of its brands and content is important. To protect its intellectual property rights, Banijay Group relies on a combination of copyright, trademark, unfair competition, trade secret and domain name laws, as well as non-disclosure agreements. Approximately 51% and 52% of Banijay Group's production revenue for the Financial Year 2022 and the Financial Year 2021, respectively, come from its owned intellectual property.

Banijay Group seeks to limit challenges to its intellectual property rights, especially with respect to rights to its formats which are more difficult to protect and which may lead to significant legal fees if a dispute becomes transnational. Banijay Group monitors trademark registrations and relevant third-party productions to ensure there is no copyright infringement of its proprietary content. By involving Banijay Group's legal team in all material intellectual property litigation across Banijay Group, it is able to ensure consistency in its claims and defences.

INFORMATION TECHNOLOGY

Banijay Group's business depends on the successful operation of information systems and other standard technology. It has two creative business platforms in place: Blink and Core. Blink is Banijay Group's internal content platform that has information and links to assets on its library of formats (wholly-owned and third-party-acquired formats), news on Banijay Group and gives access to some internal documents such as trends presentations, policies and internal communication on events held by Banijay Group, as well as information and market intelligence on competition programming. Core is the online platform for tracking development, production and on-air activity. Next to these creative platforms Banijay Group uses B-Learning, a platform licensed from MetaCompliance for group e-learning training (for example on cyber security and compliance) and policy management.

PROPERTY

In general, in order to limit its fixed costs, Banijay Group prefers to lease properties and production facilities that it uses for its production business. In certain countries, such as the United States, Spain and Germany, Banijay Group's subsidiaries own studios or production equipment and lease it to other entities either within the Banijay Group or to third parties.

QUALITY MANAGEMENT

Banijay Group maintains a stringent quality assurance programme to ensure the quality of its content. To this end, Banijay Group conducts regular employee training and performs regular audits at each of its subsidiaries, employing several professionals active in auditing and improving the quality assurance of its operations.

1.1.2 Online sports betting & gaming business (Betclic)

1.1.2.1 Overview

The Betclic Everest Group is still one of the fastest-growing online sports gaming platforms in Europe in terms of Revenue growth from 31 December 2021 to 31 December 2022 compared to its main listed competitors and based on their disclosures of Revenue at the end of December 2022[(1)].

As at 31 December 2022, the revenues of the Betclic Everest Group amounted to €835 million, compared to €741 million as at 31 December 2021.

The Group operates its business associated with online sports betting and gaming through Betclic Everest Group, in which, as at 31 December 2022, FL Entertainment holds 94.6% of the capital, the remaining 5.4% being held by Mr Nicolas Béraud.

In addition, as at 31 December 2022, Betclic Everest Group has a controlling interest of 53.9% in bet-at-home.com AG, a company listed on the Frankfurt Stock Exchange that operates independently. For the avoidance of doubt, Betclic Everest Group includes Betclic and its subsidiaries, including Bet-at-home. There is no agreement in place between Betclic and Bet-at-home.

Revenues of Bet-at-home represented 6% of the revenues of the Betclic Everest Group over the Financial Year 2022. The Betclic Group's revenues represented 94% of the revenues of the Betclic Everest Group over the Financial Year 2022. As a result of consolidation, financial information and results of the Betclic Everest Group include those of Bet-at-home. In this business section, information predominantly relates to the Betclic Group, except where expressly indicated otherwise.

The Betclic Group is a sports betting group that aims to enrich its users' sports experience while offering poker and casino games and horse racing betting. Its offering can be accessed through its websites or through its mobile apps.

The Betclic Group focuses its development on locally regulated markets, i.e., those requiring a national license to operate an online gaming platform. The Betclic Group estimates that more than 99% of its revenue in 2022 were generated on locally regulated markets under national licence.

The Betclic Everest Group's revenue is comprised of Gross Gaming Revenue decreased by bonuses and free bets granted to the players.

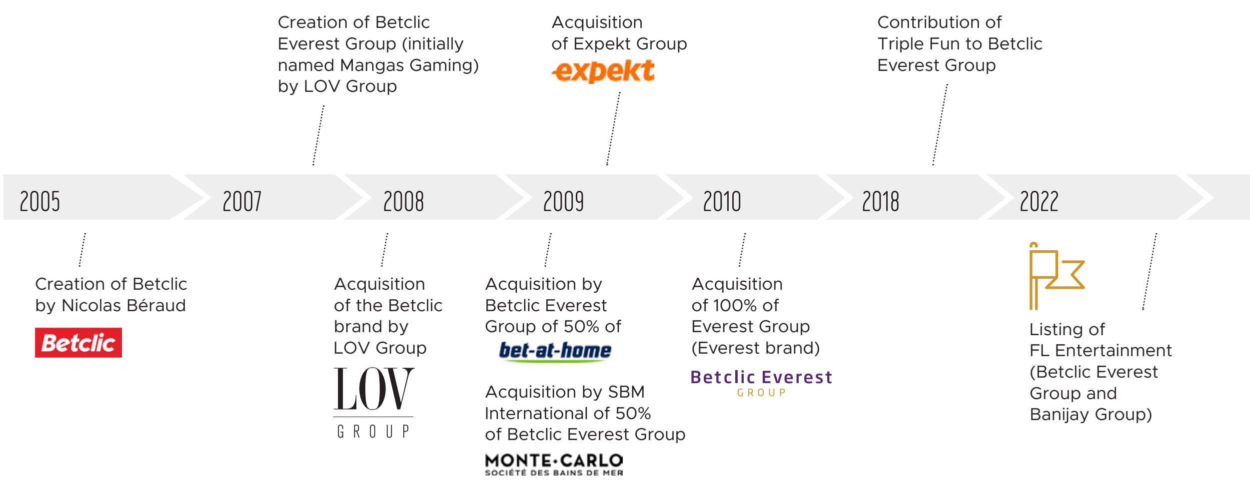
(i) In online sports betting, the Betclic Everest Group generates revenue by betting against its players, and its Gross Gaming Revenue consists of the bets made minus the gains paid to the players.

(ii) In online casino, the principle is to provide players with online games of chance, the draws of which are based on an audited random number generator, configured to offer a return rate to the player between 80% and 98%.

(iii) In online poker, only operated by the Betclic Group within the Betclic Everest Group, it generates Gross Gaming Revenue by charging a commission (rake) on the players' bets or by collecting an entry fee in case of a poker tournament.

(iv) In online horse racing betting, only operated by the Betclic Group within the Betclic Everest Group, it generates a Gross Gaming Revenue by the commission charged on the bets.

1.1.2.2 History of the Betclic Group

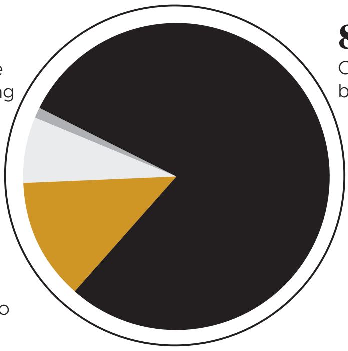


(1) *Figures from competitors are based on publicly disclosed information (such as competitors' websites). For more information on competitors, please also refer to Section 1.3.1 (Banijay Group's competition environment) and Section 1.3.2 (Betclic Everest Group's competition environment).*

1.1.2.3 Betclic Everest Group's operations

Betclic Group operates exclusively online. It offers a full range of online gaming products and services, covering sports betting, casino games, poker and horse racing betting.

Betclic's revenues by product for the Financial Year 2022 were the following:



As of 31 December 2022, the Betclic Group offers:

(i) a sports betting activity covering more than 55 sports, including football, tennis and basketball;

(ii) a casino activity covering a wide variety of games, including games such as slot machines, table games and live casino;

(iii) a poker activity in the form of cash games and tournaments; and

(iv) a horse racing betting activity only in France.

This product offering is enhanced by combining the products and services developed by the Betclic Group with related value-added services, such as gaming platforms, pre-live betting and live betting, payment services, cloud services or mobile applications. The Betclic Group operates in France and other key countries, such as Portugal, Poland, Italy and Malta.

ONLINE SPORTS BETTING

Sports betting has always been the Betclic Group's historical business. When France regulated its gaming market in 2010 without allowing online casino, the Betclic Group mainly continued to invest in its sports betting business. Over the years, the Betclic Group has worked to enrich its offer, increase the number of events and live events, promote betting on multiples and customise and localise its offer by country.

In the online sports betting segment, customers can find betting offers on more than 55 sports, covering sports competitions globally. For example, the Betclic Group covers 48 different football competitions.

Over the Financial Year 2022, the Betclic Group offered more than 500,000 betting events to bet on, with close to 50,000 to watch in live streaming real-time on its channels (mobile applications & websites). The Betclic Group also allowed its customers to bet on a few hundred different possibilities (match result, score, goals or points, players' performance, combinations, etc.) for each sporting event, both before and during the event.

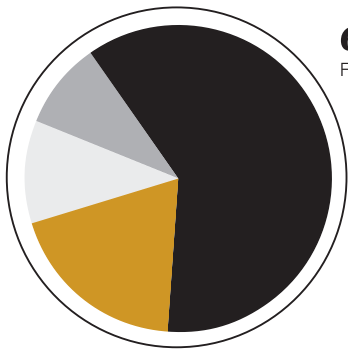
In addition to pre-match and live betting, the Betclic Group offers various types of bets, including single bets, multiple bets, system bets or cash-out options. In 2022, Betclic introduced vertical bets through its "My Combi" feature, which are on-demand combinations of multiple outcomes on the same event, enabling thousands of possibilities on each match for its players. The Betclic Group also empowered its customers even more by launching bet edition and cancellation options. The Betclic Group has also been continuously expanding the wide range of bets to contribute to its best-in-class portfolio in this rapidly growing sports betting product segment.

The Betclic Group offers a simple and intuitive betting interface on its mobile applications enabling players to register, deposit and place bets in only a few taps. In addition, entertaining features, such as live streaming, live game statistics and information on the historical performances of the teams, enhance Betclic's extensive offer. The Betclic Group also offers its players challenges with free bets and leader board tournaments, as well as unique dedicated social and betting features such as the "Goat Card" experience launched on the occasion of the FIFA World Cup 2022.

The Betclic Group operates in countries where the number of sporting events suitable for gaming is limited by regulation. Betclic's aim is always to expand its offer up to the limits offer of sporting events.

The activity of sports betting operators is guided by the main sporting events, such as the major international football competitions (FIFA World Cup, European Football Championship), club tournaments organised by the UEFA (Champions League, Europa League), matches played in the top national football leagues (Ligue 1 Uber Eat, Premier League, La Liga, etc.), Tennis Grand Slam tournaments (Australian Open, Roland Garros, Wimbledon and US Open), and the NBA in the US.

As at 31 December 2022, the following chart displays the percentage of bets placed on each sport:



Under the Betclic Group's sportsbooks licences, there are constraints on which bets are available to players, such as the lists of sports events on which players may bet. Furthermore, in most countries where it operates, the Betclic Group is only allowed to offer bets on sporting events.

Finally, various factors contribute to the success of the Betclic Group's sports betting operations: (i) width and depth of the offer; (ii) risk and margin management; (iii) odds attractiveness; (iv) product features and easiness to use; and (v) commercial policies (including bonuses) and animation of the customer base.

ONLINE CASINO

The Betclic Group offers online casino and chance games in Portugal and Italy. The Betclic Group's offering includes table games such as blackjack and roulette, virtual slot machines, but also live casino games, which are table games where the croupiers are real persons that are being filmed.

The Betclic Group uses gaming software from specialist third-party providers on its platform. The Betclic Group has 20 third-party providers directly integrated on its proprietary casino platform. The difference between the players' stakes and the return to such player is shared by Betclic and the casino providers in accordance with commercial agreements. The Betclic Group offers 3,450 games, produced by 44 different game studios. Some third-party services providers organise jackpot mechanisms across multiple platforms, making it possible to deliver big wins.

In 2022, the Betclic Group's updated its proprietary casino platform to improve and simplify promotional mechanics for casino users.

Betclic also improved the leaderboards' mechanics, allowing players to compete and earn points and rewards while playing casino games. Players now have access to their rankings in real-time, mechanics to accumulate points were changed to make it fairer for all players and engage a wider share of them, and rewards are credited in real-time.

The other pillar of the Betclic Group's casino success in 2022 was its ability to release exclusive and original content in its main market, Portugal. In total, no less than 60 exclusive and branded games were released in 2022. In addition, in June 2022, the Betclic Group was the first operator to release a proprietary game in the Portuguese market: Betclic Mega Santos.

ONLINE POKER

In France, the Betclic Group offers online poker. In the online poker segment, the Betclic Group arranges games between several players at online poker tables, with random card draws. There are two main formats, cash games and tournaments. The players play against each other, and the Betclic Group takes a commission on the players' bets (called a "rake") if it is a cash game, and the Betclic Group collects an entry fee if it is a tournament. The rake amounts to 6.67% of the sums bet on average in the French market. The Betclic Group operates its online poker offering on Playtech's poker network and platform.

In cash games, the amount of chips that players place on the poker table (called the "buy-in") represents real money. The amount of buy-in to participate generally corresponds to an amount of 100 blinds, a big blind being the minimum to bet to participate in a hand on the table. There are tables with different limits from €0.02 to €10 per big blind. On the same table, the amount of blinds never increases. Players can enter and exit tables at their convenience with their remaining chips.

In tournaments, players pay an entry fee corresponding to approximately 10% of the bet. They play until they are eliminated by another player, whether the place corresponds to a gain or not. Tournaments are based on a principle of elimination and progressive blinds increase, with the last participant winning the tournament. There are MTT or Sit n Go tournaments. The multi-table tournaments start at a fixed time regardless of the number of participants and the Betclic Group offers guaranteed minimum winnings. The short 3-player Sit n Go formats in which the winner wins, in addition to the losers' bets, a random jackpot fed by a fraction of the entry fees for each tournament, called "Twister" at the Betclic Group. The Twister is by far the most popular poker game at Betclic as it can be played in five minutes and offers a chance to players to multiply their initial buy-in by up to 2,500.

In 2022, Betclic Group revamped the Twister experience available from the sport app completely: a new look and feel closer to Betclic sport identity, new custom poker avatars, the ability to reward players with free poker games from the sport app and finally a thematized World Cup Mini Game launched in November, allowing players to win freebets, cash and poker rewards.

Various factors determine the success of the Betclic Group online poker operations: (i) increased liquidity through the acquisition of new players; (ii) balance between regular and recreational players; (iii) jackpots and big wins; (iv) commercial policy: wide range of tables and tournaments, frequent and varied bonuses; (v) products and user experiences and (vi) simple and fast formats adapted to mobile.

Tournaments represent the main part of the Betclic Group's poker business.

ONLINE HORSE RACING BETTING

In France, the Betclic Group offers online betting on horse racing to its players. It operates an online mass mutual betting offer with ZETOTE system Ltd, which manages and operates the aggregation of horse racing bets in France.

Mutual horse betting means that, unlike fixed odds betting, players play against each other, and the operator takes a commission on the bets, rather than the losses of the players. Separate pools are created for each race and each type of bet. After the deduction of the commission of the Betclic Group, all stakes bets are redistributed to the winners in proportion to their bets. The amount of winnings is therefore dependent on the mass of stakes. The pool size is a critical supply factor; the more players there are, the more stable the ratios and the wider the betting offer can be. Significant liquidity makes it possible to offer combination bets, where bets can be placed on multiple horses, with several ranks of winnings. In France, there are 40 to 45 daily races, and there are four to eight types of bets offered per race depending on the number of horses at the start and the level of the race.

Within 15 minutes after the finish of each race a report is uploaded online, which indicates the amount of the payment for each bet and for each winning combination that a player received for one euro bet when the player is a winner. The payout is calculated by dividing the total bets on all horses by the number of bets on the winning horse, after deducting the commission. Before each race, a "likeliness" report is offered, which sets out for each horse the breakdown of the already betted stakes. This report gives an idea of the horse's value according to the players' stakes. As it depends on the stakes placed, the report will be subject to change until the closing of the bets.

1.1.2.4 Betclic Everest Group's markets

The Betclic Everest Group generates revenues from its operations in 10 countries. Its five main geographies are France, Portugal, Poland, Germany and Italy, which together represent 96% of its revenue in the Financial Year 2022. The Betclic Everest Group operates 97% of its revenue though national licenses for the Financial Year 2022. It also operates in certain unregulated markets through a Maltese license.

The Betclic Group manages its operations in the main countries through a centralised structure. All its functions are centralised except for marketing, which is partly localised in each of the main countries where it operates.

FRANCE

The French market is the first historical market in which the Betclic Group operates since regulations were introduced in the online gaming market in 2010. The French market is regulated by the ANJ. The websites under which the Betclic Group operates in France are "Betclic.fr" and "m.betclic.fr". The Betclic Group owns the licences based on which it operates through Betclic Enterprises Limited, a Maltese entity. The Betclic Group holds three licences in France, a sportsbook licence (for sports betting), a poker licence and a horse racing betting licence. The licences are obtained for a period of five years. The Betclic Group renewed its licences for sportsbook, poker and horse racing betting in September 2021. Consequently, these licences will have to be renewed in September 2026. Due to the absence of regulation of online casino, private operators such as the Betclic Group are not licensed to operate an online casino in France.

Based on French online sports betting and gaming regulations, the Betclic Group is required to apply a maximum return rate of 85% of all stakes invested by players of sports betting over a calendar year to its players on sports stakes. The French market is the only market in Europe with a maximum return rate rule. This rule was introduced in 2010 by the French regulator in support of responsible gaming. The French online gaming regulation is one of the most restrictive frameworks compared to other European online gaming regulation frameworks. Consequently, it forms a high barrier to entering the online gaming market in France. To become a market participant on the online gaming market an operating license is required. In addition, new market participants must obtain a deep knowledge of the French regulatory landscape to be compliant and profitable. The French regulator is approving every year operators' annual plans on responsible gaming, marketing and anti-money laundering. Betclic's plans have been approved in 2022 and 2023.

In France, 17 sports betting licenses, seven poker licences and six horse racing betting licenses have been granted[1]. In addition, PMU and FDJ hold exclusive rights with a monopoly in one or more sectors: (i) the FDJ has the monopoly for physical and online lottery games and on physical sports betting and (ii) PMU has the monopoly for physical horse betting (excluding independent racetracks)[1].

The Betclic Group has seen a stable increase in its market share in the sports betting market in France from 2015 to 2022, due to new management, implementing a new strategy and increasing focus on mobile user experience. The Betclic Group believes that its main competitors in the sports betting market in France are Winamax, Unibet and FDJ.

In the Betclic Group's view, the French online poker market is highly concentrated with the three largest operators, Winamax, Betclic Group and Pokerstars, accounting for approximately 80-90% of the market. The Betclic Group believes that the cross-selling of its poker offering within its sports betting apps has enabled it to grow its market share in the French online poker market over the past years.

The Betclic Group offers online horse betting as a complementary product to offer a full range of products to its players in France.

PORTUGAL

In Portugal, the Betclic Group's offering comprises sports betting and online casino, for each of which it holds a license. The Betclic Group has operated in the Portuguese market since the start of the regulation of the Portuguese online gaming market in 2015. It was the first operator in Portugal to obtain a licence for sports betting in May 2016. The Betclic Group's website in Portugal is "Betclic.pt". The Betclic Group owns its licences through BEM Operations Limited, a Maltese entity. Licences in Portugal are obtained for three years. The Betclic Group obtained the current licences in 2022 and will have to renew them in 2025.

Online gaming is regulated in Portugal. The regulator is the Serviço de Regulação Inspeção de Jogos (SRIJ). The application process for a license to operate on the Portuguese online gaming market is restrictive, which makes it hard for parties to enter the market, compared to the Betclic Group, which has the historical experience and knowledge from the French market to operate in a highly regulated market. In addition, the Portuguese taxation scheme in the online sports betting market is considered restrictive as its rates are high and apply on stakes.

In Portugal, 16 online operators are licensed, 12 for sports betting, 16 for casino and 3 for poker [2]. The Betclic Group believes it is one of the market leaders in each of the sports betting and online casino markets in Portugal, which it believes is mainly due to it being one of the first operators in Portugal to obtain a licence for sports betting in May 2016. The Betclic Group believes that its main competitors in the sports betting market in Portugal are Betano, Bet.pt/Bwin and Placard. The Betclic Group considers that its main competitors in the online casino market in Portugal are ESC Online and Pokerstars.

POLAND

In Poland, the Betclic Group's offering comprises online sports betting. The Betclic Group has been operating in the Polish market since it obtained its sportsbook license (for sports betting) in 2019. The Betclic Group's website in Poland is "Betclic.pl". The Betclic Group owns its licence through BEM Operations Limited, a Maltese entity. The license was obtained for six years and will be renewed in 2024.

(1) Source: ANJ website: https://anj.fr/offre-de-jeu-et-marche/categories-de-jeux-et-canaux-de-distribution.
(2) Source: SRIJ website: https://www.srij.turismodeportugal.pt/en/online-gambling/licensed-entities/.

Online gaming is highly regulated in Poland. The regulator is the Polish Ministry of Finance. The application process for a license to operate on the Polish online gaming market is restrictive, which makes it hard for parties to enter the market, compared to the Betclic Group, which has the historical experience and knowledge from the French market to operate in a highly regulated market. In addition, the Polish taxation scheme regarding the online gaming market is considered restrictive. Poland has a state monopoly on online casino, and private operators such as the Betclic Group are not licensed to operate an online casino. In Poland, 23 sports betting licenses have been granted[(1)]. The Betclic Group believes that its main competitors in the sports betting market in Poland are STS (a Polish operator) and Fortuna (a Czech operator).

ITALY

In Italy, the Betclic Group's offering comprises sports betting and casino. Betclic's website in Italy is "Betclic.it". The Betclic Group obtained its sportsbook licenses for sports betting and casino in 2008, which were renewed in 2018 for four years. The license renewal initially planned in December 2022 was postponed, and at the end of December 2022, the licenses were officially extended by a vote before the Parliament until the 31 December 2024.

The Betclic Group owns The Italian Gaming licences through Betclic Limited, a Maltese entity with company number C40330. The Italian market is regulated by the Agenzia delle Dogane e dei Monopoli (ADM).

OTHER MARKETS

The Betclic Group also operates in certain other markets under a Maltese license. This concerns countries where online sports betting and gaming are not regulated locally, or in countries where the Betclic Group has chosen not to apply for a licence and in some cases where the Betclic Group, as other operators, is blacklisted but still operates as it considers local law to be non-compliant with European regulations. Please refer to Section 3.1.3 (Risks relating to the Group's Online sports betting & gaming business — *Activities related to online sports betting and gaming are subject to an uncertain and rapidly evolving regulatory regime which varies significantly among countries*) on page 115. These activities represent less than 1% of the revenues generated by the Betclic Group for the Financial Year 2022. Betclic obtained its two Maltese .com licenses for sports betting and casino in 2018 from the Malta Gaming Authority, which will need to be renewed in 2028. Betclic owns its licences through Mangas Gaming Malta Limited, a Maltese entity. Furthermore, it has recently obtained licenses to operate in Ivory Coast and two other African countries.

BET-AT-HOME MARKETS

In addition, Bet-at-home, which is a company in which the Betclic Everest Group has, as at 31 December 2022, a controlling interest of 53.9% and which is listed on the Frankfurt Stock Exchange and operates independently, is active in, among other things, the sports betting and casino markets in Germany and the sports betting market in Austria. Bet-at-home holds different licences in Europe, including Germany, Ireland and Malta. Bet-at-home rendered its UK license in July 2022.

GERMANY

Bet-at-home offers sports betting and virtual slots products in Germany. Table Games (Roulette, Black Jack, Baccarat..) are currently not admissible. Bet-at-home operates under the website "bet-at-home.de" with the brand "bet-at-home", which is one of the five best-known online gaming brands in Germany. A sports betting license and a license for virtual slots are held by bet-at-home.com Internet Ltd., a Maltese entity. The validity of the sports betting license has now been extended until the end of 2027. The German online gaming market is highly regulated with a standard monthly deposit limit per customer of €1,000. Virtual slots products are limited to €1-stake per spin and a minimum spin duration of 5 seconds. In addition, the German taxation scheme of 5% of the stakes can be considered as restrictive.

In Germany, 32 sports betting licenses and 18 licenses for virtual slots products have been granted with year-end 2022. As of 2023, the German market is regulated and supervised by the "Gemeinsame Glücksspielbehörde der Länder" (GGL) in Saxony-Anhalt. Based on surveys the main competitors are tipico, bwin and bet365.

1.1.2.5 Players

Players are at the heart of the Betclic Group's strategy. The Betclic Group has developed a model that enhances the player relationship and customer journey to create value, optimised by knowledge of the players and guaranteeing integrity and a responsible approach. The Betclic Group aims to offer its players a simple and user-friendly experience. It has replicated its best-in-class player's practice to ensure a seamless customer journey for registration on its websites or apps, document authentication, money deposits and basket composition. Furthermore, The Betclic Group offers its players an extensive catalogue and a superior live betting experience, such as its live streaming options, live gaming statistics and information on historical performance.

Furthermore, The Betclic Group's Customer Service department provides a seamless and value-added customer experience across various channels. The Betclic Group's customer service is organised in three channels:

- frequently asked questions that are included in its app. The FAQs are presented in a helpful overview with a search tool and address key subjects that its customers may have questions on. The Betclic Group believes it has been able to reduce its incoming calls significantly as a result of implementing the FAQ;
- the Betclic Group's Customer Service department. The department consists of 70 persons, and it is available from 8 am to midnight seven days a week (opening hours can be adjusted depending on events). Channels available for customer service are email, live chat, outbound calls and a chatbot on The Betclic Group's social network. At the end of each player's interaction with customer service, the NPS and CSAT are measured with scores 1 to 5;
- key account managers. For its key players, the Betclic Group has dedicated account managers. The account managers are available to solve problems immediately.

(1) *Source: https://www.podatki.gov.pl/pozostale- podatki/gry-hazardowe/zaklady-wzajemne-i-gry-hazardowe-przez-internet/*

1.1.2.6 Operational organisation

TRADING AND BOOKMAKING

Bookmaking is a crucial aspect of the Betclic Everest Group's business. It combines sports knowledge with mathematics. Betclic, in particular, has three in-house bookmaking capabilities:

(i) odds compiling;

(ii) odds evolution; and

(iii) live management.

The initial odds are based on past statistics, the competition benchmark, specificities of a country and the liabilities of the Betclic Group. The initial odds analysis is supported by statistic tools. The initial odds can be revised (odds evolution) based on external events that affect the probability. It is key that the Betclic Group's traders become aware of such events, before its customers, in order to adapt the odds in time. The Betclic Group manages turnover in real-time to ensure a balance between wins and losses while always offering the correct odds. The Betclic Group focuses on activities that differentiate it from its competitors, in particular odds trading and compiling of mainstream and niche markets. On pre-match bets, there is limited differentiation potential. This is different for live bets and niche games, as know-how is required to balance profitability and risk management, for which the Betclic Group has internal expertise. The odds will vary depending on the evolution of the game, and unexpected developments such as injuries. The Betclic Group has developed an in-house trading platform that allows real-time monitoring of odds and risks.

MARKETING AND SALES

In its core geographies (France, Portugal and Poland), the Betclic Group relies on visible and efficient communication campaigns adapted to sports fans. In Italy, there is a ban on advertising for online sports betting and gaming.

The Betclic Group has diversified its marketing efforts across different channels, increasing its focus on digital channels. This has increased brand awareness and created a virtuous cycle driving organic player acquisition. Its marketing efforts are sports and entertainment-oriented. It has strong advertising campaigns during sports events (national football leagues, UEFA Champions League, FIFA World Cup), and has worked together with athletes and celebrity ambassadors such as Marcel Desailly, Sony Anderson, Thomas Ngijol, Gradur or SCH in France.

In France, the taglines for brand campaigns were *"Et le Sport se Vit Plus Fort"* ("And the Sport Lives Stronger").

In Portugal, sustaining its market leadership position, The Betclic Group developed in 2022 the brand platform "Defy the odds" that captures moment in life (or in sports) when consumers feel that a certain outcome is bound to occur – sometimes, against the odds.

In Poland, The Betclic Group will continue to use the brand platform "Set your own course". Betclic Polska brand resonates with middle-aged active adults, much more conscious, individualistic consumers who self-express through the music they listen to, the type of food they eat, the fashion choices they make and the type of entertainment they select. Betclic Polska has become one of the most recognized brands for consumers who are open to try other entertainment formats.

In terms of strategic partnerships, the Betclic Group, through the Betclic brand, is for example main partner of the French national football team for five years, from July 2021 to July 2026, official partner of the Ligue de football professionnel in France, for French Ligue 1 Uber Eat and French Ligue 2, for three years, from June 2020 to June 2023, main partner of Ligue Nationale de Rugby in France for French Top 14, for three years, from March 2021 to end of the season 2023/2024, main partner and naming for French Ligue Nationale de Basket, for three years, from July 2021. In France, the basketball league is called Betclic Élite.

In Portugal, the Betclic Group is name sponsor of the men's basketball league *Liga Betclic,* for three years from July 2021. In Poland, the Betclic Group is sponsor of the Fame MMA and Hype MMA for Galas that will happen on year 2023 and 2024. In Poland, the Betclic Group is also shirt sponsor of Piast Gliwice football team for 2 years, from July 2021. At the date of this document, no renewal with Piast Gliwice football team has been signed.

In Italy, Portugal and Poland, the Betclic Group is also sponsor of an e-sport team & athletes (on FIFA Games) Apogee Gaming under the brand Betclic Apogee.

The Betclic Group has an effective data driven marketing approach to attract new customers. It offers players a welcome bonus and bonuses when they have made a certain number of bets. The Betclic Group aims to have efficient and user adapted marketing campaigns.

INTELLECTUAL PROPERTY

The Betclic Group has a portfolio of intellectual property and industrial rights, including brands and domain names. Intellectual property rights are primarily filed in France, Portugal and the European Union. In addition, occasionally, trademarks are also filed in other countries for certain specific items regarding the Betclic Group's international activities.

BRANDS AND TRADEMARK LICENSES

The primary brands carried by the Betclic Group are "Betclic" and the graphics mark:

Betclic

The Betclic Group's brands are highly visible and are therefore essential to its communication and name recognition. The Betclic Group is careful in selecting brands for its games. The names and graphics for all new games developed by the Betclic Group require in-depth joint work by online sports betting and gaming teams (depending on the case) responsible for the creation and development of the games operated by the Betclic Group, as well as its Marketing department and Legal department. Brands carried by the Betclic Group are usually developed in-house by the gaming and sports betting and by the studio team composed of designers. Certain names for brands are proposed on a one-off basis by the marketing agencies with which the Betclic Group has signed agreements for the provision of services in the field of advertising communication. In addition, the Betclic Group continuously monitors brands registered by third parties to react promptly if a trademark is damaging to Betclic.

1) Trademarks registered by Betclic

The Betclic Group has registered 17 brands in France, 21 in the European Union and over 40 with the World Intellectual Property Organisation or in other countries with the national offices of those countries. Most of the trademarks are registered in classes 9 (game software), 28 (games), 38 (communication on the internet) and 41 (entertainment, sports and cultural activities, and gaming services). The games marketed by the Betclic Group are usually registered as a logo.

2) Betclic's trademarks supervision and defence

The Betclic Group actively defends its trademarks. Betclic's main trademarks are closely monitored by service providers who report to the Betclic Group monthly. This enables the identification of trademark registrations by third parties similar to Betclic Group's trademarks. For example, this enabled the identification of approximately 20 registrations owned by third parties similar to those of the Betclic Group in 2022. The legal actions taken by the Betclic Group can result in, among others, letters of undertaking or co-existence agreements, trademark limitations, withdrawal of a trademark or a legal decision.

3) Domain names

The Betclic Group has an extensive portfolio of over 480 domain names. The most important domain names registered by the Betclic Group are registered with extensions relevant to the Betclic Group's business across Europe. The Betclic Group's domain names are all reserved and hosted by the same service provider. They renew automatically from year to year unless otherwise requested by the Betclic Group within 30 days before their expiration date. The Betclic Group also monitors the domain names registered by third parties containing the Betclic Group's brands. Legal actions are undertaken on a regular basis against the disputed domain names identified.

4) Illicit applications

The Betclic Group reports to Google Play and/or to Apple Store all the illicit applications (applications copying the Betclic brand) it discovers. Until today, all the litigious applications using the Betclic brand have been removed by Google Play and Apple Store.

INFORMATION TECHNOLOGY

The Betclic Group has a proprietary IT platform for its sports betting and casino operations. It has made significant efforts in order to enhance the platform and avoid interruptions on its platform that could affect player experience. In the functioning of its IT platform, the Betclic Group focuses on availability and robustness as well as speed and security. As the Betclic Group processes a significant amount of data in its operations, protecting such personal data has been a key factor in developing the IT platform.

The Betclic Group aims to develop in-house tools for its core activities, such as sports betting and casino. For trading, the Betclic Group has developed tools for monitoring odds, monitoring and controlling different betting flows, monitoring of risk metrics and a tool that builds its offering with a fast manual creation for various matches, markets and selections. For players' engagement, the Betclic Group has developed a tool for creating marketing campaigns focusing on the audience, the offer, the experience, and the schedule. The Betclic Group also developed tools to monitor player behaviour and communication and content for players. These tools improve the in-app player experience. Betclic uses a/b testing to track the performance of these player-focused tools.

For its non-core activities, such as poker and horse racing betting, the Betclic Group uses the external IT service provided by Playtech and Zetote. For example, for customer service, the Betclic Group uses external tools that answer customers' questions and help solve their issues.

1.2 Key strengths and strategy

1.2.1 Group's key strengths and strategy

1.2.1.1 Group's key strengths

The Group's mission is to entertain the world by operating two business lines: (i) Content production and distribution through Banijay and (ii) sports betting and online gaming through two brands, Betclic and Bet-at-home, which together form the Betclic Everest Group.

To that end, the Listing in July 2022 was a significant milestone for FL Entertainment as it enabled the Group to build momentum and accelerate its growth. Indeed, by benefiting from a stable shareholder base, the resulting reduced leverage and a simplified capital structure, the Group has gained strategic leeway to pursue bolt-on acquisitions and transformative transactions. Moreover, the Group can leverage four key advantages to deliver value to its stakeholders.

LEADING POSITIONS IN STRUCTURALLY GROWING SECTORS

Through its two entertainment business lines, the Group is exposed to two market segments that offer high development potential. The Group operates the #1 independent production company globally and is ideally positioned within the global content production and distribution market, which is a structurally growing market. Indeed, content creation spend is expected to grow at a compound annual growth rate of more than 11% from 2019 to 2024[(1)] alongside a continued growth of OTT subscribers, which are expected to grow from around 350 million in 2019 to about 1,070 million in 2024, therefore increasing at a compound annual growth rate of more than 25%[(2)]. Market fragmentation creates natural consolidation opportunities in the market.

The global online sports betting and gaming market also has deep addressable markets, with opportunities for the Betclic Everest Group to duplicate know-how in new territories. The Betclic Everest Group operates in regulated markets where regulation brings stability, even though regulation can change. The global online sports betting and gaming market is expected to increase from around €55 billion in 2020 to an estimate of around €115 billion in 2027, therefore growing at a compound annual growth rate of more than 11%[(3)]. The Betclic Everest Group currently operates in France, Portugal, Malta, Poland, Italy, Germany, and Austria and recently started operating in Ivory Coast and two other African countries, with significant opportunities arising from development in new countries, with high level of standards in terms of players' protection and anti-money laundering.

BUSINESS SET-UP TO SUPPORT CREATIVITY AND ENTREPRENEURIAL SPIRIT

The Group was founded by an entrepreneur and has entrepreneurs at every level of its organisation. In addition, the Group is structured to empower its people and enhance creativity. For example, Banijay is a collective of over 130 production companies across 21 territories. This unique set-up is well-suited to attract and retain talents and allow them to deploy their creativity. Because of this organisation, the Group was able to launch 90 new pilot shows in 2022, an exceptional performance in the industry.

The entrepreneurial leadership at Betclic also enabled the Group to develop an industry-leading, easy-to-use, and innovative offer. In addition, thanks to Betclic's in-depth market knowledge enabling one of the best user experience, the number of new clients is increasing.

TRACK RECORD OF PROFITABLE GROWTH

The Group has achieved a strong track record of profitable growth in both content production and online sports betting. From 2021 to 2022, Group revenue grew by 15.7% (13.2% at constant currency), from €3,497 million in 2021 to €4,046 million in 2022. In parallel, the Group's Adjusted EBITDA grew by 10.0% from 2021 to 2022, reaching €670.0 million in 2022, from €609.3 million in 2021[(4)].

Please refer to Chapter 5 (Operating and financial review) on page 163 and Chapter 6 (Financial Statements) on page 197 of this Universal Registration Document for more information.

SUSTAINABILITY IS AT THE HEART OF THE GROUP'S BUSINESS MODEL

The Group enjoys robust and sustainable business models. Indeed, in the Content production & distribution business line, the Group has no dependence in terms of customers or geographies. Banijay is mainly exposed to non-scripted formats, which account for 70% of its revenue and enjoys a cost-plus pricing model which offers high cash flow conversion rates and a robust inflation hedge. In addition, the Group can rely on recognised brands and a wide diversity of formats that drive repeat business for replication across different territories, thereby securing long-term revenues. Both Banijay and Betclic Everest Group are also firmly committed to ensuring a truly representative and inclusive workforce.

(1) Source: Ampere Analysis Analytics "Growth in content investment will slump in 2023" (January 2023).
(2) Source: SNL report, Wall Street Research.
(3) Source: Grand View Research https://www.grandviewresearch.com/industry-analysis/sports-betting-market-report.
(4) Please refer to Section 5.2.2 (Other financial information) on page 165 for more information on Alternative Performance Measures (APM).

Concerning its online sports betting and gaming business, the Group generates 97% of its revenue from locally regulated markets, a very high percentage relative to its peers and a key advantage as it gives a sustainable perspective. The Group strongly believes in compliance by design and has developed a best-in-class ability to foster responsible gaming through powerful data-driven algorithms supporting a dedicated staff of 100 to prevent excessive and underage gaming.

1.2.1.2 Group's strategy

Leveraging on its strengths, the Group's strategy is to pursue the growth of its Content production and distribution and Online sports betting and gaming businesses and to rely on its substantial intellectual property and know-how to increase its leadership positions in both markets further.

In 2022, FL Entertainment demonstrated the relevance of the Group's initiatives which ideally position the Group to deliver sustained and sustainable growth in the long run.

To reach its objectives, the Group intends to leverage four strategic pillars:

(i) Pursuing entrepreneurship at scale;

(ii) Maximising growth by seizing M&A opportunities and organic growth;

(iii) Long-standing commitment to the highest ESG standards; and

(iv) Leveraging IP, innovation and creativity.

PURSUING ENTREPRENEURSHIP AT SCALE

The Group intends to stay true to its DNA and historical mindset in cultivating an entrepreneurial spirit that encourages its management and employees to be bold and agile. To that end, the Group seeks to create a home for talent in its Content production and distribution business and to encourage Betclic's employees to be passionate about online sports betting and gaming. Moreover, the Group intends to continue to operate in a decentralized fashion and to maintain long-term value creation incentives for its employees.

As of December 2022, around 200 people at Banijay and 40 at Betclic were under LTIP, with average commitments of eight and six years, respectively.

MAXIMISING GROWTH BY SEIZING M&A OPPORTUNITIES AND ORGANIC GROWTH

The Group is also advantaged by the know-how and track-record of its founder and experienced leadership team in the sector to complete its combined growth strategy, both organic and inorganic. The Group remains open to explore any opportunity in the entertainment space that could complement its existing businesses of Content production and distribution, and Online sports betting and gaming, with a focus on shareholder value creation.

The Group has proven its ability to execute M&A transactions, both bolt-on acquisitions and more transformative transactions, such as the Zodiak Media merger and the acquisition of the Endemol Shine Group. Over the past years, the Group has demonstrated its distinctive ability to integrate acquired assets and generate sizeable synergies. The Banijay Group has made more than 15 bolt-on acquisitions since 2008 including 16 only for 2022. The Group sees extensive consolidation opportunities for both the Banijay Group as well as the Betclic Everest Group. Both the content production and distribution market and the online sports betting and gaming market are quite fragmented and have seen recent consolidation transactions.

LONG-STANDING COMMITMENT TO THE HIGHEST ESG STANDARDS

In its growth journey, the Group has introduced numerous ESG initiatives and actions in the conduct of its business in all its markets. The Group is working on implementing a framework to monitor the impact of these initiatives. The Group strongly believes that social and societal performances are linked, and all subjects are tackled without taboo, be that gender equality, disability, inclusion, diversity, well-being at work, and a commitment to solidarity.

Through the Banijay Group, the Group aims to achieve this by (i) creation of global employees' groups (e.g., pride, disability, women-led) to foster inclusion and promote diversity, (ii) reaffirmed focus on creating a safe working environment for all employees and (iii) having a sustainability-led mind-set to reduce carbon footprint and overall impact on environment.

Through the Betclic Everest Group, the Group aims to achieve this by (i) product positioning focused on the mass recreational market (limiting risk for players) and (ii) developing and maintaining machine learning algorithms to pro-actively detect excessive gaming. The Betclic Everest Group has 100 people dedicated to prevent excessive and underage gaming and such detection is supported by artificial intelligence (Please refer to Section 2.3.2 (Responsible gaming) on page 81 of this Universal Registration Document).

LEVERAGING IP, INNOVATION AND CREATIVITY

IP, innovation and creativity are part of FL Entertainment's DNA across the two activities, allowing the Group to gain market share and deliver growth in the medium and long term. The Banijay Group supports through its creative fund new intellectual property with international potential to feed and develop the Group's catalogue and productions. The Group seeks to continue enriching its portfolio either by acquiring companies or, in some cases, by acquiring intellectual property rights without acquiring a company. The Betclic Everest Group has a proprietary technology platform that offers award-winning user experience and products. It has made significant efforts to enhance the platform and avoid interruptions on its platform that could affect player experience. The Betclic Everest Group intends to reinforce its platform inhouse.

1.2.1.3 Guidance and outlook

The Group has established certain operational and financial objectives as measures of its performance as set out below, which are based on its estimates and a number of assumptions that the Group's management believes are appropriate, but which may turn out to be incorrect or different from expected. The Group's ability to realise these estimates or to meet these objectives is based upon the assumption that it will be successful in executing its strategy and it depends, in addition, on the accuracy of a number of assumptions, involving factors that are significantly or entirely beyond its control and no assurance can be given that the Group will be able to realise these estimates or to meet these objectives or that its financial position or results of operations will not be materially different from these estimates or objectives. The estimates and objectives are also subject to known and unknown risks, uncertainties, and other factors that may result in the Group being unable to achieve them. Please refer to Section 3.1 "Risk Factors—Risks relating to the Business of the Group in General — *The Group may fail to successfully implement its business strategy or achieve any or all of the financial objectives included in this Universal Registration Document, and if it does its financial performance and growth could be materially and adversely affected*" on page 102 as well as the other matters discussed in Section 3.1 "Risk Factors" on page 100. These estimates and objectives constitute forward-looking statements and are not guarantees of future financial performance. As a result, the Group's actual results may vary from the short-term estimates and medium-term estimates and objectives established herein and those variations may be material. Please also refer to "Important Information — Forward-Looking Statements" on page 5 for further information.

Except as specifically set out below, the Group has not defined, and does not intend to define by reference to specific periods the term "medium-term". The estimates and objectives set out below should not be read as forecasts, projections or expected results and should not be read as indicating that the Group is targeting such metrics for any particular year. They are merely estimates and objectives that result from the pursuit of its strategy. The Group does not undertake to publish updates as to its progress towards achieving any of the estimates or objectives, including as it may be impacted by events or circumstances existing or arising after the date of this Universal Registration Document the reflect the occurrence of unanticipated events or circumstances.

Assuming normal macro-economic conditions, market circumstances and no material changes to the current regulatory tax framework of the Group's business or the markets in which the Group is active, the Group aims to achieve the following guidance for 2023 and medium-term objectives.

GUIDANCE

In 2023, growth momentum will remain solid, driven by:

- Content production & distribution: continued focus on scripted and unscripted opportunities from new content and the Group's rich content catalogue, as well as meeting client needs through non-scripted offer of powerful superbrands well suited to the current economic climate.
- Online sports betting & gaming: leveraging on increased player numbers generated in 2022 after the FIFA World Cup to drive increased betting volumes as well as coming events such as UEFA Champions league, while focusing on customer centricity and experience through market leading technology & IT platform.

For the Financial Year 2023, FL Entertainment anticipates the following:

- Revenue:
  - mid-single digit organic growth for Content production & distribution,
  - double-digit organic growth for Online sports betting & gaming;
- Adjusted EBITDA[1] of around €710 million;
- around 80% Free Cash Flow conversion;
- Dividend payout ratio: at least 33.3% of the Group's Adjusted Net Income.

OUTLOOK

The Group confirms its mid-term outlook presented at the time of the Listing:

- Content production & distribution: mid-single digit annual organic revenue growth and stable Adjusted EBITDA Margin;
- Sports betting & online gaming: low teens annual organic revenue growth and stable Adjusted EBITDA Margin;
- Group Adjusted Cash Conversion rate at around 80%;
- Dividend payout ratio: at least 33.3% of the Group's Adjusted Net Income;
- Group Net financial debt / Adjusted EBITDA below 3x.

Adjusted EBITDA Forecast for the year ending 31 December 2023

Basis of preparation

For the basis of the preparation and underlying assumptions, the Adjusted EBITDA Forecasts refers to Adjusted EBITDA forecast for 2023 for Banijay Group, Betclic Everest Group and the Group.

Please refer to Section 5.2.1 (Financial information) and Section 5.2.2 (Other financial information) of this Universal Registration Document for a description of how the Group defines and calculates Adjusted EBITDA. The Adjusted EBITDA Forecasts in this section of the Universal Registration Document have been prepared on a basis which is: (i) comparable with the historical financial information of the Group included in the Consolidated Financial Statements; and (ii) consistent with the accounting policies applied by the Group for the preparation of the Consolidated Financial Statements.

(1) Please refer to Section 5.2.2 (Other financial information) on page 165 for more information on Alternative Performance Measures (APM).

The Adjusted EBITDA Forecast for the Group is the aggregate of the Adjusted EBITDA Forecast for the Banijay Group and the Adjusted EBITDA Forecast for the Betclic Everest Group, after taking into account some holding costs.

The Adjusted EBITDA Forecasts are mainly provided on the basis of the Board's and management's monitoring evaluation of the Group's operations up to the date of this Universal Registration Document and, subject to the factors set out below, the Board's expectations regarding the trajectory and progress of the Group's operations for the remainder of the financial year up to 31 December 2023.

Factors and assumptions

The Adjusted EBITDA Forecasts for 2023 are influenced by the factors listed below and are based on current assumptions, expectations and plans made by the Group's management related to these factors. These assumptions relate to factors that can, even if only to a limited extent, or cannot be influenced by the Group.

Even if the Group believes that these assumptions have been made to the best of the Group's management's knowledge as of the date of this Universal Registration Document, they may prove erroneous or unfounded. If one or more of these assumptions proves to be erroneous or unfounded, the actual Adjusted EBITDA of the Banijay Group, the Betclic Everest Group and/or the Group could deviate materially from the Adjusted EBITDA Forecasts.

Factors outside the Group's influence

The Adjusted EBITDA Forecasts for 2023 are generally subject to factors that are beyond the control of the Group and its subsidiaries or any individual. These factors and the related assumptions of the Group are outlined below:

- *Factor: unforeseen events such as force majeure*

For the purpose of the Adjusted EBITDA Forecasts for 2023, the Group assumes that no material unforeseen events will occur that could result in material or lasting constraints on the ongoing operations of the Group such a force majeure (e.g. fire, floods hurricanes, storms earthquakes or terrorist attacks), strikes, a global pandemic or war.

Although the Group cannot exclude that the war in Ukraine may in the future potentially affect its business or results of operations (as described in Section 3.1 "*Risk Factors—Risks relating to the Business of the Group in General—Changes in global or regional economic and political conditions could adversely affect the Group's business, results of operations or financial condition*"), the Group does not expect that the war in Ukraine will materially change the outcome of the Adjusted EBITDA Forecasts for 2023.

- *Factor: changes to the macro-economic, legislative or regulatory environment*

For the purpose of the Adjusted EBITDA Forecasts for 2023, the Group assumes that there will be no material changes to the macro-economic, legislative, taxation and regulatory environment of the Group when compared to those in effect during the year ended 31 December 2022.

Although the Group cannot exclude that the rise in inflation, or the increase in interest rates as announced by the European Central Bank, may in the future potentially affect its business or results of operations (as described in Section 3.1 "*Risk Factors—Risks relating to the Business of the Group in General—Changes in global or regional economic and political conditions could adversely affect the Group's business, results of operations or financial condition*"), the Group does not expect that increased inflation and increased interest levels will materially change the outcome of the Adjusted EBITDA Forecasts for 2023.

- *Factor: market trends*

For the purpose of the Adjusted EBITDA Forecasts for 2023, the Group assumes that global market content will grow in 2023 at a much slower pace than in 2022 but with an increasing demand for non-scripted content from streaming platforms. Global online gaming market is expected to keep growing substantially in 2023 compared to during the year ended 31 December 2022 on the back of the shift from off-line to digital platforms

- *Factor: no COVID-19 or any other pandemic*

For the purpose of the Adjusted EBITDA Forecasts for 2023, the Group assumes that there will be no COVID-19 or any other pandemic that impact the Group's business during the year ending 31 December 2023.

Factors that can be partly or wholly influenced by the Group

In addition, further factors may also influence the Adjusted EBITDA Forecasts for 2023 over which the Group has control. The relevant assumptions are outlined below:

Factor: timing and performance of acquisitions and disposals

There are no material acquisitions of subsidiaries, joint ventures and/or associates by the Group planned prior to 31 December 2023.

In respect of the Banijay Group

Factor: the Banijay Group will pursue its strategy

The Banijay Group will continue to develop scripted and non-scripted content while investing in new IP to feed Banijay Group's catalogue and productions.

Factor: new blockbuster in the Banijay Group's catalogue

For the purpose of the forecasts for 2023, the Banijay Group assumed there would be no new blockbusters in the Banijay Group's catalogue of shows in the year ending 31 December 2023.

In respect of the Betclic Everest Group:

Factor: Innovation in offers and user experiences to be able to attract new and retain current players

The Betclic Everest Group will be able to attract new players by innovation in the offers made to players and improvement of its user experience, as well as to invest in customer relation management to retain players and improve their loyalty, and make the player database grow in 2023 and onwards.

Other explanatory notes

The Adjusted EBITDA Forecasts do not include material extraordinary results or non-core items. As the Adjusted EBITDA Forecasts for 2023 relate to a period not yet completed and have been prepared on the basis of assumptions about future uncertain events and actions, it naturally entails substantial uncertainties. Because of these uncertainties, it is possible that the actual Adjusted EBITDA of the Banijay Group, the Betclic Everest Group and/or the Group for 2023 may differ materially from the Adjusted EBITDA Forecasts.

1.2.1.4 Dividend policy

GENERAL

Under Dutch corporate law, the Company may only make dividends and other distributions to its shareholders insofar as the Company's equity exceeds the sum of the paid-up and called-up share capital increased by the reserves as required to be maintained by Dutch law or by the Company's Articles of Association and (if it concerns a distribution of profits) after adoption of the Annual Accounts referred to in article 2:391 Dutch Civil Code by the General Meeting from which it appears that such dividend distribution is allowed. Because the Company is a holding company that conducts its business mainly through its subsidiaries, the Company's ability to pay dividends will depend directly on distributions made by the Group Companies to the Company.

Subject to Dutch law and the Articles of Association, if the adopted Annual Accounts show a profit, the General Meeting shall determine which part of the profits shall be reserved. Of any profits remaining thereafter, (a) first, an amount equal to 0.1% of the nominal value of each Earn-Out Preference Share A, each Earn-Out Preference Share B and each Earn-Out Preference Share C then outstanding shall be added to each dividend reserve for Earn-Out Preference Shares A, B and C respectively, as described in Articles of Association; (b) secondly, an amount equal to 0.1% of the nominal value of each Founder Share shall added to the dividend reserve for Founder Shares as described in the Articles of Association; (c) thirdly, an amount equal to 0.1% of the aggregate nominal value of each Special Voting Share A and Special Voting Share B shall be added to the special capital reserve for the Special Voting Shares A dividend reserve and the Special Voting Shares B dividend reserve, respectively as described in the Articles of Association; and (d) finally, any profits remaining thereafter shall be at the disposal of the General Meeting for distribution to the holders of Ordinary Shares in proportion to the aggregate nominal value of their Ordinary Shares. For the avoidance of doubt, the Earn-Out Preference Shares, the Special Voting Shares and the Founder Shares shall not carry any entitlement to profits other than as described in this paragraph.

Subject to Dutch law and the Articles of Association, the General Meeting and the Board may resolve to distribute an interim dividend insofar as the Company's equity exceeds the amount of the paid-up and called- up part of the capital increased with the reserves that should be maintained pursuant to the law or the Articles of Association. For this purpose, the Board must prepare an interim statement of assets and liabilities evidencing sufficient distributable equity.

Furthermore, the Company may not be able to make distributions if the covenants described under Section 5.3 (Operating and Financial Review of the Group — Liquidity and Capital Resources) on page 181 have not been complied with.

The tax legislation of the Ordinary Shareholder's tax jurisdiction or other relevant jurisdictions, including but not limited to France and the Netherlands, may have an impact on the income received from the Ordinary Shares.

DIVIDEND HISTORY

As the Company was incorporated on 10 March 2022 and the Listing of the Company occurred on 1 July 2022, no dividends have been declared or distributed as of the date of this Universal Registration Document.

DIVIDEND POLICY

In the medium term, the Company's objective is to distribute an amount of dividends representing at least 33% of the Adjusted Net Income, subject to (i) customary exceptions, including restrictions under applicable law; (ii) the results of operations, financial condition, contractual restrictions and capital requirements of the Company and (iii) approval by the annual general shareholders' meeting.

2022 DIVIDEND

In line with its strategy presented at the Listing in July 2022, FL Entertainment plans to distribute dividends in respect of the Financial Year 2022 which will represent at least one third of Adjusted Net Income.

The proposed dividend for the Financial Year 2022 amounts to €150 million, i.e. €0.36 per share, representing a 49% payout ratio on Adjusted Net Income. It will be paid fully in cash and will be submitted for approval to the Annual General Meeting on 15 June 2023.

MANNER OF DIVIDEND PAYMENTS

Payment of any dividend in cash will in principle be made in euro. According to the Articles of Association, the General Meeting and the Board may determine that distributions on Ordinary Shares will be made payable either in euro or in another currency. Any dividends that are paid to Ordinary Shareholders through Euroclear France, will be automatically credited to the relevant Ordinary Shareholders' accounts without the need for the Ordinary Shareholders to present documentation proving their ownership of the Ordinary Shares. Payment of dividends on the Ordinary Shares in registered form (not held through Euroclear France but directly) will be made directly to the relevant Ordinary Shareholder using the information contained in the Company's shareholders' register (*aandeelhoudersregister*) (the "Shareholders' Register") and records.

UNCOLLECTED DIVIDENDS

A claim for any declared dividend and other distributions lapses five years to be calculated from the date following the date on which those dividends or distributions became payable. Any dividend or distribution that is not collected within this period will be considered to have been forfeited to the Company.

1.2.2 Banijay's key strengths and strategy

1.2.2.1 Banijay's key strengths

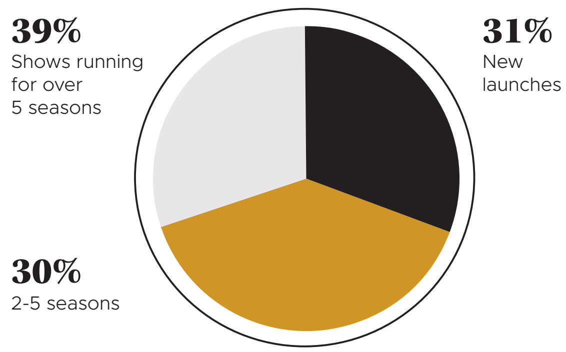
The Banijay Group is the global independent leader in content production and distribution, both in terms of revenue, which was €3.2 billion over the Financial Year 2022, and in terms of hours of content in its content library in the independent production sector, which was over 160,000 hours of content as at the Financial Year 2022. Its production model provides the right level of independence at the local level to produce regionally relevant content for global audiences. The Banijay Group has produced great franchises (both scripted and non-scripted) across all genres, geographies and customers. Its access to a 280+ territory platform provides ample upside to launch in additional new countries.

Examples of unscripted formats are *MasterChef,* which is the most travelled food format globally with over 500 series to date, produced in over 60 territories worldwide and broadcasted in over 200 territories and *Survivor,* which has been adapted in almost 50 countries since its creation.

A WELL DIVERSIFIED BUSINESS

One of the main strengths of Banijay Group is its diversification within all domains of the Content production and distribution market. The eight biggest customers of the Banijay Group contributed to 39% of its production revenue for the Financial Year 2022, with none of its customers contributing to more than 10% of its revenue for the Financial Year 2022 on an individual basis. Similarly, the top 20 shows of the Banijay Group together contributed to 21% of its production revenue for the Financial Year 2022, with none of its shows contributing to 2% of its revenue for the Financial Year 2022 on an individual basis. This proves that the revenue base of the Banijay Group is highly diversified.

In addition, as at 31 December 2022, the Banijay Group has a recurring revenue base, with 39% of its revenue deriving from shows that have been running for over 5 seasons, 30% of its revenue deriving from shows that have been running from 2 to 5 seasons and 31% of its revenue from shows that have been running for less than two seasons (new launches).



AN EXCEPTIONAL PORTFOLIO OF LONG-LASTING WORLDWIDE BRANDS

Additionally, the Banijay Group has proven the ability to develop long-lasting and travelling content. It has the most adapted unscripted formats globally, such as *Deal or No Deal* (year of origin: 2002, adapted in over 80 countries), *Big Brother* (year of origin: 1999, adapted in over 70 countries), *MasterChef* (year of origin: 1990, adapted in over 60 countries) and *Minute to Win It* (year of origin: 2010, adapted in over 50 countries). Moreover, its top travelling formats in 2022 are *MasterChef* (active in 39 territories), *Big Brother* (active in 33 territories), *Survivor* (active in 21 territories) and *LEGO Masters* (active in 15 territories).

A CRITICAL SCALE AND AGILITY TO INTEGRATE

The Banijay Group has a proven ability to integrate and create value through large transactions, which is shown by the synergies realised after large M&A transactions as the acquisitions of Zodiak and the Endemol Shine Group, as well as smaller, value accretive bolt-on acquisitions. The Banijay Group has also set up collaborations through acquisitions or joint ventures with on screen talents.

As far as transformative acquisitions are concerned, the Banijay Group has a strong track-record in its ability to integrate the new groups and implement synergies over a short period. Actually, with the Zodiak acquisition, the Banijay Group realised approximately €17 million of cost synergies and integrated the local companies in a period of about 10 months. With the Endemol Shine acquisition, the Banijay Group realised cost synergies of approximately €67 million and integrated this group in a period of about 18 months. The synergies primarily followed from group structure simplification, central costs optimisation, the integration of the Finance and the Distribution departments, maximisation of the content library and format circulation. Furthermore, the Banijay Group achieved costs synergies through the rationalisation of the use of third-party service providers and it was able to leverage a strong IP catalogue.

A GROWING AND SECURED BUSINESS MODEL

In addition to its outstanding track-record of driving growth through successful acquisitions and integrations in a fragmented market, the Banijay Group's strong and resilient financial performance is supported by cash flow visibility and a flexible cost structure. Indeed, the Banijay Group has a well-diversified and recurring revenue model with no dependence on a specific show or broadcaster. This leads to a highly cash-generative, recurring, resilient financial profile and a flexible cost structure (please refer to Chapter 5 (Operating and financial review) on page 163 of this Universal Registration Document for more information).

A UNIQUE ABILITY TO ATTRACT AND RETAIN KEY TALENTS

The Banijay Group has an excellent track record of attracting, retaining and growing top talents, producers, screenwriters and directors. It has a worldwide network of more than 130 production entities across 21 countries. The management of the Banijay Group is fully aligned via direct ownership in the Banijay Group. The Banijay Group stimulates retention by granting its key talents earn-out arrangements and long-term incentive programmes. Consequently, approximately 200 persons within the Banijay Group are included in long-term incentive plans that cover periods of up to eight years. In addition, the organisational set-up of the Banijay Group is designed to foster creative freedom, collaborative entrepreneurialism and commercial acumen.

1.2.2.2 Banijay Group's strategy

The Banijay Group is the global independent leader in content production and distribution in terms of revenues over the Financial Year 2022, ideally positioned for future growth leveraging on its key pillars:

(i) Create premium international IP;

(ii) Optimize IP monetisation;

(iii) Attach the best talents; and

(iv) Consolidate its leading position through M&A.

CREATE PREMIUM INTERNATIONAL IP

The Banijay Group is the world's largest independent content production and distribution company, both in terms of revenues over the Financial Year 2022 and catalogue depth in the independent production sector (unmatched content library of more than 160,000 hours of content). The Banijay Group looks forward to further grow organically thanks to the development of its non-scripted and scripted content catalogue, taking full advantage of current market tailwinds. Indeed, the growth in the amount spent on content production is significantly driven by the surge demand from SVOD platforms for new content. SVOD platforms refer to a media service allowing users to consume as much content as they desire at a flat subscription rate per month. In terms of spend on content production, SVOD platforms are traditionally mainly focused on scripted content, but increasingly acquire non-scripted content as well to complement their offering and drive audiences. As the leading European independent production company with the most prominent content catalogue and portfolio of IP rights, Banijay is in a unique position to capitalise on the investments made by these platforms.

OPTIMIZE IP MONETISATION ON ALL PLATFORMS

The Banijay Group has a proven ability to monetise and leverage on its IP and catalogue through the successful development of long-lasting and travelling contents. Thanks to its distribution capabilities it will further monetise its IP through the licensing of existing formats to third parties and international adaptations. Global sales of scripted contents to broadcasters and OTT customers should constitute a significant upside going forward with limited costs associated. In addition, new opportunities to licence the contents on a non-exclusive basis on the AVOD streaming platforms have emerged.

ATTACH THE BEST TALENTS

The Banijay Group's current and future success relies on its demonstrated ability to nurture, attract, retain and grow talents, on screen and off screen. Its organisational set-up is designed to foster creative freedom, collaborative entrepreneurialism and commercial acumen. Banijay is conceived as a team of multi-talented on and off-screen creatives, united in ambition but diverse in thinking. Being led by producers and entrepreneurs, the Group's management values the production labels' autonomy which is reflected in its decentralized organization and its approach on the value creation and sharing. This view on the business is highly considered by independent producers and especially creative talents, and plays a determinant role in their willingness to join the Group.

CONSOLIDATE ITS LEADING POSITION THROUGH M&A

The Banijay Group has a proven ability to integrate and create value through large transactions as well as smaller, value accretive bolt-ons. The Company is a scalable platform set to further seize M&A opportunities while leveraging its track record of acquisitions executed since 2008 including 15 bolt-on acquisitions in 10 countries only for the Financial Year 2022.

1.2.3 Betclic's key strengths and strategy

1.2.3.1 Betclic's key strengths

The Betclic Everest Group is one of the fastest-growing online sports betting platform in Europe. The Group reached a Revenue of €835 million in 2022 and has leading positions in France, Portugal and Poland. Among its competitive advantages, the Group has demonstrated its capacity to operate successfully in a highly regulated and controlled environment and design a scalable proprietary technology around its player-centricity focus.

PROVEN TRACK-RECORD OF OPERATING IN HIGHLY REGULATED AND CONTROLLED ENVIRONMENT

The Betclic Everest Group primarily operates in locally regulated markets, as it generated 97% of its Gross Gaming Revenue for the year ending 31 December 2022 in regulated markets that provide regulatory stability and a clearly-defined playing field with high barriers to entry. The Group mainly operates in France, Portugal, Poland, Italy and Germany which are among the most regulated geographic markets.

Indeed, France has one of the strictest online sports betting regulatory environments in Europe, as online sports betting has been regulated since 2010, and a new regulatory body and tax regime were introduced in 2020.

Portugal broke the state monopoly, opening the online gaming market in 2015. A new tax regime was also introduced in March 2020. As the regulation in Portugal is particularly restrictive regarding the delivery process for new licenses, the barriers to entry into the Portuguese online sports betting market are high.

In Poland, online gaming has been regulated since 2011, which includes a state monopoly on online casino and restrictive regulation on the delivery of licenses and taxation. In 2017, there was a major overhaul in the law relating to online sports betting, which introduced restrictions to the access of websites of unlicensed online gaming operators.

The Italian regulator has imposed a ban on advertising while the German regulatory environment is in force since 1 July 2021 and includes restrictive sports betting regulation, including limits for players and a toleration period for certain online casino products, such as virtual slot machines. In addition, the German regulator Gemeinsame Glücksspielbehörde der Länder (GGL) extended our sportsbetting license until the end of 2027.

LEADING POSITIONS IN MAIN MARKETS

The Betclic Everest Group believes it operates one of the market-leading online sports betting platforms in Europe, that covers all major sports and events. The Betclic Everest Group intended to reach over 1 million active users on a monthly basis for the year ending 31 December 2022, a figure it exceeded with 1.1 million active users on a monthly basis, making it to be one of the leading betting companies in its core geographical markets, France, Portugal and Poland.

The Group believes it is the #1 online betting platform in France and Portugal and among the top 3 in Poland. Additionally, there is further upside to expand the offering in Betclic Everest Group's developing markets, as the Betclic Everest Group believes it is placed in the top ten players in the sports betting market in Germany.

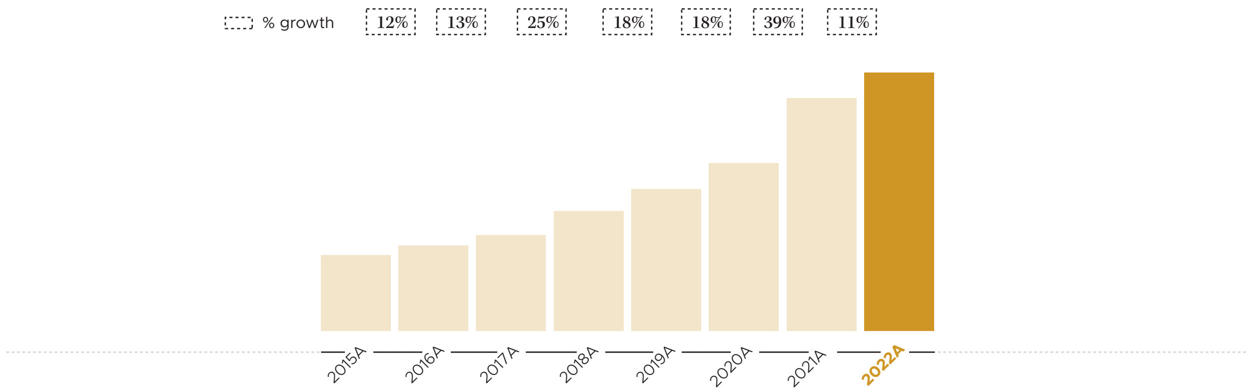
WELL-POSITIONED FOR BOOMING SPORTS ENTERTAINMENT TREND

Sports betting has become a mainstream form of entertainment and, as a result, the global online gaming market is expected to grow at a CAGR of 11% from €55 billion in the year ended 31 December 2020 to €115 billion in the year ending 31 December 2027[1]. This growth is supported by the following key trends in consumer habits: (i) a strong growth in sport entertainment, due to growing sport events audiences and the development of fan communities; (ii) online has facilitated access to sports betting, amongst all types of audiences; and (iii) increasing digitalisation and mobile phone habits. The Group believes it is ideally positioned through its broad range of product offering and technical know-how to capture this positive shift in demand.

(1) *Source: Grand View Research https://www.grandviewresearch.com/industry-analysis/sports-betting-market-report.*

The Betclic Everest Group is one of the fastest growing online sport betting platform in Europe in terms of Gross Gaming Revenue over the year ended 31 December 2015 to the year ended 31 December 2022, reflected in the below graph.

Historical Gross Gaming Revenue growth *(€m)*



The table below shows the breakdown of the revenue of the Betclic Everest Group for the periods indicated in terms of geography.

	Financial Year	
(in € million)	**2022**	**2021**
Europe	816.9	737.6
Rest of the World	18.0	3.5
TOTAL REVENUE	**835.0**	**741.0**

Over the Financial Year 2022, the Betclic Everest Group realised a revenue growth of 13% compared to Financial Year 2021.

PROPRIETARY TECHNOLOGY PLATFORM WITH AWARD-WINNING UX AND PRODUCTS

Betclic's tech platform provides a fast, fluid and stable user experience across both iOS and Android operating systems, and as of January 2023, is highly ranked in the Apple App Store in for example France (4.7/5 rating), Portugal (4.8/5 rating) and Poland (4.9/5 rating) (source: Similarweb). The regular product rollouts of the Betclic Everest Group continuously set new market standards and open development opportunities on other markets. Examples of such product rollouts are *freebets,* in-app Customer Relationship Management tools and improved customer support. Bet-at-home currently has an independent tech platform from Betclic's one and its own product and user experience.

The FIFA World Cup in Q4 2022 contributed 7.5% of Betclic Group annual sportsbook stakes and 31% in annual New sportsbook Unique Active Players (UAP). The Group recorded +38% increase in its UAPs' base in December 2022 compared to prior to the FIFA World Cup in October 2022.

By division and including Bet-at-home, revenue rose by +13.8% in sportsbook in 2022 with +25% increase in UAPs, by +2.7% for online casino due to greater gamification and launch of new exclusive games (Mega Santos in Portugal), and by +13.1% for online poker partly linked to cross-sell during the FIFA World Cup.

1.2.3.2 The Betclic Everest Group's strategy

The Betclic Everest Group aims to continue its profitable growth and has identified four clear growth levers:

- (i) Player centricity;
- (ii) Product innovation;
- (iii) Expansion into new markets; and
- (iv) Sustainability & ESG, especially Responsible gaming.

It also sees potential in Central Europe, in particular in Germany and Austria, through its strategic investment in Bet-at-home.

PLAYER CENTRICITY

The Betclic Everest Group has a recognised brand and an effective data driven marketing approach. The Betclic Group aims to continue to increase the number of players by its effective, personalised marketing efforts, leveraging the significant amount of data that it collects in connection with its operation. Furthermore, The Betclic Everest Group has top-notch in-app customer management, with account managers for key players, an extensive FAQ section and a dedicated customer support team that is available 7 days a week. The Betclic Everest Group envisages to build on this customer support, to even further increase the user experience and attract more players.

PRODUCT INNOVATION

Betclic was the first online sports betting operator to launch a mobile app and for more than 15 years, it has created innovative and exciting products. Betclic provides its players cutting-edge sportsbetting and gamified features that empowers them to enhance their passion for sport. Betclic puts a lot of efforts into ensuring all customers enjoy its mobile app experience and look & feel without any bugs, crashed or latencies. Transactions are handled real time and fully secured.

EXPANSION INTO NEW MARKETS

There is high growth potential in existing markets, but the Betclic Group also intends to expand its operations in new geographies, such as South America or Africa. It is able to leverage its existing platform into these countries. The Betclic Everest Group also sees upside potential in Central Europe through its strategic investment in Bet-at-home, an established Central European sports betting platform, with local brand awareness and strong potential development on German and Austrian markets. A disconnect between brand awareness of Bet-at-home but a relatively low market share in the German and Austrian markets creates market opportunity.

SUSTAINABILITY & ESG ESPECIALLY RESPONSIBLE GAMING

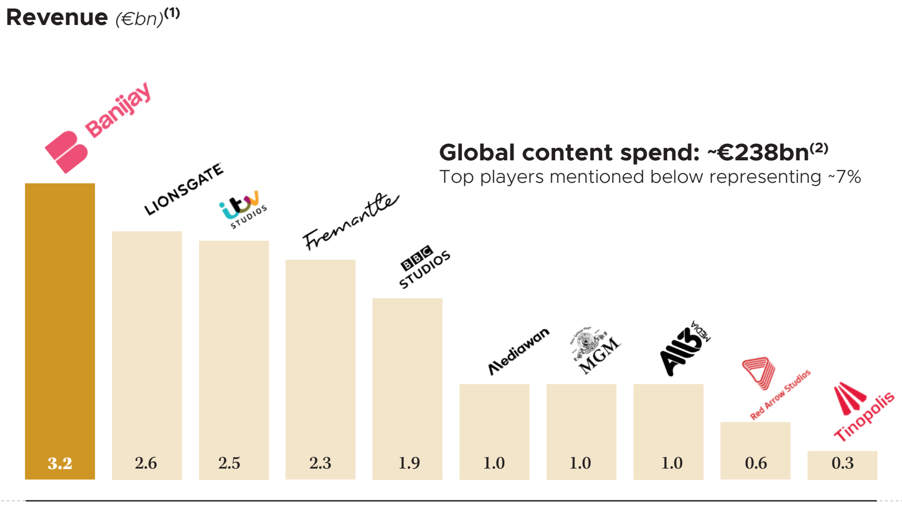
As an entertainment company, the Betclic Group is longstanding committed to build companies that enhance the passion for sport of its clients and foster an ESG culture that supports talent acquisition and retention, well-being at work and an innovative mindset. With zero tolerance on minors' gaming and through strong investments on a proprietary machine learning algorithm to detect players at risk, the Group has set as a priority to offer to clients an entertainment in control. With tools and features all along player's life cycle and a dedicated team of experts to support players at risk, the group aims to provide the highest standard of responsible gaming in regulated markets. The Group is also committed to go even further and to participate to awareness around gaming best practices through dedicated advertising or resources for parents to prevent minors' gaming.

1.3 Competition environment

1.3.1 Banijay Group's competition

Banijay Group's businesses operate in highly competitive industries, and different competitive factors apply in each segment of its operations.

Selected global content production players



(1) *Source: FY 2022 for Banijay, ITV Studios and Fremantle; FY2021-2022 March-end for Lionsgate Studios Business segment and BBC Studios; FY2021 for All3 Media; FY2020 for MGM (delisted following acquisition by Amazon) and Red Arrow Studios (following change in reporting segment, figure is not available for FY2021); FY2019 for Tinopolis (latest available financial report); company website for Mediawan.*

(2) *Source: Ampere Analysis, Content spenfing evolution report published in January 2023.*

1.3.1.1 Production

The content production market is fragmented in Europe and in the US. Recent acquisitions of independent producers by large media companies seeking vertical integration or by larger independent production groups illustrate the strategic importance of geographical presence and access to content. Acquisitions enable market players to increase their content library and distribution capabilities and expand to different countries and distribution channels. Ongoing market consolidation has led to the creation of a few large international television production and distribution groups, including Banijay Group's biggest competitors, Lionsgate, Fremantle, Red Arrow Studios, All3Media, BBC Studios, ITV Studios and Mediawan, each of which provide their local production companies with exclusive access to their catalogues.

Banijay Group's competitive position is greatly affected by the quality of, and public response to, its content. It also competes with other production companies and studios for the services of creative talents, producers, Directors, writers, actors and others and for the acquisition of intellectual property.

1.3.1.2 Distribution

Banijay Group also faces competition (with other studios, television production groups and independent producers) for the licensing and distribution of its formats and programmes. New opportunities in the production and distribution business have emerged due to the growing demand for new content. Audience fragmentation has increased due to digital platforms, both global, such as Netflix, Amazon Prime Video, Disney+, Discovery+ or Paramount+, and regional, such as Viaplay in Northern Europe, Britbox in the UK and Hulu and Peacock in the US. The portfolio of potential customers is increasing as are the opportunities for production, distribution and for secondary rights revenue generation. The AVOD market is also growing fast and represents new secondary window exploitation opportunities for Banijay content. Banijay Rights operates its own FAST channels, syndicated on several platforms such as Pluto or IMDB. Banijay Group also competes with other forms of entertainment and leisure, including other television networks, premium pay-television services, local over-the-air television stations, OTT services, motion pictures, home entertainment products and services, video games, print media, live events, radio broadcasts and other forms of news, information and entertainment, as well as pirated content.

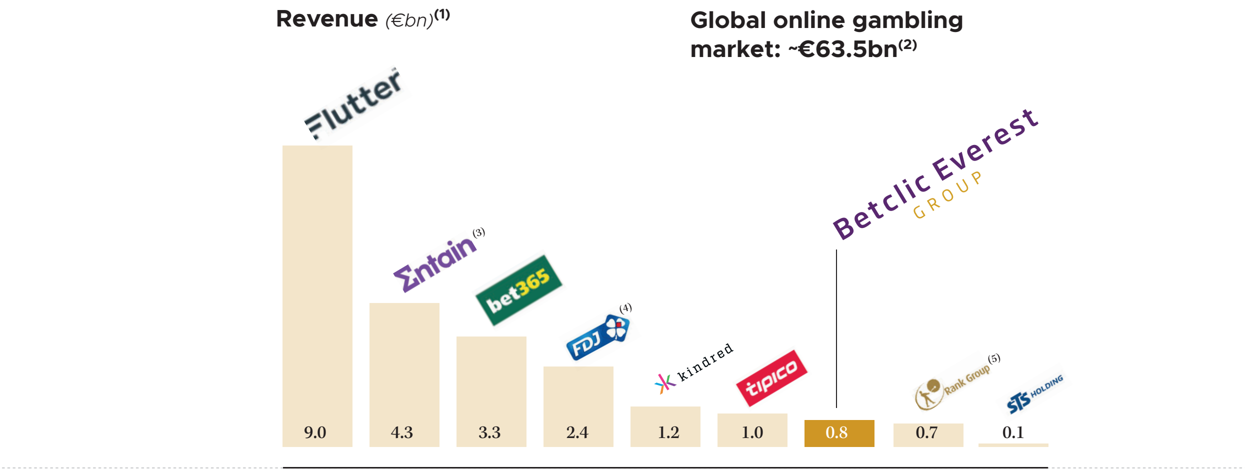
1.3.2 Betclic Everest Group's competition

The Betclic Everest Group believes that, as the Online sports betting & gaming market continues to be regulated in more and more countries, the social acceptance of online gaming will increase. Online sports betting & gaming will continue to increase, which in turn should have a positive impact on player numbers. Some new markets could be regulated, in particular online casino in countries where such is not permitted today. Conversely, it is possible that individual or several countries in which the Betclic Everest Group offers its services could restrict or completely prohibit the offering of online sports betting and gaming, which could lead to a decline in the overall market in the respective countries; however, the Betclic Everest Group has no indications of such political processes in economically significant markets. The Betclic Group believes that its main competitors in the sports betting market are Winamax, Unibet, FDJ, Betano Bet.pt/Bwin, Placard, ESC Online, Pokerstars, STS and Fortuna.

Based on its market position to date, the development of its name and brand, as well as its successful products, user experience and marketing strategies to date, the Betclic Everest Group believes that it will be able to expand its business. The aim is to be in a position to participate in this positive market development in the future. Another key aspect is its positioning as a premium provider, which in its opinion enjoys a high level of respectability among existing and potential customers.

The competitive situation in the individual European countries depends heavily on the regulatory conditions there, including the activities of state (still) monopolists. Please also refer to Section 1.1.2.4 (The Betclic Everest Group's Markets) on page 43 of this Universal Registration Document for a description of what the Betclic Everest Group believes are its main competitors in the markets in which it operates.

Selected European betting players



(1) 2022 figures disclosed by the competitors on their website (except Bet365 (FY March 2022), Rank Group (FY June 2022) and Tipico (estimated)).
(2) Grand view research.
(3) Online Net Gaming Revenue.
(4) Sports betting.
(5) Digital Net Gaming Revenue.

1.4 Regulatory environment

FL Entertainment is governed by regulations specific to each country in which the Group operates either directly or through its subsidiaries, branches or partnerships.

Since its shares were listed on the Euronext Amsterdam regulated market on 1 July 2022, FL Entertainment has been subject to various obligations including (i) periodic and ongoing information, (ii) prevention of market abuse, (iii) issuance of financial securities and (iv) sustainable investment reporting. These obligations are laid down by Dutch and European regulations and by the AFM.

In respect to the Content production & distribution business and the Online sports betting & gaming business, the relevant entities are subject to numerous regulations, and approval requirements as detailed below.

1.4.1 Banijay's regulatory environment

The key regulation applicable to Banijay Group's business in Europe is Directive 2010/13/EU (as amended and extended by Directive 2018/1808/EU mainly to add obligations in relation to streamers, the "Audiovisual Media Services Directive"), which requires that a certain portion of the programmes linear broadcasters air (excluding sports, news, events, games, advertising, teletext services and teleshopping) are produced by European producers and that at least 10% of their broadcasting time or 10% of their programming budget are for European works produced by independent producers. Based on the definition of independent producer in each Member State, Banijay Group is independent with respect to all major broadcasters in Europe except for Canal Plus in France; and 30% of the catalogue of audiovisual on-demand media services include European works.

As of the date of this Universal Registration Document, there are no similar regulations in the countries outside Europe in which Banijay Group operates but other countries such as Australia are thinking about implementing protective rules for producers vis-à-vis streamers.

Member States had until 19 September 2020 to implement Directive 2018/1808/EU but some of them were late or have not even finalized their local transposition. However, as of the date of this Universal Registration Document, all jurisdictions in Europe where Banijay Group is active have started or terminated the transposition of this Directive.

Some Member States went even further than the minimum obligations included in the Audiovisual Media Services Directive, and have included more protective measures for European producers, including in terms of obligations of investment from broadcasters and/or streamers, promotion of local-language/territorial works, or retention of IP rights by producers.

For instance, in France, the dispositions of the Audiovisual Media Services Directive introduced by Directive 2018/1808/EU was transposed into law via an ordinance 2020-1642 of 21 December 2020 and especially an implementing decree 2021-793 of 22 June 2021. This decree sets out the rules applicable to VOD services in terms of (i) contribution to the development of audiovisual production and (ii) promotion of European and original French-language audiovisual works, subject to the provisions set out in the agreements concluded between certain VOD services and the French regulatory authority. It also provides limitations in the scope of rights granted to the VOD services in order for the works to be included in the quotas that streamers have to respect.

The transposition of the Audiovisual Media Services Directive in other countries (such as Spain, Italy, or Portugal) also imposes quotas upon the streamers with the obligation to secure a minimum of European projects and such obligation to be fulfilled in majority from independent producers.

Since leaving the EU, the UK is no longer a party to the Audiovisual Media Services Directive and is classed as a "third country" under the terms of the Directive. However, most provisions of the Directive were implemented into English law under the Audio Visual Media Services Regulations 2020, and the UK remains a party to the Council of Europe's European Convention of Transfrontier Television (ECTT), ensuring freedom of reception of broadcasts between the UK and other ECTT countries. UK productions therefore continue to count as European Works for the purpose of the Audiovisual Media Services Directive European Works quotas.

UK producers also benefit from the Communications Act 2003, which sets out the foundations of the terms of trade between producers and UK public service broadcasters (BBC, ITV, Channel 4 and Channel 5). These terms state that producers should retain ownership of the intellectual property rights in their programmes, and set minimum quotas for commissioning from independent producers vs producing in-house. The UK government is currently reviewing these terms of trade, with a view to allowing public service broadcasters to more effectively compete with streamers.

The other specific regulations applicable to Banijay Group's business are employment-related regulations, including regulations governing unions and guilds that can materially impact the production cost of programmes and the secondary revenues generated by such programmes (for example, minimum wages, limitations on number of working days/hours and payment of residuals). Specific regulations may also apply to certain productions (for example, children or animals participating in programmes, health and safety rules, product placement rules and rules governing the use of monuments or art).

1.4.2 Betclic's regulatory environment

The Betclic Everest Group's activities include sports betting, casino games, poker and horse racing betting. Due to their nature and the risks associated with them, these activities are subject to a restrictive regulatory framework. In most European countries, and with the development of internet, the gaming sector has evolved from historic state monopolies to regulation allowing these activities online and under local licenses. Therefore, the Betclic Group operates in its core markets under licenses granted by national authorities and held by Maltese entities.

At the international level, Online sports betting & gaming activities are not subject to any standardised regulation, which creates uncertainty as to the conditions under which these activities can be carried out. In the absence of a standardised regulatory framework, each country is free to regulate online sports betting and gaming. Some countries have banned gaming and betting altogether, whether it is conducted physically or online. Some countries prohibit all forms of gaming in principle. Other countries have restricted the conditions under which gaming can be conducted. Following Portugal in 2015 and the Netherlands in 2021, regulation for online gaming entered into force in these jurisdictions, introducing a license requirement for offering online sports betting and gaming. Finally, certain activities may be prohibited online. For example, in France, online casino activities are prohibited, while poker is allowed. In contrast, other countries have allowed online gaming activities. In this case, the activities that can be carried out may be subject to limitations. For example, in Belgium or Switzerland, only physical casinos can obtain a license to offer online betting or casino games. In Germany, regulations do not prohibit the operation of an online (odds) sports betting offer while online table games are still prohibited, operators can now obtain a license to operate online slot machines.

Activities may also be regulated and, thus, be subject to licensing by the relevant authorities. The countries in which the Betclic Everest Group operates the majority of its Online sports betting & gaming business, including France, Italy, Malta, Poland, Portugal, Germany and Ireland require a license for online sports betting and gaming.

The Betclic Everest Group values regulation that strongly protects players and prevents minors' gaming efficiently and fairly across all activities that can enter the scope of gaming. Dialogue with governments, authorities and regulators are at the heart of the group operations to ensure full compliance and player's best protection.

1.4.2.1 France

In France, the market had been regulated since 2010, paving the way for other national regulation to follow. Application of a license is subject to compliance with a set of specifications approved by the Minister of the Interior, the Minister of the Budget, the Minister of Agriculture and the Minister of Sports, on the recommendation of the ANJ. In particular, the applicant must describe, for each game offered, the process for handling game data and the means by which such data is made available to the ANJ, in real or delayed time, and must provide evidence of the existence of a security interest, trust, insurance, escrow account or any other instrument or mechanism guaranteeing, in all circumstances, the repayment of all assets due to players. The Betclic Group applied in 2010 for the licenses available respectively for the three products allowed under this new law: sports betting, horse racing betting and poker. Despite extensive discussion, online casino is still forbidden for online operators. The number of licenses granted, delivered for five years, and went up to 26 before the competition actually slowly reduced the companies operating on the market. Regarding the condition of the licenses as such, there had been limited changes over the years except recently with few noticeable amendments: (i) the tax regime (change from turn over to Gross Gaming Revenue, although the rate had been adjusted resulting to limited financial impact), (ii) scope of the authority (ARJEL became ANJ in context of the privatisation of FDJ) and (iii) increase of the obligation related to responsible gaming and more recently on the commercial communication. In France, the legal framework of advertising has been defined in the "Cadre de référence" *(Art. 34-IV. loi n° 2010-476 du 12 mai 2010/Arrêté du 9 avril 2021),* extending the power and scope of the national authority, which now can prohibit a communication campaign encouraging, directly or indirectly, minors to play, people prohibited from gaming, involving an excessive incentive to play. Each year operators shall submit their promotional strategy to the ANJ for approval, with a specific attention to responsible gaming. Any modification to this strategy shall be presented to ANJ at least two months before its implementation.

1.4.2.2 Portugal

In Portugal, the trend has been similar to France as the local regulator closely monitors legislation. However, from the beginning the scope of the regulation has been broader allowing all products, except for lottery (which is still operated in most of the markets by the former state monopoly). The regulation is strictly enforced by the regulator who controls, monitors and challenges gaming operators almost on a daily basis. Portuguese licenses are granted for a period of three years. The main change since 2016 is the change of the sports betting tax that used to be progressive depending on the annual stakes. This had been challenged and has been amended in April 2020. In May 2020, the regulator in Portugal published a code of good practises that complements Advertising Code Law. These good practises are applicable to all communication supports and are mandatory, forbidding notably encouragement messages and commercial communications and advertising must not take place between 7 am and 10 pm on television and on the radio nor 30 minutes before or after a programme specially dedicated to children and young audience.

1.4.2.3 Poland

In Poland, regulation is more recent and restricted to betting only (including betting on sport events and potentially other type of bets). The regulator is not as active as in France or Portugal but a trend is noticeable and some amendments might also slowly shape the market.

1.4.2.4 Italy

Italy has a mature market, as it was one of the first to offer specific licences for online gaming in 2008. It's perceived as a very liberal market, as the full scope of products is allowed and the number of private operators is high.

1.4.2.5 Malta

The Maltese licenses, used historically to offer gaming services in jurisdictions where regulation was inexistent or not in line with EU law, are slowly losing consistency as most of the countries have adopted local regulation and a licensing system, allowing them to collect taxes as well as monitoring the market and limiting the illegal market.

1.4.2.6 Germany

Germany has had temporary regulations in advance of the new Gaming Act 2021 that came into force on 1 July 2021.

1.4.2.7 EU Regulations

With regard to the sector specific legislation, the European Commission confirmed that it is not currently considering harmonising the regulatory framework for gaming in the EU. There are no indications that this may change in a near future. The European Commission continues to monitor how member states are progressively modernising the legislation applicable to the sector to adapt to the digital challenges and to protect vulnerable groups (for instance, strict regulations on advertising).

Finally, some online trade associations and companies which operate across different markets in Europe and for which the regulatory fragmentation represents both high costs and a heavy administrative burden, clearly push for the standardisation of product categories and definitions, codes of conduct and best practices on how regulations should be complied with. It is therefore expected that the trend of harmonised soft legislation will continue and may even further develop with the progressive consolidation of the Online sports betting & gaming market.

COMPLIANCE

The Betclic Group focuses on regulated activities and has various national licenses to operate its business. In its main operating countries, the Betclic Group has licenses for sports betting, poker and horseracing in France, it has licenses for sports betting and casino in Portugal and it has a license for sports betting in Poland and it has licenses for sports betting and casino in Italy. There are various conditions attached to these licenses and compliance is therefore key for the Betclic Group for operating its business. With its longstanding experience in regulated markets, it has developed a one-of-a-kind expertise in operating with regulators and has strongly invested in people and trainings to meet the highest standards in compliance. Compliance is embedded in various areas of its organisation, in particular in its legal and operation teams. The Betclic Group's compliance officers, its domain managers and its project managers share a joint responsibility for compliance. The compliance officers are the main point of contact for regulators and supervisory authorities and they are responsible for obtaining licenses, developing compliance programmes and implementing and reviewing company policies. The domain managers act as a point of contact for the compliance officers. They define priorities and lead projects for compliance in their particular domain and ensure that compliance rules and guidelines are developed into specific features. Finally the project managers are responsible for the management of complex cross-team compliance projects and assist compliance officers where necessary.

The Betclic Group has developed multiple processes to ensure compliance across its organisation. These processes consist of:

- *compliance audits:* both internal and external audits are performed regularly;
- *standards and policies:* All compliance policies are verified and updated to reflect changes in regulations;
- *internal trainings:* trainings are provided to all employees as a component to their onboarding and are strengthened with the departments for which compliance is relevant in particular. The trainings are adapted to align to the various departments or specific events;
- *project scoring:* the compliance impact of various projects is assessed during workshops.

Finally, as there is an increased focus on responsible gaming, the Betclic Group has various and continuous efforts to prevent gaming addiction. Beyond its regulatory obligations, the Betclic Group is aware of its social responsibility. It makes sure to do everything it can to reduce the negative impact that the game can have on small minority of players, on their family, social and professional life. The protection of gamblers and the prevention of excessive or pathological gaming is therefore one of the pillars of the Betclic Group's strategy. The Betclic Group's responsible gaming plan is built around two strategic priorities:

- awareness *and prevention:* the objective is to develop a comprehensive prevention plan and clearly applying the right level of interventions to educate about the risks and provide tools for players to protect themselves. The Betclic Group's prevention plan consists of a combination of programmes and activities:
  - universal measures for the benefit of all gaming audiences,
  - selective measures for groups potentially more at risk,
  - individualised measures for the players most at risk;
- *detection and Support:* the objective of which is to ensure that anyone with need for help can be detected and an appropriate response can be obtained at the appropriate time. The detection plan revolves around a combination of responses:
  - implementation of automated detection devices,
  - development of an associated targeted prevention approach,
  - development of a face-to-face relationship approach including calls outgoing to understand each situation and provide appropriate responses.

02/ ESG REPORT:

STATEMENT ON NON-FINANCIAL INFORMATION

2.1 Introduction to sustainability at FL Entertainment

Set on its mission to "Entertain the world", FL Entertainment is a recently created entity and has positioned sustainability at the heart of its business model with a long-standing commitment to the highest ESG standards. The Group is committed to setting an example in all its markets and activities and strongly believe social and societal performances are intimately linked to its business, which is why diversity and inclusion, wellbeing and sustainability have become a central part of its strategy. Equally, Banijay and Betclic are also committed to ensuring a truly representative and inclusive workforce.

With that in mind, the Group has launched numerous ESG initiatives and implemented actions across its business in all markets.

It translates within Banijay into:

- the creation of a global D&I Board and employee resource groups (e.g., pride, culture & ethnicity, disability, women-led) to foster inclusion and promote diversity;
- focus on creating a safe working environment for all employees via code of conduct/welfare policies; and
- having a sustainability-led mindset to reduce carbon footprint and overall impact on environment.

Betclic focuses on:

- product positioning on the mass recreational market (limiting risk for players), operating mainly on locally regulated markets (97% of revenue); and
- developing and maintaining data-driven algorithms to detect excessive gaming proactively. Betclic has 100 people dedicated to preventing excessive and underage gaming, and such detection is supported by artificial intelligence.

FL Entertainment is working on defining and implementing a framework to monitor the impact of these initiatives.

2.1.1 Business model

The FL Entertainment business model and activities are described in the introduction pages and in Chapter 1 of this Universal Registration Document. The introduction pages include a synthetic representation of the Group's activities, strategy, main resources and assets, and the value created for stakeholders.

Please refer to Chapter 1 (Presentation of the Group) on page 21 for more information on the two business lines: Content production & distribution and Online sports betting & gaming.

2.1.2 ESG organisation within the Group

Within FL Entertainment, environmental, social and governance matters are managed separately by each of the businesses, given their knowledge of the specific challenges related to their operations and markets in which they operate. They define and coordinate their own initiatives towards ESG and elaborate and follow their extra-financial performance indicators accordingly. Moreover, the Board of Directors of FL Entertainment (please refer to Chapter 4 (Corporate Governance) on page 141 for more details) oversees the process of managing material risks and opportunities. For this purpose, the Board ensures the availability of the appropriate skills and expertise that the body, as a whole, possesses to oversee sustainability matters (64% of members have ESG skills).

Banijay relies on its entrepreneurial DNA that grants each region and production label the opportunity to roll out its own initiatives via working groups and volunteer employees worldwide.

The main priorities are:

(i) diversity, equity and inclusion (both on-screen and among employees);

(ii) environment (with an ambition to reduce the environmental footprint of the offices and productions); and

(iii) charity (with major social events like Baniday).

All areas of ESG at Banijay are spearheaded by the executive team in collaboration with the human resources department and corporate communications, driving vast global education initiatives year-on-year.

Since its creation, Betclic has had the clear objective of entertaining people. From the start, this meant considering the product and its impact on society and placing players' protection at the heart of Betclic's strategy and development.

In addition, both Banijay and Betclic have developed strategies to attract and retain talent, particularly for specialised fields such as creatives for Banijay, and technical developers for Betclic.

Banijay

Banijay is dedicated to improving its position in environment, social and governance. It has already taken some significant steps in managing these areas worldwide.

In 2021, Banijay completed a comprehensive mapping exercise of its business regarding Diversity, Equity & Inclusion (DEI). This was an opportunity to depict the key areas for improvement and strategically lay down the next steps in its dedicated strategy. In doing so, it set up its first dedicated D&I Board, an operational body, which it intends to further build on into 2023 to ensure effectiveness in driving best practice and initiatives worldwide.

In terms of environmental matters, Banijay's priorities are carbon footprint reduction across all areas. As part of this drive, Banijay signed a partnership with a specialist consultancy firm (3Degrees) to craft a carbon measurement system for use across its footprint with a soft launch underway in the UK and Nordics, and a full roll-out planned for 2023. The measurement will be used in coordination with local industry-led initiatives like albert and Ecoprod[(1)].

Betclic

Betclic's efforts focus on its impact on society and on putting players' protection at the heart of its strategy and development.

From responsible gaming to sustainable development, from employee well-being to philanthropy, the ESG vision and the impact of operations are a top priority of the Executive Committee. Considering the specificity of the activity, Betclic puts a special effort on the risks linked to the disclosure, loss or inappropriate modification of personal data of its customers and employees, in particular by complying with the GDPR (General Data Protection regulation), and beyond. In addition, Betclic has developed numerous initiatives to guarantee its team members' commitment and cohesion as well as well-being at work and focus on attracting the best talents.

In the coming years, Betclic intends to reinforce and structure ESG organisation at all levels of its organisation and to define and implement dedicated action plans.

2.1.3 Materiality assessment

In 2022, FL Entertainment conducted its first materiality analysis, with the support of an external advisor. This was an opportunity to define the ESG challenges applicable to the Group's businesses, and it also highlighted internal stakeholders' expectations and the perceptions of FL Entertainment's main ESG issues.

Twenty-five ESG challenges were listed on the basis of preliminary interviews, a benchmark of the industries (entertainment, media, and gaming), and an analysis of existing internal documents. These ESG challenges cover all the Group activities on the following dimensions: environmental, social, employee-related matters, respect of human rights, and anti-corruption and bribery matters.

Twenty interviews were conducted with both the Senior Management Members and members of the management teams of Banijay and Betclic. All the challenges submitted for consultation were assessed through reputational, financial, and regulatory prisms.

Nine issues of major importance to the internal stakeholders who were consulted emerged from this process for the Group:

1. Attracting and retaining employees;
2. Customer satisfaction;
3. Regulatory compliance;
4. Health and safety of employees;
5. Data protection & cybersecurity;
6. Responsible product offering;
7. Intellectual property;
8. Ethics & corruption;
9. Diversity and Inclusion in content.

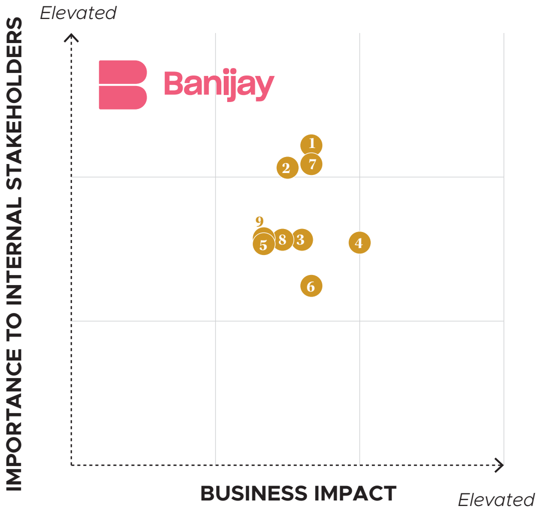
Environment-related ESG challenges weren't deemed as material, but they are becoming increasing priorities for both businesses, with rising stakeholders' awareness.

The ninth material ESG challenge covers Diversity and Inclusion in content and is linked to another ESG challenge which is Diversity and Inclusion of employees. The approach of Banijay is to embed these two challenges as a global one, that will be covered in the Section 2.2.2 (Diversity and Inclusion) on page 72.

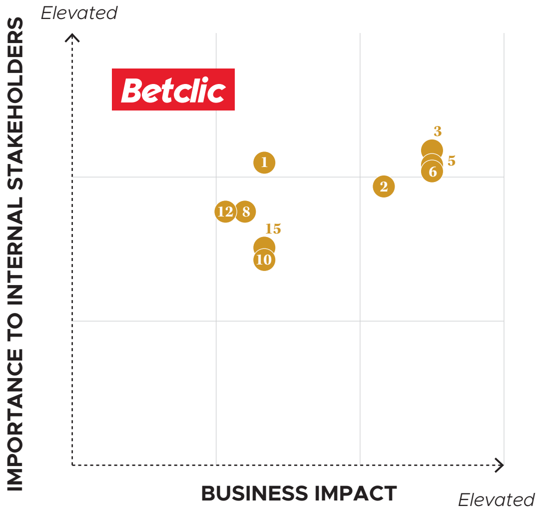
(1) albert and Ecoprod are screen industry organisations for environmental sustainability. Ecoprod is France based and was created in 2009. Founded in 2011, albert supports the Film and TV industry to reduce environmental impacts of production and to create content that supports a vision for a sustainable future.

The two materiality matrices are presented below for both Banijay and Betclic[1]. Specifically for Betclic, three ESG challenges are also deemed as material: Decent pay for employees (#15), ESG performance management (#10), and Innovation (#12).

Matrices of materiality



1. Attracting and retaining employees
7. Intellectual property
2. Customer satisfaction
4. Health and safety of employees
3. Regulatory compliance
8. Ethics & corruption
9. Diversity and inclusion in content
6. Responsible product offering
5. Data protection & cybersecurity



3. Regulatory compliance
5. Data protection & cybersecurity
6. Responsible product offering
2. Customer satisfaction
1. Attracting and retaining employees
8. Ethics & corruption
15. Decent pay for employees
10. ESG performance management
12. Innovation

This materiality analysis exercise will be updated in the coming years, with an ambition to extend to external stakeholders (business partners, regulatory bodies, members of civil society, talents, etc.). In addition, this materiality analysis will be the base of the future Group ESG roadmap.

This chapter describes how the Group manages these ESG challenges and risks. In order to complete this analysis, please refer to Section 3.1 (Description of the Risk factors) on page 100 for the full list of risk factors of severe impact.

(1) *In these materiality matrices, the ESG challenges are listed by order of importance for Banijay and Betclic. The number in front corresponds to the rank of the ESG challenges for the Group.*

ESG Challenge (by level of importance for the Group)	Definition	Risk description
Attracting and retaining employees	Attract and retain employees by ensuring appropriate human resources management at all levels of the Group. This includes employees under permanent contract as well as freelance workers.	▪ Banijay's business and its success have depended and will continue to depend on its creative talent, its management team and other key employees or partners, such as hosts, producers and local managers in its production companies. The loss of these managers, creative talent and key employees or partners, in particular to competitors, could result in a loss of skills and expertise as well as technical deficiencies, and thus affect the Group's activities and its development. ▪ Inability to attract and retain key qualified workers who can apply their engineering and operational skills to Betclic's activities in today's highly competitive labour market and assuring continuity in key posts. Failure to foster employee's engagement and satisfy their expectations as an employer, especially considering new expectations from younger generations of employees. At Group level, this ESG challenge is addressed by preparing a full set of educational supports to be sure that employees are trained, prepared and engaged, benefiting of the best employee experience, with respect of human rights, conducting regular internal employee engagement surveys and cementing action plans following the results of such surveys.
Customer satisfaction	Ensure final customer satisfaction. For Betclic: Net Promoter Scores, etc. and ensure changing expectations are addressed. For Banijay: positive reception of programming by the public/audience measurement and client satisfaction (broadcasters).	The revenues generated by the Group depend on positive reception by audiences, consumer preferences and trends in popular culture, media and technology. ▪ Banijay Group generates revenues not only from producing and licensing these programs, but also from further development of the program (such as producing future seasons) and from secondary revenues such as the distribution in other countries or the licensing of related intellectual property rights. ▪ For Betclic: Lack of understanding when it comes to the client's (i.e., player's) needs can affect the client demand and create volatile and uncertain economic conditions for Betclic due to an inability to retain players. At Group level, this ESG challenge is addressed by ensuring client satisfaction and maintaining the continuity of the business, being proactive and reactive in the delivery of solutions and services, and improving products and services in line with clients' needs and high-quality standards.
Regulatory compliance	Ensure compliance with the laws and regulations in force in all the countries where the Group operates, in particular regulations protecting against corruption and tax evasion and those associated with licenses to operate.	▪ Regulation and conformity risks could happen as a result of the proliferation and increasing complexity of local and global changes in laws and regulations in multiple areas such as anti-corruption, trade regulations and export controls, competition, human rights and anti-money laundering. In particular, risk of corruption can materially adversely affect Banijay if it fails to maintain business integrity and ethical behaviour. Regulatory and reputation risks that would occur were Banijay or one of its employee/talent to be involved in tax evasion practices, and does not act responsibly in terms of tax policies in all its operations globally. ▪ The current regulatory framework could change and online sports betting and gaming could be subject to European regulation aimed at restricting the conditions under which such activities can be carried out. In addition, Member States could adopt regulations to restrict the ability of online sports betting and gaming operators to operate in their territories or amend existing regulations to strengthen the constraints or taxation on online sports betting and gaming operators. The Betclic Everest Group is dependent on access to the media, both online and offline, and to communication networks in order to conduct its marketing activities. The inability to access these media or the application of limits or restrictions (in particular due to legislative or regulatory constraints) could affect the Betclic Everest Group's ability to promote its offerings and its image. Regulatory and reputation risks that would occur were Betclic to be involved in tax evasion practices, and does not act responsibly in terms of tax policies in all its operations globally. At Group level, this ESG challenge is addressed by operating responsibly and securing the sustainability of the Group's business model, by implementing a framework with formalised policies, codes of conduct and other processes, in order to ensure that all the employees are actors of the regulatory compliance, and by implementing action plans and monitor the effectiveness of the framework.

ESG Challenge (by level of importance for the Group)	Definition	Risk description
Health and safety of employees	Ensure that working conditions effectively protect the health and safety of employees and provide a flexible and attractive work environment, and business continuity.	Increase of work-related illnesses (including related to mental health) or failure to ensure employees' safety in risky environments, leading to higher absenteeism, with risks to reputation and business continuity. At Group level, this ESG challenge is addressed by complying with all applicable health and safety laws and regulations, and providing a safe, respectful, and inclusive environment for all.
Data protection and cybersecurity	Protect personal data and privacy of individuals (customers as well as employees) and ensure compliance with data privacy and cyber security laws & best practices.	▪ Information breach, unauthorised access and/or a loss of sensitive or confidential information could have a long and significant impact on business operations and/or reputation. Banijay is subject to numerous laws and regulations which protect personal data and the privacy of individuals in the digital world and deficiencies in this area would significantly affect their reputation. ▪ Betclic must, through its platforms, be able to offer its players accurate and reliable information in real time, in particular the odds offered to players in the context of sports or horse racing bets or players' stakes in part of poker games. Betclic Everest Group must also ensure the secure transmission of a large amount of information (in particular, the identity and bank details of players) through its IT systems. Information breach, unauthorised access and/or a loss of sensitive or confidential information (personal player data, for example) could have a long-term and significant impact on business operations and/or reputation. Betclic is subject to numerous laws and regulations which protect personal data and the privacy of individuals in the digital world; as the core of its business, deficiencies in this area would significantly affect the Betclic's capacity to maintain, attract and generate further business. At Group level, this ESG challenge is addressed by ensuring an excellent level of data protection and cybersecurity. In addition, Audit Committee of FL Entertainment monitors risks related to cybersecurity.
Responsible product offering	Responsible product offering that takes into account potential positive and negative societal impacts in product design (programming in the case of Banijay/gaming in the case of Betclic) and marketing, as well as ethical considerations. <u>Responsible content (Banijay)</u> ▪ Potential impact of the programmes on the public (cultural impact, including on-screen social/environmental actions); ▪ Creative/editorial independence and freedom of expression. <u>Responsible gaming (Betclic)</u> ▪ Underage gaming; ▪ Gaming addiction: prevention and support; ▪ Ethical marketing (incl. raising awareness as well as avoiding misleading advertising, etc.).	▪ As a gaming operator, Betclic must ensure compliance with sector requirements concerning underage and excessive gaming. If Betclic is shown to be in breach of the regulations, it may be subject to sanctions by the relevant regulator. In the event of extremely serious breaches, Betclic could be sanctioned by regulators, either through the suspension or prohibition of games, the withdrawal of an approval or a financial penalty proportionate to the seriousness of the breach. ▪ Viewers may also object to the content Banijay Group produces or distributes based on their religious, political or ideological positions. Although Banijay Group's buyers are in the end responsible for ensuring content is aligned with the positions of their target audience, public objections may result in the programme being cancelled, which could affect Banijay Group's business and operational results. At Betclic level, this ESG challenge is addressed by putting player's protection at the heart of Betclic strategy and development, setting ambitions of having most of the betters to play in control, and managing a team of responsible gaming specialists and raise awareness of this topic to all employees.

ESG Challenge (by level of importance for the Group)	Definition	Risk description
Intellectual property	Issue and protect copyrights for all relevant product offerings; respect intellectual property of collaborators.	▪ Customers may ask to obtain the rights to the formats Banijay Group creates and programmes it produces, which may have a negative impact on Banijay Group's revenues. ▪ Loss of intellectual property rights in case Betclic fails to protect the innovative solutions and products developed internally. Risks in case Betclic infringes intellectual properties regulations by using technologies developed by others and protected under such schemes. At Group level, this ESG challenge is addressed by ensuring that Intellectual Property is respected and protected at all levels.
Ethics and corruption	Commitment to proactively prevent and fight against any instances of fraud (gaming or otherwise), money laundering, and other ethical issues (e.g., ensure whistleblowing policies are in place).	▪ Banijay operates worldwide, and corruption could arise to obtain licenses or permits required in such countries. ▪ Due to its nature, the online sports betting and gaming sector is exposed to the risk of fraudulent, illegal or illicit transactions, including corruption or money laundering. Betclic's activities, whether in online sports betting or gaming, involve the mobilisation and transfer of large sums of money and generate a large number of transactions and financial flows that facilitate such fraudulent, illegal or illicit activities. Operating responsibly is the basis for securing the sustainability of the Group's business model. Implement a framework with formalised policies, codes of conducts and other processes, in order to ensure that all the employees are actors of the regulatory compliance. Implement action plans and monitor the effectiveness of the framework.
Diversity and inclusion in content	Promote diversity throughout all activities, including on and off-screen (Banijay) and in associated marketing materials (Banijay and Betclic).	Risk if Betclic targets a specific sample of the population (for example: young people, etc.). It could lead to new constraints on marketing regulation in the sport betting industry. Comply with all applicable local and international laws and regulations regarding Diversity and Inclusion (in particular in advertising for Betclic).

2.2 Responsible employer

As at 31 December 2022, FL Entertainment employed 3,817 people. Banijay, with 3,084 employees and Betclic with 731 employees[(1)], represented 80.8% and 19.2% of the Group headcount respectively.

Banijay

The following table sets forth the full-time employees of permanent staff in the Banijay Group by country:

Countries	2022	2021
Australia	91	99
Belgium	74	71
Brazil	55	51
Denmark	163	138
Finland	23	24
France	335	311
Germany	365	270
India	79	73
Israel	13	15
Italy	160	170
Mexico	118	80
Netherlands	250	237
New Zealand	4	4
Norway	104	95
Poland	22	20
Portugal	35	35
Russian Federation	N/A	35
Singapore	2	3
Spain	281	252
Sweden	149	136
United Kingdom	526	442
United States of America	235	237
	3,084	**2,791**

Banijay also uses the services of a significant number of freelancers. This number varies from time-to-time depending mainly on the level of television production activity in which Banijay is engaged. In 2021, Banijay employed, on average, 2,938 temporary employees, amounting to 51% of its employees.

(1) *In this Chapter, and in line with the reporting scope defined within the Section 2.6 (Methodology), "FL Entertainment" refers to Banijay and Betclic (Bet-at-Home is not covered).*

Betclic

The Betclic Group has 731 employees as of 31 December 2022, compared to approximately 646 employees as of 31 December 2021. The following table sets forth the employees working full time at Betclic by country:

Countries	2022	2021
France	428	379
Italy	10	8
Malta	273	240
Portugal	19	19
Poland	1	0
TOTAL	**731**	**646**

In addition to its permanent workforce, Betclic works with independent contractors. At the end of the year 2021 it had 127 independent contractors, and 113 at the end of 2022. The number in independent contractors is linked to more independent contractors being engaged to work on project basis and the ability to recruit personnel faster.

2.2.1 Attract and retain talents

One of the main objectives of the Group is to recruit, mobilise and retain committed employees, as both Banijay and Betclic need to maintain a high level of excellence and capacity to adapt to a moving environment.

This topic is managed by HR departments, in coordination with other functional and operational departments, that work on a full set of educational supports to be sure employees are trained, prepared and engaged, guaranteeing the best employee experience, with respect to human rights. A culture of diversity and inclusion is also important to creating an open workplace. In addition, a focus is placed on work-life balance with an increase of remote working. Finally internal communication is key to support and deploy agreed key messaging and education initiatives.

Both businesses conduct regular internal employee engagement surveys: Banijay at a local level (country or production labels), Betclic at a wider level, on a monthly and annual basis.

Banijay

Banijay aims to create an environment where employees can perform to the best of their abilities in an inclusive work culture. Employees come from different backgrounds in terms of qualifications and experiences. Therefore, Banijay looks towards building diverse, supportive, and collaborative teams, while ensuring equal opportunities for everyone.

Banijay has historically grown via acquisitions. Local management and local entrepreneurship are valued and fostered. Local management is encouraged to take up initiatives that fit their purpose. Banijay HR operations are decentralised to comply with local regulations and implement measures adapted to the local market. However, best practice is shared when it comes to Talent Management and Diversity & Inclusion. Efforts are coordinated at Banijay level and use all means to reinforce this approach in corporate programs, in the design of operational processes, the development of managers and internal communication. HR Central Team leads Compensation & Benefits strategy and HR data management.

Talent is key to the success of Banijay and, as such, its primary goal is to develop and retain a talented, well-trained, prepared and committed workforce. As a responsible employer, it is important to maintain trusting relationships with talent.

The recent pandemic has transformed the “working world” profoundly, and employees’ expectations and aspirations have evolved considerably. The “employee experience” has become a key factor in candidates’ decision in joining a new company and taking part in a new project. Banijay believes remote working improves employees’ quality of life at work by helping to reduce commuting stress and freeing up time for a better balance between their work and personal lives. Banijay has chosen balance and flexibility with the implementation of remote-working policies. This new way of organising jobs is obviously based on agility and enhanced trust between managers and their teams.

To stay competitive in the talent war, Banijay is dedicated to offering attractive packages and, for this purpose, each year conducts a compensation and benefits review. In 2021, following the acquisition of EndemolShine Group, Banijay harmonised the compensation & bonus structure. It has also designed and rolled out the new LTIP (long-term incentive plan) scheme, which contributes to incentivising, on a long-term basis, the key talents of the Group and stimulating the culture of personal impact on value creation.

Performance indicators: Responsible employer (Banijay)

	2022
Nationalities	44
Average time of stay	7.2 years
Dismissal rate	2%
Employee turnover rate*	8% (of leavers 72% voluntary)
Promotions**	7%
Average age	41 years old

* *Number of terminations during period/Number of Employees at the beginning of period.*

** *Promotions measured over first half year of 2022, includes the countries that track promotions and excludes employees hired after 1 January 2022.*

Betclic

"*We are passionate, we perform*": Being passionate about sports infuses a spirit of teamwork and well-being at work that drives Betclic's employees. The key responsibilities of Human Resources in Betclic are to encourage diversity in the workplace and to maintain a safe working environment. They also work on attracting and retaining talents.

As an example, based on the principles of the "living office", Betclic offers its employees in Bordeaux (France) in Malta (Sliema) and in other countries a high standard place to work with modern and spacious offices designed to improve employees' well-being and productivity. Caring about new work habits, Betclic has implemented a three-day a week work from home policy to offer the employees the opportunity of a good work-life balance.

Business-oriented and multicultural, Betclic's approach to working conditions is feedback-oriented and it measures monthly the pulse of its employees. Betclic checks teams' morale through a five-question monthly barometer ("Speak up"). Sent to the entire organisation, it allows employees to share their engagement and it enables the Executive Committee to adapt, in real-time, policies and processes to meet the teams' needs.

Once a year, an opinion survey is conducted to cover Betclic's HR and management processes, with questions on leadership, strategy, empowerment, reward and compensation or well-being at work. The 2022 survey shows results in perception, leadership, and strategy compared to previous years.

Performance indicators: Responsible employer (Betclic)(1)

	2022	2021
Employee engagement score	80%	80%
Proud to be associated with Betclic	87%	88%
Recommend Betclic as a good place to work	88%	89%
Permanent contracts	93%	97%

2.2.2 Diversity and inclusion

FL Entertainment is convinced a company must reflect the diversity of the society in which it operates, not only to create an inclusive workplace but also to address the clients and customers it serves. The long-term ambition has always been to establish a sustainable culture of inclusion and diversity (gender, cultural, socio-economic, professional, academic…) within the Group. 45% of the members of the Board of Directors are women (please refer to Chapter 4 (Corporate Governance) on page 141 for more information).

Because of the activities of the Group, diversity and inclusion among employees is closely linked to the one in content, that has been deemed as material. The approach chosen by FL Entertainment is to embed these two challenges as a global one that is covered in this section. Whistleblowing policies are in place at Banijay, Betclic and FL Entertainment for escalation in case of unaligned behaviours.

Banijay has deployed governance toward D&I, with a D&I Board, a D&I mapping, objectives, and communication plans. A specific program ("Belong"), based on a full set of initiatives (at local and global levels) has been put in place to foster D&I in recruiting, employee training and awareness, and audiences' awareness. D&I campaign successes are tracked thanks to local surveys.

(1) *Source: Employee opinion survey.*

As a tech company operating in the field of sport, Betclic concentrates its efforts on gender equality, in order to increase female representation within its teams. It is also committed to the integration of people with disabilities, and to the employment of all generations. These three major dimensions of efforts led to the signature of agreements and to the participation or organisation of local and global events.

Banijay

Banijay's people are based permanently across 21 countries, but its operations and productions span the globe. Each day, its shows appear on screens across the planet and target numerous people. The audiences, wherever they are, want to be touched by shows which authentically represent them and their own narratives. Banijay is dedicated to improving diversity both on-screen and behind the camera to nurture the most authentic storymaking in the industry.

Banijay has introduced Belong *(Be You, Be Here, Belong)* – its overarching D&I proposition and works with its territories worldwide to drive greater improvement in this area. Belong is supported by 4 key Employee Resource Groups (ERGs). In addition to the already-established Pride community, 3 new ERGs were launched in 2022: Embrace *(championing cultural diversity),* Disability *(championing physical and neuro-disability)* and Elle *(championing women)* dedicated to driving positive change and new initiatives.

In the last 12 months, Banijay has significantly scaled up its diversity, equity and inclusion efforts, starting first with a mapping exercise across the major territories[1], which took a holistic look at the business to identify where countries are performing well on D&I initiatives and where improvement is most needed. In 2021, following the completion of this process, Banijay built a D&I Board, an operational body that meets on a monthly basis, with the role to spark changes, share best practice, initiate and manage relevant initiatives globally. The twenty-one D&I Board members have seniority and have relevant experience in D&I to ensure they are positioned well to drive change amongst local senior management and employees across Banijay. They have been nominated by country CEOs and Banijay senior executives.

D&I objectives at Banijay are the following:

- improve diversity both on and off-screen across Banijay's footprint & beyond;
- drive new education initiatives and specialised partnerships to drive best practice, knowledge & broaden the talent pool;
- attract and retain a diversity of talent who share Banijay's values;
- support local communities and global efforts in promoting an inclusive industry.

Results of these objectives are presented below in the "Performance indicators: Diversity & Inclusion" chart. In line with these objectives, Banijay launched in 2022 numerous initiatives listed below:

GLOBAL INITIATIVES CONDUCTED THROUGH BANIJAY IN 2022

Banijay hosted dedicated global online education events:

- World Day for Cultural Diversity;
- pride month and other LGBTQ+ moments (e.g. Trans and Non-binary awareness);
- International Women's Day;
- International Day of Disabled Persons.

SOME INITIATIVES TOWARD D&I IN RECRUITING

- Banijay UK has invested £500,000 in a diversity scheme focused on supporting mid-level creative talent. The "fast-track inclusion programme" sees 10 diverse candidates offered 12-month contracts, mentoring, leadership training and development within different parts of Banijay, resulting in an official on-screen credit as assistant producer or production co-ordinator.
- Banijay Brightbulb: A 12-week paid diversity programme gives eight of the brightest and best candidates a chance to get into non-scripted TV development.
- Endemol Shine France partners with the Aubervilliers City Hall on diversity and in order to widen the local pool of talents with socio-economic diversity in the content industry: the team is set to participate in the Education House initiative in Aubervilliers, where students from top French universities take part.
- Banijay UK partners with PACT, MAMA YOUTH, Channel 4 and BBC to deliver career workshops in local schools.
- Banijay Americas has a partnership with Group Effort Initiative. The goal is to support aspiring industry professionals and producers from historically-excluded backgrounds find jobs in unscripted television. Launched by Ryan Reynolds and Blake Lively, this partnership is supported by partners such as Netflix, Array, Sony. Banijay Americas has hired participants as production assistants throughout its shows and across its production companies. Additionally, it has offered educational bootcamps for 50+ participants.
- Banijay Americas partnered with Staff Me Up: Coded For Inclusion. The objective is to disrupt biased hiring systems in the industry by providing productions access to an inclusive roster of talent as well as a system to reaching them. Functioning through Staff Me Up, the initiative seeks to remove barriers to entry for job seekers from historically-excluded groups, including ethnical, Women, LGBTQ+, people with disabilities and active military/veterans, to ensure studios and production houses have a direct pipeline to candidates.
- Endemol Shine North America has a partnership with Every Woman Studios. They have teamed up to pair female creators with a mentor as they develop their projects and get them ready to pitch. The partnership doubled the number of creators supported from its beginning and offered an additional Accelerator Award of $20,000 for unscripted formats.

(1) Australia, Belgium, Brazil, Denmark, Finland, France, Germany, Iberia, Italy, Mexico, Netherlands, New Zealand, Norway, Sweden, United Kingdom, USA.

D&I INITIATIVES DEDICATED TO AUDIENCE AND PUBLIC AWARENESS

- Screentime NZ (New Zealand) invests in new D&I initiatives like Kaupapa Māori Strategy and Pātiki Media, launched to expand Māori representation in the TV industry. Banijay Studios France: After significant work in diversifying its productions, BSF was awarded the Konbini Commitment Award[1] at the 2022 CannesSeries Festival for its production, SKAM France. The category recognises the societal, innovative or revolutionary nature of a piece of work. Its production of *L'école de la vie* and upcoming *Marie-Antoinette* also concentrate on themes in the D&I space.

D&I FOR EMPLOYEE AWARENESS AND TRAINING

Local management are empowered to drive effective change in the D&I space, particularly via training around specific topics like D&I awareness for employees. Some examples are the following:

- Banijay UK has developed a full suite of diversity training modules which are available online via the HR portal;
- in New Zealand, Diversity and Inclusiveness Workshops have been developed. All Screentime NZ team members are invited to attend a series of workshops with Diversity Works.

D&I IMPROVEMENT AND SUCCESS TRACKING

Some D&I-focused surveys are conducted each year to track improvement, for example, in the UK and New Zealand. In the UK, some indicators are monitored such as female representation in the workforce (66% for 2022), age diversity, socio-economic diversity, and physical/neuro-diversity.

Performance indicators: Diversity & inclusion (Banijay)

	2022
Nationalities	44
Female/male representation	53% Female 47% Male
Proportion of females/males within manager* population	50.5% Female managers (321) 49.5% Male managers (315)
Out of all employees benefiting from a salary increase, proportion of women	71%

Manager defined as having at least one employee reporting into him/her.
These indicators are not available for 2021

Betclic

Betclic aspires to create an inclusive and open work environment. It aims to build teams of talents that reflect the diversity of its activities, clients and society as a whole, focusing on gender equality, handicap, and the employment of all generations.

As a tech company engaged in bringing entertainment to sports, Betclic has worked to increase female representation within its teams, including in engineering and management positions. In 2022, Betclic signed a gender equality agreement, thereby committing to quarterly assess the fairness of hiring compensation and compensation increases. This agreement formalises the policy regarding the professional equality between women and men (including remuneration pay-gap).

Betclic is also committed to advocating for the integration of professionals with disabilities. For instance, it enforced a handicap agreement and participated in the 2022 DuoDay, an event organised by the French Ministry for Solidarity, Autonomy and the Disabled during the European Employment Week for people with disabilities. On this occasion, a volunteer Betclic employee welcomes a person with a disability, thereby forming a duo to foster the exchange of experience and ideas. Through this first participation, Betclic seeks to raise awareness about the diversity of disability situations at work.

Finally, as a leader in a young and dynamic industry, Betclic is very sensitive to offering equal employment opportunities and is dedicated to helping the young get training to enter employment and benefit from the experience of seasoned professionals. To do so, Betclic signed in 2020 a generation contract agreement which aims at fostering the long-term employment of young people through work-study contracts and fellowships, enabling experienced workers to remain in activity and building bridges between the two generations thanks to mentorships and skills sharing.

Betclic wanted to increase within two years the share of workers under 26 from 6.7% to 10% of its workforce and to reach 5% of work-study contracts within its workforce. Betclic exceeded both targets in 2022, with the share of young people employed at 13%, while the share of apprentices was 8.3%.

(1) *The Konbini Commitment Awards are Awards references in the industry, and they are dedicated to recognising D&I in a specific project.*

Performance indicators: Diversity & inclusion (Betclic)

	2022	2021
Female/male representation	27% Female 73% Male	24% Female 76% Male
Proportion of females/males within the General Management	38% Female (3) 62% Male (5)	20% Female (1) 80% Male (4)
Proportion of females/males within the Management Committee	27% Female (7) 73% Male (19)	30% Female (7) 70% Male (16)
Seniority *(employees aged more than 45 years old)*	3% Female 7% Male 6% Total	4% Female 6% Male 6% Total
Nationalities	41	28

Performance indicators: Workforce by gender and management (Betclic)

	2022		2021	
	Female	Male	Female	Male
Commercial/Marketing	32%	68%	26%	74%
Corporate	45%	55%	49%	51%
General Management	38%	63%	20%	80%
Human Resources	81%	19%	91%	9%
Legal & Compliance	64%	36%	62%	38%
Technology	9%	91%	10%	90%

2.2.3 Health and safety of employees

Providing a safe working environment to all employees is key for FL Entertainment, not only by complying with laws and regulations (in particular toward human rights with a culture focussed on fair treatment for all) but also by offering a respectful and healthy environment.

The Group led many actions globally and locally: communication campaigns, training, the deployment of guidelines, and the launch of a brand-new code of conduct (Banijay).

Special attention was placed on protecting the teams' mental health after the Covid-19 crisis and the associated lockdowns.

Banijay

Banijay seeks to comply with all applicable health and safety laws and regulations. It also believes in providing a safe, respectful, and inclusive environment for its talent in front of, and behind the camera.

In 2022, Banijay issued a brand-new code of conduct (including the Welfare Pledge) to all employees worldwide (available on the corporate website), which focuses on promoting and maintaining a safe and inclusive workplace, by reinforcing its values, standards, policies and general expectations around professional and ethical behaviour. As stated in this code of Conduct, Banijay does not tolerate modern slavery, forced labour or human trafficking anywhere in its business. Included is a fully-serviced Speak-Up-Line, which has also been advertised around offices. This third-party hotline is free and available 24-hours-a-day, 365 days-a-year via a secure internet website. It gives employees (including part-time and contractors) the opportunity to raise concerns around potential issues including bullying, harassment and general discrimination.

Banijay has implemented several initiatives to guarantee the health and well-being of employees:

- launch of Banijay Well programme to promote a positive physical and mental health environment, with a specific Wellbeing Week;
- promotion of World Global Health Week and the World Mental Health Day via events and educational materials;
- training of mental health first-aiders to deploy a network of aiders across Banijay;
- inclusion of care guidelines in all format bibles and across all productions (including psychological support for TV programme participants).

The results of these objectives are very good among employees and as such, events will be organised again in the coming years on a regular basis.

Betclic

Employees' health, safety and well-being are critical concerns for Betclic. Consequently, it has launched several prevention and health protection initiatives, such as sensitisation campaigns. This topic is managed by the HR department.

Since mental health has become a more pressing priority following the Covid-related lockdowns, Betclic has introduced a dedicated listening hotline and has held regular conferences on mental health for its employees. It also enforced a disconnection agreement.

The sensitisation campaigns and conferences were successful, and resulted in a wish to continue to organise regular events and communications actions.

In 2023, Betclic plans to increase its commitment and actively work on empowering top and middle management to better approach mental health questions and detect potential issues through compulsory training on workplace harassment.

Performance indicators: Health & Safety (Betclic)

	2022	2021
Work-related accidents	8	15

2.2.4 Development of human capital

Banijay

Banijay promotes long-term employability by developing skills, providing training and mobility opportunities for all its employees, and fostering balanced professional and personal development. Enhancing employability and employee upskilling are thus key drivers to prepare for the future.

The demand for talent mirrors the demand for content, and with that, the industry is facing a severe shortage of off-screen talent. In that context, Banijay's Talent Strategy in 2022 focused on exploring new ways to find tomorrow's creative potentials and support them in getting into the industry:

- **France:** For the last years, Banijay has teamed up with the City of Cannes and Université Côte d'Azur to run the Content Creatives Incubator, an annual residency program open to 15 young people. Hosted for three weeks in Cannes, the course focuses on creating multimedia content for linear and non-linear TV and enables successful applicants to receive coaching and valuable advice from experts of Université Côte d'Azur and its international network and executives from Banijay.

  At the end of the incubator period, five teams of three pitch their final idea to a jury of industry personalities. The group with the most original and successful project is then offered the opportunity to join Banijay's organisation on either an internship or a fixed-term contract.

  In 2022, Banijay announced a new course for 2023: *"Mastering the TV Formats of Tomorrow: Creation and Development"* at the Georges Méliès Campus, located in Cannes la Bocca. This unique Master's degree, supported by the University School of Arts and Humanities research of Université Côte d'Azur, aims to train French and international students to create new original television formats. This initiative aims to fill the gap as talent shortages continue to impact the content industry worldwide.
- **Spain:** In 2011, Gestmusic started a new initiative, Gestmusic Training, dedicated to designing Master's degrees and postgraduate courses in cooperation with Spanish Universities. Inspired to put its know-how and three decades of expertise as a well-established TV producer of big entertainment formats to good use, Gestmusic seeks to create opportunities for graduate students and professionals who seek to expand their experience. In 2013, it launched the Master's degree in TV Entertainment Programmes, unique in Spain, for its offer of learning in actual production environments. At the end of the course, Gestmusic can recruit the best students, allowing it to stay close to new generations of creativity and ideas, while widening its talent pool. Since 2013, more than 170 students have followed this Masters, and almost 86% of them got a job in a company in the sector.
- **Australia:** In Australia, the Accelerated Post-Production Training and Mentoring Program has been launched. With demand in this area up by between 90% and 120% in the country, depending on the roles, Endemol Shine Australia has invested in developing the next generation of talent in this space to future-proof the industry and its business alike. Spanning Edit Assistants, Offline Editors and Post Producers, ESA intends to fund 16 trainee roles across two programs – one in New South Wales and one in Victoria. Working across the business' array of flagship shows, the candidates will have the best onsite training and professional mentoring to prepare them for a career in this area.

- **Italy:** Thanks to a partnership with The Università Cattolica, Banijay Italia has launched an Unscripted Academy, which has an intake of 12 students each time. Combining theory with on-the-job learning, the seven-week program provides teaching by a combination of professors and Banijay Italia leaders. The best two ideas to emerge from the group are developed into promos, which then sit within Banijay's prolific catalogue, and key talent are considered for permanent recruitment. In 2022, 12 students were granted an internship. After the internship, the seven best were hired both in Banijay Italia and Endemol.

As part of its continued commitment to the development of talent, a framework of mentoring resources has been created to enable all colleagues to build mentoring partnerships. This is supported by regular career development conversations to identify ways to support growth, as well as access to a network of mentors and mentoring champions. The purpose of the mentoring scheme is to provide the opportunity for talent across all parts of the business to enhance their knowledge through designated one-on-one meetings with other experienced individuals. It also gives the opportunity to provide feedback on how to improve the organisation.

In 2023, Banijay will continue to develop initiatives to find talent and nurture them, but also:

- upgrade the induction process for new employees and promote Banijay's employer brand;
- create and roll-out innovative upskilling tools.

Betclic

Helping talents to grow and gain expertise is a key priority. In addition to career development discussions to offer bespoke training opportunities to all employees, Betclic has put in place several key mandatory trainings throughout the year to increase employees knowledge on key sensitive topics for the group such as responsible gaming and anti-money laundering.

Betclic also wants its engineers to stay on top of the latest technology by sharpening their current skills and mastering new ones. To do so, it is investing strongly in trainings: 43% of the global training budget is dedicated to the tech team, such as Devops Engineering on AWS or Microsoft Azure Development AZ-204.

In 2022, Betclic's employees benefited from almost 10,000 hours of training. Managers also benefit from Management training programs to help when they are first-time managers or need specific help on some issues.

Betclic also offers extensive language training in English and French to help employees from all around the world to communicate better with each other.

For the first time in 2022, Betclic focused an entire week to allow any employee to get trained in responsible gaming through GamCare beginner 2-hour sessions and expert 8-hour sessions but also through shadowing sessions opened to all.

Betclic intends to continue investing in talent's growth, especially in business and tech transformation.

Performance indicators: Development of human capital (Betclic)

	2022	2021
Total training cost	€648.2k	€527.7k
Number of employees trained	522	462
Average training hours per employee *(France only)*	16.7	15.6

2.2.5 Remuneration policies

Banijay

In connection with the acquisition of production companies in various jurisdictions, Banijay has entered into, and continues to enter into, earn-out or put option agreements with certain managers and creative talents of these companies in order to incentivise them to continue to work with Banijay following the relevant acquisition. In addition, Banijay's management has implemented a long-term incentive plan to ensure the commitment of local management teams by rewarding key personnel based on their respective contribution to the value creation of their entity and Banijay as a whole.

The total compensation covers all compensation and benefits components. Each element of the compensation package plays a specific role in recognising and rewarding the personal contribution to the business:

- the base salary rewards the level of responsibility, experience, personal competencies and skills;
- the performance bonus rewards the business performance and the employee's achievements;
- the LTIP rewards engagement & value creation.

The benefits depend on the local market.

Banijay also places a high value on fair remuneration. The individual salaries are reviewed on a yearly basis, taking into consideration:

- individual performance & job maturity;
- internal equity & peer comparison;
- benchmark of external trends;
- internal business results & budget made available.

In 2022, the "Pay for performance" culture was introduced as part of the Performance Review. This model rewards the performers and drives employees to stay motivated and perform better. In 2023, Banijay will continue to foster a merit (pay for performance) mindset with managers and employees and, where possible, introduce performance evaluations and merit linked to performance levels. Employee performance is measured by pre-defined metrics or qualitative evaluations:

- market position and competitiveness;
- cost of living inflation;
- company performance;
- individual employee performance.

In addition to this approach, various post-employment pension schemes, including defined benefit and defined contribution plans, are being operated.

Country	Name & Description	Part of employees covered and eligibility conditions if relevant
Netherlands	▪ PNO Media pension fund ▪ Private defined benefit plan, qualifying under IFRS as a defined contribution plan, as approved by Endemol Shine's Auditors at the time, called, is implemented	All employees having more than 1 month of service with guaranteed hours are eligible, with a very few exceptions linked to individual historical arrangements.
USA	Private defined contribution plan (qualifying under Section 401(k) P/S in US law) is implemented	All staff employees are eligible to participate.
Sweden	Private defined contribution plan is implemented	All employees are eligible to this benefit.
Norway	Private defined contribution plan is implemented	All employees aged 20+ with a minimum of 20% full-time equivalent (FTE) hours are eligible to this benefit.
Denmark	Private defined contribution plan is implemented	Covering approximately 40% of employees.
Israel	Private defined contribution plan is implemented	All payroll employees are eligible to this benefit.
Belgium	Private defined contribution plan is implemented	Covering approximately 22% of employees.
UK	Aviva Personal defined contribution Pension Plan or State defined contribution pension scheme	Employees who are not eligible to the private Aviva Personal defined contribution Pension Plan are eligible to the State defined contribution pension scheme (approximately 60% of employees covered by the private Aviva Personal Pension Plan and 40% covered by the UK Government Auto Enrolment Plan).

Betclic

Betclic's objective is to offer team members a fair compensation package according to their contribution to the development of the Betclic performance and their value creation. Betclic conducts regular market assessments to ensure it offers competitive compensation.

To attract and retain talents at the highest positions, Betclic put in place some retention plans targeting the key talents and stimulates the culture of personal impact on value creation.

In addition, Betclic supports excellence at work through Betclic's performance and individual performance bonuses for all employees. Individual performances are assessed on a quarterly basis leading to yearly pay raises to guarantee fair compensation for individual performance based on peer comparison, market attractiveness and talent retention. Betclic also plans to negotiate a profit-sharing agreement in the coming years which will allow employees to benefit from the growth of Betclic.

In addition, post-employment pension schemes, including defined benefit and defined contribution plans, are operated.

In the following countries, 100% of employees are covered by state statutory pension schemes: Malta, France and Portugal. A private defined contribution plan is also operated in Malta, i.e., a registered qualifying scheme in terms of the law and a linked long-term contract of insurance in terms of the Insurance Business Act, Cap 403, approved by the Commissioner of Inland Revenue. Employees between 18 and 60 years of age are eligible, provided that they choose to enrol. The employee can choose between two providers (MAPFRE/MSV Life and APS Bank) upon enrolment.

2.3 Responsible business

Operating responsibly is the basis for securing the sustainability of the Group's business model. Therefore, the Group seeks to achieve clients' and customers' satisfaction, within a global framework of compliance and integrity.

A responsible business entails producing a responsible offer, with the primary objective of "entertainment at first". For Betclic, this translates into a responsible gaming proposition, and for Banijay, into being a responsible story maker, by ensuring D&I both on-screen and off-screen (please refer to Section 2.2.2. (Diversity and Inclusion) on page 72) and promoting environmental advancements across shows (please refer to Section 2.4. (Environmental considerations) on page 89).

Given the nature of their activities (digital gaming company for Betclic and the importance of intellectual property for Banijay), both businesses need to ensure excellent data protection and cybersecurity. Belonging to the same Group creates opportunities for synergies and best practice sharing in that field.

Another dimension of responsible business leans on involvement for the local communities, and therefore numerous societal initiatives are conducted throughout the countries.

The Group introduced a Whistleblower Policy and a Code of Conduct, that are both available on the FL Entertainment corporate website. They give a global framework for compliance (competition and antitrust, money laundering, government inquiries and investigations, bribery and corruption) and integrity (business integrity, behaviour of employees, integrity in dealing with third parties, integrity in financial reporting).

2.3.1 Compliance and integrity

Compliance at Banijay

Banijay's compliance program is based on the following main pillars to ensure global compliance across its footprint:

- *policies and guidelines:* the new code of conduct was launched in early 2022 and features guidelines on specific compliance topics, such as human rights, anti-bribery and corruption matters;
- *internal training & awareness:* training takes place via B-Learning, the internal learning platform. In addition, specific training and awareness campaigns are targeted to specific departments and on particular topics;
- *compliance network:* in 2023, the compliance network within Banijay will be revived to facilitate communication and coordination.

These processes' results will be measured and disclosed in the coming years.

Banijay introduced a Welfare Pledge which applies to its employees and those it works with. It is visible on the corporate website (https://www.banijay.com/life-at-banijay/) and has been shared with all group employees, as well as being included in the latest version of the code of conduct:

Banijay welfare pledge

1	2	3	4	5
Banijay believes in providing a safe environment for everyone	Banijay believes in offering a respectful and inclusive setting for its talent in front of, and behind the camera	Banijay believes in driving equality and diversity both on and off-screen	Banijay believes in giving its teams the adequate support, to protect contributor's wellbeing and dignity	Banijay believes in immediate and appropriate duty of care for all its contributors
6	**7**	**8**	**9**	**10**
Banijay believes in supporting the physical and mental health of its staff and contributors	Banijay believes in tough sanctions against anyone guilty of inappropriate behaviour	Banijay believes in an open culture where nobody is afraid to speak up	Banijay believes in striving towards carbon-neutral production	Banijay believes in evolving and re-assessing these welfare pledges as times and circumstances change

Compliance at Betclic

Betclic operates in locally regulated markets and, as such, has obtained various national licenses. For instance, Betclic has licenses for:

- sports betting, poker and horseracing in France;
- sports betting and casino in Portugal;
- sports betting in Poland;
- sports betting and casino in Italy.

It also has licenses in Ivory Coast (sports gaming) and in two other African countries.

Various conditions are attached to these licenses and compliance is therefore key for Betclic for operating its business.

Compliance is embedded in various areas of its organisation, in particular in its legal and operation teams. Betclic compliance officers, domain managers and project managers share a joint responsibility for compliance. The compliance officers are the primary contact points for regulators and supervisory authorities, and they are responsible for obtaining licenses, developing compliance programs and implementing and reviewing Betclic policies. The domain managers act as a point of contact for the compliance officers. They define priorities, lead projects for compliance in their particular domain, and ensure that compliance rules and guidelines are developed into specific features. The project managers are responsible for managing complex cross-team compliance projects and assisting compliance officers where necessary.

Betclic has developed multiple processes to ensure compliance across its organisation:

- *compliance audits:* both internal and external audits are performed regularly;
- *standards and policies:* all compliance policies are verified and updated to reflect regulatory changes;
- *internal training:* training is provided to the departments for which compliance is relevant. The training is adapted to align with the various departments or specific events (e.g., safer gaming week);
- *project scoring:* the compliance impact of various projects is assessed during workshops.

These processes' results will be measured and disclosed in the coming years.

Finally, as it has always been conscious of the impact on players, Betclic has put various and continuous efforts in place to prevent addiction. Beyond its regulatory obligations, the Betclic Group is aware of its social responsibility. It makes sure to do everything it can to reduce the negative impact that the game can have on small minority of players, on their family, social and professional life. In several African countries, licenses contain a requirement to contribute to local charities, which Betclic is currently organising. Please refer to section 2.3.3 on page 83 of this Universal Registration Document for additional information.

Integrity at Banijay

In March 2022, Banijay released its new code of conduct, which is the over-arching policy document and provides a globally binding guideline for everyone working for Banijay. It defines Banijay's guiding values and principles for ethical and lawful conduct. It also ensures a workplace where everyone feels welcome and safe. All employees at all levels of Banijay must adhere to the principles laid out in the code of conduct.

The code of conduct also reflects the Banijay's zero-tolerance on bribery and corruption as Banijay stands for doing business in the right way, ethically, legally, and professionally.

At Banijay, employees are encouraged to speak up in case of potential misconduct. Employees who are concerned are encouraged to report possible misconduct to a local or central HR representative, a confidential representative or the compliance officer. A third-party secured hotline (speakup.banijay.com) is also available 24 hours a day, 365 days-a-year. Employees (including part-time employees and contractors) can file reports anonymously via web-intake or the local dial-in numbers. All reports are investigated to ensure an adequate response to compliance violations.

Banijay is built on an entrepreneurial spirit and has adopted a corporate governance framework to ensure that certain material legal, financial, HR & operational matters are escalated to the central team for approval. This occurs either via the local Boards of Directors on which Banijay management has a majority or via escalation to certain group representatives. It ensures a smooth process with quick assessment and decision-making.

Performance indicators: Integrity (Banijay)

	2022	2021
Cases reported through the SpeakUp portal	9	14

Integrity at Betclic

In 2017, Betclic implemented a Charter of Ethics addressing the needed trust with its customers, employees, partners, suppliers, and shareholders, reflected in 10 concrete commitments:

- promote responsible gaming;
- prevent minors' gaming;
- always be available for its players;
- commit to responsible and ethical marketing practices;
- work with independent and recognised experts to continue operating based on the best industry practices;
- ensure confidentiality and protection of personal data and privacy;
- fight against money laundering and fraud;
- prevent bribery and trading in influence;
- guarantee employees' awareness and respect of Ethics in conducting business;
- assess the Charter enforcement and relevance on an annual basis.

To do so, Betclic puts the Charter and its components at the centre of its newly hired onboarding program and conducts regular training. Human rights, anti-bribery and corruptions matters are covered in this Charter.

Betclic operates on highly regulated markets, with in some countries (e.g. France), relevant authorities that validate its anti-money laundering plans on a yearly basis. Betclic has deployed different means to prevent money laundering, such as cartography of risks, team dedicated to the money laundering risk management, implementation of transactional monitoring tools, operational procedures by country, and internal control plan.

Performance indicators: Integrity (Betclic)

	2022	2021
Whistleblowing incidents reported and investigated	0	0
Suspicious activities reports filed with local Financial Intelligence Units	185	48

2.3.2 Responsible gaming

From the start, being an entertainment company meant putting players' protection at the heart of Betclic's strategy and development. Its ambition is that by 2025, most of the betters play in control. In the next 3 years Betclic will therefore deploy new features and further improve tools. A key step in this ambition has been the launch in 2022 of the very first French week of mobilisation around responsible gaming.

The responsible gaming team is directly reporting to the Chief Executive Officer. In total 100 people are dedicated to this matter.

As detailed in the Section 1.4.2 (Betclic's regulatory environment), the countries in which Betclic operates the majority of its Online sports betting & gaming business, including France, Italy, Malta, Poland, Portugal, Germany and Ireland require a license for online sports betting and gaming. Betclic values regulation that strongly protects players and prevents minors' gaming efficiently and fairly across all activities that can enter the scope of gaming. Dialogue with governments, authorities and regulators are at the heart of its operations to ensure full compliance and player's best protection.

Zero tolerance for minors' gaming

In 2022, Betclic and the e-Enfance/3018 association, the French reference for child protection on the Internet and operator of 3018 (the national number for supporting young victims of digital violence and helping their parents and professionals in their educational role), decided to join forces in the fight against minors' gaming.

Betclic and the association have launched in France the first website to help and support parents in preventing their teenagers from gaming: www.pasdujeu.fr. The website provides parents with guidelines to understand underage gaming, identify their teenagers' gaming practices, as well as advice on how to discuss the risks associated with gaming among young people and how to support their children if they are already betting.

Increase awareness on responsible gaming

Betclic is committed to increasing public opinion awareness on responsible gaming and diffusing good betting behaviour by highlighting the key tools helping betters to play in control.

In 2022, Betclic launched a major national communication campaign around the theme "keeping control" to raise awareness among players and public opinion.

On social networks, Betclic has deployed several campaigns, including during the FIFA World Cup Qatar 2022, highlighting good practices, both on the field and in betting, by bouncing on the most important events in the history of sport.

Detect and support at risk betters

Betting is a game and should remain so. For a small minority of betters, it can lead to excesses and put them in difficulties in their personal and professional life. That is why Betclic provides its players with a safe gaming environment and has put in place numerous features, tools and processes to ensure that at every moment players can be made aware of good gaming practices. Betclic provides players with features on its application so that the player remains in control of its betting activity: a deposit limit, a weekly bet limit for each game, the possibility of taking breaks thanks to self-exclusion[1]. Betclic also uses data and artificial intelligence to better analyse and identify risky behaviours.

(1) *The self-exclusion is a feature in our site (web and app), it consists in 1 click, allowing the player to block its access to Betclic, for a length of time that he/she will choose.*

Leverage technology to detect players at risk

Using machine learning technologies and data from more than 60 indicators including amounts of money played or playing schedules, the proprietary Betclic algorithm analyses gaming behaviour that is likely to be risky. This level 1 detection is completed by a qualitative analysis by Betclic's responsible gaming experts of signals linked to player accounts, including for example the tone of exchanges with customer service. In parallel, Betclic customer service provides feedback on customers based on messages received that could indicate that a player is no longer in control.

Based on this technological and human data, the responsible gaming experts interpret the results to accurately qualify each player's situation individually. More than 100 people in total within Betclic are mobilised to detect and accompany players suspected of being at risk.

Signatory of the Responsible digital advertising charter

Along with the trade association Betclic is a founding member of, AFJEL[(1)], Betclic has worked and signed this year the Responsible digital advertising charter, welcomed by regulators ANJ[(2)] and ARCOM[(3)]. Elaborated with key members of the industry and Alliance Digitale, the first association of digital marketing and advertising, the charter marks a significant step forward in protecting vulnerable audiences and their exposure to online advertising. Digital advertising is an important part of the communication strategy of gaming stakeholders which contributes to the fight against the proliferation of illegal gaming on the Internet. The charter for Responsible Digital Advertising proposes strong commitments to limit the exposure of Internet users to gaming advertising. Thus, Betclic commits to limit public exposure to its advertising to three per day per online medium. This proactive measure is accompanied by additional commitments in terms of protection of minors and the exclusion of consumer credit from their online communication plan.

Responsible gaming partnership

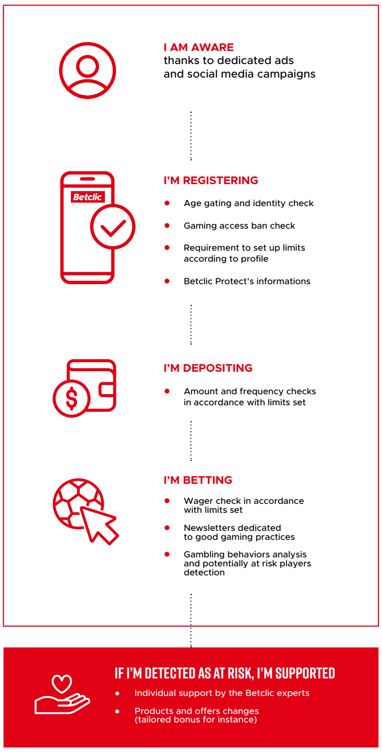
Since 2020, Betclic is partnering with GamCare, a recognised expert in Europe in the prevention of gaming risks, to provide training sessions for its employees. 80 employees have been trained each year since 2020. In 2022, GamCare has provided beginner trainings opened to all Betclic employees, and targeting people in charge of responsible gaming.

GamCare is also accompanying Betclic in its approach to support identified players.

First French safer gaming week

For the first time, Betclic launched in France on 16 October 2022 the very first French week of mobilisation around responsible gaming. Focusing on increasing awareness, this week has been a key momentum for Betclic's employees total mobilisation to champion players at risk detection and support. It is essential that everyone within Betclic is involved and understands the central issue of responsible gaming in the activity. Betclic has therefore mobilised all of its employees to the challenges of responsible gaming and has set up a dedicated program during this week so that they are able to fully deploy the group's approach: raising awareness among players, who are at the heart of the system, carrying out prevention, detecting risky gaming behaviour and supporting them. Throughout the week, all employees have taken part in internal events designed to increase their knowledge but also to capitalise on their creativity in order to participate in the continuous improvement of Betclic services and processes:

- shadowing session with the responsible gaming experts;
- training sessions provided by GamCare (beginner and expert levels);
- brainstorming sessions opened to all employees to innovate;
- Responsible Gaming Lab Sprint for engineers.



(1) *Association Française des Jeux En Ligne – Association of which Betclic is a member.*

(2) *Autorité Nationale du Jeu – independent administrative authority. It regulates lottery, sports betting and horse-race betting activities, both online and in physical distribution networks, as well as online poker. Its purpose is to ensure compliance with the objectives of gaming policy (https://www.anj.fr/).*

(3) *Autorité de Régulation de la Communication audiovisuelle et numérique - The Regulatory Authority for Audiovisual and Digital is the French independent administrative agency resulting from the merger in 2022 of the High Audiovisual Council (CSA) and the High Authority for the Distribution of Works and Protection of Rights on the Internet (Hadopi). ARCOM is responsible for both audiovisual and digital communications (https://www.arcom.fr/).*

Performance indicators: Responsible gaming (Betclic)

	2022	2021
Number of licenses	11	8
Part of Gross Gaming Revenue (GGR) in locally regulated countries	99.2%	99%
Team members of the responsible gaming experts	100	30
Number of people trained to responsible gaming topic *(including outsourced personnel)*	793	680
Number of people who received a certificate of continuing professional development delivered by GamCare	95	80
Safer gaming week (France)	1	0
Responsible gaming partnerships	3 *(Gamcare, SOS Joueurs, e-Enfance)*	2 *(Gamcare, SOS Joueurs)*
Number of indicators in Betclic Responsible Gambling detection machine learning tool	60	N/A
Number of self-exclusions[1] *(number of times the self-exclusion measure have been taken per year - from 1 day to several months)*	637,422	533,101
Percentage of self-exclusions *(part of players that used the self-exclusion measure in the year vs number of unique players)*	12.9%	14.6%

2.3.3 Data protection and cybersecurity

Given the nature of their activities (digital gaming company for Betclic and importance of intellectual property for Banijay), both businesses need to ensure an excellent level of data protection and cybersecurity. Thus, risks related to cybersecurity are monitored by the Audit Committee of FL Entertainment.

Banijay

Banijay operates with a decentralised portfolio business model that delegates decision making to the Production Labels in line with the Banijay Governance Rules. On that basis, Banijay IT security is decentralised with regional headquarters and Production Labels responsible for IT security based on a common IT security governance framework, which is coordinated and monitored centrally. Key areas of focus group-wide are:

IMPLEMENTING A BANIJAY-WIDE IT SECURITY GOVERNANCE FRAMEWORK

Banijay has developed an IT Security Governance framework based on the industry ISO 21000 standard and this is being implemented across all Banijay territories providing a common approach to IT security. Territories are responsible for implementing the framework to suit their local situation with status being coordinated and monitored centrally.

IMPLEMENTING MULTI-FACTOR AUTHENTICATION (MFA) ON ALL EMAIL ACCOUNTS AND ON EXTERNAL ACCESS TO CORPORATE NETWORKS

These controls protect email accounts from being hacked and also add a layer of protection for remote access to corporate systems.

EDUCATING END USERS AROUND CYBER SECURITY

Banijay has implemented a training platform, B-Learning, that is used for all compliance and cyber training, such as phishing awareness campaigns, phishing tests and policy management. Local territories are responsible for managing the B-Learning platform and training the employees within their territory.

Banijay held an initial cyber awareness week with interviews, cyber campaigns and helpful ‘how to be cyber aware’ information being sent out to end-users. The objective is to repeat this digital event on an annual basis.

Banijay had a group-wide project with dedicated resources to roll-out a GDPR[2] compliance program. This programme is designed to ensure adherence to the regulation through a variety of measures. This includes the appointment of data protection officers where required to oversee compliance efforts, data processing activities mapping and centrally-provided assistance and guidance on GDPR, including data processing agreements. GDPR training for employees will be rolled out in 2023.

(1) *The self-exclusion is a feature in our site (web and app), it consists in 1 click, allowing the player to block its access to Betclic, for a length of time that he/she will choose.*

(2) *GDPR: General Data Protection regulation. The GDPR is the toughest privacy and security law in the world. Though it was drafted and passed by the European Union (EU), it imposes obligations onto organizations anywhere, so long as they target or collect data related to people in the EU. The regulation was put into effect on 25 May 2018. The GDPR will levy harsh fines against those who violate its privacy and security standards, with penalties reaching into the tens of millions of euros.*

Performance indicators: Data protection and cybersecurity (Banijay)[(1)]

	2022
Campaigns available in B-learning	72
Reports of B-learning usage	77%
IT personnel across the territories to check resourcing	122
Operating companies with high exposure vulnerabilities	28%
Employees directly responsible for data protection	5

Betclic

Betclic IT topic is managed by the Chief technology officer and his team (including a Chief security & IT compliance officer). Betclic has a proprietary IT platform for its sports betting and casino operations. It has made significant efforts in order to enhance the platform and avoid interruptions on its platform that could affect player experience. In the functioning of its IT platform, Betclic focuses on availability and robustness as well as speed and security. As Betclic processes a significant amount of data in its operations, protection of such personal data has been a key factor in the development of the IT platform.

Betclic aims to develop the tools for its core activities, such as sport betting and casino, in house.

For trading, Betclic has developed tools for:

- the monitoring of odds;
- the monitoring and control of different betting flows;
- the monitoring of risks metrics and a tool that builds its offering, with a fast manual creation for various matches, markets and selections.

For players' engagement, Betclic has developed:

- a tool for the creation of marketing campaigns, which focus on the audience, the offer, the experience and the schedule;
- a tool that monitors player behaviour;
- a tool for communication and content for players.

These tools improve the in-app player experience. Betclic uses a/b testing to track the performance of these player focused tools.

For its non-core activities, such as poker and horse racing betting, Betclic uses the external IT service providers Playtech and Zetote. For example, for customer service Betclic uses external tools which answers the questions of customers and works to solve their technical issues.

Betclic's GDPR Compliance programme is designed to ensure adherence to the regulation through a variety of measures. This includes the appointment of a Group data protection officer to oversee compliance efforts, the validation of internal policies by management to ensure their effectiveness, the establishment of an internal network of DPO relays and correspondents to facilitate communication and coordination.

Other actions include the documentation of personal data processing in accordance with legal requirements, the provision of Privacy and Cookies policies to inform various users populations such as players, employees, and affiliates, the inclusion of processes and features within products that allow data subjects to exercise their rights, the use of Data Processing Agreements with third parties to comply with processor GDPR requirements (Article 28) and protect outside EU data transfer, the identification of privacy risks through Privacy by Design reviews, the identification and implementation of Privacy Impact Assessments for high risk data processing activities, a GDPR awareness program for employees and new hires, and a data breach notification process in coordination with the Chief Information Security Officer.

To ensure that the organisation maintains a high level of GDPR compliance over time, a number of key controls and monitoring processes have been implemented. These include:

- Quarterly Steering Committees to review and evaluate the effectiveness of the GDPR compliance program and identify any areas for improvement;
- regular meetings with DPO relays and correspondents according to their scope, to ensure that GDPR requirements are being effectively communicated and implemented throughout the organisation;
- regular meetings with project managers for privacy by design reviews, to ensure that new projects are being developed with data protection in mind;
- a GDPR dashboard with key performance indicators (KPIs) to track progress and compliance with various components of the GDPR program, such as data subject's requests, contract compliance, data anonymisation/deletion…

These controls and monitoring processes are designed to ensure that the organisation is continuously assessing and improving GDPR compliance efforts and can respond quickly to any issues or changes in the regulatory environment.

(1) *These indicators were not monitored in 2021.*

Performance indicators: Data protection and cybersecurity (Betclic)

	2022	2021
Number of training topics on cybersecurity	2 ("Awareness for all" and "Security Champions")	2 ("Awareness for all" and "Security Champions")
Number of educational tests for employees	5	3
Number of people dedicated to IT & cybersecurity *(including outsourced personnel)*	294	292
Percentage of platform availability	100%	100%

2.3.4 Customer satisfaction

Banijay

Customer satisfaction is a key priority for Banijay and the objectives are high. While Banijay is predominantly a BtoB vendor, customer satisfaction can be gaged through ratings, recommissions & commissions (it serves as a trusted partner to many), distribution sales and sales through its brand and commercial arm – gaming, branded product etc. Its client satisfaction on programming specifically is often reliant on a smooth production process from inception to delivery, meaning a need for strict welfare protocols throughout to safeguard its crew and on-screen talent and ensure negation from negative undertones at launch.

Some of the objectives are a high number of clients, a high level of returning shows, and a strong level of awards received by the productions.

Performance indicators: Customer satisfaction (Banijay)

	2022	2021
Number of clients for production	218	212
Number of clients for distribution	1,054	595
Launches of returning shows vs new shows in production revenue	69% returning 31% new	72% returning 28% new
Number of awards received	104	78
R&D investment in new original content	€2,100 thousand	€1,079 thousand
Launch/management of FAST channels	21 unique channels live	N/A

Focus on Intellectual Property (IP)

"Creation, protection and circulation of Banijay IP is Key": this sentence is the baseline of the Banijay's IP Policies and part of its DNA. All the production companies are subject to those IP Policies which goal is to safeguard Banijay Rights and its unique position in the market thanks to its presence in 21 countries and its strong distribution arm.

All the production companies are both innovative and creative and develop and sell their own formats but have also an exclusive access to Banijay portfolio of IP in their respective territories. Most of the programs are then distributed worldwide by the Banijay distribution company.

Ultimately this scheme creates a virtuous circle from the creation to the primary and secondary exploitations of such creations.

Banijay ensures that the IP remains the main focus of its production companies and that the right level of protection and retention is brought by:

- continuous training of the applicable rules (IP Policies) within the Group: the IP&BA (Intellectual Property & Business Affairs) central team is dedicated to be the main point of contact for the production companies on IP matters and helps them on a daily basis to coordinate, retain rights, protect rights at global level, etc. Training online or onsite are also organised all along the year;
- central approval of deals in the case the position vis-à-vis IP rights (retention and/or exploitation) derogates from the IP Policies. A focus is put to ensure that a minimum core of rights is saved to allow the Banijay production companies to produce IP in their respective territories;
- IP-related incentives offered to production companies, for (a) creation of new IP (creative fund), (b) circulation of existing IPs (creative incentive scheme) and (c) revival of dormant formats. This combo allows the Group to maintain the best level of exploitation of its assets;
- trademark and formats protection via (i) monitoring and protection of trademarks (locally or, with respect to key brands, at Central level) and coordination via the central IP& BA team of all trademarks of the Group (through a global agent when appropriate), and (ii) tracking of possible infringing formats thanks to a multi-functions team of legal and content experts.

Performance indicators: evolution of IP rights (Banijay)

	2022	2021
Number of new launches	281 new launches (excluding format adaptations): 216 non-scripted and 65 scripted	290 new launches (excluding format adaptations): 214 non-scripted and 76 scripted
Number of hours in catalogue	160,000	135,000

Betclic

Betclic's Customer Service department provides a seamless and value-added customer experience across various channels. No customer should be left without answer at the level hoped. Customers need to benefit of the best experience, from the beginning when joining one of the Betclic offers. Betclic customer service is organised in three channels:

- *frequently asked questions that are included in its app:* The FAQs are presented in a helpful overview together with a search tool and address key subjects that its customers may have questions on. Betclic believes it has been able to reduce its incoming calls significantly as a result of implementing the FAQ;
- *Betclic Customer Service department:* The department consists of 70 persons, and it is available from 8 am to midnight seven days a week (opening hours can be adjusted depending on events). Channels available for customer service are email, live chat, outbound calls and a chatbot on Betclic social networks. At the end of each player's interaction with customer service, the NPS and CSAT are measured with scores 1 to 5;
- *key account managers:* For its key players the Betclic Group has dedicated account managers who are available to solve problems immediately. They focus on ensuring player satisfaction.

The objective is to ensure customer satisfaction by maintaining the continuity of the business, being proactive and reactive in the delivery of solutions and services.

Performance indicators: Customer satisfaction (Betclic)

	2022	2021
Customer satisfaction	78.5%	79.6%
Licenses	11	8
Versions released *(overall number of changes)*	9,900	5,000

2.3.5 Social impact: donations, sports sponsorship and other initiatives

Banijay

Banijay believes in supporting the local, national, and international communities in which all its teams operate. Through donations of time, skills, investment and fundraising, Banijay has brought positive value to many charities. In this field also, Banijay relies on its entrepreneurial DNA that grants each production label the opportunity to conduct initiatives worldwide.

Some key actions in 2022 included:

VOLUNTEERING

- Baniday: In 2019, Banijay established its global ESG day, Baniday. Designed to encourage teams worldwide to down their day-to-day work for the day and go out to the community to support small charities and not-for-profits organisations that needed people's time. The event was a success in its initial roll-out across the UK and France. In 2022, Banijay sought to fully globalise the operation and has subsequently triggered Banidays in France, UK, the US, Italy, Germany and the Netherlands, with the total likely to be over 12 territories by end 2023.

Baniday

FUNDRAISING

- Charity Miles: Banijay is a member of Charity Miles and donated in 2021 and 2022 towards great causes. The App encourages people to "Get Fit and Make an Impact" and already the group has initiated a number of challenges whereby staff can walk, run, cycle etc and have their miles turned into donations for charities of Banijay's and their choice.
- Ukraine: As the war was triggered by Russia, Banijay showed global support for Ukraine in various forms of fundraising with donations to *Croix-Rouge française*

(€100,000) to support aid giving in Ukraine. Ukrainian flags and Banijay badges with the Ukrainian flags were sold to employees in the UK, the Netherlands and France to support fundraising efforts and Banijay changed its social media platform logos and employee email signatures to Ukrainian flag-themed versions as a show of support.

- Soccer Aid for UNICEF Created by Robbie Williams in 2006, Soccer Aid for UNICEF is the world's biggest celebrity football match, raising money to give kids the best start in life. Produced by Banijay UK's Initial, the annual event sees England take on its opponents, the Soccer Aid World XI FC, a team comprising celebrities. The 2022 showdown took place at London Stadium, with almost 55,000 fans in attendance and came to a close with UNICEF Goodwill Ambassador, David Beckham OBE presenting the Soccer Aid for UNICEF shield to the winning Soccer Aid World XI team. This year was a record-breaker, raising £15,673,728 – the most in Soccer Aid history, with all money raised set to help UNICEF's work around the world, so that children everywhere can have the childhoods they deserve.
- Forestami: In Christmas 2021, Banijay Italia partnered with Forestami, a project promoted by the City of Milan, as well as the Regional Council of Lombardy, which collaborates with the Polytechnic University of Milan to research and improve the city's economic impact. The ambition of the project is to plant 3 million trees in the metropolitan city of Milan, to effectively and economically slow down global warming, reduce energy consumption and clean the air everyone is breathing. A donation was made and the project was mentioned in the company's corporate Christmas cards: https://forestami.org/partner/

Betclic

For Betclic, social initiatives focus toward actions related to its business (sport) and to local ecosystem.

SUPPORTING FRENCH SPORT ECOSYSTEM

Since the beginning, Betclic has supported sport and is a partner of the leagues and federations, making a significant financial contribution to the vitality of the French sports sector through sponsorship and naming to support the maintenance of infrastructures and amateur sports. This approach makes it possible to keep the entire sports chain alive and to support all forms of sports: professional and amateur, established and new, visible and less publicised.

For some sports, Betclic support goes beyond financing and naming with the implementation of specific strategies to increase visibility and sports practice, as this is the case for French basketball or as part of the support for amateur football during the French Football Cup, for example.

- Focus Road to Elite (Basketball): While basketball is one of the most practiced sports in France but also the third most played sport by sports betters on the Betclic application, the visibility and influence of the French championship is still too low. To improve the visibility of this sport, Betclic has decided to commit to the National Basketball League by becoming the title partner of its men's French Championship, the Betclic Elite, in 2021. To do so, Betclic has produced a docu-series, directed by Lenny Grosman in collaboration with Simon Capelli, journalist at So Press "Road to Elite" following five promising French basketball talents on their way to an international career, during the 2021-2022 season of the Betclic Elite.
- Focus Coupe de France (Football): On the occasion of the eighth final of the French Football Cup Betclic has brought the amateur team of FC Versailles 78 into the professional world. This original arrangement gives the people of Yvelines the opportunity to immerse themselves in an environment worthy of the best professional clubs, and to work with recognised players in French football. Exceptional conditions to prepare for the meeting with the professional team of Toulouse FC they eventually won! Betclic also offered its 800 seats at the French Football Cup finals in Stade de France to the amateur teams which have competed for the Cup.

SUPPORTING BORDEAUX'S AS A GREAT PLACE OF SPORT

Located in Bordeaux since 2018, contributing to the local ecosystem is very important to the Group. To do so and to increase local sport ecosystem, Betclic is a partner of the Girondins de Bordeaux, the UBB *(Union Bordeaux Bègles),* the JSA Bordeaux Métropole Basket, the Villa Primrose, the Boxers and the BBL *(Bordeaux Bruges Lormont Handball)*. The group is also supporting local sport events such as the Challenge du Ruban rose, the Marathon des villages, the Marathon du Medoc and the Bordeaux metropole Triathlon.

SUPPORTING EMPLOYEES' SPORT PRACTICE

Betclic encourages its employees to be involved in sport and living their passion. To help them in their sport practice, Betclic is a sponsor of their sport teams: the Libourne Handball club, Bordeaux *Tournoi des vendanges*, Boxers Bordeaux, and to support one of its employees competing the World Cup of Ultimate.

SUPPORTING LOCAL BORDEAUX ECOSYSTEM

Betclic philanthropic commitment is supporting local entities as the Bergonnié Institute. The Institut Bergonié is the only regional cancer center in New Aquitaine. The Institut is responsible for a triple mission of care, research and teaching, in a practice of multidisciplinarity in all these fields. Bergonié's objective is to develop new diagnostic and therapeutic strategies in the CARE of patients. Betclic commitment to the Institute is a 5 year one.

As a tech company, Betclic is also supporting its neighbor the Cité du Vin through philanthropic support to the creation of the visit companion, the personal digital guide, available in eight languages. Provided at the start of the visit, this companion allows real-time interaction, and an optimal experience adapted to each visitor.

2.4 Environmental considerations

During the materiality analysis process, environment-related ESG challenges (such as carbon impact of products and office-based activities, or waste management) were not deemed as material, but they are becoming increasing priorities for both businesses, with rising stakeholders' awareness.

Banijay and Betclic have already launched some initiatives toward environment. The main ones are listed in this section.

While there is no measure of the environmental footprint as of today, the Group has started its journey to drive down the carbon and environmental impact of production and its personnel and facilities centrally. Both Banijay and Betclic will structure their strategies toward environment in the coming months.

Banijay

REDUCING CARBON FOOTPRINT

After contracting 3Degrees (a firm that helps organisations around the world achieve renewable energy and decarbonisation goals) to set out a measurement matrix for 2023, Banijay also soft-launched Banijay Green Employee Resource Group. Dedicated to championing best practices and comprising employees worldwide at all levels, this group will support global teams in making the necessary changes both corporately and on-set to enable change within the business, while also educating audiences. In addition, Banijay Green sponsored all World Earth Day initiatives for 2022 worldwide.

In the UK, Banijay UK is a member of the Albert Consortium – an environmental organisation aiming to encourage the TV and film production industry to reduce waste and its carbon footprint. Through its membership, its UK-based production companies follow the organisation's certification process, which aims to reduce the environmental impact of the nation's productions. In the Netherlands, Banijay Benelux collaborated with Albert on its production, 1vs100.

In France, similar to Albert, Ecoprod aims to train, raise awareness of, and provide professionals with materials to help and advise them in their eco-responsible approach. Banijay France is a member and aims to support the non-profit offering in raising industry awareness around sustainability. It also utilises the tools on offer to measure its productions carbon impact.

In addition, Creative Networks – the dedicated in-house central team tasked with overseeing all unscripted projects for Banijay – provides green guidance to the production companies worldwide, as part of the creative support, education and assistance around striving towards greener productions. Activations include:

- Green Guide: Available to all the entities worldwide, the green guide is dedicated to sharing best practice and top tips for producing unscripted shows at Banijay. A number of production labels also have implemented their own local guides across genres, including Filmlance in Sweden for its Scripted projects. Elsewhere, the team also collates the best green case studies to share as inspiration for all companies and external partners globally;
- MasterChef Green Guide: This global super brand has now reached 60+ territories worldwide. Its audience is vast and as a cooking show, it has a responsibility to educate on and exercise sustainable food practices. With that, the show has its own dedicated green guide in place to assist crews far and wide in maintaining a green MasterChef production.

Some other initiatives have been developed such as solar panels implementation on the Grande Fratello production set (Big Brother). In addition, video storage facilities are being audited to downsize them across the world.

RECYCLING AND REDUCING WASTE

Actions regarding recycling and reducing waste have been launched in some countries on production sets.

Banijay Italia already has switched to various service providers which utilise recycled products, or who through a circular economy make their contribution in reducing waste.

Masterchef Italia is now a plastic-free and eco-friendly production, which promotes conscious consumption and eco sustainability, respecting the environment and fighting against food waste. Since 2013, Last Minute Market supports the production by recovering unused leftovers and donates them to Opera Cardinal Ferrari, a non-profit organisation, which runs a canteen for people in need in Milan – in 2021, over 7,300 kg of food were donated.

At an international level, environmental change is promoted across many of its shows, such as *Thin Ice, Surviving the Wilderness, Shop Well for the Planet, My Recycled Home, Weekend with the Green Family* and *Grow, Harvest, Eat Well for Less.*

Recycling and reduction of waste initiatives are also being implemented on professional fairs and in offices.

- MIPCOM 2022: Banijay introduced a brand-new eco-friendly stand for the conference.
- Activation of a global water bottle ban.

Betclic

Betclic has initiated actions toward environment footprint reduction through three areas:

IMPROVING THE ENVIRONMENTAL PERFORMANCE OF BUILDINGS

Betclic has developed multiple initiatives to improve the environmental efficiency of the France based building. It has optimised the exposure to daylight, spread the use of LEDs with dimming of light according to external luminosity, reduced heating and air conditioning consumption thanks to real time whether condition monitoring and built a green roof to optimise the energy performance of the building.

ENCOURAGING ECO-MOBILITY

Developing eco-mobility means making choices that take into account the impact on commuting, changing individual and collective behavior to travel less and better and to use more environmentally friendly mobility solutions. Betclic is committed to encourage this change and has introduced a sustainable mobility package up to 200 euros per employee per year. This package aims to encourage employees to use bike, self-service vehicle platforms (such as scooters, gyropods and scooters), electric, rechargeable hybrid or hydrogen vehicles or carpooling as a driver or a passenger.

REDUCING WASTE AND RECYCLE

Betclic has implemented a sorting and recycling system in the French office. In addition, it tends to adopt a Zero-Plastic approach by removing any available plastic items such as disposable dishes and instead provides employees with bottles and lunchbox.

2.5 Information published in connection with the Taxonomy Regulation (EU) 2020/852

2.5.1 Context

The Taxonomy Regulation (EU) 2020/852 of sustainable economic activities aims to establish a classification of economic activities considered environmentally sustainable on the basis of ambitious and demanding technical screening criteria. The introduction of this benchmark, designed to distinguish economic activities that contribute to the EU objective of carbon neutrality – the Green Deal – underlines the scale of the economic and industrial transformations that need to be accomplished, as well as the ambition of the European authorities in terms of sustainable finance and transparency. Based on its environmental, social and societal commitments, FL Entertainment is closely following the work of the European Commission to analyse activities and define technical screening criteria to guide public and private investments towards projects that contribute to the transition to a sustainable, low-carbon economy.

In accordance with the European Regulation (EU) 2020/852 of 18 June 2020, on the establishment of a framework to promote sustainable investments in the European Union, the Group is required to communicate on, the share of its activities considered as sustainable within the meaning of the classification and criteria defined in the Taxonomy for the first two environmental objectives:

- climate change mitigation;
- adaptation to climate change.

For the next reporting years, in line with the implementation of the EU Taxonomy, the Group will also have to publish performance indicators for the other four objectives of the EU Taxonomy, namely:

- sustainable use and protection of aquatic and marine resources;
- transition to a circular economy;
- prevention and reduction of pollution;
- protection and restoration of biodiversity and ecosystems.

For Financial Year 2022, the Group had published the share of its revenues, Capital Expenditures (CapEx) and Operating Expenses (OpEx) that are eligible and aligned with the first two objectives of the EU Taxonomy.

The eligibility assessment was based on a detailed analysis of all its activities carried out jointly by the with the Finance department, and the business teams, with regard to:

- Delegated Climate regulation of 4 June 2021 and its annexes supplementing Regulation (EU) 2020/852 by specifying the technical criteria for determining under which conditions an economic activity can be considered to contribute substantially to climate change mitigation or adaptation;
- Delegated regulation 2021/2178 of the European Commission of 6 July 2021 and its annexes supplementing Regulation (EU) 2020/852 specifying the manner in which the KPIs are calculated and the narrative information to be published.

The methodological elements on which the Group has based its analysis are described below. The Group will revise its methodology, analysis and calculations as the EU Taxonomy is implemented, as certain activities are clarified by the regulator, and as these activities and the technical screening criteria that complement them evolve.

In the context of the first two climate objectives, the European Commission has prioritized the sectors of activity that have a major contribution to greenhouse gas emissions at the EU level.

An economic activity is eligible when it is explicitly described in the list included at this stage in the annexes of the regulation and is likely to contribute substantially to one of the environmental objectives. It then becomes aligned once all of the following technical criteria and minimum guarantees are confirmed and met:

- Substantial Contribution (SC);
- Do Not Significant Harm (DNSH): Generic and Specific;
- Minimum Safeguards (MS).

2.5.2 Methodology and results: calculation of eligibility KPIs

The Group has calculated the indicators in accordance with the provisions of Delegated regulation 2021/2178 of the European Commission of 6 July 2021, and its annexes supplementing Regulation (EU) 2020/852 on the basis of its existing processes and reporting systems and assumptions made by management.

The results cover all Group activities included in the scope of financial consolidation as of 31 December 2022.

The financial information used has been sourced through the accounting information reporting processes used for the preparation of the consolidated statements. It has been analyzed and checked jointly by the Finance department and the business teams, to ensure consistency with the revenue and CapEx presented in the Financial Statements.

Revenue indicator

FL Entertainment has two main business lines: Betclic and Banijay.

Betclic is a French online gaming company, and its main activity is offering including sports betting, online casino, and online poker. To date, this specific activity is not covered by the EU Taxonomy regulation.

Banijay is a French television production and distribution company. Its activities are covered by economic activity 13.3. "Production of motion pictures, videos and television programs; sound recording and music publishing of Delegated Act of Objective 2 – Climate Change Adaptation" subject to significantly contributing to preparing for climate change adaptation.

66% of Group's revenue relates to economic activities relating to the Production of motion pictures, videos and television programs, but none corresponds to programs relating to programs contributing to preparing for climate change adaptation. As a result, based on this analysis and considering the entertainment sector is not considered to make a substantial contribution to the first two objectives, FL Entertainment has not identified any eligible revenue for the 2022 fiscal year under the EU Taxonomy Regulation.

Capital expenditures indicator – CapEx

The EU Taxonomy defines the CapEx to be included in the indicator as the CapEx i) relating to assets or processes that are associated with Taxonomy-aligned economic activities ii) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ("CapEx plan") and; iii) related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. provided that such measures are implemented and operational within 18 months.

As of 31 December 2022, the Group has no Taxonomy-aligned economic activity or CapEx plan. Therefore, the analysis of the eligibility of CapEx focused on identifying those defined in the Taxonomy above as "individual measures".

Based on our analysis, the eligible CapEx corresponds to rights of use calculated in accordance with IFRS 16, mainly associated with building leases as "individual measures". These investments correspond, in accordance with the provisions of the Taxonomy, to the economic activity 7.7 "Acquisition and ownership of buildings".

The CapEx indicator is defined as the total of the individual measures eligible for the Taxonomy (numerator) divided by the total capital expenditure of the period (denominator).

Total capital expenditure comprises purchases of property, plant and equipment and intangible assets (excluding goodwill) during the period, before depreciation and amortization and excluding changes in fair value. It also includes assets related to rights of use (IFRS 16).

Total capital expenditures can be reconciled to the financial statements in notes 12, 13 and 14. They correspond to following:

- additions in PPE: €24.7 million;
- addition in intangible assets (excluding goodwill): €113 million;
- additions in right of use (IFRS 16): €44 million.

CAPEX ELIGIBILITY FY22

Therefore, the CapEx eligibility amounts to 24.2%:

	CapEx indicator eligibility
Eligibility	CapEx linked to rights of use
Numerator (eligibility)	€44 million
Denominator	€181.7 million
Indicator (%)	24.2%

Operating expenses indicator – OpEx

The analysis of operating expenses (OpEx) led to the conclusion that the OpEx as per defined by the EU Taxonomy are not material regarding FL Entertainments business model. The value of the OpEx denominator as per EU Taxonomy definition amounts to €95.1 million (which represents 2.5% of Group's total OpEx) and mainly relates to short-term leases of television sets under Banijay activity. The Group has therefore decided to apply the OpEx materiality exemption and to not calculate the OpEx numerator.

2.5.3 Calculation of alignment KPIs

As the Group has not identified eligible revenue and has applied the materiality exemption for its OpEx, these KPIs have not been subject to an alignment analysis.

The Group has led an analysis on the eligible CapEx regarding their substantial contribution to climate change. Considering the Group's strategy regarding climate change and the demanding nature of the EU Taxonomy, technical criteria requirements for investments to be qualified as aligned and that this is the Group's initial Taxonomy application, capital expenditures are hence not considered as aligned. However, the Group will continue to develop its strategy regarding climate change and accordingly will take into account the requirements of the Taxonomy regulation in its future investments.

(in € million)				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of turnover 2022 (18)**	**Taxonomy-aligned proportion of turnover 2021 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%														0%			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%																	
TOTAL (A.1 + A.2)		**-**	**0%**														**0%**			
B. Taxonomy-non-eligible activities																				
Turnover of Taxonomy-non-eligible activities (B)		4,047	100%																	
TOTAL (A + B)		**4,047**	**100%**																	

(in € million)				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	**Code(s) (2)**	**Capex (3)**	**Proportion of Capex (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of CAPEX 2022 (18)**	**Taxonomy-aligned proportion of CAPEX 2021 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
		-	0%														0%			
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%														0%			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Acquisition and ownership of buildings	7.7	44	24.2%																	
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		44	24.2%																	
TOTAL (A.1 + A.2)		**44**	**24.2%**														**0.0%**			
B. Taxonomy-non-eligible activities																				
CAPEX of Taxonomy-non-eligible activities (B)		137.7	75.8%																	
TOTAL (A + B)		**181.7**	**100%**																	

(in € million)				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	**Code(s) (2)**	**Opex (3)**	**Proportion of Opex (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of OPEX 2022 (18)**	**Taxonomy-aligned proportion of OPEX 2021 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%													0%			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%																	
TOTAL (A.1 + A.2)		**-**	**0%**														**0%**			
B. Taxonomy-non-eligible activities																				
OPEX of Taxonomy-non-eligible activities (B)		182	100%																	
TOTAL (A + B)		**182**	**100%**																	

2.6 Methodology

2.6.1 Reporting scope

The reporting scope was established in accordance with NFR 2014/95/UE. Changes in reporting scope are the result of acquisitions and/or disposals of consolidated business for the reporting year, between 1 January 2022 and 31 December 2022:

- for an acquisition during the reporting year: the data for the company will be fully consolidated into the reporting as from the following year. Exception can happen if this company can provide the required information for the reporting year. However, the acquired company's headcount is incorporated into the scope of the current reporting year;
- for a disposal during the reporting year: the data for the company are not recognized in the scope of that year.

Data is not always available in real time or immediately after quarter close. In these cases, data are extracted, consolidated and controlled on request.

The reporting scope covers all Group's operations around the world. When the scope covered concerns only one country, this is mentioned. The term "Group" means FL Entertainment, its subsidiaries, and all its operational and functional entities present on 31 December 2022 and in which FL Entertainment's interest is 50% or greater.

2.6.2 Methodology used for ESG risks

The mapping of FL Entertainment's ESG risks is based on a rigorous risk analysis methodology. This methodology was implemented with the support of a specialized firm. The following methodology was used to identify and assess ESG risks:

Twenty-five ESG challenges were listed on the basis of preliminary interviews, a benchmark of the industries (entertainment, media, and gaming), and an analysis of existing internal documentations. These ESG challenges cover all the Group activities on the following dimensions: environmental, social, employee-related matters, respect of human rights, and anti-corruption and bribery matters.

Twenty interviews were conducted with both the Senior Management Members and members of the management teams of Banijay and Betclic.

All the challenges submitted for consultation were assessed through reputational, financial, and regulatory prisms.

2.6.3 Reference frameworks

The reporting of non-financial information is based on national and international references: the European Regulation NFR 2014/95/UE and its Dutch counterpart, NV COS 3810; the SASB (Sustainability Accounting Standards Board) Standards and its industry-based standards.

This reporting framework for FL Entertainment will be updated annually, to ensure consistent application of definitions Group wide, and rules for data reporting, consolidation, and validation.

2.6.4 Reporting tools, consolidation, and controls

Data collection platforms financial data collect all consolidated and controlled data at various levels. These platforms are designed to include mathematical, and coherency checks data for consistency during the input process. An initial validation and consistency checks are performed by each reporting entity. Excel tool is used for non-financial data such as HR related ones. The Finance department at central level performs a second coherency check and validation during the consolidation process.

2.6.5 Methodological limits

Environmental, social, and governance indicators may generally reflect methodological limits due to the lack of harmonization of international and national definitions and legislation, or due to the qualitative and therefore subjective nature of certain data.

2.6.6 SASB concordance table

Media Entertainment – SASB tables

Table 1. Sustainability disclosure topics & accounting metrics

Topic	Accounting metric	Category	Unit of measure	Code SASB	Information disclosed for Banijay	URD section
Media Pluralism	Percentage of gender and racial/ethnic group representation for (1) management, (2) professionals, and (3) all other employees(1)	Quantitative	Percentage (%)	SV-ME-260a.1	N/A for Banijay	N/A
	Description of policies and procedures to ensuring pluralism in news media content	Discussion and Analysis	n/a	SV-ME-260a.2	N/A for Banijay	N/A
Journalistic Integrity & Sponsorship Identification	Total amount of monetary losses as a result of legal proceedings associated with libel or slander(2)	Quantitative	Reporting currency	SV-ME-270a.1	N/A for Banijay	N/A
	Revenue from embedded advertising	Quantitative	Reporting currency	SV-ME-270a.2	N/A for Banijay	N/A
	Description of approach for ensuring journalistic integrity of news programming related to: (1) truthfulness, accuracy, objectivity, fairness, and accountability, (2) independence of content and/or transparency of potential bias, and (3) protection of privacy and limitation of harm	Discussion and Analysis	n/a	SV-ME-270a.3	N/A for Banijay	N/A
Intellectual Property Protection & Media Piracy	Description of approach to ensuring intellectual property (IP) protection	Discussion and Analysis	n/a	SV-ME-520a.1	Yes	2.3.4. Customer satisfaction

(1) *Note to SV-ME-260a.1 – The entity shall describe its policies and programs for fostering equitable employee representation across its global operations.*

(2) *Note to SV-ME-270a.1 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.*

Table 2. Activity metrics

Activity metric	Category	Unit of measure	Code SASB	Information disclosed for Banijay	URD section
(1) Total recipients of media and the number of (2) households reached by broadcast TV, (3) subscribers to cable networks, and (4) circulation for magazines and newspapers(1)	Quantitative	Number	SV-ME-000.A	N/A	N/A
Total number of media productions and publications produced(2)	Quantitative	Hours	SV-ME-000.B	Yes	160,000

(1) *Note to SV-ME-000.A – "Recipients of media" includes viewership, listenership, and readership, as measured by companies such as Nielsen for television and radio, and through sales for newspapers and publications.*

(2) *Note to SV-ME-000.B – Media productions and publications include book titles, movies, television programs, newspapers, blogs, and radio programs, among others.*

Casinos and gaming – SASB tables

Topic	Accounting metric	Category	Unit of measure	Code SASB	Information disclosed for Betclic	URD section
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	SV-CA-130a.1	N/A	N/A
Responsible Gaming	Percentage of gaming facilities that implement the Responsible Gambling Index	Quantitative	Percentage (%) by revenue	SV-CA-260a.1	Betclic uses its own tools developed internally to assess its applications and plateforms	2.3.2. Responsible gaming
	Percentage of online gaming operations that implement the National Council on Problem Gambling (NCPG) Internet Responsible Gambling Standards	Quantitative	Percentage (%) by revenue	SV-CA-260a.2	N/A	N/A
Smoke-free Casinos	Percentage of gaming floor where smoking is allowed	Quantitative	Percentage (%) of gaming floor area	SV-CA-320a.1	N/A since Betclic operates online only	N/A
	Percentage of gaming staff who work in areas where smoking is allowed	Quantitative	Percentage (%) of man-hours	SV-CA-320a.2	N/A since Betclic operates online only	N/A
Internal Controls on Money Laundering	Description of anti-money laundering policies and practices	Discussion and Analysis	n/a	SV-CA-510a.1	Yes	2.3.1. Compliance and integrity
	Total amount of monetary losses as a result of legal proceedings associated with money laundering(1)	Quantitative	Reporting currency	SV-CA-510a.2	N/A	N/A

(1) *Note to SV-CA-510a.2 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.*

Table 2. Activity metrics

Activity metric	Category	Unit of measure	Code SASB	Information disclosed for Betclic	URD section
Number of tables	Quantitative	Number	SV-CA-000.A	N/A since Betclic operates online only	N/A
Number of slots	Quantitative	Number	SV-CA-000.B	N/A since Betclic operates online only	N/A
Number of active online gaming customers(1)	Quantitative	Number	SV-CA-000.C	N/A	N/A
Total area of gaming floor	Quantitative	Square meters (m^2)	SV-CA-000.D	N/A since Betclic operates online only	N/A

(1) *Note to SV-CA-000.C – The number of active customers shall be considered as the number for which there was at least one financial transaction (bet, deposit, withdraw) with real currency within the reporting period, where real currency is defined by the U.S. Financial Crimes Enforcement Network.*

03/ RISK FACTORS

3.1 Description of risk factors

FL Entertainment conducts its business in a constantly changing environment and is exposed to risks which, if they materialize, could have a significant adverse effect on the Group, its business, its financial situation, its results or its prospects and which are important for investment decisions.

The risks presented in Chapter 3 of this Universal Registration Document are not exhaustive and other risks, unknown or whose realization is not considered, as at the date of this Universal Registration Document, as likely to have a significant adverse effect on the Group, its business, its financial situation, its results or its prospects, may exist or arise.

The main risks described in this chapter are those identified in the context of the Group's mapping of major risks, which assesses their criticality, i.e. their severity and probability of occurrence, after taking into account the risk prevention and management measures implemented by the Group. Moreover, non-financial risks are embedded in the main risks as described in this chapter, because ESG strategy of the Group resonates with current social, environmental and governance issues, and our non-financial risks must be in line with changes in our business.

Within each risk category, the risk factors that the Company considers to be the most significant as at the date of this Universal Registration Document are listed first.

Risks are presented in 5 categories:

(i) Risks relating to the Business of the Group in general

(ii) Risks relating to the Group's content production & distribution business

(iii) Risks relating to the Group's online sports betting and gaming business

(iv) Risks relating to taxation

(v) Risks relating to financial matters, capital structure and corporate structure of the Company and the Group

3.1.1 Risks relating to the business of the Group in general

The Group may not be able to retain key personnel or creative talents or to attract new talent, and it may not be able to maintain stable relationships with its consultants in certain strategic domains.

The Group's business and its success have depended and will continue to depend on its creative talents, its management team and other key employees or partners, such as hosts, producers and local managers in its production companies. The loss of these managers, creative talent and key employees or partners, in particular to competitors, could result in a loss of skills and expertise as well as technical deficiencies, and thus affect the Group's activities and its development. This may, in turn, prevent the Group from successfully implementing its strategy.

Banijay Group's hosts, producers, creative talents, writers, senior management or other key employees possess unique skills that are critical to the creation and production of new formats and programmes as well as the operation of the Banijay Group's business. For example, Banijay Group relies on the knowledge of the sector and the experience of its manager, Mr Marco Bassetti, as he spent more than 30 years in this business. Banijay Group also benefited from the investment and expertise of Mr Stéphane Courbit, its Chairman, since he founded Banijay in 2007. The loss or an extended interruption in the services of one or more of these individuals could have a material adverse effect on its business, results of operations or financial condition, as demonstrated by the departure of Mr Charlie Brooker and Mrs Annabel Jones, the producers and writers of the series *Black Mirror,* from Banijay Group in 2020, which forced Banijay Group to conclude a long-term license with Netflix. The departure of Mr Charlie Brooker and Mrs Annabel Jones implied that this production was not produced by Banijay Group anymore, even though it kept the intellectual property rights. Banijay Group lost the revenue generated by the production of *Black Mirror,* which represented approximately 1% of the revenues of Banijay Group at the time, but in return collected fees from licensing the format to Netflix. Additionally, a limited number of Banijay Group's contracts with broadcasters contain "key man" provisions that would allow the counterparties to terminate agreements early or to take over the production of the programmes in case of the departure of a specific host or talent or key people, and any such departure may depend on factors beyond the Banijay Group's control. However, if the "key man" provision in any of these contracts were to be triggered individually, this would not materially impact the Banijay Group. If multiple "key man" provisions were to be triggered, this could materially affect Banijay Group's business. Banijay Group considers it unlikely that several such provisions will be triggered within a short period of time.

Considerable expertise could be lost or access thereto gained by competitors in the event of the departure of Banijay Group's creative talent and producers. Banijay Group aims to retain its key managers, hosts, producers and creative talent through various incentive plans based on their contribution to the success of the production company, non-compete and exclusivity clauses. However, due to intense competition within the Content production & distribution industry, there is a risk of losing creative talent or qualified employees to competitors or being unable to find a sufficient number of appropriate new talent or employees.

The Betclic Everest Group which operates Online sports betting & gaming business, relies on the knowledge of the sector and the experience of its manager and founder of Betclic, Mr Nicolas Béraud, the management team and certain personnel working in key areas such as information systems, digital marketing or trading. In addition, there is significant competition for employees in the Betclic Everest Group's business, particularly because of the specific expertise sought and the lack of qualified personnel. Several of the Betclic Everest Group's subsidiaries are based in Malta, where a large number of companies in the sector also operate. Consequently, the Betclic Everest Group cannot guarantee it will be able to recruit new employees and retain current employees.

In addition to retaining talent, the Group's future success depends in significant part on its ability to attract new managers and creative talent as well as contractors and skilled and distinguished freelancers. The Group may experience difficulties in attracting new personnel, it may not be able to hire the necessary personnel to implement its business strategy or it may need to pay higher compensation for employees or other partners than it currently expects. A shortage in the availability of qualified personnel and creative talents could limit the Group's ability to grow. It cannot ensure that it will succeed in attracting and retaining the personnel it needs to develop its business, which could have a material adverse effect on its future growth and profitability. The Group's inability to recruit and retain certain key personnel may have a material adverse effect on its business, results of operations or financial condition.

The revenues generated by the Group depend on positive reception by audiences, consumer preferences and trends in popular culture, media and technology, which can be difficult to predict and can be impacted by various factors that the Group does not control.

The Group is active in the media and entertainment industry, with Banijay Group's core business being the development and production of programmes and formats that Banijay Group licenses to broadcasters and to digital platforms, and the Betclic Everest Group's key offering consisting of online sports betting, casino, poker and horseracing betting. As such, the revenue generated by the Group depends on positive reception by audiences of its products, consumer preferences and general trends in popular culture, media and technology which may impact viewer behaviour (for Banijay Group) and player engagement (for the Betclic Everest Group), which are factors that the Group does not control.

Banijay Group generates revenues not only from producing and licensing these programmes, but also from further development of the programme (such as producing future seasons) and from secondary revenues such as the distribution in other countries or the licensing of related intellectual property rights (please also refer to the following risk factor "Intellectual property infringements may have a material adverse effect on Banijay Group's business"). Therefore, revenues from a programme, other than the initial license to a broadcaster or digital platform, depend on a programmes audience and its ratings which are synonymous with the success of a programme. A significant portion of Banijay Group's revenue, for example, is dependent on the continued success and relevance of key formats such as the non-scripted formats *MasterChef* (6% of the 2022 total revenue) and *Big Brother* (8% of the 2022 total revenue). Any change in viewer behaviour impacting the continued viability of these formats globally may materially impact Banijay Group's revenue and profitability.

Once Banijay Group has produced a programme for a broadcaster, its success can be impacted by certain factors that it does not control. Decisions from broadcasters to terminate or not renew a programme, for example because it does not reach a sufficient audience, are discretionary. The success of Banijay Group's programmes and formats depends, in part, on unpredictable and volatile factors beyond its control including consumer preferences, changing trends in popular culture and media, the popularity and availability of other programmes, new technologies and the availability of other entertainment experiences. If Banijay Group inaccurately anticipates trends in popular culture and media, its current content may become less attractive to audiences and the ratings of its current programmes may decrease, which could lead to reduced demand for its programmes and formats from its customers. Trends in the television and digital content sector change quickly, so the ultimate appeal and popularity of content and products targeted to viewers can be volatile and Banijay Group may not be able to anticipate and react quickly enough to shifts in tastes and interests within its local markets. Any change in viewer and consumer preferences could cause Banijay Group's programming and its local brands to decline in popularity. Such changes in viewer preferences and habits could decrease Banijay Group's revenues and jeopardise the renewal of its contracts with broadcasters, distributors and other customers. Even if Banijay Group accurately anticipates new trends in the television and digital content sector, it may incur significant costs in adjusting to these new trends. For example, scripted programmes are increasingly popular but are also significantly more expensive to produce than non-scripted programmes, Banijay Group's core business. Adapting the Banijay Group's business model to such new expensive trends may have a material adverse effect on its business, results of operations or financial condition.

Viewers may also object to the content Banijay Group produces or distributes based on their religious, political or ideological positions. Although Banijay Group's customers are in the end responsible for offering its viewers content that are in line with the position of their target viewers. Public objections may result in the programme being cancelled, which could affect Banijay Group's business and results of operations. Viewers, interest groups, political and religious parties or other organisations may assert legal claims against Banijay Group's customers broadcasting its programmes, seek to ban the airing of Banijay Group's media content, protest against its programmes and products or object in a variety of other ways. Any of the foregoing may require Banijay Group to expend substantial resources and/or to discontinue certain offerings, which could harm Banijay Group's reputation and have a material adverse effect on its business, operational results or financial condition.

For the year ending 31 December 2022, the top 20 shows of Banijay Group together contributed to 20.7% of its production revenue for the year ending 31 December 2022, with none of its shows contributing to more than 2.0% of its revenue for the year ending 31 December 2022 on an individual basis. While Banijay Group tries to reduce its exposure to any particular programmes' success, its business may be negatively impacted if any of its key programmes are no longer successful. Any of these factors could have a material adverse effect on Banijay Group's business, results of operations or financial condition.

The Betclic Everest Group depends on the appeal of its online sports betting and gaming offerings to its customers and players. The Betclic Everest Group's financial performance has been and will continue to be significantly determined by the success of its businesses in adding, retaining, engaging, and monetising active customers of their product offerings. If customers do not perceive the Betclic Everest Group's product offerings as enjoyable, relevant, and trustworthy, the Betclic Everest Group will be unable to attract or retain customers or otherwise maintain or increase the frequency and duration of their engagement. While the Betclic Everest Group's strategy is to increase engagement and retention of customers, in the future, the Betclic Everest Group's businesses could experience an erosion of its active customer base or engagement level among such customers. The customer engagement patterns of the Betclic Everest Group's businesses have changed over time, and customer engagement can be difficult to measure, particularly as businesses introduce new and different product offerings. If the Betclic Everest Group is not able to anticipate and react to changes in consumer preferences, this could have a material adverse effect on the Group's business, results of operations and financial position.

Furthermore, the Betclic Everest Group's future success is dependent, in part, on the success of the gaming industry as a whole in attracting and retaining players while facing competition in the entertainment market. Online sports betting and gaming may lose popularity as new leisure activities arise or as other leisure activities become more popular. Alternatively, changes in social customs and demographics could result in reduced acceptance of online sports betting and gaming as a leisure activity. If for any reason the popularity of online sports betting and gaming declines, it could have a material adverse effect on the Group's business, results of operations, and financial condition.

The Group may fail to successfully implement its business strategy or achieve any or all of the financial and non-financial objectives included in this URD, and if it does its financial performance and growth could be materially and adversely affected.

The Group's future financial performance and success are dependent in large part upon its ability to implement its business strategy. Its business strategy involves several initiatives, including organic growth across its activities with a focus on maintaining high standards from an environmental, social and governance (ESG) perspective by leveraging several identified levers for the Banijay Group (such as the scale of its Content production & distribution business, the monetisation of its IP portfolio and its ability to attract creative talents) and the Betclic Everest Group (such as growing its player base, product innovation, expansion into new markets, responsible gaming and expanding on sustainability and ESG initiatives), inorganic growth through bolt-on acquisitions and transformative transactions and capitalising on vast entertainment industry experience of its founder and the high development potential markets in which it operates. Please refer to Section 1.2 (Key strengths and strategy) on page 47 of this Universal Registration Document for more information on the Group's business strategy.

The Group has set a number of financial objectives, including with respect to Adjusted EBITDA and revenue which are described in Chapter 5 (Operating and financial review) on page 163 of this Universal Registration Document. Its ability to achieve these financial objectives depends on its ability to successfully execute its strategy and on the accuracy of a number of assumptions upon which they are based. These assumptions involve factors that are substantially or entirely beyond the Group's control and are subject to known and unknown risks, such as arrival of new competitors, M&A integration, ability to retain talents,… Moreover, the Group could face uncertainties and other factors that may result in the Group's inability to achieve its financial objectives. If one or more of the assumptions that the Group has made in determining its strategy or setting its financial objectives is inaccurate, the Group may be unable to implement its strategy or achieve one or more of its financial objectives.

Implementation of the Group's initial or revised business strategy could also be affected by a number of factors beyond its control, such as increased competition, increased competition for talent and intellectual properties, legal developments, government regulation, geo-political events, general economic conditions, or increased operating costs or expenses. In addition, to the extent the Group has misjudged consumer trends as well as the nature of its competition, it may have difficulty in achieving its strategic objectives. Any failure to successfully implement its business strategy may adversely affect its business, results of operations or financial condition.

The Group faces substantial competition and if it is unable to compete effectively with existing or new competitors, its market share and sales could decline or not grow as rapidly as expected.

The Group operates in the Content production & distribution market and in the Online sports betting & gaming market, which are both highly competitive.

Banijay Group's results of operations in the Content production & distribution business are sensitive to, and may be adversely affected by, competitive pricing, promotional pressures, additional competitor offerings and other factors such as flexibility in Banijay Group's production costs, many of which are beyond Banijay Group's control. Banijay Group's key markets are mature and competition is significant, resulting in continued price pressure. Banijay Group's primary competition comes from competitors such as BBC, ITV Studios and Fremantle, the in-house production units of large broadcasters and a large number of local production companies. In a very fragmented content production market, Banijay competes with a few key worldwide independent production players, such as Fremantle ($2bn revenue[(1)]) or production studios such as ITV Studios ($2.1bn[(1)] revenue), BBC Studios ($2bn[(1)] revenue), and All3Media ($1bn[(1)] revenue). Broadcasters may choose to produce their own content in-house rather than licensing Banijay Group's programmes or commissioning a producer. For example, Banijay Group's competition in the United Kingdom may increase if Channel 4 becomes authorised to produce its content in-house. Potential competitors may also have developed innovative formats or blockbusters and have greater name recognition, industry contacts and more extensive customer bases that could be leveraged to accelerate their competitive activity. Moreover, potential competitors may establish future cooperative relationships among themselves and with third parties, such as investment funds, recent examples including KKR backing Mediawan and Blackstone backing Candle Media. Potential competitors may also merge into or acquire one another, to enhance their programmes in the television and digital marketspace. In recent years, the production market has experienced consolidation among its major competitors, such as Fremantle, Mediawan and Sony, through a series of acquisitions, which allow for growth in international sales and distribution divisions through the growth of content libraries over which they have acquired ownership and control. Consequently, competitors or alliances may emerge and rapidly acquire significant market share. In addition, if public funds available for public broadcasters were to decrease in one or more markets where Banijay is active, this could put additional pressure on their budget to produce internally, which could increase competition for the business of these public broadcasters and result in Banijay experiencing a decrease or loss of such public broadcasters as a customer. The Banijay Group cannot ensure that it will be able to compete effectively with any competitor for market share or for acquisition opportunities or that the competitive pressures faced by it will not adversely affect its business. Such intense competition could limit the Banijay Group's opportunities to gain new customers and could have a material adverse effect on the Group's business, results of operations or financial condition.

The Betclic Everest Group is active in the Online sports betting & gaming market, which is highly competitive, both globally and in certain geographical areas or countries. The Betclic Everest Group faces competition from major global operators such as Bet365 (which reported a revenue of £2,850 million for the year ended March 2022), Unibet (brand of the Kindred Group which reported a revenue of £1,068 million for the year ended 31 December 2022), Flutter (which reported a net revenue of €7,693 million for the year ended 31 December 2022) and 888 (which reported a revenue of £1,850 million for the year ended 31 December 2022). For the year ended 31 December 2022, the Betclic Everest Group reported €835 million in revenue. These operators are active in several geographical areas and have resources that are greater than the Betclic Everest Group's resources. In addition, these operators have experience in the market and have the technology and resources to rapidly launch competitive products. These operators, who are already present in some of the countries in which the Betclic Everest Group operates, could, in the future, extend their operations to other countries in which the Betclic Everest Group operates. The Betclic Everest Group also competes with local operators, such as Winamax in France, Betano in Portugal or Fortuna and STS in Poland. These operators can benefit from a better exposure to the local market and thus present a more attractive offer to players. Finally, new operators may enter the market and compete with the Betclic Everest Group. In addition, in all geographic markets, the Betclic Everest Group competes with a large number of companies that operate without prior authorisation or license. It is difficult for regulators to block these operators or their activities or to sanction them. The Betclic Everest Group may not be able to anticipate the strategies of its competitors or have the necessary resources to deal with the development of its competitors. In addition, the Betclic Everest Group may not be able to maintain a significant presence in its strategic markets or may lose market share to its existing competitors or to new entrants. In addition, due to consolidation of the Online sports betting & gaming sector is becoming increasingly concentrated and if the Betclic Everest Group is unable to compete with, or participate in this consolidation, it may impact its ability to attract new players and it may lose market share. In addition, certain geographic markets have high barriers to entry, in particular due to applicable regulations or taxation. Finally, in certain markets, the Betclic Everest Group faces competition from certain national monopolies, in particular in France from Française de Jeux (FDJ) and Pari Mutuel Urbain (PMU), in Portugal from Placard and in Poland from the national monopoly on online casino. It is possible that national regulatory authorities could take measures to encourage national monopolies. This competition could limit the Betclic Everest Group's market share and its growth prospects and could have a material adverse effect on the Group's business, results of operations or financial condition.

(1) Source: publicly disclosed information from the competitors.

The Group is subject to risks associated with acquisitions, joint ventures and the presence of minority shareholders.

The Group has made or entered into, and will continue to pursue, various acquisitions, business combinations and joint ventures intended to complement or expand its business, both larger, transformative acquisitions and smaller, bolt-on transactions. Given that discussions or activities relating to potential acquisitions range from private negotiations to participation in open bid processes, the timing of any such acquisition is uncertain. Although the Group actively and regularly engages in discussions and activities with respect to possible acquisitions and investments, it has no present agreements or understandings to enter into any material transaction.

In addition, the Group may encounter difficulties integrating acquired assets into its existing operations, may not be able to achieve the anticipated synergies and may not realise the expected benefits at the time it enters into agreements for these types of transactions.

For example, the Banijay Group acquires production companies to, among other things, expand into new markets or genres in a particular market, access talents and acquire intellectual property rights of formats and programmes developed by such companies and to benefit from the expertise of creative talents or producers at such companies (please also refer to the following risk factor "Intellectual property infringements may have a material adverse effect on the Banijay Group's business"). If broadcasters are no longer interested in the programmes or formats resulting from these acquisitions, or if certain talents may be less in demand and decide to leave, the Banijay Group may not be able to realise the expected revenues and it may fail to recoup its investments.

In addition, the Group does not wholly own some of the entities that operate its businesses, for instance The Natural Studios, Mam Tor or ES Boomdog Mexico. In a logic of acquisition and build-up in the industry, Banijay can make some strategic investments in some JVs or with a presence of minority shareholders but as much as possible, Banijay tries to keep the control of the acquired company (for example in 2022: Groenlandia (Italy), Pokeepsie (Iberia), and Topkapi (Benelux)). The Group might have interests and views on certain issues that differ from those of the other shareholders in these entities, such as, business strategy and financial policy, including regarding payment of dividends. In some cases, the Group's indirect interest is less than a majority. In some cases, the Group is party to agreements with the other shareholders prescribing governance rights and other matters which may limit its ability to control such entities. Further, the Group may be negatively impacted by actions or decisions of the local managers of these entities that may not be in line with the values and principles of the Group. The Group may not be able to implement certain of its strategies if it fails to obtain consent from other shareholders as may be necessary.

For example, although the Banijay Group is the largest shareholder (directly or indirectly) in most of its operating subsidiaries, minority shareholders usually get certain standard protections aiming at ensuring the protection of their investment. Any protective provisions in favour of the Group's partners or dependency on its partners could have a material adverse effect on the Group's business, results of operation and financial condition.

Similarly, as at 31 December 2022, the Betclic Everest Group holds only 53.9% of the shares in Bet-at-home, which is a German company also operating in the field of online sports betting and gaming. Bet-at-home is listed on the Frankfurt Stock Exchange and operates independently. There is no control agreement or other similar agreement in place between Betclic and Bet-at-home or any of Bet-at-home's other shareholders. However, due to the controlling stake, the Betclic Everest Group consolidates Bet-at-home into its financial statements. The Betclic Everest Group may have interests and views on certain issues that differ from those of the other shareholders in Bet-at-home, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's acquisition strategy also exposes it to other risks, including that it may fail to identify suitable acquisition or joint venture opportunities, it may face competition (which competition is expected to increase as the markets in which it operates undergo continuing consolidation) from its direct competitors for certain acquisitions or joint venture opportunities that it may consider beneficial, it may incur costs associated with developing appropriate risk management and internal control structures for acquisitions in a new market, or understanding and complying with a new regulatory scheme and it may have a reduced ability to predict its performance or expenditures in the event it has less experience in the market of the acquired business than in the markets in which it previously operated.

Any of the foregoing could have a material adverse effect on the Group's business, results of operations or financial condition.

Increased employment costs may have a material adverse effect on the Group's business, results of operations or financial condition.

The Group's labour costs (including payments to freelancers or writers in case of the Banijay Group) represent a significant part of the Group's expenses and may rise faster than expected in the future as a result of a larger workforce, salary increases and headcount increases. Over the year ended 31 December 2022 the Group's staff costs represented (i) 40.1% of its revenue (including the one-off effect relating to the reevaluation of Banijay's LTIP following the reorganisation in the context of the Listing of FL Entertainment) or (ii) 34.6% of its revenue excluding this one-off effect. In 2021, the Group's staff costs represented 34.2% of its revenue excluding any one-off effect. Further, an increase in spending in the sector has resulted in inflation of costs relating to talent acquisition and retention. The intense competition for talent in the Group's industries together with the recent rise in inflation levels in the countries in which the Group operates may also lead to an increase in the Group's labour costs. The Group may be unable to offset the increase in labour costs through its revenues.

The Banijay Group incurs costs for its creative talents, including format creators, hosts, writers, show-runners and producers, who create its original programming. Some of the Banijay Group's original programming and its creative talents have achieved significant popularity and critical acclaim, which has increased and could continue to increase the costs of such programming in the future. In addition, from time to time, the Banijay Group has disputes with writers, actors and other creative talents over the amount of royalty and other payments to be made. Freelancers may seek to have their relationship with the Banijay Group reclassified as an employment relationship, which could lead to an increase of costs related to, among others, minimum wage, holiday pay or pensions costs and could have a financial impact on the Banijay Group. The Banijay Group believes that disputes of this type are endemic to its business and similar disputes may arise from time to time in the future.

Staff costs form a significant part of the Betclic Everest Group's total expenses, as it operates in a sector where specific expertise and experience of employees is relatively scarce, compared to other sectors. A large part of the Betclic Everest Group's workforce are IT related (mainly developers), digital marketing resources and sports betting traders, which are all very competitive markets for employees. In the past years, it has become more difficult for the Betclic Everest Group to attract new qualified personnel and to retain them, as the markets for skilled employees are getting increasingly more competitive, especially in Malta and France. As a result, the employee benefit packages in the Betclic Everest Group's sector have been and are still growing, which result in an increase in staff costs for the Betclic Everest Group. In order to cope with the lack of qualified personnel, the Betclic Everest Group may use external independent service providers to perform certain tasks, particularly in the area of IT or trading. The cost of these external service providers may be higher than the cost of an employee, which increases the Betclic Everest Group's costs. In addition, the Betclic Everest Group's inability to maintain long-term relationships with these service providers could affect its ability to conduct and develop its activities and, thus, achieve its strategy. Finally, service providers could seek to have their relationship with the Betclic Everest Group reclassified as an employment relationship, which could lead to an increase of costs related to, among others, minimum wage, holiday pay or pensions costs and could have a financial impact on the Betclic Everest Group. If any of these risks were to materialise, this could have a material adverse effect on the Betclic Everest Group's business, results of operations and financial condition.

If labour costs increase further, the Group's operating costs will also increase, which could, if the Group is unable to recover these cost increases from its customers and players through increased prices or offset such cost increases through labour productivity gains or other measures, have a material adverse effect on its business, results of operations or financial condition.

Negative events may affect the Group's reputation, which could have an adverse effect on the Group's reputation and business, results of operations and financial condition.

The Group's business and operations have depended in the past, and will continue to depend in the future, on the reputation of the businesses operated by the Banijay Group and the Betclic Everest Group, and on the reputation of the Group as a whole.

The Banijay Group is committed to safeguard the personal welfare, safety and general well-being of all people involved in the development, production and broadcasting of its programmes. However, the well-being of participants may, for example, come under pressure in programmes that are potentially life-changing, or where a participant's character, personality and/or personal life may be exposed or subject to public scrutiny. In recent years, the Banijay Group's production companies have been subject to scrutiny as to the well-being of the participants in the Banijay Group's non-scripted programmes, and its reality programmes in particular, and the effect of its programmes on the public. More specifically, some of its customers have come to sets of its non-scripted programmes or have sent auditors to inspect the processes in place to ensure the well-being of the participants is ensured. The Banijay Group has established participant welfare guidelines, offers participant welfare training sessions and aims to assist participants in its non-scripted programmes with mental health and psychological support through the production process and after the production is complete, but if it is unable to address these issues appropriately, this could result in litigation claims, reputational damage and otherwise have a material adverse effect on its business, results of operations or financial condition.

The Betclic Everest Group's reputation is critical to the presentation of its products and services offering and to its strategy of attracting new customers and retaining existing ones. The gaming industry receives a lot of media exposure and suffers from reputation issues due to cultural and moral historical considerations due and the risk the addiction it can create among a small portion of players, the risks associated with gaming by minors and the risks in terms of fraud, corruption and money laundering that prevailed before regulation. The Betclic Everest Group has procedures in place and follows the highest standards. It is subject to various regulations which aim at controlling these risks. However, by operating in this sector of activity, the Betclic Everest Group is exposed to mistrust and criticism resulting from this reputation. Any accusations against the Betclic Everest Group, its employees or its contractors, whether publicly or in the context of administrative, legal or arbitration proceedings, whether founded or not, could affect the Betclic Everest Group's reputation, lead to increased scrutiny of its activities by the relevant authorities and could dissuade its potential and existing clients from using the products and services it offers, which could have a material adverse effect on the Betclic Everest Group's business, results of operations and financial condition.

The Betclic Everest Group's core activity is based on sporting competitions through sports betting. These sporting events often involve certain sports ethics that must be observed during sports betting, for example that professional athletes or their entourage are prohibited from engaging in betting activities in their own discipline. If such sports ethics terms are breached in the sports betting offerings of the Betclic Everest Group, the image and reputation of the Betclic Everest Group could be affected. The Betclic Everest Group has also invested in some sport sponsorships in the different countries where it operates. If the Betclic Everest Group's partners do not observe the terms of sports ethics, for example when matches are fixed, athletes or teams are found to have used doping or leaders of sporting federations are suspected of corruption, the image and reputation of the Betclic Everest Group could also be affected. One or more events in which the ethics of the sports sector are negatively implicated could undermine the image and reputation of the Betclic Everest Group and cause a drop in its revenue, which could lead to a decline in its results and prospects.

Negative events or negative media coverage on the Group or on the markets the Banijay Group and the Betclic Everest Group operate in, could affect the Group's reputation and thus have a material adverse effect on its business, results of operations, and financial condition.

Litigation and liability issues may have a material adverse effect on the Group's business, results of operations and financial condition.

Substantial, complex or extended litigation could cause the Group to incur large expenditures. For example, lawsuits by broadcasters, licensors or other customers, consumers, players, employees, competitors, partners/shareholders or the social or tax authorities could be very costly and disrupt business. The provisions recorded by the Group in its financial statements in this respect could prove to be insufficient, which could have a material adverse effect on the Group's business, results, financial condition, liquidity and prospects, regardless of whether or not the underlying claim is well-founded. In addition, the Group may incur significant litigation costs with respect to international disputes, particularly if disputes occur in jurisdictions in which the Group does not operate or if disputes result in arbitration. While disputes from time to time are not uncommon, the Group may not be able to resolve such disputes on terms favourable to it. As a result, the Group may face substantial expenses and monetary damages, damage to its reputation and brands, and decreased demand for its content, all of which could also have a material adverse effect on the Group's business. In the event of an unfavourable decision, these proceedings could have a material adverse effect on the Group's activities, financial situation, results and prospects.

For example, legal proceedings in connection with accidents, incidents or misbehaviour during the production process of the Banijay Group's programmes and formats may disrupt its business. Certain of the Banijay Group's programmes are adventure-based shows, reality shows and physical game shows and may be produced outdoors and in remote locations. While the Banijay Group takes its duty of care owed to participants seriously and always aim to implement all the necessary security measures, the Banijay Group may not be able to prevent accidents, casualties, unexpected incidents or misbehaviour that may be costly and may significantly impact its business in terms of image and reputation but may also affect the success of the Banijay Group's key formats and may result in the loss of production of its programmes.

In addition, as a producer and distributor of original and third-party media content, the Banijay Group faces potential liability based on a variety of causes of action, including defamation, libel, invasion of privacy, negligence, copyright or trademark infringement and other claims based on the nature, content, creation or distribution of such content. These types of claims could be brought against the Banijay Group and other producers and/or distributors of media content. The Banijay Group's insurance may not be adequate to cover any such liability that results from any of the foregoing claims. Irrespective of the validity or the successful assertion of such claims, investigating and defending these types of claims is expensive and could subject the Banijay Group to significant monetary costs or cause a change in business practices or reputation that could negatively impact its ability to compete and grow its business.

The Betclic Everest Group is also involved in a number of administrative, legal or arbitration proceedings related to its Online sports betting & gaming business. For example, in December 2021 the Betclic Everest Group received a proposal for rectification from the French Tax authorities regarding the payment of value added tax (VAT) on sports betting for the years 2018 and 2019 and in May 2022 a proposal for rectification from the French Tax authorities regarding the payment of VAT on sports betting for the year 2020, which the Betclic Everest Group is currently contesting. Please refer to 3.1.4 (Risks relating to taxation —The Betclic Everest Group has been subject to a VAT reassessment with respect to its activities of sports betting in France) on page 124 for more information on this dispute between the Betclic Everest Group and the French Tax authorities.

For a more elaborate description of certain key ongoing material litigation, please refer to Section 3.4 (Legal proceedings) on page 137 of this Universal Registration Document. The ultimate outcome of such proceedings or claims could have a material adverse effect on the Group's business, results of operations or financial condition in the period in which the impact of such matters is determined or paid.

It cannot be excluded that in the future new proceedings, whether related to those currently in progress or not, may be initiated against the Group. Such proceedings could represent a significant cost and require the involvement of management. In addition, in the event of an unfavourable decision, these proceedings could have a material adverse effect on the Group's business, financial condition, results and prospects.

Changes in global or regional economic and geo-political conditions could adversely affect the Group's business, results of operations or financial condition.

Changes in the economic, financial and political environment of the Content production & distribution and Online sports betting & gaming industry as well as in the different geographies or segments in which the Group operates may have an impact on its business.

The war in Ukraine has resulted in a humanitarian disaster and a significant economic disturbance in Europe. In response to the war, a large number of countries have imposed sanctions on Russia, Russian businesses and Russian individuals. As at 31 December 2022, the Banijay group has two direct affiliates in Russia, of which one dormant affiliate in the process of being liquidated and one affiliate which shares are in the process of being sold. The sanctions currently imposed on Russia affect the Group's results of operations, for example because the observance by the Banijay Group of these sanctions limits its ability to sell its formats internationally. For the year ended 31 December 2022, the Banijay Group generated less than 1% of its revenues in Russia. Furthermore, it is not possible to predict the broader implications of the conflict in Ukraine, but it could lead to the imposition of further sanctions and embargos, more regional instability, geopolitical shifts, more increases in prices, lead to significantly higher inflation, cause significant fluctuations in currency exchange rates and lead to dislocations in global financial markets, which may prevent the Group from operating in Russia or possibly in other countries, and also adversely impact the ability of the Group to seek external financings or refinance its existing indebtedness at acceptable terms, or at all, and therefore could negatively affect its business, financial condition and results of operations.

More in general, the political environment in the countries in which the Group operates may have an impact on the formats and programmes it can produce and distribute and its online sports betting and gaming services in certain countries. The presence of corruption or the absence of good diplomatic relations between the countries in which the Group operates, may restrict the Group's operations or investments in certain countries, as for example, the Group may not be able to obtain licenses or permits it requires to operate in such country. Certain countries may restrict the ability of foreign companies to conduct business, impose restrictions on expatriating cash or other assets, or (for the Banijay Group) may impose content-related limitations or restrictions (such as government censorship). In addition, for the Banijay Group, in certain countries in which the Banijay Group operates including France and Italy, production quotas apply which oblige broadcasters or streamers to secure a minimum of European projects and they must fulfil such obligation in majority from independent producers. Please refer to Section 1.4.1 (Banijay's regulatory environment) on page 59 of this Universal Registration Document. These quotas typically have a favorable impact on the operations of the Banijay Group and if these quotas are reduced, this may negatively impact the Banijay Group's business.

The Group may also be adversely impacted by domestic and/or international economic downturns in the global markets in which it operates. Depressed economic conditions can impair the ability of the Group's business partners to satisfy their financial obligations. There can be no assurance that the Group will be capable of executing or furthering, to any meaningful degree, its business plans during economic downturns and it may not be able to recoup investments it has made. Any such failure could have a material adverse effect on the Group's business, results of operations or financial condition.

Recently, multiple countries, including the countries in which the Group operates, have experienced significant inflation and costs increases. These inflation levels may reduce the demand for the television and digital content products the Group offers and the Group's online sports betting and gaming services. For the Banijay Group in particular, an increase in price levels could reduce the amount consumers are willing to spend on premium television show offerings and digital content and increase its costs of production. For the Betclic Everest Group, player's disposable income may reduce and marketing costs have increased significantly and may continue to increase as a result of inflationary pressures. The Group's costs have been, and may continue to be, adversely affected by the rise in inflation levels, and the Group may be unable to pass these increased costs on to customers or to players by increasing its pricing levels.

In addition, for the Banijay Group, changes in global or regional economic and political conditions may also have a negative impact on the public financing of state-owned broadcasters, such as France Télévisions in France and BBC in the United Kingdom, which could reduce demand for the Banijay Group's programmes and cause such broadcasters to decide to not renew certain programmes, result in postponements or the cancellation of projects and production orders, or lead to unfavourable renegotiations of production budgets, all of which could result in a reduction in the Banijay Group's revenues.

For the Betclic Everest Group, the impact of economic developments, and the effect on players' habits, may be difficult to anticipate, as economic and financial crises may lead players to reduce their activity due to a decrease in their financial capacity, or to increase such activity due to the expectation of winning. In addition, economic difficulties may lead governments to adopt stricter regulations on the gaming industry in order to protect at-risk populations.

The Group cannot guarantee that the markets in which it operates will continue to grow in the future, either globally or in the various countries in which it operates. Further inflation, a decline in demand in any of the Group's markets or a decline in economic conditions in general could have a material adverse effect on its business, results of operations or financial condition.

Any pandemic and the global efforts to contain it may harm the Group's business and results of operations and its ability to operate in any respect.

The COVID-19 pandemic has impacted worldwide economic activity since early 2020. Government authorities and businesses throughout the world have implemented numerous measures intended to contain and limit the spread of COVID-19, including travel bans and restrictions, quarantines, self-isolation, lock-down orders and business restrictions. The COVID-19 pandemic and responses thereto have led to a material deterioration in both the global economy and the national economies of the countries where the Group operates.

As a result of the COVID-19 pandemic and government restrictions several of the Banijay Group's productions were delayed because it was not able to film any of its programmes from March 2020 to May 2020 in many countries in which the Banijay Group operates. Filming of a limited number of programmes was also postponed in the following months, mainly due to travel restrictions and constraints in casting of actors, candidates or hosts for its productions. Once it was able to resume the filming of these productions, the government restrictions led to an increase in the Banijay Group's production costs (for example by having to increase sanitary precautions). Although these costs were mainly covered by the Banijay Group's customers, they were not included in the basis of calculation of its production fees and reduced its margin rates.

Government restrictions led to the suspension or cancellation of substantially all racing and sporting events during some periods of time, which has negatively affected sales in the Betclic Everest Group's sports betting operations in six months ended 30 June 2020. A significant majority of the Betclic Everest Group's betting business relates to sports betting, and in the three months following the cancellation of sporting events, the Betclic Everest Group noticed a decrease of around 70% in number of placed bets. In the six months ended 31 December 2020, the Betclic Everest Group actually noticed an increase in players, as a result of the various measures that were implemented to try to contain the virus, including travel bans and restrictions, lockdowns, quarantines and shutdowns of businesses. It is not likely that the number of the Betclic Everest Group's players will increase at the same rate, or at all, given that these factors are subsiding. Furthermore, while many events, leagues, and sporting events have now resumed, further suspensions and cancellations could take place in the future, for example if a new pandemic would develop, which could have a significant impact on the betting and gaming revenues.

The extent to which the pandemic impacts the Group's businesses will depend on future developments, which are highly uncertain, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to this pandemic. Governments may respond by reintroducing relevant restrictions which may further adversely affect the Group's businesses.

Any of the above factors could result in a material adverse effect on the Group's business, results of operations, and financial condition.

A substantial amount of the Group's assets represents goodwill and other intangible assets, and its earnings will be reduced if its goodwill becomes impaired and its ability to recover deferred taxes may be limited.

The Group generates goodwill in acquisitions where the cost of an acquisition exceeds the fair value of the net tangible and identifiable intangible assets it acquires. Goodwill is subject to an impairment analysis at least annually based on a comparison of the recoverable value of the cash generating unit to which the goodwill relates and the value of the goodwill carried on the Group's statement of financial position for that cash generating unit. Currently, the goodwill is allocated to two cash generating units, namely "Content production & distribution" and "Online sports betting & gaming". For the last three years, the value-in-use resulting from the impairment tests was significantly higher than the amount included in the Group's statement of financial position: each cash generating unit taken individually showed a headroom of more than 50% of the carrying value. In addition, as part of the Group's business activities, it develops, acquires and holds certain intangible assets related to, among other things, broadcast rights, distribution advances that it has to pay to obtain distribution rights on third-party scripted shows, trademarks and other content-related assets, which are also subject to impairment. For example, if the Banijay Group is not able to recover any advances made in connection with its distribution business, these distribution advances will be subject to impairment. As at 31 December 2022, goodwill represented €2.5 billion, or 49% of the Group's total assets. The Group could be required to recognise expenses in its consolidated income statement caused by the impairment of goodwill or other intangible assets, which if significantly impaired, could materially and adversely affect its results of operations. Any future impairment of goodwill or other intangible assets, or the depreciation of receivables, may result in material reductions of the Group's income and equity under International Financial Reporting Standards as adopted by the European Union (IFRS)**.** Due to the amount of intangible assets and goodwill on the Group's balance sheet, any significant impairment could have a material adverse effect on its business, financial condition or results of operations in the year in which such charges are recorded.

In addition, as at 31 December 2022, net deferred tax assets in the Group's combined statement of financial position amounted to €51.9 million. These deferred tax assets are recognised in the statement of financial position in an amount that the Group believes it will be able to recover within a reasonable period and, in any event, prior to the possible expiration of the losses for the portion of the deferred tax assets related to tax loss carry forwards. Nevertheless, the Group may be unable to realise the expected amount of deferred taxes if its future taxable income and related taxes are lower than expected. The Group also bases its estimates of the use of deferred taxes on its understanding of the application of tax regulations, which could be challenged, however, either by changes in tax and accounting regulations or different interpretation of these regulations by courts or further by tax audits or tax litigation that could affect the amount of its deferred taxes. The Group may not be able to realise its deferred tax assets in future years which could have a material adverse effect on its business, results of operations and financial condition.

The Group's success is dependent, in part, upon the integrity of its management and employees, and its risk management and internal controls may not prevent or detect violations of law.

The Group's business operations involve risks associated with theft, fraud, bribery and corruption, or allegations thereof, including with respect to its own employees as well as its customers. Please refer to Section 3.4 (Legal proceedings) on page 137 for a description of a fraud case that involved the former CEO and former CFO of one of the Group's subsidiaries. Although, to the best of its knowledge, the Company is not currently faced with any other theft, fraud, bribery or corruption incident, the Group could be faced with such incidents in the future. The Group has compliance processes and controls in place, but these may not be sufficient to prevent or detect inadequate practices, theft, fraud and violations of law by its management, employees or agents, or its customers, as applicable. Compliance and controls systems in certain countries in which the Group operates may be incomplete, unreliable, or inaccurately transmit data due either to technical shortcomings which may or may not be in the Group's control, or malicious efforts of internal staff and third parties. Such malicious efforts may include false invoices to shell entities that do not provide any services to the Group or inappropriate use of petty cash in the context of productions. Therefore, the Group may be unable to detect or prevent every instance of theft, fraud, bribery and corruption involving its employees, management, Directors, agents or other third parties in the future. To the extent the Group is not successful in protecting itself from such activities, the Group may be subject to civil and criminal penalties and to reputational damage as a result of such occurrences. Allegations, proceedings and convictions of certain crimes including, among others, theft, fraud, bribery and corruption may make it more difficult for the Group to obtain or acquire new customers, to obtain necessary approvals and licenses for the operation of its business or render the Group ineligible to participate in public tenders. The involvement or association of the Group's employees, management, Directors or agents with theft, fraud, bribery or corruption and other crimes committed in relation to its activities, or allegations or rumours relating thereto, could have a material adverse effect on its reputation, business, results of operations and financial condition.

The Group's revenues and results of operations are subject to volatility and periodical and seasonal fluctuations.

The revenues generated by the Content production & distribution business and the Online sports betting & gaming business of the Group are subject to periodical and seasonal fluctuations.

The revenues and results of operations from the Content production & distribution business of the Banijay Group may fluctuate from period to period. As a result of the broadcasting schedules of television networks and the fact that broadcasters typically premiere shows in the second half of the calendar year, the Banijay Group generally reports higher sales in the fourth quarter of the calendar year. Furthermore, revenues from the sale of a programme to a broadcaster are generally recognised at the time of the programmes' delivery, which creates a mismatch between the moment the Banijay Group actually receives revenues in connection with such sale and the moment that the Group recognises such revenue in its financial statements. Any delays in the production of a programme can delay the Banijay Group's distribution revenues since the Banijay Group is unable to distribute a programme until it has been finalised. For example, government restrictions imposed in connection with the COVID-19 pandemic have impacted, and may in the future impact, the Banijay Group's production organisation, timing and costs and cause delays in the delivery of its programmes.

A significant part of the revenue of the Online sports betting & gaming business of the Betclic Everest Group is generated by the sports betting activities, which represented 80% of the Betclic Everest Group's revenue in the year ended 31 December 2022. As a result, the Betclic Everest Group is dependent on the demand for and development of these activities. Sports betting is subject to significant seasonality related to the occurrence of major sporting events and the identity of the participants in these events. Years in which major sporting events take place see more activity. Even-numbered years see more activity with the organisation of the FIFA World Cup or the European Football Championship, with the exception of the European Football Championship 2020, which took place in 2021. In addition, because the Betclic Everest Group's business is dependent on the sports calendar, revenues are lower during the period from May to August, when there are fewer sporting events. In casino games and in online poker, business volumes are generally stable over a calendar year, with a slight upturn in activity in winter, and are impacted by the activity of the largest players. As a result of these seasonal fluctuations, the Betclic Everest Group typically generates a substantial part of its revenue in the fourth quarter of the calendar year. As a consequence, events or circumstances that adversely affect the Betclic Everest Group's business during the winter period or during the period from September to April are likely to have a disproportionally adverse effect on the Betclic Everest Group's results of operations for the full year.

In addition, the sports betting margin (i.e., the difference between bets and winnings) is highly volatile, as it is affected by sports results: if all the favourites win, the Betclic Everest Group loses bets to the players and its margin falls. Conversely, in the event of unexpected results, the Betclic Everest Group will win more bets from players and its margin will increase. This effect is aggravated by the taxation applicable to online sports betting and gaming, particularly in Poland and Portugal: betting taxes are applied to wagers. As a result, in the event of high stakes but unfavourable results for the Betclic Everest Group, the margin rate will be low and the Betclic Everest Group's profitability will be affected accordingly, which could have a material adverse effect on its business, results of operations and business.

Please refer to Chapter 5 (Operating and financial review) on page 163 of this Universal Registration Document for more information on the fluctuations that the Group experiences in its revenue. Due to these seasonal and periodical fluctuations and volatility, annualising the results of any single quarter may not be a reliable proxy for the Group's full year results and any quarterly fluctuations that the Group reports in the future may not match the expectations of market analysts and investors. In addition, events or circumstances that adversely affect the Group's business during the period from September to April, and specifically also the fourth quarter of the calendar year, are likely to have a disproportionally negative impact on the Group's financial performance, cash flows and results of operations for the full year due to these seasonal and periodical fluctuations and volatility.

3.1.2 Risks relating to the Group's Content production & distribution business

Customers may request to obtain intellectual property rights to the formats the Banijay Group creates and programmes the Banijay Group produces, which may have a negative impact on the Banijay Group's revenues.

Broadcasters have increasingly requested intellectual property rights to the formats and programmes for which they fully fund the production. This trend is particularly strong in the United States where broadcasters tend to impose a "producer for hire" approach (i.e., the producer is an independent contractor managing the production process, without any intellectual property rights to the programme) and where it has become increasingly difficult for producers to retain any intellectual property rights or a share of revenues from future licensing or sale, even when the producer has originally developed the format or the programme. In the United States, producers may be required to finance at least part of the programme even for non-scripted business to ensure that they are able to retain intellectual property rights to the format, which is contrary to the market standard of fully funded non-scripted business. In Europe, broadcasters have also started to ask for a share of ownership of the formats or programmes when they fully fund the production, whereas in certain countries, such as the Nordic countries (Denmark, Finland, Norway and Sweden) and Italy, according to market practice, broadcasters generally co-own the content. For example, in markets such as Germany, where broadcasters traditionally fully fund the production of programmes, the Banijay Group may not be able to retain intellectual property rights over the formats such broadcasters have produced, as such rights would be required by the broadcasters as a condition to funding.

In addition, broadcasters may ask for longer license periods in many territories or they may require unlimited runs to air the programmes. Broadcasters have become reluctant to share revenues generated by intellectual property rights that they used to share in the past. For example, unlimited video on demand rights are now considered to be "primary rights" in many markets and are granted to broadcasters for the entire license period without sharing any additional revenues with the producer. Broadcasters may also require extensive holdbacks to ensure that certain formats will not be used in the market in which they operate for a certain period of time, even after they stop to commission new programmes, and may require that none of their local competitors be allowed to capitalise on these formats. When the Banijay Group is not able to retain sufficient ownership of the intellectual property rights of the formats it creates and programmes it produces, it may lose control over its formats and programmes and a portion of the distribution and secondary revenues. Negotiations with customers are done on a contract-by-contract basis, and the effects of this trend on the Banijay Group's business depend on its ability to otherwise protect its intellectual property rights for each specific contract. While the Banijay Group strives to retain maximum intellectual property rights when negotiating with broadcasters, it may not be able to do so and, if this trend further develops, it could have a material adverse effect on its business, results of operations or financial condition.

In particular, in the United States clients ask for the rights to the formats of the shows the Banijay Group is developing for them ("producer for hire" model), and the Banijay Group has observed a similar trend in other territories like Germany and Australia. The trend towards a "producer for hire" model is also the general approach of Facebook Watch, Apple TV, Amazon Prime Video, Netflix and Google (which operates Android TV), both in the United States and in Europe, which generally try to impose such model and require the transfer of ownership over all rights to the formats and programmes that they finance, at least for original productions (i.e. programmes based on new formats or ideas developed for such clients). By taking worldwide rights, including distribution, these streaming video on demand (SVOD) platforms generally prevent the circulation of the formats and of the programmes, therefore adversely impacting the ability of the Banijay Group to sell them across the globe and to produce programmes in other territories based on these formats. In addition, the Banijay Group is not always able to secure the right to produce further seasons of a successful show in a territory or to produce spin-offs or local versions if these clients decide to launch versions in other territories. Furthermore, especially for scripted programmes, global

SVOD platforms (as well as SVOD platforms being across several territories), might not be willing to commission local versions of a successful show since their model is to make the original version available to all their viewers across their territories and platform, thereby limiting the ability of the Banijay Group to produce other local versions based on the format and to derive revenues thereof.

Some of the formats produced by the Banijay Group are owned by third parties and the Banijay Group's access to these formats depends on the terms of the licenses for these formats.

For certain formats that are produced by the Banijay Group, the Banijay Group is dependent on the licenses that it obtains for these formats and distribute such formats and/or produce programmes based on them. The formats are owned by third parties and the ability of the Banijay Group to access these formats depends on the terms of the license. This includes several key formats of the Banijay Group, such as *MasterChef, Lego Masters* and the production in Australia of *Ninja Warriors*. If the Banijay Group were to lose access to these key licenses, this could affect its ability to distribute the corresponding formats and/or produce programmes based on the related formats and therefore adversely impact its revenues. However, each of these formats represent less than 4% of the Banijay Group's revenue and the loss of access to any individual format is not significant for the Group. Third parties could also decide to grant or renew licenses on terms more onerous to the Banijay Group compared to the current license terms, which could also adversely impact its revenues, results of operations and business.

The Banijay Group's business may be impacted by misconduct of management, employees, performers or other persons acting in connection with its productions.

In the entertainment industry, instances of sexual harassment and other forms of harassment and bullying are increasingly brought to light. As a matter of example, in the Netherlands there has recently been a lot of media coverage after the programme of a competitor of the Banijay Group received allegations of sexual misconduct and abuse of power in January 2022. The programme was suspended, and an independent investigation was initiated into the allegations. The Banijay Group and its productions may also become subject to allegations of the misconduct of its management, employees, performers (including actors and/or actresses and participants) or other persons acting in connection with its productions (including producers and hosts) or with third parties' productions financed by the Banijay Group, which may lead to the suspension or cancellation of the Banijay Group's programmes, litigation and reputational damage.

In the past, several productions of the Banijay Group have been involved in (alleged) instances of misconduct. For example, in 2019 a contestant on *Big Brother* in Spain claimed that she had been sexually assaulted by another contestant while she was unconscious during the show two years before and that she had then been forced to watch the attack, which had a negative impact on the reputation of the production and image of the show. Any allegations of sexual harassment and other forms of harassment and bullying or misconduct of any form of the Banijay Group's management, employees, performers (including actors and/or actresses and participants) or other persons acting in connection with its productions (including producers and hosts) or with third parties' productions financed by the Banijay Group may result in substantial costs and may have a material adverse effect on its business, results of operations or financial condition or on the reputation of the Banijay Group or of its formats and programmes.

The Banijay Group has several measures in place to prevent sexual harassment and other forms of harassment and bullying and misconduct in general. For example, it has a code of conduct detailing the Banijay Group's policy on harassment and bullying including instructions on how to deal with and report these issues. Several Banijay Group Companies have appointed an internal or external confidential representative who is specifically trained to provide confidential support and advice. There is also a third-party hotline which is accessible 24 hours a day, 365 days a year, where reports can also be submitted anonymously. Each format of the Banijay Group has a "bible" setting out the rules for working on these formats (each tailored to the respective format). The Banijay Group also has safety protocols (including participant welfare guidelines), internal groups to share experience and best practices (including participant welfare training sessions) across all of the Banijay Group's productions, an escalation protocol and provides assistance on set. However, the Banijay Group cannot control the actual behaviour of employees, performers and persons, in particular not outside of the set. Any misbehaviour outside of the set could also have an impact on Banijay's reputation and consequently on its business, results of operations or financial condition or on the reputation of the Banijay Group or of its formats and programmes.

In addition, although Banijay Group strives to have appropriate insurances in place covering its productions and other activities (including at corporate level), these insurance policies might not adequately cover all types of misconducts. In particular, Banijay Group does not currently have any death and disgrace insurance policy in place. Although the Banijay Group is currently looking for such policy in the insurance market, such policy might not be available to it given the nature of its activities, or the coverage might not adequately cover all its activities, or the insurance premium might be very expensive or the policy might provide for other onerous terms (including high deductible), therefore inadequately covering all misconducts events.

The Banijay Group may need additional capital to fund its growing operations, especially for the production of scripted programmes. If the Banijay Group is not able to obtain sufficient capital, it may be forced to limit the scope of its operations.

The production, completion and distribution of television and digital programmes, particularly scripted programmes, are subject to a number of uncertainties, including delays and increased expenditures due to disruptions or events beyond the Banijay Group's control. Risks such as the death or disability of star performers, technical complications with special effects or other aspects of production, shortages of necessary equipment, damage to film negatives, master tapes and recordings, misbehaviour of performers (including actors and/or actresses), employees, participants or other persons acting in connection with the Banijay Group's programmes, adverse weather conditions, a pandemic and the political situation in the regions in which the Banijay Group operates may cause cost overruns and delay or frustrate the completion or funding of a production or its return on investments. While the Banijay Group endeavours to respect its broadcaster customers' budgets and has a strong reputation for achieving this goal, if a television production incurs budget overruns, it may have to use its own cash reserves or seek additional financing from outside sources to complete production. With respect to distribution, if the Banijay Group is unable to accurately predict consumer preferences toward its programmes or third-party programmes for which it has the distribution rights, it may lose its investments, especially for scripted programmes for which it typically makes upfront investments and relies on distribution revenues to recoup this investment. Instances of sexual harassment or other forms of serious misconduct, even if not relating to or occurring during the filming of programmes, may result in the cancellation by the Banijay Group's customers of sales or undermine the ability to sell the programme internationally, notably if such misconducts are from key on-screen talents.

While the Banijay Group believes that it will be able to fund its business through operating cash flow generated through its business model, if the generation of its cash flow is lower than anticipated or they do not come to fruition in the anticipated time frame, it could require additional debt financing to sustain the Banijay Group's operations. If the Banijay Group is unable to obtain adequate additional debt financing on reasonable terms or at all, it may not be able to continue to develop its business, especially the production of scripted programmes which requires larger investments, especially in the development phase, and it would have to modify its business plan and projections accordingly. If adequate financing is not available, or unavailable on acceptable terms, the Banijay Group may find that it is unable to fund expansion or finance its scripted programmes through distribution advances, continue to offer products and services, take advantage of acquisition opportunities, develop or enhance the Banijay Group's products or services, or respond to competitive pressures in the industry, all of which may jeopardise its ability to continue operations successfully and profitably.

As an audiovisual production company, the Banijay Group benefits from various subsidies and tax incentives in European and non-European countries which support its productions, and changes in tax laws, regulations or other conditions underlying these subsidies could have a material impact on the Banijay Group's results of operations.

As an audiovisual production company, the Banijay Group benefits from different sets of subsidies and tax incentives in France, other European countries (such as the United Kingdom, Belgium, Spain and Italy) and non-European countries (such as Canada, Australia and the United States) for a total amount of approximately €95 million in the Financial Year 2022, which support its productions. For example, in France, the Banijay Group benefits from government subsidies and other financial incentives to support the production of documentaries, fiction, live entertainment, magazines of cultural interest and animation movies. The French audiovisual fund *(fonds de soutien audiovisuel)* automatically allocates funding to the production, development and writing of pilots under several conditions linked to the producer acting as the executive producer, the length and cost of the production, language shooting requirements (whether authors, actors and crews are EU nationals and/or residents in a member state of the EEA (a "Member State")) or shooting location. They are capped at a certain percentage of the production budget and the Banijay Group must obtain prior approval from the National Center of Cinema (Centre national du cinéma). The Banijay Group may also benefit from foreign audiovisual tax credits which follow similar principles, when it acts as a producer or as a producer for hire for foreign executive producers. The Banijay Group also relies on tax laws and regulations to benefit from tax credits and it monetises those tax credits in some of the countries in which it operates in accordance with local laws. Any difficulty in collecting tax incentives from the competent authorities could have a material impact on the Banijay Group's results of operations. Changes in tax laws and regulations or other conditions underlying subsidies in these countries may prevent the Banijay Group from benefitting from these tax credits and subsidies, partly or at all, and it may not be able to continue to monetise tax incentives or subsidies in these jurisdictions. Since certain productions are dependent on the tax incentive schemes and subsidies and productions may not otherwise be profitable, those changes could have a material impact on the Banijay Group's results of operations.

The Banijay Group also raises financing from companies dedicated to the financing of cinema and the audiovisual industry *(sociétés de financement de l'industrie cinématographique et de l'audiovisuel),* or other similar foreign companies, which are investment firms that collect private funds dedicated to finance cinematographic and audiovisual productions by offering a personal income tax incentive to private individual investors. The Banijay Group's production expenditures also benefit from a favourable amortisation regime allowing to deduct from the Banijay Group's taxable basis, under specific conditions, the net income generated by a specific production in a given financial year. If, at the end of a given financial year, such income is not sufficient to fully consummate the amortisation right that relates to such production, income arising out of other productions can be used to be offset against the outstanding amount of amortisation allowances. The above subsidies and incentives have a positive impact on the Banijay Group's production costs and capacity to raise financing. Any changes in the conditions underlying the benefit of these subsidies and incentives, or any request from clients to also benefit from these subsidies and incentives, may affect the Banijay Group's business, financial condition and results of operations.

Intellectual property infringements may have a material adverse effect on the Banijay Group's business.

The Banijay Group's ability to compete in its industry depends, in part, upon successfully protecting and retaining its proprietary and intellectual property, especially with respect to formats, which are more difficult to protect than rights to a programme, because a programme is a finished product that has already aired rather than a formalised concept. The Banijay Group protects its intellectual property rights to its formats and programmes through available copyright and trademark laws. The Banijay Group then licenses and distributes these rights to reputable companies in specific territories for limited durations. Despite these precautions, existing copyright and trademark laws offer only limited practical protection for formats in certain jurisdictions. Unlike patents or trademarks for which registration is required, copyright does not require any registration and provides limited protection as it is more difficult to prove and protect, especially for formats. Despite the fact that intellectual property laws have a comparable approach around the world, each country has particularities in terms of the protection of formats or whether a programme can be deemed original, and each country has a unique judiciary approach. As a result, copyright infringement is more difficult to defend in parts of the world with less effective copyright and technical protective measures to prove copyright, or with less effective means for enforcing such measures. Whether the intellectual property of the Banijay Group is being infringed may be difficult to prove as the question whether programmes are similar is subjective. The interpretation of copyright, privacy and other laws as applied to the Banijay Group's content, and piracy detection and enforcement efforts, is continuously subject to change. The failure to strengthen or the weakening of existing intellectual property laws could also make it more difficult for the Banijay Group to adequately protect its intellectual property and negatively affect its value.

It may also be possible for unauthorised third parties to copy the Banijay Group's formats or portions of its formats without entering into a format license agreement with the Banijay Group or to exploit its programmes, or part of its programmes, without entering into a license agreement for one of the Banijay Group's programmes. Unauthorised distribution of the Banijay Group's formats or programmes has an adverse effect on its business because it reduces the revenues that the Banijay Group is able to receive from the legitimate sale and distribution of its formats or programmes. It undermines lawful distribution channels and inhibits the Banijay Group's ability to recoup or profit from the costs incurred in creating such works. The Banijay Group's failure to protect its intellectual property rights in a meaningful manner or challenges to related contractual rights could also result in erosion of its local brands. Although there have not been any significant incidents with copyright infringements in the past, the Banijay Group cannot exclude the possibility that this will occur in the future. The Banijay Group incurs significant costs in order to protect intellectual property rights to its formats, to monitor copyright infringement and to engage legal proceedings when necessary, which may affect its profitability, and the Banijay Group may not be successful in preventing harm to its business.

In addition, it is an inherent risk in the Banijay Group's industry that people may claim to have developed a format similar to, and/or own intellectual property rights with respect to its formats and programmes, whether or not such claims are frivolous. The Banijay Group may have to resort to litigation, arbitration or other legal proceedings in order to enforce its intellectual property rights, protect its trade secrets, determine the validity and scope of the proprietary rights of others or defend against claims of infringement or invalidity. Any such litigation or arbitration proceedings could result in substantial costs, including costs for obtaining rights or the loss of the opportunity to earn revenues from the intellectual property that is the subject of such proceeding, and the resulting diversion of resources and management's attention could have a material adverse effect on the Banijay Group's business, results of operations or financial condition.

Labour disputes involving the Banijay Group's own employees may disrupt its operations and adversely affect its results of operations.

Labour regulations may have an impact on the Banijay Group's operations. In certain jurisdictions in which the Banijay Group operates, such as France, the status of participants in reality television programmes has been challenged and they have been recognised as employees, which has required the Banijay Group to enter into specific agreements with them and pay additional associated costs. The Banijay Group's industry relies heavily on freelancers and, in multiple jurisdictions, contracts with freelancers can allow them to claim the status of permanent employees and to benefit from the rules attached to such status, which has a cost for the Banijay Group. There can be no assurance that new employment regulations will not significantly impact the Banijay Group's business and result in a material increase in costs, which may have a material adverse effect on the Banijay Group's results of operations or financial condition.

In certain instances, the Banijay Group consults and seeks the input of one of its employee works councils located in the Netherlands and France with respect to a broad range of matters. While the Banijay Group generally has been able to successfully consult with its works councils and the Banijay Group regards its relations with its executives, employees and their representatives as generally satisfactory, negotiations may be challenging, as the Banijay Group must have competitive cost structures in each market while meeting the compensation and benefits needs of its executives and employees. Consultations with works councils, strikes, similar industrial actions or other disturbances by the Banijay Group's workforce could disrupt its operations, result in a loss of reputation, increased wages and benefits or otherwise have a material adverse effect on its business, results of operations and financial condition.

In some of the jurisdictions that the Banijay Group operates in, the Banijay Group needs to work with organisations for collective employee rights, such as labour unions. For example, for some productions in the United States, the Banijay Group has to conclude an agreement with a labour union. These agreements generally cover topics such as: employee wages and other compensation, working hours, positions, titles, the hiring process, the minimum working conditions and other requirements. Unionisation activities may disrupt the Banijay Group's operations and affect its profitability. Strikes and other union job actions, may impact its ability to deliver content as agreed with its customers. At the date of this URD, the only agreement with a labour union to which one of the Banijay Group Companies in the United States are committed has expired. Negotiations for the renewal of this agreement are expected to start in the coming months, and if it will be renewed, this will be for a period of three years. In the future the Banijay Group could also be requested to sign additional agreements with labour unions, which may impact its operations and affect its profitability.

The Banijay Group's business may be affected by the default of counterparties in respect of money owed to the Banijay Group.

In the ordinary course of the Banijay Group's business, the Banijay Group is often owed significant amounts of money from numerous customers and countries in which it is entitled to receive subsidies. If a customer undergoes financial difficulties, payments may be significantly delayed and, ultimately, the Banijay Group may not be able to collect amounts payable to the Banijay Group under its agreements. As at 31 December 2021, overdue receivables for more than one year represent 0.9% of the total receivables. In addition, after the delivery of a programme, it is possible that the Banijay Group's customers may retrospectively try to renegotiate the commercial arrangements entered into with the Banijay Group, including arrangements that deal with the amounts payable to it. This is particularly true for the Banijay Group's distribution business, whose customers are not necessarily large broadcasters and come from all around the world. For example, if, after the Banijay Group has finished a production, a customer indicates that it is not willing to pay the amount due under the commercial arrangement, the Banijay Group may prefer to come to a mutual understanding with such customer in order to avoid damaging the relationship with the customer. Such renegotiations have not had a significant impact to the Banijay Group in the past, are very uncommon and did not occur in the year ended 31 December 2021. However, any inability to collect amounts due could require the Banijay Group to write off significant debts, which may have a material adverse effect on its business, results of operations or financial condition.

A failure to honour the Banijay Group's obligations under the terms of its agreements with broadcasters could have a material adverse effect on its business.

The Banijay Group relies on contracts with broadcasters to pay for its production costs, use its intellectual property rights (see risk factor on "Intellectual property infringements may have a material adverse effect on the Banijay Group's business") and ultimately to grow its business. There can be no assurance that the Banijay Group will continue to be able to meet broadcasters' growing demands, reduced budgets and timelines, and this may increase its programmes' production costs and future prospects with the same or new broadcasters. If the Banijay Group is not able to honour its obligations with broadcasters, this may negatively impact its production companies' reputations in their respective markets or affect its formats and programmes. In addition, the Banijay Group's relationship with certain broadcasters may be jeopardised and lead to a reduction in, or termination of, its business with them if the Banijay Group is unable to honour its obligations in a timely manner or at all, which could have a material adverse effect on its business, results of operations or financial condition.

3.1.3 Risks relating to the Group's Online sports betting & gaming business

Activities related to Online sports betting and gaming are subject to an uncertain and rapidly evolving regulatory regime which varies significantly among countries.

The Betclic Everest Group's activities include sports betting, casino games, poker and horse racing betting. Due to their nature and the risks associated with them, these activities are subject to a restrictive regulatory framework. For a description of the regulatory framework in the countries in which the Betclic Everest Group is active, please refer to Section 1.4.2 (Betclic's regulatory environment) on page 60.

At the international level, Online sports betting & gaming activities are not subject to any standardised regulation, which creates uncertainty as to the conditions under which these activities can be carried out. In the absence of a standardised regulatory framework, each country is free to regulate online sports betting and gaming. The countries in which the Betclic Everest Group operates the majority of its Online sports betting & gaming business, including France, Italy, Malta, Poland, Portugal, Ivory Coast and Germany, require a license for online sports betting and gaming. Please refer to 3.1 ((Description of risk factors) — *The Betclic Everest Group's growth prospects and market potential depend on obtaining, maintaining and renewing the licenses required by applicable national rules and regulations. The loss and/or revocation of such licenses could have a material adverse effect on the Betclic Everest Group's business*)) on page 116 for a description of the risks related to the Betclic Everest Group's ability to obtain or maintain licences. Compliance with gaming regulations is critical for the Betclic Everest Group, not only for the grants and the renewal of licenses but also in the day-to-day conduct of its business activities.

More and more restrictions are imposed by national regulators that can affect the development of the activity. Certain recurring reporting obligation are performed regularly (on a weekly, monthly or annual basis) on financial or non-financial data: tax, players' transactions or responsible gaming or anti-money laundering. In addition, marketing is restricted by regulators, which define marketing guidelines and effectively monitor compliance with such guidelines. Restrictions can also be imposed to promote responsible gaming. The Betclic Everest Group must therefore comply with the relevant laws and regulations and, in the event of non-compliance, could be subject to sanctions, including civil and/or criminal fines and temporary or permanent suspension of its activities.

As a result of the limitations described above, the Betclic Everest Group may not be able to freely develop its activities in new geographical areas or in new business sectors. In addition, for a small part of the Betclic Everest Group's business, representing approximatively 3.5% of its revenue over the year ending 31 December 2022, the Betclic Everest Group offers online sports betting and gaming through.com licenses in countries where online sports betting and gaming is not regulated locally, or in countries where the Betclic Everest Group has chosen not to apply for a licence and in some cases where the Betclic Everest Group, as many operators, is blacklisted, but still operates as it considers local law to be non-compliant with European regulations. The .com licenses are granted by the Maltese regulator and allow the Betclic Everest Group to operate in Europe in countries without local regulation or where it has otherwise not obtained a local license, but in which countries it is not forbidden to operate with a (foreign) .com license. The countries in which the Betclic Everest Group operates under its .com license are among others Switzerland, Luxembourg and Malta. For this part of the Betclic Everest Group's business, the risk of sanctions, civil and/or criminal fines, which may be significant, is even higher and if that were to happen this could have a material adverse effect on the Betclic Everest Group's business, results of operation or financial condition.

The current regulatory framework could change and online sports betting and gaming could be subject to European regulation aimed at restricting the conditions under which such activities can be carried out. In addition, Member States could adopt regulations to restrict the ability of online sports betting and gaming operators to operate in their territories or amend existing regulations to strengthen the constraints or taxation on online sports betting and gaming operators. If these restrictions were to be applied in one or more of the markets in which the Betclic Everest

Group operates, it may have to cease some of its activities or operate them under less favourable conditions because of new constraints or higher taxation.

Even if these restrictions could be challenged on the basis that they are contrary to European regulations, their adoption and application, even temporarily, could force the Betclic Everest Group to operate its Online sports betting & gaming business under less favourable conditions or to cease some of its activities or limit its development plan. If European regulation would be introduced which negatively affects the Betclic Everest Group's online sports betting and gaming offering, this could have a material adverse impact on the Betclic Everest Group's business, results of operations and financial condition as 97% of its revenue in the Online sports betting & gaming business are generated within locally regulated markets in 2022.

The Betclic Everest Group's growth prospects and market potential depend on obtaining, maintaining and renewing the licenses required by applicable national rules and regulations. The loss and/or revocation of such licenses could have a material adverse effect on the Betclic Everest Group's business.

The Betclic Everest Group conducts its sports betting, casino games, poker and horse racing betting activities in countries where such activities are subject to licensing by local authorities, including France, Italy, Malta, Poland, Portugal, Germany and Ivory Coast. As a result, the conduct of the Betclic Everest Group's Online sports betting & gaming activities and their future development depend on its ability to obtain, maintain and renew the required licenses.

Obtaining licenses is subject to various conditions that vary depending on the country concerned, and which relate in particular to management, competence and capacity (particularly financial and technical) to carry out the activities concerned, or compliance with applicable laws and regulations. Once the licenses are obtained, the Betclic Everest Group must comply with the regulations applicable in the countries concerned. Licenses are granted for a given country and for a specific activity. Within the period of validity of the license, the Betclic Everest Group shall maintain strict compliance process and proceed to homologation for every major change to its platform, run regular external audits and in some cases to a yearly certification performed by independent and approved Auditors. In addition, some licenses may include commitments regarding the managers or shareholders, direct and indirect, of the companies concerned, including their ultimate economic beneficiaries. However, these are outside the Betclic Everest Group's control and the Betclic Everest Group cannot guarantee that these commitments or restrictions will be respected. The Betclic Everest Group is subject to regular controls by the competent authorities to verify compliance with these constraints.

Failure to comply with the applicable regulations or the limitations provided for in the licenses granted to it could result in penalties, including fines, a temporary suspension of its sites or activities or, where applicable, the loss of the license, or the publication of the decision of conviction. The Betclic Everest Group cannot guarantee that it will not be subject to such penalties in the future.

Licenses are granted for limited periods. For example, Portuguese licenses are granted for a period of three years, French licenses are granted for a period of five years and the Polish license was granted for a period of six years. The Betclic Everest Group's sportsbook license in Italy was extended in 2022 for two years, and the Betclic Everest Group renewed its sportsbook and casino licenses in Portugal in 2022 for three years. Renewal of the licenses is not automatic and must be requested, which will be assessed by the competent authorities on the basis of the same criteria as those described above. If the Betclic Everest Group is unable to meet these criteria, or if it does not obtain the renewal of its licenses or obtains its licenses on different terms, it will be forced to cease or restrict its activities in the countries concerned. In addition, the renewal of licenses could be obtained but for reduced activities or on less favourable terms, which could affect the conditions under which the Betclic Everest Group operates its activities and its development.

Furthermore, failure to comply with regulatory requirements in a particular jurisdiction, or the failure to successfully obtain a license or permit applied for in a particular jurisdiction, could cause the rejection of license applications or cancelation of existing licenses in other jurisdictions, or could cause financial institutions, online and mobile platforms and advertisers to stop providing services to the Betclic Everest Group which it relies upon to receive payments from, or distribute amounts to, its users, or otherwise to deliver and promote its services. The reputation that the Betclic Everest Group has in a certain jurisdiction may be taken into account by other service providers or regulators in other jurisdictions. For example, the Betclic Everest Group has a good reputation in France, which is known for having a tough regulatory framework, and subsequently was the first operator to obtain a sportsbook license in Portugal and the first non-Polish operator to obtain a license in Poland. Similarly, if an operator is known to receive sanctions in a certain jurisdiction, other regulators may be less inclined to grant licenses depending on the severity of the breach. The Betclic Everest Group has in 2022 expanded into Ivory Coast, and very recently in Senegal and Benin. The Betclic Everest Group could fail in successfully obtaining a license in new countries targeted, as a result of which it would not be able to operate in those countries, which could impact the Betclic Everest Group's ability to execute its international expansion strategy and could have a material impact on the growth perspective of the Betclic Everest Group.

In addition, the operation of the Betclic Everest Group's activities under the licenses requires the involvement of the Betclic Everest Group's partners, particularly suppliers of technical solutions. Applicable regulations or competent authorities may require these third parties to hold a license or impose other constraints on them. For example, in Malta, technical solution providers for casino activities must be licensed by the local regulators, and in France, external platform providers used for poker and horse race betting activities must comply with regulations of the French National Gaming Authority (Autorité nationale des jeux). In case a third-party (for which a license is not required) does not meet the constraints imposed by regulators, the liability falls to the operator that holds the license. As a result, the Betclic Everest Group is dependent on the relationships with its partners for the conduct of its business under the licenses granted. In the event of a change of service provider, the Betclic Everest Group must ensure that the new service provider is licensed by the relevant authorities. If the Betclic Everest Group's partners fail to comply with their obligations under the licenses granted or the partnerships established, or if relations with its partners are terminated, the Betclic Everest Group could be exposed to sanctions or the licenses granted to it could be affected, which could have a material adverse effect on its business, results of operation and financial condition.

The Betclic Everest Group's success depends on its ability to attract and retain new users, which may be negatively impacted by prohibitions, constraints and restrictions on marketing activities as well as other applicable regulations. The loss of Betclic Everest Group's users, failure to attract new users in a cost-effective manner, or failure to effectively manage the Betclic Everest Group's growth could adversely affect its business, financial condition, results of operations and prospects.

The conduct and development of the Betclic Everest Group's business depends on its ability to attract new players and retain its players and, therefore, on the Betclic Everest Group's ability to conduct marketing activities and the results of such activities. The Betclic Everest Group is dependent on access to the media, both online and offline, and to communication networks in order to conduct its marketing activities. The inability to access these media or the application of limits or restrictions (in particular due to legislative or regulatory constraints) could affect the Betclic Everest Group's ability to promote its offerings and its image. In Italy, where the Betclic Group operates, all marketing activities for operators are prohibited. Other countries that do not prohibit operators from conducting marketing activities at the date of this Universal Registration Document impose constraints and restrictions for commercial communication and may reinforce these restrictions in the future. As a result, the Betclic Everest Group could be constrained in the marketing activities it conducts and not be able to attract new players and retain its players. In addition, in the event that the Betclic Everest Group's marketing activities are carried out in breach of existing regulations, in or outside the countries in which the Betclic Everest Group conduct its activities, the competent authorities could impose sanctions on the Betclic Everest Group.

All of the Betclic Everest Group's sports betting, casino games, poker and horse racing betting activities are conducted on its internet or mobile sites. As such, the Betclic Everest Group is required to comply with regulations relating to cookies and other tracking devices placed on the terminals of internet users via its websites, which could negatively impact its ability to attract new and retain current users and failure to comply with the applicable regulations could result in the Betclic Everest Group being subject to sanctions.

In addition, in order to conduct the Betclic Everest Group's marketing and customer relationship management activities, the Betclic Everest Group may enter into service contracts with various operators. In order to increase the visibility or awareness of its brand, the Betclic Everest Group may enter into partnerships with third parties (for example, sportsmen or sports clubs) or into affiliation agreements. The Betclic Everest Group may also work with companies operating in the internet field, such as Google or Facebook, in connection with its digital marketing activities. These service providers or partners may not respect their contractual obligations, may be in breach of applicable laws and regulations or may commit fraud. In this case, the Betclic Everest Group's reputation and its ability to attract new players and retain its players could be affected. In addition, the Betclic Everest Group could be held liable by the relevant authorities. These service providers or partners may also decide not to work for operators in the online betting and gaming industry anymore. In this case, the Betclic Everest Group's ability to attract new players and retain its players could be affected.

Finally, marketing activities have a cost, which impact significantly the financial position of the Betclic Everest Group. If these investments carried out did not allow the Betclic Everest Group to achieve its targets and attract new players in a cost-effective manner, these amounts could result in a loss for the Betclic Everest Group.

If any of these risks were to materialise, this could have a material adverse effect on the Betclic Everest Group's business, results of operations and financial condition.

The Betclic Everest Group's growth prospects may suffer if the Betclic Everest Group is unable to develop successful offerings, if it fails to pursue additional offerings or if it is unable to anticipate it competitors' developments. In addition, if the Betclic Everest Group fails to make the right investment decisions in its offerings and technology platform, the Betclic Everest Group may not attract and retain key users and its revenue and results of operations may decline.

The development of the Online sports betting & gaming industry has been accompanied by increasingly intense competition from operators. Existing companies are expanding at a high rate and increasing the geographic scope of their activities. In addition, new players may seek to enter certain markets. These players are seeking to offer a variety of products and services to attract the largest possible number of players, whose expectations are increasing accordingly.

The Betclic Everest Group must be able to anticipate the developments of its competitors as well as the expectations of players to offer products and services that are increasingly competitive and attractive, and to offer players a unique experience. In particular, the Betclic Everest Group must constantly offer players new products and services, such as a wide range of games, various betting methods—pre-live or live—or a streaming offer, as well as more attractive playing conditions and competitive conditions.

The Betclic Everest Group cannot guarantee that it will succeed in developing new product and service offerings. The launch of new product and service offerings by the Betclic Everest Group's competitors could divert players from its products and services. In addition, any new solution or product and service offering by the Betclic Everest Group could require long development periods and may not be launched in a timely manner. Finally, any new solution or product and service offering may not be well received by the market. If any of these risks were to materialise this could have a material adverse effect on the Betclic Everest Group's business, results of operations and financial condition.

The development of new activities or new products could require organisational and operational changes as well as financing, which the Betclic Everest Group may not be able to carry out or implement. The Betclic Everest Group's inability to manage its organic growth could have a material adverse effect on its ability to grow and thus achieve its strategy.

The Betclic Everest Group's Online sports betting & gaming businesses may not be able to respond to changes in technology to satisfy the future technological demands of its customers.

The gaming industry is characterised by rapidly changing technology, including the increasing importance of online and mobile channels, which has accelerated during the COVID-19 pandemic and lockdowns. The future competitiveness of the Betclic Everest Group's businesses depends on its ability to respond to technological changes effectively. The Betclic Everest Group is not able to foresee all possible causes of technological advances. These may be developed by Betclic's competitors or may be a result of a change in the technology more broadly and to the extent Betclic cannot predict these, it might have difficulties in adapting to those.

The Betclic Everest Group may not be successful in achieving the necessary technological advances, and it may not have the financial or other resources needed to introduce or licence new products or services. For example, if the Betclic Everest Group is not able to retain its personnel involved in the development of its products and is not able to attract new talents, it could be difficult to adequately respond to technological changes. Please also refer to Section 3.1 ((Description of risk factors) — Risks relating to the business of the Group in general — The Group may not be able to retain key personnel or creative talents or to attract new talent, and it may not be able to maintain stable relationships with its consultants in certain strategic domains) on page 100 for a description of the risk of not being able to retain key personnel. In general, the Betclic Everest Group's ability to compete effectively in the Online sports betting & gaming industry will depend on the acceptance by its customers of the technologies the Betclic Everest Group offers, the platforms through which it provides them, as well as approval by the relevant regulators for the new technology utilised. As handheld and mobile device penetration and usage increases, it is expected that an increasing percentage of the Betclic Everest Group's customers will access the Internet and the online platforms of its businesses through mobile devices and mobile applications. The Betclic Everest Group may not be able to successfully operate and develop new betting offers and games online and for mobile devices. Any failure to develop new gaming technology platforms and enhance its product offerings could have a material adverse effect on the Betclic Everest Group's business, results of operations, and financial condition.

Development of new gaming technology for rapidly evolving mobile device technology and platform hardware and software could lead to errors only becoming apparent after the technology is deployed and accessed by customers. Such errors could harm the Betclic Everest Group's reputation, jeopardise its ability to protect proprietary data and have a material adverse effect on its business, results of operations, and financial condition. Furthermore, the development and use of new technology, particularly online, may expose the Betclic Everest Group to additional regulatory risks.

As an online business, the Betclic Everest Group depends on the reliable functioning of the internet and information technology and equipment systems. Failure in IT systems and serious interference with IT systems, particularly through adverse external influences such as hacker attacks, may have a negative impact on the Betclic Everest Group's financial position, financial performance and cash flows.

The Betclic Everest Group generates all of its revenues online.

Product and service offerings in the sports betting, casino games, poker and horse racing betting businesses are offered through the Betclic Everest Group's websites or mobile sites. These activities are supported by dedicated technical platforms, developed by the Betclic Everest Group or provided by external suppliers. The Betclic Everest Group uses a number of software products in its online activities. The Betclic Everest Group mainly uses external providers to supply and host the IT systems on its platforms for its Online sports betting & gaming activities. The Betclic Everest Group also uses external providers to host its platforms and certain services. For more information on the services for which the Betclic Everest Group relies on external IT suppliers, Please also refer to Section 3.1 ((Description of risk factors) on page 100 — The Betclic Everest Group relies on other third-party service providers and if such third parties do not perform adequately or terminate their relationships with the Betclic Everest Group, the Betclic Everest Group's costs may increase and its business, financial condition and results of operations could be adversely affected).

The Betclic Everest Group must, through its platforms, be able to offer its players accurate and reliable information in real time, in particular the odds offered to players in the context of sports or horse racing bets or players' stakes in part of poker games. The Betclic Everest Group must also ensure the secure transmission of a large amount of information (in particular, the identity and bank details of players) through its IT systems. Finally, the performance, efficiency and security of mobile game applications is particularly sensitive with regard to the Betclic Everest Group's strategy of developing its mobile offering. Betclic Everest Group is therefore dependent on the internet, its operation and its security and it is essential for the Betclic Everest Group to maintain permanent, efficient and secure access to the internet.

The IT systems on which the Betclic Everest Group relies could fail. The Betclic Everest Group's IT systems may not be compliant with the equipment used by its customers. In particular, the Betclic Everest Group's mobile applications offered may not function properly or may not be compliant with the various systems developed by cell phone designers. In addition, IT systems could be subject to malicious acts (hacking, viruses, malware, data theft) or IT attacks (cyber-attacks), which could have the effect of blocking access to the Betclic Everest Group's websites. Although the Betclic Everest Group has implemented measures and made investments to improve the security of its IT systems, there can be no assurance that the Betclic Everest Group has the resources or the technical sophistication to anticipate or prevent all cyberattacks. Finally, Betclic Everest Group's IT systems could be subject to damage or interruption from various external sources (such as fires, floods and other *force majeure* events). Any business interruptions or data breaches with disclosure of confidential information could have a material adverse effect on the Betclic Everest Group's financial condition, results of operation and its reputation.

Finally, the Betclic Everest Group may have to upgrade and adapt its IT systems to anticipate and meet increasing requirements in terms of security, speed, accessibility and reliability, or to accommodate the growth of its business due to an increase in the number of players or an increase in the volumes or sectors of activity covered. If the Betclic Everest Group experiences malfunctions and operational failures when upgrading its IT systems, its business could be interrupted, either temporarily or permanently, and the quality of its services and products could decline. In addition, upgrading or adapting IT systems requires significant investments.

The Betclic Everest Group's customers also must have permanent, efficient and secure access to the internet in order to access the Betclic Everest Group's products and services. Any failure of the internet or of the Betclic Everest Group's IT systems could result in connection delays, temporary or permanent interruption of access to the Betclic Everest Group's websites and, consequently, of its activities. In addition, such a failure could affect the Betclic Everest Group's reputation and its ability to retain its customers or attract new customers and could have a material adverse effect on its business, results of operations and financial condition.

In addition, the Betclic Everest Group is subject to regular audits of its IT systems by the competent Regulatory authorities. In the event of a violation of the regulations, the Betclic Everest Group could be subject to sanctions.

Actual or alleged procedural errors in the processing of online sports betting and gaming orders and the payment of winnings could result in claims for damages by customers for lost income from online sports betting or gaming in regulatory risks and could have a material adverse effect on the Betclic Everest Group's business and reputation.

The Betclic Everest Group uses automated procedures for the processing of online sports betting and gaming offers, which are carried out via complex hardware and software. The Betclic Everest Group cannot guarantee that the acceptance and processing of online sports betting and gaming orders will always function without problems. Even without the above-mentioned damage to business activities, this could lead in particular to online sports betting and gaming orders not being recorded and processed at all or being recorded and processed incorrectly, with the result that a customer either does not participate in a game at all or participates with different content. Although customers usually receive a confirmation of their order in which the content of their order is reproduced, customers may either not take note of this or not check the content. In particular, if an order that was placed but not properly processed would otherwise have generated a high profit, the Betclic Everest Group's reputation could be significantly impaired if such an error were to become public knowledge. It also cannot be ruled out that there are no procedural errors on the Betclic Everest Group's part, but that customers nevertheless claim and publicly disclose that they have submitted an order that was not transmitted or have submitted it otherwise and have not received the winnings to which they are supposedly entitled. In this case, too, the Betclic Everest Group's reputation could be damaged. In such cases, customers could also assert claims for damages against the Betclic Everest Group, in particular for lost gaming winnings. Loss of reputation could lead to a decline in online sports betting and gaming participation by existing customers and to a lower number of new registrations, which in turn could have a material adverse effect on the Betclic Everest Group's business, results of operations and financial condition. Furthermore, procedural errors in the processing of online sports betting and gaming orders and the payment of winnings may expose the Betclic Everest Group to additional regulatory risks.

The Betclic Everest Group, despite significant efforts, may not be able to guarantee that all customers may not be at risk.

The risks associated with online sports betting and gaming are a major issue for national legislators and regulators. The notion of responsible gaming has therefore gradually developed. The subject covers, in particular, the fight against gaming addiction and the fight against underage gaming practices.

The promotion of entertainment is one of the founding values of the Betclic Everest Group, and it is determined to ensure that gaming remains above all a pleasure. The Betclic Everest Group is aware of its responsibility and it makes sure to implement all possible means to reduce the negative impact that gaming may sometimes have on a limited number of clients, their family, their social and professional lives. To achieve this, the Betclic Everest Group believes in an inclusive and collaborative approach with all parties stakeholders in the sector: operators, regulators, healthcare and player assistance professionals, associations of players, researchers, etc.

The Betclic Everest Group's responsible gaming action plan is part of a dynamic of continuous effort to improve and strengthen features that it has implemented. The Betclic Everest Group has a policy based on two pillars, the first being awareness and prevention and the second being detection and support. For detection and support, Betclic has built advanced detection machine learning algorithm for the monitoring of players, whether at the time of account opening, during transactions carried out by players on their accounts or during the games themselves. However, the Betclic Everest Group cannot guarantee that these controls will prevent all risk situations, that failures in the control systems will not occur or that errors will not be made. As a result, a person could be allowed to gamble online when he or she should have been prohibited on another operator platform, or a person in an addictive situation could be allowed to continue gaming.

The Betclic Everest Group faces regular audits from the regulatory authorities. The Betclic Everest Group may thus face sanctions in case it fails to comply with its obligations, whether legislative or regulatory. For example, in France, the Betclic Everest Group is obligated to submit its responsible gaming action plan for approval by the ANJ. This action plan must reflect on the Betclic Everest Group's responsible gaming efforts of the previous years, and its commitments to improve responsible gaming for the upcoming year. No such obligation currently exist in Poland or Portugal.

In addition, failure to demonstrate that the Betclic Everest Group has effectively implemented the necessary controls could affect its reputation and its ability to attract and retain players, which could have a material adverse effect on its business, results of operations and financial condition.

The Betclic Everest Group is subject to laws aimed at preventing money laundering, bribery and the financing of terrorism. Failure to comply with these laws could have a negative effect on the Betclic Everest Group's business and reputation.

The Betclic Everest Group's business is subject to laws aimed at preventing money laundering (AML)**,** bribery and the financing of terrorism (CFT). In addition, the Betclic Everest Group is subject to sanctions laws and regulations which prohibit transmitting money to certain specified countries or to or on behalf of certain individuals. Due to its nature, the Online sports betting & gaming sector is exposed to the risk of fraudulent, illegal or illicit transactions, including corruption or money laundering. The Betclic Everest Group's activities, whether in online sports betting or gaming, involve the mobilisation and transfer of large sums of money and generate a large number of transactions and financial flows that facilitate such fraudulent, illegal or illicit activities. The Betclic Everest Group could also be targeted by third parties, including criminal organisations, for using its betting services to engage in money laundering. Although the Betclic Everest Group has procedures in place to ensure compliance with applicable laws and regulations, it cannot guarantee that the risk of non-compliance is completely mitigated. Criminal sanctions, fines and penalties, which may include the shutting down of operations, could be imposed in the countries in which the Betclic Everest Group operates, and more stringent AML, CFT, sanctions or anti-bribery legislation could create the need for increased resources devoted to the Betclic Everest Group's compliance functions. Any failure, or suspected failure, by the Betclic Everest Group to comply with its obligations relating to AML, CFT, sanctions or anti-bribery, could not only have a material adverse effect on the Betclic Everest Group's business, financial condition and results of operations but could also have a material adverse effect on its reputation in general.

The Betclic Everest Group relies on the ability and integrity of its management and employees to properly comply with laws and regulations procedures. If the Betclic Everest Group fails to train and manage its employees properly, its internal controls and procedures may be ineffective and the Betclic Everest Group may be at an increased risk of non-compliance with applicable laws and regulations, which could have a material adverse effect on its business, results of operations and financial condition.

The Betclic Everest Group is exposed to risks of fraud or cheating and fraudulent activities.

The Betclic Everest Group's customers may attempt to commit, or actually commit, fraud, cheat, or use impermissible methods in violation of the game's terms and conditions of use, for example by fixing matches. Acts of fraud or cheating may involve various tactics, possibly in collusion with employees or other customers. Employees could also engage in acts of cheating, including through collusion with programmers and other personnel. Successful exploitation of the systems of the Betclic Everest Group's businesses could have negative effects on its products, services, and user experience. Failure to discover such acts or schemes in a timely manner could result in harm to the Betclic Everest Group's operations. In addition, negative publicity related to such schemes could have an adverse effect on the Betclic Everest Group's reputation, potentially causing a material adverse effect on its business, financial condition, and results of operations. In the event of the occurrence of any such issues with the Betclic Everest Group's businesses' product offerings, substantial engineering and marketing resources, and management attention, may be diverted from other projects to correct these issues, which may delay other projects and the achievement of the Betclic Everest Group's strategic objectives.

The Betclic Everest Group could also be targeted by third parties, including criminal organisations, for fraudulent activities, such as attempts to compromise the systems that process and collect payment information, or to use its online sports betting and gaming services to engage in fraud. The Betclic Everest Group may fail to detect non-compliance with applicable laws or their policies. To the extent that it is not successful in detecting and preventing fraud, or it fails to comply with applicable regulations, the Betclic Everest Group and its Directors could be subject to criminal sanctions or administrative and civil fines and could directly suffer loss, the revocation of concessions and licences, operational bans, or lose the confidence of their customer base. Any of these factors could have a material adverse effect on the Betclic Everest Group's business, results of operations, financial condition and reputation.

Due to the nature of its business, the Betclic Everest Group processes a significant amount of consumer data. The Betclic Everest Group's inability to protect consumer data may lead to reputational damage and regulatory scrutiny or penalties, which could adversely affect the Betclic Everest Group's business, financial condition and results of operations.

In the Betclic Everest Group's business, it accesses and manages a significant amount of personal data relating to players, including information relating to the identity of players and banking information (in particular, credit card numbers or bank details).

As a result, the Betclic Everest Group is subject to legislative and regulatory obligations relating to the holding and management of players' personal data.

Firstly, the regulations require the Betclic Everest Group to keep the data of active players but also of inactive players for a certain period of time. For example, in France, the Betclic Everest Group must observe a period of twelve months before considering that an account has become inactive. A new period of six years must be observed to close the account.

Secondly the Betclic Everest Group is subject to Regulation (EU) 2016/679 of the Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (GDPR). Accordingly, when processing players' personal data the Betclic Everest Group is required to apply the fundamental principles relating to the protection of personal data. In particular, the principle of fair and transparent processing requires the Betclic Everest Group to inform players of the existence of the processing operation, its purposes and the players' rights.

The Betclic Everest Group may not comply with all the obligations that apply to it in connection with the holding and processing of personal data, particularly given the history of its activities or the age of certain data. Failure to comply with applicable regulations on the protection of personal data may result in administrative or, in rare cases, criminal sanctions. The Betclic Everest Group may also be ordered to cease the unlawful processing of data temporarily or permanently. In addition, the Betclic Everest Group's reputation and image depend on its ability to keep its customers' personal data confidential. The Betclic Everest Group may be subject to audits from various local data protection authorities. An infringement of the protection of its customers' personal data could result in liability and potential lawsuits from the Betclic Everest Group's customers, or even the loss of licenses. From time to time the Betclic Everest Group uses external service providers to process players' personal data. As subcontractors, these service providers may, where applicable, be subject to applicable data protection regulations. In the event of a breach by these subcontractors of the regulations applicable to them, the Betclic Everest Group could be held liable for any shortcomings in the measures implemented by the subcontractors with regard to data protection.

In addition, the Betclic Everest Group could be subject to malicious acts, in particular acts of intrusion into players' accounts or fraudulent access to information relating to players and their banking information, particularly with a view to appropriating it. The Betclic Everest Group could also be subject to theft or appropriation of player data by its own employees or suppliers, who could then pass it on to competitors. The occurrence of such acts could affect the Betclic Everest Group's reputation and its ability to retain customers or attract new customers, which could have a material adverse effect on the Betclic Everest Group's business, results of operation and financial condition.

The Betclic Everest Group is subject to banking regulations due to deposits made by customers.

In order to be able to access the Betclic Everest Group's activities, whether sports betting, horse racing betting, poker or casino games customers must open an account and deposit funds there. These funds, supplemented, if necessary, by new deposits, are then used to wager in the context of sports betting or horse race betting or to participate in poker or casino games.

The receipt and withdrawal of funds from clients may be subject to varying regulations depending on the country. These payments may in particular be assimilated to deposits. However, the acceptance of deposits is a regulated activity in many countries which generally requires authorisation from the competent authorities as a financial institution.

Consequently, the conduct of activities requires obtaining the necessary authorisations in the various countries concerned. The issuance of these authorisations is subject to various conditions concerning in particular the managers, the competence and the capacity (in particular financial and technical) to carry out the activities concerned or compliance with the applicable laws and regulations. If the Betclic Everest Group were unable to comply with these conditions, authorisation requests could be rejected and the Betclic Everest Group would not be able to receive funds from its customers and therefore to conduct its activities.

Once the authorisations have been obtained, the Betclic Everest Group must comply with the regulations applicable in the countries concerned. In particular, the Betclic Everest Group is subject to regular checks by the competent authorities. Failure by the Betclic Everest Group to comply with the applicable regulations could lead the Betclic Everest Group to bear penalties, in particular fines or the withdrawal of the authorisations granted.

In addition, authorisations are granted for limited periods. The renewal of authorisations is not automatic and must be the subject of a request from the Betclic Everest Group, which will be assessed by the competent authorities on the basis of the same criteria as those described above. In the event that the Betclic Everest Group would not be able to meet these criteria or would not obtain the renewal of its authorisations, the Betclic Everest Group would no longer be able to receive deposits from its customers and would be forced to cease its activities within the countries concerned, which could affect the conduct of its activities and have a significant impact on its financial situation, its results or its prospects. In addition, the renewal of authorisations could be obtained but under less favourable conditions for the Betclic Everest Group, which could affect the conditions under which the Betclic Everest Group carries out its activities and their development.

The Betclic Everest Group may not be able to adequately protect or enforce its intellectual property rights, or third parties may allege that the Betclic Everest Group is infringing their intellectual property rights.

The Betclic Everest Group's business depends on its ability to effectively protect its intellectual property rights.

The Betclic Everest Group owns a number of trademarks and trade names, which, along with related internet domain names, are crucial to the Betclic Everest Group's business. These trademarks and domain names have been registered with the relevant authorities. However, the Betclic Everest Group may not be able to protect its intellectual property rights or guarantee their maintenance or renewal, which could affect the conduct of the Betclic Everest Group's business or allow its competitors to offer products or services under conditions that infringe the Betclic Everest Group's intellectual property rights. In addition, despite their registration, third parties could use or attempt to use the Betclic Everest Group's intellectual property rights. Such infringements could cause the Betclic Everest Group commercial and image damage.

The Betclic Everest Group has registered its trademarks at the European level and with local authorities, including in France, Portugal, Brazil and Canada and with the African Intellectual Property Organization which has 17 member countries including Senegal and Ivory Coast, but not on a more global scale. As a result, the Betclic Everest Group's intellectual property rights could be used in countries where they are not protected. The Betclic Everest Group might be required to spend significant resources to monitor and protect its intellectual property rights. The Betclic Everest Group may initiate claims or litigation against others for infringement, misappropriation or violation of its intellectual property rights or proprietary rights or to establish the validity of such rights. Despite the Betclic Everest Group's efforts, the Betclic Everest Group may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating its intellectual property rights and other proprietary rights.

In addition, the Betclic Everest Group may receive in the future, communications alleging that its products or services infringe intellectual property rights or other proprietary rights of third parties. Such claims, whether or not meritorious, could result in significant additional expenses and redirect management attention. The realisation of any of such risks, alone or in combination, could have a material adverse effect on the Betclic Everest Group's business, financial condition and results of operations.

The Betclic Everest Group relies on other third-party service providers and if such third parties do not perform adequately or terminate their relationships with the Betclic Everest Group, the Betclic Everest Group's costs may increase and its business, financial condition and results of operations could be adversely affected.

The Betclic Everest Group uses various suppliers to conduct its Online sports betting & gaming business and may be dependent on some of them or the solutions they offer.

The Betclic Everest Group relies on the services of its IT suppliers, for the provision of various ancillary services. For online poker, the technical platform is provided by Playtech; for horse racing betting, the technical platform and content are provided by Zetote. In addition, in some areas, a limited number of suppliers have the necessary expertise and skills to offer equivalent solutions to operate. Finally, the Betclic Everest Group has entered into contracts with Amazon and Microsoft to offer online data storage systems (cloud) to players. If the Betclic Everest Group's IT suppliers fail to provide adequate maintenance or development of the Betclic Everest Group's technology platform, or exercise their right to terminate their contract with the Betclic Everest Group, this could have a material adverse effect on the Betclic Everest Group's ability to operate its business and provide its services to its customers. Please refer to Section 3.1 ((Description of the risk factors) — *As an online business, the Betclic Everest Group depends on the reliable functioning of the internet and information technology and equipment systems. Failure in IT systems and serious interference with IT systems, particularly through adverse external influences such as hacker attacks, may have a negative impact on the Betclic Everest Group's financial position, financial performance and cash flows*) on page 118 for a description of the risks related to the functioning of the Betclic Everest Group's IT systems. Any change in the availability of the services provided by the Betclic Everest Group's IT suppliers, or an increase in the fees charged by them, could have a significant impact on the Betclic Everest Group's business.

Furthermore, the Betclic Everest Group relies on two external service providers, Betgenius and Betradar, for the provision of odds for the Betclic Everest Group's sports betting. The provision of relevant odds in a timely manner and for all events covered, is essential to the Betclic Everest Group's ability to offer its sports betting business. An interruption in the provision of odds or the provision of irrelevant odds could affect the Betclic Everest Group's ability to offer its sports betting business or to do so on a sustainable basis or in compliance with applicable regulations. The Betclic Everest Group's reputation could be affected and it could lose customers. The Betclic Everest Group could suffer financial losses due to erroneous odds or be exposed to sanctions by the relevant authorities.

The Betclic Everest Group is also dependent on maintaining its relationships with the banks and various payment services that process transactions between the Betclic Everest Group and players. The ability of the control and payment systems to provide fast and efficient services in which customers have confidence is crucial to the smooth operation and development of the Betclic Everest Group's business. Any deterioration in the relationship with the providers of these services, as well as any new legislation or regulations restricting financial transactions with online gaming operators, could restrict the Betclic Everest Group's ability to accept and process payments from its customers. In addition, deterioration in the quality of control and payment systems, their interruption or termination, or their inability to handle requests could result in the Betclic Everest Group losing players who will be dissuaded from using its services. Finally, the Betclic Everest Group could be significantly affected if some of its financial partners withdraw their services due to a change in banking legislation or regulations prohibiting banking institutions from providing services to companies operating in the Online sports betting & gaming sector. Although such circumstances have not had material implications in the past, the Betclic Everest Group considers that they may have a material effect on its business in the future.

Contracts entered into with third-party service providers generally contain clauses authorising the parties to terminate the contract in the event of the occurrence of certain events. These events may include, in particular, a breach of the parties' contractual obligations, a breach of the applicable regulations or licenses, loss of the licenses, a change in the shareholding (direct or indirect), or a change in market conditions. In addition, the contracts with the Betclic Everest Group's suppliers are generally concluded for specific periods. These terms are generally short and, once the term has expired, the contracts are renewed by tacit agreement. If the contracts concerned were to be terminated or not renewed, the Betclic Everest Group might no longer be able to conduct its business under conditions at least equivalent to those prevailing at the date of this document. This could have a material adverse effect on the Betclic Everest Group's business, results of operations or financial condition.

The Betclic Everest Group's Bet-at-home.com business is subject to additional risks.

Bet-at-home, in which the Betclic Everest Group holds 53.9% of the shares is a German company also operating in the field of online betting and gaming. Bet-at-home is listed on the Frankfurt Stock Exchange and operates independently. See *"Risks relating to the business of the Group in general—The Group is subject to risks associated with acquisitions, joint ventures and the presence of minority shareholders."* for the risks related to the fact that Bet-at-home is not wholly owned by the Betclic Everest Group.

Over the financial year ended 31 December 2022, the revenue of Bet-at-home represented approximately 6% of the Betclic Everest Group's total revenue. The business of Bet-at-home faces similar risks as the Betclic Everest Group's betting business as the nature of the business is the same, but is also subject to additional risks as it operates in a different manner and in other jurisdictions than the Betclic Group does. To the extent the Betclic Everest Group is aware given the independent operation of the Bet-at-home business, the Bet-at-home business is subject to the following additional risks that the Group considers to be material.

Bet-at-home is involved in legal proceedings with Austrian und German players who have claimed reimbursement for their gaming losses that they incurred with unlicensed operators. After the online casino had been discontinued by end of 2021 in Austria, the effected Maltese entity was no longer in a position to service its liabilities from existing or independently generated funds. As a consequence a winding-up by courts proceedings in respect of this Maltese entity were initiated and approved by the competent court in Malta. Since that time customers have been trying to claim for damages against the other companies of the Bet-at-home group. As at 31 December 2022, reimbursement claims with a total dispute value of €7.4 million are pending in court.

AS at 31 December 2022, 4.9% of the assets on the Betclic Everest Group's balance sheet represented the goodwill generated in connection with its interest in Bet-at-home. Other unfavourable evolutions in these legal proceedings may lead to an impairment of the goodwill representing the Betclic Everest Group's interest in Bet-at-home.

3.1.4 Risks relating to taxation

The Betclic Everest Group has been subject to a VAT reassessment with respect to its activities of sports betting in France.

The Betclic Everest Group, like many other local operators, considers that its activities of sports betting in France are not subject to VAT. This is based on the VAT exemption provided for in Article 261E of the French Tax Code *(Code général des impôts)*. On 9 April 2015, the French Association of Online Games (*Association française des jeux en ligne*) (AFJEL) requested a ruling from the French tax authorities regarding the VAT regime for sports betting services provided to French players. On 13 March 2019 the French tax authorities issued a ruling (the "VAT Tax Ruling"), in which the French tax authorities came to the conclusion that the betting at odds operations should be viewed as an activity of the organiser of those games and betting activities and thus be subject to VAT. The organiser cannot benefit from the exemption in Article 261E of the French Tax Code. On 11 January 2021, the AFJEL filed a complaint with the EU Commission, considering the VAT Tax Ruling as being non-compliant with EU legislation. Following the VAT Tax Ruling, the Betclic Everest Group received in December 2021 a notice of adjustment from the French tax authorities for a total amount of €52.4 million (wilful misconduct and interest for late payment included) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France. On 13 May 2022, the Betclic Everest Group received (i) a rectification on the notice of adjustment from December 2021, decreasing the amount of €52.4 million to €37.2 million (wilful misconduct and interest for late payment included) and (ii) a new notice of adjustment from the French tax authorities for a total amount of €25.8 million (wilful misconduct and interest for late payment included) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France for the year 2020. On 25 May 2022, the AFJEL received the decision from the EU Commission to close the complaint.

The Betclic Everest Group, with the support of its legal and tax advisers, still considers the bases for adjustment are erroneous and that the position of the tax authorities is not in conformity with various general principles of VAT, in the same way as the other online gaming operators in France that are part of the AFJEL. The Betclic Everest Group will challenge this adjustment in France, with the tax authorities and, if necessary, the French courts, but also with the Court of Justice of the European Commission if a French Court decides to make a request for a preliminary ruling. No provision relating to this litigation has been recorded, yet, it cannot be excluded that the Betclic Everest Group does not succeed in these proceedings. If the courts rule that the French tax authorities may apply VAT to sports betting activities in France, the application of VAT to the Betclic Everest Group's sports betting activities in France could therefore result in a higher overall tax liability and have a significant adverse effect on the Betclic Everest Group's profitability and financial position, both for the previous years as well as for the years to come.

As a significant portion of the Betclic Everest Group's revenues are generated in a limited number of geographies, a change in the taxation applicable to online sports betting and gaming may have a significant adverse impact on the profitability of the Betclic Everest Group.

The Betclic Everest Group is sensitive to the taxation of online sports betting and gaming in the various jurisdictions in which it operates. Indeed, a significant portion of the Betclic Everest Group's revenue is generated in five countries: France, Germany, Italy, Portugal and Poland. These five countries represented 96% of the revenue generated by the Betclic Everest Group during the Financial Year 2022. However, France, Portugal and Poland are among the countries that tax online gaming the most. For example, in France, taxes are applied to sports betting, poker betting and horse racing betting, to which may be added betting rights or a VAT charge.

In France, since January 2020, the betting taxes on sports betting are of 54.9% on the gross generated revenue minus bonuses. Previously, the taxation was based on betting stakes, at a rate of 9.3%.

In Portugal, taxation for sports betting is based on stakes. Previously, it was a minimum of 8% tax, with a progressive tax, increase depending on the final annual sportsbook turnover and the Betclic Everest Group was paying an average of 15% tax on sportsbook turnover. Since April 2020, Portugal applies a flat tax of 8% on sportsbook stakes.

As a result, any increase in the taxation applicable to online sports betting and gaming, particularly in France, Germany, Italy, Poland and Portugal, may have a significant adverse impact on the profitability of the Betclic Everest Group's operations.

Successful challenges to the Group's tax position could adversely affect its results of operations or financial condition.

The Group is subject to complex tax laws in each of the jurisdictions in which it operates. Changes in tax laws or regulations could adversely affect the Group's tax position, such as its effective tax rate or tax payments and thus its financial results. The various applicable regulations may also be a source of risk due to their imprecision, difficulties in their interpretation, or changes in their interpretation by local tax authorities. The compliance of the Group with all these different rules or interpretations may result in unforeseen tax consequences. Any significant failure to comply with applicable tax laws and regulations in all relevant jurisdictions could give rise to substantial penalties and liabilities. The multiple tax regimes to which the companies of the Group are subject as well as their uncertain developments may have a significant adverse effect on the Group, its activities, its financial situation, its results or its perspectives.

For example, the current incorporation into French tax law of the Organisation for Economic Cooperation and Development's (the "OECD") principles related to base erosions and profit shifting (BEPS) included in the final reports released by the OECD as well as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on 7 June 2017, may increase the administrative efforts within the Group's business and impact existing structures. Moreover, Her Majesty's Revenue and Customs (HMRC) has contested Endemol Shine's growth securities ownership plan operated by Endemol Shine UK Ltd. and Tiger Aspect Productions Ltd as a tax avoidance scheme, the appeal of which was unsuccessful. The Group has conceded and a formal letter of acceptation should be submitted shortly and a provision reflecting exposure and estimated interest has been accounted for an amount of approximately €783,000.

Challenges to the Group's transfer pricing positions could adversely affect its results of operations or financial condition.

The Group conducts operations in multiple tax jurisdictions, and the tax laws of those jurisdictions generally require that the transfer principles between affiliated companies in different jurisdictions be the same as those between unrelated companies dealing at arm's length, and that such prices are supported by contemporaneous documentation. While the Group believes that it operates in compliance with applicable transfer pricing laws and intends to continue to do so, its transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these jurisdictions were to successfully challenge the Group's transfer prices as not reflecting arm's length transactions, they could require the Group to adjust its transfer prices and thereby reallocate its income to reflect these revised transfer prices, which could result in a higher overall tax liability, and possibly interest and penalties, and could adversely affect the Group's business, results of operations and financial condition.

In particular, the Betclic Everest Group (other than Bet-at-home), like many online sports betting and gaming operators, is established in France and has subsidiaries in various countries, including Gibraltar and Malta, where most of its Trading, Finance, Customer Service, Fraud, Anti-Money Laundering and Responsible Gambling departments and some key personnel are located. Bet-at-home is established in Austria and also has subsidiaries in Gibraltar and Malta. The Betclic Everest Group cannot exclude that the tax authorities challenge the allocation of profits between the different entities within the Betclic Everest Group.

Changes in corporate income tax rates could adversely affect its results of operations or financial condition.

Another area of uncertainty concerns the sustainability of the statutory corporate income tax rate applicable in the countries in which the Group operates. For example, the corporate income tax rates in the three main jurisdictions are for France 25.83%, for the United States 24% and for the United Kingdom 19%. In addition, the United Kingdom has announced an increase in its statutory corporate income tax rate from 19% to 25% as from 1 April 2023. Such increases may impact the Group's tax position and effective taxation rate and therefore the Group's results of operations and financial condition.

Changes as a result of EU rules could adversely affect its results of operations or financial condition.

Furthermore, the European Union continues to harmonise the tax legislation of the Member States. In this respect, the Council of the European Union adopted a directive *"laying down rules against tax avoidance practices that directly affect the functioning of the internal market"* on 12 July 2016 (Council Directive 2016/1164) (the "ATAD"). The ATAD was later amended on 29 May 2017 by the Council Directive (EU) 2017/952 (the "ATAD 2"), which, inter alia, extends the scope of the ATAD to hybrid mismatches involving third countries. More recently, on 22 December 2021, the European Commission published a new proposal for a directive laying down rules to prevent the misuse of shell entities for improper tax purposes and amending Directive 2011/16/EU (the "ATAD 3 Directive").

ATAD 3 Directive proposal of 22 December 2021 introduces new reporting requirements for EU tax-resident companies with certain mobile and passive income streams and inadequate operational substance. In certain cases of inadequate substance, the benefits of tax treaties and EU Directives may be denied, resulting in an increased withholding tax burden as well as potential penalties for failure to report or incorrect reporting. Once the rules are adopted, Member States will need to implement the proposed measures into their domestic tax legislation by 31 December 2023 and apply them by 1 January 2025 with a potential two-year look-back rule. In this respect the Group Companies' position as at 1 January 2023 May be a reference point. The Group income including significant passive income (interest, dividends and intellectual property royalties), resulting from cross-border operations, some of its companies might be presumed as shell companies concerned by reporting purposes, subject to rebuttable presumption. Therefore, while the Group believes that it does not have aggressive or abusive structures, it may need to anticipate necessary operational changes to ensure that its operating companies have sufficient substance, notably in terms of allocated human resources in addition to incur additional administrative reporting burden which may mobilise higher internal and external resources, which may have an impact on the costs incurred and thus the Group's financial results.

Changes as a result of the reform of the international tax system could adversely affect its results of operations or financial condition.

On 8 October 2021, the OECD issued updates on the major reform of international tax system, so-called two pillar solution, agreed on 1 July 2021, and aimed at aligning taxing rights more closely with local market engagement (Pillar 1) and at implementing as from 2023 a minimum 15% taxation rate in each country where the groups operate (Pillar 2). The Inclusive Framework on Base Erosion and Profit Shifting (comprising 141 countries and jurisdictions collaborating on the implementation of the 15 BEPS measures out of which 137 have signed up on Pillar 2) released details of their agreement which refines the statement made on 1 July 2021. On 20 December 2021, the OECD released the Pillar 2 15% minimum effective tax rate Model Rules referred to as "Tax Challenges Arising from the Digitalisation of the Economy—Global Anti-Base Erosion Model Rules" but as to the actual mechanics of the rules, the detailed implementation rules will only be known mid-2022.

The Group will be concerned by Pillar 2 with very complex rules described to impose a top-up tax using an effective tax rate test calculated on a jurisdictional basis with a common definition of covered taxes and a tax base determined by reference to financial accounting income with agreed adjustments consistent with the objectives of Pillar 2 and mechanisms to address timing differences and tax losses.

The European Commission announced, in respect of implementation of Pillar 2, that a directive will have to reflect the OECD rules with the necessary adjustments to the EU law framework. This will also entail a reform of ATAD in respect of controlled foreign companies, a reform of Council Directive 2003/49/EC of 3 June 2003 on interest and royalty which provides for withholding tax exemption between EU related companies under certain conditions to potentially subject such exemption to the minimum 15% taxation of the recipient company. The countries' effective implementation of Pillar 2 will also be taken into account to determine the list of the non-cooperative states and territories within the meaning of Article 238-0 A of the French Tax Code, as determined by order or decree (the "Non-Cooperative States and Territories").

Pillar 2 rules may increase the Group's effective taxation rate and will necessarily impact its tax position and financials in the future and require significant resources, management attention as well as external costs to ensure that the Group is compliant and all its disclosure requirements. This may have a negative effect on the Group's business, results of operations and financial condition.

The adoption by the Council of the European Union of an EU List of non-cooperative jurisdiction for tax purposes and the use of this list in the jurisdictions where the Group operates may impact its financial results.

The Council of the European Union adopted on 5 December 2017 its conclusions on the EU List of non-cooperative jurisdictions for tax purposes (the "Council Conclusions") which is composed of two sub-lists (respectively, annex 1 of the list of non-cooperative tax jurisdictions, adopted by the Council of the European Union on 5 December 2017, as amended (the "Black List") and annex 2 of the list of non-cooperative tax jurisdictions, adopted by the Council of the European Union on 5 December 2017, as amended (the "Grey List"), together referred to as the "EU List"). The EU List was established following a screening and a dialogue conducted by a code of conduct working group appointed by the Council during 2017 with a large number of third country jurisdictions. The Black List, which is updated twice a year since 2020, is currently (according to the list as at 24 February 2022 and as published in the Official Journal of the European Union (C-103/1) on 3 March 2022) composed of nine jurisdictions (American Samoa, Fiji, Guam, Palaos, Panama, Samoa, Trinidad and Tobago, the United States Virgin Islands and Vanuatu). Furthermore, the Council published a Grey List of screened jurisdictions that committed to introduce changes in their tax legislation in order to comply with the European Union screening criteria. Though there is no applicable sanction yet, Member States are encouraged by the Council Conclusions to agree on coordinated sanctions to apply at national level against these listed jurisdictions, such as increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions.

A French law that aims at fighting fraud was published on 24 October 2018 (Law 2018-898 of 23 October 2018) and expands under certain conditions the French tax regime regarding the Non-Cooperative States and Territories to certain states and jurisdictions included into the Black List. As a result, services, royalties or interest paid or accrued to persons domiciled or established in certain states and jurisdictions included into the Black List or paid on an account opened in a financial institution located in such states and jurisdictions may be subject to a 75% withholding tax in France and not be deductible for purposes of the computation of the debtor's corporate income tax liability, unless it can be demonstrated the economic reality of the operations and that their remuneration is not abnormal or exaggerated, the burden of the proof being on the taxpayer. The new provisions apply to states and jurisdictions after their inclusion by order *(arrêté)* on the list of Non-Cooperative States and Territories. The list published on 2 March 2022 contains 12 jurisdictions which comprises those of the European Union list as well as Anguilla, Seychelles and British Virgin Islands which are on the Grey List.

Even though this is currently not the case, some of the productions of the Banijay Group such as adventure or reality shows have in the past been and may in the future be shot in such countries which are or may become listed as Non-Cooperative States and Territories. For example prior to becoming a Non-Cooperative State, productions by the Banijay Group have been shot in Fiji, which is currently identified as a Non-Cooperative State. The shooting of productions in Non-Cooperative States and Territories may require, due to the burden of the proof being on the Group, additional compliance, disclosure and administrative requirements and thus costs to sustain towards the tax authorities the economic reality of the operations. To avoid dealing with the risks associated with shooting in Non-Cooperative States and Territories, the Banijay Group may choose to relocate the set to other countries that are not identified as Non-Cooperative State or Territory. While the Group believes it is compliant and intends to remain compliant in all instances, the tax authorities is not bound by the evidence given by the Group and a challenge by the tax authorities could lead to adverse tax consequences, including penalties which may impact the Group's results of operations and financial condition.

The Group may become subject to social security contributions reassessments.

The development and the success of the Group's business have, inter alia, been built through the acquisition of companies from third parties and the recruitment of creative talents, key management team and other partners, upon which the Banijay Group and the Betclic Everest Group have issued securities (such as share subscription Warrants *(bons de souscription d'actions)* or preference shares) to, or entered into contractual agreements with, individuals who have become their employees or legal representatives. Each time, the issuance or subscription price, the exercise price and the sale price of these securities as well as the financial terms of the contractual agreements have been set at fair market value as determined in accordance with a valuation report issued by an independent appraiser and therefore, the Group is of the opinion that these securities and contractual agreements have not been issued or implemented under preferential conditions.

In principle, gains made by individual holders of Warrants are qualified as capital gains at the level of the holder for tax and social security contributions purposes. However, according to recent French case law (decision of the French Civil Supreme Court no. 17-24.470 dated 4 April 2019 and decision of the French Administrative Supreme Court no. 437498, no. 428506 and no. 435452 dated 13 July 2021), gains made by individual holders of Warrants who are also employees and/or legal representatives of the granting company or of the Group of that granting company, might be requalified as employment income for tax and social security contributions when Warrants are granted as consideration for or in the course of work and under preferential conditions, or when their source are essentially the exercise by the holder of his/her functions as a legal representative or employee.

Though the aforementioned case-law solely relates to the grant and exercise of Warrants, one cannot exclude that the requalification into employment income for tax and social security contributions might be extended to gains derived from shares, including the disposal of shares in execution of contractual agreements, subscribed at fair market value as soon as the shareholder also acts as employee and/or legal representative of the Company or Group.

As a consequence, based on the above case law, the Group is of the opinion that the gains realised in connection to the issuance and disposal of such securities, or the execution of such contractual agreements, by certain of its employees and/or legal representatives, should not be subject to social security contributions. However, given the actual focus of the French tax and social authorities on these matters, the Group cannot exclude that all or part of these gains would be requalified into employment income and would be subject to social security contributions.

If these gains were to be requalified into employment income and would be subject to social security contributions, the Group's overall effective social security contributions expense could materially increase, which could have a material adverse effect on the Group's results of operations, financial condition and prospects.

The Company intends to be treated exclusively as a resident of France for tax purposes, but the Company also is a resident of the Netherlands for certain Dutch tax purposes, and other tax authorities may seek to treat the Company as a tax resident of another jurisdiction, as a result of which the Company could be subject to increased and/or different taxes.

As an entity incorporated under Dutch law the Company is deemed to be a tax resident of the Netherlands for purposes of the Dutch Corporate Income Tax Act *(Wet op de vennootschapsbelasting 1969),* the Dutch Dividend Withholding Tax Act *(Wet op de dividendbelasting 1965)* and the Dutch Withholding Tax Act *(Wet bronbelasting 2021).* However, the Company intends to maintain its management structure and governance in such a manner that (i) its place of effective management is and remains in France and it should be regarded as a tax resident of France under French domestic tax laws, (ii) it should be considered to be exclusively tax resident in France for purposes of the 1973 Convention between the Kingdom of the Netherlands and the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital (the "French-Dutch Tax Treaty"), as amended pursuant to the MLI (as defined below), and (iii) it should not be regarded as a tax resident of any other jurisdiction either for purposes of the domestic tax laws of such jurisdiction or for purposes of any applicable tax treaty. The determination of the Company's tax residency depends primarily on its place of effective management, which is largely a question of fact, taking into account all the relevant circumstances, rather than a question of law. Therefore, no assurance can be given regarding the final determination of the Company's tax residency by any relevant tax authority. In addition, the applicable tax laws and tax treaties or the interpretations thereof may change, including the MLI Tie-Breaker Reservation (as defined below). Such changes, and changes to applicable facts and circumstances (for example, a change of Managing Directors or the place where Management Board meetings take place), may affect the determination of the Company's tax residency and the consequent tax treatment.

If the competent tax authorities of a jurisdiction other than France take the position that the Company should be treated as (exclusively) tax resident of that jurisdiction for purposes of an applicable tax treaty, it could be subject to corporate income tax and all distributions made by it to its shareholders could be subject to any applicable dividend withholding tax in such other jurisdiction(s) as well as in France. This could include the competent tax authorities of the Netherlands, although the Company believes that the competent tax authorities of the Netherlands should view it as exclusively tax resident of France under the French-Dutch Tax Treaty on the basis of its management structure and governance, the current tax laws of the Netherlands and France and the current form of the French-Dutch Tax Treaty, as amended pursuant to the MLI. To resolve any issues in relation to dual tax residency, the Company may have access to a mutual agreement procedure and/or dispute resolution mechanisms under an applicable income tax treaty and (if it is an EU jurisdiction) the dispute resolution mechanism under Council Directive (EU) 2017/1852 of 10 October 2017 on tax dispute resolution mechanisms in the European Union, or the Company could submit its case for judicial review by the relevant courts. These procedures would require substantial time, costs and efforts, and it is not certain that double taxation issues can be resolved in all circumstances.

In case the Company would be considered resident in more than one jurisdiction, and this is not resolved under an applicable (tax) treaty, the Company's overall effective income tax rate and income tax expense could materially increase, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects, which could cause the Company's share price and trading volume to decline.

The Company's exclusive tax residency in France for the purposes of the French-Dutch Tax Treaty is subject to the application of the provisions on tax residency as stipulated in the French-Dutch Tax Treaty as effective as at the date of this document and as amended pursuant to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ("MLI"). As France has made a reservation under Article 4(3) of the MLI ("MLI Tie-Breaker Reservation"), the exclusive tax residence of the Company under the French-Dutch Tax Treaty continues to be determined on the basis of where the Company's place of effective management is located, as set forth in Article 4(4) of the French-Dutch Tax Treaty. If France changes the MLI Tie-Breaker Reservation, the tie-breaker provision included in Article 4(1) of the MLI may replace the tie-breaker provision in Article 4(4) of the French-Dutch Tax Treaty. In that event, the competent authorities of France and the Netherlands will have to determine the exclusive tax residency of the Company by mutual agreement. During the period in which a mutual agreement between both states is absent, the Company may not be entitled to any relief or exemption from tax provided by the French-Dutch Tax Treaty and there would be a risk that both France and the Netherlands could levy withholding tax on all distributions by the Company, in addition to the risk of double taxation on the Company's profits. This could have a material adverse impact on the financial position of the Company and investors.

Furthermore, under the MLI the Company will only be entitled to the benefits of the French-Dutch Tax Treaty if the establishment of the Company's tax residency in France did not have as one of its principal purposes the obtaining of treaty benefits (the "Principal Purpose Test"). The Company believes it meets the Principal Purpose Test and therefore should be entitled to the benefits of the French-Dutch Tax Treaty. However, it cannot be excluded that competent Dutch tax authorities will be able to establish otherwise. A failure to meet the Principal Purpose Test would mean that the Company is not entitled to any relief or exemption from tax provided by the French-Dutch Tax Treaty and there would be a risk that both France and the Netherlands would levy withholding tax on all distributions by the Company, in addition to the risk of double taxation on the Company's profits. This could have a material adverse impact on the financial position of the Company and investors.

Dividends distributed by the Company may be subject to dividend withholding tax in both France and the Netherlands.

As the Company intends to maintain its management structure and governance in such a manner that it should be treated as (exclusively) tax resident of France under French domestic tax laws and for purposes of the French-Dutch Tax Treaty, dividends distributed by the Company are generally subject to French withholding tax. In addition, because it is an entity incorporated under Dutch law, any dividends distributed by the Company are also subject to Dutch dividend withholding tax on the basis of Dutch domestic law (for a discussion of the expression "dividends distributed" for Dutch dividend withholding tax purposes, please see "*Taxation—Material Dutch tax considerations—Dividend withholding tax*"). However, pursuant to the Withholding Tax Restriction (for a discussion thereof, please see *"Taxation—Material Dutch tax considerations—Dividend withholding tax"*) the Netherlands will be restricted in imposing Dutch dividend withholding tax on dividends distributions made by the Company to holders of Ordinary Shares other than Dutch Nexus Investors (as defined in the section *"Taxation—Material Dutch tax considerations—Dividend withholding tax"*). If, for any reason, Dutch dividend withholding tax is withheld from a dividend distribution made by the Company to holders of Ordinary Shares other than Dutch Nexus Investors, such holders may apply for a refund of such Dutch dividend withholding tax levied.

As a result of the foregoing, upon a distribution of dividends, the Company is required to identify its shareholders in order to assess whether there are Dutch Nexus Investors among them, in respect of which Dutch dividend withholding tax then needs to be withheld. Such identification may be problematic and not always possible in practice. If the identity of the Company's shareholders cannot be timely determined, withholding of both French and Dutch dividend withholding tax would occur upon a dividend distribution to any investor.

Furthermore, if the Company would (temporarily) not be entitled to the benefits of the French-Dutch Tax Treaty (for example if France changes its MLI Tie-Breaker Reservation or pursuant to the application of the Principal Purpose Test; reference is made to *"—The Company intends to be treated exclusively as a resident of France for tax purposes, but the Company also is a resident of the Netherlands for certain Dutch tax purposes, and other tax authorities may seek to treat the Company as a tax resident of another jurisdiction, as a result of which the Company could be subject to increased and/or different taxes"*) the Withholding Tax Restriction referred to above would not apply. Consequently, any dividends distributed by the Company during the period it is not entitled to the benefits of French-Dutch Tax Treaty may be subject to both French and Dutch dividend withholding tax.

In addition, it is not entirely clear whether the Withholding Tax Restriction applies if a distribution by the Company qualifies as a dividend for the purposes of Dutch tax laws while it does not qualify as a dividend for the purposes of French tax laws. On the basis of a literal reading of the French-Dutch Tax Treaty, a distribution that qualifies as a dividend under the tax laws of the Netherlands but that does not as a dividend under the tax laws of France, is not in scope of the Withholding Tax Restriction. Since France and the Netherlands may have a differing concept of what constitutes a dividend under their domestic tax laws, which could also be subject to change, it cannot be entirely excluded that certain acts of the Company vis-à-vis investors constitute a dividend under the tax laws of the Netherlands while they do not constitute a dividend under the tax laws of France, in which case the Netherlands may not be precluded from levying Dutch dividend withholding under the Withholding Tax Restriction. Consequently, the Netherlands would under the French-Dutch Tax Treaty be entitled to levy Dutch dividend withholding tax in relation to all investors (in addition to any French tax that may become due), although the Netherlands might then still be precluded from levying Dutch dividend withholding tax under a double tax treaty concluded between the Netherlands and the jurisdiction of residence of a relevant investor depending on the provisions of the double tax treaty and the specific situation of the investor.

As of 1 January 2024, a Dutch conditional withholding tax will be imposed on dividends distributed by a Dutch company to related recipients in low-tax jurisdictions and in abusive situations. Under this Dutch conditional withholding tax a recipient of dividends that is related to the Company for purposes of the Dutch conditional withholding tax and that (i) is established or has a permanent establishment (to which the dividend payment is allocated) in a jurisdiction that has a statutory corporate tax rate below 9% or in a jurisdiction included on the EU's Black List of non-cooperative jurisdictions, (ii) is a hybrid entity or a reverse hybrid entity or (iii) is interposed to avoid tax otherwise due by another entity, will be subject to a conditional withholding tax on dividends at the highest Dutch corporate income tax rate (currently 25.8%), as a result of which such holders of Ordinary Shares would receive lower after-tax dividends as of 1 January 2024. The Dutch conditional withholding tax on dividends will be reduced, but not below zero, by any regular Dutch dividend withholding tax withheld in respect of the same dividend distribution. Holders of Ordinary Shares should seek their own tax advice on the consequences of this Dutch conditional withholding tax on dividends.

As set out in the section *"Taxation—Material Dutch tax considerations—Dividend withholding tax",* it cannot be excluded that proceeds of a redemption of the Warrants, proceeds of a repurchase of the Warrants, or a full or partial cash or cashless settlement of the Warrants fall within the scope of the expression "dividends distributed", as a result of which the matters set out in this risk factor could also apply with respect to holders of Warrants (and references to "holders of Ordinary Shares" should then be read as "holders of Ordinary Shares and/or Warrants").

3.1.5 Risks relating to financial matters, capital structure and corporate structure of the Company and the Group

The Company relies on its operating subsidiaries to provide the Company with funds necessary to meet its financial obligations and the Company's ability to pay dividends may be constrained.

The Company's principal assets are its direct and indirect equity interests in its operating subsidiaries. As a result, the Company will be dependent on these sources to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of the Company's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations, such as limitations potentially imposed by (a) (i) the Senior Secured Credit Facilities entered into on 7 February 2020, by and among, inter alios, Banijay Group SAS as topco, Banijay Entertainment SAS ("Banijay Entertainment") as company, the original lenders (as named therein), U.S. Bank National Association as agent and Elavon Financial Services DAC as security agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time, pursuant to which the (x) euro-denominated term loan in an aggregate principal amount of €453 million (the "TLB (EUR)", (y) the US dollar-denominated term loan in an aggregate principal amount of €415.9 million (equivalent) (the "TLB (USD)") and (z) the €170 million (equivalent) senior secured revolving credit facility (the "Revolving Credit Facility" and together with the TLB (EUR) and TLB (USD) the "Banijay Senior Credit Facilities") have been made available to the borrowers by the lenders (the "Banijay Senior Secured Credit Facilities Agreement"), and (ii) the senior secured credit facility entered into on 23 June 2020, by and among, inter alios, Betclic Group SAS as borrower, Betclic as parent and Guarantor, Mangas Lov (as defined under *"—Covenants of the Parties to the Business Combination Agreement—Lov Reorganisation"*) as Guarantor, BNP Paribas, Natixis and Société Générale as mandated lead arrangers and Société Générale as agent and security agent and Natixis as documentation agent as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time, pursuant to which the euro-denominated term loan in an aggregate principal amount of €165 million (the "Betclic Group Senior Credit Facility" and together with the Banijay Senior Credit Facilities, the "Senior Credit Facilities") has been made available by the lenders to the borrower (the "Betclic Group Senior Credit Facility Agreement" and together with the Banijay Senior Secured Credit Facilities Agreement, the "Senior Credit Facilities Agreements") and (b) (i) the €400 million in aggregate principal amount 6.500% senior notes due 2026 (the "Senior Notes") issued under the indenture entered into on 11 February 2020 by and among, inter alios, Banijay Group SAS as issuer and U.S. Bank Trustees Limited as trustee (the "Senior Notes Indenture") and (ii) the €575 million in aggregate principal amount of

3.500% Senior Secured Notes due 2025 issued under the Senior Secured Notes Indenture on 11 February 2020 and the $403 million in aggregate principal amount of 5.375% senior secured notes due 2025 (the "Senior Secured Notes" and together with the Senior Notes, the "Notes") to be issued under the indenture entered into on 11 February 2020 by and among, inter alios, Banijay Entertainment., as issuer and U.S. Bank Trustees Limited as trustee (the "Senior Secured Notes Indenture" and together with the Senior Notes Indenture the "Banijay Indentures") or (c) the legal requirement to have distributable profit or distributable reserves.

Distributions may also be subject to withholding taxes in the Group Companies' respective country of incorporation that may reduce funds ultimately received by the Group. As an equity investor in the Company's subsidiaries, the Company's right to receive assets upon a subsidiary's liquidation or reorganisation will be effectively subordinated to the claims of such subsidiary's creditors. To the extent that the Company is recognised as a creditor of a subsidiary, the Company's claims may still be subordinated to any security interest in or other lien on such subsidiary's assets and to any of its debt or other obligations that are senior to the Company's claims.

The payment of future dividends on Ordinary Shares, if any, and the amounts thereof, depends on a number of factors, including, among others, the amount of distributable profits and reserves, the Company's earnings, level of profitability and financial conditions, capital requirements, capital expenditure and investment plans, financial covenants, ratio of debt to equity, any credit ratings, applicable restrictions on the payment of dividends under applicable laws as well as contractual restrictions, the level of dividends paid by other comparable listed companies, general economic and market conditions and such other factors as the Board may deem relevant from time to time. There can be no assurance that the abovementioned factors will allow adherence to the Company's dividend policy, or any payment of dividends. In particular, the Company's ability to pay dividends may be impaired if any of the risks described in this section *"Risk factors"* were to occur. As a result, the Company's ability to pay dividends in the future may be limited and the Company's dividend policy may change. See *"Dividend policy"*.

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The Group's significant Leverage may make it difficult for the Group to operate its businesses.

The Group currently has, and after completion of the Transactions, will continue to have, a significant amount of outstanding debt with substantial debt service requirements. As at 31 December 2022, the Group's total Net Debt amounts to €2,090.8 million and the Net Debt expressed as a multiple of the Adjusted EBITDA is 3.1x. The Group's significant Leverage could have important consequences for its business and operations, including, but not limited to:

- satisfying the obligations of the Group with respect to the Banijay Indentures, the Senior Credit Facilities and other debt and liabilities the Group may incur (it being specified that as at the date of this URD, the Group has no current or expected difficulties in satisfying its obligations under such indebtedness and benefits from sufficient headroom to comply with its most important covenants);
- requiring the Group to dedicate a substantial portion of its cash flow from operations to payments on its debt, thus reducing the availability of its cash flow to fund acquisitions or organic growth projects and for other general corporate purposes (in this respect, the Group plans to pay a yearly amount of interests of approximately €130 million in respect of its existing indebtedness);
- increasing the Group's vulnerability to a downturn in its business or general economic or industry conditions;
- placing the Group at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than the Group has;
- limiting the Group's flexibility in planning for or reacting to competition or changes in its business and industry;
- negatively impacting credit terms with the Group's creditors;
- restricting the Group from pursuing strategic acquisitions or taking advantage of certain business opportunities; and
- limiting, among other things, the Group's ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on the Group's business, results of operations or financial conditions and the ability of the Group to satisfy its debt obligations. The Group's ability to make payments on and refinance its debt and to fund acquisitions, working capital expenditures and other expenses will depend on the Group's future operating performance and ability to generate cash from operations. The Group's ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond the Group's control. The Group may not be able to generate sufficient cash flow from operations, to meet its payment obligations or obtain enough capital to service its debt or to fund its future acquisitions or other working capital expenditures. Thus, the Group may be forced to reduce or delay planned expansions or capital expenditures, sell significant assets, discontinue specified operations, obtain additional funding in the form of debt or equity capital or attempt to restructure or refinance all or a portion of its debt on or before maturity. However, no assurance can be given that the Group would be able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, if at all. The terms of the debt of the Group, including the Senior Credit Facilities Agreements and the Notes, will limit the ability of the Group to pursue these alternatives.

In addition, the Group may be able to incur additional debt in the future, including debt in connection with future acquisitions. Although the Senior Credit Facilities Agreements and the Banijay Indentures contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If the Group incurs new indebtedness in addition to its current indebtedness, the risks associated with the Group's Leverage would intensify.

Failure to comply with the covenants or other obligations contained in the Banijay Indentures and in the Senior Credit Facilities Agreements could result in an event of default. Any failure to repay or refinance the outstanding debt when due could materially and adversely affect the Group's business.

The Group has incurred indebtedness pursuant to which the Group may be required to maintain specified covenants (including financial ratios) such as the prohibition to make certain payments (including dividends and other distributions), to make certain investments or acquisitions, to prepay or to redeem subordinated debt, or to transfer or sell certain assets (see *"Operating and financial review of the Group—Indebtedness"* for further details of such indebtedness). For example, the Group is subject to covenants relating to its compliance with sanctions and any non-compliance with sanctions may lead to a breach of the Group's covenants. The ability of the Group to satisfy these covenants could be affected by any deterioration in the operating results of the Group, as well as by events beyond the control Group. Even though the Group is currently in compliance with all of the covenants under the Senior Credit Facilities Agreements and the Banijay Indentures (and benefits from sufficient headroom to comply with its most important covenants) and/or has obtained any required waivers, authorisations or approvals from its creditors hereunder, if there is an event of default under the Senior Credit Facilities Agreements that is not cured or waived in accordance with the terms of the applicable agreement or following the occurrence of a change of control event under any of the Senior Credit Facilities Agreements or the Banijay Indentures, the creditors under these agreements could terminate commitments to lend and/or cause all amounts outstanding with respect to the loans granted or Notes subscribed thereunder to become due and payable immediately. In such a situation, creditors could seek to enforce upon the security and collateral from which they benefit, including the security over shares in the direct and indirect material subsidiaries of the Group. See *"Operating and financial review of the Group—Indebtedness"* for a description of the terms of the indebtedness incurred by the Group.

The Group's assets and cash flow may not be sufficient to fully repay its outstanding debt under the Senior Credit Facilities or the Notes when due whether upon an acceleration of the loans granted under the applicable agreement or on the maturity date of any of the agreements. Upon an acceleration of the Senior Credit Facilities or the Notes or upon the final maturity date of the Senior Credit Facilities or the Notes, there can be no assurance that the Group would be able to refinance the agreements or that the Group's assets would be sufficient to repay that indebtedness in full and allow the Group to continue to make the other payments that it is obliged to make, which would impair the Group's ability to run its business, could result in insolvency proceedings or reorganisation and could result in investors losing all or a substantial portion of their investment. In addition, a default under any of the Senior Credit Facilities or the Notes could result in a default under the Group's other financing arrangements and could cause or permit lenders under those other financing arrangements to accelerate such financing arrangements, causing the amounts owed under those arrangements to become immediately due and payable.

Furthermore, there is no guarantee that the Group will continue to be able to meet its debt service obligations under the Senior Credit Facilities Agreements or the Banijay Indentures. Any inability to meet the Group's debt payment obligations could result in insolvency proceedings or debt or other restructuring and could result in investors losing all or a substantial portion of their investment.

The Group is subject to restrictive covenants which could limit its operating, strategic and financial flexibility.

The Senior Credit Facilities Agreements and the Banijay Indentures contain covenants which could impose significant restrictions on the way the Group can operate, including restrictions on its ability to:

- incur or guarantee additional debt and issue preferred stock;
- make certain payments, including dividends or other distributions;
- make certain investments or acquisitions, including participating in joint ventures or undertaking capital expenditures;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- agree to limitations on the ability of the Group's subsidiaries to make distributions;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of the Group's assets or those of its subsidiaries on a consolidated basis;
- issue or sell share capital of certain subsidiaries;
- impair the security interests granted for the benefit of the holders of the Notes or the Creditors under the Senior Credit Facilities; and
- create or incur certain liens.

These covenants currently have a limited impact on the ability of the Group to conduct its business and mainly impose significant restrictions on the ability of the Group to make certain payments to its shareholders (including by way of dividends). These covenants could in the future affect the Group's ability to operate its business and may limit its ability to react to market conditions or regulatory developments or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect the Group's ability to finance its operations, pursue future acquisitions, investments or alliances, enter into transactions or carry on its activities in certain prohibited territories and/or with potential prohibited counterparties (due to applicable sanctions provisions), restructure the Group's organisation or finance the Group's capital needs or such acquisitions.

The Group is exposed to interest rate risks, and such rate may adversely affect its debt service obligations.

A significant portion of the Group's debt bears interest at variable rates, and the Group is exposed to the risk of fluctuations in interest rates. The Senior Credit Facilities bear interest at a variable rate based on the Euro Interbank Offered Rate (EURIBOR) in respect of utilisations in euros, the London Interbank Offered Rate (LIBOR) in respect of utilisations in US dollars (it being specified that some of the group entities have loans for which LIBOR is still applicable despite the disappearance of LIBOR: transition mechanisms to alternative reference rate have been already incorporated into such loan agreements in order to mitigate any risks associated with the disappearance of LIBOR), the Sterling Overnight Index Average (SONIA) in respect of utilisations in Sterling pounds (with a credit spread adjustment) or the Swiss Average Rate Overnight in respect of utilisation in Swiss francs (in each case, subject to a 0% per annum floor), as applicable, and in each case plus an applicable margin. These interest rates could rise significantly in the future, increasing the Group's interest expense associated with these obligations, reducing cash flow available for capital expenditures.

Although the Group expects to enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will be or will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including credit risks in relation to such hedging counterparties and the risk that the Group may need to pay a significant amount (including costs) to terminate any hedging arrangements. Further, there may be a mismatch between the successor rates applied in respect of the Group's floating rate debt and the successor rates applied in respect of hedging arrangements thereon, which may render such hedging arrangements ineffective in managing the Group's interest rate risks. To the extent interest rates were to increase significantly, the Group's interest expense would correspondingly increase, thus reducing cash flow.

Currency mismatches may have an adverse impact on the Group's financial position.

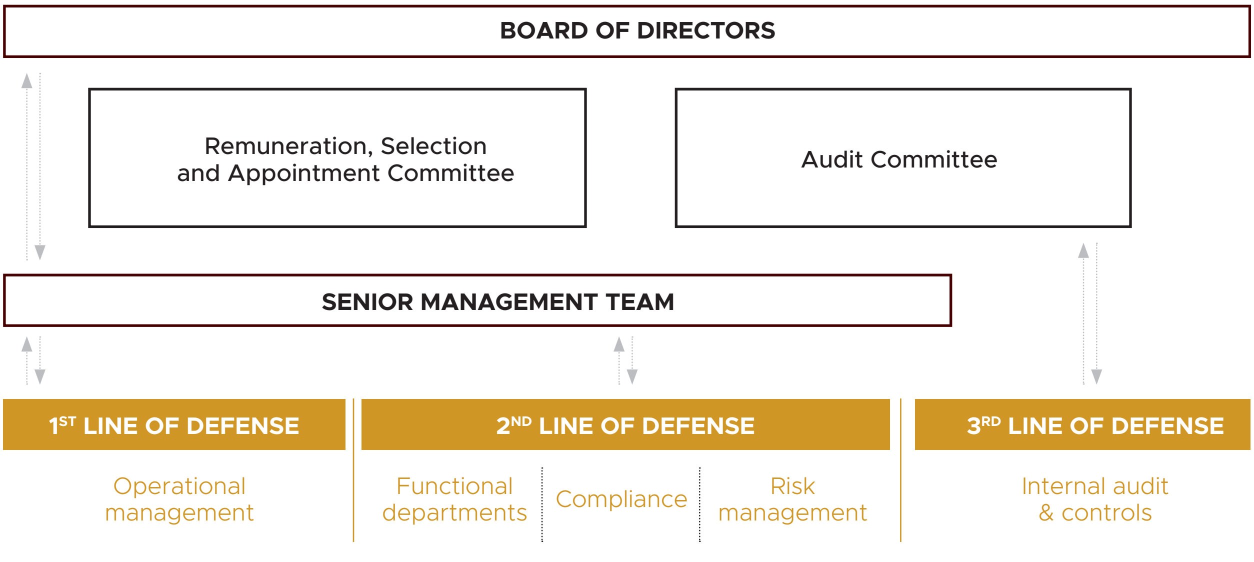
The Group generates part of its revenue in currencies other than the euro. Part of the Group's transactions are denominated in US dollars, Sterling pounds and zlotys, but the Group also operates in a large number of countries worldwide with differing and sometimes volatile currencies. In addition, the Group incurs debt and receives cash in currencies other than the euro from time to time. The Group therefore faces currency risks, particularly with respect to currency fluctuations. In the absence of hedging, currency fluctuations between the euro and the currencies of the various markets in which the Group operates may affect its results and make it difficult to compare performance levels in those markets from year to year. If the euro appreciates (or depreciates) against another currency, the euro value of the assets, liabilities, income and expenses initially recognised in that other currency will decline (or increase). To partially offset this exposure, the Group will continue its practice of utilising cash flows arising in a given currency to pay for expenses arising in the same currency wherever possible, and the Group may also engage in certain limited hedging transactions. However, there can be no assurance that these strategies will be sufficient to effectively limit the increased impact of fluctuations in foreign currency exchange rates on the Group's results of operations. As of 31 December 2022, sales in the United States and Latin America represented 23% of the Banijay Group's revenues, and sales in the United Kingdom represented 19% of the Banijay Group's revenues. Changes in foreign currency exchange rates may have an adverse effect on the Group's business, results of operations and financial position.

3.2 Risk management and internal control system

3.2.1 Internal control general principles

The risk management and internal control system of the Company aims to provide reasonable assurance as to the achievement of operational objectives, compliance with the laws and regulations in force, the Group's ethical principles and standards, and in particular the reliability of financial and non-financial information. It consists of procedures and control systems which are implemented by the Senior Management Team of each business and complied with our staff. The ultimate responsibility for the risk management lies with the Board.

The Company has developed and implemented general guidelines for internal control that are largely based on the guidance published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).



The first line of defense

As the first line of defense, the operational staff is responsible for defining, maintaining and implementing an internal control system that is adapted to the risks of their activity and which enables them to achieve the level of internal control required by the Senior Team management.

The second line of defense

The second line of defense comprises the various risk management and compliance functions capable of assisting the operational functions in identifying and assessing the main risks in their area of expertise. These "risk specialist" functions contribute to the monitoring of first-line controls.

The third line of defense

The internal audit and controls departments adopt a systematic and methodical approach to assess the risk management, control and governance processes, and make proposals to improve their effectiveness.

For Content production & distribution, the Banijay risk manager represents the third line of defense through country visits including business review and focus on internal control processes such as, during 2022, purchase to pay process, compliance, governance, IT security and IT systems. An internal audit function will be implemented shortly.

For Online sports betting & gaming, the internal audit team represents the third line of defense through planned and one-off spot audits. The team provides assurance to senior management and boards that the first- and second-lines' efforts are consistent with expectations. The main difference between this third line of defense and the first two lines is its high level of organizational independence and objectivity as well as audit skills.

The assessments performed by the businesses are shared with FL Entertainment management and a follow-up of the recommendations will be carried out on a regular basis.

Internal control objectives

FL Entertainment's culture is underpinned by a set of corporate values (courage, team spirit, proximity and engagement), ethical principles (trust, integrity, transparency and respect) and standards of responsible behaviour in business, derived mainly from its Code of Conduct, that govern interactions with its employees as well as its stakeholders, including its customers, shareholders, suppliers, and users.

The internal control measures employed are aligned with the Company's organization, culture, risk factors and operational characteristics. Internal control at FL Entertainment is a set of processes and measures that are defined by senior management and implemented by employees which serve to meet the following objectives:

- compliance with laws and regulations;
- prevention and control of operational risks, financial risks and the risk of error and fraud;
- proper operation of internal processes, especially those pertaining to the safeguarding of assets;
- reliability of financial information; and
- identification and analysis of risk factors that could compromise the achievement of the Company's objectives.

It should be noted that the rules and principles implemented cannot provide absolute assurance that all risks will be eliminated or controlled.

3.2.2 Risk monitoring and management

Organizational framework

FL Entertainment's business activities expose it to various risks. The main risks that have been identified are described in the "Risk factors" chapter of this Universal Registration Document. Risk management is a priority for the Company and is conducted both by the two main businesses (Banijay Group and Betclic Group) and the parent company, which monitor the business and act when necessary. Risk management serves to:

- develop a comprehensive, systematic, integrated and flexible method for identifying, assessing, analyzing and managing risks and for promoting risk control;
- develop risk management best practices; and
- prevent risks that threaten the Company and mitigate their consequences.

An overview of the financial risk management objectives of the Group are presented in Section 6.1.6 (Note 25 of the Consolidated Financial Statements) on page 265 of this Universal Registration Document.

Risk appetite

The Board of Directors and management seek to manage risks consistently within the risk appetite. The Group's risk appetite differs depending on the type of risk and is the result of its geographical spread, prudent financial management and commitment to long-term value creation. The Group pays real attention and importance to integrity, sustainability and compliance with laws and regulations. For 2023, the management and the Audit Committee will define and allocate the risk appetite across the Group, in a more detailed manner. The Board of Directors will then assess and approve such detailed analysis of the risk appetite.

Controls

The Company's audit and internal control system is overseen on an ongoing basis by the Internal Audit and Controls departments, which report directly to the Company's Finance department and on a functional basis to the Audit Committee. This system serves to provide the Company's management and its Board of Directors with reasonable but not absolute assurance that the Company's risks are controlled.

The Internal Audit and Controls departments ensure that the internal control system is mature by evaluating its effectiveness and efficiency, while encouraging its continuous improvement. Based on a risk assessment, the Internal Audit and Controls departments evaluate the internal control system's relevance and effectiveness by assessing the quality of the Company's control environment, the reliability and integrity of financial and operational information, operational effectiveness and efficiency, asset protection, and legal, regulatory and contractual compliance.

The 2023 audit plan for each business was presented to and approved by FL Entertainment Audit Committee during the last quarter of 2022. Three types of audit can be performed:

- audits on the compliance and effectiveness of processes and activities;
- audits on the maturity of internal control; and
- audits on the compliance or performance of specific themes selected by the Audit Committee.

3.2.3 Internal control procedures relating to the preparation and processing of accounting and financial information

FL Entertainment's Finance department is responsible for preparing the accounting and financial information. To increase the reliability of published accounting and financial information, the Consolidation department, the Senior Management Team and the Treasury and Financing department of each business, as well of the Investor Relations and the Accounting department of FL Entertainment perform essential tasks to ensure that FL Entertainment's financial information is consistent. These departments report to the Group's Chief Financial Officer. Their tasks thus include:

- preparing FL Entertainment's Company only financial statements and consolidated financial statements within the timeframes required by law and contractual obligations;
- managing the budgeting and forecasting process and preparing the quarterly management report as quickly as possible, while ensuring that data is consistent;
- preparing the documents necessary to communicate financial results and to enable FL Entertainment's management to prepare its Management report;
- designing and implementing FL Entertainment's accounting and management methods, procedures and guidelines; and
- identifying and overseeing any changes to FL Entertainment's accounting and management information systems that may be necessary.

3.2.4 Board of Directors Control Statement

FL Entertainment publishes this Board of Directors Control Statement to demonstrate its accountability for Risk Management as stipulated in Principles 1.4 of the Dutch Corporate Governance Code.

By virtue of Principle 1.4 (Risk management accountability) of the Dutch Corporate Governance Code, FL Entertainment is required to account for the effectiveness of the design and the operation of the internal risk management and control systems as explained in Chapter 3.2 on page 134.

The Board of Directors states, in accordance with best practice provision 1.4.3 of the Dutch Corporate Governance Code, that:

- the Board of Directors report provides sufficient insight into any important deficiencies in the effectiveness of the internal risk management and control systems that may have been detected during the Financial Year 2022 and no major failings have been detected;
- the risk management and control systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies. Please refer to Chapter 3.2 on page 134 for more details;
- the financial reporting is prepared on a going concern basis;
- the Board of Directors report discloses all material risks and uncertainties, as described in Chapter 3.1 on page 100, that are relevant regarding the expectation as to the continuity of the Group for the 12-month period after the date of issue of this Universal Registration Document.

With reference to Section 5:25c sub 2c of the Financial Markets Supervision Act, the Board of Directors states that, to the best of its knowledge:

- the annual financial statements give a true and fair view of the assets, liabilities, financial position and loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Board of Directors report provides a fair view of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company faces.

CORPORATE GOVERNANCE STATEMENT

The information required to be included in this Corporate Governance Statement is incorporated in Chapter 4 (Corporate Governance) on page 141.

The main characteristics of the Company's internal risk management measures and control systems connected to its financial reporting process, as required by article are described in Chapter 3.2 on page 134.

COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

FL Entertainment complies with all the provisions of the Dutch Corporate Governance Code, with the exception of best practice provisions 2.1.8, 2.3.2 et 4.3.4. The nature of and reasons for these deviations are explained in Section 4.1 (Dutch Corporate Governance Code, "Comply or explain") on page 144.

3.3 Insurances

FL Entertainment's insurances: Directors are insured under an insurance policy taken out by the Company against damages resulting from their conduct when acting in their capacities as Directors or officers.

Banijay Group's insurances: The Banijay Group has property, Directors' and officers', key man, workers' compensation, crime and fraud, business travel and other specific production insurance coverage in place to the extent that it is legally required and that it believes to be appropriate for operating its business. The Banijay Group cannot guarantee, however, that it will not incur losses beyond the limits or outside the coverage of its insurance policies. In addition, longer interruptions of business at one or more of its studios can, even if insured, result in the loss of sales, profit, customers and market share.

Betclic Group's insurance: The Betclic Group has property insurance, Directors' and officers' insurance, professional indemnity & general liability insurance and other specific insurances coverage in place, all to the extent that it believes is appropriate for operating its business. The Betclic Group cannot guarantee, however, that it will not incur losses beyond the limits or outside the coverage of its insurance policies.

3.4 Legal proceedings

Other than described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware), during a period of 12 months before the date of this Universal Registration Document which may have, or have had in the recent past significant effects on the Group and/or the Group's financial position or profitability.

A summary of the most relevant current legal proceedings is provided below:

Dropped

Dropped is a format where two teams of athletes or former athletes are dropped in a remote location by helicopter and have to make their way back to civilisation without a map or a compass as quickly as possible. The Banijay Group developed this format into a successful programme in Sweden and Norway where it aired in 2014 and 2015. At the end of 2014, the Banijay Group began to develop the format for a programme in France through the Banijay Group's subsidiary, Adventure Line Productions ("ALP"), with Argentina chosen as the location for the first series. ALP had subcontracted the logistics of the show to a specialised company, SAX Logistica ("SAX"). On 9 March 2015, two helicopters took off from Villa Catelli (La Rioja province) in Argentina carrying three contestants (renowned yachtswoman Florence Arthaud, Olympic champion swimmer Camille Muffat and Olympic boxer Alexis Vastine) and five employees of ALP. The helicopters collided with each other shortly after take-off causing the deaths of all the passengers aboard each helicopter and the two pilots.

Following the crash, two investigations were initiated: (i) an investigation under the direction of an Argentinean federal court (whereby ALP is not a suspect but witness) and (ii) a judicial inquiry in France investigating whether the offence can be qualified as "involuntary manslaughter by manifestly deliberate violation of an obligation of safety and prudence". Following a hearing in February 2021 the French investigation judges decided to place ALP under investigation (in French *"mis en examen"* whereas Adventure Line Production's status was up to this decision assisted witness (*"témoin assisté"*). The criminal investigations in Argentina and France are ongoing. In addition to ALP, it is noted that the two former executives of ALP (respectively CEO and COO) as well as the director of ALP's Productions and the Director of the Production Dropped, who were in function at the time of the accident, have also been indicted. The investigating judges have issued a notice of termination of the investigation (*"avis de fin d'information"*), which opened a period of time until 15 March 2023 for ALP to file requests for acts and send its observations for the purpose of dismissing the case. ALP formulated its observations and produced the aeronautical expertise investigation which was carried out at its initiative. It will then be necessary to wait for the prosecutor's requisition and the final termination of the proceedings to know if the case will be dismissed or referred to a criminal court.

The families of the five deceased employees of ALP have initiated separate civil actions against ALP and are requesting aggregate damages of approximately €3.8 million. Two cases are suspended until completion of the criminal investigation. In the other three cases, ALP was held liable in the first instance. ALP has appealed these decisions. In two cases, ALP has also been condemned by the courts of appeal and has appealed to the highest French supreme court (the *"Cour de cassation"*) and the proceedings are currently underway. The third case is currently under review by another, Court of Appeal. In the context of these proceedings, the families are asking that ALP is ordered to pay an increased amount for the pensions granted to them by the relevant health insurance funds (French "CPAMs"). The determination of the amount of the pension increase is complicated and depends on several parameters. The total amount of damages to be paid to the families, including the increased pensions, might exceed €3.8 million if the claims are successful.

In addition, the families of two of the three athletes who died in the crash have filed civil claims against ALP for damages, with one claim amounting to €4.2 million and with the other family still estimating the damages incurred. Both cases have been deferred until the outcome of the criminal proceedings or until further actions from the plaintiffs. For the third athlete, the family is a civil party in the criminal proceedings and will likely seek their compensation in this context.

The Banijay Group's production risks insurer, Liberty Syndicates Management Ltd. ("LSM"), paid €2.1 million to ALP in connection with this event. LSM then filed a civil claim against SAX, which was rejected by the Commercial Court of Paris. LSM appealed this decision in July 2019. In September 2021 the Paris Court of Appeal reversed the first instance judgment and ordered Sax to pay LSM €2.1 million, dismissed Sax' claims against ALP and ordered Sax to pay LSM and ALP court costs of €5,000. Sax has submitted an application *(pourvoi)* against the decision.

Separately, ALP has filed a lawsuit against AXA based on the Banijay Group's professional liability insurance for any potential damages (subject to insurance limitations and exclusions) awarded to the families of the victims in connection with the pending civil actions. In September 2019, this case was deferred, as the criminal proceedings are still ongoing. An order of the Pre-Trial Judge dated 6 September 2022 denied ALP's request to revoke the stay of proceedings considering that no conviction was yet final. It will therefore probably be necessary to await the outcome of the appeal in cassation in the cases above mentioned being able to have this decision reviewed.

Endemol Shine India

The acquisition of the Endemol Shine Group by the Banijay Group triggered, under the shareholders agreement of Endemol Private India Limited ("ES India"), a change of control put option to the benefit of CA Media Mauritius Holding ("CA Media"), the minority shareholder of ES India for the acquisition by Endemol Shine Opco Holding of CA Media' stake (49% of the share capital in ES India) at fair market value. CAMedia is seeking specific performance by Endemol Shine Opco Holding of its obligations under this put option (acquisition of the shares by Endemol Shine Opco Holding together with the payment of late interest). The main dispute concerns the valuation of CA Media' shares in ES India. Endemol Opco (now merged into Banijay Benelux Holding B.V.) is disputing the fair market value computed by a third-party valuer in accordance with the shareholders agreement. The matter was put to arbitration and the arbitral decision was issued on 28 February 2023. The decision ordered Banijay Benelux Holding B.V. to pay approximately €56 million plus interest, legal, arbitration costs, in total around €65 million, in exchange of CA Media's shares.

Koh Lanta

In 2013, a participant in *Koh Lanta* (the French version of *Survivor*), a reality programme the Banijay Group produces in France through Adventure Line Productions, died as a result of a heart attack during the filming of the programme. Following his death, a French court opened a criminal investigation into whether anyone had caused the involuntary manslaughter of the participant. It has since been established that the participant suffered from a pre-existing heart condition. While the family and heirs of the participant have not initiated any civil proceedings, the criminal investigation is still pending. The Banijay Group expects the court to drop the case but is not a party to the investigation and therefore does not have access to court documents. Based on the information received to date, the Banijay Group will continue to argue that the death of the participant was the result of natural causes and that its production company was not in any way responsible.

Zodiak Belgium

In 2019, Zodiak Belgium NV ("Zodiak Belgium") initiated criminal proceedings against, among others, its former CFO and former CEO and Managing Director, on the basis of unlawful practices within Zodiak Belgium. Such practices involved the creation of fraudulent invoices to companies owned by, or otherwise related to, the former CFO, cash withdrawals, cash payments to employees and certain third parties, fictitious expense notes and fictitious invoices to foreign companies, amounting to approximately €11 million over the course of eight years. In March 2019, Zodiak Belgium terminated its agreements with the former CFO and former CEO, which the CFO has challenged before a commercial court. The former CEO has repaid €140,000 as compensation for cash he received. Zodiak Belgium is also seeking, as part of its criminal claim, the reimbursement by its former CFO of all amounts improperly disbursed by him or certain related parties. Following the results of this investigation, the Banijay Group has also focused on improving its internal compliance and control mechanisms at its production companies. Zodiak Belgium anticipates that the matter would be brought before the criminal court in 2023.

Endemol Shine Turkey

In 2017, external advisors of Endemol Shine concluded that Endemol Medya Prodüksiyon Tic. Ltd. Şti. ("Endemol Shine Turkey") was insolvent as its liabilities exceeded its assets and it was no longer able to pay its debts as they fell due. It was also determined that management at Endemol Shine Turkey obtained unauthorised loans and issued several checks in contravention of Endemol Shine's governance policies.

In May and June of 2017, two members of the local management team implicated in the aforementioned mismanagement were dismissed. On 30 June 2017, the shareholders of Endemol Shine Turkey filed for bankruptcy with the Turkish court. In addition, creditors have filed various claims against Endemol Shine Turkey. In January 2020, the court announced the dismissal of the bankruptcy application of Endemol Shine Turkey. Such determination was subject to two expert financial reports produced by a panel of financial and sectoral experts delivered to the court in 2019. At the January 2020 hearing, the court also decided that the court-appointed managing administrations who were authorized to carry out "urgent and financial" matterson behalf of Endemol Shine Turkey would remain in charge until the decision becomes definite. The managing administrators were originally appointed by the court in October 2017 as "audit administrators" whose role was to independently audit any payments, expenses, money transfers and assignments made by Endemol Shine Turkey. Endemol Shine Turkey filed an appeal in June 2020 against the decision rejecting the insolvency. In 2021, the court rejected Endemol Shine Turkey's appeal, which Endemol Shine Turkey appealed with the highest court. In September 2022, the Court of Appeal upheld the decisions and rejected the bankruptcy claim. As a result the managing administrators are no longer in charge of Endemol Shine Turkey. Endemol Shine Turkey has appointed a support manager to manage the day-to-day affairs of the company and assist in its closing. The exposure of the third-party creditors is as of the date hereof estimated to be approximately $5.2 million.

Further, Endemol Shine Turkey has entered into three settlement agreements with tax authorities: two for unpaid tax debts (taxes arising from two different laws) and one for the unpaid social security premium payments. There are no written agreements for these settlements, as the arrangements are made through the online system of the authorities.

The implicated members of management have initiated labour lawsuits against Endemol Shine Turkey alleging wrongful termination of their employment contracts. These labour lawsuits are still pending. Endemol Shine has initiated separate criminal and civil proceedings against former management, which proceedings are continuing. In addition, a number of third-party criminal proceedings have been brought against Endemol Shine Turkey's representatives in connection with post-dated checks issued by former managers during such former managers' employment, all of which have been dismissed to date with one remaining subject to an appeal.

Finally, the creative team (directors, screenwriters and musicians) of Broken Pieces series and movies formerly produced by Endemol Shine Turkey has initiated two lawsuits seeking the suspension of the sales of Broken Pieces and compensation from the former sales based on their alleged receivables (currently, the only source of income of Endemol Shine Turkey is the licensing revenues generated from the sales of Broken Pieces).

Wipeout

In November 2020, a contestant on Wipeout passed away after participating in the show. After running the obstacle course, the contestant received medical aid and was transported to the hospital, after which he passed away. On 2 December 2020, a letter was delivered to Endemol Shine North America notifying it of an upcoming wrongful death action by the contestant's family and demanding the preservation of evidence. No additional action has been taken as of April 2022.

Harassment Endemol USA Holdings, Inc.

Two persons have filed claims that they have been sexually harassed and threatened with retaliation in 2016 and 2017 by a former employee of Endemol Shine Beyond (a former division of Endemol Shine North America). The claimants have proposed a settlement in February 2021. Parties agreed to a mediation, which took place on 14 June 2021. No settlement was reached, after which the plaintiffs filed a lawsuit, with no specific amount claimed in January 2022. The hearing on demurrer took place on 3 February 2023. As a result of the hearing, all but one of claimants' claims were dismissed without leave to amend based on the statute of limitations. The judge denied defendant's demurrer on the remaining claim and determined that the claim would be better considered for dismissal at the summary judgement stage after more discovery is conducted. Defense counsel set to take depositions of claimants and Pan in March and file a motion for summary judgment. Hearing on the summary judgment is set for 10 August 2023.

Proceedings regarding compensation related to PMU's anticompetitive practices between 2010 and 2015

In February 2013, the French Competition Authority issued a decision that accepted and made binding the commitments made by PMU, a French horse racing betting company, in order to cease practices that raised competition concerns on the online horse race betting market. Following this decision, PMU committed to separate its online and offline stakes. On 18 June 2015, the Betclic Group filed a lawsuit against PMU to seek compensation for the damage suffered as a result of PMU's abuse of its dominant position from 2010 to the end of 2015, which consisted in the pooling of online stakes and stakes in physical outlets. The Paris Commercial Court and the Paris Court of Appeal held PMU liable for having abused its dominant position and ordered an expert report to assess the damages suffered by Betclic. This procedure is still pending.

Proposal for rectification by French tax authorities

The Betclic Everest Group received in December 2021 a notice of adjustment from the French tax authorities for a total amount of €52.4 million (for an amount of €35,925,925 in principal, €2,122,007 for late interest payments and €14,370,370 for wilful misconduct) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France. On 13 May 2022, the Betclic Everest Group received (i) a rectification on the notice of adjustment from December 2021, decreasing the amount of €52.4 million to €37.3 million (€25,646,412 in principal, €1,442,760 for late interest payments and €10,258,565 for wilful misconduct) and (ii) a new notice of adjustment from the French tax authorities for a total amount of €25.8 million (€17,989,494 in principal, €575,664 for late interest payments and €7,195,796 for wilful misconduct) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France for the year 2020.

The Betclic Everest Group, like many other local operators, considers that its activities of sports betting in France are not subject to VAT. This is based on the VAT exemption provided for in article 261E of the French tax code *(Code général des impôts)*. On 9 April 2015, the French Association of Online Games (*Association Française des jeux en Ligne*) (AFJEL) requested a ruling from the French tax authorities regarding the VAT regime for sports betting services provided to French players. On 13 March 2019 the French tax authorities issued a ruling (the "VAT Tax Ruling"), in which the French tax authorities came to the conclusion that the betting at odds operations should be viewed as an activity of the organiser of those games and betting activities and thus be subject to VAT. The organiser cannot benefit from the exemption in article 261E of the French tax code. On 11 January 2021, the association AFJEL filed a complaint with the EU Commission, considering the VAT Tax Ruling as being non-compliant with EU legislation On 25 May 2022, the association AFJEL received the decision from the EU Commission to close the complaint.

The Betclic Everest Group, with the support of its legal and tax advisers, still considers the bases for adjustment are erroneous and that the position of the tax authorities is not in conformity with various general principles of VAT, in the same way as the other online gaming operators in France that are part of the association AFJEL. The Betclic Everest Group will challenge this adjustment in France, with the tax authorities and, if necessary, the French courts, but also with the Court of Justice of the European Commission if a French Court decides to make a request for a preliminary ruling. No provision relating to this litigation has been recorded (for a discussion thereof, please refer to Section 3.1 ((Description of the risk factors) — *Risks relating to Taxation—The Betclic Everest Group has been subject to a VAT reassessment with respect to its activities of sports betting in France*) on page 124.

Claims from customers for reimbursement of losses on casino in Austria

Bet-at-home is involved in legal proceedings with Austrian and German players who have claimed reimbursement for their gaming losses that they incurred with unlicensed operators. After the online casino had been discontinued by end of 2021 in Austria, the effected Maltese entity was no longer in a position to service its liabilities from existing or independently generated funds. As a consequence, a winding-up by courts proceedings in respect of this Maltese entity were initiated and approved by the competent court in Malta. Since that time customers have been trying to claim for damages against the other companies of the Bet-at-home group. With year-end 2022 reimbursement claims with a total dispute value of €7.4 million are pending in court.

In February 2022, two separate actions were filed before the Austrian courts by two Austrian gamblers against the Betclic Everest Group for €50,000 and €37,837.40. Claimants allege that Bet-at-home Entertainment has violated the Austrian gambling monopoly and that in turn, Bet-at-home and Betclic Everest Group in their capacity as direct and indirect majority shareholders of Bet-at-home Entertainment, have violated this so-called "protection law". In May 2022 court settlements were approved and concluded. No other lawsuits have been filed against Betclic Everest group relating to reimbursement of losses on the online casino of Bet-at-home.

04/
CORPORATE GOVERNANCE

The Board of Directors

From left to right : Mr Yves de Toytot, Mr Marco Bassetti, Mrs Sophie Kurinckx, Mrs Susana Gallardo, Mr Pierre Cuilleret, Mr François Riahi, Mr Alain Minc, Mrs Marella Moretti, Mr Nicolas Béraud, Mrs Cécile Lévi, Mrs Eléonore Ladreit de Lacharrière, Mr Stéphane Courbit and Mr Hervé Philippe.

4.1 Dutch Corporate Governance Code, "Comply or explain"

Dutch Corporate Governance Code

The Dutch Corporate Governance Code, as amended, entered into force on, and applies to any Financial Year starting on or after, 1 January 2017 and finds its statutory basis in Book 2 of the DCC. The DCGC applies to the Company as it has its statutory seat in the Netherlands and its Ordinary Shares are listed on Euronext Amsterdam. The DCGC contains a number of principles and best practice provisions in respect of good corporate governance. A Dutch and an English version of the DCGC can be found on the website of the Monitoring Commissie Corporate Governance Code (https://www.mccg.nl/publicaties/codes/2016/12/8/corporate-governance-code-2016-en).

The Dutch Corporate Governance Code is based on a "comply or explain" principle. Accordingly, companies are required to disclose in their management report as included in their Annual Financial Report (the "Management report") whether or not they comply the various best practice principles of the DCGC that are addressed to the Board. If a company deviates from a best practice principle in the DCGC, the reason for such deviation must be properly explained in its Management Report.

The Company acknowledges the importance of good governance and is committed to adhering to the best practices of the DCGC as much as possible. The Company intends to be fully compliant with the DCGC with the exception of the following provisions:

Best practice provision 2.1.8 *(independence of the Chairman of the Board)*

The Company deviates from this best practice provision, as the Chairman of the Board is Mr Stéphane Courbit, who is not independent within the meaning of the DCGC. Mr Stéphane Courbit and his family are the ultimate and majority shareholders of the Company and Mr Stéphane Courbit is the founder of the Company.

Best practice provision 2.3.2 *(committees)*

The Company does not comply with best practice provision 2.3.2, which provides that if there are more than four Non-Executive Directors, the Board shall appoint an Audit Committee, a Remuneration Committee and a Selection and Appointment Committee. The Company deviates from this best practice provision as it only has an Audit Committee and a Remuneration, Selection and Appointment Committee. The Company believes that it is more efficient to have two committees and combine the functions and the responsibilities of the Remuneration Committee and the Selection and Appointment Committee in one committee, the Remuneration, Selection and Appointment Committee.

Best practice provision 4.3.4 *(voting right on financing preference shares)*

Please refer to Chapter 7 (General description of the Company and its share capital — Share capital and shareholder structure) on page 319 of this Universal Registration Document for the description of the Special Voting Shares and Earn-Out Preference Shares issued to Financière Lov. The Company believes it to be in its long-term interest for Mr Stéphane Courbit, who is the founder of the Group and who has been instrumental for its success, and his family to continue to control a majority of the voting power of the outstanding share capital of the Company via Financière Lov.

4.2 Composition of the Board of Directors and the Committees

4.2.1 General

This section gives an overview of the material information concerning the Board and the Company's corporate governance. It is based on the relevant provisions of Dutch law as in effect as at the date of this Universal Registration Document, the Articles of Association, the Board Rules and the Shareholders Agreement. This summary does not purport to give a complete overview and should be read in conjunction with the aforementioned documents. The full text of the Articles of Association in Dutch, and an unofficial English translation thereof, are available on the Company's website (https://www.flentertainment.com).

The full text of the Board Rules, the charter for the Company's Audit Committee (the "Audit Committee") and the charter for the Company's Remuneration, Selection and Appointment Committee (the "Remuneration, Selection and Appointment Committee"), the Board profile, Diversity Policy and certain other governance policies are also available on the Company's website (https://www.flentertainment.com).

The material terms of the Shareholders Agreement are described in Chapter 7 (General Description of the Company and its Share Capital – Major shareholders– Shareholders agreement at the level of the Company) of the Universal Registration Document.

The Company has a one-tier Board structure consisting of Executive Directors and Non-Executive Directors. The Executive Directors, together with the senior managers of the Company listed below form the senior management team of the Company (the "Senior Management Team") (please refer to Section 4.3 (Management structure) on page 157 of this Universal Registration Document.

04/

4.2.2 Board of Directors

4.2.2.1 Board Rules

The Board has adopted rules governing its decision-making process and working methods (the "Board Rules"). The Board Rules describe the duties, tasks, composition, procedures and decision-making of the Board. The Board Rules are available on the Company's website. The Board may amend the Board Rules from time to time.

4.2.2.2 Powers, responsibilities and functioning

The Board is responsible for the management of the Company's operations, with the Executive Directors being primarily charged with the Company's day-to-day operations and the Non-Executive Directors being primarily charged with the supervision of the performance of the duties of the Executive Directors. The responsibilities of the Board as a whole include, among other things, defining and pursuing the Company's objective and determining the Company's strategy and risk management. The Board may perform all acts necessary or useful for pursuing the Company's objectives, with the exception of those acts that are prohibited or are expressly attributed to the General Meeting by law or by the Articles of Association. In performing their duties, the Directors are required to be guided by the interests of the Company and its business, taking into consideration the interests of the Company's stakeholders (which includes but is not limited to its customers, its suppliers, its employees and its shareholders).

The Board is authorised to allocate its duties among the Directors, provided that a resolution to that effect passed with two-thirds of the votes cast in a meeting in which all in office are present or represented, and that such allocation is laid down in writing (in Board Rules or otherwise) provided that the Directors who are conflicted are not taken into account.

Subject to certain statutory exceptions, the Board as a whole is authorised to represent the Company.

In addition, (i) Mr François Riahi as Executive Director with the title of Chief Executive Officer as well as (ii) Mrs Sophie Kurinckx, as Executive Director with the title of Chief Financial Officer, acting solely, each have the authority to represent the Company.

The Board is supported by a company secretary, a professional based in France. The current company secretary of the Board is Mrs Inès Datchary, who also acts as general counsel for Financière Lov.

4.2.2.3 Composition, appointment and removal

The Articles of Association provide that the Board shall determine the number of Directors (provided such amount shall at all times be between nine and thirteen. The Board consists of one or more Executive Directors and one or more Non-Executive Directors. No person can simultaneously be appointed an Executive Director and a Non-Executive Director. As at the date of this Universal Registration Document, the Company has a Board consisting of two Executive Directors and nine Non-Executive Directors, the majority of the Directors consisting of French tax residents.

The Directors are appointed by the General Meeting, in accordance with the Articles of Association, the Shareholders Agreement, the diversity policy and the profile of the Board.

The General Meeting may at any time suspend or dismiss a Director with absolute majority. The Board may at all times suspend an Executive Director, by resolution adopted with two-third of the votes cast in a meeting where all Directors in office are present or represented. A suspension may be extended one or more times but may not last longer than three months in aggregate. If at the end of that period, no decision has been taken on the termination of the suspension or on dismissal, the suspension shall end. A suspension can be terminated by the General Meeting at any time.

4.2.2.4 Board meetings and decisions

Pursuant to the Articles of Association and the Board Rules, resolutions of the Board are adopted by at least an absolute majority of the votes cast unless the Articles of Association or Board Rules provide otherwise. Each Director has one vote. If at any time the Board is composed of an even number of Directors of at least four (4) Directors, the Chairman of the Board shall benefit from a casting vote in the event the votes are tied. In addition, the Board Rules provide that the following decisions shall require the prior approval from (i) the majority of the Directors present or represented and (ii) the majority of the Directors present or represented excluding the Directors whom have been proposed for appointment by Financière Lov (other than the Directors fulfilling the independence criteria provided by the DCGC):

- contribution in kind to any entity of the Group by Financière Lov, the Courbit Family or any of its affiliates;
- execution or amendment of any agreement (including services or President fee arrangements) between (i) LGI or Financière Lov or the Courbit Family (or any affiliates thereof, except for the Company or any Group Company) on the one hand and (ii) any Group Company on the other, except for the renewal of the existing transactions described in this Universal Registration Document at the same terms and conditions;
- issuance of instrument/rights giving (i) to LGI or Financière Lov or the Courbit Family (or any affiliates thereof) more rights than the other shareholders of the Company or (ii) a third-party more rights than the other shareholders if Financière Lov (or any affiliate thereof) is not similarly impacted with other shareholders (or if Financière Lov (or any affiliate thereof) is otherwise advantaged versus the minority shareholders), unless it concerns the issuance of instruments to a person exercising a previously acquired right to acquire such instruments;
- proposals to amendment of the Company's Articles of Association that would change the majority and quorum rules applicable to resolutions of the General Meeting.

The Board will need to obtain the approval of the General Meeting for resolutions entailing a significant change in the identity or nature of the Company or its business.

This includes in any event:

(i) the transfer of the business enterprise, or practically the entire business enterprise, to a third-party;

(ii) concluding or cancelling a long-lasting cooperation of the Company or a subsidiary with another legal person or company or as a fully liable general partner in a partnership, provided that the cooperation or cancellation is of material significance to the Company; and

(iii) acquiring or disposing of a participating interest in the share capital of a company with a value of at least one third of the Company's assets, as shown in the statement of financial position with explanatory notes according to the last adopted Annual Accounts by the Company or a subsidiary of the Company. In each of the abovementioned situations, the lack of approval from the General Meeting does not affect the authority of the Board or the Executive Directors to represent the Company.

Board meetings shall be held in accordance with the Articles of Association and the Board Rules. Board meetings shall be held physically at the offices of the Company in France or in any other place in France indicated in the convocation notice (except if not authorised considering surrounding circumstances of such meeting). The place of effective management of the Company shall be in France, unless another place is designated as the place of effective management by resolution of the Board adopted in a meeting in which all Directors in office are present or represented.

Pursuant to the Articles of Association and the Board Rules, resolutions can also be adopted without holding a meeting, provided that (i) the proposals have been brought to the attention of all of the Directors, (ii) none of the Directors entitled to vote has objected to this form of decision making (iii) at least the majority of the Directors should adopt resolutions while physically present in France and (iv) and the resolutions are adopted in writing. Directors should not adopt resolutions while physically present in the Netherlands.

4.2.2.5 Directors

As at the date of publication of this Universal Registration Document, the Board is composed of the following Directors:

Name	Age	Gen-der	Natio-nality	Position	Member as at	End of current term	Atten-dance rate to the Board	I/NI*
François Riahi	50	M		Executive Director (CEO)	2022	2024	100%	n/a
Sophie Kurinckx	44	F		Executive Director (CFO)	2022	2026	100%	n/a
Stéphane Courbit	58	M		Non-Executive Director (Chairman)	2022	2026	100%	NI
Pierre Cuilleret	56	M		Non-Executive Director	2022	2026	100%	I
Susana Gallardo	58	F		Non-Executive Director (Vice-Chairman)	2022	2025	50%	I
Eléonore Ladreit de Lacharrière	43	F		Non-Executive Director	2022	2025	100%	NI
Cécile Lévi	58	F		Non-Executive Director	2022	2026	100%	I
Alain Minc	74	M		Non-Executive Director	2022	2024	100%	NI
Marella Moretti	57	F		Non-Executive Director	2022	2026	100%	I
Hervé Philippe	64	M		Non-Executive Director	2022	2026	100%	NI
Yves de Toytot	62	M		Non-Executive Director	2022	2024	100%	I

* I = Independent / NI = Non-Independent

58 years old
AVERAGE AGE

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MEMBERS ARE INDEPENDENT
under the DCGC, i.e. 45%

4 / 9
WOMEN
i.e. 45%

BOARD SKILLS

INTERNATIONAL EXPERIENCE
82%

EXECUTIVE MANAGEMENT
82%

REGULATION & PUBLIC AFFAIRS
64%

FINANCE, M&A, CAPITAL MARKETS
82%

CSR
64%

GAMING SECTOR
55%

MEDIA AND ENTERTAINMENT
64%

The Company's address of its place of effective management, 5 rue François Ier, 75008 Paris, France, serves as the business address for all Directors from where they shall perform their duties.

François Riahi

Executive Director (CEO)

Age: 50
Nationality: French
Member as at: 2022
End of current term: 2024
Independence: n/a

Biography

A graduate of the École Centrale de Paris school of engineering, Sciences Po, the French National School of Administration and the Stanford Executive Program, Mr François Riahi began his career as an Auditor in the French government's Inspection Générale des Finances from 2001 to 2005, before joining the government's Budget department.

In 2007 he was appointed Advisor on the Reform of State Institutions and Public Finances to the President of the French Republic. Mr François Riahi spent eleven years of his career within the BPCE banking group where he held various positions. In particular, he is the former Chief Executive Officer of Natixis and Chairman of the Board of Directors of Coface. He joined Financière Lov in December 2020, becoming its Chief Executive Officer.

Offices currently held

- Financière Lov, SNC TEA and EMMA

Offices expired in the last 5 years

- BPCE, Natixis Investment Managers, Natixis Assurances, Coface SA, Natixis Payment Solutions, Peter J. Solomon GP Company LLC, Peter J. Solomon Securities Company LLC

Sophie Kurinckx

Executive Director (CFO)

Age: 44
Nationality: French
Member as at: 2022
End of current term: 2026
Independence: n/a

Biography

Mrs Sophie Kurinckx has held the position of Chief Financial Officer of Banijay Group SAS since 2013. From 2011 to 2012, Ms Kurinckx was the Head of Financial Control for Banijay Group SAS. Before joining Banijay Group SAS, she was an Auditor for KPMG and later the Deputy Head of Group Consolidation and Group IFRS Specialist for JCDecaux. Ms Sophie Kurinckx holds a Masters of Science degree in Management from the ESSEC Business School in France.

Offices currently held

- n/a

Offices expired in the last 5 years

- n/a

Stéphane Courbit

Non-Executive Director (Chairman)

Age: 58
Nationality: French
Member as at: 2022
End of current term: 2026
Independence:
Non-Independent

Biography

Mr Stéphane Courbit is the founder and President of the Lov Group, a group primarily oriented towards entertainment (audiovisual production and sports betting), luxury hotels and food.

He began his career working in TV Production industry. In 1998, Mr Stéphane Courbit was appointed CEO of Endemol France, becoming France's leading audiovisual production company in just a few years. He sold his stake in 2006 and left Endemol France in 2007. The same year, he founded LGI, a holding company that invested notably in audiovisual production, luxury hotels, the Internet and food. In 2008, Lov Group invested in Betclic. In 2008, Lov Group launched Banijay. The merger between Banijay and Zodiak in 2016 and the acquisition of Endemol Shine Group in 2020 made Banijay the world's leading audiovisual production group.

Lov Group also became the majority shareholder of Airelles hotels, Ladurée and Chateau d'Estoublon.

Offices currently held

- Lov Group Invest, Carrefour, 5 Thézillat, SCI ZUST, SCI Les Zudistes, SCI 607, SCI 611, SCI Minos & C, SCI Roux Milly, SCI Courvalios, SCI Néva-Thézillat, SCI Jaysal II, Lov T, SCI Parking La Garonne, SCI James & Co, SCI Gordita, SCI Blancs Mills

Offices expired in the last 5 years

- Zust, Les Zudistes, SCI ST Le Phare

Pierre Cuilleret

Non-Executive Director

Age: 56
Nationality: French
Member as at: 2022
End of current term: 2026
Independence: Independent
Committee:
Remuneration, Selection and Appointment Committee

Biography

Mr Pierre Cuilleret was a sponsor and chief executive officer of Pegasus Entrepreneurs, which merged with FL Entertainment on 1 July 2022. He has 30 years of professional experience growing companies and creating value for shareholders as a serial entrepreneur, investor and Board member. After studying in France, Sweden and California, he started his career in strategy consulting. He then created and successfully ran two fast-growing specialist retailers who quickly became market leaders: in mobile phones, and in video games. As a CEO, he experienced a full range of financing phases, from selling his car in 1996 to start up The Phone House, all the way to the IPO of The Carphone Warehouse Group on the LSE in 2000, and subsequently from minority to majority LBO of Micromania with L-Catterton in 2005 selling to GameStop in 2008. He has also been an early investor in innovative platforms like Facebook, Uber, Royalty Pharma and Moderna.

Offices currently held

- Geyser Investments SA, Spf, Geyser Advisory Ltd, Diana capital II, Antwort Capital

Offices expired in the last 5 years

- Alpima Ltd, Boohoo Group Plc, Desigual

Susana Gallardo

Non-Executive Director (Vice-Chairman)

Age: 58

Nationality: Spanish

Member as at: 2022

End of current term: 2025

Independence: Independent

Committee:

Remuneration, Selection and Appointment Committee (Chairperson)

Biography

Mrs Susana Gallardo has a BSc degree in Economics and Politics from Oxford Polytechnic and graduated from IESE Business School (Advance Management Program). She also studied at City of London Polytechnic. She began her career in finance at Banco de Europa as a money market trader. She is Chair of the family council of Landon Grupo Corporativo, which is active in real estate, private equity and other financial investments, in addition to its controlling interests in Almirall and Goodgrower. She is a Director Goodgrower SA (Spain), of the Fundacion Aurea (Spain), of Corporación Genbad SL (Spain), and of Unibail-Rodamco-Westfield Group (France). She is also Chairman of Susinvest Inversiones 2030 SA (Spain), of Susrocks Invest SA (Spain). The company was absorbed by Fundación Áurea.

Offices currently held

- Landon Grupo Corporativo SL (Spain), Goodgrower SA (Spain), Fundacion Privada Infantil Bienvenido (Spain), Fundacion Aurea (Spain), Corporación Genbad SL (Spain), Percibil SL (Spain), Susanvest SA (Spain), Susinvest Inversiones 2030 SA (Spain), Susrocks Invest SA (Spain), Unibail-Rodamco-Westfield Group (France)

Offices expired in the last 5 years

- Abertis (Spain), Saba Infraestructuras (Spain), Landon Investments SCR SA (Spain)

Eléonore Ladreit de Lacharrière

Non-Executive Director

Age: 43

Nationality: French

Member as at: 2022

End of current term: 2025

Independence:

Non-Independent

Biography

After graduating from Dauphine and ESSEC MBA, Mrs Éléonore Ladreit de Lacharrière joined a microcredit NGO in India. After this first experience, she has been appointed as Executive Director of Fimalac group's corporate foundation (Fondation d'entreprise Culture & Diversité). Mrs Éléonore Ladreit de Lacharrière has subsequently joined Fimalac's group as a member of the Executive Committee and Board member. She is also a member of the Board of Directors of the Louvre Museum, as well as Chairman of the Board of Directors of the Beaux-Arts de Paris. She was previously Chairman of Rodin Museum.

Offices currently held

- Fimalac Participations Coop SA, Fimalac Développement SA, Groupe Marc de Lacharrière SE, Fimalac SE, Fimalac Entertainment Holding SAS, ID Logistics SA, École Nationale supérieure des Beaux-Arts de Paris, Louvre Museum

Offices expired in the last 5 years

- French National Commission for UNESCO, Rodin Museum, Diversity Observatory

Cécile Lévi

Non-Executive Director

Age: 58
Nationality: French
Member as at: 2022
End of current term: 2026
Independence:
Independent
Committee:
Audit Committee (Chairperson)

Biography

Mrs Cécile Lévi was a non-independent Non-Executive Director of Pegasus Entrepreneurs. She is employed by Tikehau Investment Management, a wholly-owned subsidiary of Tikehau Capital. She is appointed as Statutory Director to represent both Financière Agache and Tikehau Capital. She serves as Head of Private Debt activity of Tikehau since 2013. Previously, she was head of Private Debt at Ardian (previously AXA Private Equity) that she joined in 2005. She began her career in 1988 in Corporate Finance and M&A at Merrill Lynch in Paris and New York. In 1991, she joined Elig, a pioneer private equity fund in France. She has originated and led the execution of numerous complex financing transactions across Europe.

Offices currently held

- Tikehau General Partner Sarl, TSO Investment Sarl, Tikehau General Partner II Sarl, TDL IV Sarl, TDL 1st Lien Investment Sarl, TDL 4L Sarl, MTDL Investment Sarl, Tikehau General Partner V Sarl, Tikehau Direct Lending 5 Sarl, Tikehau PDS GP Sarl, TikeCruise Sarl, Titan GP Sarl, TKO PD LUX SPONSORSHIP, Tikehau PDS B GP Sarl, CILEV

Offices expired in the last 5 years

- n/a

Alain Minc

Non-Executive Director

Age: 74
Nationality: French
Member as at: 2022
End of current term: 2024
Independence:
Non-Independent
Committees:
Audit Committee and Remuneration, Selection and Appointment Committee

Biography

Mr Alain Minc (Paris, 1949) has been a member of CaixaBank's Board of Directors since 2007. He is Chairman and CEO of his own consultancy firm, AM Conseil, and is a graduate from the École des Mines de Paris and the École nationale d'administration (ENA) in Paris. In 1991, he founded his own consultancy firm, AM Conseil. He has been Chairman of the Supervisory Board of French newspaper Le Monde, Deputy Chairman of Compagnie Industriali Riunite International and general manager of Cerus (Compagnies européennes réunies). He was also finance inspector and CFO at French industrial group Saint-Gobain. He is currently Chairman of Sanef. He has been named *Commandeur de la Légion d'Honneur* and Commander of the British Empire and was awarded Gran Cruz de la Orden del Mérito Civil. He has written more than 30 books since 1978, many of them best-sellers.

Offices currently held

- AM Conseil, Sanef, Logista, Financière Lov

Offices expired in the last 5 years

- CaixaBank, Prisa

Marella Moretti

Non-Executive Director

Age: 57

Nationality: Italian

Member as at: 2022

End of current term: 2026

Independence:

Independent

Committee:

Audit Committee

Biography

Mrs Marella Moretti is a graduate of the "Amministrazione Aziendale" Business School of the University of Turin. From 1991 to 1996, she worked as head of Financial Planning and Control at Fiat France, in Paris. She went on to hold successive positions at Fiat France from 1996 to 2005: Head of Corporate Finance; Deputy CFO and CFO. From 2005 she has been CFO of Fiat Chrysler Finance et Services. Since 2020 she has been Director Global Investor Relations at Fiat Chrysler Automobiles (Stellantis). From 2009 to 2022 she has been Managing Director and still serving as a Board member of IC Financial Services. Since November 2019 she is Executive Director of Fiat Chrysler Finance Luxembourg. From 2011 to 2019 she has served as a member of the Board of Directors of Fiat Chrysler Finance Europe. From 2011 to 2022 she has been CEO and Board member of CNH Industrial Finance France. From 2011 to 2014, she also served as an independent member of the Supervisory Board and member of the Audit Committee, of Unibail-Rodamco. Since 2017, she has been serving as an independent Non-Executive Director of Telecom Italia SpA as well as member of the Control and Risk Committee and the Related Parties Committee. She has been a member of MEDEF Europe commission, of the NGO Care France and of the Women Corporate Directors organization (international chapter).

Offices currently held

- IC Financial Services, Fiat Chrysler Finance Luxembourg, TIM

Offices expired in the last 5 years

- Telecom Italia SpA, Fiat Chrysler Finance et Services, CNH Industrial Finance France, Fiat Chrysler Finance Europe

Hervé Philippe

Non-Executive Director

Age: 64

Nationality: French

Member as at: 2022

End of current term: 2026

Independence:

Non-Independent

Committee:

Remuneration, Selection and Appointment Committee

Biography

Mr Hervé Philippe is a graduate of the Institut d'études politiques de Paris and holds a degree in Economic Sciences. He began his career with Crédit National in 1982 as account manager for business financing. In 1989, he joined the French market authority, as manager for the sector of the French listed company sector. From 1992 to 1998, he served as Head of the Transactions and Financial Information department. In 1998, he joined the Sagem group, where he held the positions of Director of Legal and Administrative Affairs, then Chief Administrative and Financial Officer. He became a member of the Sagem SA Management Board in 2003. Hervé Philippe was appointed CFO of the Havas Group in November 2005 and, in May 2010, was named Deputy CEO. He has served as Vivendi SE's CFO from 1 January 2014 and as a member of its Management Board from 24 June 2014. Since 24 June 2022, Hervé Philippe serves as project manager for the Chairman of the Management Board of Vivendi SE.

Offices currently held

- Havas, Sifraba 2, CA Brive club professionnel de rugby (CABCL), Anmapi France

Offices expired in the last 5 years

- Canal+ Group, Compagnie Financière du 42, avenue de Friedland (SAS), Editis Holding, Prisma Media, Antinea 6, Dailymotion, Sifraba, Jean Bal, Harvest, Universal Music France (SAS), Telecom Italia SpA, Vivendi SE

Yves de Toytot

Non-Executive Director

Age: 62

Nationality: French

Member as at: 2022

End of current term: 2024

Independence: Independent

Committee: Audit Committee

Biography

After graduating from SKEMA Business School (Nice Sophia-Antipolis), Mr Yves de Toytot started his career in 1983 at the pharmaceutical group Sanofi as an internal Auditor and consolidation manager.

In 1987, he joined the Danone group where he worked in several subsidiaries (Evian, Générale Traiteur, Materne, Evian Resort) managing accounting teams, management control and then the finance division. In 1997, he joined Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco ("SBM Monaco") as Chief Financial Officer and was appointed Deputy Chief Executive Officer-Finance in November 2011. He is a member of the Board of Directors of Société des Bains de Mer USA Inc. and a member of the Board of Directors of Monte-Carlo SBM Singapore Pte. Ltd. He is also serves as Manager *(Gérant)* of SBM International.

Offices currently held

- Société des Bains de Mer USA Inc., Monte-Carlo SBM Singapore Pte. Ltd, Monte-Carlo SBM International Sàrl (Luxembourg)

Offices expired in the last 5 years

- S.A.M.E.S

4.2.2.6 Committees of the Board

The Board of Directors decided to set up two permanent Committees: (i) the Audit Committee and (ii) the Remuneration, Selection and Appointment Committee.

AUDIT COMMITTEE

4 MEMBERS	2 MEETINGS	75% INDEPENDENT	100% ATTENDANCE RATE
• Mrs Cécile Lévi (Chairperson) • Mrs Marella Moretti • Mr Yves de Toytot • Mr Alain Minc		• Mrs Cécile Lévi (Chairperson) • Mrs Marella Moretti • Mr Yves de Toytot	

The Audit Committee prepares the Board's decision-making regarding the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems and assists and advises the Board in this respect.

The Audit Committee focuses on monitoring the Board in matters regarding relations with the internal and external Auditors, the Company's funding, the application of information and communication technology, including risks related to cybersecurity and the Company's tax policy.

In addition, the Audit Committee has duties related to the functioning of the internal audit function and the external Auditor, the Company's financial reporting and risk management and setting materiality thresholds and guidelines for and overseeing all material related-party transactions.

The Audit Committee meets as often as required to ensure proper functioning of the Audit Committee, but in any event at least four times a year.

The members of the Audit Committee are appointed by the Board. As at the date of this Universal Registration Document, the Audit Committee consists of Mrs Cécile Lévi (Chairperson of the Audit Committee), Mrs Marella Moretti, Mr Yves de Toytot and Mr Alain Minc. See also *"Shareholder structure and related party transactions—Certain relationships and related party transactions—Shareholders agreement at the level of the Company—Board committees"*.

The Audit Committee takes into consideration the competences of the members of this Committee collectively relevant to the sector in which the Company operates. As such, the Chairperson, Mrs Cécile Lévi has a deep track record in finance working in a top ranked French global alternative asset manager. Mr Yves de Toytot has a competence in finance and accounting as a former CFO of SBM, a company with gaming activities. All members of this Committee have a strong international experience, and one has a specific skill in the sector of media.

The charter for the Audit Committee is published on the Company's website.

REMUNERATION, SELECTION AND APPOINTMENT COMMITTEE

4 MEMBERS	0 MEETING	75% INDEPENDENT	n/a ATTENDANCE RATE
• Mrs Susana Gallardo (Chairperson) • Mr Alain Minc • Mr Pierre Cuilleret • Mr Hervé Philippe		• Mrs Susana Gallardo (Chairperson) • Mr Pierre Cuilleret • Mr Hervé Philippe	

The Remuneration, Selection and Appointment Committee prepares the Board's decision making regarding the proposed remuneration policy and the determination of the remuneration of individual Directors within the framework of the remuneration policy, including severance payments, and assists and advises the Board in this respect. The responsibilities of the Remuneration, Selection and Appointment Committee include preparing a proposal for the Board concerning the remuneration policy for the Directors to be adopted by the General Meeting, and on the remuneration of the individual Directors. The Remuneration, Selection and Appointment Committee advises the Board on the contractual terms for the management services agreements with Executive Directors. Furthermore, the committee must prepare a proposal for the Board concerning the long-term incentive plan regarding the granting of Ordinary Shares and/or options to the Executive Directors and other senior management of the Group, including the terms and conditions governing this and approving the grants under this plan on behalf of the Board. In addition, the Remuneration, Selection and Appointment Committee prepares a remuneration report setting out how this policy has been implemented in the past financial year, for discussion at the General Meeting.

The Remuneration, Selection and Appointment Committee furthermore prepares the Board's decision making regarding the appointment and reappointment of Directors. The Remuneration, Selection and Appointment Committee focuses on preparing the selection criteria and appointment procedures for Directors, and proposing the composition profile of the Board. It also periodically assesses the size and composition of the Board, and the functioning of the individual Directors. The Remuneration, Selection and Appointment Committee also prepares proposals for appointment and reappointment of Directors. It supervises the Board's policy on selection criteria and appointment procedures for senior management. The Remuneration, Selection and Appointment Committee meet as often as required to ensure proper functioning of the Remuneration, Selection and Appointment Committee, but in any event at least two times a year.

The members of the Remuneration, Selection and Appointment Committee are appointed by the Board. As at the date of this Universal Registration Document, the Remuneration, Selection and Appointment Committee consists of Mrs Susana Gallardo (Chairperson of the Remuneration, Selection and Appointment Committee), Mr Alain Minc, Mr Pierre Cuilleret and Mr Hervé Philippe. See also *"Shareholder structure and related party transactions—Certain relationships and related party transactions—Shareholders agreement at the level of the Company—Board committees"*.

The charter for the Remuneration, Selection and Appointment Committee is published on the Company's website.

4.2.2.7 Diversity

In accordance with Dutch law and the Code, the Board has adopted a diversity policy with respect to the composition of the Board. This policy addresses objectives relating to diversity and the diversity aspects relevant to the Company (e.g. age, gender, education and background).

The Company is committed to providing equal opportunities for recruitment, mobility, promotion, training and remuneration to all employees, regardless of their ethnic, social or cultural origin, gender, religion, age, sexual orientation, personal situation or disability. It is constantly seeking to enrich and diversify its talent pool around the world for its present and future needs. Indeed, the Group's growth is based on the diversity of its businesses, its employees, its cultures and its talents.

Diversity and inclusion are strategic issues that are promoted at all levels of the Group, so that they become a reality for all employees, a managerial commitment and a daily priority for the human resources teams.

The Company is characterized by an experienced leadership team to complete its growth strategy. All of the Board's members share a strong concern for the Company's interests, a strategic vision for the future, an international outlook necessarily implied by the activities of the Company, as well as a long-term experience in the operation of governance bodies in various sectors such as media, Internet, luxury, technology, finance, banking, real estate or culture.

Pursuant Dutch law, the Company has to comply with a quota of at least one-third for both women and men on Supervisory Boards. In a one-tier Board, this one-third quota shall be applicable to Non-Executive Directors. As at the date of this Universal Registration Document, the breakdown of Non-Executive Directors consists for 45% of women and for 55% of men. Consequently, the Company complies with the Dutch law requirements.

4.2.2.8 Potential conflicts of interest and other information

Dutch law provides that a Director of a Dutch public limited liability company, such as the Company, may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the Company. Such a conflict of interest only exists if in the situation at hand the Director is deemed to be unable to serve the best interests of the Company and the business connected with it with the required level of integrity and objectivity. Pursuant to the Articles of Association, a Director may not participate in the deliberations and the decision-making process of the Board (i) concerning any subject in which he has a direct or indirect personal interest which conflicts with the interest of the Company and the business enterprise it operates or, (ii) concerning a transaction with a related party in which transaction the relevant Director is involved unless section 2:169 paragraph 5 of the DCC applies.

Pursuant to the Board Rules, the Directors shall try to avoid all conflicts of interest between (i) themselves (either personally or representing another (legal) person); and (ii) the Company. Each Director shall immediately report any (potential) personal conflict of interest concerning a Director to the Chairman of the Board. If the Chairman of the Board has an actual or potential conflict of interest, he or she should report this to the Vice-Chairman and if there is no Vice-Chairman to the other Directors without delay and provide all relevant information. If as a result of such a personal conflict of interest all Directors are unable to participate in the deliberations and the decision-making process and no resolution of the Board can be adopted, the resolution may nevertheless be passed by the Board as if none of the Directors has a conflict of interests.

The existence of a (potential) personal conflict of interest does not affect the authority to represent the Company, as described under Section Powers, responsibilities and functioning above.

There are no conflicts of interests between any duties to the Company, of Directors or other Senior Management Members, and their private interests and or other duties.

Furthermore, there are no potential conflicts of interests between any duties to the Company, of Directors or other Senior Management Members, and their private interests and or other duties, except for (i) Mr François Riahi, acting as chief executive officer of Financière Lov and the Company, and (ii) Mr Hervé Philippe, acting as project manager for the Chairman of the Management Board of Vivendi SE and Non-Executive Director.

For the avoidance of doubt, there are no conflicts of interests between the private interests of Mr François Riahi himself and the interests of the Company, but the Company cannot exclude that in the future a potential conflict of duties may arise due to Mr Riahi's dual role as chief executive officer of Financière Lov and his role as chief executive officer of the Company. As chief executive officer of the Company, Mr François Riahi should focus on the interests of the Company and all its stakeholders, which includes Financière Lov, but is not limited thereto, whereas as chief executive officer of Financière Lov, Mr François Riahi should focus on the interests of Financière Lov. Should a conflict of duties exist in connection with Mr François Riahi's dual role, a situation may arise in which the private interests of Mr Riahi and the interests of the Company or its stakeholders diverge and a conflict of interests may arise. In this context, as at the date on which the Merger became effective, François Riahi is not be entitled to vote on any decisions involving transactions with Financière Lov including in particular on decisions further described under *"—Board—Board meetings and decisions"* above. François Riahi, in his capacity as chief executive officer of Financière Lov, is in charge of the activities of Financière Lov other than those relating to the Company and the Group.

With respect to Mr Hervé Philippe, for the avoidance of doubt, there are no conflicts of interests between Mr Hervé Philippe and the Company. However, conflicts of interest may potentially arise in connection with the existing business contractual relationship and any future business arrangements between the Banijay Group and Vivendi SE's subsidiaries due to Mr Hervé Philippe's role as project manager for the Chairman of the Management Board of Vivendi SE. See also *"— Board—Conflict of interest"* above.

In addition, the Articles of Association and/or the Board Rules provide that certain decisions of the Company further described under "Board Rules" require the prior approval from (i) the majority of the Directors present or represented, (ii) the majority of the Directors present or represented excluding the Directors whom have been proposed for appointment by Financière Lov (other than the Directors fulfilling the independence criteria provided by the DCGC). During the last five years, none of the Directors or other Senior Management Members has: (i) been convicted of fraudulent offenses; (ii) served as a Director or officer of any entity subject to bankruptcy proceedings, receivership, liquidation or companies put into administration; or (iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any company.

Other than the Shareholders Agreement, there are no other arrangements or understandings with major shareholders, suppliers, customers or others pursuant to which any Director or other Senior Management Member was selected as a member of the Board or Senior Management Team.

4.2.2.9 Related party transaction policy

Certain rules apply under the DCC with respect to transactions with a "related party" (as defined in those rules) and, under those rules, "material transactions" (as defined in those rules) with related parties that are (a) not entered into in the ordinary course of business of the Company or (b) that are not concluded on normal market terms, require approval of the Board. In addition, the Board Rules provide that certain decisions of the Board further described under *"Board"* above require the prior approval from (i) the majority of the Directors present or represented, and (ii) the majority of the Directors present of represented excluding the Directors who have been proposed for appointment by Financière Lov (other than the Directors fulfilling the independence criteria provided by the DCGC).

The Board Rules include a policy on related party transactions. According to this policy, no material related party transactions outside the ordinary course of business or on terms that are not customary for arm's-length transactions in the relevant branch of business shall be undertaken without the approval of the Board. A Director involved in such an extraordinary material related party transaction shall not participate in the decision-making related to such extraordinary material related party transaction. A related party transaction includes transactions between the Company and its subsidiary on the one hand and certain related parties, including parties holding at least 10% of the Ordinary Shares, on the other hand. The related party transactions policy provides for certain procedures for members of the Board to notify a potential material related party transaction. The Board shall decide whether a transaction qualifies as an extraordinary material related party transaction. Potential material related party transactions shall be subject to review by the Board. The Board may approve the material related party transaction only if it determines in good faith that the material related party transaction is fair as to the Company. The policy on related party transactions is included in the Board Rules and is as such available on the Company's website.

4.3 Management structure

4.3.1 Senior management

The Senior Management Team is composed of the Executive Directors and the following persons (the "Senior Management Members"):

- Mr Marco Bassetti, also acting as Chief Executive Officer of Banijay Group SAS;
- Mr Nicolas Béraud, also acting as Chief Executive Officer of Betclic.

The Senior Management Members will be invited to attend all Board meetings in or from France as permanent guests (without any voting rights).

4.3.2 General information about the Senior Management Members

The table below sets out the names of all companies and partnerships of which the Senior Management Members have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner, as of the date of this Universal Registration Document, other than the Company or a Group Company.

Name	Company	Active/Resigned
Mr Marco Bassetti	Camas Energy srl	Resigned
	Green Arrow Capital Asset Management 1 srl	Resigned
	Green Arrow Capital Asset Management 2 srl	Resigned
Mr Nicolas Béraud	Kostogri SAS	Active
	Foofoot SAS	Active
	Datchaduferret SARL	Active
	Comité consultatif (advisory committee) at Capza Growth Tech	Active

4.4 Report of the Non-Executive Directors

4.4.1 Meetings of the Board of Directors

Our Board had three formal meetings in the course of 2022, since its Listing in July 2022. The meetings were held in the months of July, September and November.

The committees of the Board shall also convene regularly (please also refer to Paragraphs 4.4.5 (Report of the Audit Committee) on page 159 and 4.4.6 (Report of the Remuneration, Selection and Appointment Committee) below for the separate reports of the committees) on page 159.

Information on the individual Non-Executive Directors can be found under Section 4.2 (Composition of the Board of Directors and the Committees) above on page 145.

4.4.2 Attendance record to the Board of Directors meetings

On average, 94.4% of the Non-Executive Board members were present at the Board meetings.

All Board meetings and almost all committee meetings were also attended by Mr François Riahi and Mrs Sophie Kurinckx, as Executive Directors. In addition, other members of the Senior Management Team (i.e. Mr Marco Bassetti and Mr Nicolas Béraud) were invited to discuss specific items included on the Board and committee meetings' agendas.

4.4.3 Activities of the Board of Directors

The agenda for the Board included long-term value creation as well as the manner in which the Senior Management Team implements the Company's strategy, the Company's culture to ensure proper monitoring by the Non-Executive Directors, the Company's financial position as well as the results of its subsidiaries, contemplated acquisitions, large investment proposals, the yearly budget and the internal risk management and control system.

In 2022, specific attention was given to the Business Combination with Pegasus Entrepreneurs, the impact of COVID-19 and related mitigating measures, the change of central securities depository, the execution of a liquidity agreement, business updates, review and approval of forecasts, the corporate dashboard and product portfolios, business & corporate development, update research & developments, committee reports and financing of the Company.

At this stage, no internal audit function has been implemented at Company level. It being specified that such functions have been fully performed within the Banijay Group and the Betclic Group, respectively through the Internal Audit Director of the Betclic's Group and the Head of Risk of the Banijay Group's.

4.4.4 Evaluation of the Board of Directors

Since its Listing in July 2022, the Board has not performed its evaluation due to its recent implementation.

In 2023, the Board intends to evaluate its functioning and the functioning of its Committees and of each individual Director annually.

4.4.5 Report of the Audit Committee

The Audit Committee reports regularly to our Board on the exercise of its functions. It informs our Board about all areas in which action or improvement is necessary in its opinion and produces recommendations concerning the necessary steps that need to be taken.

Over 2022, the main points of discussion at the meetings of the Audit Committee were its organization and the organization of the finance and internal audit function within the Company and the Group. The risk mapping and audit plan of the Betclic Group and the Banijay Group have been presented to the Audit Committee respectively by the Internal Audit Director of the Betclic's Group and the Head of Risk of the Banijay Group.

The Audit Committee reviewed and approved notably (i) the rules and process for the non-audit services, (ii) the preparation of the consolidated financial statements and (iii) the external auditor report including the 2022 audit plan and 2022 audit fees proposal.

In 2022, two Audit Committee meetings were held, with an attendance rate of 100%.

In addition, the Audit Committee held regular individual discussions with the external Auditors and the head of internal audit. The Non-Executive Directors were regularly informed about the results of these discussions. The Chairman of the Audit Committee reported to the Non-Executive Directors about the activities of the committee and about its meetings and discussions in the Board meetings.

4.4.6 Report of the Remuneration, Selection and Appointment Committee

In 2022, no meetings of the Remuneration, Selection and Appointment Committee were held.

In 2023, the Remuneration, Selection and Appointment Committee will report regularly to the Board on the exercise of its functions.

4.4.7 Independence requirements

In the opinion of the Non-Executive Directors, the independence requirements referred to in best practice provisions 2.1.7 and 2.1.8 DCGC have been fulfilled. For information on which Non-Executive Directors are deemed independent and non-independent, please refer to Paragraph 4.2.2 (Board of Directors) above on page 145. As described in Section 4.1 (Dutch Corporate Governance Code, "Comply or explain") on page 144, the Company deviates from best practice provision 2.1.8 of the DCGC, as the Chairman of the Board is not independent within the meaning of the DCGC.

4.4.8 Financial statements

The Board has prepared the 2022 Financial Statements. The Financial Statements will be submitted for adoption at the General Meeting to be held on 15 June 2023 as part of the Universal Registration Document.

4.5 Remuneration report

4.5.1 Remuneration policy

The Company's remuneration policy is available on the Company's website (https://www.flentertainment.com) and is incorporated by reference into this Universal Registration Document. The remuneration policy was adopted by the General Meeting with effect as of 1 July 2022 and will be amended by the General Meeting to be held on 15 June 2023.

The remuneration policy aims to provide a remuneration structure that allows the Company to attract, reward and retain highly qualified Executive Directors and provide and motivate them with a balanced and competitive remuneration that is focused on sustainable results and is aligned with the long-term strategy of the Company.

During the Financial Year 2022, the remuneration policy was complied with by the Company. Indeed, the remuneration of Executive Directors has been composed of a fixed annual base salary. Concerning Non-Executive Directors, their fixed annual payment has been determined considering their participation in committees and their respective role within the Board. The implementation of a long-term incentive plan, as provided in the remuneration policy, is planned for the Financial Year 2023 and will concern the CFO as well as the Company's employees.

The amount of the remuneration and other terms and benefits of each individual Director are determined by the Board, with due observance of the remuneration policy, taking into account the provisions of the Articles of Association. Board resolutions to grant compensation to Directors in the form of shares or rights to acquire shares, must be approved by the General Meeting.

The remuneration policy of the Company is determined and afterwards amended upon a proposal of the Board by way of a resolution adopted by the General Meeting for that purpose with at least an absolute majority of the votes cast, irrespective of the represented part of the issued capital.

4.5.2 Remuneration of the Executive Directors in 2022

Pursuant to the Remuneration Policy, the remuneration of our Executive Directors for 2022 consists of the following fixed and variable components:

- fixed annual base salary;
- pension, social security and fringe benefits;
- long-term incentive plan; and
- severance payments (including compensation for non-compete obligations).

Fixed annual base salary

The annual base salary of the Executive Directors is a fixed compensation and is set by the Board, upon the recommendation of the Remuneration, Appointment and Selection Committee.

Pension, social security and fringe benefits

Our Executive Directors benefit from a termination indemnity equal to (i) with respect to the CEO, a lump sum of €450,000 and (ii) with respect to the CFO, 12-month base salary.

Long-term incentive plan (LTIP)

The Company has not implemented, over 2022, a LTIP in favor of Executive Directors.

Severance payments

The Company has entered into management contracts and employment agreements with our Senior Management Team, each of which provides for certain minimum notice periods if their service or employment with us is terminated in certain circumstances.

Relations between the remuneration of executives in comparison to other company personnel

As the Company has been incorporated and listed in 2022, no historical information can be provided with respect to the relations between the remuneration of executives in comparison to other company personnel with respect to the previous financial year and during the previous five financial years. The Company intends to provide this information in the universal registration document to be published in 2023.

Remuneration of Executive Directors in 2022

The individual remuneration in 2022 for each Executive Director paid was as follows:

Name	Base salary
Mr François Riahi	€525,000(1)
Mrs Sophie Kurinckx	€475,000

(1) As from November 2022, François Riahi's base salary was increased to €750,000.

For the Financial Year 2022, both Executive Directors have been paid for the period that they have been in office. In addition, the Executive Directors benefit from a termination indemnity equal to (i) with respect to the CEO, a lump sum of €450,000 and (ii) with respect to the CFO, 12-month base salary.

The mix between the fixed and the variable remuneration components for our Executive Directors is as follows:

Name	Fixed	Variable
Mr François Riahi	100%	0%
Mrs Sophie Kurinckx	100%	0%

Mr François Riahi benefits, as chief executive officer of Financière Lov, from non-vested Financière Lov shares (as detailed below) which takes into account the value-creation at the level of the Company. In this respect, Mr François Riahi's incentive is aligned to the interests of the Company's shareholders.

Before becoming the chief financial officer of the Company, Mrs Sophie Kurinckx was the chief financial officer of the Banijay Group. As such, for the first six months of 2022, she has also received remuneration from the Banijay Group. Her remuneration as chief financial officer of the Banijay Group for the year 2022 was agreed as follows:

Name	Base salary	Bonus	Allowance
Mrs Sophie Kurinckx	€280,500	€340,250	€38,837

In 2022, Mrs Sophie Kurinckx received a lump sum payment of €283,250 in the context of her leaving Banijay.

In July 2020, Mrs Sophie Kurinckx received free Banijay Group SAS shares. These shares are not yet vested but the benefit of them will be maintained under the current conditions. Furthermore, Mrs Sophie Kurinckx benefits at the level of Banijay Group from a long-term cash incentive. The amount depends on the valuation of Banijay Group SAS at the time of payment. As at 31 December 2022, the vested part is valued at €725,145.

As the Company has been incorporated and listed in 2022, no historical information can be provided with respect to the annual change in remuneration over the last five financial years. The Company intends to provide this information in the 2023 Universal Registration Document.

The ratio between the total remuneration of the Chief Executive Officer and the average remuneration of the employees of the Group for the period starting 1 July 2022 until 31 December 2022 was 4.2.

Equity holdings of Executive Directors

As of 31 December 2022, none of the Executive Directors directly owns shares or stock options giving access to the share capital of the Company.

However, Mr François Riahi, indirectly holds via Financière Lov 100 shares of Financière Lov (representing less than 0,01% of Financière Lov's share capital and voting rights) which remain subject to a lock-up undertaking until the end of a 5-year period following their attribution in January 2021. The value of such shares will depend on Financière Lov's internal rate of return (IRR).

4.5.3 Remuneration of the Senior Management Members in 2022

Remuneration

For the Financial Year 2022, the total aggregate remuneration of the Senior Management Members paid by any entity within the Group was approximately €1,650,000. This amount does not take into account the long-term incentive plan provided to the Senior Management Members.

The Company does not pay the Senior Management Members' compensation for 2022, except to the extent he is awarded any grants under a LTIP which is expected to be put in place. The remuneration will be paid by other companies within the Group. The Group does anticipate a material increase of the Senior Management Members' compensation for 2023.

Equity holdings of Senior Management Members

As at 31 December 2022, Mr Marco Bassetti indirectly holds 6,916,269 Ordinary Shares through a holding vehicle, which he received as a result of an equity contribution of 2,690,437 shares in Banijay as part of the Lov Reorganisation. Other than as set out above, as of 31 December 2022, none of the Senior Management Members directly owns shares or stock options giving access to the share capital of the Company.

Senior Management Team long-term incentive plan (LTIP)

The Company intends to implement, in 2023, a LTIP in favor of Mr Nicolas Béraud, which is aimed at aligning the interests of Mr Nicolas Béraud with the interests of the long-term shareholders, and which provides an incentive for longer term commitment and retention of Mr Nicolas Béraud.

Under the Articles of Association of the Company, the Board is designated to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares up to three per cent (3%) of the issued shares at the time of issuance, in connection with any LTIP.

4.5.4 Remuneration of the Non-Executive Directors in 2022

The remuneration policy with respect to the Non-Executive Directors has been designed to ensure that the Group attracts, retains and appropriately compensates a diverse and highly experienced group of Non-Executive Directors. The remuneration of the Non-Executive Directors reflects the time spent and responsibilities of the roles.

FL Entertainment does not issue option or share plans or other incentive plans to the Non-Executive Directors and there are no service contracts, which provide for benefits upon termination of employment with the Non-Executive Directors.

Remuneration of Non-Executive Directors in 2022

The table below sets forth the remuneration of the Non-Executive Directors paid for 2022. The amounts reflect the annual fee awarded for the services as Non-Executive Director and any additional roles as member of a committee or Chairperson of the Board or a committee, from the date of their appointment.

Name	Amount
Mr Stéphane Courbit	€0*
Mr Pierre Cuilleret	€30,000
Mrs Susana Gallardo	€37,500
Mrs Eléonore Ladreit de Lacharrière	€25,000
Mrs Cécile Lévi	€32,500
Mr Alain Minc	€35,000
Mrs Marella Moretti	€30,000
Mr Hervé Philippe	€30,000
Mr Yves de Toytot	€30,000

* *Mr Stéphane Courbit has waived his right to compensation as Chairman of the Board and Non-Executive Director.*

Equity holdings of Non-Executive Directors

As at 31 December 2022, the following Non-Executive Directors directly or indirectly own shares or stock options giving access to the share capital of the Company:

- Mr Stéphane Courbit indirectly holds 88.71% of Financière Lov's share capital and voting rights;
- Mr Alain Minc directly holds 2.09% of Financière Lov's share capital and voting rights and benefits from put and call mechanisms entered into directly with Mr Stéphane Courbit;
- Mrs Eléonore Ladreit de Lacharrière is a minority shareholder of Fimalac which directly holds 8.38% of Financière Lov's share capital and voting rights;
- Mr Pierre Cuilleret (indirectly) holds 0.17% of the Company's issued share capital;
- Mr Hervé Philippe is a minority shareholder of Vivendi SE which directly holds 100% of Vivendi's share capital and voting rights. Mr Hervé Philippe directly holds 0.01% of Vivendi SE's share capital and 0.02% of Vivendi SE's voting rights; and
- Mrs Susana Gallardo indirectly holds 100,000 Ordinary Shares of the Company through a holding vehicle as a result of an investment of €1,000,000 in the PIPE Financing, being 0.01% of the Company's share capital and voting rights.

Other than as set out above none of the Non-Executive Directors directly owns shares or stock options giving access to the share capital of the Company.

05/ OPERATING AND FINANCIAL REVIEW

Preliminary consideration

On 28 April 2023, the Board approved the financial report and the audited consolidated financial statements for the financial year ended 31 December 2022 (Consolidated Financial Statements).

The Consolidated Financial Statements were prepared in accordance with International Financial Reporting (IFRS) as adopted by the European Union and available on the European Commission website and with Part 9 of Book 2 of the Dutch Civil Code.

The following is a discussion of the results of operations and financial condition of the Company as at and for the Financial Year 2022. This discussion should be read in conjunction with the Consolidated Financial Statements included elsewhere in this Universal Registration Document which have been audited by Ernst & Young Accountants LLP.

5.1 Highlights of the Financial Year 2022

Business overview

	31 December		
(in € million)	**2022**	**2021**	**% change**
Revenues	4,047	3,497	15.7%
Adjusted EBITDA*	670	609	10.0%
Adjusted EBITDA Margin*	16.6%	17.4%	(0.8pt)
Operating profit / (loss)	255	110	130.8%
Adjusted Net Income*	306	282	8.4%
Net income / (loss)	(81)	(73)	10.4%
Adjusted Free Cash Flow*	555	499	11.3%
Adjusted Cash Conversion*	82.8%	81.9%	+0.9pt
Net Debt*	2,091	2,269	(7.8%)
Leverage*	3.1x	3.7x	(0.6pt)

* ***Non-IFRS financial measures*** *– This Operating and Financial Review and the Consolidated Financial Statements includes certain alternative performance indicators which are not defined in the International Financial Reporting Standards (IFRS) as adopted by the European Union. The descriptions of these Alternative Performance Measures (APM) and reconciliations of non-IFRS to IFRS measures are included in this Universal Registration Document (please refer to note 4 to the Consolidated Financial Statements for the period ended 31 December 2022 on page 224). Please refer to Section 5.2.2 (Other financial information) for the definitions of the APMs.*

- Revenue: €4,047 million, up +15.7% on a reported basis and +13.2% at constant exchange rate
- Adjusted EBITDA: €670 million, up +10.0% compared to 2021
- Adjusted Net Income: €306 million up +8.4% compared to €282.5 million in 2021
- Net Income: -€81 million (2021: -€73 million) due to one-off impact from Group re-organization and Listing
- Adjusted Free Cash Flow: €555 million, representing a cash flow conversion of 82.8%
- Leverage: improved to 3.1x as of 31 December 2022 compared to 3.7x as at 31 December 2021, in line with 2022 guidance

2022 highlights

- Content production & distribution: strong momentum thanks to new non-scripted and scripted and recommissions, sustained demand from both broadcasters and streaming platforms and 15 bolt-on acquisitions in 10 geographies completed in 2022;
- Online sports betting & gaming: robust performance driven by the attractiveness of Betclic app & seamless customer journey. Record number of active players, partly due to the FIFA World Cup;
- ESG: continued rollout of initiatives with focus on fostering Diversity and Inclusion across Group's portfolio and executing Responsible gaming roadmap.

5.2 Analysis of the Group's results

5.2.1 Financial information

General

The Company was incorporated on 10 March 2022 to act as the parent company of the Group in connection with the Business Combination and did not have any operational activities before that time. The constitution of the Group therefore results from transfers of entities within Financière Lov Group, without modification of the Financière Lov's control on the Group. Therefore, the Group results from a combination between entities under common control. For more details, please refer to note 1.2 in Section 6.1.6 (Notes to the Consolidated Financial Statements) on page 204 of this Universal Registration Document.

Historical financial information

This Universal Registration Document incorporates by reference the audited Combined Financial Statements of the Group for the Financial Year 2021 and the years ended 31 December 2020 and 31 December 2019 (together, the "Combined Financial Statements").

The Combined Financial Statements for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 have been prepared by using reporting packages prepared locally by subsidiaries' management for the purpose of Financière Lov's consolidated financial statements and in accordance with IFRS. The Combined Financial Statements have been audited by Ernst & Young et Autres, an independent audit firm.

5.2.2 Other financial information

Non-IFRS financial measures

This Universal Registration Document contains non-IFRS financial measures and related ratios, such as Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Cash Conversion, Leverage, Adjusted Net Income and Net Debt (as all defined below), which are not recognized measures of financial performance, liquidity or financial position under IFRS. The Group uses these non-IFRS financial measures to manage and monitor the underlying performance of the Group's business and operations and financial position. Although certain of this data has been extracted or derived from the Consolidated Financial Statements, this data, nor assumptions underlying this data, have been audited or reviewed. These non-IFRS measures are presented because the Board considers them an important supplemental measure of the Group's performance and believes that they and similar measures are widely used in the industry in which the Group operates as a means of evaluating a company's operating performance, liquidity and financial position. By providing additional insight into non-IFRS based measures, the Company believes that the users of this information may be better able to understand the Group's operational performance and trend development. Each of the non-IFRS financial measures is described below:

- **Adjusted EBITDA** for a period is defined as the Operating Profit for that period excluding restructuring costs and other non-core items, costs associated with the long-term incentive plan within the Group (the "LTIP") and employment related earn-out and option expenses, and depreciation and amortisation (excluding D&A fiction). D&A fiction are costs related to the amortisation of fiction production, which the Group considers to be operating costs. As a result of the D&A fiction, the depreciation and amortisation line item in the Group's consolidated statement of income deviates from the depreciation and amortisation costs in this line item.

  Restructuring costs and other non-core items are defined in note 4 of the Consolidated Financial Statements on page 224.

  The Group considers Adjusted EBITDA to be a useful metric for evaluating its operating performance as it facilitates a comparison of its core operating results from period to period by removing the impact of, among other things, its capital structure, asset base and tax consequences.
- **Adjusted EBITDA Margin** for a period is defined as Adjusted EBITDA for that period as a percentage of revenue for that period.

  The Group considers Adjusted EBITDA Margin to be a useful measure to evaluate its operating performance in general and it believes that Adjusted EBITDA Margin is useful for analysts and investors to understand how management assesses its ongoing operating performance on a consistent basis as its business grows.
- **Adjusted Free Cash Flow** is defined as Adjusted EBITDA adjusted for purchase and disposal of property plant and equipment and of intangible assets and cash outflows for leases that are not recognised as rental expenses.

  The Group presents its Adjusted Free Cash Flow because it provides investors with relevant information on how management assesses and measures its cash flows from ongoing operating activities. Its purpose is to provide both management and investors relevant and useful information about Group's cash generation capacity and performance.

- **Adjusted Cash Conversion** is defined as Adjusted Free Cash Flow divided by Adjusted EBITDA.

  The Group presents its Adjusted Cash Conversion because it provides investors with relevant information on how management assesses and measures its cash flows from ongoing operating activities compared to the income it generates on a consistent basis as its business grows. Its purpose is to provide both management and investors relevant and useful information about the Group's cash generation capacity and performance.

- **Adjusted Net Income** is defined as net income (loss) adjusted for restructuring costs and other non-core items, costs associated with the LTIP and employment related earn-out and option expenses and other financial income.

  The Group considers Adjusted Net Income to be a useful metric for evaluating its operating performance as it facilitates a comparison of its operating results per segment from period to period by removing the impact of certain non-core costs.

- **Capital expenditure** is defined as scripted production costs and intellectual property rights, investments in technical equipment and IT capitalized expenses.

  The Group considers capital expenditure to be a useful metric to monitor the investments to support its business strategy and development plans and to further expand its business.

- **Leverage** is defined as Net Debt divided by Adjusted EBITDA.

  The Group monitors its Leverage because the Group believes this measure provides indicators of the overall strength of its balance sheet and can be used to assess the impact of the Group's cash position and its earnings as compared to its indebtedness.

- **Net Debt** is defined as the sum of bonds, bank borrowings, bank overdrafts, vendor loans and accrued interests on bonds and bank borrowings minus cash and cash equivalents, trade receivables on providers and cash in trusts, plus players liabilities plus (or minus) the fair value of net derivatives liabilities (or assets) for that period.

  The Group monitors its Leverage because the Group believes this measure provides indicators of the overall strength of its balance sheet.

- **Revenue at Constant currency** is defined as the revenue of the previous period in local currency converted using the current period's exchange rate.

  The Group considers revenue at constant rate to eliminate the impact of exchange rate fluctuations.

Market and industry information

All references to market share, market data, industry statistics and industry forecasts in this Universal Registration Document consist of estimates compiled by industry professionals, competitors, organizations or analysts, of publicly available information or of the Group's own assessment of its sales and markets. Statements based on the Company's own proprietary information, insights, opinions or estimates contain words such as the Group or the Company "believes", "expects", "sees", "considers", "aims", "estimates" and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read.

This Universal Registration Document contains statistics, data and other information relating to markets, market size, market shares, market positions and other industry data pertaining to the Group's business and markets. Unless otherwise indicated, such information is based on the Group's analysis of multiple sources and information obtained from Press, Companies publications, the WIT, Variety, PWC - Global Entertainment & Media Outlook, Ampere Analytics and Wall Street Research. Such information has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Company is aware and able to ascertain from the information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Industry publications generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions.

Investors are, nevertheless, advised to consider these data with caution. For example, market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. The fact that information from the aforementioned third-party sources has been included in this Universal Registration Document should not be considered as a recommendation by the relevant third parties to invest in, purchase or take any other action with respect to, shares or other financial instruments in the Company.

This Universal Registration Document contains statements regarding the characteristics of the multi-platform and cross-genre content production and sports betting industries as well as the Group's competitive and market position. The Company believes these statements to be true, based on market data and industry statistics, but has not independently verified the information. The Company cannot guarantee that a third-party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Group and the Company's competitors may define their markets and their own relative positions in these markets differently than the Group or the Company does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the Group's or the Company's.

5.2.3 Key factors affecting the Group's business and results of operations

The following factors have contributed significantly to the development of the Group's business and results of operations during the periods under review and are reasonably likely to have a material effect on the Group's business and results of operations in the future. For further details on the risk factors, please refer to Chapter 3.1 (Description of the risk factors) on page 100 of this Universal Registration Document.

5.2.3.1 General

GENERAL ECONOMIC CONDITIONS IN THE MARKETS THE GROUP OPERATES IN

Macroeconomic factors in the geographic markets in which the Group operates affect its results of operations. For the Group's Content production business, the number of purchases by broadcasters of licenses for the Group's formats have increased through various economic cycles because viewers continue to watch visual content and demand new content throughout such cycles. However, broadcasters generate lower advertisement revenues during economic downturns and therefore may reduce their budgets allocated to the purchase or production of new formats. For the Group's Online sports betting and gaming business, the impact of economic developments, and the effect on players' habits, may be difficult to anticipate, as economic and financial crises may lead players to reduce their activity due to a decrease in their financial capacity, or to increase such activity due to the expectation of winning as an alternative source of income. In addition, economic difficulties may lead governments to adopt stricter regulations on the gambling industry in order to protect at-risk populations. During these periods, broadcasters become more risk averse and are more reluctant to finance the production of untested, new formats. The Group has been resilient to economic downturns in the past because it was able to rely on revenues from successful, long-running formats but a new downturn may affect the Group's future results of operations.

FOREIGN CURRENCY EXCHANGE RATES

The Group's reported results of operations and financial conditions are affected by exchange rate fluctuations. The Group is exposed to both transactional and translational risk due to these fluctuations. Transactional risk arises when the Group's subsidiaries execute transactions in a currency other than their functional currency. For the Content production and distribution business, the Group currently operates through 130 production companies in 21 countries with content in 65 languages. For the Online sports betting & gaming business, the Group primarily operates in France, Portugal, Italy, Germany and Poland. As a result, the Group generates a significant portion of its revenues and incurs a significant portion of its expenses in currencies other than Euro, which is the Group's reporting currency. The primary currencies in which the Group generated revenues in the year ended 31 December 2022, were the Euro, the USD and the GBP. Where the Group is unable to match revenues received in foreign currencies with costs paid in the same currency, the Group's results of operations is affected by currency exchange rate fluctuations. For example, a stronger Euro will increase the cost of Euro-denominated supplies for the Group's non-Euro businesses and conversely decrease the cost of non-Euro supplies for its Euro businesses. For the Group's Content production and distribution business, its subsidiaries generally execute their sales to broadcasters and digital platforms and incur most of their materials costs in the same currency. The Group currently reduces the effect of exchange rate fluctuations for part of the Group level USD financing through the use of derivative financial instruments. During the year ended 31 December 2022, 20.8% of the Group's revenues in its Content production and distribution segment were generated in USD and 19.4% of its revenues in its Content production & distribution segment were generated in GBP. For the Group's Online sports betting and gaming business, 9% of its revenue on the year ended 31 December 2022 was generated in Polish Zloty.

The Group also faces translational currency exchange risk. The Group presents its consolidated financial statements in Euro. As a result, the Group must translate the assets, liabilities, income and expenses of all of its operations with a functional currency other than Euro into Euro at then-applicable exchange rates. Consequently, increases or decreases in the value of these currencies against the Euro may affect the value of the Group's assets, liabilities, income and expenses with respect to its non-Euro businesses in its consolidated financial statements, even if their value has not changed in their original currency, which creates translation risk. These translations could significantly affect the comparability of the Group's results between financial periods and result in significant changes to the carrying value of its assets, liabilities and shareholders' equity.

FLUCTUATION AND VOLATILITY IN REVENUES FROM PERIOD TO PERIOD

In both its segments, the Group experiences certain fluctuations in revenue from period to period. In the Content production and distribution business, the Banijay Group recognises revenues from the sale of a show to a broadcaster or digital platform at the time of the delivery of such show. This can result in a difference between the moment that the Banijay Group actually receives (part of) the purchase price for a sale and the moment that the Banijay Group recognises the revenue generated with such sale in its financial statements. For example, the Banijay Group occasionally receives production advances from broadcasters before the production of a show is completed and these advances are not recognised in the Group's revenue until the delivery of the show. For the year ended 31 December 2022, the Group received production advances in the amount of €641 million relating to shows delivered or to be delivered in 2023. In addition, broadcasters can decide to alter a show during its production process, which may cause delays in the delivery of the show and therefore impact the Group's revenue. Moreover, the Group offers its customers a notice period, during which they can reject or return a show. Until the expiration of such period, the Group does not recognise the revenues attributable to a show. Accordingly, the Group's revenues and results of operations may fluctuate over time and the results of one period may not be representative of the results of any future period. Further, as a result of the broadcasting schedules of television networks and the fact that broadcasters typically premiere shows in the second half of the calendar year, the Group generally reports higher sales in the fourth quarter of the calendar year.

The Group's business in its Online sports betting and gaming segment is subject to predictable seasonality, which may cause variances in revenue and profitability over the course of the year. The Betclic Everest Group creates a significant part of its revenue with the sports betting activities, which represented 80% of the Betclic Everest Group's revenue in the year ended 31 December 2022. Therefore, the sports competition calendar has an impact on the Group's results of operations and the Group is dependent on the demand for and development of these activities. Years in which major sporting events take place see more activity. As 60% of the revenues generated by the Group's Online sports betting and gaming business are linked to football competitions, the distribution of its results of operations over the year are primarily impacted by the calendars for the major football competitions. Furthermore, even-numbered years see more activity with the organisation of the FIFA World Cup or the European Football Championship (with the exception of the European Football Championship 2020, which took place in 2021). Because the Betclic Everest Group's business is dependent on the sports calendar, revenues are lower during the period from May to August, when there are fewer sporting events. In casino games and in online poker, business volumes are generally stable over a calendar year, with a slight upturn in activity in winter, and are impacted by the activity of the largest players. As a result of these seasonal fluctuations, the Betclic Everest Group typically generates a substantial part of its revenue in the fourth quarter of the calendar year. As a consequence, events or circumstances that adversely affect the Betclic Everest Group's business during the winter period or during the period from September to April are likely to have a disproportionally adverse effect on the Betclic Everest Group's results of operations for the full year.

In the Online sports betting and gaming segment, the Betclic Everest Group experiences unpredictability as a result of the outcome of sports matches. The Betclic Everest Group's players bet on the outcome of, or events taking place during, sports matches. The Group's Gross Gaming Revenue is the difference between bets and winnings paid to players. As the outcome of the matches or events that take place during sports matches are unpredictable, the Group's revenues in its Online sports betting and gaming segment can vary significantly between periods and can be highly volatile. For example, if the favourites win, the Betclic Everest Group loses bets to the players and its margin falls. Conversely, in the event of unexpected results, the Betclic Everest Group will win more bets from players and its margin will increase. This effect is aggravated by the taxation applicable to Online sports betting and gaming, particularly in Poland and Portugal where gambling taxes are levied on wagers.

COVID-19

The COVID-19 pandemic has impacted worldwide economic activity. Government authorities and businesses throughout the world have implemented numerous measures intended to contain and limit the spread of COVID-19, including travel bans and restrictions, quarantines, self-isolation, lock-down orders and business restrictions. The COVID-19 pandemic and responses thereto have led to a material deterioration in both the global economy and the national economies of the countries where the Group operates. As a result, the COVID-19 pandemic has affected the Group's results. The Banijay Group's productions were delayed because it was not able to film any of its programmes in many countries in which the Banijay Group operates from March 2020 to May 2020. Filming of a limited number of programmes was also postponed in the following months up, mainly due to travel restrictions and constraints in casting of actors, candidates and hosts for its productions. Once it was able to resume the filming of these productions, the government restrictions led to an increase in the Banijay Group's production costs (for example by having to increase sanitary precautions). Although these costs were mainly covered by the Banijay Group's customers, they were not included in the basis of calculation of its production fees and reduced its margin rates. The COVID-19 pandemic also has had an impact on the results of operations of the Group's Online sports betting and gaming business. During the first lockdowns in Europe in the second quarter of 2020, government restrictions led to the suspension or cancellation of substantially all racing and sporting events. As a significant part of Betclic's betting business relates to sports betting, Betclic experienced a decrease of around 70% in number of placed bets in its sports betting business. Since the costs of the Group's businesses in its Online sports betting and gaming business are to a significant extent driven by its revenues (i.e. variable costs), the impact of the decrease in the number of bets on profitability was limited. The Group's largest variable costs are its gaming taxes, which are generally calculated as a percentage of the wager or a percentage of the Gross Gaming Revenue. In the six months ended 31 December 2020, the Betclic Everest Group actually experienced an increase in players, as a result of the various measures that were implemented to try to contain the virus, including travel bans and restrictions, lockdowns, quarantines and shutdowns of businesses. The Group expects that the number of the Betclic's players will not increase at the same rate in the future given that the factors that caused the increase are beginning to subside. In addition, the Group experienced a significant increase in the number of bets placed in the various countries in which the Group operate its sports betting activities in the years ended 31 December 2021 and 31 December 2022. Consequently, the Group's Online sports betting and gaming segment revenue grew with 39% in the year ended 31 December 2021 and 13% in the year ended 31 December 2022.

5.2.3.2 Content production & distribution segment

SUCCESS OF NEW FORMATS AND NEW PROGRAMMES

The Group produces both scripted and non-scripted content across all genres, including reality shows, entertainment and talk shows, game shows, factual entertainment, documentary, drama and comedy. The Group's creative talents are a key element of its success and are constantly working to address customers' demands or to anticipate trends in the industry. The Group works with its customers to develop original scripted formats that may become long-running shows if they receive good ratings, making them a success. Periods in which the Group and its customers have successfully anticipated trends produce more favourable results. Usually a successful format will run until viewers' preferences change or until broadcasters decide to replace the format, in which case they may ask the Group to develop a new format. If a new format is successful, this will have a positive effect on the profitability of the local production company that produced the programme, since broadcasters will typically renew the programme for several seasons. In addition, it will have a positive impact on the Group's revenues, since a popular programme in one country will often be successful in other countries with a similar audience, either by the production in such country by one of the Group's production companies or by licensing the format to third-party production companies in the countries where the Group is not present. For the year ended 31 December 2022, new shows accounted for 31% of the Group's Content production and distribution segment production revenues and it generated 30% of the Group's Content production and distribution segment production revenues from formats that have aired for a period between two and five seasons and 39% of the Group's Content production and distribution segment production revenues from formats that have aired for more than five seasons. Non-scripted formats benefit from lower production costs, a shorter development period and more advantageous financing arrangements, because the broadcaster who purchases the non-scripted format fully funds production costs. For the year ended 31 December 2022, the Group's content production and distribution generated 83% of its revenue via the production of shows, of which 83% were non-scripted shows. The Group's ability to accurately anticipate new trends and/or changes in consumer preferences and needs, as well as focus the Group's development efforts towards that goal, gives the Group the opportunity to potentially create the next television blockbuster and accordingly will positively impact the Group's revenues. However, the Group's revenues from broadcaster sales will not be negatively impacted if a new format is not successful because the initial price for the sale of the format is not determined based on its success. Different factors are taken into account when determining the price of a format. The budget that the broadcaster wishes to allocate for the relevant time slot is a key element (since budgets are lower for day time slots than they are for access prime-time or prime- time slots). The pricing also takes into account production costs based on the type of format and the format fee payable for the format rights. The average format fee differs from one country to another but, is usually between 5% and 7% of the production budget. In addition, the format fee will be higher if the format is successful and/or has already been successfully aired in certain markets. The price of a format is also based on the Group's bargaining power with broadcasters. Popular or successful formats will provide the Group with more bargaining power vis-à-vis broadcasters. Even if a format is not successful in a specific market, the Group will try to produce the format in another market where the Group is present or license it to another producer in markets where the Group does not operate. The Group can also distribute the format through Banijay Rights and continue to derive distribution and secondary revenues from the format.

DEVELOPMENT OF THE PRODUCTION OF SCRIPTED PROGRAMMES

Scripted programmes generally require a longer and more extensive development and production process, incurring higher costs than non-scripted shows. Because of these higher production costs, scripted programmes also tend to generate lower margins than non-scripted shows, but scripted programmes can generate higher revenues, in particular through the licensing or sale of finished tapes if the Group is successful in retaining part of the intellectual property rights (please refer to section 3.1.2 (Risks Relating to the Group's Content Production & Distribution Business — Customers may request to obtain intellectual property rights to the formats the Banijay Group creates and programmes the Banijay Group produces, which may have a negative impact on the Banijay Group's revenues) on page 110. The Group believes the split in its content portfolio between scripted and non-scripted content is generally well-suited to its operations. For the year ended 31 December 2022, the Banijay Group generated 24% of its production revenue from scripted content and 76% of its production revenue from non-scripted content. The financing of scripted programmes requires financing commitments from broadcasters and co-producers but also from distributors which may be the Group's distribution subsidiary, Banijay Rights Limited. The Group may therefore be required to prefund development costs for a scripted programme. The timing of the upfront payments and final payments, as well as the participation of Banijay Rights Limited in the financing of scripted programmes impact the Group's working capital requirements. In addition, the Group relies on tax credits in certain jurisdictions, such as Italy, Spain or the United Kingdom, as part of the financing of a scripted programmes. However, the Group may only be able to claim such tax credits after having finalised the production of the show, which may require the Group to prefund a larger share of the upfront production costs and capital expenditures.

Changes in working capital are impacted by the timing of a production, programme delivery and by the production of scripted and non-scripted programmes. Since non-scripted programmes are generally produced in less than a year, working capital requirements related to the production of non-scripted programmes are mainly impacted by fluctuations in the numbers of non-scripted shows the Group produces. The Group may record cut-off impacts related to the production of non-scripted programmes at the end of each financial year if some large-scale programmes are still under production. These cut-off impacts are the result of that revenue is recognised at the delivery of each episode of a show. If some large-scale programmes are still under production at the year-end and have not been delivered, no revenue is recognised for these programmes while the production costs for such programmes will be recognised. On the other hand, scripted production programs have a longer production cycle, usually covering a period of over two years, and higher working capital requirements. The Group's working capital related to the production of scripted shows can be impacted significantly by cut-off issues at the end of the financial year.

ACQUISITIONS AND JOINT VENTURES

To grow the Group's business, the Group continuously monitors the markets it operates in for opportunities for favourable acquisitions of businesses and assets within the Group's industry (please also refer to Section 5.2.4 (Factors Affecting Comparability of the Group's Results of Operations — M&A Impact) on page 172). The Group generally focuses on acquiring companies or assets with specific creative talents, such as a popular host or successful producer, and structures its acquisitions to leverage such talents and/or to ensure they continue to work for the Group and create further value. To that effect, the Group enters into various arrangements, such as earn-outs or put option agreements with certain of these talents, who are often the sellers of the targets. Payments pursuant to such arrangements are generally contingent and calculated based on the performance of the acquired company over a specified time period following the acquisition. This period generally corresponds to an exclusivity period during which the key managers and creative talents agree to work exclusively for the Group. The key commercial discussion items of such arrangements include, for example, the performance metrics underlying the contingent payments, the earn-out or put option period (usually in an eight-year range), and the timing and the structure of the contingent payment. For significant acquisitions and joint ventures, the Group negotiates put option deals with selling shareholders to obtain 100% of the company after a certain period of time. Consequently, the Group includes 100% of the net assets of these joint ventures on its statement of financial position and the put option as a financial liability on its statement of financial position. For the joint ventures for which the Group did not negotiate a put option, it considers they will not have a significant effect on the financials of the Group. The Group accounts for these earn-outs and put options as a financial liability on its statement of financial position rather than financial debt, because the amounts owed under these incentive agreements vary depending on the performance of the business and because they do not bear interest. If the opportunity arises, the Group may also decide to acquire companies in order to own the intellectual property rights to their catalogue of formats. For example, since the acquisition of Castaway Television Productions Limited in 2017, the Group owns the intellectual property rights to the *Survivor* format. Following the completion of the acquisition of the Endemol Shine business, the Group has further expanded its catalogue of formats. By completing the Endemol Shine acquisition, the Group expanded the number of hours of content in its catalogue from 20,000 hours to more than 130,000 hours. The Group may also acquire intellectual property rights without acquiring a company. For example, in October 2016 the Group acquired the intellectual property rights and contracts associated with the popular game show The Legacy (known as *Les 12 Coups de Midi* in France and *L'Eredità* in Italy). In addition, in December 2018, the Group acquired the intellectual property rights to the *Intervilles* format and its derivatives (including *Jeux sans frontières*), which has been relaunched in Italy, Spain and Greece.

The Group also establishes joint ventures with popular local producers and talents to develop new production companies in certain markets. Examples of such joint ventures are Yasuke Productions with French Olympic judo champion Teddy Riner in France or collaborations with off-screen scripted talents such as Double Dutch in the United Kingdom. If a joint venture is successful, the Group may acquire the remaining share capital in the production company based on a pre-agreed price calculation formula. In the event that a joint venture is not successful, the Group tries to negotiate clauses in the related agreement with the other party to limit any potential losses the Group may incur in connection with such joint venture.

Acquisitions affect the Group's results of operations in several ways. First, the Group's results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired entity into its consolidated results. Second, the results of the acquired businesses after their acquisition may be positively affected by synergies. Additionally, the Group may experience an increase in operating expenses, such as staff costs, as the Group integrates the acquired business into the Group. Finally, because acquired entities are consolidated from their date of acquisition, the full impact of an acquisition or disposal is only reflected in the Group's financial statements in the subsequent period.

Please refer to note 30 (List of sub-group Banijay's and sub-group BEG's subsidiaries) of the Section 6.1 (Consolidated financial statements 31 December 2022) on page 273 for a list of the Group's subsidiaries and joint ventures.

DIVERSIFICATION OF CUSTOMERS

The Group's customers primarily consist of broadcasters and digital platforms. The number of customers has increased in recent years, which in turn has increased the number of customers that are willing to purchase the Group's formats and therefore impacts its revenue. At the same time, broadcasters are faced with increasing competition from companies that distribute video content via the internet, commonly referred to as OTT programming. With the increase in OTT programming, viewers' video content consumption preferences may shift away from broadcasters and diverge from existing viewing habits. Younger viewers have already started to shift toward using mobile devices or computers rather than televisions. As a result, many of the Group's existing customers and potential customers are compelled to find new original formats to provide content to viewers via the internet. The Group expects this pressure to increase as digital platforms such as Netflix and Amazon Prime Video continue to grow and/or enter into new markets. The Group expects to benefit from the customer diversification that results from these developments, as the Group has historical relationships with many broadcasters and has already developed strong commercial relationships with digital platforms. In addition, the Group expects this diversification to continue as OTT companies increasingly focus on non-scripted content, a genre in which the Group has strong production know-how. In addition, the Group is increasingly focusing on formats which, once produced for a local market, can be sold or licensed to customers in other markets, such as broadcasters or digital platforms. Such increased diversification in customers and the opportunities for distribution revenues that arise as a result have historically and will likely continue to impact the Group's results of operations.

DISTRIBUTION AND SECONDARY REVENUES

The Group has developed its business around the sales of formats to broadcasters and digital platforms and the distribution of its content through its subsidiary, Banijay Rights Ltd. The Group owns and control intellectual property rights to a broad and diversified portfolio of formats representing approximately 160,000 hours of audiovisual content including Banijay IP but also third party titles it distributes. The Group distributes and licenses the content that it owns through Banijay Rights Ltd to television broadcasters and digital platforms. The Group's distribution business generates revenues with high margins, as the Group has limited costs relating to managing its portfolio of existing formats. For the Financial Year 2022, the Group's distribution and secondary business in its Content production and distribution segment represented 12% of its total revenues. The Group intends to further develop its distribution business and develop other sources of secondary revenue, such as revenues from licensing, merchandise, live entertainment branded content or music. The Group expects this trend to have a positive impact on its revenues, Adjusted EBITDA and Adjusted EBITDA Margin.

GROWTH IN KEY MARKETS

The size of the global television production market continues to grow but is experiencing a shift in key revenue components. According to a PricewaterhouseCoopers study "Global Entertainment & Media Outlook 2022-2026", the global television industry was valued at approximately €394 billion in 2021 (+4% vs. 2019) and revenues are projected to reach approximately €401 billion in 2022. The industry's key revenue streams which include pay TV subscriptions, advertising and licensing fees from SVOD, are expected to continue growing from 2022 to 2026 at a CAGR of approximately 1.2%.

Broadcasters and streamers' global content spend reached €224 billion in 2021 and is expected at €238 billion in 2022 (+6%), according to Ampere Analysis. In 2023, total content spending should grow by 2% and reach €243 billion.

The Group expects growth in the television production market in terms of revenues to continue to be influenced by viewership levels and customers' demand for new formats in order to reach as many viewers as possible, particularly via digital platforms that are available on mobile devices as video consumption continues to increase, partially due to a shift from viewings on television to mobile devices. The Group also expects customers' demand for original formats in emerging markets to continue to be driven by a growing middle class. The Group's revenues will be impacted from period to period by its ability to penetrate, and the continued growth in, these emerging markets.

5.2.3.3 Online sports betting & gaming segment

REGULATORY ENVIRONMENT AND GAMING TAX

The Group operates with its Online sports betting & gaming segment in this sector, which is highly regulated and monitored in the markets the Group operates in (please refer to Section 1.4.2 (Betclic's regulatory environment) on page 60 of this Universal Registration Document). The Group primarily operates its business based on licenses issued by the governments of the countries in which the Group is active, which provides the Group with the rights to its Online sports betting and gaming activities. Systematically, the Group pays gaming taxes in the countries it operates in exchange for these rights.

The Online sports betting & gaming industry is highly regulated in the countries in which the Group operates and is closely monitored by respective government authorities. Many of the factors that affect the Betclic Everest Group's business and results of operations are prescribed by applicable regulation. Since there is no standardised regulation for Online sports betting & gaming activities at an international level, the results of operation of the Group depend on the specific regulatory environments in the various countries in which the Betclic Everest Group operates its Online sports betting and gaming business. For example, in France, online casino activities are prohibited, while poker is allowed. In Poland, only online betting is permitted. In addition, French law prescribes a maximum pay-out ratio of stakes that can be allocated to winners in the sportsbook segment. Based on French online gaming regulations, the Betclic Everest Group is required to apply a maximum return rate of 85% of all stakes invested by players of sports betting over a calendar year to its players on sports stakes. Changes to the regulatory framework in the countries the Group operates in may have a direct effect on the Group's results of operations if the changes restrict the ability of online gaming operators to operate or strengthen the constraints on online gaming operators. If these restrictions were to be applied in one or more of the markets in which the Betclic Everest Group operates, it may have to cease some of its activities or operate them under less favourable conditions. On the other hand, changes to the regulatory framework that ease the regulatory restrictions for the Betclic Everest Group could also open up new opportunities for the Group.

The revenues in the Group's Online sports betting & gaming segment partially depend on its ability to attract new gamblers and retain its gamblers and, therefore, on the Group's ability to conduct marketing activities and the results of such activities. Some countries prohibit all or to a certain extent marketing activities in relation to online gaming or betting. The Group's revenues in the Online sports betting & gaming segment therefore in part relies on the ability under local regulatory rules to conduct marketing activities. Please also refer to Section 3.1.3 (Risks relating to the Group's Online sports betting and gaming business – The Betclic Everest Group's success depends on its ability to attract and retain new users, which may be negatively impacted by prohibitions, constraints and restrictions on marketing activities as well as other applicable regulations) on page 115. The loss of Betclic Everest Group's users, failure to attract new users in a cost-effective manner, or failure to effectively manage the Betclic Everest Group's growth could adversely affect its business, financial condition, results of operations and prospects".

In addition to corporate income taxes, the Group's Online sports betting and gaming business is subject to taxes on individual games. The amount of tax paid by the Group can vary by jurisdiction and type of game. The Group's Online sports betting and gaming business is subject to taxes which are calculated based on, and vary depending on the type of licence, game and amount of revenues generated by the game. In the Consolidated Financial Statements, tax payments are accounted for under the line item "External expenses". Changes in tax legislation in the jurisdictions where the Group's operate may have an effect on its results of operations.

5.2.4 Factors affecting comparability of the Group's results of operations

M&A impact

Since 1 January 2021, the Group has expanded its business by acquiring and integrating the following companies and/or assets:

- Monello Productions, a French animation studio, in January 2021;
- Southfields, a Dutch sport production company, in July 2021;
- DMLS TV, a French music and entertainment company, in July 2021;
- Montmartre Films, formerly Légende Films (France), a French based scripted production entity, in January 2022;
- Znak TV, in the USA, a producer of large-scale entertainment brands as Masterchef, in February 2022;
- Tooco Formats, a label is dedicated to the creation, development, and management of new formats for the French and international markets in March 2022;
- Groenlandia in Italy, a company engaged in the business of the creation, development, production, selling, marketing, promotion and distribution of movies, features, short films and documentaries for both cinema and television markets, in March 2022;
- Pokeepsie Films a Spanish producing scripted programs, in April 2022;
- Kindle Entertainment, in UK, a multiple BAFTA winning production company, in August 2022;
- Movimenti an Italian group of 6 companies including 2D and 3D animation studios, an audio post-production company and a distribution entity, in September 2022;
- Noisy Pictures GmbH (formerly Sony Pictures Television Germany), a German producer of entertainment formats and scripted shows, in September 2022;
- Mam Tor Productions, a production company in the UK, in October 2022;
- Movie Plus in Israel, specializing in drama series, documentaries and feature-length films, in November 2022.

Since 1 January 2021, the Group has divested the following companies:

- disposal of Expekt in May 2021;
- liquidation of Bet-at-home Entertainment Ltd which took effect in the first semester of 2022;
- loss of control of Weit Media, during Q4 2022;
- disposal of Shauna Event in December 2022.

Acquisitions and divestments affect the results of operations of the Group in a variety of ways. The Group's results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired business in its consolidated results. In addition, the results of the acquired businesses after their acquisition may be impacted positively by synergies. Additionally, the Group may experience an increase in operating expenses, including staff costs, as the Group integrates the acquired business into its network. Acquisitions may also result in higher levels of depreciation and amortisation expense. Also, because acquired entities are consolidated from the date of their acquisition, the full impact of an acquisition is only reflected in the Group's financial statements in the subsequent period. As a result, the historical results of operations for the periods under review may not be comparable with each other. For further details, please refer to Section 5.2.3.2 (Key factors affecting the Group's business and results of operations - Acquisitions and Joint Ventures) on page 170 of this Universal Registration Document.

Liquidation of bet-at-home.com Entertainment Ltd

In the Group's Online sports betting and gaming business, the winding up of bet-at-home.com Entertainment Ltd was announced on 22 December 2021, a Maltese entity operating the casino activity under license MGA (Malta Gaming Authority) license, which took effect in the first semester of 2022.

5.2.5 Description of key income statement line items

The following descriptions of key line items pertains to the Group's Consolidated Financial Statements that have been prepared in accordance with IFRS.

Revenue

The Group measures revenue based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. For a more detailed description of the Group's revenue recognition, please refer to Section 6.1.6 (Note to the Consolidated Financial Statements) on page 204 in this Universal Registration Document.

External expenses

External expenses includes external costs incurred for content production, gaming tax, short-term lease charges, marketing costs and IT costs.

Staff costs

Staff costs includes employee remuneration and social security costs, post-employment benefits, employee benefits for the Group's long-term incentive plan, employment related earn out and option expenses and other employee benefits.

Compensation costs of Lov Group Invest (President of Banijay Group and President of Betclic Everest Group) and the Group's management are not included in staff costs but in other operating expenses as part of the President and management fees (as further disclosed in Section 6.1.6 (Note 26 of the Consolidated Financial Statements) on page 266.

Other operating expenses

Other operating expenses mainly include restructuring charges and other non-core items, tax and duties, Lov Group Invest (President of Banijay Group and President of Betclic Everest Group) and management fees, other operating expenses and other operating income.

Depreciation and amortisation expenses

Depreciation and amortisation expenses includes depreciation of the following category of assets: (i) software and other intangible assets; (ii) property, plant and equipment, own property and right-of-use; (iii) amortisation of intangible assets acquired in business combinations; and (iv) other.

Impairment losses and provisions, net of reversals

Impairment losses and provisions, net of reversals mainly include impairment losses of goodwill.

Financial income

Financial income includes interests received on cash and cash equivalents.

Interest expense

Interest expense includes interests paid on bank borrowings and bonds.

Cost of Net Debt

Cost of Net Debt is the sum of the line items "financial income" and "interest expense".

Other financial income

Other financial income mainly includes interests paid on current accounts liabilities outside the Group, interests received on current accounts receivables outside the Group, interests paid on lease liabilities, change in fair value of financial instruments, currency gains and losses, and other financial gains and losses.

Net financial income/(expenses)

Net financial income/(expenses) is the sum of the line items Financial income, Interest expense and Other financial income.

Share of net income from associates and joint ventures

Share of net income from associates and joint ventures includes the results of the period of investments in entities accounted for under the equity method.

Income tax expenses

Income tax expense includes current tax charges as well as changes in deferred tax assets and liabilities.

5.2.6 Significant events of the Financial Year 2022

Incorporation of FL Entertainment NV (former BV)

FL Entertainment has been incorporated on the 10 March 2022 as a private limited liability company under the Dutch law, with a tax residency in France. FL Entertainment B.V. changed its legal structure from a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) to a public company with limited liability (naamloze vennootschap) on 1 July 2022 (for more information on the Company, please also refer to Section 6.1.6 (note 3.1.1 to the Consolidated Financial Statements) on page 220 of this Universal Registration Document.

Business Combination Agreement

On May 10, 2022, FL Entertainment N.V., announced that it had entered into a definitive Business Combination Agreement with Pegasus Entrepreneurial Acquisition Company Europe B.V., a special purpose acquisition company (SPAC) to become a listed company on Euronext Amsterdam.

The transaction consists of (i) the Business Combination of FL Entertainment and Pegasus Entrepreneurs resulting in a public Listing of FL Entertainment on Euronext Amsterdam, (ii) the equity roll-over of the minority shareholders in the Banijay Group (Vivendi, Fimalac and De Agostini) and the Betclic Everest Group (SBM International) to become shareholders of FL Entertainment, and (iii) raising of €646 million of proceeds.

The Business Combination has been completed on 1 July 2022. As a result, FL Entertainment is listed on Euronext Amsterdam since 1 July 2022.

Group reorganization

The Group conducted reorganization between entities within Financière Lov Group and with minority interests in order to achieve the transaction described above. For more details, please refer to Section 6.1.6 (note 3.1.1 to the Consolidated Financial Statements) on page 222 of this Universal Registration Document.

Following the rationalization of the shareholder structure, the valuation of the Banijay Group's shares has been reassessed upwards. As a consequence, the Banijay Group's liabilities in connection with the LTIP and incentive debt and its liabilities in connection with the outstanding put option agreements have been reassessed after the reorganization.

Forward purchase agreement

On 10 December 2021, Pegasus Entrepreneurs entered into a forward purchase agreement with Tikehau Capital and Financière Agache. Since the Merger became effective on 1 July 2022 and Pegasus Entrepreneurs was the disappearing entity, Tikehau Capital and Financière Agache each subscribed for 2,500,000 newly issued Ordinary Shares in the Company's capital and 833,333 Warrants, for an aggregate amount of €25 million each. Tikehau Capital and Financière Agache received the Forward Purchase Securities on 1 July 2022.

Issuance of FL Entertainment securities in exchange of Pegasus securities

Due to the Merger of Pegasus Entrepreneurs into FL Entertainment, FL Entertainment issued and delivered Founder Shares, Founder Warrants and public Warrants to the holders of Pegasus Founder Shares, Founder Warrants and public Warrants (one-for-one basis).

FL Entertainment capital increase (PIPE Financing)

On 5 July 2022, FL Entertainment has issued 20,423,000 Ordinary Shares in connection with the subscription agreements signed with the PIPE Investors in a private investment in public equity transaction (the "PIPE Financing") for an aggregate amount of €204 million. The impact of these subsequent events are presented in Section 6.1.6 (note 3.1.1. II) to the Consolidated Financial Statements) on page 220 of this Universal Registration Document.

Liquidation of bet-at-home.com Entertainment Ltd

On 22 December 2021, Sub-Group BEG announced the winding up by the court procedure of bet-at-home.com Entertainment Ltd, a Maltese entity of Bet-at-home operating the casino activity under a MGA (Malta Gaming Authority) license, consolidated at 53.90% as of December 2021, which took effect in the first semester of 2022.

Russia-Ukraine conflict

The Group is closely monitoring developments in the conflict between Russia and Ukraine. However, the Group has limited exposure to the Russian market (only Content production and distribution business). During the year, its Russian subsidiaries generated a net revenue contribution of €27 million (0.7% of revenue as of 31 December 2022) and a current operating profit of €2 million (0.8% of total current operating profit as of 31 December 2022). On the third quarter of 2022, in line with the European and American sanctions against Russia, Banijay froze the operations with Weit Media (now gathering Mastiff Russia and Weit Media activities). Therefore, from the fourth Quarter 2022 Banijay considers it has lost control under IFRS 10 of the subsidiaries. In addition, on 15 December 2022, a selling contract was signed with on-site managers, but the transaction is still submitted to the agreement of the Russian Government Commission.

Conversion of Founder Shares into Ordinary Shares

2,674,999 Founder Shares have no conversion restrictions related to share price performance and have been converted into Ordinary Shares on 5 July 2022 by the Founder Shares holders.

5.2.7 Results of operations

The following table sets out the Group's financial performance and certain operating results on the basis of the Group's audited consolidated financial information for the periods indicated (for Total Group column).

	31 December								
	2022				2021				
(in € million)	Content production & distri-bution	Online sports betting & gaming	Holding	Total Group	Content production & distri-bution	Online sports betting & gaming	Holding	Total Group	% Change Total Group
Revenues	3,212	835	0	4,047	2,756	741	0	3,497	15.7%
External expenses	(1,504)	(543)	(3)	(2,051)	(1,282)	(492)	(0)	(1,774)	15.6%
Staff costs	(1,325)	(109)	(1)	(1,435)	(1,095)	(309)	0	(1,403)	2.2%
Other operating income	6	13	0	20	5	0	0	5	263.9%
Other operating expenses	(48)	(21)	(107)	(176)	(41)	(32)	(0)	(73)	141.7%
Depreciation and amortization expenses	(139)	(12)	(0)	(150)	(130)	(12)	(0)	(142)	6.0%
Impairment losses and provisions, net of reversals	0	0	0	0	0	0	0	0	-
Operating profit (loss)	**202**	**163**	**(111)**	**255**	**214**	**(103)**	**(0)**	**110**	**130.8%**
Financial income	2	0	0	2	1	0	0	1	164.2%
Interest expense.	(132)	(9)	(6)	(146)	(125)	(6)	(5)	(136)	7.2%
Cost of Net Debt	**(130)**	**(9)**	**(6)**	**(144)**	**(124)**	**(6)**	**(5)**	**(135)**	**6.3%**
Other finance income (costs)	(95)	(5)	(12)	(113)	9	(2)	(6)	2	
Net financial income/ (expenses)	**(225)**	**(14)**	**(18)**	**(257)**	**(115)**	**(8)**	**(11)**	**(133)**	**92.4%**
Share of net income from associates & joint ventures	(2)	0	0	(2)	(1)	0	0	(1)	84.4%
Earnings before income tax expenses	**(24)**	**149**	**(129)**	**(4)**	**98**	**(111)**	**(11)**	**(24)**	**(82.7%)**
Income tax expenses	(40)	(37)	0	(77)	(27)	(21)	(1)	(49)	56.3%
Profit (loss) from continuing operations	**(64)**	**112**	**(129)**	**(81)**	**71**	**(132)**	**(12)**	**(73)**	**10.4%**
Profit (loss) from discontinued operations	0	0	0	0	0	0	0	0	
Net income (loss) for the period	**(64)**	**112**	**(129)**	**(81)**	**71**	**(132)**	**(12)**	**(73)**	**10.4%**

Segmental information

(in € million)	31 December 2022	2021	% change
Content production & distribution business			
Revenues	3,212	2,756	16.5%
Operating profit/loss	202	214	(5.3%)
Adjusted EBITDA*	472	433	9.1%
Net income	(64)	71	(190.4%)
Online sports betting & gaming business			
Revenues	835	741	12.7%
Operating profit/loss	163	(103)	(258.3%)
Adjusted EBITDA*	203	177	14.8%
Net income	112	(132)	(185.0%)
Holding			
Revenues	0	0	
Operating profit/loss	(111)	(0)	-
Adjusted EBITDA*	(5)	(0)	-
Net income	(129)	(12)	-

* ***Non-IFRS financial measures****: please refer to section 5.2.2 (Other financial information) on page 165 for the definitions of the Alternative Performance Measures (APM).*

Revenues

For the Financial Year 2022, the Group's consolidated revenues were €4,047 million, compared to €3,497 million (€3,576 million at constant exchange rate(1)) for the same period in 2021.

The Group's revenues were impacted by the fluctuations in foreign exchange rate. At constant foreign exchange rate, revenues would have increased by 13.2%(1).

CONTENT PRODUCTION & DISTRIBUTION BUSINESS

The Content production & distribution business amounted to 79% of the Group's consolidated revenues for year ended 31 December 2022, a stable percentage compared to the year ended 31 December 2021. Revenues for this business were €3,212 million for the Financial Year 2022, a rise of €456 million or 17% compared to the Financial Year 2021, and is allocated as follow:

(in € million)	31 December 2022	2021	% change
Production	2,664.6	2,263.2	17.7%
Distribution	387.7	331.8	16.9%
Others	159.3	161.0	(1.1%)
CONTENT PRODUCTION & DISTRIBUTION	**3,211.6**	**2,756.0**	**16.5%**

The Financial Year 2021 was still impacted by COVID-19 pandemic as there were still lockdowns in some countries as well as travel restrictions, which was not the case during 2022. Consequently, the production revenue grew by 18% thanks to a dynamic production cycle mainly in the US/Latam and UK with returning seasons of big brand programs and the development of new shows such as *Pride and Prejudice, Lizzo, Rogue Heroes, Good Karma Hospital, The RIG*. In addition, the distribution revenue increased by 17% driven by more revenues generated with OTT players and new scripted shows generating more finished tapes sales like *Rogue Heroes, Marie-Antoinette, Riches* and the new season of *Peaky Blinders*.

(1) ***Non-IFRS financial measures****: please refer to section 5.2.2 (Other financial information) on page 165 for the definitions of the Alternative Performance Measures (APM).*

ONLINE SPORTS BETTING & GAMING BUSINESS

(in € million)	Twelve months ended 31 December 2022	2021	% change
Online sports betting (Sportsbook)	670.1	588.6	13.8%
Online casino (Casino)	104.8	102.0	2.7%
Online poker (Poker)	49.9	44.1	13.1%
Online horseracing (Turf)	10.3	6.4	60.7%
ONLINE SPORTS BETTING & GAMING	**835.0**	**741.1**	**12.7%**

The Online sports betting & gaming business amounted to 21% of the Group's consolidated revenues for the Financial Year 2022, a stable percentage compared to the Financial Year 2021. Revenues for this segment were €835 million for the Financial Year 2022, an increase of €94 million or 13% compared to the Financial Year 2021. The increase in revenue is mainly explained by the development of players database in all main geographies, France, Portugal and Poland as well as a good performance in Sportbook during the FIFA World Cup. This increase is partially offset by some jurisdictions exit in Bet-at-home perimeter following the liquidation of Bet-at-home Entertainment Ltd; these closures affecting mainly casino activity but also sportsbook to a lesser extent.

Operating profit (loss)

Operating profit was €255 million, compared to €110 million for the Financial Year 2021, an increase of €144 million (+131%). Operating profit included:

- external expenses of -€2,051 million, compared to -€1,774 million for the Financial Year 2021. The change was mainly due to an increase in content production costs in line with the increase in production revenue, and an increase of betting tax for Online sports betting & gaming;
- staff costs of -€1,435 million, compared to -€1,403 million for the Financial Year 2021. The increase of -€31 million was mainly driven by (i) higher employee remuneration and social security costs for a cumulative amount of -€181 million for Content production & distribution business in line with the increase in production activity, (ii) higher LTIP charges mostly following the upward reassessment of the Banijay Group's shares for -€33 million offset by (iii) a reduction of LTIP plan charges for Online sports betting & gaming business as an expense for an amount of -€209 million was recognized in 2021 following the signature of an agreement between a manager, Betclic Everest Group and other shareholders;
- other operating income and expenses resulting in a net charge of -€156 million, compared to -€67 million for the Financial Year 2021. This mainly relates to the costs incurred for the Group reorganization for -€106 million including -€85.7 million of listing fees, restructuring costs and reorganization as well as the management fees paid to Lov Group Invest partly offset by the impact of the liquidation of Bet-at-home Entertainment Ltd;
- depreciation and amortization expenses which increased by -€8 million to -€150 million for the Financial Year 2022, from -€142 million for the Financial Year 2021.

The Content production & distribution business contributed €202 million to the Group's operating profit, a slight decrease of -€11 million, or -5% compared to the Financial Year 2021.

The Online sports betting & gaming business contributed €163 million to the Group's operating profit, a rise of €267 million compared to the Financial Year 2021.

Adjusted EBITDA

Adjusted EBITDA is not a financial measure calculated in accordance with IFRS. Adjusted EBITDA is used to measure performance as management believes that this measurement is the most relevant in evaluating the results of the segments. The presentation of this financial measure may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated[1].

The reconciliation between operating profit/(loss) is presented in the table below:

	31 December 2022			
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Total Group
OPERATING PROFIT (LOSS)	**202**	**163**	**(111)**	**255**
Restructuring costs and other non-core items	30	(9)	106	127
LTIP and employment-related earn-out and option expenses	111	37	0	147
Depreciation and amortization (excluding D&A fiction[1])	129	11	0	141
ADJUSTED EBITDA	**472**	**203**	**(5)**	**670**

(1) Deviation from total amount per note 8 to the Consolidated Financial Statements for the year ended 31 December 2022 is due to the amortization of fiction production amounting to -€8.0 million that is considered an operating cost.

	31 December 2021			
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Total Group
OPERATING PROFIT (LOSS)	**214**	**(103)**	**(0)**	**110**
Restructuring costs and other non-core items	27	22	0	50
LTIP and employment-related earn-out and option expenses.	63	245	0	308
Depreciation and amortization (excluding D&A fiction[1])	129	12	0	141
ADJUSTED EBITDA	**433**	**177**	**(0)**	**609**

(1) No amortization of fiction production recognized in 2021.

For the Financial Year 2022, Adjusted EBITDA amounted to €670 million, compared to €609 million for the Financial Year 2021.

Adjusted EBITDA per business

CONTENT PRODUCTION & DISTRIBUTION BUSINESS

The Content production & distribution business amounted to 71% of the Group's Adjusted EBITDA for the Financial Year 2022, stable contribution compared to the Financial Year 2021. Adjusted EBITDA for this segment was €472 million in the Financial Year 2022, a rise of €39 million or 9% compared to the Financial Year 2021.

ONLINE SPORTS BETTING & GAMING BUSINESS

The Online sports betting & gaming business amounted to 30% of the Group's Adjusted EBITDA for the Financial Year 2022, stable contribution compared to the Financial Year 2021. Adjusted EBITDA for this segment was €177 million in the Financial Year 2022, an increase of €26 million or 15% compared to the Financial Year 2021. The increase in EBITDA is driven by the increase of activity mentioned above.

(1) ***Non-IFRS financial measures:*** *please refer to section 5.2.2 (Other financial information) on page 165 for the definitions of the Alternative Performance Measures (APM).*

Net financial income (expense)

(in € million)	31 December 2022 Content production & distribution	Online sports betting & gaming	Holding	Total Group	2021 Content production & distribution	Online sports betting & gaming	Holding	Total Group	% change
Interests paid on bank borrowings and bonds	(132)	(9)	(6)	(146)	(125)	(6)	(5)	(136)	7.2%
Cost of gross financial debt	**(132)**	**(9)**	**(6)**	**(146)**	**(125)**	**(6)**	**(5)**	**(136)**	**7.2%**
Interests received on cash and cash equivalents	2	0	0	2	1	0	0	1	
Gains on assets contributing to net financial debt	**2**	**0**	**0**	**2**	**1**	**0**	**0**	**1**	**-**
Cost of Net Debt	**(130)**	**(9)**	**(6)**	**(144)**	**(124)**	**(6)**	**(5)**	**(135)**	**6.3%**
Interests paid on current accounts liabilities	0	0	(0)	(0)	0	(0)	(0)	(1)	
Interests received on current accounts receivables	0	0	1	1	0	0	2	2	
Interests on lease liabilities	(4)	(0)	0	(4)	(4)	(1)	0	(5)	
Change in fair value of financial instruments	(91)	0	(15)	(105)	15	0	(8)	7	
Currency gains (losses)	3	(1)	0	2	3	(0)	0	3	
Other financial gains (losses)	(6)	(0)	0	(6)	(5)	0	0	(5)	
NET FINANCIAL INCOME (EXPENSE)	**(227)**	**(11)**	**(19)**	**(257)**	**(115)**	**(7)**	**(11)**	**(133)**	**92.4%**

For the Financial Year 2022, net financial result was an expense of -€257 million, compared to -€133 million for the Financial Year 2021. Of this amount:

- the cost of Net Debt as of 31 December 2022 amounted to -€144 million, compared to -€135 million for the Financial Year 2021 and was mostly related to a higher level of interest charges for -€5 million mainly explained by a FX effect on USD debt interests (Content production & distribution business) and a timing effect of interest charges related to Betclic loan issued on 13 December 2021 and reimbursed in July 2022 for -€4 million;
- other financial income and expenses for the Financial Year 2022 amounted to -€113 million, compared to €2 million for the Financial Year 2021 and were mainly driven by the change in fair value of financial instruments explained in part by the put on Banijay Group's shares held by managers following the upward reassessment of the Banijay Group's shares for -€75 million and by the change in fair value of Vivendi convertible bond derivatives for -€21.4 million that has been reimbursed following the Business Combination on 5 July 2022.

The Group's total financial debt as of 31 December 2022, amounted to €2,639 million, compared to €2,728 million as of 31 December, 2021. The financial debt is broken down as follows:

- €2,395 million for Content production & distribution business as of 31 December 2022 compared to €2,293 million as of 31 December 2021 (+€102 million), mainly explained by FX impact on USD debt (+€46 million), an increase in local production financing facilities (+€45 million) and amortization of the transaction costs for €11 million;
- €105 million for Online sports betting & gaming business compared to €268 million as of 31 December, 2021 mostly explained by (i) the reimbursement of the €130 million Bridge Loan (-€130 million), (ii) the partial reimbursement of the €165 million Senior Loan (-€35 million) offset by (iii) higher issuing costs (-€2 million);
- €138 million for Holding compared to €167 million related to the Vivendi bonds reimbursement (-€163 million) offset by the residual vendor loans granted by some shareholders as part of the Group reorganization (+€138 million).

Net Debt[1] decreased from €2,269 million as of 31 December 2021, to €2,091 million as of 31 December 2022, respectively €1,930 million for Content production & distribution business[2] (-€21 million), €34 million for Online sports betting & gaming business (-€141 million) and €128 million for Holding (-€16 million). The decrease of -€178 million is mostly due to the Adjusted Operating Free cash flow of the period (-€503 million) and the net impact of the operation (-€121 million) offset by acquisitions and disposals (+€130 million), interest of the period (+€144 million), LTIP and exceptional items paid during the period (+€160 million). Please refer to Section 6.1.6 (note 4, paragraph Net debt by segment to the Consolidated Financial Statements) on page 227 of this Universal Registration Document.

The Group's Leverage, defined as Net Debt divided by 12 month Adjusted EBITDA, on 31 December 2022 stood at 3.1x compared to the 3.7x registered on 31 December 2021.

Income tax expenses

The tax charge for the Financial Year 2022 was -€77 million compared to -€49 million for the Financial Year 2021. The change is mainly driven by (i) the use of significant loss carried forward previously in 2021 for Online sports betting & gaming and (ii) a higher income tax, mainly driven by additional business contributions and deferred tax expenses linked to updated tax planning for Content production & distribution.

For more details, please refer to Section 6.1.6 (note 11 to the Consolidated Financial Statements) on page 234 of this Universal Registration Document.

Net income/(loss) for the period

The Group's net income/(loss) amounts to -€81 million and is stable compared to 31 December 2021.

Net income/(loss) for the period per business

CONTENT PRODUCTION & DISTRIBUTION BUSINESS

Net income/(loss) for the period decreased by -€135 million to a loss of -€64 million for the Financial Year 2022, from a net income of €71 million for the Financial Year 2021.

ONLINE SPORTS BETTING & GAMING BUSINESS

Net income for the period increased by €244 million to a profit of €112 million for the Financial Year 2022, from a loss of -€132 million for the Financial Year 2021.

The following table sets out a reconciliation of the Group's Net income/loss for the period to Adjusted Net Income for the periods indicated[1].

	Twelve months ended 31 December		
(in € million)	**2022**	**2021**	**% change**
NET INCOME/(LOSS) FOR THE PERIOD	**(81.1)**	**(73.4)**	**10.4%**
Restructuring charges and other non-core items	127.4	49.8	155.7%
LTIP and employment-related earn-out and option expenses*	147.5	308.0	(52.1%)
Other finance income/(costs)	112.9	(1.9)	
ADJUSTED NET INCOME	**306.7**	**282.5**	**8.6%**

* *In 2021, this number includes one-off costs in connection with an agreement in relation to accelerated vesting between a manager, the Betclic Everest Group and certain other shareholders which was signed on 17 November 2021. To reflect this agreement in accordance with IFRS 2, the Betclic Everest Group recognised an expense of €208.9 million in the Financial Year 2021.*

(1) ***Non-IFRS financial measures:*** *please refer to Section 5.2.2 (Other financial information) on page 165 for the definitions of the Alternative Performance Measures (APM).*

(2) *The differences with the financial net debt usually disclosed within Banijay Group bondholders investor presentation are (i) the transaction costs deducted from the nominal value of the debts at FL Entertainment level for (-€39 million as of 31 December 2022), (ii) lease debt under IFRS 16 that are not included at FL Entertainment level (-€160 million as of 31 December 2022), (iii) an additional amount of cash at Banijay Group Holding level (-€1 million) and (iv) hedging through derivative instruments (-€69 million).*

5.3 Liquidity and capital resources

5.3.1 Analysis of cash flow for the Financial Year 2022 and Financial Year 2021

The table below summarises the Group's consolidated cash flow for the periods indicated. This table should be read in conjunction with the accompanying notes in the Consolidated financial statements included in Section 6.1.6 on page 204 of this Universal Registration Document.

	31 December								
	2022				2021				
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Total Group	Content production & distribution	Online sports betting & gaming	Holding	Total Group	% change Total Group
Net cash flows provided by operating activities	379	107	(27)	459	324	81	(2)	403	14%
Net cash flows provided by (used for) investing activities	(147)	(16)	162	(1)	(89)	(8)	0	(97)	(97%)
Net cash flows from (used in) financing activities	(197)	(107)	(126)	(430)	(159)	(101)	2	(258)	67%
Effect of foreign exchange rate differences	19	0	0	19	(4)	0	0	(4)	
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	**54**	**(16)**	**9**	**47**	**71**	**(27)**	**0**	**44**	**7%**
Cash and cash equivalents at the beginning of the period	343	88	1	432	272	115	1	389	11%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**397**	**72**	**11**	**479**	**343**	**88**	**1**	**432**	**11%**

Change in cash flow from operating activities

Net cash provided by operating activities amounted to €459 million for the Financial Year 2022, compared to €403 million for the Financial Year 2021. This increase reflected the growth of Content production & distribution business (+€55 million) and the Online sports betting & gaming business (+€26 million) offset by the decrease of Holding (-€26 million). This overall increase of €55 million was mainly attributable to the following items:

- the favorable variance in working capital (+€43 million);
- the favorable variance in non-cash adjustments (+€44 million) mostly driven by a higher change in fair value of financial instruments impact (+€106 million), transactions related to the operation (+€86 million), offset by employee benefits LTIP and employment related earn out and options expenses vesting charges (-€154 million) balanced by;
- the effect of the increase of income tax paid (-€32 million).

Change in cash flow from investing activities

Net cash used in investing activities decreased from -€97 million for the Financial Year 2021, to -€1 million for the Financial Year 2022. The decrease was primarily driven by +€165 million of financial asset and cash equivalents received from Pegasus Merger, partly offset by a higher amount paid for the purchases of subsidiaries for -€52 million, -€18 million due to lower proceeds from sales of consolidated companies compared to the Financial Year 2021 mainly explained by the impact of the deconsolidation of Russia subsidiaries.

Change in cash flow from financing activities

Net cash used in financing activities amounted to -€430 million for the Financial Year 2022. The increase of -€172 million compared to the Financial Year 2021 was mostly driven by:

- the repayment of SBM International vendor loan for -€388 million;

- -€260 million of variation explained by the timing effect of the Nominal Senior Loan issued in 2021 for -€130 million and reimbursed in 2022 for -€130 million;
- the reimbursement of Vivendi ORAN for -€171 million;
- the contribution from Financière Lov and Fimalac in 2021 for -€59 million;
- higher repayment of borrowings and other financial liabilities on Online sports betting & gaming by -€19 million on the Nominal Senior Loan €165 million and on Content production & distribution business by €4 million;
- impact of +€57 million for the reimbursement of the Convertible Bonds DeA in 2021 on Holding ;
- a lower amount of proceeds from borrowings and other financial liabilities related to specific productions for -€8 million, partly offset by;
- change in capital for +€364 million following the operation;
- a lower dividend payment to non-controlling interests during the period (+€205 million on Online sports betting & gaming);
- change in other securities for +€114 million following the operation.

Adjusted Free Cash Flow

The Group presents its Adjusted Free Cash Flow because it provides investors with relevant information on how management assesses and measures its cash flows from ongoing operating activities. Its purpose is to provide both management and investors relevant and useful information about Group's cash generation capacity and performance.

	31 December 2022			
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Total
Operating profit (loss)	**202**	**163**	**(111)**	**255**
Restructuring costs & other non-core items	30	(9)	106	127
LTIP and employment-related earn-out and option expenses	111	37	0	147
Depreciation and amortization (excluding D&A fiction)	129	12	0	141
Adjusted EBITDA*	**472**	**203**	**(5)**	**670**
Purchase of property, plant and equipment and of intangible assets	(60)	(8)	(0)	(68)
Total cash outflows for leases that are not recognised as rental expenses	(44)	(3)	0	(47)
Adjusted Free Cash Flow*	**368**	**192**	**(5)**	**555**
Adjusted EBITDA	472	203	(5)	670
Adjusted Cash Conversion Rate*	**77.9%**	**94.5%**	**100.2%**	**82.8%**

* **Non-IFRS financial measures:** *please refer to Section 5.2.2 (Other financial information) on page 165 for the definitions of the Alternative Performance Measures (APM).*

	31 December 2021			
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Total
Operating profit (loss)	**214**	**(103)**	**(0)**	**110**
Restructuring costs & other non-core items	27	22	0	50
LTIP and employment-related earn-out and option expenses	63	245	0	308
Depreciation and amortization (excluding D&A fiction)	129	12	0	141
Adjusted EBITDA*	**433**	**177**	**(0)**	**609**
Purchase of property, plant and equipment and of intangible assets	(56)	(10)	0	(67)
Total cash outflows for leases that are not recognised as rental expenses	(42)	(3)	0	(44)
Adjusted Free Cash Flow*	**335**	**164**	**(0)**	**499**
Adjusted EBITDA	433	177	(0)	609
Adjusted Cash Conversion Rate*	**77.5%**	**92.6%**	**100.0%**	**81.9%**

* **Non-IFRS financial measures:** *please refer to Section 5.2.2 (Other financial information) on page 165 for the definitions of the Alternative Performance Measures (APM).*

Cash conversion

The Group presents its Adjusted Cash Conversion Rate because it provides investors with relevant information on how management assesses and measures its cash flows from ongoing operating activities compared to the income it generates on a consistent basis as its business grows. Adjusted Cash Conversion Rate is defined as Adjusted Free Cash Flow divided by Adjusted EBITDA.

The Group's Cash Conversion Rate increased from 81.9% to 82.9% in the Financial Year 2022 and remains in line with the Group's objective of maintaining an Adjusted Cash Conversion rate of approximately 80%. The improvement is mainly due to a higher level of Adjusted Free Cash Flow with an increase of the cash provided by operating activities while maintaining the level of investments.

5.3.2 Indebtedness

The following table provides an overview of the Group's indebtedness as at the end of the periods indicated.

	Twelve months ended 31 December		
(in € million)	**2022**	**2021**	**% change**
Non-current financial liabilities			
Bonds	1,330.8	1,461.5	(8.9%)
Bank borrowings	959.5	991.8	(3.3%)
Accrued interests on bonds and bank borrowings			-
Vendor loans			-
Current accounts			-
Accrued interests on current accounts			-
Bank overdrafts			-
Derivatives - Liabilities		4.5	-
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**2,290.3**	**2,457.8**	**(6.8%)**
Current financial liabilities			
Bonds			
Bank borrowings	180.6	240.7	(24.9%)
Accrued interests on bonds and bank borrowings	29.6	32.7	(9.6%)
Vendor loans	138.4		-
Current accounts	0.8	29.1	(97.4%)
Accrued interests on current accounts	0.0	0.4	(96.7%)
Bank overdrafts	(0.1)	1.7	(103.2%)
Derivatives - Liabilities		1.6	(100.0%)
TOTAL CURRENT FINANCIAL LIABILITIES	**349.3**	**306.2**	**14.1%**

5.3.2.1 Senior Notes and Senior Secured Notes

OVERVIEW

The Senior Secured Notes and the Senior Notes have been issued by Banijay Entertainment and Banijay Group SAS respectively on 11 February 2020.

The €575 million Euro Senior Secured Notes accrue interest at 3.5% per annum, the $403 million Dollar Senior Secured Notes accrue interest at 5.375% per annum and the €400 million Senior Notes accrue interest at 6.5% per annum.

Interests on the Notes are payable semi-annually in arrears on 1 March and 1 September of each year, commencing on 1 September 2020.

The Senior Secured Notes mature on 1 March 2025 and the Senior Notes mature on 1 March 2026.

The Senior Secured Notes are guaranteed on a senior secured basis, and the Senior Notes are guaranteed on a senior subordinated and unsecured basis by certain entities of the Banijay Group, including, *inter alia*, - Banijay Entertainment Holdings US, Inc., Banijay Media Limited (formerly Zodiak Media Limited), Banijay Rights Ltd, Banijay France S.A.S., Banijay Group US Holding, Inc., Adventure Line Productions S.A.S., H2O Productions S.A.S., Bwark Productions Limited, Banijay Production Media, Bunim-Murray Productions Inc., Bunim-Murray Productions LLC, RDF Television Limited, Castaway Television Productions Limited, Screentime Pty Limited, Mastiff A/S, Nordisk Film TV A/S; Endemol Shine IP B.V., Banijay Benelux B.V. (formerly Endemol Shine Nederland Holding B.V.), Endemol Shine Nederland B.V., Endemol USA Holding, Inc., Truly Original LLC, Endemol Shine Australia, Shine Australia Holding Pty, Metronome Production A/S, Gestmusic Endemol SAU, Zeppelin Television SAU, Banijay Benelux Holding B.V. and Endemol Shine France SAS, and in the case of the Senior Secured Notes, the SUN Issuer (i.e., Banijay Group SAS) or, in the case of the Senior Notes, the SSN Issuer (i.e., Banijay Entertainment) (the "**Guarantors**").

The Senior Secured Notes, the Guarantees in respect thereof, and the Senior Notes are secured by pledges and other security interests.

RANKING OF THE SENIOR SECURED NOTES AND THE SENIOR NOTES

The Senior Notes:

- are general senior obligations of Banijay Group SAS;
- rank pari passu in right of payment with all existing and future senior indebtedness of Banijay Group SAS;
- rank senior in right of payment to all of Banijay Group SAS's existing and future indebtedness that is expressly subordinated in right of payment to the Senior Notes;
- are effectively subordinated to all of Banijay Group SAS's existing and future indebtedness that is secured by property or assets that do not secure the Senior Notes, or that is secured on a first-ranking basis by property or assets that secure the Senior Notes on a second-ranking basis, to the extent of the value of the property or assets securing such indebtedness; and
- are structurally subordinated to any existing and future debt of Banijay Group SAS's existing and future subsidiaries that do not guarantee the Senior Notes, including their obligations to trade creditors.

The Senior Secured Notes:

- are general senior secured obligations of Banijay Entertainment;
- rank pari passu in right of payment with all existing and future senior indebtedness of Banijay Entertainment, including indebtedness outstanding under the Banijay Senior Credit Facilities;
- rank senior in right of payment to all of the Banijay Entertainment's existing and future indebtedness that is expressly subordinated in right of payment to the Senior Secured Notes;
- are effectively subordinated to all of the Banijay Entertainment's existing and future indebtedness that is secured by property or assets that do not secure the Senior Secured Notes to the extent of the value of the property or assets securing such indebtedness; and
- are structurally subordinated to any existing and future debt of Banijay Entertainment's existing and future subsidiaries that do not guarantee the Senior Secured Notes, including their obligations to trade creditors.

The Senior Secured Notes are guaranteed on a senior secured basis (whereas the Senior Notes are guaranteed on a senior subordinated and unsecured basis by certain entities of the Banijay Group) and mature on 1 March 2025 before the maturity date of the Senior Notes (maturing on 1 March 2026). The liabilities owed under the Senior Secured Notes rank in priority to the liabilities owed under the Senior Notes.

OPTIONAL REDEMPTION

Senior Notes

At any time and from time to time on or after 1 September 2022, Banijay Group SAS may redeem the Senior Notes in whole or in part, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption, if redeemed during the twelve-month period beginning on 1 September of the years indicated below:

Year	Redemption price
2023	101.62500%
2024 and thereafter	100.00000%

Euro Senior Secured Notes

At any time and from time to time, Banijay Entertainment may redeem the Euro Senior Secured Notes in whole or in part, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption, if redeemed during the twelve-month period beginning on 1 March of the years indicated below:

Year	Redemption price
2023	100.87500%
2024 and thereafter	100.00000%

Dollar Senior Secured Notes

At any time and from time to time, Banijay Entertainment may redeem the Dollar Senior Secured Notes in whole or in part, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption, if redeemed during the twelve-month period beginning on 1 March of the years indicated below:

Year	Redemption price
2023	101.34375%
2024 and thereafter	100.00000%

CHANGE OF CONTROL

Upon the occurrence of certain change of control events, Banijay Group SAS and Banijay Entertainment will be required to offer to repurchase all outstanding Senior Notes and Senior Secured Notes, as applicable, at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of the purchase. The definition of change of control includes, among other things, a transaction in which a single person or group, other than certain permitted holders, acquires beneficial ownership, directly or indirectly, of more than 50% of the total voting power of the voting stock of Banijay Group SAS or Banijay Entertainment, as applicable, or a disposition of all or substantially all of the property and assets of Banijay Group SAS or Banijay Entertainment, as applicable, and their restricted subsidiaries taken as a whole.

CERTAIN COVENANTS

The Banijay Indentures limit, among other things, the ability of Banijay Group SAS and Banijay Entertainment and their restricted subsidiaries to: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) pay dividends, redeem share capital and make certain investments; (iii) make certain other restricted payments; (iv) create or permit to exist certain liens; (v) impose restrictions on the ability of the restricted subsidiaries to pay dividends; (vi) transfer or sell certain assets, (vii) merge or consolidate with other entities; (viii) enter into certain transactions with affiliates; and (ix) impair the security interests for the benefit of the holders of the Notes, in each case subject to significant exceptions and qualifications. In addition, certain of the covenants will be suspended if and for as long as the Notes achieve investment-grade ratings. As at the date of this Universal Registration Document, Banijay Group SAS and Banijay Entertainment have no current or expected difficulties in satisfying their obligations under these covenants (and benefit from sufficient headroom in this respect).

5.3.2.2 Banijay Senior Secured Credit Facilities Agreement

(A) As at 31 December 2022

On 7 February 2020, Banijay Group SAS and Banijay Entertainment entered into the Banijay Senior Secured Credit Facilities Agreement. The Banijay Senior Secured Credit Facilities Agreement was amended and restated on 29 December 2021 and may be further amended from time to time in accordance with its terms.

The Banijay Senior Secured Credit Facilities Agreement provides for a revolving credit facility in a principal amount of €170 million (equivalent) (the Revolving Credit Facility) and senior term loan facilities in principal amounts of €453 million (the TLB (EUR)) and $460 million denominated in US dollars (the TLB (USD) and the TLB (EUR), the “Banijay Facility B”).

The main purposes of the Banijay Facility B is to (i) finance or refinance the consideration paid or payable for the acquisition of Endemol Shine and the acquisition of Bear Grylls; (ii) refinance or otherwise discharge certain existing indebtedness of Endemol Shine; and (iii) pay certain costs, fees and expenses incurred in connection with these transactions. Banijay Facility B has been fully utilised as at the date of this Universal Registration Document.

The Revolving Credit Facility may, subject to satisfaction of the applicable conditions precedent for each applicable drawing, be used for, among other uses, financing or refinancing the general corporate purposes and/or working capital requirements of Banijay Entertainment and its restricted subsidiaries.

The Revolving Credit Facility and Banijay Facility B, the Banijay Senior Secured Credit Facilities Agreement includes (in addition to other permissions under the limitation on indebtedness covenant) the ability (without double counting against the limitation on indebtedness covenant) to incur additional senior secured indebtedness by way of one or more uncommitted additional facilities within the Banijay Senior Secured Credit Facilities Agreement up to an aggregate amount of the sum of (i) €953 million (which is currently utilised by Banijay Facility B) plus (ii) the greater of €175 million and 38% of Consolidated EBITDA (of which €170 million is designated for the Revolving Credit Facility) plus the greater of €350 million and 75% of Consolidated EBITDA plus an unlimited amount, provided that, pro forma for the incurrence of such additional facilities, the consolidated senior secured net leverage ratio does not exceed 3.65:1, and in each case, subject to certain other conditions being met.

INTEREST AND FEES

Loans under the Banijay Senior Secured Credit Facilities Agreement bear interest at rates per annum equal to EURIBOR or, for loans denominated in Sterling of Swiss francs, SONIA (including an applicable credit adjustment spread) or, for loans denominated in a currency other than in Euro, Sterling or Swiss francs, LIBOR, plus an applicable margin, which in each case are subject to a decreasing margin ratchet based on the ratio of consolidated senior secured net debt to consolidated pro forma EBITDA (each as defined in the Banijay Senior Secured Credit Facilities Agreement) (the "Banijay Senior Secured Net Leverage Ratio").

If EURIBOR is less than zero, EURIBOR shall be deemed to be zero in respect of loans made under TLB (EUR) or the Revolving Credit Facility (as applicable). If LIBOR is less than zero, LIBOR shall be deemed to be zero in respect of loans made under the Revolving Credit Facility or TLB (USD) (as applicable). If "Daily Rate" (as defined in the Banijay Senior Secured Credit Facilities Agreement) for SONIA and the applicable credit adjustment spread is less than zero, the "Daily Rate" shall be deemed to be such rate that the aggregate of the "Daily Rate" and the applicable credit adjustment spread is zero in respect of loans made under the Revolving Credit Facility.

A commitment fee is payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility until the end of the availability period applicable to the Revolving Credit Facility at a rate of 35% of the applicable margin for the Revolving Credit Facility. Commitment fees are payable quarterly in arrears and on the date the Revolving Credit Facility is cancelled in full or on the date on which the relevant lender cancels its commitment.

REPAYMENTS

The loans made under TLB (EUR) will be repaid in full on 1 March 2025. In respect of the loans made under TLB (USD), an amount of 1% per annum of the original principal amount of TLB (USD) will be repaid in equal quarterly instalments from the date on which the first utilisation of Banijay Facility B occurred (being, 2 July 2020), with the remainder being repaid in full 1 March 2025.

In respect of the Revolving Credit Facility, each advance will be repaid on the last day of the interest period relating thereto, subject to an ability to roll over cash drawings. All outstanding amounts under the Revolving Credit Facility will be repaid on 1 September 2024. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be re-borrowed, subject to certain conditions.

MANDATORY PREPAYMENT

The Banijay Senior Secured Credit Facilities Agreement permits voluntary prepayments to be made (subject to de minimis amounts) and will require mandatory prepayment in full or in part in certain circumstances, including:

- on an initial public offering which does not constitute a change of control (with the percentage of proceeds to be prepaid subject to the Banijay Senior Secured Net Leverage Ratio);
- from certain net cash proceeds received by certain members of the Banijay Group from certain asset disposals, insurance and recovery claims, to the extent not otherwise applied for a permitted purpose and required to be applied in prepayment of the Banijay Senior Credit Facilities and subject to a de minimis amount;
- for each financial year (commencing with the financial year ending 31 December 2020), a percentage of excess cash flow in the event that excess cash flow exceeds a minimum threshold amount, which percentage decreases as the Banijay Senior Secured Net Leverage Ratio decreases; and

Upon the occurrence of a change of control (as defined in the Banijay Senior Secured Credit Facilities Agreement), each lender shall be entitled to require prepayment of its commitments within a prescribed time period. A change of control shall include:

- any person or group becoming the beneficial owner of more than 50% of the voting power of Banijay Entertainment other than in connection with a transaction or series of transactions in which Banijay Entertainment shall become the wholly owned subsidiary of a parent entity (as defined in the Banijay Senior Secured Credit Facilities Agreement) subject to certain conditions;
- Banijay Group SAS ceasing to directly own and control 100% of the issued voting share capital of Banijay Entertainment; and
- on a disposal of substantially all the business of Banijay Group SAS and its restricted subsidiaries.

GUARANTEES AND SECURITY

Subject to certain agreed security principles and guarantee limitations and the terms of the Banijay Senior Secured Credit Facilities Agreement, the Banijay Senior Credit Facilities is guaranteed by the Guarantors.

Subject to certain agreed security principles and Banijay Senior Secured Credit Facilities Agreement and the Intercreditor Agreement, the Banijay Senior Credit Facilities is secured by certain pledges over shares, material bank accounts, structural intra-group receivables and other assets of Banijay Group SAS and its restricted subsidiaries.

Subject to certain agreed security principles and the provisions of the Banijay Senior Secured Credit Facilities Agreement and certain adjustments permitted under the Banijay Senior Secured Credit Facilities Agreement, Banijay Entertainment is required to ensure that Banijay Entertainment and its restricted subsidiaries which generate at least 75% of Consolidated EBITDA are Guarantors under the Banijay Senior Secured Credit Facilities Agreement and grant certain security.

The provision and the terms of the security and guarantees set forth above will in all cases be subject to certain limitations and agreed security principles and are at all times and in all cases subject to the requirements of applicable law and the other matters set forth in the Banijay Senior Secured Credit Facilities Agreement.

REPRESENTATIONS AND WARRANTIES

The Banijay Senior Secured Credit Facilities Agreement contains certain representations and warranties (subject to certain agreed qualifications and with certain representations being repeated), including: (i) status, binding obligations, non-conflict with other obligations, power and authority, validity and admissibility in evidence, governing law and enforcement, consents, filings and laws applicable to operations and pari passu ranking; (ii) no insolvency, no litigation, environmental laws, taxation, and filing and stamp taxes; (iii) no default, financial statements, group structure, and no misleading information in relation to the information memorandum, the financial model relating to the Group and certain diligence reports provided; (iv) no liens, guarantees or indebtedness, except as permitted; (v) legal ownership and holding company activities; (vi) intellectual property and pension schemes; (vii) acquisition documents, investment companies, borrowing limits, compliance with ERISA; and (viii) centre of main interests and compliance with sanctions and anti-corruption laws.

COVENANTS

The Banijay Senior Secured Credit Facilities Agreement contains certain of the incurrence covenants, information undertakings and related definitions (with, in each case, certain adjustments), including, but not limited to, (i) limitations on indebtedness; (ii) limitations on restricted payments; (iii) limitations on liens; (iv) limitation on restrictions on distributions from restricted subsidiaries; (v) limitations on sale of assets and subsidiary stock; (vi) limitations on affiliate transactions; (vii) merger and consolidation; (viii) suspension of covenants on achievement of investment grade status; (ix) additional guarantees and intercreditor agreements; (x) no impairment of security interests; and (xi) designation of restricted and unrestricted subsidiaries.

In addition, the Banijay Senior Secured Credit Facilities Agreement also requires Banijay Entertainment and certain of its restricted subsidiaries to observe certain other customary positive and negative covenants, subject to certain exceptions and grace periods, including, but not limited to, covenants relating to:

(i) authorisations and consents; (ii) compliance with laws; (iii) pari passu ranking; (iv) insurances; (v) payment of taxes; (vi) pension schemes; (vii) compliance with certain environmental laws; (viii) acquisition documents; (ix) maintenance of centre of main interests; (x) provision of guarantees and security, further assurance and accession to the Intercreditor Agreement; (xi) compliance with sanctions and anti-corruption laws; (xii) maintenance of ratings; (xiii) preservation of assets; (xiv) holding company; (xv) annual and quarterly financial statements; (xvi) compliance certificates; and (xvii) annual budget.

As at the date of this Universal Registration Document, Banijay Group SAS and Banijay Entertainment have no current or expected difficulties in satisfying their obligations under these covenants (and benefit from sufficient headroom in this respect).

EVENTS OF DEFAULT

The Banijay Senior Secured Credit Facilities Agreement provides for substantially the same events of default as under the Notes. In addition, the Banijay Senior Secured Credit Facilities Agreement provides for additional events of default, subject to customary materiality qualifications and grace periods, including (i) breach of the financial covenant, provided that, in the event of such breach, only a majority of the Lenders under the Revolving Credit Facility shall initially be entitled to take enforcement action; (ii) inaccuracy of a representation or statement when made; (iii) invalidity and unlawfulness of the Banijay Senior Credit Facilities financing documents; and (iv) material failure to comply with the Intercreditor Agreement.

(B) As at the date of this Universal Registration Document

On 5 April 2023, Banijay has completed the refinancing of its two Term Loan B credit facilities in Euros and in US Dollars for an amount equivalent to around €875 million (including a €453 million tranche and US$460 million tranche), resulting in a 3-year extension of their maturities until March 2028.

Banijay also raised new Term Loans B financing in Euros and US Dollars to strengthen its balance sheet and finance its future growth for a total amount equivalent to €200 million, which splits into €102 million and $110 million respectively.

The new Term Loans B will carry a floating interest at EURIBOR +450 bps for the Euro-denominated tranche, and at SOFR +375 bps for the US Dollar-denominated tranche, both of which will benefit from the existing hedges until March 2025.

In parallel, Banijay extended the maturity of its €170 million RCF by 3 years to September 2027 at EURIBOR + 3.75%.

5.3.2.3 Banijay Intercreditor Agreement

To establish the relative rights of certain of their creditors under their financing arrangements, Banijay Group SAS, Banijay Entertainment and the Guarantors are party to an intercreditor agreement dated 11 February 2020 (as amended from time to time) between, among others, the notes trustee, the agent, arrangers and lenders under the Banijay Senior Secured Credit Facilities Agreement and the security agent (the "Banijay Intercreditor Agreement").

By accepting a Note, holders of the Notes will be deemed to have agreed to, and accepted the terms and conditions of, the Banijay Intercreditor Agreement.

The Banijay Intercreditor Agreement is governed by English law and sets out various matters governing the relationship of the creditors to the Banijay Group including the relative ranking of certain debt of Banijay Group SAS, Banijay Entertainment, the Guarantors and any other person that becomes party to the Intercreditor Agreement as a debtor or third-party security provider, when payments can be made in respect of debt of the debtors or third-party security providers, when enforcement action can be taken in respect of that debt, the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events and turnover provisions and provisions related to the enforcement of shared security.

OTHER INDEBTEDNESS AND FINANCING ARRANGEMENTS OF THE BANIJAY GROUP

From time to time, Banijay Group SAS and its subsidiaries, enter into various credit facilities (including by way of factoring or assignment of receivables, overdraft facility agreements, local and bilateral facilities or future receivables) to finance the development, production and operation of a specific program or audio- visual or digital content. The Banijay Group also enters into loan agreements to finance specific programs, such as loan agreements to fund Domina and Three Little Birds series. As of 31 December 2022, the Banijay Group had €179 million (as recorded at Banijay level) outstanding under these credit facilities. As of 31 December 2022, the Banijay Group had €235 million (as recorded at Banijay level) of other long-term and other current liabilities recorded on their balance sheet to reflect earn-outs and put option agreements that remain outstanding.

5.3.2.4 Betclic Group Senior Credit Facility Agreement

OVERVIEW AND STRUCTURE

On 23 June 2020, Betclic Group SAS as borrower, Betclic as parent and Guarantor, Mangas Lov as Guarantor, BNP Paribas, Natixis and Société Générale as mandated lead arrangers and Société Générale as agent and security agent and Natixis as documentation agent entered into a senior credit facility agreement (the "Betclic Group Senior Credit Facility Agreement"). The Betclic Group Senior Credit Facility Agreement provides for a senior term loan facility in principal amount of €165 million.

The main purposes of the Betclic Group Senior Credit Facility is (i) to finance a capital decrease of Betclic Group SAS (including the related fees) and (ii) the general corporate purposes of Betclic Group SAS.

On 19 November 2021, the lenders under the Betclic Group Senior Credit Facility have consented to the merger of Betclic Group SAS into Betclic and to the related changes into the Betclic Group Senior Credit Facility Agreement.

INTEREST AND FEES

The Betclic Group Senior Credit Facility bears interest at rates per annum equal to EURIBOR, plus an applicable margin.

If EURIBOR is less than zero, EURIBOR shall be deemed to be zero in respect of the Betclic Group Senior Credit Facility.

REPAYMENTS

The Betclic Group Senior Credit Facility is repayable in half-yearly instalments (starting from 23 December 2020), with the remainder being repaid in full 23 June 2025.

MANDATORY PREPAYMENT

The Betclic Group Senior Credit Facility Agreement permits voluntary prepayments to be made (subject to de minimis amounts) and will require mandatory prepayment in full or in part in certain circumstances, including:

- upon the occurrence of a change of control;
- an initial public offering of Betclic Group SAS or any member of Betclic;
- the sale, in one or more transactions, of all or a substantial part of the Betclic's tangible, intangible or financial fixed assets to a third-party; and
- from certain net cash proceeds received by certain members of Betclic from certain asset disposals, insurance and recovery claims, to the extent not otherwise applied for a permitted purpose and required to be applied in prepayment of the Betclic Group Senior Credit Facility and subject to applicable de minimis amount.

GUARANTEES AND SECURITY

The Betclic Group Senior Credit Facility was originally guaranteed, inter alia, by Betclic and Mangas Lov and was originally secured by first ranking pledges over Betclic Group SAS shares and Bet-at-home shares. A release of the pledge of Betclic Group SAS shares has been obtained as a result of the universal transmission of assets of Betclic Group SAS in Betclic, on 31 December 2021. Additional first ranking pledges have been entered into on 25 March 2022 pursuant to which Betclic has granted pledges over Euro Gaming Investment SA shares (a Luxembourg subsidiary) and over Mangas Investment Limited (a Maltese subsidiary) shares held by Betclic as security for its repayment obligations under the Betclic Group Senior Credit Facility.

REPRESENTATIONS AND WARRANTIES

The Betclic Group Senior Credit Facility Agreement contains certain representations and warranties (subject to certain agreed qualifications and with certain representations being repeated), including: (i) status, binding obligations, non-conflict with other obligations, power and authority, validity and admissibility in evidence, governing law and enforcement, consents, filings and pari passu ranking; (ii) no insolvency, no litigation, taxation, and filing and stamp taxes, except as permitted; (iii) no default, financial statements and no misleading information; (iv) no liens, guarantees or indebtedness, except as permitted; (v) intellectual property; and (vi) centre of main interests and compliance with sanctions and anti-corruption laws.

COVENANTS

The Betclic Group Senior Credit Facility Agreement contains certain of the covenants, information undertakings and related definitions (with, in each case, certain adjustments), including, but not limited to, (i) limitations on indebtedness; (ii) limitations on loans; (iii) limitations on liens; (iv) limitations on sale of assets; (v) merger and consolidation; and (vi) compliance with a leverage ratio and interest ratio covenant.

In addition, the Betclic Group Senior Credit Facility Agreement also requires Betclic and certain of its subsidiaries to observe certain other customary positive and negative covenants, subject to certain exceptions and grace periods, including, but not limited to, covenants relating to: (i) authorisations and consents; (ii) compliance with laws; (iii) pari passu ranking; (iv) insurances; (v) payment of taxes; (vi) maintenance of centre of main interests; (vii) compliance with sanctions and anti-corruption laws; and (viii) preservation of assets. As the date of this Universal Registration Document, Betclic has no current or expected difficulties or will obtain a covenant holiday from the lenders in satisfying its obligations under these covenants (and benefits from sufficient headroom in this respect).

EVENTS OF DEFAULT

The Betclic Group Senior Credit Facility Agreement provides for events of default, subject to customary materiality qualifications and grace periods, including (i) breach of the financial covenant; (ii) inaccuracy of a representation or statement when made; (iii) cross-default; and (iv) insolvency and insolvency proceedings.

5.3.2.5 Betclic Bridge Credit Facility Agreement

On 13 December 2021, Betclic as borrower, Mangas Lov as guarantor, BNP Paribas, Natixis and Société Générale as mandated lead arrangers and Société Générale as agent and security agent entered into a bridge credit facility agreement. This agreement provides for a bridge loan facility in principal amount of €130 million and to be repaid in full out of the proceeds of the Business Combination and cash otherwise available within the Group.

The main purposes of the Betclic Bridge Facility is (i) to finance a share buyback of a minority shareholder of the borrower and (ii) an exceptional distribution of dividends by the borrower.

INTEREST AND FEES

The Betclic Bridge Facility bears interest at rates per annum equal to EURIBOR, plus an applicable margin.

If EURIBOR is less than zero, EURIBOR shall be deemed to be zero in respect of the Betclic Group Senior Credit Facility.

REPAYMENT

The Betclic Bridge Facility has been repaid in full on 5 July 2022 after such repayment date having been extended in the first place to 13 December 2022 upon borrower's request.

MANDATORY PREPAYMENT

The Betclic Bridge Credit Facility Agreement permits voluntary prepayments to be made (subject to de minimis amounts) and will require mandatory prepayment in full or in part in certain circumstances, including:

- upon the occurrence of a change of control;
- an initial public offering of Betclic or any member of the Betclic (other than Bet-at-home AG and its subsidiaries);
- the sale, in one or more transactions, of all or a substantial part of the Betclic Everest Group's tangible, intangible or financial fixed assets to a third-party;
- the refinancing of all or part of the Betclic Bridge Facility.

GUARANTEES AND SECURITY

The Betclic Bridge Facility was originally guaranteed by Mangas Lov and was originally secured by second ranking pledges over Betclic Group shares and Bet-at-home AG shares. Additional first ranking pledges have been entered into on 25 March 2022 pursuant to which Betclic has granted pledges over Euro Gaming Investment S.A. shares (a Luxembourg subsidiary) and over Mangas Investment Limited (a Maltese subsidiary) shares held by Betclic.

REPRESENTATIONS AND WARRANTIES

The Betclic Bridge Credit Facility Agreement contains certain representations and warranties (subject to certain agreed qualifications and with certain representations being repeated), including: (i) status, binding obligations, non-conflict with other obligations, power and authority, validity and admissibility in evidence, governing law and enforcement, consents, filings and pari passu ranking; (ii) no insolvency, no litigation, taxation, and filing and stamp, except as permitted; (iii) no default, financial statements and no misleading information; (iv) no liens, guarantees or indebtedness, except as permitted; (v) intellectual property; and (vi) centre of main interests and compliance with sanctions and anti-corruption laws.

COVENANTS

The Betclic Bridge Credit Facility Agreement contains certain of the covenants, information undertakings and related definitions (with, in each case, certain adjustments), including, but not limited to, (i) limitations on indebtedness; (ii) limitations on loans; (iii) limitations on liens; (iv) limitations on sale of assets; (v) merger and consolidation and (vi) compliance with a leverage ratio covenant.

In addition, the Betclic Bridge Credit Facility Agreement also requires and certain of its subsidiaries to observe certain other customary positive and negative covenants, subject to certain exceptions and grace periods, including, but not limited to, covenants relating to: (i) authorizations and consents; (ii) compliance with laws; (iii) pari passu ranking; (iv) insurances; (v) payment of taxes; (vi) maintenance of centre of main interests; (vii) compliance with sanctions and anti-corruption laws; (viii) preservation of assets.

EVENTS OF DEFAULT

The Betclic Bridge Credit Facility Agreement provides for events of default, subject to customary materiality qualifications and grace periods, including (i) breach of the financial covenant; (ii) inaccuracy of a representation or statement when made; (iii) cross-default; and (iv) insolvency and insolvency proceedings.

5.3.3 Liquidity

As of 31 December 2022, the Group had the following financing resources:

- gross cash amounting to €479 million including €397 million from Production and Distribution business, €72 million from Online sports betting & gaming business and €10 million from Holding;
- an undrawn Revolving Credit Facility (RCF) of €170 million from Content production & distribution business and €41 million of overdraft not used.

The Group considers its financial position as at 31 December 2022 as solid, both from a solvency and liquidity perspective. For more information, please refer to Section 6.1.6 (note 2.6 to the Consolidated Financial Statements) in this Universal Registration Document.

5.3.4 Working capital statement

The Company believes that the working capital available to the Company is sufficient for its present requirements, which is for at least the next twelve months following the date of this Universal Registration Document.

5.3.5 Contractual obligations and commitments

The London based distribution business of the Content production & distribution segment commits from time to time to pay some minimum guarantees to third-party producers all over the world to obtain the distribution right on their shows. These commitments are financed with the Group's own resources and represented an amount of €1 million as of 31 December 2022.

5.3.6 Material investments and capital expenditure

To support its business strategy and development plans and to further expand its business, FL Entertainment regularly incurs capital expenditures. The following table sets forth the amount of capital expenditure[(1)] incurred during the periods presented:

	31 December		
(in € million)	2022	2021	% change
Scripted production costs and Intellectual property rights	(39)	(43)	(9.3%)
Investments in technical equipment	(21)	(15)	40.0%
IT capitalized expenses	(5)	(4)	66.6%
TOTAL CAPITAL EXPENDITURE	**(65)**	**(62)**	**4.8%**

Capital expenditures for the Financial Year 2022, amounted to €65 million compared to €62 million the Financial Year 2021.

In addition, investments in acquired companies amounted to €46.1 million in 2022 compared to €26.6 in 2021 For a description of those investments, please refer to Section 5.2.4 "Factors affecting comparability of the Group's results of operations" on page 172.

(1) ***Non-IFRS financial measures:*** *please refer to section 5.2.2 (Other financial information) on page 165 for the definitions of the Alternative Performance Measures (APM).*

5.3.7 Contingent and other off-balance sheet liabilities

The Group's contingent liabilities and off-balance sheet commitments are included in notes 22.2 and 27 of the Consolidated Financial Statements. See below an overview of the Group's main contingent liabilities, provisions and off-balance sheet liabilities.

Bet-at-home is involved in legal proceedings with Austrian players who have claimed reimbursement for their gaming losses that they incurred with unlicensed operators in Austria. As stated in a press release that was published by bet-at-home.com on 18 October 2021, Bet-at-home decided to discontinue its online casino offering in Austria, due to a ruling by the Austrian Supreme Court confirming the actual monopoly of the Austrian gaming regulation and its compliance with European law, dated 1 September 2021, triggered players to file legal claims to obtain the reimbursement of their gaming losses incurred with unlicensed operators in Austria. While Bet-at-home still considers the online casino monopoly of the national Austrian gaming regulation to be contrary to European law and, accordingly, considers itself to be a lawful online casino provider in Austria, following the Austrian Supreme Court ruling, it has recognised further provisions for the customer lawsuits for reimbursement of player losses that have been pending in Austria to date. As of 31 December 2021, the provisions thus constituted, which also include legal fees related to these disputes, amounted to €27.1 million and were recognised as non-current expenses. As a result of the loss of control due to the winding up proceedings ("winding up by the court") over Bet-at-home Entertainment Ltd, which has been confirmed by the court on 13 May 2022, with retroactive effect from the date of the application, the Company had to be deconsolidated from the Bet-at-home sub-group, resulting in the disposal of the provision recognized as of 31 December 2021.

In December 2021, a subsidiary of the Group within the Online sports betting & gaming segment received a notice of adjustment from the French tax authorities for an amount of €52.4 million (wilful misconduct and interest for late payment included) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France. On 13 May 2022, the Betclic Everest Group received (i) a rectification on the notice of adjustment from December 2021, decreasing the amount of €52.4 million to €37.2 million (wilful misconduct and interest for late payment included) and (ii) a new notice of adjustment from the French tax authorities for a total amount of €25.8 million (wilful misconduct and interest for late payment included) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France for the year 2020. The Betclic Everest Group, like many other local operators, considers that its activities of sports betting in France are not subject to value added tax (VAT). This is based on the VAT exemption provided for in Article 261E of the French Tax Code. On 9 April 2015, the association AFJEL requested a ruling from the French tax authorities regarding the VAT regime for sports betting services provided to French players. On 13 March 2019, the French tax authorities issued the VAT Tax Ruling, in which the French tax authorities came to the conclusion that the organisation of betting at odds should be subject to VAT and cannot benefit from the exemption in Article 261E of the French Tax Code. On 11 January 2021, the association AFJEL filed a complaint with the EU Commission, considering the VAT Tax Ruling as being non-compliant with EU legislation. On 25 May 2022, the association AFJEL received the decision from the EU Commission to close the complaint. The Betclic Everest Group, with the support of its legal and tax advisers, still considers that there are arguments to establish that the bases for adjustment are erroneous and that the position of the tax authorities is not in conformity with various general principles of VAT, in the same way as the other online gaming operators in France that are part of the association AFJEL. The Betclic Everest Group will challenge this adjustment in France, with the tax authorities and, if necessary, with the French courts, but also with the Court of Justice of the European Union, if a French Court decides to make a request for a preliminary ruling. Consequently, no provision relating to this litigation has been recorded in the Consolidated Financial Statements.

In connection with some of its credit facilities, the Group has pledged the shares of certain subsidiaries within the Group. For more detailed information, please refer to Section 6.1.6 (notes to the Consolidated Financial Statements) on page 204 and Section 5.3.2 (Indebtedness) on page 183 of this Universal Registration Document.

5.3.8 Financial risk management

An overview of the financial risk management objectives of the Group are presented in Section 6.1.6 (note 25 of the Consolidated Financial Statements) on page 265.

5.4 Material contracts and related party transactions

5.4.1 Certain relationships and related party transactions

Shareholders Agreement at the level of the Company

Please refer to Section 7.3.2 (Shareholders agreement) on page 334 of this Universal Registration Document for more information on the Shareholders Agreement.

Other shareholders agreements

COURBIT FAMILY PIPE FINANCING SUBSCRIPTION

Pursuant to the Investment Agreement, five members of the Courbit Family subscribed for Ordinary Shares as part of the PIPE Financing and have entered into a shareholders agreement in respect of the Company. The Courbit Family acts in concert *(handelend in onderling overleg)* and are deemed to jointly have control *(overwegende zeggenschap),* over the Company as of the First Trading Date.

Shareholders agreements at the level of the Group

FINANCIÈRE LOV

A shareholders agreement in relation to Financière Lov was entered into between LGI, whose share capital is owned by the Courbit Family, and Fimalac on 7 February 2019 (as amended from time to time) to set forth customary and limited minority shareholders protection rights to the benefit of Fimalac, which remained into force upon the Merger becoming effective.

BETCLIC

A shareholders agreement in relation to Betclic was entered into between (i) Mr Nicolas Béraud, (ii) Mangas Lov and (iii) Monte-Carlo SBM International Sàrl on 17 November 2021 and was amended upon the Merger becoming effective, to take into account the fact that (i) Monte-Carlo SBM International S.à.r.l will no longer hold any stake in Betclic and (ii) the Company and Mr Nicolas Béraud will hold the capital of Betclic pursuant to the Lov Reorganisation. Specifically, current customary put and call options provisions with regards to Mr Nicolas Béraud's stake in Betclic will remain into force pursuant to this amended shareholders agreement.

In addition, pursuant to the Business Combination, the Articles of Association of Betclic were amended to reflect the post-Lov Reorganisation situation.

BANIJAY GROUP SAS

A shareholders agreement in relation to Banijay Group SAS was entered into between minority shareholders (which are key managers) and Banijay on 22 June 2017 (as amended from time to time), pursuant to which such minority shareholders benefit from customary put and call options provisions, which remained into force upon the Merger becoming effective.

Shareholders' loans at the level of the Company

On the Business Combination Date, SBM International sold the remaining 50% of its shares in the capital of Betclic, being 23.65% of the shares in Betclic to the Company, for a consideration of €425,000,000 to the Company. A portion of the cash consideration, in an amount of €36,508,600 was financed by a vendor loan by SBM International to the Company due in November 2023 (with a possibility to extend after this date) and bearing 3.5% interest per year.

Shareholders' loans at the level of the Group

In the context of the Merger becoming effective, and as part of the Lov Reorganisation, the sale of De Agostini's participation within the Group to the Company shall be paid by a vendor loan by De Agostini to Lov Banijay bearing a 3.5% interest per year (payment-in-kind) by the Company, Lov Banijay, or LDH due in November 2023 (with a possibility to extend after this date).

Internal reorganisations

In 2022, LDH and Lov Banijay have been dissolved and merged into the Company.

Related party transactions

An overview of the related party transactions of the Group are presented in Section 6.1.6 (note 26 of the Consolidated Financial Statements) on page 266 of this Universal Registration Document.

LGI COMPENSATION

LGI (whose share capital is owned by the Courbit Family) serves as President of Banijay Group SAS and of Betclic, and receives compensation in such capacity:

- annual compensation (excluding VAT, if any) as President of Banijay Group SAS is set at the average of (i) 0.38% of the consolidated turnover of the previous fiscal year of Banijay Group SAS and (ii) 2% of the consolidated EBITDA of Banijay Group SAS of the previous fiscal year. Such compensation shall be paid in four instalments, on the 15th day of each quarter;
- annual compensation (excluding VAT if any) as President of Betclic is set at 2% of the gross profit of

Betclic realised during the relevant fiscal year, it being specified that the gross profit of Bet-at-home will be taken into account to the extent of the percentage of participation on 1 January of the said fiscal year, as such gross margin is defined in the audited consolidated financial statements of Betclic as at 31 December 2021. Such compensation shall be paid (i) in three instalments within one month of the interim financial statements, (ii) the balance being paid no later than one month following the closing of the audited consolidated financial statements of Betclic.

LGI was appointed as President of Banijay Group SAS and as President of Betclic with the following missions: (i) define the general policy guidelines, (ii) determine the strategic decisions including the business and financial strategy, (iii) the development of Banijay and Betclic, (iv) the preparation and update of the annual budget and business plan, (v) management of the acquisition and disposal of assets of Banijay and Betclic. LGI's annual compensation includes the strategic, financial, legal functions performed by LGI (directly or with the support of its affiliates), it being specified that no services provided by LGI (or any of its affiliates other than a Group company) will be re-invoiced to the Company ((i) with the exception of directs expenses (e.g. leases, IT, reception) and (ii) without prejudice to the compensation and LTIP payments to be paid by the Company to its CEO.

In 2022, the annual compensation of LGI as President of Banijay Group SAS and as President of Betclic was equal to €16,900,000.

For a more detailed description of the nature and amount of the LGI Compensation, please also refer to Section 6.1.6 (note 26.1 of the Consolidated Financial Statements) on page 267 of this Universal Registration Document.

OFFICES RENT

Banijay Entertainment SAS is one of the lessees of the premises located at 5, rue François I[er] in Paris, France. During the Financial Year 2022, Banijay Entertainment SAS has re-invoiced part of the rent to LGI for a total amount of €159,875.

In addition, during the Financial Year 2022, LGI re-invoiced Banijay Entertainment SAS for a portion of the building's recurring expenses, in particular reception and hospitality costs, for a total amount of €247,000.

In the same way, during the Financial Year 2021, Financière Lov re-invoiced Betclic Everest Group for part of the recurring expenses (in particular IT) for a total amount of €25,000.

INVESTMENT AGREEMENT

On 10 May 2022, among others, Financière Lov, De Agostini, Vivendi, SBM International, Fimalac and the Company entered into the Investment Agreement, which was subsequently amended on 22 June. Please also refer to Section 6.1.6 (note 3 to the Consolidated Financial Statements) on page 220 of this Universal Registration Document for a description of the Investment Agreement.

5.4.2 Material contracts

In addition to the agreements referred to in Section 5.3 (Liquidity and capital resources) on page 181 of this Universal Registration Document, the Group has entered into the following material agreements in the two years immediately preceding the date of this Universal Registration Document that are not in the ordinary course of business and into the following agreements that are not in the ordinary course of business and contain provisions under which the Group has an obligation or entitlement that is material to it as of the date of this Universal Registration Document.

Shareholders agreements within the Group

The material terms of the Shareholders Agreement are described in Section 7.3.2 (Shareholders Agreement) on page 334 of this Universal Registration Document.

Lock-up undertakings within the Group

Minority shareholders of Banijay (which are key managers) and Banijay Group Holding have entered into a shareholders agreement in relation to Banijay on 22 June 2017, pursuant to which such minority shareholders committed not to transfer any securities for a remaining period of approximately two years in general. As of the date of this Universal Registration Document, Mr Nicolas Béraud has committed, pursuant to the amended shareholders agreement in relation to Betclic Everest Group SAS as described above, not to transfer any shares of Betclic Everest Group SAS he owns for a remaining period of approximately seven years. This restriction does not apply to transfers of shares within the Group and the implementation of customary put and call option mechanisms.

Content production & distribution business – Material contracts

In addition to the agreements described in Section 5.3 (Liquidity and capital resources) on page 181 of this Universal Registration Document, the Banijay Group has entered into the following material contracts in the two years immediately prior to the date of this Universal Registration Document that are not in the ordinary course of business and into the following agreements that are not in the ordinary course of business and contain provisions under which it has an obligation or entitlement that is material to the Banijay Group as of the date of this Universal Registration Document.

Employee benefits long-term incentive plans

Around 200 employees of Banijay Group benefit from long-term incentive plans which are implemented among almost all companies of the Banijay Group, whose goal is to share the created value by the Banijay Group or one of its subsidiaries. For the majority of the employees, these long-term incentive plans are a cash bonus and do not grant any share capital instruments. For certain key managers, beneficiaries are entitled to free shares, the number of which being calculated based on a formula depending on the performance of the company in which they operate over 10 years or share purchase Warrants. Some of them are settled in shares but are supplemented by a liquidity agreement granted by the relevant intermediate business unit holding, while the remaining are settled in cash. In addition, the Banijay Group has issued phantom shares plans to certain Directors and employees that require the sub-group to pay the intrinsic value of the phantom shares to the employee at the date of exercise.

In addition, with the objective to secure acquisitions of companies held by talented managers with the strategy of maintaining and incenting such managers after closing, the business acquisition arrangement is often accompanied by an employment agreement or a service agreement between the acquiree and the manager, pursuant to the closing. Share purchase agreements may also specify restrictions on the acquisition price, on the potential earn-outs or on the remaining minority interest options in case of early departure of the manager. In this context, a liability is recognized for the goods or services acquired over the vesting period based on the fair value of the liability.

On 5 March 2021 Banijay granted and issued share purchase Warrants to the Italian holding company owned by Banijay's Chief Executive Officer, Mr Marco Basseti, to be exercised over five instalments until 31 December 2025. Each share purchase Warrant entitles its holder to subscribe one share in the capital of Banijay. The acquisition issuance price of a share purchase Warrant and its exercise price have been determined in accordance with a valuation report issued by an independent appraiser.

The Banijay Group Holding has recorded liabilities connected to long-term incentive plans of €269 million in 2022 (of which €228 million for the Employee-related long-term incentives) and €231 million, respectively in 2021 (of which €206 million for the Employee-related long-term incentives). The Banijay Group recorded total expenses connected to long-term incentive plans of €111 million in 2022 (of which €91 million for the Employee-related long-term incentives) and €63 million in 2021 (of which €49 million for the Employee-related long-term incentives).

Online sports betting & gaming business – Material contracts

In addition to the agreements described in Section 5.3.2.4 (Betclic Group Senior Credit Facility Agreement) on page 188 of this Universal Registration Document, Betclic has entered into the following material contracts in the two years immediately prior to the date of this Universal Registration Document that are not in the ordinary course of business and into the following agreements that are not in the ordinary course of business and contain provisions under which it has an obligation or entitlement that is material to Betclic as of the date of this Universal Registration Document.

Shareholders agreements Betclic Everest Group

A shareholders agreement in relation to Betclic was entered into between (i) Mr Nicolas Béraud, (ii) Mangas Lov and (iii) SBM International on 17 November 2021 and was amended upon the Merger becoming effective, to take into account the fact that (i) SBM International will no longer hold any stake in Betclic and (ii) the Company and Mr Nicolas Béraud will hold the capital of Betclic pursuant to the Lov Reorganisation. Specifically, current customary put and call options provisions with regards to Mr Nicolas Béraud's stake in Betclic will remain into force pursuant to this amended shareholders agreement.

5.5 Subsequent events since 31 December 2022

Endemol India - put over non-controlling interests

Following the acquisition of the Endemol Shine Group, Banijay was committed to purchase the minority shares of Endemol India from July 2020. A litigation was raised on the price and an arbitration has been requested between Banijay and the minority shareholders. Award of the tribunal has been received by the end of February 2023, setting a price higher than the Group's initial estimate by €6.8 million. Consequence of this award has been taken into account in the measurement of the put options on non-controlling interests as of 31 December 2022.

Refinancing of Banijay's Term Loans B

On April 2023, Banijay has completed the refinancing of its two Term Loan B credit facilities in Euros and in US Dollars for an amount equivalent to around €875 million (including a €453 million tranche and US$460 million tranche), resulting in a 3-year extension of their maturities until March 2028. Banijay also raised new Term Loans B financing in Euros and US Dollars to strengthen its balance sheet and finance its future growth for a total amount equivalent to €200 million, which splits into €102 million and $110 million respectively. The Term Loans B will carry a floating interest at EURIBOR +450 bps for the Euro-denominated tranche, and at SOFR +375 bps for the US Dollar-denominated tranche, both of which will benefit from the existing hedges until March 2025. The additional amounts and the extended maturities will also be hedged against floating interest rate risks.

In parallel, Banijay extended the maturity of its €170 million RCF by 3 years to September 2027 at EURIBOR + 3.75%.

06/ FINANCIAL STATEMENTS

6.1 Consolidated Financial Statements as of 31 December 2022

6.1.1 Consolidated statement of income

In € million	Note	2022	2021
Revenue	Note 5	4,046.6	3,497.0
External expenses	Note 6	(2,050.6)	(1,774.1)
Staff costs	Note 7	(1,434.7)	(1,403.4)
Other operating income [(1)]	Note 9	19.6	5.4
Other operating expenses [(1)]	Note 9	(176.1)	(72.8)
Depreciation and amortization expenses	Note 8	(150.1)	(141.7)
OPERATING PROFIT/(LOSS)		**254.7**	**110.4**
Financial income	Note 10	2.0	0.8
Interest expenses	Note 10	(145.8)	(136.1)
Cost of net debt		**(143.8)**	**(135.3)**
Other finance income/(costs)	Note 10	(112.9)	1.9
NET FINANCIAL INCOME/(EXPENSE)		**(256.7)**	**(133.4)**
Share of net income from associates & joint ventures	Note 16	(2.2)	(1.2)
EARNINGS BEFORE PROVISION FOR INCOME TAXES		**(4.2)**	**(24.2)**
Income tax expenses	Note 11	(76.9)	(49.2)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(81.1)**	**(73.4)**
Profit/(loss) from discontinued operations		-	-
NET INCOME/(LOSS) FOR THE PERIOD		**(81.1)**	**(73.4)**
Attributable to:			
Non-controlling interests		*6.9*	*(30.4)*
Shareholders		*(88.0)*	*(43.0)*
Earnings per share (in €)			
Basic earnings per share	*Note 20*	*(0.30)*	*(0.24)*
Diluted earnings per share	*Note 20*	*(0.30)*	*(0.24)*

(1) The split between other operating income and other operating expenses has been revised. Comparative figures have been restated accordingly to ensure comparability.

6.1.2 Consolidated statement of comprehensive income

In € million	Note	2022	2021
NET INCOME/(LOSS) FOR THE PERIOD		**(81.1)**	**(73.4)**
• Foreign currency translation adjustment		(34.7)	(42.9)
• Fair value adjustment on cash flow hedge		67.0	17.0
• Deferred tax on fair value adjustment on cash flow hedge (1)	Note 11	(9.1)	(4.0)
ITEMS TO BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		**23.2**	**(29.9)**
Actuarial gains and losses		0.4	-
Deferred tax recognized through reserves		(2.0)	-
ITEMS NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		**(1.6)**	**-**
CHANGES AND INCOME DIRECTLY RECOGNIZED IN EQUITY		**21.6**	**(29.8)**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(59.5)**	**(103.3)**
Attributable to:			
Non-controlling interests		*(0.5)*	*(50.4)*
Shareholders		*(59.0)*	*(52.9)*

(1) Deferred tax was de-netted from the fair value adjustment on cash flow hedge. Comparative figures have been restated accordingly to ensure comparability.

6.1.3 Consolidated statement of financial position

Assets

(In € million)	Note	31 December 2022	31 December 2021
Goodwill	Note 12	2,570.2	2,493.9
Intangible assets	Note 13	194.8	236.7
Right-of-use assets	Note 15	160.8	171.1
Property, plant and equipment	Note 14	59.2	55.3
Investments in associates and joint ventures	Note 16	14.0	11.1
Non-current financial assets	Note 23	161.7	83.0
Other non-current assets	Note 17	35.9	29.6
Deferred tax assets	Note 11	51.9	47.6
NON-CURRENT ASSETS		**3,248.6**	**3,128.3**
Production of audiovisual programs - work in progress	Note 17.1	705.2	676.7
Trade receivables	Note 17.2	496.5	463.6
Other current assets	Note 17.3	288.3	264.2
Current financial assets	Note 23.1	24.7	75.2
Cash and cash equivalents	Note 23.2	479.4	434.1
Assets classified as held for sale		-	-
CURRENT ASSETS		**1,994.1**	**1,913.7**
ASSETS		**5,242.6**	**5,042.0**

Equity and liabilities

In € million	Note	31 December 2022	31 December 2021
Share capital		8.0	-
Share premiums		4,140.3	-
Treasury shares		(0.1)	-
Retained earnings (deficit)		(4,048.6)	73.6
Net income /(loss) - attribuable to shareholders		(88.0)	(43.0)
SHAREHOLDERS' EQUITY		**11.7**	**30.6**
Non-controlling interests	Note 20	6.3	(36.7)
TOTAL EQUITY		**18.0**	**(6.2)**
Other securities	Note 21	130.5	-
Long-term borrowings and other financial liabilities	Note 23.3	2,290.3	2,457.8
Long-term lease liabilities	Note 15.2	131.2	143.2
Non-current provisions	Note 22.1	27.7	22.0
Other non-current liabilities	Note 17.5	441.3	291.7
Deferred tax liabilities	Note 11	7.4	3.2
NON-CURRENT LIABILITIES		**3,028.4**	**2,917.9**
Short-term borrowings and bank overdrafts	Note 22.3	349.4	306.2
Short-term lease liabilities	Note 15.2	40.4	40.2
Trade payables		663.5	511.2
Current provisions	Note 22.1	23.0	39.1
Customer contract liabilities	Note 17.4	693.3	776.9
Other current liabilities	Note 17.5	426.6	456.8
Liabilities classified as held for sale		-	-
CURRENT LIABILITIES		**2,196.2**	**2,130.3**
EQUITY AND LIABILITIES		**5,242.6**	**5,042.0**

6.1.4 Consolidated statement of cash flows

In € million	Note	2022	2021
Profit/(loss)		(81.1)	(73.4)
Adjustments:		**706.4**	**656.5**
Share of profit/(loss) of associates and joint ventures		2.2	1.2
Amortization, depreciation, impairment losses and provisions, net of reversals		150.5	168.3
Employee benefits LTIP & employment-related earn-out and option expenses		147.5	308.0
Cost of financial debt, lease liabilities and current accounts (2)	Note 10	147.2	138.3
Change in fair value of financial instruments	Note 10	105.4	(7.4)
Income tax expenses	Note 11	76.9	49.2
Other adjustments(1)(2)		76.8	(1.2)
GROSS CASH PROVIDED BY OPERATING ACTIVITIES		**625.3**	**583.0**
Changes in working capital		(92.3)	(136.9)
Income tax paid		(74.5)	(42.7)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		**458.6**	**403.5**
Purchase of property, plant and equipment and intangible assets		(68.1)	(66.5)
Purchases of consolidated companies, net of acquired cash	Note 12.1	(46.1)	(26.6)
Increase in financial assets		(43.1)	(13.3)
Disposals of property, plant and equipment and intangible assets		-	-
Proceeds from sales of consolidated companies, after divested cash		(9.1)	8.7
Cash received through merger with Pegasus (including FPA capital increase)	Note 3.1.1.2iii	162.6	-
Decrease in financial assets		2.7	0.5
NET CASH PROVIDED BY/(USED FOR) INVESTING ACTIVITIES		**(1.1)**	**(97.1)**
Change in capital	Note 18.1	363.6	-
Change in other securities	Note 21	114.4	-
Dividends paid	Note 18.4	(1.6)	(95.0)
Dividends paid by consolidated companies to their non-controlling interests	Note 19	(4.3)	(115.8)
Transactions with non-controlling interests		(392.1)	53.7
Proceeds from borrowings and other financial liabilities	Note 23.3	20.7	159.8
Repayment of borrowings and other financial liabilities	Note 23.3	(399.0)	(134.8)
Other cash items related to financial activities		-	-
Interest paid		(131.3)	(125.9)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(429.6)**	**(258.0)**
Impact of changes in foreign exchange rates		19.1	(4.4)
Net increase/(decrease) of cash and cash equivalents	**Note 23.2**	**47.0**	**43.9**
Net cash and cash equivalents at the beginning of the period	*Note 23.2*	*432.4*	*388.5*
Net cash and cash equivalents at the end of the period	*Note 23.2*	*479.4*	*432.4*

(1) Other adjustments include notably i) unrealized foreign exchange gains; and ii) losses on disposal and liquidation of subsidiaries and (iii) IFRS 2 listing costs.
(2) Cost of lease liabilities has been reclassified from "Other adjustments" to "Cost of financial debt, lease liabilities and current accounts" to ensure comparability

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6.1.5 Consolidated statement of changes in equity

In € million	Share capital	Share premiums	Treasury shares	Retained earnings (deficit)	Other comprehensive income	Shareholders' Equity	Non-controlling interests	Total equity
BALANCE AS OF 1 JANUARY 2021	**-**	**-**	**-**	**101.8**	**(7.1)**	**94.7**	**43.5**	**138.2**
Net income/(loss)	-	-	-	(43.0)	-	(43.0)	(30.4)	(73.4)
Other comprehensive Income	-	-	-	-	(9.9)	(9.9)	(19.9)	(29.8)
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**(43.0)**	**(9.9)**	**(52.9)**	**(50.4)**	**(103.3)**
Dividend distribution	-	-	-	(95.0)	-	(95.0)	(115.3)	(210.3)
Share-based payment	-	-	-	51.3	-	51.3	57.1	108.4
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	-	32.9	-	32.9	31.6	64.5
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	-	-	-
Other variations in retained earnings	-	-	-	(0.3)	-	(0.3)	(3.3)	(3.6)
BALANCE AS OF 31 DECEMBER 2021	**-**	**-**	**-**	**47.6**	**(17.0)**	**30.6**	**(36.7)**	**(6.2)**

In € million	Share capital	Share premiums	Treasury shares	Retained earnings (deficit)	Other comprehensive income	Shareholders' Equity	Non-controlling interets	Total equity
BALANCE AS OF 1 JANUARY 2022	**-**	**-**	**-**	**47.6**	**(17.0)**	**30.6**	**(36.7)**	**(6.2)**
Net income/(loss)	-	-	-	(88.0)	-	(88.0)	6.9	(81.1)
Other comprehensive Income	-	-	-	-	29.0	29.0	(7.5)	21.6
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**(88.0)**	**29.0**	**(59.0)**	**(0.5)**	**(59.5)**
Group's consitution	5.4	1,784.6	-	(1,790.0)	-	-	-	-
Capital increase	0.6	363.0	-	-	-	363.6	-	363.6
Issuance of share capital as consideration for the merger with Pegasus	0.2	188.7	-	-	-	188.9	-	188.9
Conversion of founder shares into ordinary shares	-	29.4	-	-	-	29.4	-	29.4
Dividend distribution	-	-	-	(33.2)	-	(33.2)	(3.1)	(36.3)
Changes in ownership interest in subsidiaries that do not result in a loss of control	1.8	1,774.5	-	(2,244.5)	(37.4)	(505.6)	43.0	(462.6)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	2.1	2.1	3.0	5.1
Treasury shares	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Other variations in retained earnings	-	-	-	(7.7)	2.6	(5.1)	0.7	(4.5)
BALANCE AS OF 31 DECEMBER 2022	**8.0**	**4,140.3**	**(0.1)**	**(4,115.8)**	**(20.7)**	**11.7**	**6.3**	**18.0**

6.1.6 Notes to the consolidated financial statements

Note 1 Business presentation

1.1 Presentation of the business

FL Entertainment N.V., a public limited liability company *(naamloze vennootschap)* incorporated under the laws of the Netherlands and listed on Euronext Amsterdam under the symbol "FL Entertainment", hereafter "FL Entertainment", "the Company" or "the parent company", detains and fosters the development of its controlled subsidiaries, hereafter "the Group". It encompasses two main business lines operating in the Content production & distribution business and the Online sports betting & gaming business.

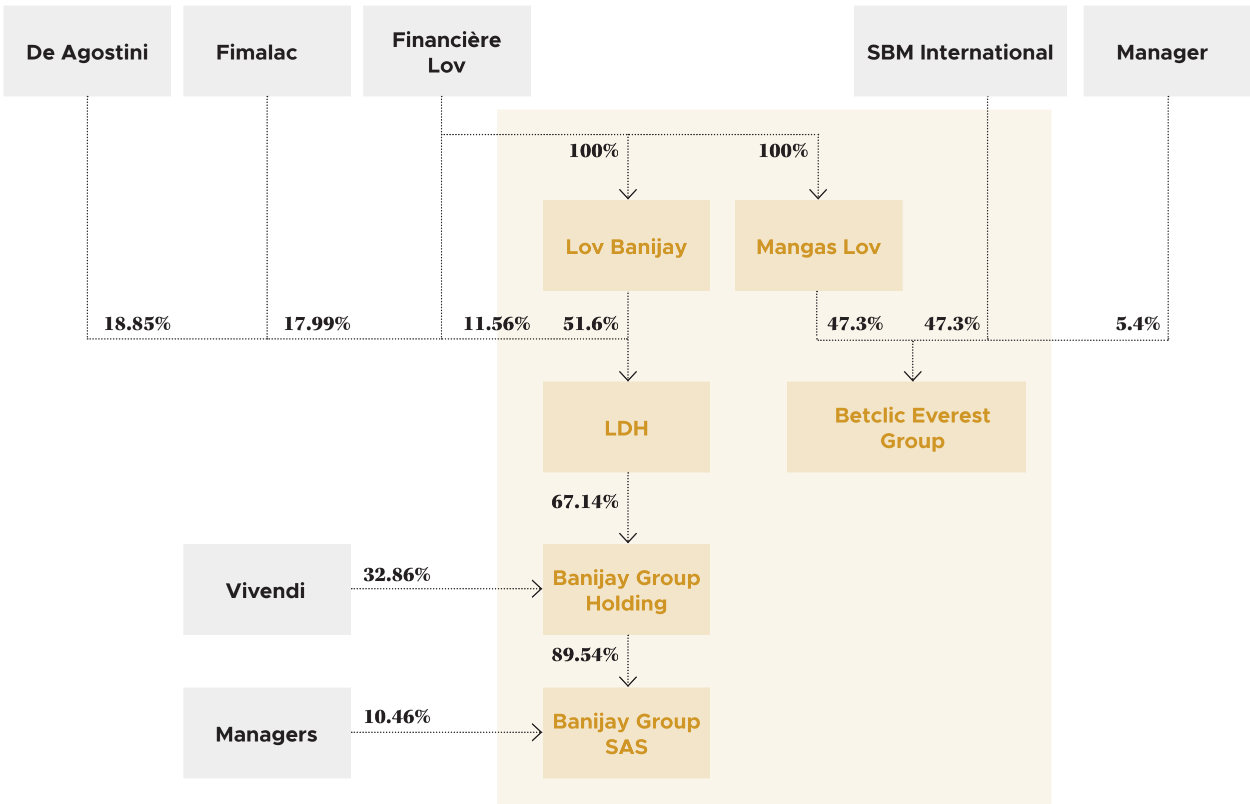
The audiovisual entertainment business, hereafter "the Content production & distribution business line", is represented by Banijay Group Holding and its subsidiaries, hereafter "Banijay" or "BGH", which operates in the production of audiovisual programs, distribution and marketing of intellectual property rights in relation to audiovisual and digital contents and/or formats.

The Online sports betting & gaming business, hereafter "the Online sports betting & gaming business line" is represented by Betclic Everest Group SAS and its subsidiaries, hereafter "Betclic Everest Group" or "Betclic" or "BEG", which operates through its subsidiaries in the European online gaming markets, online casinos, online poker and sports betting. It operates under the names of its known brands such as Betclic and Bet-at-home, the latter being the brand name of bet-at-home.com AG, a listed company on the Frankfurt stock exchange.

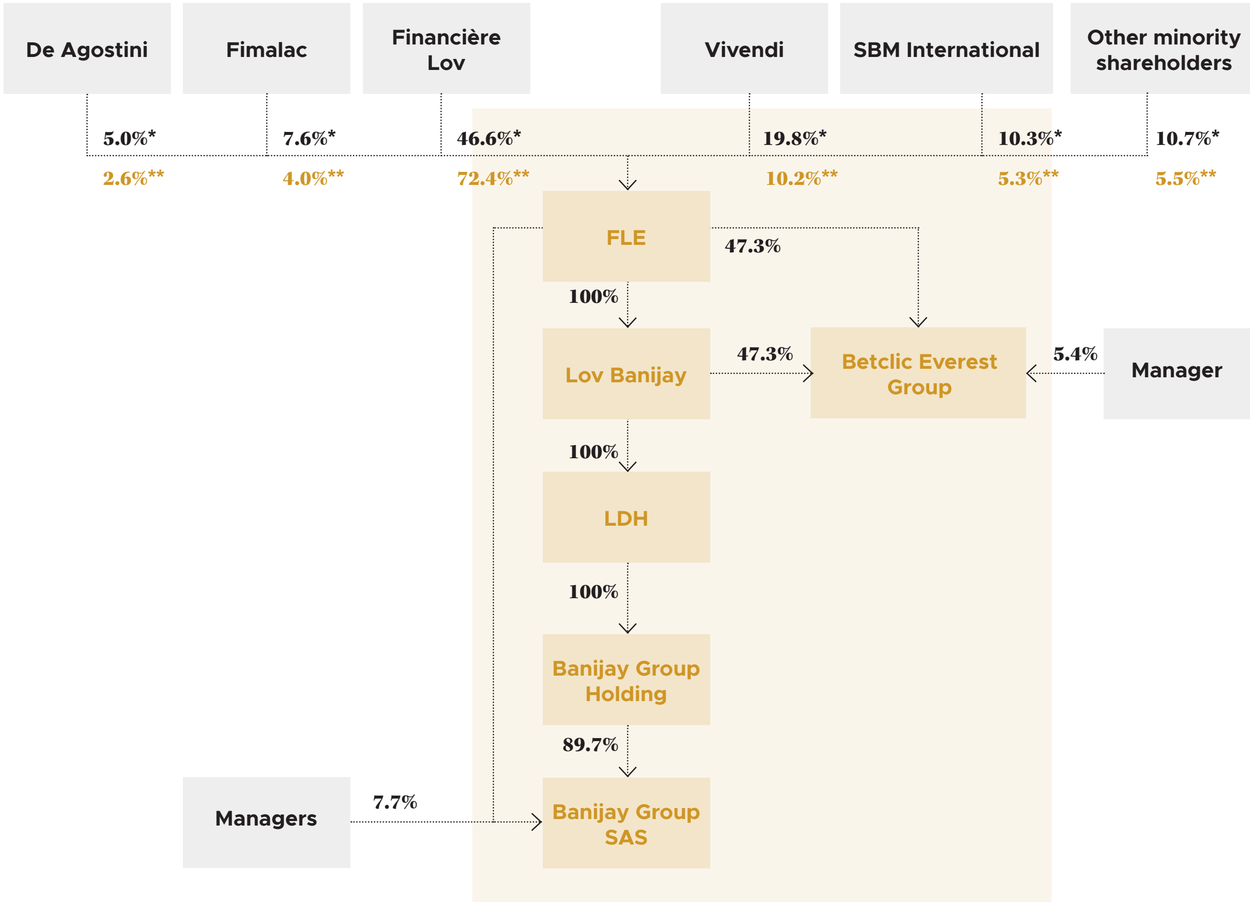
As of 31 December 2022, FL Entertainment is the Parent Company of the Group. Its headquarters are located at 5 rue François 1er, 75008 Paris, France. FL Entertainment is ultimately controlled by Lov Group Invest SAS, a private French company.

1.2 Group's constitution

FL entertainment B.V. has been incorporated on 10 March 2022. Prior to the contribution of the subsidiaries to FL Entertainment, the simplified structure of the Group was the following:



After the completion of the transactions described in note 3.1.1 II), the simplified structure of the Group is the following:



* *Percentage of effective rights.*
** *Percentage of voting rights.*

The constitution of the Group therefore results from transfers of entities within Financière Lov Group, without modification of the Financière Lov's control on the Group. Therefore, the Group results from a combination between entities under common control (refer to note 3.1.1 II) on page 220).

Note 2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group for the Financial Year 2022 and the Financial Year 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and available on the European Commission website.

These standards include International Financial Reporting Standards and International Accounting Standards (IAS), as well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The consolidated financial statements are presented in euros. Unless otherwise indicated, all amounts are rounded to the nearest hundred thousand euros, rounding differences may occur.

These consolidated financial statements were authorized for issue by the Board of Directors on 28 April 2023.

2.2 Scope of consolidation

The consolidated Group is the continuity of the reporting entity reflected in the Combined Financial Statements. The constitution of the Group's results from contribution of entities to FL Entertainment, without modification in fine of the control by Financière Lov (refer to notes 1.2 and 3.1.1 II) on pages 205 and 220). These operations are therefore a combination between entities under common control. This type of combination is excluded from the scope of IFRS 3 *Business Combinations*. In the absence of an IFRS standard specifically applicable to such a transaction, the Group has elected to recognize them using the pooling of interests' method based on the existing book value (predecessor value accounting) in the Financière Lov historical consolidated financial statements. The pooling of interests was applied retrospectively. The legal entities and sub-groups forming part of the Group are as follows:

Name of the legal entity or sub-group	Country of incorporation	% of ownership interest 31 December 2022	% of ownership interest 31 December 2021
FL Entertainment	The Netherlands	*Parent company*	-
Pegasus Entrepreneurial Acquisition Company Europe B.V.	The Netherlands	*Merged into FL Entertainment*	-
Lov Banijay	France	*Merged into FL Entertainment*	100.00%
LDH	France	*Merged into Lov Banijay*	51.60%
Mangas Lov	France	*Merged into Lov Banijay*	100.00%
Sub-group Betclic Everest Group			
• Betclic Everest Group	France	94.60%	47.30%
• Subsidiaries	Note 30.2	Note 30.2	Note 30.2
Sub-group Banijay			
• Banijay Group Holding	France	100.00%	34.64%
• Banijay Group	France	92.26%	89.54%
• Subsidiaries	Note 30.1	Note 30.1	Note 30.1

All companies and sub-groups in the table above are fully consolidated. However, the sub-groups have interests in associates and joint ventures. The detailed list of the legal entities is available in note 30 on page 273.

These consolidated financial statements are the continuation of the Combined Financial Statements as of and for the year ended 31 December 2021 as included in the Prospectus and that have been authorized for issuance by the Board of Directors of Financière Lov SAS at its meeting held on 9 May 2022. There is no significant change in accounting standards between the 2021 comparative consolidated financial statements and the 2021 Combined Financial Statements.

2.3 Applicable accounting standards

The consolidated financial statements for the years ended on the 31 December 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standard Board ("IASB") as adopted by the European Union and available on the European Commission website.

These standards include IFRS and IAS, as well as the related IFRIC interpretations. The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

The principal accounting policies adopted are set out below.

2.3.1 Effective for fiscal years beginning on or after 1 January 2022

IFRS STANDARDS EFFECTIVE IN 2022

- Amendments to IFRS 3 Reference to the Conceptual Framework

  Effective date: 1 January 2022
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use

  Effective date: 1 January 2022
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract

  Effective date: 1 January 2022
- Annual Improvements to IFRS Standards 2018-2020

  Effective date: 1 January 2022

These standards, amendments and interpretations do not have a significant impact on the Group's consolidated financial statements as of 31 December 2022.

Moreover, the Group has considered the following IFRS IC's decisions:

IFRS IC DECISION RELATING TO THE SPECIAL PURPOSE ACQUISITION COMPANIES (SPAC): ACCOUNTING FOR WARRANTS AT ACQUISITION

In September 2022, the IFRIC issued a decision on SPAC clarifying how the entity accounts for warrants on acquiring the SPAC. The accounting treatment of the Business Combination explains in note 3.1.1 II) on page 220 is in line with the IFRIC decision.

IFRIC DECISION RELATING TO IAS 7 *STATEMENT OF CASH FLOWS*

In April 2022, the IFRIC issued a decision on IAS 7 clarifying how the deposits with restrictions on use arising from a contract with a third party are presented in the cash flows statement and balance sheet. After analyzing the potential effect on the classification of the restricted cash from Online sports betting & gaming business, the Group has concluded that the overall impact of this change in standards is not impacting is accounting process.

2.3.2 Standards issued but not yet effective

IFRS STANDARDS ADOPTED BY THE EUROPEAN UNION

- IFRS 17 *Insurance Contracts*

  Effective date: 1 January 2023
- Amendments to IFRS 17 & IFRS 9 *Insurance Contracts & Financial Instruments – Comparative Information*

  Effective date: 1 January 2023
- Amendments to IAS 1 and the Impact on the ISAs *Presentation of Financial Statements – Disclosure of Material Accounting Policy Information*

  Effective date: 1 January 2023
- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

  Effective date: 1 January 2023
- Amendments to IAS 12 *Income taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*

  Effective date: 1 January 2023

IFRS STANDARDS NOT YET ADOPTED BY THE EUROPEAN UNION

- Amendments to IAS 1 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current*
- Amendments to IFRS 16 *Leases – Lease Liability in a Sale and Leaseback*

The Group has not early adopted any of the referred standards in the preparation of the consolidated financial statements. None of the accounting standards issued but not yet effective are expected to have a significant impact on the Group's consolidated financial statements.

2.4 Significant assumptions and estimates

The preparation of these consolidated financial statements requires the Group's management to make assumptions and estimates that may affect the application of the accounting methods, and the reported amounts of assets and liabilities, as well as certain income and expenses for the period. These assumptions and estimates relate mainly to:

- **i)** the valuation and useful lives of audiovisual rights;
- **ii)** the purchase price allocation and the measurement of goodwill from business combinations, the determination of the recoverable value of cash-generating units (including differences acquisition) and subsequent impairment test;
- **iii)** the calculation of debt related to earn outs on acquisitions;
- **iv)** the estimate of debt resulting from put options in favor of minority shareholders;
- **v)** the estimate of liabilities related to employee long-term incentives and employee benefits resulting from a business acquisition;
- **vi)** the estimate of the valuation of securities;
- **vii)** the right-of-use assets and lease liabilities;
- **viii)** the amount of provisions for risks and other provisions in relation with the Group's activity; and
- **ix)** the deferred taxes judgement in assessing the uncertainty of whether it is probable to recover the deferred taxes assets.

Actual results may differ from these estimates under different assumptions or conditions.

2.5 Main accounting policies

The accounting methods described were consistently applied to all the reporting periods presented in the consolidated financial statements.

2.5.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

2.5.2 Business combinations

Business combinations are accounted for under the acquisition method as published in IFRS 3 when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company.

In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

At acquisition date, identifiable assets and liabilities are included in the consolidated financial statements at fair value. The difference between the acquisition price and the fair value of identifiable assets and liabilities is recognized in the Goodwill caption. The purchase price allocation shall be performed within 12 months after the acquisition date. The costs directly attributable to business combinations are recognized in expenses for the period during which they occurred.

For acquisitions in non-controlling interests, the Group can choose, at each acquisition's date, whether it evaluates the non-controlling interest at fair value (full goodwill) or at the percentage of shares of identifiable assets and liabilities it possesses.

According to IFRS 10, acquisitions in non-controlling interests and disposals without loss of control are considered as transactions between shareholders. The difference between the acquisition price of the additional shares and the related share of equity is recognized in shareholders' equity (Group share). The costs attributable to such transactions as well as their related fiscal impacts are booked in equity.

The cash flows related to transactions with shareholders are presented in Cash flow from investing activities in the consolidated statements of Cash Flows.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

This liability is re-measured at each reporting period end in accordance with the contractual arrangements (at fair value or at present value if fixed price) and, in the absence of any guidance provided by IFRS, with a counterparty in net finance costs.

The Group identifies the transactions that are qualified as separate transactions in accordance with IFRS 3, especially transactions that remunerates former shareholders of the acquiree for future services. Those transactions are accounted for in accordance with the relevant IFRS (refer to note 2.5.18 of page 216).

2.5.3 Goodwill

Goodwill is initially recognized and measured as set out above.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's Cash-Generating Units (or groups of cash-generating units), (CGU), expected to benefit from the synergies of the combination. Goodwill is allocated to two CGUs:

- Content production & distribution business;
- Online sports betting & gaming business.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or each time events or changes in the economic environment may indicate a risk of impairment.

The recoverable value of the CGU is determined as the higher between the value in use, determined by discounting future cash flows that are derived from plans presented by each sub-groups and approved by the Group's management (method known as "discounted cash flows" or "DCF") and the fair value (less the cost of disposal) determined based on market factors (stock market prices, comparison with similar listed companies, comparison with the value assigned to similar assets or companies during recent acquisition transactions).

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in subsequent periods.

The accounting policy for goodwill arising on the acquisition of an associate or a joint venture is described below.

2.5.4 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and net assets (or net liabilities) of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate or a joint venture is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment.

2.5.5 Intangible assets

Intangible assets with finite useful lives are initially recognized at cost, except for those acquired in a business combination, which are recognized at fair value.

Intangible assets presented in the consolidated statement of financial position comprise:

- format rights acquired from a third party or through business combinations. They can be commercially exploited either through internal use, i.e., the production of television programs by a Group entity, or through external use, i.e., the sale or licensing to third parties;
- audiovisual rights, or catalogues, referred to as the Group's library of finished programs, whether acquired or internally developed, for which the Group has legal right to distribute and to receive revenue from the distribution of the rights;
- production contracts or client contracts, acquired through business combinations, to produce television programs, TV movies, or cinematic movies;
- fictions in progress which are the costs incurred for fiction productions that are not yet finalized and not delivered to the client at the closing date, and for which i) the Group retains the intellectual property (IP) and ii) the Group expects significant further IP revenue;
- rights for the movie adaptation of books;
- intangible assets acquired in the normal activity of the Online sports betting & gaming business such as domain names, websites, customer database;
- Online sports betting & gaming business software acquired from a third party or through business combinations or which are the costs incurred to develop it (refer to note 2.5.6 on page 211); and
- other intangible assets such as other administrative software.

Following initial recognition, and except indicated otherwise, intangible assets are carried out at cost less accumulated amortization and accumulated impairment losses. They are amortized on a straight-line basis based on the useful life of the asset.

The method and period of amortization are reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset result in changes in the method or period of amortization.

Audiovisual rights are amortized on an accelerated basis following the decline in the net value of the asset after initial broadcasting of the asset by the clients.

	Content production & distribution		Online sports betting & gaming	
	Method	**Duration**	**Method**	**Duration**
Catalogue & formats	Straight-line	6 to 10 years		
Client contracts	Straight-line	Contract's duration		
Software assets	Straight-line	1 to 5 years		
Domain names			Straight-line	5 to 11 years
Customer database			Straight-line	2 to 5 years
Website			Straight-line	3 to 5 years
Computer software			Straight-line	2 to 5 years

2.5.6 Internally generated software

Betclic Everest Group owns its own online gaming platform and invests internally to continuously develop it. From mobile to desktop channels and according to country and regulatory specificities, Betclic Everest Group invests in both back-end and front-end developments.

An internally generated software is recognized if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

When no internally generated software can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Direct internal and external costs incurred for the development of software are capitalized during the development stage. Costs of significant upgrades and enhancements resulting in additional functionality are also capitalized. Other subsequent expenses such as maintenance, minor upgrades, and enhancement costs are expensed as they are incurred.

Subsequent to initial recognition, internally generated software is reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The costs of configuring and customizing software made available by a vendor under a Software as a Service (SaaS) contract are recognized as expenses for the year (and not as intangible assets), since the entity does not control the software and the configuration/customization activities do not generate a resource that is controlled by the customer independently of the software.

2.5.7 Property, plant and equipment

Property, plant and equipment are recorded at their acquisition cost and then carried at historical cost less accumulated depreciation and impairment losses. Acquisition cost includes costs directly attributable to transporting an asset to its physical location and preparing it for its operational use, and the collection of property, plant and equipment, and the rehabilitation of the physical location resulting from the incurred obligation.

Depreciation is calculated on a straight-line basis over the useful life of such fixed assets. The residual value, the useful life and depreciation methods of the fixed assets are reviewed and adjusted, if necessary, at each financial year end.

Lands and tangible assets in progress are not depreciated. When tangible assets in progress are ready for its intended use, they are transferred to the relevant category and depreciation starts. When property, plant and equipment include significant components with different useful lives, they are recorded and depreciated separately.

Depreciation is recognized on the following basis:

	Method	Duration
Technical facilities and equipment	Straight-line	3 to 20 years
Office furniture and equipment	Straight-line	3 to 5 years
Constructions	Straight-line	15 to 40 years
Other fixed assets	Straight-line	3 to 10 years

2.5.8 Lease

RIGHT-OF-USE ASSETS

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain Ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

LEASE LIABILITIES

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The interest used at the inception of the contract will be the same for the whole life of the lease term aside if there are modifications in contract terms such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

SIGNIFICANT JUDGEMENT IN DETERMINING THE LEASE TERM OF CONTRACTS WITH RENEWAL OPTIONS

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised by the Group, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its real estate leases to lease the assets for additional terms of several years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

2.5.9 Impairment of property, plant and equipment, intangible assets (other than goodwill)

The recoverable amount of intangible assets and tangible assets is tested for impairment as soon as external or internal signs of impairment losses exist, such as sector ratio declining, strong overall decrease in the business relating to the cash generating unit, fall in activity with a major customer of the cash-generating unit, change in betting and gaming licenses conditions (including government taxation policies) and loss/non-renewal of licenses. External or internal signs of impairment are reviewed at each closing date.

The recoverable value of the assets to which it is possible to directly attribute independent cash inflows is assessed on a stand-alone basis. The other assets are grouped within the CGU to which they belong in order to estimate their value-in-use.

The value-in-use of an asset or a CGU is measured as outlined in note 2.5.3 on page 210.

The value of the asset is tested for impairment to determine whether there is an impairment loss. If appropriate, an impairment loss is recorded for the portion of the net book value of the asset exceeding the recoverable value.

Where an impairment loss is recognized, it is accounted for directly in the statement of profit or loss. The value of assets, other than goodwill, for which an impairment loss has been recorded, is reviewed at each closing date for the purposes of reversing the impairment loss, if necessary. Where a reversal occurs, it is recorded as profit or loss. In such a case, the book value of the asset can be increased up to its recoverable value. After reversing the impairment loss, the book value cannot exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years.

2.5.10 Production of audiovisual programs - work in progress

Inventories relating to work in progress are valued at production cost. They represent outstanding production of audiovisual programs, excluding fictions for which (i) the Group retains a part of the intellectual property (IP) and (ii) expects significant IP revenue, that are not finalized and not delivered to the client at closing date. In the case production losses are anticipated, a provision for losses on onerous contract is accounted for, after inventories have been written off.

2.5.11 Financial instruments and equity instruments

Financial instruments consist of:

- financial assets, including other non-current assets, trade receivables, other current assets, and cash and cash equivalents;
- financial liabilities, including securities issued that are not qualified as equity instruments, long and short-term borrowings and bank overdrafts, accounts and notes payable and other current and non-current liabilities; and
- derivative instruments.

Financial instruments (assets and liabilities) are recorded in the consolidated statement of financial position at the fair value on initial recognition, plus in the case of an asset that is not subsequently recognized at fair value through profit or loss, transaction costs directly attributable to the acquisition of that asset. They are subsequently measured at either fair value (result or other comprehensive income) or amortized costs, depending on their nature. Amortized cost corresponds to the initial carrying amount (net of transaction costs), plus interest calculated using the effective interest rate, less cash outflows (coupon interest payments and repayments of principal and redemption premiums where applicable). Accrued interest (income and expense) is not recorded based on the financial instrument's nominal interest rate but based on its effective interest rate. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

FINANCIAL ASSETS

The classification of a financial asset in each of these categories depends on the management model applied by the enterprise and the characteristics of its contractual cash flows. Transactions relating to financial assets are recorded at settlement date.

Debt instrument at amortized costs

These financial assets are initially recognized at their fair value to which is added directly attributable transaction costs and, then at amortized cost at each closing date, applying the effective interest rate method. This category of assets includes trade receivables and other debtors, loans and deposits, receivables attached to participating interests, cash and loans to associates or non-consolidated entities. In practice, trade receivables are measured to the amortized cost method, even though they may be subject to an assignment of receivables, for example, in the context of factoring.

Equity instrument at fair value through OCI

The Group elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future.

Impairment testing of debtor financial assets

The Group reviews if, at the closing date, a debtor financial asset or a group of debtor financial assets is likely to suffer an impairment loss based on both the expected credit loss approach and when there is an objective indicator of loss.

In practice, given the low level of loss incurred on prior years' receivables, the expected credit loss approach does not have any significant impact. If there is an objective evidence that debtor financial assets carried at amortized cost or at fair value through OCI should be impaired, the amount of the loss is estimated by difference between the book value and the discounted future cash flows such as expected (excluding future probable and not actual credit losses). The discount rate used is the initial effective interest rate (i.e., the effective interest rate computed at initial recognition of the asset). The book value is reduced using an allowance account. The amount of the loss is recorded as profit or loss. The loss allowance is updated for changes in these expected credit losses at each reporting date.

If, subsequently, the impairment decreases and the decrease can be linked objectively to an event occurring after the impairment was recognized, the previously recognized impairment will be reversed. The reversal of an impairment loss is recognized as profit or loss, as long as the book value of the asset does not exceed its amortized cost at the date the loss allowance is reversed.

With respect to receivables, a loss allowance is recorded when there is objective evidence (probability of insolvency or severe financial difficulties of the debtor) that the Group will be unable to recover the balance in accordance with the initial payment conditions. The book value of the receivable is reduced by way of an allowance for loss.

Derecognition of financial assets

Financial assets and related impairment are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

CLASSIFICATION AS DEBT OR EQUITY

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. A financial instrument is classified as an equity instrument only when (a) the instrument includes no contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer; and (b) if the instrument will or may be settled in the issuer's own equity instruments, it is (i) a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or (ii) a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

FINANCIAL LIABILITIES

Financial liabilities are divided into two categories: financial liabilities at amortized cost and financial liabilities at fair value through profit or loss.

The financial liabilities of the Group mainly consist of liabilities valued at amortized cost. Among them are loans and similar debts including:

- bonds and secured notes;
- credit lines from banks and other production financings;
- bank overdrafts;
- borrowings;
- other loans (such as vendor loans); and
- trade payables.

The category of financial liabilities at fair value through profit or loss includes among other things earn out liabilities, put options over non-controlling interests and securities.

Interest-bearing debts and borrowings

All loans, and debts are recognized initially at the fair value of the consideration received, less costs directly attributable to the transaction. After initial recognition, interest-bearing liabilities and debts are measured at amortized cost using the effective interest rate method. Costs directly attributable to the issuance of debt are deducted from liabilities and are amortized over the life of the debt, as a component of the effective interest rate.

Financial liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship *(see Hedge accounting policy)*. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the "Other finance income/(costs)" line item (note 10, page 234) in income statement.

Fair value is determined in the manner described in note 24 on page 263.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

DERIVATIVES

Hedging instruments

The Group uses derivative financial instruments such as forward exchange contracts, options and interest rate swaps to cover its risks related to fluctuations in foreign currency exchange rates and interest rates. These derivative financial instruments are recognized initially at fair value on the date on which they are contracted. They are then re-estimated at their fair value at each closing date. Derivative financial instruments are recognized as assets in the balance sheet when the fair value is positive and as liabilities when the fair value is negative.

For qualifying hedging instruments that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of derivatives and other is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

For qualifying hedging instruments that are designated and qualify as fair value hedges, the fair value change is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income (FVTOCI) in which case it is recognized in other comprehensive income.

For derivatives that are not qualified as hedging instruments, the fair value change is recognized directly in profit or loss.

The fair value of forward exchange contracts is calculated by reference to the forward exchange rates applicable to contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to the market values of similar instruments. The fair value of financial instruments that are traded on active markets is determined at each closing date by reference to the market quotations or transaction prices. Transaction costs are not taken into account.

For instruments that are not traded on an active market, fair value is determined using appropriate valuation techniques. These may include:

- transactions entered into under normal market conditions between knowledgeable and willing parties;
- reference to the present fair value of another instrument that is substantially the same; and
- discounted cash flows or other valuation methods.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the consolidated instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

An embedded derivative is presented as a non-current financial asset or non-current financial liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realized or settled within 12 months.

2.5.12 Cash and cash equivalents

Cash and cash equivalents include bank accounts and short-term deposits whose initial maturity is less than three months that are already convertible into cash and are subject to insignificant risks of change in fair value.

For the needs of the consolidated statement of cash flows, the amount of cash and cash equivalents includes the cash and cash equivalent as defined above reduced by bank overdrafts.

Investments in securities, investments with initial maturities of more than three months without an early termination option and bank accounts subject to restrictions (blocked accounts), such as restrictions due to regulations specific to a country or activity sector (e.g., exchange controls), are not classified as cash equivalents but as financial assets.

2.5.13 Trade receivables

TRADE RECEIVABLES ON "PROVIDERS"

Trade receivables on "providers" (payments services providers) correspond to balances in transit with the Group's payments partners and which are repatriated to bank accounts manually or automatically. These receivables are considered liquid because they can be transferred in a few minutes or a few days, depending on the partners.

They are initially recorded at their fair value and are subject to impairment when their realizable value falls below their book value.

2.5.14 Commitments to purchase non-controlling interests (put options)

When the Group grants firm or contingent commitments to purchase holdings from non-controlling shareholders, the Group has generally concluded that these agreements convey an in-substance present ownership interest in the underlying entity. The carrying value of the non-controlling interests is reclassified to other current or non-current liabilities.

This liability is re-measured at each reporting period end in accordance with the contractual arrangements (at fair value or at present value if fixed price) and, in the absence of any guidance provided by IFRS, with a counterparty in net finance costs, in the consolidated statement of income.

2.5.15 Provisions and contingent assets and liabilities

Provisions are recorded only if the Group has a present obligation (legal or constructive) as a result of a past event, when it is likely that an expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. It is accounted for as profit or loss in a dedicated line, net of any contingent reimbursement.

If the effect of the time value of money is material, provisions are discounted using a discount pre-tax rate that reflects, where appropriate, the risks specific to the obligation. When discounting, the increase in the provision due to the passage of time is recognized in net financial income (loss).

If the amount of the obligation cannot be reliably estimated, no provision is recorded and a disclosure is made in the notes to the consolidated financial statements.

Non-financial guarantees are accounted for as a contingent liability until such time it becomes probable that the Group will be required to make a payment under the guarantee.

Contingent liabilities are possible obligations or present obligations that cannot be measured with a sufficient reliability or that are not probable unless it is assumed in a business combination. Contingent liabilities are reviewed continuously to assess whether an outflow of resources has become probable.

2.5.16 Pensions and other post-employment benefits

The Group's obligations under defined benefit pension plans and other post-employment benefit plans are computed by independent actuaries using the projected unit credit method. The actuarial valuation involves making assumptions such as discount rates, retirement date, staff turnover, future increases of wages, mortality rates and future pension increases.

The effect of discounting of the provision are presented in the net financial income (loss).

For these post-employment benefit plans, the actuarial gains and losses are immediately and entirely recognized in other comprehensive income with no possibility of recycling in the income statement. Past service costs are immediately and fully recorded in the income statement on acquired rights as well as on future entitlements.

2.5.17 Employees long-term incentive plans

The Group issued long-term incentive plans (LTIP). They are mostly based on the value created during a defined period, in accordance with formulas mostly based on operating indicators (such as EBITDA). Some of them are settled in shares but are supplemented by a liquidity agreement granted by the Group. The others are settled in cash. Depending on the plans' terms and conditions, those transactions are recognized in accordance with IFRS 2 *Cash-Settled Share-Based Payment* or IAS 19 *Long-Term Incentives*. These plans are subject to service conditions.

A liability is recognized for the services acquired over the vesting period based on the valuation of the liability. At each reporting date until the liability is settled, and at the date of settlement, the value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

2.5.18 Employee benefits resulting from a business acquisition arrangement

The Group generally prospects, identifies and acquires companies that create high value. It also looks for the opportunity to secure acquisitions of companies held by talented managers with the strategy of maintaining and incenting such managers after closing.

In this context, the transaction is often accompanied by an employment agreement or a service agreement between the acquiree and the manager, pursuant to the closing. Share purchase agreements may also specify restrictions on the acquisition price, on the potential earn-outs or on the remaining minority interest options in case of early departure of the manager. These restrictions may be:

- a reduction in the acquisition price;
- a forfeiture of earn-outs;
- a reimbursement of significant parts of the paid amounts; and
- a call option on minority interests held by the manager at a price less than the fair value.

These contingent consideration arrangements aim at compensating former shareholders of the business acquired for future services and shall be recognized as a separate transaction as required by IFRS 3.

Depending on the description of the contingent consideration, those transactions are recognized in accordance with IFRS 2 *Cash-Settled Share-Based Payment* or IAS 19 *Long-Term Incentives*:

- when the terms of the agreement provide the possibility to deliver equity instruments to the manager, or if the price is based on the fair value of the equity instruments, the grant is measured at fair value (determined by an independent expert) in accordance with IFRS 2; and
- in any other case, the grant is measured on the basis of the expected discounted cash outflow in accordance with IAS 19. The measurement is usually supported by business plans.

A liability is recognized for the goods or services acquired over the vesting period based on the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

When the consideration has already been paid, this amount is initially recognized as an asset. Subsequently, this arrangement is presented in the consolidated statement of financial position as an asset or as a liability, depending on the relationship between the manager's performance and the Group's payment.

2.5.19 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer.

The revenue from ordinary activities is recognized as soon as the economic benefits of the transaction will probably benefit the Group, the amount is reliably measured, and it is likely the amount of the transaction will be recovered.

Revenue from the two businesses and their specificities are explained below.

REVENUE RECOGNITION FOR THE CONTENT PRODUCTION & DISTRIBUTION BUSINESS

Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ("point in time" recognition) or "over time" as control of the performance obligation is transferred to the customer.

Customer contracts can have a wide variety of performance obligations, from production contracts to format licenses and distribution activities. For these contracts, each performance obligation is identified and evaluated.

The transaction price, being the amount to which the Group expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Group's performance may result in additional revenue based on the achievement of agreed targets such as audience targets. Variable consideration is not recognized until the performance obligations are met.

Production revenue from producing television programs

Production revenue is recognized when the programs are delivered to the client. Standard criteria to establish revenue recognition are:

- in most cases, client's acceptance document (i.e., delivery notice signed/approved by the client…);
- delivery of a certain number of episodes.

In case of partial delivery of the same program over several periods of time (series, etc.), revenue, costs and margin are recognized according to episodic deliveries. Production revenue do not include grants, subsidies and co-producers' contributions. These are presented as a reduction of cost of sales.

Distribution revenue from the sale of finished programs and formats

Distribution revenue is recognized when the rights are transferred to the client:

- based on a signed contract or a deal memo;
- when the related rights are opened; and
- for the full revenue (revenue are not spread over the licensing period), as it is an access to right since there is limited ongoing involvement in the use of the license following its transfer to the customer.

Minimum guaranteed revenue is recognized as revenue when the above criteria are met, and further variable payments are recognized when highly probable.

Revenue from music rights is recognized as revenue when received based on royalties' statements (output method).

Consideration as a principal or an agent in revenue recognition

The Group had determined it is a principal in most of its performance obligation.

In the course of its business, the Group resells finished tape or formats purchased from third parties. Given it obtains the right to distribute the content, the Group usually controls the license. The distinction between agent and principal has an impact on the presentation of revenue, which is recognized as follows:

- on a gross basis when the Group is a principal;
- net of the cost of sales when the Group is an agent.

REVENUE RECOGNITION FOR THE ONLINE SPORTS BETTING & GAMING BUSINESS

The Online sports betting & gaming business generates its revenue from the conclusion and processing of sports bets and the provision of various other online casinos, games and turf. In line with the practices in the industry, the net results from bets and/or wagers placed by customers and pay-outs to customers is initially recognized as gross betting and gaming revenue.

The net betting and gaming revenue recognized in the consolidated statements of income is the residual amount left after deducting betting fees and gaming levies.

Gross betting and gaming revenue

Gross betting and gaming revenue are recognized once all of the obligations have been fulfilled, i.e. once the events and their relative players' bets or the wagers on online casinos, and other online games, have been completed and the Group has calculated the winnings and the publication of the results.

It is based on the turnover. This results in the following principles:

- gross betting and gaming revenue from games in casinos and sports betting corresponds to money lost by players in these activities during the accounting period;
- gross betting and gaming from poker games corresponds to the commissions (rake) collected on poker games, increased by the entry fees collected over the period; and
- gross betting and gaming on the horseracing corresponds to the commissions collected on the bets of the players.

The gross gaming proceeds from bets already placed on sporting events at the closing but the results of which will not be known until after the end of the period (pending bets) is not recognized as revenue. This amount is recorded as prepaid income *(see below)*.

Players' bonuses

Players' Bonuses are composed with 4 categories:

- "Free-bets", a virtual amount (which can be withdrawn) that can be used to place a sports bet. In case of positive betting outcome, the net winning (winnings minus stake) is credited to the customer balance. "Free-bets" bonuses not yet consumed at the reporting date are recognized at their fair value through profit or loss;
- "Boost bonus", an odd multiplier available for specific multiple bets increasing the expected winning amount;
- "Cash bonus", cash amount credited to the player balance and immediately withdrawable; and
- "Blocked bonus", a bonus withdrawable pertaining specific triggering conditions such as wagering requirements. Cost of bonus is reported when credited to the customer account to the exception of provision which is fair valued through profit and loss.

Pending bets

The gross amount of bets placed on sporting events at the reporting date whose results will not be known until after the end of the period (pending bets) is recognized as financial liabilities to customers, and are measured at fair value through P&L in accordance with IFRS 9 *Financial Instruments*.

2.5.20 Production costs

PRODUCTION COSTS

Production costs, attributable to the Content production & distribution business, are net of co-producers' contributions, grants and subsidies. They mainly include the costs of scripts, actors, Directors, rental of equipment, technical staff, participants, hosts, sets, format fees, etc.

Until programs are delivered, related production costs are capitalized in work in progress for non-scripted programs and as intangible assets for scripted programs for which i) the Group retains the IP and ii) the Group expects significant further IP revenue.

At revenue recognition date, the production costs of non-scripted programs are expensed in the income statement.

The production costs of scripted programs for which the Group retains the IP and expects further significant IP revenue are amortized as production costs in the statement of profit or loss using the ultimate revenue method. The cumulated amortization is calculated at the end of a given year as follows:

Production costs x (actual cumulated revenue/total estimated revenue of program)

The total estimated revenue of a program is the sum of actual cumulated revenue of the program and the program's future revenue forecast. Depreciation for a current year is calculated by difference with cumulated depreciation of previous years, if any. An impairment is booked if the net value of the program is higher than the future revenue forecast. Initial depreciation of a scripted program is expensed at delivery while the remaining value is depreciated when the subsequent distribution revenue is recognized.

GRANTS AND SUBSIDIES

Grants and subsidies are recognized when there is a reasonable assurance that the grant will be received, and all attached conditions will be fully complied with.

Grants and subsidies which are strictly related to the financing of a given program are deducted from production costs. When they relate to an asset, grants and subsidies are directly deducted from the carrying amount of the asset and released to the depreciation and amortization calculated on the net amount over the useful life of the asset.

All other grants and subsidies (such as government grants not strictly related to a program) are recognized as "Other operating income" when granted.

ACQUISITION COST OF CLIENTS

Internal costs relating to acquisition of clients are recognized as expenses.

Client databases are capitalized and recognized as intangible asset at cost or at fair value for client databases acquired in the process of business combinations.

2.5.21 Operating segments

According to IFRS 8, an operating segment is a component of an entity that i) engages in business activities from which it may earn revenue and incur in expenses, ii) whose operating results are regularly reviewed by the entity's chief operating decision maker (CODM) to decide how resources should be allocated to the component and iii) for which discrete financial information is available.

The operating segments are Content production & distribution business and Online sports betting & gaming business. The segments are organized based on the nature of the business. Holding represents amounts not allocated to the operating segments and includes certain costs related to central activities as well as group enabling functions. Intercompany elimination represents transaction inter segments that do not contribute to the Group figures.

- The operating segment reporting follows the internal reporting used by the CODM – FL Entertainment's Board of Directors – to manage the business, assess the performance based on the available financial information and to allocate the resources. The most important performance measures[(1)] are net revenue, Adjusted EBITDA (definition in note 4 on page 224), cost of Net Debt and Adjusted Free Cash Flow as management believes this is key in evaluating the results of the segments relative to other companies that operate within the same industry.

2.5.22 Taxes

CURRENT TAX

Tax receivables or tax payables for the current period and prior periods are estimated at the amount that is expected to be received from or to be paid to the tax administration. Tax rates and tax laws used in order to estimate the tax receivable or the tax liability are those which have been enacted at closing date. Current income taxes pertaining to items recognized in "other comprehensive income" are recorded in the same category and not as profit or loss.

The Group classifies the CVAE in France (contribution on added value) and IRAP Tax in Italy (regional production tax) as income tax.

DEFERRED TAXES

Differences existing at closing between the tax bases of assets and liabilities and their carrying value in the consolidated statement of financial position give rise to temporary differences, except for non-tax-deductible goodwill. Pursuant to the liability method, these temporary differences result in the accounting of:

- deferred tax assets, when the tax base value is greater than the carrying value (expected future tax saving); and
- deferred tax liabilities, when the tax base value is lower than the carrying value (expected future tax expense).

Deferred tax assets and liabilities are measured at the expected tax rates for the year during the Group expects the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the closing date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

Deferred tax assets for all deductible temporary differences, tax loss carry-forwards and unused tax credits are only recognized to the extent that it is probable that future taxable profit will be available against to utilize them.

The carrying value of deferred tax assets is reviewed at each closing date, and revalued or reduced to the extent that it is more or less probable that a taxable profit will be available to allow the deferred tax asset to be utilized. When assessing the probability of a taxable profit being available, account is taken, primarily, of prior years' results, forecasted future results, non-recurring items unlikely to occur in the future and the tax strategy. As such, the assessment of the Group's ability to utilize tax losses carried forward is to a large extent judgment based. If the future taxable results of the Group proved to differ significantly from those expected, the Group would be required to increase or decrease the carrying value of deferred tax assets with a potentially material impact on the Group's statement of financial position and statement of income.

Deferred tax assets and liabilities are not discounted and are offset when they have the same maturity and relate to the same taxable entity or tax group. They are classified in the statement of financial position as non-current assets and liabilities.

Deferred tax shall be charged or credited directly to equity, and not profit and loss if the tax relates to items that are credited or charged directly to equity. Deferred taxes resulting from the recognition of asset or liability in a business combination are recognized in the same way.

(1) *Please refer to Section 5.2.2 (Other financial information) on page 165 for more information on Alternative Performance Measures (APM).*

2.5.23 Related parties

A related party is a person or an entity that is related to the Group. These include both people and entities that have, or are subject to, the influence or control of the Group (e.g., shareholders, key management personnel). Transactions with related parties are accounted for in accordance with the requirements of relevant IFRS and take into account the substance as well as the legal form.

2.6 Going concern

The management assessed the Group's ability to continue as a going concern when preparing the consolidated financial statements.

Balance sheet

Equity turned positive again as of 31 December 2022 for a total amount of €18.0 million compared to -€6.2 million as of 31 December 2021. In addition, the current part of the financial liabilities is covered by the current part of the financial assets and cash and cash equivalents held by the group.

Losses in 2022 and 2021

Net losses in 2022 are mainly due to the non-recurring transaction costs incurred, which are largely non-cash, and the impact of the change of fair value of the put options and LTIP debts following the re-assessment of Banijay Group shares in relation with the Group's reorganization and Pegasus Merger as explained in the notes 3.1.1 II) and 3.1.2 on pages 220 and 222. In 2021, the net losses were mainly due to a new share-based payments agreement which led to an expense as explained in the note 3.2.3 III) on page 223. Those negative results are of an exceptional nature and are not intended to be recurrent.

Liquidity / Forecast

In terms of liquidity, the management has performed a monthly cash flow forecast for the next year. This forecast includes an organic growth with a high degree of certainty predictability due to the group activity, dividend cash out and repayment of borrowings and other financial liabilities. This forecast confirmed the absence of solvency risk and that the group is confident in its capacity to covers its needs. In addition, there is no breach of financial covenants to be reported.

Sensitivity test

The Group also modelled a scenario assuming a decrease of 10% of activity in 2023 and 2024 compared to the budget 2023 and Business plan 2024 to assess whether there is sufficient liquidity position. In this scenario, the Group would have enough liquidity and financing facilities to continue its operation. A stress test to a decrease of activity by 15% was also performed and lead to the same conclusion.

Other lines of credit

In addition, as explained in note 27 on page 270, as of 31 December 2022, undrawn committed lines of credit, overdrafts and other borrowings have been obtained for a total of €211 million. As disclosed in the note 25.4 – Liquidity risk on page 266, the Content production & distribution business is subject to financial covenants, namely concerning RCF (Revolving Credit Facility) in the event of a drawdown of 40%. In December 2022, although the RCF is not drawn, such financial covenants are satisfied.

In addition, as disclosed in the note 23.3 – Current and non-current financial liabilities on page 259, FL Entertainment has the possibility to extend the maturity of the vendor loans that are due in November 2023.

Conclusion

Based on the above, management considers the Group has sufficient resources to continue operating for at least 12 months and that there are no material uncertainties about the Group's ability to continue as going concern.

Note 3 Significant events

3.1 Significant events that occurred in 2022

3.1.1 Holding

I) INCORPORATION OF FL ENTERTAINMENT N.V. (FORMER B.V.)

FL Entertainment B.V. has been incorporated on 10 March 2022. Until of 30 June 2022, this Company was a private limited liability company under the Dutch law, with a tax residency in France.

On 1 July 2022, following the Business Combination Agreement described below, FL Entertainment BV changed its legal structure from B.V. (Private limited company) to N.V. (public limited company). Its tax residency is still in France.

II) BUSINESS COMBINATION AGREEMENT – TRANSACTION BETWEEN FL ENTERTAINMENT AND THE SPAC PEGASUS ENTREPRENEURS

FL Entertainment, Financière Lov and Pegasus Entrepreneurial Acquisition Company Europe B.V. (Pegasus Entrepreneurs), a special purpose acquisition company (SPAC) focused on European growth companies listed and traded on Euronext Amsterdam, entered on 10 May 2022 into a definitive Business Combination Agreement amended on 22 June 2022 (Business Combination Agreement). The transaction consists of (i) the Business Combination of FL Entertainment and Pegasus Entrepreneurs resulting in a public listing of FL Entertainment on Euronext Amsterdam (Business Combination, (ii) the equity roll-over of the minority shareholders in the Banijay Group (Vivendi, Fimalac and De Agostini) and Betclic Everest Group (SBM International) to become shareholders of FL Entertainment, and (iii) raising of €646 million of proceeds.

Group's reorganization

On 10 May 2022, the Company entered into an investment agreement with Financière Lov and Stéphane Courbit, Lov Group Invest, Monte-Carlo SBM International S.à.r.l (SBM International), Dea Communications SA (De Agostini), F. Marc de Lacharrière (Fimalac), Pegasus Acquisition Partners Holding, Pegasus Entrepreneurs, Tikehau Capital, Bellerophon Financial Sponsor 2 SAS (a subsidiary of the Sponsor Tikehau Capital SC), Poseidon Entrepreneurs Financial Sponsor SAS (a subsidiary of the Sponsor Financière Agache SA), Financière Agache (a Sponsor), Vivendi Content (Vivendi), Société d'Investissements et de Gestion – SIG 116 and Vivendi SE.

On 22 June 2022, the same parties entered into an amendment and waiver to the investment agreement (the amended investment agreement is hereinafter referred to as the Investment Agreement). Pursuant to the Investment Agreement, Financière Lov agreed to subscribe for and, on 30 June 2022 received in return for its investment, 13,520,565 newly issued Ordinary Shares, 13,520,565 newly issued Special Voting Shares A (SVS) and 13,000,000 newly issued Earn-Out Preference Shares A, 3,500,000 newly issued Earn-Out Preference Shares B and 3,500,000 newly issued Earn-Out Preference Shares C (together Earn-out Shares), for an aggregate amount of €250,000,000. Further to the terms of the Investment Agreement, Financière Lov has received such shares in return for its investment on 30 June 2022.

Pursuant to (i) the Business Combination Agreement entered into by FL Entertainment, Financière Lov and Pegasus Entrepreneurs, and (ii) the investment agreement entered into by Financière Lov, Pegasus Entrepreneurs, SBM International, DEA Communications SA, Fimalac, Vivendi, Tikehau Capital and Financière Agache on 10 May 2022, the Group conducted reorganization between entities within Financière Lov Group and with minority interests in order to achieve the transaction described below. The reorganization steps were implemented as follows (the Lov Reorganization):

a. the merger of Mangas Lov into Lov Banijay, Lov Banijay being the surviving entity;
b. the distribution by Lov Banijay of part of its share premium to Financière Lov as its sole shareholder;
c. the contribution of all shares of LDH held by Financière Lov to Lov Banijay;
d. the contribution and sale of all LDH shares held by DEA Communications SA to Lov Banijay. The sale will be financed by a vendor loan granted by DEA Communications SA to Lov Banijay for an amount of €99.5 million;
e. the contribution of all LDH shares held by one of the shareholders (Fimalac) to Lov Banijay;
f. the contribution of all Banijay shares, held by Vivendi Content to LDH in exchange for shares in LDH, resulting in LDH holding the entire share capital of Banijay;
g. the contribution of all LDH shares held by Vivendi Content to Lov Banijay in exchange for shares in Lov Banijay, resulting in Lov Banijay holding the entire share capital of LDH;
h. the contribution of all Lov Banijay shares held by Financière Lov to FL Entertainment in exchange for Ordinary Shares and Special Voting Shares;
i. the contribution and sale of all Lov Banijay shares held by DEA Communications SA's to FL Entertainment, in exchange for Ordinary Shares;
j. the contribution of all Lov Banijay shares held by Fimalac to FL Entertainment, in exchange for Ordinary Shares;
k. the contribution of all Lov Banijay shares held by Vivendi to FL Entertainment, in exchange for Ordinary Shares;
l. the contribution and sale of all Betclic shares held by SBM International to FL Entertainment for, inter alia, Ordinary Shares. The cash consideration amounted to €425.0 million of which €388.5 million was paid as of 5 July 2022 and €36.5 million was financed by a vendor loan granted by SBM International to FL Entertainment;

m. subscription in cash by Financière Lov to a share capital increase of FL Entertainment for an amount of €250 million in exchange for:

- i. Ordinary Shares and SVS, and
- ii. Earn-Out Shares bearing a right to conversion into a certain number of FL Entertainment Ordinary Shares depending on FL Entertainment performance.

The Earn-out Shares have no material economic rights until their conversion and have regular voting rights but Financière Lov would agree not to vote on these Earn-Out Shares in a shareholders' agreement. The fair market value of the Earn-Out Shares has been assessed by an independent appraiser;

n. the redemption at the combination date (1 July 2022) of (i) the bonds redeemable in cash or in Ordinary Shares *(obligations remboursables en actions ou en numéraire)* for a principal amount of €90 million issued by Lov Banijay and subscribed by SIG 116 (an affiliate of Vivendi) on 23 February 2016 and (ii) the bonds redeemable in cash or in Ordinary Shares for a principal amount of €50 million issued by Lov Banijay and subscribed by SIG 116 on 14 October 2016 (€170.5 million including capitalized interests); and

o. subscription in cash by Vivendi to a share capital increase of FL Entertainment for an amount of €25 million, in exchange for Ordinary Shares.

Moreover, Marco Bassetti, CEO of Banijay, has decided on 30 June 2022 to contribute its Banijay Group's shares owned through his holding to FL Entertainment in exchange for Ordinary Shares. In conjunction with Banijay Group's shares, a shareholders' agreement was signed between Banijay Group Holding and Marco Bassetti granted to the latter a put option, recognized in the consolidated financial statements. Following the conversion, this agreement becomes devoid of purpose.

The impacts on the consolidated equity are detailed in note 18.1 on page 250.

Forward purchase agreement

On 10 December 2021, Pegasus Entrepreneurs entered into a forward purchase agreement with Tikehau Capital and Financière Agache (the "Forward Purchase Agreement" or "FPA"). Pursuant to the Forward Purchase Agreement, each of Tikehau Capital and Financière Agache have agreed to purchase from Pegasus Entrepreneurs up to 2,500,000 class A ordinary shares in Pegasus Entrepreneurs' capital (the "Pegasus Ordinary Shares") and up to 833,333 Pegasus Public Warrants, for an amount of up to €25,000,000 each (representing the number of Pegasus Ordinary Shares purchased under the Forward Purchase Agreement multiplied by €10.00), in a private placement that occurred simultaneously with the Business Combination. Since the Merger became effective on 1 July 2022 (refer to note iii)) and Pegasus Entrepreneurs was the disappearing entity, Tikehau Capital and Financière Agache each subscribed for 2,500,000 newly issued Ordinary Shares in the Company's capital and 833,333 Warrants (together the "Forward Purchase Securities"), for an aggregate amount of €25,000,000 each. Tikehau Capital and Financière Agache received the Forward Purchase Securities on 1 July 2022.

Because this agreement was concluded by Pegasus Entrepreneurs and Tikehau Capital and Financière Agache at the creation of Pegasus Entrepreneurs, it has been analyzed as part of the Merger.

Merger between FL Entertainment and the SPAC Pegasus Entrepreneurs

On 23 June 2022, Pegasus Entrepreneurs has obtained shareholders' approval for the Business Combination with FL Entertainment at the extraordinary general meeting.

The Business Combination has been completed on 1 July 2022. As a result, FL Entertainment and Pegasus Entrepreneurs merged at this date, FL Entertainment being the surviving entity. Since then, FL Entertainment is listed on Euronext Amsterdam and all Ordinary Shares and public Warrants are traded under the symbols "FL Entertainment" and "FL EntertainmentW" respectively with international securities identification number (ISIN) NL0015000X07 and NL0015000H56 respectively on Euronext Amsterdam.

As FL Entertainment is the accounting acquirer of the SPAC, the transaction is not considered as a business combination as defined by IFRS 3. The Group received the net assets of the SPAC as well as a listing service in exchange of an issue of shares, which is considered as an equity-settled share-based payment transaction.

The fair value of the Pegasus' assets acquired, and the liabilities assumed at the date of the combination amounted as follows:

Financial assets	€164.3 million
Cash	€2.1 million
Customers and other receivables	€0.4 million
Founder Shares	€(46.2) million
Founder Warrants	€(3.7) million
Public Warrants	€(2.2) million
Trade payables and other creditors	€(11.8) million
FAIR VALUE OF THE ACCOUNTING PEGASUS ENTREPRENEURS' NET IDENTIFIABLE ASSETS	**€103.1 million**

Financial assets comprised Pegasus's escrow account, after the redemption of class A Pegasus Ordinary Shares requested by some Pegasus' shareholders and included the amount related to Tikehau Capital and Financière Agache subscriptions for €25 million each in the context of the FPA (refer to note 3.1.1 II ii on page 221)[1].

(1) *Of which €160.5 million received in cash by FL Entertainment in the context of the transaction. This amount together with the cash and cash equivalents are presented on a separate caption "Cash received through Merger with Pegasus (including FPA capital increase)" in the cash-flow statement.*

Pegasus issued 5,150,000 Founder Shares to the sponsors and 100,000 Founder Shares to Non-Executive Directors and Chief Financial Officer. Pegasus issued 5,250,000 Founder Warrants and 7,000,000 public Warrants (excluding treasury shares Warrants) to the sponsors and shareholders. In addition, the number of public Warrants includes 1,666,666 Warrants issued to Tikehau Capital and Financière Agache in the context of Forward Purchase Agreement (833,333 Warrants for each party). These Founder Shares, Founders Warrants and public Warrants are assumed for by FL Entertainment (refer to note 21 on page 254).

In counterpart, FL Entertainment has issued 16,426,140 Ordinary Shares for a fair value of €188.9 million. This number of shares includes the 5,000,000 Ordinary Shares subscribed by Tikehau Capital and Financière Agache in the context of the FPA. Because this agreement was concluded with Pegasus since the creation of Pegasus, it has been analyzed as part of the combination (refer to note 18.1 on page 250).

The difference between the fair value of the instruments issued and the net identifiable assets reflect the listing services. In accordance with IFRS 2, this service expense amounting to €85.7 million has been recognized in the consolidated income statement (refer to note 9 on page 233).

Issuance of FL Entertainment securities in exchange of Pegasus securities

Due to the Merger of Pegasus Entrepreneurs into FL Entertainment, FL Entertainment issued and delivered Founder Shares, Founder Warrants and public Warrants to the holders of Pegasus Founder Shares, Founder Warrants and public Warrants (one-for-one basis). The characteristics of the FL Entertainment securities are similar to Pegasus securities' characteristics, and are classified as financial liabilities in accordance with IAS 32.

Capital increase in relation with the PIPE Financing

In connection with the Business Combination, the Company entered into subscription agreements with certain investors (the "PIPE Investors") in a private investment in public equity transaction (the "PIPE Financing") in the aggregate amount of €204,230,000. On 5 July 2022 (the "Settlement Date"), FL Entertainment has issued 20,423,000 Ordinary Shares and in return for their investment, the PIPE Investors received the total of the 20,423,000 newly issued Ordinary Shares.

Transaction costs

As of 31 December 2022, the transaction costs incurred amounted to €110.1 million, of which €4.8 million related to transactions with non-controlling interests and capital issuance recognized in equity and €105.3 million in relation to Group reorganization and Pegasus Merger recognized in P&L. The amount recognized in the P&L includes the €85.7 million listing fees accounted under IFRS 2.

3.1.2 Content production & distribution business

CHANGE IN BANIJAY GROUP'S SHARES VALUATION

Due to rationalization of the shareholder structure in connection with the Group's reorganization as explained above, the valuation of the Banijay Group's shares has been reassessed upwards. As a consequence, the Banijay Group's liabilities in connection with the LTIP and incentive debt and its liabilities in connection with the outstanding put option agreements have been reassessed after the reorganization. This reassessment has resulted in an increase of the aforementioned liabilities by €114 million.

3.1.3 Online sports betting & gaming business

I) LIQUIDATION OF BET-AT-HOME.COM ENTERTAINMENT LTD

On 22 December 2021, sub-group BEG announced the winding up by the court procedure of bet-at-home.com Entertainment Ltd, a Maltese entity operating the casino activity under license MGA (Malta Gaming Authority), consolidated at 53.90% as of December 2021, which took effect in the first semester of 2022. The Group has determined that this activity does not meet the definition of discontinued operations as provided by IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations.*

II) PLAYERS DISPUTE IN BET-AT-HOME SUB-GROUP'S AUSTRIAN MARKET

A decision of the Austrian Supreme Court confirming the actual online casino monopoly of the Austrian gaming regulation and its compliance with European law, dated 1 September 2021, triggered casino players to file legal claims to obtain the reimbursement of their gaming losses incurred with unlicensed operators in Austria. Following this decision, Bet-at-home sub-group has decided to accrue for all cases of players claiming reimbursement of their losses on the casino activity in Austria. As of 31 December 2021, the provisions thus constituted, which also include legal fees related to these disputes, amounted to €27.1 million and were recognized as non-current expenses.

As a result of the loss of control due to the winding up proceedings (winding up by the court) over bet-at-home.com Entertainment Ltd, which has been confirmed by the court on 13 May 2022, with retroactive effect from the date of the application, the Company had to be deconsolidated from the Bet-at-home sub-group (refer to note 3.1.3 I on page 222), resulting in the disposal of the provision recognized as of 31 December 2021.

3.1.4 Other information

RUSSIA-UKRAINE CONFLICT

The Group is closely monitoring developments in the conflict between Russia and Ukraine since the invasion of Russia in Ukraine in February 2022. FL Entertainment has a limited exposure to the Russian market (net revenue contribution of €27 million and current operating profit of €2 million for the twelve-month period).

Since the start of the conflict in Ukraine on 24 February 2022, Banijay sub-group has monitored the impact the situation on its Russian entities Weit Media. On the third quarter of 2022, in line with the European and American sanctions against Russia, Banijay froze the operations with Weit Media (now gathering Mastiff Russia and Weit Media activities). Therefore, from the fourth quarter 2022 Banijay considers it has lost control under IFRS 10 of the subsidiaries. In addition, on 15 December 2022, a selling contract was signed with on-site managers, but the transaction is still submitted to the agreement of the Russian Government Commission.

The Group also monitors the macro-economic trends that could have repercussions for the Group's operations.

3.2 Significant events that occurred in 2021

3.2.1 Holding

On 15 December 2021, Financière Lov, DeA and Fimalac subscribed to a capital increase of LDH for an amount of €45.6 million, €6.4 million and €13.0 million respectively. 28,710,246 new shares have been created for a nominal amount of €14,355,123, issued with a total issue premium of €50,644,873.95. This share capital increase was intended to reimburse the convertible bonds issued by LDH pursuant to the 2 July 2020 agreement. DeA has exchanged part of its convertible bonds for shares in LDH.

3.2.2 Content production & distribution business

I) INTEGRATION PLAN

As part of Endemol Shine Group's integration process, the global reorganization plan launched in July 2020 was still in progress in 2021. The associated restructuring costs impacted a large part of the other non-current operating expenses.

Many examinations were performed through several key areas of the Group (tax, human resources, legal/insurance, intellectual property, finance) in the major territories, in order to strengthen the operational organization in the legal structure.

II) LONG-TERM INCENTIVE PLAN

Following Endemol Shine Group's (ESG) acquisition, a new long-term incentive plan (LTIP) was implemented in 2021. The plan consisted of a cash-settled share-based payment and had two vesting periods: a first period of 4 years (2021-2024) and a second period of 8 years (2021-2028). The objective of this plan was to retain key talents for the Group.

This new LTIP started on January 2021. At the end of the period, the vested portion of the plan was recognized proportionately based on expected 2021 performance of the entities.

Banijay's phantom shares LTIP implemented in 2017 were terminated accordingly, after which the beneficiaries still employed in the Group were offered to join the new LTIP. As a consequence, former Banijay's phantom shares LTIP have not been reassessed since 31 December 2020, except (a) for certain employees who did not elect to join the new plan, and (b) the remaining acquired phantom shares that have been revalued based on Banijay Group's shares market value at year end.

III) FOREIGN EXCHANGE IMPACT

Foreign exchange can significantly impact the net income of the sub-group at year end, mainly due to the US Dollars variation against Euros.

In order to prevent any material adverse foreign exchange impact, Banijay has implemented in 2021:

- natural hedging in order to limit net income/loss volatility on intercompany long-term loans; and
- hedging instruments during the first semester of 2021 as part of the $403 million senior secured notes raised by Banijay Entertainment and due in 2025. As the latter has Euros as functional currency, the residual risk of foreign exchange not naturally covered is therefore hedged.

3.2.3 Online sports betting & gaming business

I) PLAYERS DISPUTE IN BET-AT-HOME SUB-GROUP'S AUSTRIAN MARKET

The description and the impact of this event is described in note 3.1.3 II on page 222.

II) ABANDONMENT OF THE CASINO ACTIVITY BY BET-AT-HOME SUB-GROUP ON AUSTRIAN TERRITORY, AND THEN ON ALL TERRITORIES OPERATED UNDER MALTA GAMING AUTHORITY (MGA) LICENSE

The description and the impact of this event is described in note 3.1.3 I on page 222.

III) SHARE-BASED PAYMENTS: NEW AGREEMENT

An agreement between a manager, Betclic Everest Group and other shareholders (SBM International and Mangas Lov) was signed on 17 November 2021. To reflect this agreement in accordance with IFRS 2, Betclic recognized an expense for an amount of €208.9 million, bringing the total value of the plan to €234.6 million, of which €126.3 million was considered as cash settled (cash settlement, of which €63.3 million has been paid in 2021) and €108.4 million was considered as equity settled (compensation in ordinary shares of Betclic Everest Group), recognized in Group's equity.

IV) NEW BANK LOAN

On 13 December 2021, BEG was granted a €130 million loan with a maturity of six months, by a group of three banks (BNP Paribas, Natixis and Société Générale).

3.2.4 Other information

IMPACT OF THE COVID-19 PANDEMIC

As of December 2021, despite the new lockdown during the first quarter of 2021 in certain countries where the Group operates (Australia, Belgium, Brazil, Denmark, Finland, France, Germany, India, Italy, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Spain, Sweden, UK and USA), the activities of production and online sports betting and gaming were not highly impacted. Furthermore, the operating entities took into consideration the additional COVID costs on the budget of the production segment.

Nevertheless, depending on the evolution of the sanitary context and local governmental rules, potential additional stricter measures may impact the activity within the business in the upcoming months.

Note 4 Segment information

As described in note 1.1 “Presentation of the business” on page 205, the Group operates two operating segments which reflect the internal organizational and management structure according to the nature of the products and services provided:

- Content production & distribution business: incorporates the activities of production, distribution and marketing of content property rights for television and multimedia platforms. This segment corresponds entirely to the Banijay Group; and
- Online sports betting & gaming business: comprises sports betting, poker and casino. This segment corresponds to Betclic Everest Group.

In addition, a third operating segment “Holding” includes the corporate activities.

The following tables present information with respect to the Group’s business segments in accordance with IFRS 8 for the years ended 31 December 2022 and 2021.

Profit & loss per segment

(in € million)	2022			
	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Net revenue	3,211.6	835.0	-	4,046.6
Adjusted EBITDA	472.1	202.8	(4.7)	670.2
Operating profit/(loss)	202.5	163.3	(111.1)	254.7
Cost of net debt	(129.5)	(8.6)	(5.7)	(143.8)
Consolidated net income	(64.2)	112.2	(129.1)	(81.1)
Attributable to:				
Non-controlling interests	*(37.7)*	*44.6*	*(0.0)*	*6.9*
Shareholders	*(26.6)*	*67.7*	*(129.1)*	*(88.0)*

(in € million)	2021			
	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Net revenue	2,756.0	741.0	-	3,497.0
Adjusted EBITDA	432.7	176.6	(0.1)	609.3
Operating profit/(loss)	213.8	(103.2)	(0.2)	110.4
Cost of net debt	(124.2)	(5.9)	(5.2)	(135.3)
Consolidated net income	71.1	(132.1)	(12.4)	(73.4)
Attributable to:				
Non-controlling interests	*42.1*	*(71.3)*	*(1.2)*	*(30.4)*
Shareholders	*29.0*	*(60.8)*	*(11.2)*	*(43.0)*

4.1 Adjusted EBITDA

The Group considers Adjusted EBITDA to be a useful metric for evaluating its operating performance as it facilitates a comparison of its core operating results from period to period by removing the impact of, among other things, its capital structure, asset base and tax consequences. Adjusted EBITDA is a non-IFRS measures and, as a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names.

Adjusted EBITDA is defined as the operating profit for that period excluding restructuring costs and other non-core items, costs associated with the long-term incentive plan within the Group (the "LTIP") and employment related earn-out and option expenses, and depreciation and amortization (excluding D&A fiction).

Those adjustments items include:

- **restructuring costs and other non-core items:** due to their unusual nature or particular significance, these items are excluded. In general, these items relate to transaction that are significant, infrequent or unusual. However, in certain instances, transactions, such as restructuring costs or asset disposals, which are not representative of the normal course of business (referred as "non-core items"), may be adjusted although they may have occurred within prior years or are likely to occur again within the coming years. The detail of these costs is provided in note 9 on page 233;
- **LTIP and other long-term incentive plans:** reference is made to employee benefits Long-Term Incentive Plans and employee benefits obligations resulting from a business acquisition arrangement. The detail of these costs is provided in notes 7.2 and 7.3 on pages 231 and 232;
- **depreciation and amortization:** depreciation and amortization of software and intangible assets, PPE own property, right-of-use and intangible assets acquired in business combinations. D&A fiction are costs related to the amortization of fiction production, which the Group considers to be operating costs. As a result of the D&A fiction, the depreciation and amortization line item in the consolidated financial statement of income deviates from the depreciation and amortization costs in this line item.

The table below presents the reconciliation of operating profit before exceptional items and amortization of acquisition-related intangibles to Adjusted EBITDA for 2022 and 2021:

	2022			
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Operating profit/(loss):	202.5	163.3	(111.1)	254.7
Restructuring costs and other non-core items	29.7	(8.7)	106.4	127.4
LTIP and employment-related earn-out and option expenses	110.8	36.7	-	147.5
Depreciation and amortization (excluding D&A fiction(1))	129.2	11.4	-	140.6
ADJUSTED EBITDA	**472.1**	**202.8**	**(4.7)**	**670.2**

(1) €8.0 million of amortization of fiction production recognized in 2022.

	2021			
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Operating profit/(loss):	**213.8**	**(103.2)**	**(0.2)**	**110.4**
Restructuring costs and other non-core items	27.2	22.5	0.1	49.8
LTIP and employment-related earn-out and option expenses	62.6	245.4	-	308.0
Depreciation and amortization (excluding D&A fiction(1))	129.2	11.9	0.0	141.1
ADJUSTED EBITDA	**432.7**	**176.6**	**(0.1)**	**609.3**

(1) No amortization of fiction production recognized in 2021.

4.2 Balance sheet per segment

	2022				
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Non-current assets	2,920.3	328.3	0.0	-	3,248.6
Current assets	1,906.9	105.1	56.0	(74.0)	1,994.1
TOTAL ASSETS	**4,827.2**	**433.4**	**56.0**	**(74.0)**	**5,242.6**
Non-current liabilities	2,744.2	153.7	130.5	-	3,028.4
Current liabilities	1,841.8	280.8	147.6	(74.0)	2,196.2
TOTAL LIABILITIES (EXCLUDING EQUITY)	**4,586.0**	**434.6**	**278.1**	**(74.0)**	**5,224.6**

	2021				
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Non-current assets	2,792.4	314.5	21.4	-	3,128.3
Current assets	1,715.3	136.3	62.1	-	1,913.7
TOTAL ASSETS	**4,507.7**	**450.8**	**83.5**	**-**	**5,042.0**
Non-current liabilities	2,598.2	157.0	162.6	-	2,917.9
Current liabilities	1,685.1	411.0	34.2	-	2,130.3
TOTAL LIABILITIES (EXCLUDING EQUITY)	**4,283.4**	**568.0**	**196.8**	**-**	**5,048.2**

4.2.1 Content production & distribution business

Non-current assets are mainly constituted by goodwill resulting from BGH's acquisitions, intangible assets, right-of use assets, financial interests in non-consolidated companies and the non-current portion of the derivative financial assets.

Current assets are constituted by trade receivables, cash and cash equivalents, tax receivables, intercompany receivable with other segments and work in progress which correspond to costs incurred in the production of non-scripted programs (or scripted programs for which the Group does not expect subsequent Intellectual Property revenue) that have not been delivered at reporting date, as the Group recognizes its production revenue upon delivery of the materials to the customer.

Non-current liabilities include primarily long-term borrowings and other financial debt, long-term lease liabilities and other non-current liabilities.

Current liabilities are constituted by short-term borrowings, trade payables, employee-related payables, tax liabilities, short term liabilities on non-controlling interests, employments-related earn out and option obligations and deferred income that relates to undelivered programs that are work-in progress (or intangible assets-in-progress) and that have already been invoiced. Those deferred incomes correspond to the contract liabilities (in accordance with IFRS 15).

4.2.2 Online sports betting & gaming business

Non-current assets are mainly composed of goodwill generated from acquisitions, intangible assets (mainly IT software and online gaming platform) and non-current restricted cash and cash equivalents.

Current assets primarily comprise cash and cash equivalents and trade receivables from providers (refer to note 17.2 on page 247).

Non-current liabilities are composed by long-term borrowings and employee-related long-term incentives.

Current liabilities are primarily constituted by short-term borrowings, intercompany debt with other segments, gaming taxes and liabilities related to the Betclic Everest Group's incentive plans (LTIP). In 2021, current liabilities also included provisions for legal contingencies.

4.2.3 Holding

Current assets are mainly constituted by intercompany loans with other segments and by tax receivables (excluding income tax), prepaid expenses and cash and cash equivalents in 2022. In 2021, current assets mainly comprised shareholders' current accounts, while non-current assets included derivative attached to the convertible bonds.

Non-current liabilities are formed by other securities issued in the context of the Business Combination described in note 3.1.1 II) on page 220.

Current liabilities correspond mainly to supplier payables, short-term borrowings, bank overdrafts and vendor loans issued in the context of the Business Combination described in note 3.1.1 II) on page 220.

Net debt per Segment

	2022				
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Inter-company elimination	Total Group
Bonds	1,330.8	-	-	-	1,330.8
Bank borrowings and other[1]	1,035.1	179.0	0.0	(74.0)	1,140.1
Bank overdrafts	-	-	-	-	-
Accrued interests on bonds and bank borrowings	29.5	0.1	-	-	29.6
Vendor loans	-	-	138.4	-	138.4
Total bank indebtedness and other	2,395.4	179.1	138.4	(74.0)	2,638.9
Cash and cash equivalents and other[1]	(430.2)	(72.1)	(51.2)	74.0	(479.4)
Trade receivables on providers		(13.1)			(13.1)
Players' liabilities		50.6			50.6
Cash in trusts and restricted cash		(31.2)	(0.5)		(31.6)
Net cash and cash equivalents and other	(430.2)	(65.8)	(51.7)	74.0	(473.6)
NET DEBT BEFORE DERIVATIVES EFFECTS	**1,965.3**	**113.3**	**86.7**	**-**	**2,165.3**
Derivatives – liabilities	-	-	-	-	-
Derivatives – assets	(69.1)	(5.4)	-	-	(74.5)
NET DEBT	**1,896.2**	**107.9**	**86.7**	**-**	**2,090.8**

(1) Including intercompany loan and excluding current account.

	2021				
(in € million)	Content production & distribution	Online sports betting & gaming	Holding	Inter-company elimination	Total Group
Bonds[1]	1,298.8	-	162.6	-	1,461.5
Bank borrowings[1]	964.7	267.8	-	-	1,232.5
Bank overdrafts	1.7	-	0.0	-	1.7
Accrued interests on bonds and bank borrowings	28.0	0.3	4.5	-	32.7
Vendor loans	-	-	-	-	-
Total bank indebtedness	**2,293.2**	**268.0**	**167.1**	**-**	**2,728.4**
Cash and cash equivalents	(344.7)	(87.9)	(1.5)	-	(434.1)
Trade receivables on providers		(24.8)		-	(24.8)
Players' liabilities		41.7		-	41.7
Cash in trusts and restricted cash		(22.4)		-	(22.4)
Net cash and cash equivalents	**(344.7)**	**(93.3)**	**(1.5)**	**-**	**(439.5)**
NET DEBT BEFORE DERIVATIVES EFFECTS	**1,948.5**	**174.7**	**165.6**	**-**	**2,288.8**
Derivatives – liabilities	6.1	-	-		6.1
Derivatives – assets	(4.4)	(0.4)	(21.4)		(26.2)
NET DEBT	**1,950.2**	**174.3**	**144.2**	**-**	**2,268.8**

(1) Term loans were reclassified as of 31/12/2021 from bonds to bank borrowings due to their nature for a total amount of €380.3 million.

4.2.4 Statement of cash flows and free cash flows

(in € million)	2022 Content production & distribution	2022 Online sports betting & gaming	2022 Holding	2022 Total Group
Net cash flow from operating activities	378.8	107.4	(27.7)	458.6
Cash flow (used in)/from investing activities	(147.4)	(16.3)	162.6	(1.1)
Cash flow (used in)/from financing activities	(196.7)	(106.9)	(125.9)	(429.6)
Impact of foreign exchanges rates	19.1	-	-	19.1
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**53.7**	**(15.8)**	**9.0**	**47.0**
Cash and cash equivalents as of 1 January	*343.1*	*87.9*	*1.5*	*432.4*
Cash and cash equivalents as of 31 December	*396.8*	*72.1*	*10.5*	*479.4*

(in € million)	2022 Content production & distribution	2022 Online sports betting & gaming	2022 Holding	2022 Total Group
Adjusted EBITDA	472.1	202.8	(4.7)	670.2
Purchase of property, plant and equipment and of intangible assets	(60.3)	(7.9)	(0.0)	(68.1)
Total cash outflows for leases that are not recognized as rental expenses	(44.1)	(3.3)	-	(47.3)
ADJUSTED FREE CASH FLOW	**367.8**	**191.7**	**(4.7)**	**554.7**

(in € million)	2021 Content production & distribution	2021 Online sports betting & gaming	2021 Holding	2021 Total Group
Net cash flow from operating activities	323.6	81.4	(1.6)	403.5
Cash flow (used in)/from investing activities	(89.3)	(7.8)	-	(97.1)
Cash flow (used in)/from financing activities	(158.7)	(101.0)	1.7	(258.0)
Impact of foreign exchanges rates	(4.4)	-	-	(4.4)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**71.2**	**(27.4)**	**0.1**	**43.9**
Cash and cash equivalents as of 1 January	*271.9*	*115.2*	*1.4*	*388.5*
Cash and cash equivalents as of 31 December	*343.1*	*87.9*	*1.5*	*432.4*

(in € million)	2021 Content production & distribution	2021 Online sports betting & gaming	2021 Holding	2021 Total Group
Adjusted EBITDA	432.7	176.6	(0.1)	609.3
Purchase of property, plant and equipment and of intangible assets	(56.0)	(10.5)	-	(66.5)
Total cash outflows for leases that are not recognized as rental expenses	(41.5)	(3.7)	-	(45.2)
ADJUSTED FREE CASH FLOW	**335.2**	**162.4**	**(0.1)**	**497.6**

Note 5 Revenue

Revenue for the years ended 31 December 2022 and 2021 by activity and sub-activity are as follows:

(in € million)	2022	2021
CONTENT PRODUCTION & DISTRIBUTION[(1)]	**3,211.6**	**2,756.0**
Production	2,664.6	2,263.2
Distribution	387.7	331.8
Others	159.3	161.0
ONLINE SPORTS BETTING & GAMING	**835.0**	**741.0**
Sportsbook	670.1	588.6
Casino	104.8	102.0
Poker	49.9	44.1
Turf	10.3	6.4
TOTAL REVENUE	**4,046.6**	**3,497.0**

(1) *The split of the revenue for Content production & distribution business has been redefined. Comparative figures have been restated accordingly to ensure comparability.*

Total revenue of the Content production & distribution business corresponds essentially to the production and sale of audiovisual programs, and the distribution of audiovisual rights and/or catalogues.

The increase between periods is driven by the production stream with notably an increasing dynamic production cycle mainly in the US/Latam and UK with returning seasons of big brand programs and the development of new shows and by the distribution stream with more revenues generated with OTT players and new scripted shows generating more finished tapes sales.

The remaining part of Group's revenue is attributed to the Online sports betting & gaming business, which includes sportsbooks, gambling in casinos, poker and turf.

The increase in revenue is mainly explained by the development of players database in all main geographies, France, Portugal and Poland as well as a good performance in Sportbook during the FIFA World Cup. This increase is partially offset by some jurisdictions exit in Bet-at-home sub-group perimeter following the liquidation of bet-at-home.com Entertainment Ltd; these closures affecting mainly casino activity but also sportsbook to a lesser extent.

The following table details the Gross Gaming Revenue and bonuses amount for 2022 and 2021:

(in € million)	2022	2021
Gross revenue	**926.0**	**834.4**
Bonus	(91.1)	(93.4)
REVENUE	**835.0**	**741.0**

Information by geographical area based on the location of the customer is as follows:

	2022		
(in € million) **Revenue by geographical area**	**Content production & distribution**	**Online sports betting & gaming**	**Total Group**
Europe	2,155.3	822.5	2,977.8
United States of America	668.0	-	668.2
Rest of the world	388.4	12.50	400.8
TOTAL REVENUE	**3,211.6**	**835.0**	**4,046.6**

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(in € million) Revenue by geographical area	2021 Content production & distribution	Online sports betting & gaming	Total Group
Europe	1,940.1	737.6	2,677.7
United States of America	450.2	-	450.2
Rest of the world	365.6	3.5	369.1
TOTAL REVENUE	**2,756.0**	**741.0**	**3,497.0**

Note 6 External expenses

External expenses mainly comprised external costs incurred for content production (including related marketing costs and rental expenses) of €1,420.2 million in 2022 (€1,206.0 million in 2021), gaming tax for the amount of €386.1 million in 2022 (€345.1 million in 2021), other marketing costs of €83.9 million in 2022 (€84.0 million in 2021), IT costs of €43.9 million in 2022 (€40.4 million in 2021) and consulting, audit and other fees of €41.8 million in 2022 (€36.9 million in 2021).

In 2022, government grants deducted from production costs amounted to €95.4 million (€90.0 million in 2021). Those grants are related to the financing of given programs, mostly scripted productions, and had the nature of tax credit or subsidies granted by regional or trade organizations. There are no unfulfilled conditions or contingencies attached to these grants.

Note 7 Staff costs

7.1 Payroll

Payroll costs are broken down as follows in 2022 and 2021:

(in € million)	2022	2021
Employee remuneration and social security costs	(1,283.8)	(1,093.5)
Post-employment benefit – Defined benefit obligation	(0.9)	(0.3)
Employee benefits LTIP	(127.3)	(294.2)
Employment-related earn-out and option expenses	(20.2)	(13.8)
Other employee benefits	(2.4)	(1.6)
STAFF COSTS	**(1,434.7)**	**(1,403.4)**

The increase in personnel expenses between periods is mainly explained by an increase of staff costs and long-term incentive plans (LTIP) charges in the Content production & distribution business following the remeasurement of BGH shares and renegotiation of certain plans, balanced by a reduction of long-term incentive plans (LTIP) charges in the Online sports betting & gaming segment due to a reassessment of certain plans occurred in December 2021.

7.2 Employee benefits long-term incentive plans

Certain employees of the Group benefit from several long-term incentive plans (LTIP) whose goal is to share the created value by the Group or one of its subsidiaries. Some of them are settled in shares but are supplemented by a liquidity agreement granted by the relevant intermediate business unit holding, while the remaining are settled in cash. In accordance with IFRS 2, all plans are classified as cash-settled share-based payment transactions.

7.2.1 Description of the on-going plans

At Banijay's level, the Group issues to key management free share plans (AGA) and share purchase Warrants (BSA).

In addition, Banijay issues phantom shares plans to certain Directors and employees that require the sub-group to pay the intrinsic value of the phantom shares to the employee at the date of exercise. A summary of the plans' characteristics is presented below:

Plan	Conditions	End of vesting period
Free Share plans (AGA)	Presence and performance	2023, 2024, 2025, 2026, 2027, 2029
Share purchase Warrants (BSA)	Presence and performance	2025
Phantom shares	Presence and performance	2023, 2024 and 2028
Other	Presence and performance	2024, 2025, 2034

At BEG's level, there are LTI plans and equity instruments that were assimilated to compensation received for goods and services rendered (cash-settled plans) issued to certain managers and employees. The plans regarding each type are summarized below:

Plan	Attribution date	Conditions	End of vesting period
LTIP A	2018 and 2019	Presence and Performance	2023
LTIP B	2018 and 2019	Presence and Performance	2021
LTIP C	2020 and 2021	Presence and Performance	2023
Preferred shares(1)			
• Prior to 2021	2018	Presence and Performance	2018, 2019 and 2022
• In 2021	2018, renegotiated in 2021	Performance	2022, 2021

(1) *Initially, the preferred shares granted were supplemented with a liquidity agreement. Thus, the plan qualified as a cash-settled plan. Since 2021, based on the agreement signed on November 2021 (refer to note 3.2.3 III on page 223), the vesting period was revised, and a portion of the plan has been requalified as an equity-settled plan. At that date, the plan amounted to €234.6 million, of which €126.3 million was considered as cash settled (cash settlement, of which €63.3 million has been paid in 2021 and €63 million has been paid in 2022) and €108.4 million was considered as equity settled, recognized in Group's equity. The expense recognized in the P&L regarding the remeasurement of the plan amounted to €208.9 million.*

The Group measured the liability at fair value at the closing date using the same calculation methodology as at the previous closing and based on:

- updated budget forecasts based on the budget and the business plan adopted as part of the impairment tests;
- assumptions such as the discount rate (9.85% for BEG and 9.51% for Banijay in 2022) and the discounts in connection with the contractual clauses of good and bad leaver updated compared to the previous closing.

7.2.2 Measurement of the plans

The Group has recorded liabilities of €227.9 million as of 31 December 2022 (€205.6 million as of 31 December 2021). The Group recorded total expenses of €127.3 million for the period ended 31 December 2022, compared to €294.2 million for the period ended 31 December 2021. The variation mainly is explained:

- by a reduction of the expenses for an amount of -€208.8 million for Betclic due to the effect of the preferred shares plan for which the revised vesting period in accordance with the agreement signed on November 2021 (refer to note 3.2.3 III on page 223) ended in December 2021, partially offset ; and
- by an increase in the expenses related to Banijay's plans for an amount of €41.9 million due to the reassessment of the Banijay Group's shares (refer to note 3.1.2 on page 222) compared to €48.8 million last year.

The cash outflows in regards with LTIP amounted to -€107.0 million for the period ended 31 December 2022, compared to -€99.6 million for the period ended 31 December 2021.

7.3 Employee benefits obligation resulting from a business acquisition arrangement

The balances of the employee benefits resulting from a business acquisition arrangement are as follows:

(in € million)	31 December 2022	31 December 2021
Current assets	(3.0)	(5.8)
Non-current assets	(0.8)	(2.0)
Current liabilities	10.3	6.4
Non-current liabilities	31.1	19.0
EMPLOYMENT-RELATED EARN-OUT AND OPTION OBLIGATION (NET)	**38.4**	**17.6**

The movements in the employment-related earn-out and option obligation (net) over the years are as follows:

(in € million)	2022	2021
BALANCE AS OF 1 JANUARY	**17.6**	**13.8**
Service costs	20.2	13.8
Interest expense	2.4	1.8
Benefits paid	(3.3)	(10.8)
Change in scope	2.2	(1.6)
Translation adjustments and other movements	(0.6)	0.6
BALANCE AS OF 31 DECEMBER	**38.4**	**17.6**

Benefits are based on contractual formulas and computed based on business plans as validated by the business units.

Note 8 Depreciation and amortization

Depreciation and amortization expenses by category of assets are as follows:

(in € million)	2022	2021
Software and other intangible assets(1)	(63.5)	(51.6)
Property, plant and equipment, own property	(24.7)	(28.1)
Property, plant and equipment, right-of-use	(41.9)	(41.7)
Others	(1.4)	(0.6)
DEPRECIATION AND AMORTIZATION	**(131.5)**	**(121.9)**
Amortization of intangible assets acquired in business combinations	(18.7)	(19.8)
DEPRECIATION AND AMORTIZATION EXPENSES	**(150.1)**	**(141.7)**

(1) Of which €8.0 million of amortization of fiction production recognized in 2022 (nil in 2021).

Note 9 Other operating income and expenses

Other operational income and expenses for the years-ended in 2022 and 2021 are as follows:

(in € million)	2022	2021
Restructuring charges and other non-core items	(127.4)	(49.8)
Tax and duties	(2.6)	(2.0)
President and management fees	(16.9)	(14.1)
Other operational expenses	(10.7)	(1.5)
Other operational income	1.2	0.0
OTHER OPERATING INCOME AND EXPENSES	**(156.5)**	**(67.5)**
Of which other operating income	*19.6*	*5.4*
Of which other operating expenses	*(176.1)*	*(72.8)*

Other operating expenses included restructuring charges and non-core items are detailed as follows:

(in € million)	2022	2021
Restructuring costs and reorganization	(11.8)	(23.6)
FL Entertainment's reorganization operation and listing fees	(106.1)	-
Scope variation effect (badwill/capital gain or loss/acquisition costs)	1.5	10.3
Cancellation of shows due to extraordinary events	-	(4.1)
Significant litigations	(8.4)	(32.4)
Public donation	(2.5)	-
RESTRUCTURING CHARGES AND OTHER NON-CORE ITEMS	**(127.4)**	**(49.8)**

Restructuring costs and reorganization caption comprises expenses with personnel, relocation and taxes held within the context of BGH and BEG's reorganization transactions occurred during the period in the different subsidiaries. In 2021, BGH's incurred significant costs following Endemol's acquisition, which explains the reduction over to the period ended 31 December 2022.

FL Entertainment's reorganization operation and listing fees as of December 2022 corresponds €106.1 million costs related to the financial and operational/structural transactions occurred during the period within the context of FL Entertainment's reorganization process initiated in 2022. It includes €85.7 million of IFRS 2 listing fees (refer to note 3.1.1 II iii) on page 221) and the rest is mainly advisory and legal fees.

Scope variation effect caption includes the liquidation of BaH Entertainment Ltd during the first semester of 2022 and the loss of control of Shauna Events and the former BGH Russian entity Weit Media (now gathering Mastiff Russia and Weit Media activities) (refer to note 3.1.4 on page 222). In 2021, this caption is impacted by two agreements reached by Betclic Everest Group for a total amount of €5 million with LeoVegas Group concerning i) the sale of 100% of Expekt Nordics; and ii) the sale of intangible assets in connection with the operations of Betclic under Expekt's brand. The transaction had a positive after-tax impact of €4.1 million on the consolidated income.

The costs of cancellation of shows in 2021 mainly relate to cancellation due to the COVID pandemic.

Significant litigations as of 31 December 2022 are constituted by provisions and legal fees for litigation held notably in Turkey (€3.1 million) and India (€1.7 million) by BGH and the remaining provision related to the Bet-at-home sub-group litigation process in Austria (refer to notes 3.1.3 I and 3.1.3 II on page 222), which was reversed in 2022 after the deconsolidation of bet-at-home.com Entertainment Ltd from the Bet-at-home sub-group. In 2021, the caption mainly comprised the provisions and legal fees recognized by the Bet-at-home sub-group for customer disputes on the Austrian market for €27.1 million (refer to note 3.1.3 II on page 222).

Note 10 Financial result

(in € million)	2022	2021
Interests costs on bank borrowings, bonds and vendor loans	(145.8)	(136.1)
Cost of gross financial debt	**(145.8)**	**(136.1)**
Interests income on cash and cash equivalents	2.0	0.8
Gains on assets contributing to net financial debt	**2.0**	**0.8**
COST OF NET DEBT	**(143.8)**	**(135.3)**
Interests costs on current accounts liabilities	**(0.2)**	**(0.8)**
Interests income on current accounts receivables	1.1	2.2
Interests on lease liabilities	(4.5)	(4.8)
Change in fair value of financial instruments	(105.4)	7.4
Currency gains/(losses)	2.1	2.6
Other financial gains/(losses)	(6.1)	(4.6)
NET FINANCIAL INCOME/(EXPENSE)	**(256.7)**	**(133.4)**

The significant increase in the net financial expense between periods is mostly linked to the change in fair value of financial instruments comprising the change in fair value of the put options in the minority interests in BGH following the revalorization of BGH's shares' value (refer to note 3.1.2 on page 222) as well as the reset of the derivative attached to the reimbursed Vivendi convertible bond for €21.4 million and the change in fair value of the securities for an amount of €6.6 million(refer to note 21 on page 254).

Note 11 Income tax

11.1 Income tax expense

(in € million)	2022	2021
Current income tax	(84.4)	(57.7)
Deferred income tax	7.5	8.5
TOTAL TAX EXPENSE	**(76.9)**	**(49.2)**

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognized in other comprehensive income:

(in € million)	2022	2021
Deferred Tax	(9.1)	(4.0)
Deferred tax on fair value adjustment on cash flow hedge	(9.1)	(4.0)
ITEMS TO BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS	**(9.1)**	**(4.0)**

11.2 Group's tax reconciliation

The Group's profit is generated in several countries. The tax rate is subject to changes in actual local tax rates and depends on the relative contributions of the different countries in the Group's profit.

The current tax rates for French companies in the Group is 25.83% in fiscal year 2022 and 28.41% in 2021 in connection with the 2018 Finance Act which applied a gradual reduction in the tax rate for French companies.

The following table shows a reconciliation of the theoretical tax expense calculated at the French applicable rate, the Parent Company being a tax resident in France, and the recognized income tax expense:

(in € million)	2022	2021
Consolidated net income/(loss)	(81.1)	(73.4)
Income from associates and joint venture	(2.2)	(1.2)
NET INCOME OF CONSOLIDATED COMPANIES	**(78.9)**	**(72.2)**
Income tax	(76.9)	(49.2)
NET INCOME OF CONSOLIDATED COMPANIES BEFORE TAX	**(2.0)**	**(23.0)**
Applicable corporate tax rate	25.83%	28.41%
THEORETICAL TAX CHARGES	**0.5**	**6.5**
Impact from tax rate differentials	(2.0)	15.6
Change in unrecognized deferred tax assets(1)	(13.0)	13.0
Savings/charge on permanent tax differences(2)	(51.1)	(76.7)
Tax without basis(3)	(11.6)	(10.3)
Other	0.2	2.6
GROUP TAX EXPENSE	**(76.9)**	**(49.2)**

(1) *The negative impact on unrecognized deferred tax assets in 2022 is mainly due to derecognition of deferred tax in France and Italy following unfavorable tax planning over the next 4 years in the Content production & distribution business, and the non-recognition of deferred tax assets in FLE. The income tax income recognized in 2021 is mainly due to the reassessment of prior unrecognized deferred tax assets on tax losses carried forward from prior periods in the Content production & distribution business, resulting from better prospects in certain countries (mainly in the UK, Australia and Netherlands).*
(2) *In 2022, permanent tax differences are mainly linked to IFRS expenses related to LTIP and listing expenses that are mostly not tax deductible. In 2021, permanent tax differences are mainly linked to the IFRS 2 expense recognized in relation with the new agreement signed with a manager in the Online sports betting & gaming business (refer to note 3.2.3 III on page 323).*
(3) *These amounts mainly reflect the CVAE in France, IRAP in Italy, and state-tax in the US as well as withholding taxes.*

The reconciling items reflect the effect of tax rate differentials and changes as well as the tax effects of non-taxable income or non-deductible expenses arising from permanent differences between local tax bases and the financial statements presented under IFRS.

11.3 Deferred taxes

11.3.1 Change in deferred taxes

(in € million)	Total deferred tax assets	Total deferred tax liabilities
BALANCE AS OF 1 JANUARY 2021	**51.3**	**(7.1)**
Deferred tax recognized in profit or loss	2.9	2.1
Deferred tax recognized in invested equity	(4.2)	0.1
Deferred tax recognized in business combinations	(1.5)	(0.5)
Translation differences	2.1	(0.2)
Reclassification	(3.0)	2.4
Other movements	-	0.0
BALANCE AS OF 31 DECEMBER 2021	**47.6**	**(3.2)**
Deferred tax recognized in profit or loss	8.1	(0.6)
Deferred tax recognized in invested equity	(6.4)	(2.8)
Deferred tax recognized in business combinations	0.8	0.3
Translation differences	0.7	(0.1)
Reclassification	1.0	(1.0)
Other movements	-	0.0
BALANCE AS OF 31 DECEMBER 2022	**51.9**	**(7.4)**

11.3.2 Breakdown by nature

(in € million)	31 December 2022	31 December 2021
Tax loss carryforwards	52.2	49.4
Share-based payment (cash settled) and other provisions for retirement	6.3	12.5
PPA	(25.0)	(34.0)
IFRS 16	0.9	-
Financial instruments	(5.9)	-
Others	16.0	16.5
DEFERRED TAX ASSETS/(LIABILITIES), NET	**44.5**	**44.4**
O/w deferred tax assets	*51.9*	*47.6*
O/w deferred tax liabilities	*7.4*	*3.2*

The Group analyzed the potential utilization of the deferred tax asset arising from tax loss carryforwards in a near future (i.e. based on expected taxable profits in the two next years).

The cumulated unrecognized tax loss carryforwards as of 31 December 2022 amounted to €142.3 million (€143.0 million in 2021).

The main part of the tax loss carryforwards can be used indefinitely. However, in certain geographies such as France, UK, US, some of those tax loss carryforwards are restricted in their consumption (for instance limited to a certain amount or percentage of taxable income).

Note 12 Goodwill

12.1 Significant acquisitions in 2022

Banijay's sub-group acquired the following businesses during the year:

Acquisition of Montmartre Films, formerly Légende Films (France)

In January 2022, Banijay France acquired 50% of the issued share capital of Montmartre Films, obtaining control given the agreement that govern the Boards of Directors. Montmartre Films is a French based scripted production entity and qualifies as a business as defined in IFRS 3. Montmartre Films was acquired to grow a pipeline of premium quality scripted IP in the form of both series and feature-length films.

Acquisition of Znak TV (USA)

In February 2022, Endemol Shine UK Ltd acquired 100% of the issued share capital of Znak TV, obtaining control of Znak TV. Znak TV is the entity of a famous showrunner and executive producer on Fox's "MasterChef" amongst other large-scale entertainment brands and qualifies as a business as defined in IFRS 3. Znak TV will enable BGH sub-group to increase its activity in the US and in the UK.

Acquisition of Groenlandia (Italy)

In March 2022, Banijay Italy acquired 51% of the issued share capital of Groenlandia S.r.l., obtaining control given the agreement that govern the Boards of Directors. Groenlandia S.r.l. is engaged in the business of the creation, development, production, selling, marketing, promotion and distribution of movies, features, short films and documentaries for both cinema and television markets and qualifies as a business as defined in IFRS 3. Groenlandia S.r.l. provides audiovisual products for the international market featured by high quality level.

Acquisition of Pokeepsie (Spain)

In April 2022, Banijay Iberia acquired 51% of the issued share capital of Pokeepsie Films, obtaining control given the agreement that govern the Boards of Directors. Pokeepsie Films spans the fantasy, thriller, and horror space and qualifies as a business as defined in IFRS 3. Pokeepsie Films is subsequently a leader in youth-skewing films and series.

Acquisition of Movimenti (Italy)

In September 2022, Banijay Kids & Family division acquired 51% of the issued share capital of the Italian based group Movimenti founded in 2004, obtaining control given the agreement that govern the Boards of Directors. Movimenti is a vertically integrated group of 6 companies including 2D and 3D animation studios, an audio post-production company and a distribution entity and qualifies as a business as defined in IFRS 3.

Acquisition of Kindle Entertainment (The UK)

In August 2022, Banijay Kids & Family division acquired 75.75% of the issued share capital of the British group Kindle, obtaining control of Kindle. Kindle is a Multiple BAFTA winning production company, founded in 2007 and qualifies as a business as defined in IFRS 3.

Acquisition of Noisy Pictures GmbH, formerly Sony Pictures Television Germany (Germany)

In September 2022, Banijay Production Germany acquired 100% of the issued share capital of the German entity Noisy Pictures Gmbh (formerly Sony Picture Television Germany), obtaining control of Noisy Pictures GmbH. Based in Cologne and in operation for more than 25 years, Sony is producing popular entertainment formats and scripted shows and qualifies as a business as defined in IFRS 3. The label is behind an impressive slate of shows including the award-winning *Die Höhle der Löwen* (Dragon's Den). The company is led by Astrid Quentell and Mirek Nitsch.

Acquisition of Mam Tor Productions (The UK)

In October 2022, Banijay Media Limited acquired 51% of Mam Tor Productions in the UK, obtaining control given the agreement that govern the Boards of Directors. The company was founded in 2014 by a renowned producer and is geared towards high-end, contemporary, and original returning series and qualifies as a business as defined in IFRS 3.

Acquisition of Movie Plus (Israel)

In November 2022, Endemol Israel Ltd acquired 51% of Movie Plus, obtaining control given the agreement that govern the Boards of Directors. Specialized in drama series, documentaries, and feature-length films, it qualifies as a business as defined in IFRS 3.

The above acquisitions are individually not significant. The aggregated amounts recognized at the acquisition date for each major class of assets acquired and liabilities assumed in the consolidated statement of financial position is the following:

(in € million)	2022
NON-CURRENT ASSETS	8.9
CURRENT ASSETS	174.9
ASSETS	**183.8**
NON-CONTROLLING INTERESTS	**0.7**
NON-CURRENT LIABILITIES	20.3
CURRENT LIABILITIES	148.6
LIABILITIES AND NON-CONTROLLING INTERESTS	**169.6**
AGGREGATED ACQUIRED ASSETS AND LIABILITIES	**14.2**

The aggregated acquisition price for the business acquired in 2022 and the aggregated amount of goodwill recognized from the 2022 business acquisitions is the following:

(in € million)	2022
TOTAL CONSIDERATION	
Satisfied by:	
Cash	68.2
Equity instruments	0.0
Contingent consideration arrangement	18.1
TOTAL CONSIDERATION TRANSFERRED	**86.3**
Aggregated acquired assets and liabilities	14.2
AGGREGATED GOODWILL	**72.6**

(in € million)	2022
Net cash outflows arising on acquisition	
Cash consideration	(68.2)
Less: cash and cash equivalents balances acquired	41.0
Acquisition costs	(3.5)
PURCHASES OF CONSOLIDATED COMPANIES, NET OF ACQUIRED CASH(1)	**(30.7)**

(1) *The caption "Purchases of consolidated companies, net of acquired cash" of the Cash Flow statement also comprised cash out due to earn-out and put options for an amount of -€15.5 million.*

The purchase price allocation of all those acquisitions is still under progress at the date of issuance of these consolidated financial statements.

Acquisition-related costs (included in other operational income and expenses) amount to €4.0 million.

Acquired consolidated companies contributed €72 million to the Group's revenue and €9 million to the Group's current operating profit for the period between the date of acquisition and the reporting date.

If the acquisition had been completed on the first day of the financial year, acquired consolidated companies would have contributed to the revenue for the year with €100 million.

12.2 Change in goodwill

Goodwill as of 31 December 2022 and 2021 is as follows:

(in € million)	Content production & distribution	Online sports betting & gaming	Gross value	Impairment	Goodwill, net
1 JANUARY 2021	**2,209.5**	**241.4**	**2,450.9**	**0.0**	**2,450.9**
Acquisitions	17.0	-	17.0	-	17.0
Divestures	(0.6)	-	(0.6)	-	(0.6)
Reclassifications	-	-	-	-	-
Exchange difference	26.6	-	26.6	-	26.6
31 DECEMBER 2021	**2,252.5**	**241.4**	**2,493.9**	**0.0**	**2,493.9**
Acquisitions	72.6	-	72.6	-	72.6
Divestures	-	-	-	-	-
Reclassifications	(0.3)	-	(0.3)	-	(0.3)
Exchange difference	4.1	-	4.1	-	4.1
31 DECEMBER 2022	**2,328.8**	**241.4**	**2,570.2**	**0.0**	**2,570.2**

The goodwill net increased during the period for €76.3 million, mainly due to the acquisitions occurred in 2022 described in note 12.1.

The next chapter describes the impairment tests performed on goodwill, which was conclusive for no need for an impairment constitution.

12.3 Impairment tests

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. This impairment test is performed by comparing the recoverable amount of each cash generating unit (CGU) with the carrying value of the corresponding assets. The tests are carried out with rates specific to each division.

CGUs are independently defined at each business level, corresponding to the Group's operating segments. The segments are based on the Group's internal management reporting structure in order to facilitate decision-making with respect to the allocation of resources and assessment of the performance of the entity's operations. The Group's CGUs correspond to the two operating segments: Content production & distribution business and Online sports betting & gaming business. Refer to note 4 "Segment information" on page 224 for further details.

In 2022 and 2021, the Group examined the value of the goodwill associated with its cash-generating units (CGUs), ensuring that the recoverable value of the CGUs tested exceeded their net book value, including goodwill.

(in € million)	Goodwill	CGU carrying value
31 DECEMBER 2022		
Content production & distribution	2,328.8	2,701.4
Online sports betting & gaming	241.4	179.5
31 DECEMBER 2021		
Content production & distribution	2,252.5	2,656.8
Online sports betting & gaming	241.4	193.3

The recoverable amount as of 31 December 2022 and 2021, was determined based on a calculation of the value in use using cash flow projections from the budgets approved by Management covering a period from 3 to 4 years *(see table below)*.

The assumptions used by the Group are stated on the table below:

	WACC*	Perpetual growth rate	Budget (with some exceptions)
31 DECEMBER 2022			
Content production & distribution	9.5%	2.3%	4 years
Online sports betting & gaming	9.9%	1.5%	4 years
31 DECEMBER 2021			
Content production & distribution	9.3%	2.0%	4 years
Online sports betting & gaming	9.2%	1.5%	3 years

* *WACC: Weighted Average Cost of Capital post tax.*

The projections include estimates for the cost savings that have been realized and are to be realized from several cost savings initiatives for which the entity is committed at the closing date. By their nature, forward-looking statements involve risks and uncertainties as they relate to events and depend on circumstances that may or may not occur in the future. Accordingly, actual results of operations, financial condition and liquidity may differ from those assumed in the forward-looking statements.

Based on the impairment tests conducted, the Management did not identify any impairment for both CGUs and thus no impairment needs to be charged against goodwill, intangible and tangible assets, for the years ended on 31 December 2022 and 2021.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

A sensitivity analysis of the value in use of the Content production & distribution business and Online sports betting & gaming business was carried out according to the parameters below. This sensitivity analysis did not call into question the impairment tests performed (the margins on impairment tests remaining significantly positive in all scenarios).

The sensitivity of impairment tests to adverse, feasible changes in assumptions is set out below:

- reasonable sensitivity to changes in the discount rate: a simulated increase of up to 1 percentage point in the discount rate used would not change the findings of the Group's analysis;
- reasonable sensitivity to changes in the long-term growth rate: in a pessimistic scenario where the long-term growth rate is reduced by 0.5%, the value in use of each CGU would still exceed its carrying amount;
- reasonable sensitivity to changes in the business plans: a 10% reduction in the revenue forecast contained in the business plan and decrease of 0.5% of the perpetual growth rate, with variable costs adjusted accordingly, would not change the conclusions of the Group's analysis.

Consequently, none of the sensitivity tests reduced the value in use of any of the CGUs to below their carrying amount.

Note 13 Intangible assets

Intangible assets comprise mainly content assets, both acquired and developed internally, scripted programs with an international potential, distribution advances with third parties, software and intangible assets recognized as part of PPA.

Other intangible assets include rights for the movie adaptation of books.

	2022					
(in € million)	Content assets and formats	Content assets and formats in progress	Software	Intangible assets recognized as part of PPA	Other intangible assets	Total
GROSS AMOUNT						
AS OF 1 JANUARY 2022	**668.0**	**-**	**26.5**	**217.4**	**65.1**	**977.1**
Investments	36.1	-	4.3	-	4.0	44.4
Divestitures	(0.2)	-	(0.6)	-	(16.1)	(16.9)
Changes in consolidation scope	(6.4)	1.1	-	(1.7)	(1.8)	(8.8)
Translation differences	(20.3)	-	-	(6.8)	(0.7)	(27.9)
Reclassifications and others(1)	10.1	(0.8)	-	-	(2.6)	6.7
AS OF 31 DECEMBER 2022	**687.2**	**0.2**	**30.2**	**209.0**	**47.9**	**974.6**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES						
AS OF 1 JANUARY	**(617.0)**	**-**	**(15.9)**	**(52.0)**	**(55.4)**	**(740.3)**
Depreciation and amortization	(60.7)	-	(5.4)	(18.7)	(2.0)	(86.7)
Divestitures and impairment losses	0.1	-	0.6	-	17.8	18.5
Changes in consolidation scope	8.6	-	-	(0.3)	(0.1)	8.3
Translation differences	18.4	-	-	2.1	0.6	21.2
Reclassifications and others(1)	(1.4)	-	-	-	0.6	(0.7)
AS OF 31 DECEMBER 2022	**(651.9)**	**-**	**(20.7)**	**(68.9)**	**(38.4)**	**(779.8)**
NET CARRYING AMOUNT						
As of 1 January	*51.0*	*-*	*10.7*	*165.4*	*9.7*	*236.7*
As of 31 December	*35.3*	*0.2*	*9.5*	*140.1*	*9.6*	*194.8*
Of which internally developed	*-*	*-*	*6.8*	*-*	*-*	*6.8*

(1) Reclassification of 10 M€ on content assets is mainly explained by reclassification of some scripted programs initially classified into work in progress and had been reclassified in intangible assets given the international future expected revenue.

	2021					
(in € million)	**Content assets and formats**	**Content assets and formats in progress**	**Software**	**Intangible assets recognized as part of PPA**	**Other intangible assets**	**Total**
GROSS AMOUNT						
AS OF 1 JANUARY 2021	**626.0**	**-**	**30.9**	**208.0**	**56.5**	**921.4**
Investments	39.0	-	3.8	0.4	8.3	51.5
Divestitures	(2.0)	0.0	(8.2)	-	(6.0)	(16.2)
Changes in consolidation scope	11.0	4.0	(0.0)	1.3	(1.2)	15.0
Translation differences	-	-	-	(0.6)	27.3	26.7
Reclassifications and others	(6.0)	(4.0)	0.0	8.3	(19.8)	(21.4)
AS OF 31 DECEMBER 2021	**668.0**	**0.0**	**26.5**	**217.4**	**65.1**	**977.1**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES						
AS OF 1 JANUARY 2021	**(566.0)**	**-**	**(18.9)**	**(31.3)**	**(48.6)**	**(664.9)**
Depreciation and amortization	(51.0)	-	-	(19.8)	(4.3)	(75.0)
Divestitures and impairment losses	2.0	-	3.0	-	5.7	10.8
Changes in consolidation scope	(11.0)	-	0.0	-	1.0	(10.0)
Translation differences	-	-	-	(1.6)	(15.1)	(16.7)
Reclassifications and others	9.0	-	-	0.7	5.8	15.5
AS OF 31 DECEMBER 2021	(617.0)	-	(15.9)	(52.0)	(55.5)	(740.3)
NET CARRYING AMOUNT						
As of 1 January	*60.0*	-	*12.0*	*176.7*	*7.8*	*256.6*
As of 31 December	*51.0*	*0.0*	*10.7*	*165.4*	*9.7*	*236.7*
Of which internally developed	*0.3*	-	*7.3*	-	-	*7.6*

Note 14 Tangible assets

Tangible assets are primarily constituted by buildings and lands, technical installations and furniture and other equipment.

(in € million)	2022				
	Lands and buildings	Technical installations and equipment	Furniture, equipment, computer - not linked to production	Tangible assets in progress	Total
GROSS AMOUNT					
AS OF 1 JANUARY 2022	**85.4**	**67.4**	**106.0**	**5.4**	**264.3**
Investments	5.2	7.2	10.1	0.9	23.3
Divestitures	(0.6)	(0.7)	(3.8)	(0.0)	(5.3)
Changes in consolidation scope	(0.3)	0.5	1.1	0.1	1.4
Translation differences	0.0	0.1	(1.0)	0.0	(0.8)
Reclassifications and others	1.4	(1.1)	(1.4)	(1.3)	(2.5)
AS OF 31 DECEMBER 2022	**91.0**	**73.3**	**111.0**	**5.0**	**280.4**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
AS OF 1 JANUARY 2022	**(68.9)**	**(54.8)**	**(85.2)**	**-**	**(209.0)**
Depreciation and amortization	(5.1)	(4.1)	(10.4)	-	(19.6)
Divestitures and impairment losses	0.5	0.5	3.5	-	4.5
Changes in consolidation scope	0.4	(0.3)	(0.6)	-	(0.5)
Translation differences	0.1	0.0	1.0	-	1.1
Reclassifications and others	(0.3)	0.9	1.7	-	2.3
AS OF 31 DECEMBER 2022	**(73.4)**	**(57.8)**	**(90.0)**	**-**	**(221.2)**
NET CARRYING AMOUNT					
As of 1 January	*16.5*	*12.6*	*20.8*	*5.4*	*55.3*
As of 31 December	*17.6*	*15.5*	*21.0*	*5.0*	*59.2*

	2021				
(in € million)	**Lands and buildings**	**Technical installations and equipment**	**Furniture, equipment, computer - not linked to production**	**Tangible assets in progress**	**Total**
GROSS AMOUNT					
AS OF 1 JANUARY 2021	**103.4**	**61.0**	**95.9**	**4.9**	**265.2**
Investments	2.5	4.2	10.3	1.9	18.8
Divestitures	(14.3)	(1.8)	(8.1)	(0.0)	(24.2)
Changes in consolidation scope	(0.6)	0.1	0.1	(0.1)	(0.4)
Translation differences	2.6	1.3	2.8	0.0	6.8
Reclassifications and others	(8.1)	2.1	4.9	(1.2)	(2.3)
AS OF 31 DECEMBER 2021	**85.4**	**67.0**	**106.0**	**5.4**	**263.9**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	-	-	-	-	
AS OF 1 JANUARY 2021	**(82.4)**	**(47.9)**	**(75.2)**	**-**	**(205.5)**
Depreciation and amortization	(5.0)	(5.0)	(8.9)	-	(18.9)
Divestitures and impairment losses	12.9	1.1	5.2	-	19.1
Changes in consolidation scope	0.2	(0.1)	(0.1)	-	0.0
Translation differences	(2.0)	(1.0)	(2.4)	-	(5.4)
Reclassifications and others	7.4	(1.7)	(3.7)	-	2.0
AS OF 31 DECEMBER 2021	**(68.8)**	**(54.5)**	**(85.2)**	**-**	**(208.6)**
NET CARRYING AMOUNT					
As of 1 January	*21.0*	*13.1*	*20.7*	*4.9*	*59.7*
As of 31 December	*16.6*	*12.5*	*20.8*	*5.4*	*55.3*

Note 15 Leases

15.1 Right-of-use assets

The assets accounted under IFRS 16 as of 31 December 2022 and 2021 are mainly real estate assets, i.e., office buildings and studios.

(in € million)	2022	2021
GROSS AMOUNT		
AS OF 1 JANUARY	**262.8**	**246.7**
Addition of assets	42.5	27.1
Divestitures	(1.2)	-
Changes in consolidation scope	1.4	0.3
Translation differences	1.8	8.9
Reclassifications and others(1)	(32.3)	(20.1)
AS OF 31 DECEMBER	**275.0**	**262.8**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
AS OF 1 JANUARY	**(91.7)**	**(55.0)**
Depreciation and amortization	(42.7)	(43.4)
Divestitures and impairment losses	1.2	-
Changes in consolidation scope	0.0	0.1
Translation differences	(0.2)	(2.3)
Reclassifications and others(1)	19.3	8.9
AS OF 31 DECEMBER	**(114.1)**	**(91.7)**
NET CARRYING AMOUNT		
As of 1 January	*171.1*	*191.7*
As of 31 December	*160.8*	*171.1*

(1) The reclassification and others caption is mainly related to contracts' modifications.

15.2 Lease liabilities

(in € million)	2022	2021
LEASE LIABILITIES AS OF 1 JANUARY	**183.4**	**203.3**
Increase in liabilities	42.6	27.1
Repayments	(41.9)	(40.5)
Changes in consolidation scope	1.5	0.2
Translation differences	1.7	7.1
Reclassification and others(1)	(15.5)	(13.9)
LEASE LIABILITIES AS OF 31 DECEMBER	**171.7**	**183.4**
Of which long term lease liabilities	*131.2*	*143.2*
Of which short term lease liabilities	*40.4*	*40.2*

(1) The reclassification and others caption is mainly related to contracts' modifications.

The lease liabilities are excluding low value and short-term leases. Total cash outflows for leases including interests amounted to €47.3 million and €44.1 million for the years ended 31 December 2022 and 2021, respectively.

The maturity profile of the Group's lease liabilities based on contractual undiscounted payments is as follows:

(in € million)	31 December 2022	31 December 2021
Due in less than one year	42.6	45.6
Due between one to five years	113.0	167.1
Due in more than five years	27.2	18.4
TOTAL LEASE LIABILITIES	**182.7**	**231.1**

15.3 Low value leases and short-term leases

Rental expenses recognized in external purchases for the year ended 31 December 2022 and 2021 amounted to €82.9 million and €70.7 million, respectively. These expenses mostly concern short-term contracts related to studios, equipment and facilities leased as part of productions incurred by the Content production & distribution business that are qualified as low value assets and/or short-term leases.

Note 16 Investments in entities accounted for under the equity method

(in € million)	2022	2021
VALUE AS OF 1 JANUARY	**11.1**	**2.7**
Results of the period	(2.2)	(1.2)
Dividend paid	(0.3)	(0.3)
Capital increase	-	0.0
Change in consolidation scope	1.0	2.1
Foreign currency translation reserve	(0.2)	0.5
Change in consolidation method	-	-
Negative equity portion transferred to provisions for financial risk	3.5	(0.5)
Others	1.1	7.8
VALUE AS OF 31 DECEMBER	**14.0**	**11.1**

The caption "Others" in 2021 comprises €8.2 million related to transactions performed by co-shareholders that resulted in the revaluation of the Group equity's stake in Financière EMG.

Note 17 Working capital balances

17.1 Production of audiovisual programs - Work in progress

Work in progress mainly correspond to costs incurred in the production of non-scripted programs (or scripted programs for which the Group does not expect subsequent Intellectual Property revenue in the future) that have not been delivered at reporting date, as the Group recognizes its production revenue upon delivery of the materials to the customer.

17.2 Trade receivables

The breakdown of trade and other receivables as of 31 December 2022 and 2021 is as follows:

(in € million)	31 December 2022	31 December 2021
Trade receivables, gross	496.4	452.3
Trade receivables from providers, gross	13.1	24.8
TOTAL TRADE RECEIVABLES, GROSS	**509.5**	**477.1**
Depreciation	(13.0)	(13.6)
TRADE RECEIVABLES, NET	**496.5**	**463.6**

Trade receivables from providers (payment service providers) correspond to balances in transit with the payment partners of the Group and which are repatriated to bank accounts manually or automatically. These receivables are considered liquid because they can be transferred in a few minutes or a few days, depending on partners.

17.3 Other non-current and current assets

The breakdown of other non-current and current assets as of 31 December 2022 and 2021 is as follows:

(in € million)	31 December 2022	31 December 2021
Trade receivables, LT	17.8	19.9
Income tax receivables, LT	5.2	0.0
Receivables from disposals of assets, LT	-	6.9
Employment-related earn-out and option, LT(1)	0.8	2.0
Other, LT(2)	12.1	0.7
OTHER NON-CURRENT ASSETS	**35.9**	**29.6**

(1) Refer to note 7.3 on page 232 for more details.
(2) This item comprised mainly grants and other receivables.

In 2022, other long-term items mainly comprised a receivable from bet-at-home.com Entertainment Ltd (in liquidation) for an amount of €9.1 million due to various different business transactions. Due to the fact that the company is in liquidation, the uncertainty of recoverability has been taken into account in its measurement. Accordingly, the expected payments on the receivables were discounted over this period.

(in € million)	31 December 2022	31 December 2021
Tax receivables, excluding income tax	99.2	64.7
Grants receivables(1)	102.2	95.1
Income tax receivables	10.7	20.4
Prepaid expenses	26.1	20.5
Receivables from disposals of assets	2.0	(0.0)
Employment-related earn-out and option, ST(2)	2.2	5.8
Other(3)	45.8	57.7
OTHER CURRENT ASSETS	**288.3**	**264.2**

(1) Refer to note 6 for more details.
(2) Refer to note 7.3 on page 232 for more details.
(3) This item comprised mainly repayable advances related to co-production activities.

17.4 Customer contract liabilities

Customer contract liabilities as of 31 December 2022 and 2021 are as follows:

(in € million)	31 December 2022	31 December 2021
Deferred revenue	638.0	661.1
Liabilities for gaming bets	55.4	46.1
TOTAL CUSTOMER CONTRACT LIABILITIES	**693.3**	**707.2**

Deferred revenue relates to undelivered programs that are work-in-progress (or intangible assets-in-progress) and that have already been invoiced, recognized as deferred income under IFRS 15.

Revenue recognized in the 2022 that was included in the contract liability balance at the beginning of the period:

(in € million)	1 January 2022	Revenue recognized in 2022	Revenue not recognized yet
Deferred revenue	661.1	641	20

The remaining performance obligation corresponds to firm commitments (or closed sales).

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of 31 December 2022 totalized €2,246 million for the Content production & distribution segment, including €1,945 million within one year and €301 million beyond one year (€1,602 million, including €1,404 million within one year and €198 million beyond one year, respectively in 2021).

The remaining performance obligations should essentially cover the revenue to be recognized for undelivered productions and for sales of finished tapes/formats for which the rights are not opened.

Liabilities for gaming bets mainly include players' liabilities, i.e., the amounts available in their accounts for an amount of €55.4 million and €46.1 million as of 31 December 2022 and 31 December 2021, respectively.

17.5 Other non-current and current liabilities

Other non-current liabilities as of 31 December 2022 and 2021 are as follows:

(in € million)	31 December 2022	31 December 2021
Long-term liabilities on non-controlling interest	164.1	132.5
Employee-related long-term incentives(1)	213.6	109.0
Employment-related earn-out and option obligation, LT(2)	31.1	19.0
Income tax liabilities (NC)	-	-
Other non-current liabilities(3)	32.4	31.3
OTHER NON-CURRENT LIABILITIES	**441.3**	**291.7**

(1) Refer to note 7.2 on page 231 for more details.
(2) Refer to note 7.3 on page 232 for more details.
(3) Included mainly debts to right owners and other payables.

Other current liabilities as of 31 December 2022 and 2021 are as follows:

(in € million)	31 December 2022	31 December 2021
Employee-related payables (accruals for paid leave, bonuses and other)	107.8	88.3
National, regional and local taxes other than gaming tax and income tax	98.8	79.0
Short-term liabilities on non-controlling interest	73.1	71.6
Gaming tax liabilities	39.9	36.4
Income tax liabilities	51.6	41.1
Employee-related long-term incentives, current(1)	14.3	96.6
Employment-related earn-out and option obligation, ST(2)	10.3	6.4
Payable on fixed asset purchase	1.0	2.3
Other current liabilities(3)	29.7	34.9
OTHER CURRENT LIABILITIES	**426.6**	**456.8**

(1) Refer to note 7.2 on page 231 for more details.
(2) Refer to note 7.3 on page 232 for more details.
(3) This caption comprises mainly debt to right owners.

Employees-related long-term incentives include cash-settled share-based payment liability (refer to note 7.2 on page 231). These liabilities were also impacted by the upward reassessment of the Banijay Group's shares (refer to note 3.1.2 on page 222). The variation in the current liabilities regarding employee-related long-term incentives is mainly related to the settlement of a Betclic's plan.

Liabilities on non-controlling interests reflect the commitments to purchase non-controlling interests amounts as well as the liabilities regarding contingent consideration arrangement on business acquisitions. The Group estimates these debts based on contractual agreements and using assumptions on future profits. The present value of the scheduled cash outflows is computed using a discount rate.

(in € million)	2022	2021
LIABILITIES ON NON-CONTROLLING INTERESTS AS OF 1 JANUARY	**204.1**	**226.9**
Scope entry	18.0	15.2
Remeasurement through P&L	93.1	(16.4)
Repayments	(15.4)	(22.4)
Scope exit	-	-
Translation differences	(0.7)	1.1
Reclassification and others	(62.0)	(0.5)
LIABILITIES ON NON-CONTROLLING INTERESTS AS OF 31 DECEMBER	**237.2**	**204.1**
Of which current	*73.1*	*71.6*
Of which non-current	*164.1*	*132.5*

The remeasurement is mainly driven by the upward reassessment of the Banijay Group's shares (refer to note 3.1.2 on page 222). Reclassification and others caption includes the reversal of Marco Bassetti's put options recognized in equity (refer to notes 3.1.1 II i) and 18 on pages 220 and 250) following the contribution of its BG's shares to FL Entertainment in exchange for Ordinary Shares.

Note 18 Changes in shareholders' equity

18.1 FL Entertainment equity instruments

In the context of the Group's reorganization (as explained in paragraph 3.1.1 II) on page 220), FL Entertainment has issued Ordinary Shares and SVS as follows in 2022:

	Number of shares		
	Ordinary Shares *(nominal value: €0.01)*	**SVS** *(nominal value: €0.02)*	**Share-holders' equity**
Incorporation of FL Entertainment	1,000		0.0
Contribution of all Lov Banijay shares held by Financière Lov to FL Entertainment in exchange for Ordinary Shares and Special Voting Shares(1)	178,479,432	178,479,432	-
Contribution and sale of all LDH shares held by DEA Communications SA to the Group through several transactions, in exchange for FL Entertainment's Ordinary Shares(2)	20,408,177		(3.0)
Contribution of all LDH shares held by Fimalac to the Group through several transactions, in exchange for FL Entertainment's Ordinary Shares(2)	28,978,416		92.1
Contribution of all BGH shares held by Vivendi Content to the Group through several transactions, in exchange for FL Entertainment's Ordinary Shares(2)	78,829,610		(96.1)
Contribution and sale of all Betclic shares held by SBM International to FL Entertainment for, inter alia, Ordinary Shares(2)	42,500,000		(560.6)
Subscription in cash by FL to a share capital increase of FL Entertainment in exchange for Ordinary shares and SVS(3)	13,520,565	13,520,565	135.2
Subscription in cash by Vivendi to a share capital increase of FL Entertainment for €25 million in exchange for Ordinary Shares	2,500,000		25.0
Contribution of all BG shares held by Marco Bassetti in exchange for Ordinary Shares(2)	6,916,269		69.2
Contribution of SPAC investors as consideration for the Merger with Pegasus, including the shares issued in the context of the FPA(4)	16,426,140		188.9
Subscription in cash by PIPE Investors to a share capital increase of FL Entertainment in exchange for Ordinary Shares	20,423,000		203.4
Conversion of Founder Shares into Ordinary Shares(5)	2,674,999		29.4
	411,657,608	**191,999,997**	**83.5**

(1) *The contribution of Lov Banijay shares by Financière Lov being accounted for as a transaction under common control recognized using the pooling interests' method applied retrospectively, this operation has no impact in the shareholders equity. A reclassification between the accounts share capital and the account share premium and retained earnings has been performed to reflect the equity instruments issuance, reflected in the line "Group's constitution" of the unaudited consolidated interim statement of changes in equity.*
(2) *The shares have been issued in the context of changes in ownership interest in subsidiaries that do not result in a loss of control (refer to note 18.2 on page 251).*
(3) *In addition to Ordinary Shares and SVS, FL received Earn-Out Shares for an amount of €114.4 million, classified in liabilities according to IAS 32 (refer to note 21 on page 254).*
(4) *The fair value of those shares was estimated on the listed stock price shares after the Listing (11.498 €).*
(5) *The fair value of those shares was estimated on the listed stock price shares at the conversion date (11.0 €).*

The total cash received in regards with capital increase amounted to €363.6 million (net of transaction costs).

As of 31 December 2022, the Company owned 6,975 treasury shares through the liquidity agreement (refer to note 23.1 on page 257), for an amount of €0.1 million.

Special statutory voting rights

The Company has implemented a Special Voting Plan, by creating Special Voting Shares A and B, in its share capital. These shares allow the holder thereof to exercise two voting rights in addition to one voting right for each corresponding ordinary share held by it in accordance with and subject to the SVS Terms. Financière Lov is the sole initial participant in the Special Voting Plan and the sole initial holder of the Special Voting Shares A and B.

18.2 Changes in ownership interest in subsidiaries that do not result in a loss of control

In 2022, in the context of the Group's reorganization (as explained in note 3.1.1 II i) on page 220), capital restructuration undertaken impacted the consolidated equity as follows:

(in € million)	31 December 2022		
	Shareholders' equity	**Non-controlling interests**	**Total consolidated equity**
• Contribution and sale of all Betclic shares held by SBM International to FL Entertainment for, inter alia, Ordinary Shares	(560.6)	135.6	(425.0)
• Contribution and sale of all LDH shares held by DEA Communications SA and Fimalac to the Group through several transactions, in exchange for FL Entertainment's Ordinary Shares	89.2	(188.6)	(99.5)
• Contribution of all BGH shares held by Vivendi Content to the Group through several transactions, in exchange for FL Entertainment	(96.1)	96.1	-
• Contribution of all BG shares held by Marco Bassetti in exchange for Ordinary Shares[(1)]	69.2	-	69.2
• Other BGH's operations	(7.2)	-	(7.2)
CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL	**(505.6)**	**43.0**	**(462.6)**

(1) In conjunction with BG's shares, a shareholders' agreement was signed between BGH and Marco Bassetti granted to the latter a put option, recognized in the consolidated financial statements. It was analyzed that this agreement conveyed an in-substance present ownership interest in the underlying entity. The carrying value of the non-controlling interests were reclassified to other current or non-current liabilities. Following the conversion, this agreement becomes devoid of purpose, and the put has been cancelled against shareholders equity.

In 2021, the end of the capital restructuration undertaken in the context of the Endemol Shine Group's acquisition impacted the equity as follows (refer to note 3.2.1 on page 223):

(in € million)	31 December 2021		
	Shareholders' equity	**Non-controlling interests**	**Total consolidated equity**
• LDH's capital increase subscribed by Financière Lov, Fimalac, DEA	45.6	19.4	65.0
• Effects of the change in ownership interests in LDH	(30.3)	30.3	-
• Effects of the change in ownership interests in BEG	7.7	(7.7)	-
• Effects of the change in ownership interests in BGH	10.0	(10.9)	(0.9)
• Others	0.0	0.5	0.5
CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL	**32.9**	**31.6**	**64.5**

18.3 Share-based payment

In 2021, the share-based payment is related to the ordinary shares of Betclic Everest Group delivered in regards with the agreement between a minority shareholder, Betclic Everest Group and other shareholders (SBM International and Mangas Lov) signed on 17 December 2021 (refer to 3.2.2 II on page 223).

18.4 Dividends distribution

In the context of the Lov's reorganization as detailed in the note 3.1.1 II i) on page 220, Lov Banijay distributed its share premium to its sole shareholder at that date, Financière Lov, for an amount of €33.2 million, of which €31.6 million was offset with the Financière Lov's current account and €1.6 million was paid in cash.

The proposed final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all holders of Ordinary Shares registered as shareholder on the record date (20 June 2023). The total estimated dividend to be paid is €0.36 per ordinary share. The payment of this dividend will not have any tax consequences for the Group.

From any profits, as remaining after application of the provisions in the Articles of Association regarding reservation and the profit entitlement of Earn-Out Preference Shares and Founder Shares and Special Voting Shares an amount equal to 0.1% of the nominal value of each of the Earn-Out Preference Shares, Special Voting

Share and Founder Shares shall be added to the dividend reserve of the respective shares as described in the Articles of Association and as agreed upon by each Founder Share holder and Earn-Out Share holder in the shareholders' agreement dated 30 June 2022 and by the Special Voting Shares holders in the Special Voting Shares terms dated 30 June 2022. Any profits remaining thereafter shall be at the disposal of the general meeting for distribution to the holders of Ordinary Shares in proportion to the aggregate nominal value of their Ordinary Shares.

Under an arrangement dated 30 June 2022 and in accordance with SVS Terms, Founder Shares holders, Earn-Out Shares' holders and Special Voting Shares holders have agreed to waive all profit rights due to them.

In 2021, the consolidated statement of changes in equity and the consolidated statement of cash flows reflected the distribution of dividends by Mangas Lov for €95.0 million.

Note 19 Non-controlling interests

	31 December 2022						
(in € million) **Name of the subsidiary**	**Accumulated NCI as of 01/01/2022**	**Profit for the period**	**OCI for the period**	**Changes in ownership interest in subsidiaries that do not result in a loss of control**	**Dividends distributed to NCI**	**Others**	**Accumulated NCI as of 31/12/2022**
LDH	188.9	(0.0)	-	(188.6)	(0.2)	-	-
BEG Group	(183.9)	44.6	1.8	135.6	-	(0.1)	(2.1)
Banijay Group	(41.7)	(37.7)	(9.2)	96.1	(2.9)	3.8	8.4
TOTAL	**(36.7)**	**6.9**	**(7.5)**	**43.0**	**(3.1)**	**3.7**	**6.3**

	31 December 2021						
(in € million) **Name of the subsidiary**	**Accumulated NCI as of 01/01/2021**	**Profit for the period**	**OCI for the period**	**Changes in ownership interest in subsidiaries that do not result in a loss of control**	**Dividends distributed to NCI**	**Others**	**Accumulated NCI as of 31/12/2021**
LDH	140.4	(1.2)	-	49.7	-	-	188.9
BEG Group	(52.0)	(71.3)	-	(7.2)	(110.5)	57.1	(183.9)
Banijay Group	(44.9)	42.1	(19.9)	(10.9)	(4.8)	(3.3)	(41.7)
TOTAL	**43.5**	**(30.4)**	**(19.9)**	**31.6**	**(115.3)**	**53.8**	**(36.7)**

In 2022 and 2021, the item Changes in ownership interest in subsidiaries that did not result in a loss of control reflected the capital restructuration detailed in the note 18.2 on page 251.

In 2021, Betclic Everest Group made three dividends distributions during the Financial Year 2021, for a total amount of €197.5 million of which €110.5 million was distributed to non-controlling interests.

In 2021, the caption "Others" included the share-based payment related to the ordinary shares of Betclic Everest Group delivered in regards with the agreement between a minority shareholder, Betclic Everest Group and other shareholders (SBM International and Mangas Lov) signed on 17 December 2021 (refer to note 3.2.2 II on page 223).

Note 20 Earnings per share

20.1 Number of shares

The shares issued in the context of the combination between entities under common control did not result in a corresponding change in resources, since the attached economical rights were already controlled by the Group. As a consequence, and in accordance with IAS 33, the weighted average number of Ordinary Shares has been adjusted during all the periods presented as if these shares were issued at the beginning of the earliest period presented.

(in € million)	31 December 2022 Number of Ordinary Shares	31 December 2022 Share Capital *(in € million)*	31 December 2021 Number of shares	31 December 2021 Share Capital *(in € million)*
OPENING SHARE CAPITAL	**-**	**-**	**-**	**-**
Capital increase	411,657,608	4.1	-	-
Capital decrease	-	-	-	-
CLOSING SHARE CAPITAL	**411,657,608**	**4.1**	**-**	**-**
Of which treasury shares	(6,975)			
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING(1)	**296,953,862**		**178,479,432**	
DILUTED WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING(1)	**296,953,862**		**178,479,432**	

(1) *Including the retrospective adjustment related to the 178,479,432 shares issued in compensation for the shares contributed by Financière Lov.*

As of 31 December 2022, 20,000,000 Earn-Out Shares, 2,575,001 Founder Shares, 5,250,000 Founder Warrants and 8,666,667 public Warrants were not taken in consideration for the calculation of diluted earnings per share because the conversion conditions were not satisfied at the end of the period or because they had an anti-dilutive effect at the closing date.

20.2 Basic and diluted earnings per share

(in € million)		31 December 2022	31 December 2021
Income available to common shareholders	A	(88.0)	(43.0)
Weighted average number of Ordinary Shares outstanding(1)	B	296,953,862	178,479,432
BASIC EARNINGS PER SHARE *(in €)*	**A/B**	**(0.30)**	**(0.24)**

(1) *Including the retrospective adjustment related to the 178,479,432 shares issued in compensation for the shares contributed by Financière Lov.*

(in € million)		31 December 2022	31 December 2021
Income available to common shareholders	A	(88.0)	(43.0)
Diluted weighted average number of Ordinary Shares outstanding(1)	B	296,953,862	178,479,432
DILUTED EARNINGS PER SHARE *(in €)*	**A/B**	**(0.30)**	**(0.24)**

(1) *Including the retrospective adjustment related to the 178,479,432 shares issued in compensation for the shares contributed by Financière Lov.*

Note 21 Other securities

(in € million)	31 December 2022
Earn-Out Shares	98.3
Founder Shares	16.5
Public Warrants	7.8
Founder Warrants	7.9
OTHER SECURITIES	**130.5**

In the context of the Group's reorganization (as explained in paragraph 3.1.1 II i) on page 220), Financière Lov subscribed in cash to a share capital increase of FL Entertainment for an amount of €250 million in exchange for Ordinary Shares, SVS and Earn-Out Shares (of which €114.4 million paid for Earn-Out Shares).

The Founder Shares, Founder Warrants and public Warrants (see below) were recognized as part of the Pegasus Merger (refer to notes 3.1.1 II iii) and 3.1.1 II iv) on page 221 and page 222).

The characteristics of the Earn-Out Shares, Founder Shares, Founder Warrants and public Warrants (see below) were analyzed, and it has been determined that these securities should be classified as liability instruments according to IAS 32. They are recognized at fair-value through P&L.

Those instruments are classified as Level 3 and have been measured using a multi-model analysis based on Monte-Carlo and Black-Scholes models, including public Warrants for which the lack of transactions in the public market does not provide a relevant pricing information.

Due to the low level of liquidity of FL Entertainment's shares during the period, unobservable inputs include FL Entertainment's ordinary share's price (based on a multiple analysis taking into account historical price prior and after quotation, analysts reviews and Pegasus transaction) and volatility (based on peers' index). The worst-case scenario would increase the liability for an amount of €16.9 million. The best-case scenario would decrease the liability for an amount of -€15.7million.

Subsequent re-measurement net income has been recognized in the financial result for an amount of €6.6 million.

Due to the conversion of 2,674,999 founder shares into 2,674,999 Ordinary Shares, part of the Founder Shares liability has been reclassified into equity for their value at the conversion date (€29.4 million) (refer to note 18.1 on page 250).

Earn-Out Shares characteristics

Earn-Out Shares are divided into 3 categories:

- 13.000.000 Earn-Out Shares A: each of these shares will be converted into 1 Ordinary Share and 1 SVS if the closing price of the Ordinary Shares equals or exceeds €13.00 per ordinary share for any 20 Trading Days within a 30 consecutive Trading Day period before expiration of a 5-year period following 1 July 2022;
- 3.500.000 Earn-Out Shares B: each of these shares will be converted into 1 Ordinary Share and 1 SVS if the closing price of the Ordinary Shares equals or exceeds €15.00 per ordinary share for any 20 Trading Days within a 30 consecutive Trading Day period before expiration of a 5-year period following 1 July 2022;
- 3.500.000 Earn-Out Shares C: each of these shares will be converted into 1 ordinary share and 1 SVS if the closing price of the ordinary shares equals or exceeds €17.00 per ordinary share for any 20 Trading Days within a 30 consecutive Trading Day period before expiration of a 5-year period following 1 July 2022.

Earn-Out Shares can only be entitled to profit in the limit of a negligible amount equal to 0,1% of the nominal value (€0,03) per share. All issued and outstanding Earn-Out Shares at a time may only be held by one person at any time and may also be transferred all together to one other person at a time. Each Earn-Out Share confers three votes in a General Meeting.

Financière Lov has committed not to exercise any voting right attached to Earn-Out Shares. Financière Lov has also committed not to sell the Earn-Out Shares for a three-year period from 1 July 2022.

Founder Shares characteristics

As a result of the transaction with Pegasus, Founder Shares were contributed to former Founder Shares' holders of Pegasus Entrepreneurs. Terms and conditions applicable to FL Entertainment's outstanding Founder Shares are similar to those issued by Pegasus.

The Founder Shares have a nominal value of €0.01 each. From any profits, as remaining after application of the provisions in the Articles of Association regarding reservation and the profit entitlement of Earn-Out Shares, an amount equal to 0.1% of the nominal value of each Founder Share shall be added to the dividend reserve for Founder Shares.

Subject to the satisfaction of the conditions set out below and subject to certain capital adjustment measures (as described in the Articles of Association), the 2,575,000 outstanding Founder Shares held by former Pegasus founders shall be converted:

- up to 50% of the Founder Shares, held by each sponsor, in aggregate amounting to up to 1,287,500 Founder Shares will be exchanged on a one-for-one basis for Ordinary Shares (subject to the lockup arrangements applicable to the sponsors, including the Pegasus lock-up arrangements), if, after 1 July 2022, the closing price of the Ordinary Shares equals or exceeds €11.50 per Ordinary Share for any 20 Trading Days within a 30 consecutive-Trading Day period; and

- up to 50% of the Founder Shares, held by each sponsor, in aggregate amounting to up to 1,287,500 Founder Shares will be exchanged on a one-for-one basis for Ordinary Shares (subject to the lockup arrangements applicable to the sponsors, including the Pegasus lock-up arrangements), if, after 1 July 2022, the closing price of the Ordinary Shares equals or exceeds €13.00 per Ordinary Share for any 20 trading days within a 30 consecutive-trading day period.

Existing shareholder agreement provides that any voting right attached to Founder Shares will not be exercised. Founder Shares can only be entitled to profit in the limit of the negligible amount equal to 0,1% of the nominal value (€0,01) per share.

Public Warrants characteristics

Each public Warrant shall entitle an eligible holder to purchase from the Company one ordinary share at the price of €11,50 per ordinary share. Public Warrants may be exercised within a 5 year period from 1 July 2022.

As Warrants, the Public Warrants does not entitle to any right as shareholder such as dividends or voting rights.

Terms & conditions of the public Warrants set several unusual provisions that may affect the market value of the public Warrants:

- each public Warrant may be redeemed by FL Entertainment if the price of the ordinary share exceeds €18,00 during more than almost consecutive twenty trading days period. Redemption price would in this case equal €0,01;
- each public Warrant may be redeemed by FL Entertainment if the price of the ordinary share is comprised between 10,00 and €18,00 at a price of €0.01 per Warrant upon not less than 30 days' prior written notice of redemption (a Redemption Notice). In this case, the Warrant holder could exercise its Warrants on a cashless basis and receive a number of ordinary share per Warrant set according to a table based on the redemption date and the fair market value of Ordinary Shares.

As of 31 December 2022, 8,666,666 Public Warrants were outstanding.

Founder Warrants characteristics

Founder Warrants have been issued by FL Entertainment at 1 July 2022 and distributed to Pegasus Founder.

Founder Warrants have substantially the same terms as the public Warrants and entitle their holder to purchase from FL Entertainment one ordinary share at the price of €11,50 per ordinary share within a 5-year period from 1 July 2022. Additionally, the Founder Warrants will be exercisable on a cashless basis according to a table based on the redemption date and the fair market value of Ordinary Shares and be non-redeemable, so long as they are held by the Pegasus' founders and sponsors. If the Founder Warrants are held by someone other than Pegasus' founders and sponsors, the Founder Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the public Warrants. The proceeds of a redemption of Warrants, the proceeds of the repurchase of Warrants or a full or partial cash or cashless settlement of Warrants may be subject to Dutch dividend withholding tax at a rate of 15%.

Founder Warrants does not entitle to any right as shareholder such as dividends or voting rights.

As of 31 December 2022, FL Entertainment issued 5,250,000 Founder Warrants.

Note 22 Provisions and contingent liabilities

22.1 Provisions

The change in provisions between 1 January 2021 and 31 December 2022 were as follows:

(in € million)	Commercial claims and litigation	Restructuring plan	Other	Total
AS OF 1 JANUARY 2021	**6.4**	**15.4**	**18.3**	**40.1**
Movements taken to profit and loss	**23.1**	**(16.2)**	**4.2**	11.1
Additions	26.5	2.5	10.6	39.6
Releases	(3.4)	(18.8)	(6.4)	(28.6)
Other movements	**1.0**	**3.5**	**5.5**	10.0
Reclassifications and others	0.9	3.5	(1.0)	3.4
Translation adjustment	-	-	0.4	0.4
Change in scope of consolidation and other	0.1	-	6.1	6.2
AS OF 31 DECEMBER 2021	**30.5**	**2.6**	**28.0**	**61.1**
Of which non-current provisions	*4.7*	*-*	*17.4*	*22.0*
Of which current provisions	*25.8*	*2.6*	*10.6*	*39.1*
AS OF 1 JANUARY 2022	**30.5**	**2.6**	**28.0**	**61.1**
Movements taken to profit and loss	**2.3**	**(0.1)**	**2.9**	5.1
Additions	5.0	1.9	7.7	14.6
Releases	(2.7)	(2.0)	(4.8)	(9.5)
Other movements	**(17.0)**	**(0.0)**	**1.5**	(15.5)
Reclassifications and others	8.7	-	(7.0)	1.6
Translation adjustment	(0.1)	(0.0)	(0.0)	(0.1)
Change in scope of consolidation and other	(25.6)	-	8.5	(17.1)
AS OF 31 DECEMBER 2022	**15.8**	**2.5**	**32.4**	**50.7**
Of which non-current provisions	*11.0*	*-*	*16.7*	*27.7*
Of which current provisions	*4.8*	*2.5*	*15.7*	*23.0*

In 2021, the variation in provisions for restructuring plan is mainly related to the global reorganization plan launched in July 2020 following the ESG's acquisition, still in progress in 2021.

The variation in commercial claims and litigations in 2021 is mainly related to the provision of €24.7 million constituted (that includes €3.4 million of attorney fees) following the initiation of the ongoing legal process concerning sub-group BEG's business Bet-at-home (refer to note 3.1.3 II on page 222).

In 2022, as a result of the loss of control due to the winding up proceedings (winding up by the court) over bet-at-home.com Entertainment Ltd, which has been confirmed by the court on 13 May 2022, with retroactive effect from the date of the application, the Company had to be deconsolidated from the Bet-at-home sub-group (refer to note 3.1.3 I on page 222), resulting in the disposal of the provision recognized as of 31 December 2021 (refer to note 3.1.3 II on page 222).

Other provisions are mainly constituted by provisions for financial losses and provisions for post-employment benefits. The variation is due to increase of the post-employment provisions related to the acquisitions occurred in the period (refer to note 12.1 on page 237).

22.2 Contingent liabilities

An obligation constitutes a contingent liability if the amount cannot be estimated with sufficient reliability or if it is unlikely to result in an outflow of resources.

Betclic Everest Group received in December 2021 a notice of adjustment from the French tax authorities for a total amount of €52.4 million (willful misconduct and interest for late payment included) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France, for the years 2018 and 2019.

On 13 May 2022, Betclic Everest Group received (i) a rectification on the notice of adjustment from December 2021, decreasing the amount of €52.4 million to €37.2 million (willful misconduct and interest for late payment included) and (ii) a new notice of adjustment from the French tax authorities for a total amount of €25.8 million (willful misconduct and interest for late payment included) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France for the year 2020.

Betclic Everest Group, with the support of its legal and tax advisers, still considers the position of the tax authorities is not in conformity with various general principles of VAT, in the same way as the other online gaming operators in France that are part of the association ARJEL. Betclic Everest Group will challenge this adjustment in France, with the tax authorities and, if necessary, the French courts, but also with the Court of Justice of the European Commission if a French Court decides to make a request for a preliminary ruling. No provision relating to this litigation has been recorded.

Note 23 Financial assets and liabilities

23.1 Current and non-current financial assets

Financial assets comprise financial interests in non-consolidated companies, loans, restricted cash accounts and current accounts with third parties.

(in € million)	31 December 2022	31 December 2021
Financial interests in non-consolidated companies	40.6	11.9
Non-current loans, guarantee instruments and other financial assets	16.2	17.9
Non-current restricted cash and cash equivalents	36.6	28.5
Non-current derivative financial assets	68.3	24.8
NON-CURRENT FINANCIAL ASSETS	**161.7**	**83.0**
Current part of loans, guarantee instruments and other financial assets	15.3	10.7
Current restricted cash and cash equivalents	0.5	-
Current accounts	2.7	63.1
Current derivative financial assets	6.2	1.4
CURRENT FINANCIAL ASSETS	**24.7**	**75.2**
TOTAL FINANCIAL ASSETS	**186.4**	**158.2**

The change in financial interests in non-consolidated companies is mainly due to Beyond International acquisition.

At the end of December 2022, Banijay acquired 100% of the issued share capital of Beyond International in Australia for €30 million. Beyond is an international producer and distributor, with a portfolio of around 8,000 hours of scripted and non-scripted in-house and 3rd-party-acquired content overseen by Beyond Rights. Its track record lies mainly in the English-language with notable titles it distributes. As a late acquisition, Beyond's shares have been classified in financial interests in non-consolidated companies. The opening balance sheet statement will be done from 2023 onwards.

Preliminary unaudited financial statements: balance sheet and P&L of Beyond International as of 31 December 2022 (not included in the consolidated statements)

Balance sheet

(in € million)	2022
Non-current assets	11.0
Current assets	44.0
ASSETS	**55.0**
Equity	14.0
Non-current liabilities	4.0
Current liabilities	37.0
EQUITY AND LIABILITIES	**55.0**

P&L

(in € million)	2022
TOTAL REVENUE	**65.0**
Operating profit	1.0
Profit before tax	1.0
NET PROFIT	**-**
Share of group	-
Minority interest	-

Non-current restricted cash is related to the Online sports betting & gaming business' obligations and includes:

- cash in trusts in accordance with the French Online Gambling Regulatory Authority's requirements (€31.2 million and €22.4 million as of 31 December 2022 and 31 December 2021, respectively); and
- blocked funds and guarantees related to other countries regulatory authorities' requirements, notably in Germany and Portugal, for an amount of €5.5 million and €6.0 million as of 31 December 2022 and 31 December 2021, respectively.

Current restricted cash comprised the amount of cash allocated to a liquidity agreement with a liquidity provider. Under this agreement, the liquidity provider is responsible for providing liquidity in the market for FL Entertainment's shares, acting independently in compliance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "MAR") and all regulations promulgated thereunder, including but not limited to the EU Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 and the EU Commission Delegated Regulation (EU) 2016/908 of 26 February 2016, each supplementing the MAR, as well as the points of convergence established by the ESMA in relation to MAR accepted market practices on liquidity contracts, providing guidance to competent authorities on such AMP (the "ESMA Opinion"). The parties shall ensure to comply with all applicable laws, rules and regulations in the Netherlands. When performing or effecting transactions or trade orders in the shares in the execution of this contract, the liquidity provider shall always act without interfering with orderly market operation or misleading other parties. The liquidity account has been credited with the sum of €500 thousand.

Derivatives comprise foreign exchange and interest rate hedging, which are measured at fair value. In 2021, it also included the derivative attached to the convertible bonds (refer to note 23.5 on page 262).

In 2021, current accounts comprised the current accounts receivable from Financière Lov that have been offset by the current accounts payable to Financière Lov following the merger of Mangas Lov into Lov Banijay and by the dividend distributed to Financière Lov (refer to note 18.4 on page 251) during 2022.

23.2 Cash and cash equivalents

Cash and cash equivalents are presented net of bank overdrafts in the consolidated cash-flow statement.

(in € million)	31 December 2022	31 December 2021
Marketable securities	25.2	-
Cash	454.2	434.1
CASH AND CASH EQUIVALENTS – ASSETS	**479.4**	**434.1**
Bank overdrafts	-	(1.7)
NET CASH AND CASH EQUIVALENTS	**479.4**	**432.1**

23.3 Current and non-current financial liabilities

(in € million)	Non-current	Current	31 December 2022
Bonds	1,330.8	-	1,330.8
Bank borrowings	959.5	180.6	1,140.1
Accrued interests on bonds and bank borrowings	-	29.6	29.6
Vendor loans	-	138.4	138.4
Current accounts	-	0.8	0.8
Accrued interests on current accounts	-	0.0	0.0
Bank overdrafts	-	-	-
Derivatives – Liabilities	-	-	-
TOTAL FINANCIAL LIABILITIES	**2,290.3**	**349.4**	**2,639.6**

(in € million)	Non-current	Current	31 December 2021
Bonds[(1)]	1,461.5	-	1,461.5
Bank borrowings[(1)]	991.8	240.7	1,232.5
Accrued interests on bonds and bank borrowings	-	32.7	32.7
Current accounts	-	29.1	29.1
Accrued interests on current accounts	-	0.4	0.4
Bank overdrafts	-	1.7	1.7
Derivatives – Liabilities	4.5	1.6	6.1
TOTAL FINANCIAL LIABILITIES	**2,457.8**	**306.2**	**2,764.0**

(1) Term loans were reclassified as of 31/12/2021 from bonds to bank borrowings due to their nature for a total amount of €380.3 million.

The variation of the financial liabilities breaks down as follows:

		Cash-flows			Non cash-flows		
(in € million)	**1 January 2022**	**Increase**	**Repay-ments**	**Other cash items**	**Others non cash items**	**Foreign exchange**	**31 December 2022**
Bonds	**1,461.5**	-	(170.5)	-	19.0	20.8	**1,330.8**
Bank borrowings	**1,232.5**	20.7	(186.1)	0.6	50.5	22.0	**1,140.1**
Accrued interests on bonds and bank borrowings	**32.7**	-	-	-	(3.8)	0.6	**29.6**
Vendor loans	**-**	-	-	-	138.4	-	**138.4**
Current accounts	**29.1**	-	-	-	(28.4)	0.2	**0.8**
Accrued interests on current accounts	**0.4**	-	-	-	(0.4)	-	**0.0**
Bank overdrafts	**1.7**	-	-	-	(1.6)	(0.1)	**-**
Derivatives – Liabilities	**6.1**	-	-	-	(5.8)	(0.3)	**-**
TOTAL FINANCIAL LIABILITIES	**2,764.0**	**20.7**	**(356.6)(1)**	**0.6**	**167.8**	**43.2**	**2,639.6**

(1) *The line "Repayment of borrowings and other financial liabilities" in the cash-flow statement also included the lease repayments for an amount of -€42.4 million (refer to note 15.2 on page 245).*

		Cash-flows			Non cash-flows		
(in € million)	**1 January 2021**	**Increase**	**Repay-ments**	**Other cash items**	**Others non cash items**	**Foreign exchange**	**31 December 2021**
Bonds(2)	**1,483.2**	-	(58.6)	-	6.1	30.9	**1,461.5**
Bank borrowings(2)	**1,046.2**	158.1	(35.9)	22.4	10.2	31.4	**1,232.5**
Accrued interests on bonds and bank borrowings	**33.4**	-	-	-	(0.6)	-	**32.7**
Vendor loans	**-**	-	-	-	-	-	**-**
Current accounts	**27.4**	1.7	-	-	-	-	**29.1**
Accrued interests on current accounts	**0.4**	-	-	-	-	-	**0.4**
Bank overdrafts	**10.5**	-	-	(8.9)	-	-	**1.7**
Derivatives – Liabilities	**20.5**	-	-	-	(15.1)	0.9	**6.1**
TOTAL FINANCIAL LIABILITIES	**2,621.6**	**159.8**	**(94.4)(1)**	**13.5**	**0.5**	**63.2**	**2,764.0**

(1) *The line "Repayment of borrowings and other financial liabilities" in the cash-flow statement also included the lease repayments for an amount of -€40.5 million (refer to note 15.2 on page 245).*
(2) *Term loans were reclassified as of 31/12/2021 from bonds to bank borrowings due to their nature for a total amount of €380.3 million.*

Characteristics of bonds and term loans

(in € million) **Issuer: Banijay Group SAS**	Residual nominal amount 31 December 2022	Residual nominal amount 31 December 2021
• €575 million senior secured notes issued in 2020 and due in 2025, which priced at par and have a coupon of 3.500% per annum;	575.0	575.0
• €400 million senior notes issued in 2020 and due in 2026, which priced at par and have a coupon of 6.500% per annum;	400.0	400.0
• $403 million senior secured notes issued in 2020 and due in 2025, which priced at par and have a coupon of 5.375% per annum;	377.8	356.4
• €453 million term loan B facility issued in 2020 and due in 2025, which bears interest at a rate of EURIBOR 3 months plus 3.75% per annum, with a customary margin ratchet mechanism with a 0.0% EURIBOR floor;	453.0	453.0
• $460 million term loan B facility issued in 2020 and due in 2025, which bears interest at a rate of LIBOR USD 1 month plus 3.75% per annum, with a 0.0% LIBOR floor.	417.2	401.7
	2,223.0	**2,186.1**

(in € million) **Issuer: Betclic Everest Group SAS**	Residual nominal amount 31 December 2022	Residual nominal amount 31 December 2021
• €165 million senior loan issued on 23 June 2020 and due in June 2025, which bears interest at a rate of EURIBOR 3 months plus a fixed rate of 3% per annum. This loan was underwritten with a group of banks (Natixis, BNP Paribas and Société Générale);	106.0	141.0
• €130 million bridge loan issued on 13 December 2021 and due in June 2022, which bears an interest at a variable EURIBOR 3 months rate plus a fixed margin of 3% plus an additional progressive margin of 0.5% per quarter. This loan was underwritten with a group of banks (Natixis, BNP Paribas and Société Générale). This loan has been repaid on 5 July 2022.	-	130.0
	106.0	**271.0**

(in € million) **Issuer: Lov Banijay**	Residual nominal amount 31 December 2022	Residual nominal amount 31 December 2021
• €90 million bond redeemable issued on 23 February 2016 into either shares or cash (ORAN2) subscribed by Vivendi. Upon maturity of ORAN2, Lov Banijay would have the option of either redeeming the bond in cash or converting it into a number of shares that would give Vivendi a 25% interest in Lov Banijay. Both bonds have a 7-year maturity period[(1)]. The bond was redeemed on 1 July in the context of the Group's reorganization (refer to note 3.1.1 II) on page 220);	-	104.5
• €50 million bond redeemable in cash subscribed by Vivendi on 14 October 2016, maturing on 23 February 2023. The bond was redeemed on 1 July in the context of the Group's reorganization (refer to note 3.1.1 II) on page 220).	-	58.2
	-	**162.7**

(1) The convertible option is accounted for as a derivative (refer to note 23.1 on page 259).

As of 31 December, 2022, the Group's financial indebtedness also consists in the following items:

- local production financing carried by some Banijay's subsidiaries (including recourse factoring and production credit lines);
- state-guaranteed loans;
- accrued interests;
- bank overdraft;
- lease liabilities; and
- vendor loans, including a vendor loan amounting to €99.5 million granted by De Agostini to Lov Banijay (now assumed by FL Entertainment after the merger) due in November 2023 (with a possibility for FL Entertainment to extend after this date) and bearing 3.5% interest per year, and a vendor loan amounting to €36.5 million granted by SBM International to FL Entertainment, bearing 3.5% interest per year, due no later than 30 November 2023 (with a possibility for FL Entertainment to extend after this date).

Maturity of current and non-current debt (principal and interest)

	Current	Non-current		
(in € million)	Less than 1 year	1 to 5 years	More than 5 years	Total 31 December 2022
Bonds	66.4	1,478.5	-	1,544.9
Bank borrowings	226.1	1,126.6	-	1,352.7
Vendor loans	142.8	-	-	142.8
TOTAL DEBT MATURITY (PRINCIPAL AND INTERESTS)	**435.4**	**2,605.1**	**-**	**3,040.4**

	Current	Non-current		
(in € million)	Less than 1 year	1 to 5 years	More than 5 years	Total 31 December 2021
Bonds(1)	90.9	2,136.3	-	2,227.2
Bank borrowings	265.7	648.9	-	914.6
TOTAL DEBT MATURITY (PRINCIPAL AND INTERESTS)	**356.7**	**2,785.2**	**-**	**3,141.9**

(1) These figures reflect the expected cash outflows as if ORAN2 would have been redeemed in cash.

23.4 Net financial debt

Net financial debt is determined as follows:

(in € million)	31 December 2022	31 December 2021
Bonds(1)	1,330.8	1,461.5
Bank borrowings(1)	1,140.1	1,232.5
Bank overdrafts	-	1.7
Accrued interests on bonds and bank borrowings	29.6	32.7
Vendor loans	138.4	-
TOTAL BANK INDEBTEDNESS	**2,638.9**	**2,728.4**
Cash and cash equivalents	(479.4)	(434.1)
Trade receivables on providers	(13.1)	(24.8)
Players' liabilities	50.6	41.7
Cash in trusts and restricted cash	(31.6)	(22.4)
NET CASH AND CASH EQUIVALENTS	**(473.5)**	**(439.5)**
NET DEBT BEFORE DERIVATIVES EFFECTS	**2,165.3**	**2,288.8**
Derivatives – liabilities	-	6.1
Derivatives – assets	(74.5)	(26.2)
NET DEBT	**2,090.8**	**2,268.8**

(1) Term loans were reclassified as of 31/12/2021 from bonds to bank borrowings due to their nature for a total amount of €380.3 million.

23.5 Derivatives

The Group's cash flow hedges' main goal is to neutralize foreign exchange risk on future cash flows (notional, coupons) or switch floating-rate debt to fixed-rate debt.

The ineffective portion of cash flow hedges recognized in net income is not significant during the periods presented. The main hedges unmatured as of 31 December 2022 and 2021, as well as their effects on the financial statements, are detailed in the table below.

As of 31 December 2022 *(in € million)*	Derivatives – assets			Derivatives – liabilities		
	Total	Non-current	Current	Total	Non-current	Current
Exchange risk	11.2	5.0	6.2	-	-	-
Interest rate risk	63.3	63.3	-	-	-	-
HEDGING INSTRUMENTS	**74.5**	**68.3**	**6.2**	**-**	**-**	**-**
Embedded derivatives	-	-	-	-	-	-
TOTAL DERIVATIVES	**74.5**	**68.3**	**6.2**	**-**	**-**	**-**

As of 31 December 2021 *(in € million)*	Derivatives – assets			Derivatives – liabilities		
	Total	Non-current	Current	Total	Non-current(1)	Current
Exchange risk	2.9	1.5	1.4	1.6	-	1.6
Interest rate risk	1.9	1.9	-	4.5	4.5	0.0
HEDGING INSTRUMENTS	**4.8**	**3.4**	**1.4**	**6.1**	**4.5**	**1.6**
Embedded derivatives	21.4	21.4	-	-	-	-
TOTAL DERIVATIVES	**26.2**	**24.8**	**1.4**	**6.1**	**4.5**	**1.6**

(1) Maturity comprised between 1 and 5 years.

Note 24 Financial instruments

The carrying value of financial instruments per category is determined as follows:

As of 31 December 2022 *(in € million)*	Carrying amount	Carrying amount of non-financial instruments	Financial instruments by category		
			Fair value through OCI	Amortized cost	Fair value through P&L
Non-current financial assets	161.7	-	108.9	47.4	5.5
Other non-current assets	35.9	6.0	-	29.9	-
Trade receivables	496.5	-	-	496.5	-
Other current assets	288.3	245.9	-	42.4	-
Current financial assets	24.7	-	6.2	18.5	-
Cash and cash equivalents	479.4	-	-	-	479.4
ASSETS	**1,486.5**	**251.9**	**115.1**	**634.7**	**484.9**
Other securities	130.5	-	-	-	130.5
Long-term borrowings and other financial liabilities	2,290.3	-	-	2,290.3	-
Other non-current liabilities	441.3	213.6	-	32.4	195.3
Liability instruments	-	-	-	-	-
Short-term borrowings and bank overdrafts	349.4	-	-	349.4	-
Trade payables	663.5	-	-	663.5	-
Customer contract liabilities	693.3	639.0	-	50.6	3.7
Other current liabilities	426.6	312.2	-	31.0	83.4
LIABILITIES	**4,994.8**	**1,164.8**	**-**	**3,417.1**	**412.8**

As of 31 December 2021 *(in € million)*	**Carrying amount**	**Carrying amount of non-financial instruments**	**Financial instruments by category**		
			Fair value through OCI	**Amortized cost**	**Fair value through P&L**
Non-current financial assets	83.0	-	15.3	40.3	27.4
Other non-current assets	29.6	2.0	-	27.5	-
Trade receivables	463.6	-	-	463.6	-
Other current assets	264.2	211.3	-	53.0	-
Current financial assets	75.2	-	1.4	73.8	-
Cash and cash equivalents	434.1	-	-	-	434.1
ASSETS	**1,349.6**	**213.3**	**16.7**	**658.1**	**461.5**
Long-term borrowings and other financial liabilities	2,457.8	-	4.5	2,453.3	-
Other non-current liabilities	291.7	109.0	-	31.3	151.4
Short-term borrowings and bank overdrafts	306.2	-	1.6	303.0	1.7
Trade payables	580.8	-	-	580.8	-
Customer contract liabilities	707.2	662.8	-	41.7	2.7
Other current liabilities	456.8	342.4	-	36.4	78.0
LIABILITIES	**4,800.5**	**1,114.1**	**6.1**	**3,446.5**	**233.8**

Fair value hierarchy

IFRS 13 *Fair Value Measurement,* establishes a fair value hierarchy consisting of three levels:

- Level 1: prices on the valuation date for identical instruments to those being valued, quoted on an active market to which the entity has access;
- Level 2: directly observable market inputs other than Level 1 inputs; and
- Level 3: inputs not based on observable market data (for example, data derived from extrapolations). This level applies when there is no observable market or data and the entity is obliged to rely on its own assumptions to assess the data that other market participants would have applied to price other instruments.

Fair value is estimated for the majority of the Group's financial instruments, with the exception of marketable securities for which the market price is used.

(in € million)	**Fair value**	**Fair value hierarchy**		
		Level 1	**Level 2**	**Level 3**
Non-current financial assets	114.3	5.5	68.3	40.6
Other current assets	-	-	-	-
Current financial assets	6.2	-	6.2	-
Cash and cash equivalents	479.4	479.4	-	-
Other securities	(130.5)	-	-	(130.5)
Long-term borrowings and other financial liabilities	-	-	-	-
Other non-current liabilities	(195.3)	-	-	(195.3)
Short-term borrowings and bank overdrafts	-	-	-	-
Customer contract liabilities	(3.7)	-	-	(3.7)
Other current liabilities	(83.4)	-	-	(83.4)
BALANCES AS OF 31 DECEMBER 2022	**187.1**	**484.9**	**74.5**	**(372.3)**

(in € million)	Fair Value	Fair value hierarchy Level 1	Level 2	Level 3
Non-current financial assets	42.7	6.0	24.8	11.9
Other current assets	-	-	-	-
Current financial assets	1.4	-	1.4	-
Cash and cash equivalents	434.1	434.1	-	-
Long-term borrowings and other financial liabilities	(4.5)	-	(4.5)	-
Other non-current liabilities	(151.4)	-	-	(151.4)
Short-term borrowings and bank overdrafts	(3.3)	(1.7)	(1.6)	-
Customer contract liabilities	(2.7)	-	-	(2.7)
Other current liabilities	(78.0)	-	-	(78.0)
BALANCES AS OF 31 DECEMBER 2021	**238.3**	**438.4**	**20.0**	**(220.2)**

Other securities comprised public Warrants, Earn-Out Shares, Founder Shares and Founder Warrants that are classified as Level 3. Derivatives are classified as Level 2 instruments and Level 3 instruments mainly comprise shares in non-consolidated non-listed companies, liabilities on non-controlling interests and pending bets.

Note 25 Management of market risk

25.1 Credit risk

Credit risk arises if a party to a transaction is unable or unwilling to fulfill its obligations, resulting in a financial loss to the Group.

For all business, credit risk arises if a party to a transaction is unable or refuses to fulfill its obligations, resulting in a financial loss to the Group.

The Group deals only with reputable and creditworthy third parties. Receivables are monitored on a regular basis, so that the Group's exposure to bad debts is not significant.

Credit risk arising from cash at bank is considered to be minimal. Majority of the cash at bank is held with high credit quality financial institutions with a credit rating of A or higher.

25.2 Interest rate risk

Group's interest rate risk management's objective is to reduce its net exposure to rising interest rates.

To this end, the business that have recourse to financing with variable interest rate debt use financial instruments that enable them to protect themselves against significant fluctuations in interest rates (mainly through the implementation of interest rate swaps and caps).

In the Content production & distribution business, the Group's exposure to the risk of interest rate fluctuations is mainly linked to:

- the $460 million senior term loan B agreement, which depends on the short-term interest rate of LIBOR. On this specific loan, Banijay has taken out an interest rate hedge by means of an interest rate swap exchanging the variable rate for a fixed rate of 1.4% (maturity date: 1 March 2025); and
- the €453 million term loan B agreement, which depends on the short-term interest rate of EURIBOR. On this specific loan, Banijay has taken out an interest rate hedge by means of an interest rate capping the variable rate to 0.0% (maturity date: 3 March 2025).

Regarding the Online sports betting & gaming business, the €165 million senior loan issued on 23 June 2020 depends on EURIBOR 3 months rate. On this specific loan, Betclic Everest Group has taken out an interest rate hedge by means of an interest swap exchanging the variable rate for a fixed rate of 0.071% (maturity date: 23 June 2025).

25.3 Currency risk

Currency risk management is handled independently by each subsidiary.

Regarding the Content production & distribution business, the Group operates in several countries and may be exposed to fluctuations in foreign exchange rates that could have an impact on its net income and financial position expressed in euros.

The main foreign exchange risk is transactional, mainly related to the US dollar and the pound sterling:

- as of 31 December 2022, the percentage of sales made in USD represented 20.8% of the Banijay's consolidated revenue (16.3% in 2021). A decrease of 5% in the exchange rate in USD would have an impact on the consolidated revenue of -€32 million in 2022 (-€21 million in 2021) and an impact on the consolidated equity of €5 million. Conversely, an increase of 5% in the exchange rate in USD would have an impact on the consolidated turnover of €35 million (€24 million in 2021) and an impact on the consolidated equity of €6 million;

- as of 31 December 2022, the percentage of sales made in GBP represented 19.4% of the Banijay's consolidated revenue (18.6% in 2021). A decrease of 5% in the exchange rate in GBP would have an impact on the consolidated turnover of -€30 million (-€24 million in 2021) and an impact on the consolidated equity of €5 million. Conversely, an increase of 5% in the exchange rate in GBP would have an impact on consolidated revenue of €33 million (€27 million in 2021) and an impact on the consolidated equity of €6 million.

In addition, in 2020, Banijay has issued a bond in USD and forward contracts and call and put options were subscribed in 2021 to hedge the exposure. According to IFRS 9 the impact of premium/discounts of forward contracts and the time value of the option are recognized in the other comprehensive income.

The Online sports betting & gaming business, whose functional currency is the euro, has very little exposure to foreign exchange risk (transactions are exclusively in markets with the same functional currency and there are no debts or receivables denominated in foreign currencies).

25.4 Liquidity risk

The Group managed its liquidity risk through a monthly cash flow analysis for the next year and then each year for the duration of its business plan.

Annual forecasts include an organic growth and an analysis of the effect of potential external growth on revenue, Adjusted EBITDA and net financial debt.

Banijay Group maintains adequate reserves of cash and short-term deposits to meet its liquidity needs. As of 31 December 2022, undrawn committed lines of credit, overdrafts and other borrowings have been obtained for a total of €211 million.

The Content production & distribution business has also set up several liquidity concentration pools around the main business regions (Europe, United States, United Kingdom and Scandinavia). During 2022, approximately 86% (87% in 2021) of the business's revenue was covered by these mechanisms. Consequently, the business's organic growth, its working capital requirements and its financing (including the payment of debts or option debts) are ensured in particular by the cash flows generated by the business units.

In addition, as part of its financing, the Content production & distribution business is subject to financial covenants, namely concerning RCF (Revolving Credit Facility) in the event of a drawdown of 40%. The ratio is based on Senior Secured Net Leverage (ratio between (i) the sum of Banijay senior secured notes, earn out debt minus cash and (ii) the sum of Banijay Adjusted EBITDA, shareholder fees and proforma impact from acquisitions) and its level should not exceed 6.50x. In December 2022, although the RCF is not drawn, such financial covenants are satisfied.

Regarding the Online sports betting & gaming business, the latter is financed via bank loans. The senior loan is subject to two financial covenants: (i) a leverage ratio (Betclic net consolidated financial debt / consolidated EBITDA) that must be less than 2.75 and (ii) an interest ratio (Betclic group consolidated cash flow / consolidated financial debt) that must be above 1.2. Betclic had no breach of those financial covenants in 2022 and 2021 to be reported.

At the holding level, FL Entertainment can access to the liquidity from the Content production & distribution business and from the Online sports betting & gaming business.

25.5 Capital risk

The Group manages its statutory equity and its liquidity to be able to distribute a dividend to its shareholders in accordance with its dividend policy.

Note 26 Related parties

Related parties consist of:

- group Lov's controlling shareholders: Financière Lov Group and Lov Group Invest;
- other shareholders, notably: Group Vivendi's subsidiaries, Fimalac, De Agostini, Monte-Carlo SBM International, Pegasus Founders and Sponsors;
- associates and joint ventures; and
- key management personnel.

26.1 Transactions with Financière Lov Group and Lov Group Invest

The Group recorded several transactions with Lov's controlling shareholder (Financière Lov) and its subsidiaries that are not part of the Group's consolidation scope, as follows:

(in € million)	31 December 2022	31 December 2021
Other securities	(98.3)	-
Net financial assets/financial liabilities/provisions	-	31.2
Net trade receivables/payables	1.0	-
Operating income/operating expenses[(1)]	(16.8)	(14.5)
Financial income/expenses	17.0	1.8
(1) Of which President compensation	*(14.1)*	*(14.1)*

The annual compensation of the President of Banijay Group, Lov Group Invest (controlled by Stéphane Courbit), a French *société par actions simplifiée*, having its registered office 5, rue François 1er in Paris (75008), registered under number 494 031 008 RCS Paris (LGI), has been set at the average of (i) 0.38% of the consolidated turnover of the previous fiscal year and (ii) 2% of the consolidated EBITDA of the previous fiscal year. In case of death of Stéphane Courbit, the President of Banijay Group shall be compensated by Banijay Group an annual compensation equal to 1% of the consolidated EBITDA of the previous fiscal year, with a floor of €2,500,000 and capped at €5,000,000 per year.

In 2022, the shareholders of Betclic Everest Group decided unanimously to set the annual compensation (exclusive of VAT if any) of the President of Betclic Everest Group, Lov Group Invest, as of 1 January 2021, at 2% of the gross margin realized during the said fiscal year, it being specified that the Gross Margin of Bet-at-home will be taken into account to the extent of the percentage of Betclic Everest Group's participation on 1 January of the said fiscal year, as such gross margin is defined in the audited consolidated financial statements of Betclic Everest Group as of 31 December 2021. Such compensation shall be paid (i) in three instalments within one month of the financial statements, (ii) the balance being paid no later than one month following the closing of the audited consolidated financial statements.

In addition, as detailed in note 3.1.1 II) on page 220, in the context of the Business Combination Agreement, significant transactions occurred between the Group and Financière Lov.

26.2 Transactions with other shareholders

	De Agostini	
(in € million)	31 December 2022	31 December 2021
Net financial assets/financial liabilities/provisions	(101.2)	-
Net trade receivables/payables	-	-
Operating income/operating expenses	-	-
Financial income/expenses	(1.7)	(2.8)

	Vivendi	
(in € million)	31 December 2022	31 December 2021
Net financial assets/financial liabilities/provisions	-	(141.2)
Net trade receivables/payables	3.0	3.0
Operating income/operating expenses	40.0	36.0
Financial income/expenses	(3.4)	(10.4)

	Fimalac	
(in € million)	31 December 2022	31 December 2021
Net financial assets/financial liabilities/provisions	-	-
Net trade receivables/payables	-	-
Operating income/operating expenses	3.0	1.0
Financial income/expenses	-	-

(in € million)	SBM International 31 December 2022	SBM International 31 December 2021
Net financial assets/financial liabilities/provisions	(37.2)	-
Net trade receivables/payables	-	-
Operating income/operating expenses	-	-
Financial income/expenses	(0.6)	-

(in € million)	Pegasus Founders and Sponsors 31 December 2022	Pegasus Founders and Sponsors 31 December 2021
Net financial assets/financial liabilities/provisions	(24.4)	-
Net trade receivables/payables	-	-
Operating income/operating expenses	-	-
Financial income/expenses	(6.6)	-

In addition, as detailed in note 3.1.1 II) on page 220, in the context of the Business Combination Agreement, significant transactions occurred between the Group and other shareholders.

26.3 Transactions with associates and JV

(in € million)	31 December 2022	31 December 2021
Net financial assets/financial liabilities/provisions	1.0	1.0
Net trade receivables/payables	1.0	1.0
Operating income/operating expenses	-	1.0
Financial income/expenses	1.0	-

26.4 Key Management Personnel compensation

Key management personnel, who have the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, are the members of the Board of Directors, the CEO of Banijay Group[(1)] and the CEO of Betclic Everest Group. The compensation of the key management personnel is detailed in the table below:

(in € million)	31 December 2022	31 December 2021
Short-term employee benefits (fixed salary and variable component)	(2.0)	(1.9)
Post-employment benefits (IAS 19)	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	(26.1)	(211.1)
TOTAL COMPENSATION TO KEY MANAGEMENT PERSONNEL	**(28.1)**	**(213.0)**

(1) Position currently occupied by Marco Bassetti, who holds 1.9% of FL Entertainment's shares.

Moreover, attendance fees allocated to the Board of Directors' members amounted to €0.3 million in 2022.

(1) Position currently occupied by Marco Bassetti, who holds 1.9% of FL Entertainment's shares.

26.4.1 Remuneration of Executive Directors in 2022

The individual remuneration in 2022 for each Executive Director paid was as follows:

Name	Base salary
Mr François Riahi	€525,000[(1)]
Mrs Sophie Kurinckx	€475,000

(1) As from November 2022, François Riahi's base salary was increased to €750,000.

For the year ending 31 December 2022, both Executive Directors have been paid for the period that they have been in office, respectively a remuneration of €300,000 for the CEO and €219,231 for the CFO (fixed salary). In addition, the Executive Directors benefit from a termination indemnity equal to a 12-month base salary.

The mix between the fixed and the variable remuneration components for our Executive Directors is as follows:

Name	Fixed	Variable
Mr François Riahi	100%	0%
Mrs Sophie Kurinckx	100%	0%

Mr François Riahi benefits, as chief executive officer of Financière Lov, from a long-term incentive plan which takes into account the value-creation at the level of the Company. In this respect, Mr François Riahi's incentive is aligned to the interests of the Company's shareholders.

Before becoming the chief financial officer of the Company, Mrs Sophie Kurinckx was the chief financial officer of the Banijay Group. As such, for the first six months of 2022, she has also received remuneration from the Banijay Group. Her remuneration as chief financial officer of the Banijay Group for the year 2022 was agreed as follows:

Name	Base salary	Bonus	Allowance
Mrs Sophie Kurinckx	€280,500	€340,250	€38,837

In 2022, Mrs Sophie Kurinckx received a lump sum payment of €283,250 in the context of her leaving Banijay.

In July 2020, Mrs Sophie Kurinckx received free Banijay Group SAS shares. These shares are not yet vested but the benefit of them will be maintained under the current conditions. Furthermore, Mrs Sophie Kurinckx benefits at the level of Banijay Group from a long-term cash incentive. The amount depends on the valuation of Banijay Group SAS at the time of payment. To date, the vested part is valued at €706,202.

As the Company has been incorporated and listed in 2022, no historical information can be provided with respect to the annual change in remuneration over the last five financial years. The Company intends to provide this information in the 2023 Universal Registration Document.

26.4.2 Remuneration of Non-Executive Directors in 2022

The table below sets forth the remuneration of the Non-Executive Directors paid for 2022. The amounts reflect the annual fee awarded for the services as Non-Executive Director and any additional roles as member of a committee or Chairperson of the Board or a committee, from the date of their appointment.

Name	Base salary
Mr Stéphane Courbit	€0[(1)]
Mr Pierre Cuilleret	€30,000
Mrs Susana Gallardo	€37,500
Mrs Eléonore Ladreit de Lacharrière	€25,000
Mrs Cécile Lévi	€32,500
Mr Alain Minc	€35,000
Mrs Marella Moretti	€30,000
Mr Hervé Philippe	€30,000
Mr Yves de Toytot	€30,000

(1) Mr Stéphane Courbit has waived his right to compensation as Chairman of the Board and Non-Executive Director.

26.4.3 Remuneration of the Senior Management Members in 2022

Remuneration

For the year 2022, the total aggregate remuneration of the Senior Management Members paid by any entity within the Group was approximately €1,650,000. This amount does not take into account the long-term incentive plan provided to the Senior Management Members.

The Company does not pay the Senior Management Members' compensation for 2022, except to the extent it is awarded any grants under a LTIP which is expected to be put in place. The remuneration will be paid by other companies within the Group. The Group does not anticipate any material increase of the Senior Management Members' compensation for 2022.

Equity holdings of Senior Management Members

As of 31 December 2022, Marco Bassetti indirectly holds 6,916,269 Ordinary Shares through a holding vehicle, which he received as a result of an equity contribution of 2,690,437 shares in Banijay as part of the Lov's reorganization. Other than as set out above, as of 31 December 2022, none of the Senior Management Members directly owns shares or stock options giving access to the share capital of the Company.

Senior Management Team long-term incentive plan (LTIP)

The Company intends to implement a LTIP in favor of Nicolas Béraud, which is aimed at aligning the interests of Nicolas Béraud with the interests of the long-term shareholders, and which provides an incentive for longer term commitment and retention of Nicolas Béraud.

Under the Articles of Association of the Company, the Board is designated to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares up to 3% of the issued shares at the time of issuance, in connection with any LTIP.

Note 27 Off-Balance Sheet Commitments

27.1 Content production & distribution business

As of 31 December 2022, the off-balance sheet commitments of the sub-group were as follows:

i) commitments given:

- minimum guarantees granted by the distribution activity to third party producers for an amount of €1 million,
- pledging of shares of its subsidiaries for the benefit of its noteholders and its lenders pursuant to the financing subscribed on 11 February 2020. The shares of the following companies are pledged as collateral:
  - Banijay Entertainment Holdings US, Inc., Banijay Media Limited (formerly Zodiak Media Limited), Banijay Rights Ltd, Banijay France S.A.S., Banijay Group US Holding, Inc., Adventure Line Productions S.A.S., H2O Productions S.A.S., Bwark Productions Limited, Banijay Production Media, Bunim-Murray Productions Inc., Bunim-Murray Productions LLC, RDF Television Limited, Castaway Television Productions Limited, Screentime Pty Limited, Mastiff A/S, Nordisk Film TV A/S,
  - Endemol Shine IP B.V., Banijay Benelux B.V. (formerly Endemol Shine Nederland Holding B.V.), Endemol Shine Nederland B.V., Endemol USA Holding, Inc., Truly Original LLC, Endemol Shine Australia, Shine Australia Holding Pty, Metronome Production A/S, Gestmusic Endemol SAU, Zeppelin Television SAU, Banijay Benelux Holding B.V. and Endemol Shine France SAS, and
  - and in the case of the Senior Secured Notes, the SUN Issuer (i.e., Banijay Group SAS) or, in the case of the Senior Notes, the SSN Issuer (i.e., Banijay entertainment);

ii) commitments received:

- confirmed credit lines not drawn for an amount of €318 million.

27.2 Online sports betting & gaming business

i) Commitments given:

- Betclic Group Senior Credit Facility was originally guaranteed, inter alia, by Betclic and Mangas Lov and was originally secured by first ranking pledges over Betclic Group SAS shares and Bet-at-home shares. A release of the pledge of Betclic Group SAS shares has been obtained as a result of the universal transmission of assets of Betclic Group SAS in Betclic, on 31 December 2021. Additional first ranking pledges have been entered into on 25 March 2022 pursuant to which Betclic Group SAS has granted pledges over Euro Gaming Investment S.A. shares (a Luxembourg subsidiary) and over Mangas Investment Limited (a Maltese subsidiary) shares held by Betclic Group SAS as security for its repayment obligations under the Betclic Group Senior Credit Facility. As Mangas Lov was merged into Lov Banijay on 30 June, 2022 and as a cross-border merger of Lov Banijay into FLE, occurred as at 28 December 2022 and became effective on 20 December 2022, it being specified that the financial data of Lov Banijay will be included in the Annual Accounts of FLE for Dutch and French commercial accounting purposes and French tax purposes as from the 5 July 2022. The commitments given by Mangas Lov were then transferred to FL Entertainment,
- liquidity commitment: the company Betclic Everest Group, or Financière Lov and Société des Bains de Mer, concluded a liquidity commitment in 2021 with a manager who hold 5.4% of BEG's shares. This commitment is conditional on the non-occurrence of events for which the Group considers as of 31 December 2022 that their occurrence is highly probable. The probability of occurrence of these events will be re-assessed at each year end period, and
- on 13 December 2021, Betclic as borrower, Mangas Lov as guarantor, BNP Paribas, Natixis and Société Générale as mandated lead arrangers and Société Générale as agent and security agent entered into a bridge credit facility agreement. This agreement provides for a bridge loan facility in principal amount of €130 million and has been repaid in full on the 5 July 2022 out of the proceeds of the Business Combination and cash otherwise available within the Group.

Note 28 Subsequent events

Endemol India - put over non-controlling interests

Following the acquisition of the Endemol Shine Group, Banijay was committed to purchase the minority shares of Endemol India from July 2020. A litigation was raised on the price and an arbitration has been requested between Banijay and the minority shareholders. Award of the tribunal has been received by the end of February 2023, setting a price higher than the Group's initial estimate by €6.8 million. Consequence of this award has been taken into account in the measurement of the put options on non-controlling interests as of 31 December 2022.

Refinancing of Banijay's Term Loans B

On April 2023, Banijay has completed the refinancing of its two Term Loan B credit facilities in Euros and in US Dollars for an amount equivalent to around €875 million (including a €453 million tranche and US$460 million tranche), resulting in a 3-year extension of their maturities until March 2028. Banijay also raised new Term Loans B financing in Euros and US Dollars to strengthen its balance sheet and finance its future growth for a total amount equivalent to €200 million, which splits into €102 million and $110 million respectively. The Term Loans B will carry a floating interest at EURIBOR +450 bps for the Euro-denominated tranche, and at SOFR +375 bps for the US Dollar-denominated tranche, both of which will benefit from the existing hedges until March 2025. The additional amounts and the extended maturities will also be hedged against floating interest rate risks.

In parallel, Banijay extended the maturity of its €170 million RCF by 3 years to September 2027 at EURIBOR + 3.75%.

Note 29 Fees expensed to auditors

(in € million)	Statutory audit, certification and review of the individual and consolidated financial statements	Non-audit services	Total fees(1)
AS OF 31 DECEMBER 2022			
Ernst & Young	6.1	0.8	6.9
Other Auditors	1.0	-	1.0
TOTAL	**7.1**	**0.8**	**7.9**
AS OF 31 DECEMBER 2021			
Ernst & Young	4.4	0.9	5.3
Other Auditors	1.3	0.1	1.4
TOTAL	**5.7**	**1.0**	**6.7**

(1) Expenses charged by Dutch organizations of EY amounted to €0.7 million in 2022 (€0.2 million in 2021).

Note 30 List of sub-group Banijay's and sub-group BEG's subsidiaries

30.1 Banijay's sub-group consolidation scope

The table below presents the percentage of ownership interest in Banijay Group's subsidiaries held by the Group (including the FL Entertainment indirect ownership):

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
Banijay Group	**France**	**Holding**	
France Adventure Line Productions SAS	France	89.54%	89.54%
Baba Funny League	France	-	-
Air Productions Sas	France	89.54%	89.54%
ALP Music S.A.R.L.	France	89.54%	89.54%
Atypic Talents SAS	France	89.54%	89.54%
Banijay Central 3 SAS	France	89.54%	89.54%
Banijay Central 4 SAS	France	89.54%	89.54%
Banijay Central 7 SAS	France	89.54%	89.54%
Banijay Central 8 SAS	France	89.54%	89.54%
Banijay Digital SAS	France	89.54%	89.54%
Banijay Editing SAS	France	29.82%	29.82%
Banijay Entertainment SASU	France	89.54%	89.54%
Banijay France SAS	France	89.54%	89.54%
Banijay Group SAS	France	89.54%	89.54%
Banijay International SAS	France	89.54%	89.54%
Banijay Library SAS	France	89.54%	89.54%
Banijay Prod ca Tourne SAS (formerly Les Productions du 5)	France	89.54%	89.54%
Banijay Prod Editing SAS (formerly Banijay Central 1)	France	89.54%	89.54%
Banijay Productions Media SAS	France	89.54%	89.54%
Banijay Productions SAS	France	89.54%	89.54%
Banijay Studios France	France	89.54%	89.54%
Banijay Studios International Holding	France	89.54%	89.54%
Banijay Studios Production Media (ex. Air Productions)	France	89.54%	89.54%
Banijay Talent SAS	France	64.02%	64.02%
Base Records S.A.R.L	France	89.54%	89.54%
Big Name SAS	France	89.54%	89.54%
Bubble Prod SAS	France	89.54%	89.54%
Connecting Prod SAS	France	89.54%	89.54%
D.M.L.S TV SAS	France	62.68%	62.68%
DMLS Productions	France	62.68%	62.68%
DMLS Films	France	62.68%	62.68%
Endemol Shine France SAS	France	89.54%	89.54%
Endemol Shine Fiction SAS	France	89.54%	89.54%
Endemol Shine Production SAS	France	89.54%	89.54%
Festival Air S.A.R.L	France	89.54%	89.54%
Fiction Air S.A.R.L	France	89.54%	89.54%
Gétévé Productions SASU	France	89.54%	89.54%
H2O Divertissement Sas	France	89.54%	89.54%

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Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
H2O Fictions Sas	France	89.54%	89.54%
H2O Jeux SAS	France	89.54%	89.54%
H2O Productions SAS	France	89.54%	89.54%
H2O SAS	France	89.54%	89.54%
Images on Air SAS	France	89.54%	89.54%
Jereluc SAS	France	89.54%	89.54%
KM Presse SNC	France	89.54%	89.54%
KM Prestations SNC	France	0.10%	0.10%
KM S.A.S.	France	0.10%	0.10%
Les Editions du 5 SAS	France	89.54%	89.54%
Lodition SAS	France	89.54%	89.54%
MBG SAS	France	89.54%	89.54%
Monello Productions SAS. France	France	68.05%	68.05%
NC Zodiak Kids Central	France	89.54%	89.54%
Non Stop Edition SAS	France	89.54%	89.54%
Non Stop Production SAS	France	89.54%	89.54%
Ollenom Studio SAS	France	68.05%	68.05%
Pacific Line Productions SAS	France	89.54%	89.54%
Pistache	France	44.77%	44.77%
PLP (Fidgi)	France	89.54%	89.54%
Société Miss France SAS	France	89.54%	89.54%
Shauna Events SAS	France	44.81%	44.81%
Skillstar Sarl	France	89.54%	89.54%
Studio 74 SAS	France	89.54%	89.54%
Studio Maboul SAS	France	89.54%	89.54%
Sublim Talents SAS	France	44.81%	44.81%
Survivor Central Productions SAS	France	89.54%	89.54%
Talent Lab SAS	France	64.02%	64.02%
Team CH1 SAS	France	89.54%	89.54%
Terrence Films	France	50.09%	50.09%
Upper Talent SAS	France	64.02%	64.02%
Vision Air SAS	France	89.54%	89.54%
Zodiak Kids Studio France SASU	France	89.54%	89.54%
153 PRODUCTIONS NZ LLC	Australia/New Zealand	89.54%	89.54%
ALK Productions Limited	Australia/New Zealand	89.54%	89.54%
Endemol Australia Pty Ltd	Australia/New Zealand	89.54%	89.54%
Endemol Shine Australia Holdings Pty Ltd	Australia/New Zealand	89.54%	89.54%
Endemol Shine Australia Pty Ltd	Australia/New Zealand	89.54%	89.54%
Endemol Shine Australia Services Pty Ltd	Australia/New Zealand	89.54%	89.54%
Endemol Southern Star Pty Ltd	Australia/New Zealand	89.54%	89.54%
ESA Productions 1 Pty Ltd	Australia/New Zealand	89.54%	89.54%
ESA Productions 2 Pty Ltd	Australia/New Zealand	89.54%	89.54%
ESA Productions 3 Pty Ltd	Australia/New Zealand	89.54%	89.54%
ESA Productions 4 Pty Ltd	Australia/New Zealand	89.54%	89.54%
ESA Productions 5 Pty Ltd	Australia/New Zealand	89.54%	89.54%
ESA Productions 6 Pty Ltd	Australia/New Zealand	89.54%	89.54%
Love Among The Vines Productions Limited	Australia/New Zealand	89.54%	89.54%
Love Yarn Productions Limited	Australia/New Zealand	89.54%	89.54%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
Patiki Media Limited	Australia/New Zealand	89.54%	89.54%
Popstarts Productions NZ Limited	Australia/New Zealand	89.54%	89.54%
Quimbo's Quest Limited	Australia/New Zealand	89.54%	89.54%
Rosebud Pty Limited SAS	Australia/New Zealand	89.54%	89.54%
SAS Productions Limited	Australia/New Zealand	89.54%	89.54%
Screentime Commerical Pty Limited	Australia/New Zealand	89.54%	89.54%
Screentime New Zealand Limited	Australia/New Zealand	89.54%	89.54%
Screentime Pty Ltd	Australia/New Zealand	89.54%	89.54%
Shine Australia Holdings Pty Ltd	Australia/New Zealand	89.54%	89.54%
SPVs	Australia/New Zealand	89.54%	89.54%
Straight Forward Productions Limited	Australia/New Zealand	89.54%	89.54%
The Gulf Productions Limited	Australia/New Zealand	89.54%	89.54%
The Landing (Fiji) Pte Limited (Fiji)	Australia/New Zealand	89.54%	89.54%
The Landing Ltd (Samoa)	Australia/New Zealand	89.54%	89.54%
Together Forever Productions Limited	Australia/New Zealand	89.54%	89.54%
Banijay Benelux Holding B.V.	Benelux	89.54%	89.54%
Banijay Benelux B.V.	Benelux	89.54%	89.54%
625 TV Producties B.V.	Benelux	89.54%	89.54%
After The Break Productions B.V.	Benelux	89.54%	89.54%
Beyond Holding B.V.	Benelux	89.54%	89.54%
Beyond Opco Holding B.V.	Benelux	89.54%	89.54%
Blockbuster Media B.V. (ex: Endemol Shared Services BV)	Benelux	89.54%	89.54%
Call 909 Nederland B.V.	Benelux	89.54%	89.54%
Central Media Station Holding B.V.	Benelux	89.54%	89.54%
Commando's TV Productie B.V.	Benelux	89.54%	89.54%
Costa Film Productie B.V.	Benelux	89.54%	89.54%
De Mol Catalyst B.V.	Benelux	89.54%	89.54%
Endemol Licentie B.V.	Benelux	89.54%	89.54%
Endemol Nederland Film B.V.	Benelux	89.54%	89.54%
Endemol Participatie TV B.V.	Benelux	89.54%	89.54%
Endemol Personeel B.V.	Benelux	89.54%	89.54%
Endemol Shine Belgium N.V	Benelux	99.99%	99.99%
Endemol Shine IP B.V.	Benelux	89.54%	89.54%
Endemol Shine Nederland B.V.	Benelux	89.54%	89.54%
Endemol Shine Nederland Producties B.V.	Benelux	89.54%	89.54%
Endemol Shine Russia Holding B.V.	Benelux	89.54%	89.54%
Endemol Shine Scripted B.V.	Benelux	89.54%	89.54%
Endemol Shine Sport B.V.	Benelux	89.54%	89.54%
Endemol Shine Sports Investments B.V.	Benelux	89.54%	89.54%
ES NL Scripted Holding B.V.	Benelux	89.54%	89.54%
EWT Holding B.V.	Benelux	53.80%	53.80%
Gouden Uur TV Productie B.V.	Benelux	89.54%	89.54%
Grundy/Endemol Nederland V.o.F.	Benelux	44.77%	44.77%
Haagse Bluf TV Produkties B.V.	Benelux	89.54%	89.54%
Human Playground TV Production B.V.	Benelux	89.54%	89.54%
Koekieloekie TV Productie B.V.	Benelux	89.54%	89.54%
NL Film en TV B.V.	Benelux	89.54%	89.54%
NL Film Productie B.V.	Benelux	89.54%	89.54%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
NL TV Productie B.V.	Benelux	89.54%	89.54%
Palm Plus Music Publishing B.V.	Benelux	89.54%	89.54%
Scriptstudio B.V.	Benelux	89.54%	89.54%
Simpel Formats B.V.	Benelux	89.54%	89.54%
Simpel Media B.V.	Benelux	89.54%	89.54%
SNP Holding B.V	Benelux	89.54%	89.54%
SNP Media B.V.	Benelux	89.54%	89.54%
SNP Participaties B.V.	Benelux	89.54%	89.54%
Southfields	Benelux	76.83%	76.83%
Stanley H. TV Productie B.V.	Benelux	89.54%	89.54%
Totem Media B.V.	Benelux	45.67%	45.67%
TV BV B.V.	Benelux	89.54%	89.54%
Van der Valk TV Production B.V.	Benelux	89.54%	89.54%
Zodiak Belgium	Benelux	89.54%	89.54%
B&B Endemol AG	Switzerland	36.27%	36.27%
Banijay Germany GmbH	Germany	71.83%	71.83%
Banijay Productions GmbH	Germany	68.24%	68.24%
BRAINPOOL Beteiligungsgesellschaft GmbH	Germany	71.83%	71.83%
BRAINPOOL Live Artist & Brand GmbH	Germany	71.83%	71.83%
BRAINPOOL TV GmbH	Germany	71.83%	71.83%
CAPE CROSS STUDIO UND FILMLICTHGESELLSCHAFT GmbH	Germany	71.83%	71.83%
COLOGNE COMEDY FESTIVAL GmbH (formerly KÖLN COMEDY FESTIVAL GmbH)	Germany	71.83%	71.83%
Endemol Shine Germany GmbH	Germany	71.83%	71.83%
Endemol Shine Group Germany GmbH	Germany	71.83%	71.83%
Good Humor GmbH	Germany	35.20%	35.20%
Good Times Fernsehproduktions GmbH	Germany	71.83%	71.83%
HPR PRODUKTION GbR	Germany	35.91%	35.91%
Kartell No. 5 GmbH LUCKY PICS GmbH	Germany	71.83%	71.83%
Lucky Pics GmbH	Germany	71.83%	71.83%
MadeFor Film GmbH	Germany	71.83%	71.83%
MadeFor Music Publishing GmbH	Germany	71.83%	71.83%
Major Minor Musikverlag GmbH	Germany	71.83%	71.83%
MILE 108 GRIPSTORE GmbH	Germany	71.83%	71.83%
MTS MANAGEMENT Töne Stallmeyer GmbH	Germany	64.65%	64.65%
MÜNSTERANER TOURNEESERVICE MTS Live GmbH	Germany	57.47%	57.47%
OGP Künstlermanagement GmbH	Germany	36.63%	36.63%
RAAB TV – PRODUKTION GmbH	Germany	71.83%	71.83%
Rainer LauxProductionsGmbH	Germany	36.63%	36.63%
SR Management GmbH	Germany	36.63%	36.63%
Banijay Iberia SRL	Iberia	89.54%	89.54%
CUARZO PRODUCCIONES SL	Iberia	86.06%	86.06%
Diagonal Televisio. S.L.U.	Iberia	89.54%	89.54%
DLO PRODUCCIONES SL	Iberia	85.06%	85.06%
Endemol Portugal Unipessoal Lda Endemol Shine Iberia S.L.U.	Iberia	89.54%	89.54%
Funwood Iberica SL	Iberia	45.74%	45.74%
Funwood SRL	Iberia	45.67%	45.67%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
Gestmusic Endemol S.A.U.	Iberia	89.54%	89.54%
Hierro Serie AIE	Iberia	46.10%	46.10%
Magnolia TV Espana	Iberia	89.54%	89.54%
Meric Producciones Audiovisuales AIE	Iberia	46.10%	46.10%
Non Stop People Espana SL	Iberia	85.06%	85.06%
Porto Cabo Atlantico SL	Iberia	45.67%	45.67%
Porto Cabo Canarias SLU	Iberia	45.67%	45.67%
Porto Cabo Mediterráneo SLU	Iberia	45.67%	45.67%
Porto Cabo TV SL	Iberia	45.67%	45.67%
Project Academy Series SL	Iberia	89.54%	89.54%
R. Zinman Productions A.I.E.	Iberia	86.59%	86.59%
Shine Iberia Portugal. Unipessoal. Lda	Iberia	89.54%	89.54%
Shine Iberia S.L.U.	Iberia	89.54%	89.54%
Zeppelin Television S.A.U	Iberia	89.54%	89.54%
4FRIENDS S.R.L	Italy	59.70%	59.70%
Ambra Banijay Italia S.R.L	Italy	89.54%	89.54%
ATLANTIS S.R.L	Italy	89.54%	89.54%
AURORA TV S.R.L	Italy	89.54%	89.54%
Banijay Italia S.p.A (formerly Magnolia SpA)	Italy	89.54%	89.54%
BANIJAY STUDIO ITALY S.R.L	Italy	89.54%	89.54%
Endemol Shine Italia S.p.A.	Italy	89.54%	89.54%
ITV MOVIE S.R.L	Italy	81.71%	81.71%
L'Officina S.R.L	Italy	89.54%	89.54%
MadDoll S.R.L	Italy	54.00%	54.00%
Milanoroma S.R.L	Italy	89.54%	89.54%
NONPANIC S.R.L	Italy	53.72%	53.72%
Endemol India Private Ltd. India	India	45.67%	45.67%
Ink Pen Media Private Ltd. India	India	45.67%	45.67%
Logline Production Private Ltd. India	India	45.21%	45.21%
Seventauraus Entertainment Studios PV Ltd (BANIJAY ASIA)	India	44.86%	44.86%
SOL Production	India	89.54%	89.54%
5th Element AB. Sweden	Nordics	89.54%	89.54%
5to Element AB, Sweden	Nordics	80.59%	80.59%
BANIJAY FINLAND OY. Finland	Nordics	89.54%	89.54%
BANIJAY Holding Suomi OY, Finland	Nordics	89.54%	89.54%
BANIJAY INTERNATIONAL ApS. Denmark	Nordics	89.54%	89.54%
BANIJAY NORDIC HOLDING ApS. Denmark	Nordics	89.54%	89.54%
Beforeigners Production AS. Norway	Nordics	89.54%	89.54%
Endemol Denmark AS. Denmark	Nordics	89.54%	89.54%
Endemol Norway AS. Norway	Nordics	89.54%	89.54%
Endemol Shine Finland OY. Finland	Nordics	89.54%	89.54%
Endemol Shine Nordics AB. Sweden	Nordics	89.54%	89.54%
Endemol Sweden AB. Sweden	Nordics	89.54%	89.54%
Filmlance International AB. Sweden	Nordics	89.54%	89.54%
Friday TV AB. Sweden	Nordics	89.54%	89.54%
Guidebeast AB. Sweden	Nordics	89.54%	89.54%
Jarowskij Danmark AS. Denmark	Nordics	89.54%	89.54%
Jarowskij Finland Oy, Finland	Nordics	89.54%	89.54%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
Jarowskij Enterprises AB. Sweden	Nordics	89.54%	89.54%
Jarowskij Management AB. Sweden	Nordics	89.54%	89.54%
Jarowskij Sverige AB. Sweden	Nordics	89.54%	89.54%
LivePeople ApS. Denmark	Nordics	89.54%	89.54%
MAGFIVE Content AB. Sweden	Nordics	89.54%	89.54%
Mastiff A/S. Denmark	Nordics	89.54%	89.54%
Mastiff AB. Sweden	Nordics	89.54%	89.54%
Mastiff AS. Norway	Nordics	89.54%	89.54%
Mastiff Entertainment AS. Norway	Nordics	89.54%	89.54%
Mastiff Media Holding AB. Sweden	Nordics	89.54%	89.54%
Meter Television AB. Sweden	Nordics	89.54%	89.54%
Metronome Post AB. Sweden	Nordics	89.54%	89.54%
Metronome Productions A/S. Denmark	Nordics	89.54%	89.54%
Mutter Media AB. Sweden	Nordics	89.54%	89.54%
NFTV PRODUKSJON AS. Norway	Nordics	89.54%	89.54%
NORDISK FILM & TV PRODUKTION AB. Sweden	Nordics	89.54%	89.54%
NORDISK FILM TV & AS. Norway	Nordics	89.54%	89.54%
NORDISK FILM TV A/S. Denmark	Nordics	89.54%	89.54%
PINEAPPLE ENTERTAINMENT ApS. Denmark	Nordics	45.67%	45.67%
RESPIRATOR MEDIA & DEVELOPMENT A/S. Denmark	Nordics	44.87%	44.87%
Rubicon TV AS. Norway Screen Media. Norway	Nordics	89.54%	89.54%
Screen Media AS, Norway	Nordics	89.54%	89.54%
Shine Nordics AB. Sweden	Nordics	89.54%	89.54%
Solsidan Produktion HB. Sweden	Nordics	44.77%	44.77%
Solsidan Produktion AB. Sweden	Nordics	44.77%	44.77%
STO-CPH Produktion AB. Sweden	Nordics	89.54%	89.54%
Yellow Bird Film & TV Production AB (formerly Yellow Bird Sweden AB)	Nordics	89.54%	89.54%
Yellow Bird Films Aps. Denmark	Nordics	89.54%	89.54%
Yellow Bird Norge AS. Norway	Nordics	89.54%	89.54%
Yellowbird Holding AB. Sweden	Nordics	89.54%	89.54%
Yellowbird Sweden AB. Sweden	Nordics	89.54%	89.54%
Zodiak Media AB. Sweden	Nordics	89.54%	89.54%
21CF Shine Holdings UK Ltd	United Kingdom	89.54%	89.54%
Artists' Studio Management Ltd	United Kingdom	89.54%	89.54%
Artists' Studio TV Ltd	United Kingdom	89.54%	89.54%
Bandit (Delicious 3) Limited	United Kingdom	89.54%	89.54%
Banijay (Central) Ltd	United Kingdom	89.54%	89.54%
Banijay Brands Limited	United Kingdom	89.54%	89.54%
Banijay Rights Ltd	United Kingdom	89.54%	89.54%
Banijay UK Ltd	United Kingdom	89.54%	89.54%
Bazal Productions Ltd.	United Kingdom	89.54%	89.54%
Black Mirror Drama (S4) Ltd	United Kingdom	89.54%	89.54%
Black Mirror Drama (S5) Ltd	United Kingdom	89.54%	89.54%
Black Mirror Drama Ltd	United Kingdom	89.54%	89.54%
BlackLight (On the Edge Season 3) Productions Ltd	United Kingdom	89.54%	89.54%
Blacklight Television Ltd (formerly Touchpaper Television)	United Kingdom	89.54%	89.54%
Blobhead Productions Ltd. Scotland	United Kingdom	89.54%	89.54%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
Brighter Pictures Ltd	United Kingdom	89.54%	89.54%
Broadcast Communications (Productions) Ltd.	United Kingdom	89.54%	89.54%
Brown Eyed Boy (MHB) Ltd	United Kingdom	89.54%	89.54%
Brown Eyed Boy Ltd	United Kingdom	89.54%	89.54%
Bwark Films Ltd	United Kingdom	89.54%	89.54%
Bwark production Ltd	United Kingdom	89.54%	89.54%
Castaway Television Productions Ltd	United Kingdom	89.54%	89.54%
Channel 12 Ltd	United Kingdom	89.54%	89.54%
ChannelFlip Media Ltd	United Kingdom	89.54%	89.54%
Dangerous Films Ltd	United Kingdom	70.00%	70.00%
Darlow Smithson Productions Ltd	United Kingdom	89.54%	89.54%
Douglas Road Productions Ltd	United Kingdom	89.54%	89.54%
Dragonfly Film and Television Productions Ltd	United Kingdom	89.54%	89.54%
Dragonfly Drama Ltd	United Kingdom	89.54%	89.54%
Dream Alliance Productions Ltd	United Kingdom	89.54%	89.54%
DSP Drama 2 Limited	United Kingdom	89.54%	89.54%
DSP Drama 3 Limited	United Kingdom	89.54%	89.54%
DSP Drama 4 Limited	United Kingdom	89.54%	89.54%
DSP Drama Ltd	United Kingdom	89.54%	89.54%
Edam SLB Ltd	United Kingdom	89.54%	89.54%
Electric Robin Ltd	United Kingdom	89.54%	89.54%
Electric Robin (BTR) Limited	United Kingdom	89.54%	89.54%
Electric Robin (GOG) Limited	United Kingdom	89.54%	89.54%
Endemol Shine Gaming Ltd	United Kingdom	89.54%	89.54%
Endemol Shine Group Holding UK Limited	United Kingdom	89.54%	89.54%
Endemol Shine Group Limited	United Kingdom	89.54%	89.54%
Endemol Shine International Ltd.	United Kingdom	89.54%	89.54%
Endemol Shine International SPV Ltd	United Kingdom	89.54%	89.54%
Endemol Shine UK Ltd	United Kingdom	89.54%	89.54%
Endemol UK Holding Limited	United Kingdom	89.54%	89.54%
Endemol Worldwide Distribution Holding Ltd	United Kingdom	89.54%	89.54%
ES UK Productions Ltd	United Kingdom	89.54%	89.54%
Fall Productions Ltd	United Kingdom	40.29%	40.29%
Far Moor Media Ltd	United Kingdom	89.54%	89.54%
Flatmates Production Ltd	United Kingdom	89.54%	89.54%
Good Catch Ltd	United Kingdom	89.54%	89.54%
Gravity Hill Production Ltd	United Kingdom	89.54%	89.54%
Green Eyed Boy Ltd	United Kingdom	50.00%	50.00%
Guilder Productions Limited	United Kingdom	89.54%	89.54%
Hawkshead Ltd	United Kingdom	89.54%	89.54%
Holy Moly Entertainment Ltd	United Kingdom	89.54%	89.54%
House of Tomorrow Drama Ltd	United Kingdom	89.54%	89.54%
House of Tomorrow Holdings Ltd	United Kingdom	75.50%	75.50%
House of Tomorrow Ltd	United Kingdom	89.54%	89.54%
Ideal World Films Ltd. Scotland	United Kingdom	89.54%	89.54%
Ideal World Productions Ltd	United Kingdom	89.54%	89.54%
Initial (Seaforth) Ltd	United Kingdom	89.54%	89.54%
Initial Film & Television (Frankies House) Ltd	United Kingdom	89.54%	89.54%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
Initial Film & Television (Horse Opera) Ltd	United Kingdom	89.54%	89.54%
Initial Film & Television Ltd	United Kingdom	89.54%	89.54%
Initial Music Publishing Ltd	United Kingdom	89.54%	89.54%
IWC Media Ltd. Scotland	United Kingdom	89.54%	89.54%
Kudos and subsidiaries	United Kingdom	89.54%	89.54%
Late Night Shopping Ltd. Scotland	United Kingdom	89.54%	89.54%
Lomond Television Ltd	United Kingdom	89.54%	89.54%
Love or Money Ltd. Scotland	United Kingdom	89.54%	89.54%
Mast Media Big Call ltd	United Kingdom	89.54%	89.54%
Mastercover Productions Ltd	United Kingdom	89.54%	89.54%
Momedia TV Ltd	United Kingdom	4.48%	4.48%
Monogram Productions Ltd	United Kingdom	89.54%	89.54%
Neon Ink Productions Ltd	United Kingdom	89.54%	89.54%
NC Shine Acquisition Ltd	United Kingdom	89.54%	89.54%
NC Zodiak Media Ireland Ltd	United Kingdom	89.54%	89.54%
New Moon Rising Ltd	United Kingdom	89.54%	89.54%
Not Driving That Limited	United Kingdom	89.54%	89.54%
OP Media Limited	United Kingdom	67.16%	67.16%
OP Talent Ltd	United Kingdom	89.54%	89.54%
Primetime Ltd	United Kingdom	89.54%	89.54%
Primetime No 2 Ltd	United Kingdom	89.54%	89.54%
Princess Productions Ltd	United Kingdom	89.54%	89.54%
RDF Television Ltd	United Kingdom	89.54%	89.54%
Secret Life of Boys 5 Ltd	United Kingdom	89.54%	89.54%
Shine Commercial Ltd	United Kingdom	89.54%	89.54%
Shine Commercial Ltd (Branch in Singapore)	United Kingdom	89.54%	89.54%
Shine Creative (UK) Ltd	United Kingdom	89.54%	89.54%
Shine Ginkgo Limited	United Kingdom	89.54%	89.54%
Shine Jet Ltd	United Kingdom	89.54%	89.54%
Shine Ltd	United Kingdom	89.54%	89.54%
Shine Midco Ltd	United Kingdom	89.54%	89.54%
Shine North Ltd	United Kingdom	89.54%	89.54%
Shine Pictures (UK) Ltd	United Kingdom	89.54%	89.54%
Shine Pictures LLP	United Kingdom	44.77%	44.77%
Shine TV (Hunted) Ltd	United Kingdom	89.54%	89.54%
Shine TV Ltd	United Kingdom	89.54%	89.54%
Simon's Cat Ltd	United Kingdom	45.67%	45.67%
Sound Pocket Music Ltd	United Kingdom	89.54%	89.54%
Southern Star Sales (UK) Ltd	United Kingdom	85.44%	85.44%
Superchargers Limited	United Kingdom	89.54%	89.54%
Ted's Top Ten Ltd	United Kingdom	89.54%	89.54%
Teen Taxis Limited	United Kingdom	89.54%	89.54%
Television Productions Ltd	United Kingdom	89.54%	89.54%
The Comedy Unit Ltd. Scotland	United Kingdom	89.54%	89.54%
The Fall 2 Ltd	United Kingdom	89.54%	89.54%
The Fall 3 Ltd	United Kingdom	89.54%	89.54%
The Foundation TV Productions Ltd. Scotland	United Kingdom	89.54%	89.54%
The Natural Studios Ltd	United Kingdom	45.67%	45.67%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
The Natural Studios Productions Ltd	United Kingdom	45.67%	45.67%
The Russian Bride Ltd	United Kingdom	89.54%	89.54%
The Unofficial TV Company Ltd	United Kingdom	89.54%	89.54%
Tiger Aspect Kids and Family Limited	United Kingdom	89.54%	89.54%
Tiger Aspect Animation	United Kingdom	89.54%	89.54%
Tiger Aspect and subsidiaries	United Kingdom	89.54%	89.54%
Tiger Aspect Scotland	United Kingdom	89.54%	89.54%
Tiger Television Ltd	United Kingdom	89.54%	89.54%
Tigress Productions Ltd	United Kingdom	89.54%	89.54%
Tronpipe Ltd	United Kingdom	89.54%	89.54%
Victoria Real Ltd	United Kingdom	88.15%	88.15%
Wark Clements & Company Ltd	United Kingdom	89.54%	89.54%
Wild Mercury (Moreton) Limited	United Kingdom	89.54%	89.54%
Wild Mercury (The Rig) Limited	United Kingdom	89.54%	89.54%
Wild Mercury (Troy) Limited	United Kingdom	89.54%	89.54%
Wild Mercury Production Company Limited	United Kingdom	67.16%	67.16%
Wild West (Initial) Ltd	United Kingdom	89.54%	89.54%
Wonder Productions Ltd (Wonder Television Limited)	United Kingdom	89.54%	89.54%
Workerbee Documentary Films Ltd	United Kingdom	89.54%	89.54%
Workerbee TV Limited	United Kingdom	89.54%	89.54%
Yellow Bird Productions UK Ltd	United Kingdom	45.67%	45.67%
Yellow Bird UK Ltd	United Kingdom	43.87%	43.87%
Young Bwark Ltd	United Kingdom	44.77%	44.77%
Zeppotron Drama Ltd	United Kingdom	89.54%	89.54%
Zeppotron Limited	United Kingdom	89.54%	89.54%
Zodiak Kids Studio UK Ltd	United Kingdom	89.54%	89.54%
Zodiak Media Ltd	United Kingdom	89.54%	89.54%
Zodiak Music Publishing Ltd	United Kingdom	89.54%	89.54%
1953 LLC	United States	53.72%	53.72%
1982 Productions, LLC	United States	53.72%	53.72%
247 W. 37th St. Location Services. LLC	United States	53.72%	53.72%
51 Minds Entertainment. LLC	United States	89.54%	89.54%
51 Minds. LLC	United States	89.54%	89.54%
ACIP CO LLC	United States	89.54%	89.54%
All Knight Music. LLC	United States	44.77%	44.77%
Alpha Blue Music. LLC	United States	53.72%	53.72%
Anonymous Music Library. LLC	United States	89.54%	89.54%
Ant Eggs Rentals. LLC	United States	45.67%	45.67%
Argyle Media. LLC	United States	53.72%	53.72%
Atrium Entertainment. LLC	United States	89.54%	89.54%
Authentic Entertainment Holdings LLC	United States	89.54%	89.54%
Authentic Entertainment. LLC	United States	89.54%	89.54%
Authentic Minds. LLC	United States	89.54%	89.54%
BANIJAY ENTERTAINMENT HOLDING US. Inc	United States	89.54%	89.54%
BANIJAY GROUP US HOLDING. Inc	United States	89.54%	89.54%
BANIJAY US	United States	89.54%	89.54%
Banijay Mexico and US Hispanic LLC	United States	45.67%	45.67%
Banijay Mexico and US Hispanic LLC, S.A.P.I de C.V.	United States	45.65%	45.65%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
BANIJAY STUDIOS NORTH AMERICA. LLC	United States	70.11%	70.11%
Berkeley Productions. Inc	United States	89.54%	89.54%
BG Apple. LLC	United States	89.54%	89.54%
BG Peach. Inc	United States	89.54%	89.54%
Big Ant Productions. LLC	United States	44.77%	44.77%
BL4 Productions. Inc	United States	89.54%	89.54%
BMP Films. Inc	United States	89.54%	89.54%
Bona Fide Productions. LLC	United States	89.54%	89.54%
Boomdog Studios. S.A. de C.V. Mexico	United States	45.49%	45.49%
Brigadier Productions. Inc	United States	89.54%	89.54%
BUNIM MURRAY PRODUCTIONS. Inc	United States	89.54%	89.54%
BUNIM MURRAY PRODUCTIONS. LLC	United States	89.54%	89.54%
Burbank North Productions. LLC	United States	89.54%	89.54%
Candlestick Entertainment. LLC	United States	89.54%	89.54%
CCCM Projects. LLC	United States	89.54%	89.54%
Clock Tower Productions. Inc	United States	89.54%	89.54%
Coconunu Productions. Inc	United States	89.54%	89.54%
Complete Solution Pictures and Sound. LLC	United States	70.11%	70.11%
Cristal Ball Enterprises. LLC	United States	89.54%	89.54%
Crosswalk Productions. LLC	United States	89.54%	89.54%
Deep Dish Productions of Chicago. LLC	United States	89.54%	89.54%
Distance Productions. Inc	United States	89.54%	89.54%
Dos Producciones. LLC	United States	89.54%	89.54%
Endemol Beyond USA. LLC	United States	89.54%	89.54%
Endemol Latino N.A. Inc	United States	89.54%	89.54%
Endemol Shine Boomdog Holding S.A.P.I de C.V. Mexico	United States	45.67%	45.67%
Endemol Shine Boomdog. LLC	United States	51.00%	51.00%
Endemol Shine Boomdog. S.A.P.I. de C.V. Mexico	United States	45.65%	45.65%
Endemol Mexico SA de CV. Mexico	United States	44.77%	44.77%
Endemol Shine SPV. LLC	United States	89.54%	89.54%
Endemol Shine US Office. LLC	United States	89.54%	89.54%
Endemol Studios Inc	United States	89.54%	89.54%
ENDEMOL USA Holding. Inc	United States	89.54%	89.54%
ENDEMOL USA. Inc	United States	89.54%	89.54%
GF Gilms. LLC	United States	53.72%	53.72%
Go Ahead Productions. Inc	United States	70.11%	70.11%
Gramercy Global Entertainment. LLC (The Blast)	United States	53.28%	53.28%
Gulf Stream Media Inc	United States	70.11%	70.11%
Hashtag Entertainment. LLC	United States	89.54%	89.54%
Hippocratical Productions LLC	United States	89.54%	89.54%
Hizzoner. LLC	United States	89.54%	89.54%
Home Brewed Productions. LLC	United States	89.54%	89.54%
Home Run Production Services. LLC	United States	89.54%	89.54%
Impressario Productions. LLC	United States	89.54%	89.54%
In the Keys Music. LLC	United States	44.77%	44.77%
Keeping Track Music. Inc	United States	89.54%	89.54%
Lars & Son Moisture Farm. LLC	United States	89.54%	89.54%
Lock and Key Productions. Inc	United States	89.54%	89.54%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
Lock Cut 9. LLC	United States	44.77%	44.77%
Look Both Ways Productions. LLC	United States	89.54%	89.54%
M Cable Television. Inc	United States	89.54%	89.54%
M Theory Entertainment. Inc	United States	89.54%	89.54%
Media Production Services. LLC	United States	89.54%	89.54%
Middle Man. Inc	United States	89.54%	89.54%
Mindring Productions. LLC	United States	89.54%	89.54%
Mobility Productions, INC	United States	89.54%	89.54%
Monte Pictures. LLC	United States	89.54%	89.54%
Mountain View Productions. LLC	United States	89.54%	89.54%
Navy Street Productions. LLC	United States	89.54%	89.54%
NJC. LLC	United States	89.54%	89.54%
No Doubt Productions. Inc	United States	89.54%	89.54%
Note Republic. LLC	United States	44.77%	44.77%
NoVat Productions. LLC	United States	44.77%	44.77%
Only On Oxnard. LLC	United States	89.54%	89.54%
Onxnard Cats Entertainment. LLC	United States	89.54%	89.54%
Organized Productions. LLC	United States	89.54%	89.54%
Original Ink. LLC	United States	89.54%	89.54%
Original Media. LLC	United States	89.54%	89.54%
Our House Productions. Inc	United States	89.54%	89.54%
New Zealand 1, LLC	United States	53.72%	53.72%
New Zealand 2, LLC	United States	53.72%	53.72%
Palisade Productions, LLC	United States	53.72%	53.72%
Particle LLC	United States	53.72%	53.72%
Particle VFX. LLC	United States	53.72%	53.72%
Pico Script Lab. Inc	United States	89.54%	89.54%
PMPGL. LLC	United States	89.54%	89.54%
Production Support Services. LLC	United States	89.54%	89.54%
Proton Production, LLC	United States	53.72%	53.72%
Road Rules Productions. LLC	United States	89.54%	89.54%
Rough Cut Productions. LLC	United States	89.54%	89.54%
RW Productions. LLC	United States	89.54%	89.54%
Screenbox. LLC	United States	53.72%	53.72%
SDE WV. LLC	United States	53.72%	53.72%
Shadows Doubt. LLC	United States	53.72%	53.72%
Shea Office Space and Furnishings. LLC	United States	70.11%	70.11%
Shine Television. LLC	United States	89.54%	89.54%
Shine US Holdings. Inc	United States	89.54%	89.54%
Snack Tray Productions. LLC	United States	89.54%	89.54%
Spring Break Films. LLC	United States	44.77%	44.77%
STEPHEN DAVID ENTERTAINMENT	United States	53.72%	53.72%
Stephen David Media. LLC	United States	53.72%	53.72%
Suns Productions. LLC	United States	89.54%	89.54%
Sunset Ventures. Inc	United States	70.11%	70.11%
Superior Production Services. LLC	United States	89.54%	89.54%
Swampy Projects. LLC	United States	89.54%	89.54%
Tabula Rasa Productions. LLC	United States	89.54%	89.54%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
Tatsy Treat. LLC	United States	44.77%	44.77%
The American Cue Society. LLC	United States	89.54%	89.54%
Trade Winds Productions. Inc	United States	70.11%	70.11%
Trapeze Productions, LLC	United States	53.72%	53.72%
True Entertainment. LLC	United States	89.54%	89.54%
True TTH. LLC	United States	89.54%	89.54%
Truly Original. LLC	United States	89.54%	89.54%
Turnt Up Productions. LLC	United States	89.54%	89.54%
United Front Productions. LLC	United States	89.54%	89.54%
UP-N-ATOM, LLC	United States	53.72%	53.72%
Very Water Logged. LLC	United States	89.54%	89.54%
W. 37th St. Location Services. LLC	United States	53.72%	53.72%
Warren and Whitmore, LLC	United States	53.72%	53.72%
Wescar. LLC	United States	53.72%	53.72%
Wheelhouse Productions. LLC	United States	89.54%	89.54%
World Wars WV. LLC	United States	53.72%	53.72%
YB US HOLDINGS CORT	United States	89.54%	89.54%
YOLO Productions. LLC	United States	89.54%	89.54%
Zamora Films. LLC	United States	89.54%	89.54%
Zodiak Americas	United States	89.54%	89.54%
Zodiak USA	United States	89.54%	89.54%
Zodiak Latino Llc	United States	80.59%	80.59%
Zodiak Latino S. DE R. L DE C.V. (formerly RM5to Elemento Mexico SDE)		81.51%	81.51%
Zoom Equipment Rentals. LLC	United States	89.54%	89.54%
Endemol Israel Ltd.. Israel	Rest of the World	89.54%	89.54%
Endemol Medya Produlksiyon Ticaret Limited Sirketi, Turkey	Rest of the World	89.09%	89.09%
Endemol Middle East Productions SAL, Lebanon	Rest of the World	89.36%	89.36%
Endemol Shine Brasil Producoes Ltda. Brazil	Rest of the World	87.66%	87.66%
Endemol Shine Polska Sp. Z.o.o.. Poland	Rest of the World	89.54%	89.54%
Endemol South East Asia Pte Ltd. Singapore	Rest of the World	89.54%	89.54%
JSC WeiT Media. Russia	Rest of the World	71.63%	71.63%
Mastiff LLC. Russia	Rest of the World	67.60%	67.60%
Crossmex B.V. Netherlands	Investments in associates and joint ventures	53.72%	53.72%
Daze MGMT SAS	Investments in associates and joint ventures	31.37%	31.37%
Double Dutch Productions Lrd	Investments in associates and joint ventures	44.68%	44.68%
Ensemble Entertainment. LLC. United States	Investments in associates and joint ventures	1.34%	1.34%
Financière EMG SAS. France	Investments in associates and joint ventures	6.82%	6.82%
Flow Ventures. LLC. United States	Investments in associates and joint ventures	33.58%	33.58%
Foundling Bird Ltd. UK	Investments in associates and joint ventures	8.95%	8.95%
LADYKRACHER TV – PRODUKTION GmbH. Germany	Investments in associates and joint ventures	35.91%	35.91%
M.G. Productions SAS (Commercial name: Marathon Studio)	Investments in associates and joint ventures	43.87%	43.87%

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
MINESTRONE PRODUKTION GbR. Germany	Investments in associates and joint ventures	35.91%	35.91%
Playzido Ltd. UK	Investments in associates and joint ventures	17.78%	17.78%
Pure Grass Films Ltd. UK	Investments in associates and joint ventures	4.48%	4.48%
Second Nature Media B.V. Netherlands	Investments in associates and joint ventures	44.77%	44.77%
Shine Fiction SAS	Investments in associates and joint ventures	43.87%	43.87%
Story Monster. LLC. United States	Investments in associates and joint ventures	43.87%	43.87%
What's the Story? Sounds Ltd	Investments in associates and joint ventures	22.39%	22.39%
Yellowbird YS, LLC.	Investments in associates and joint ventures	43.87%	43.87%

30.2 Betclic Everest Group's sub-group consolidation scope

The table below presents the percentage of ownership interest held by Betclic Everest Group SAS in its subsidiaries – all companies and sub-groups below are fully consolidated –:

Name of the legal entity	Country of incorporation	31 December 2022	31 December 2021
Betclic Everest Group SAS	**France**	**Holding**	
Mangas Gambling Engineering SARL	France	100.00%	100.00%
Mangas Everest SAS	France	-	100.00%
Betclic Overseas SAS(1)	France	90.00%	90.00%
Betclic Côte d'Ivoire SAS(1)	Ivory Coast	90.00%	-
Betclic Sénégal SAS	Senegal	90.00%	-
Betclic Bénin SAS	Benin	90.00%	-
Betclic Enterprises Ltd	Malta	100.00%	-
BEM Operations Ltd	Malta	100.00%	100.00%
Betclic Ltd	Malta	100.00%	100.00%
Mangas Gaming Malta Ltd	Malta	100.00%	100.00%
Mangas Investment Ltd	Malta	100.00%	100.00%
EG Portugal Sul	Portugal	100.00%	100.00%
BC Malta Services Ltd	Malta	100.00%	100.00%
BC Makreting Agency Italia Srl	Italy	100.00%	100.00%
Euro Gaming Investment SA	Luxemburg	100.00%	-
Equinox Ltd	Gibraltar	100.00%	89.54%
Mater Ltd Gibraltar	Gibraltar	100.00%	100.00%
bet-at-home.com AG Germany	Germany	53.90%	53.90%
bet-at-home.com AG Austria	Austria	53.90%	53.90%
Beteiligungsholding GmbH	Austria	53.90%	53.90%
BAH Niederlande GmbH	Austria	53.90%	-
bet-at-home Holding Ltd Malta	Malta	53.90%	-
bet-at-home Entertainment Ltd Malta(2)	Malta	-	100.00%
bet-at-home International Ltd Malta	Malta	53.90%	53.90%
bet-at-home Internet Ltd Malta	Malta	53.90%	53.90%
Jonsden Properties Ltd Gibraltar	Gibraltar	53.90%	53.90%
Skillstar SARL	France	-	50.00%

(1) Betclic Overseas (registered in France) and Betclic Ivory Coast (registered in Ivory Coast) were created to operate the market under Lonaci (Loterie nationale de Côte d'Ivoire) license.
(2) bet-at-home.com Entertainment Ltd. Malta was deconsolidated due to loss of control over the company (refer to note 3.1.3.I) on page 222).

6.2 Company only annual financial statements 31 December 2022

6.2.1 Company only statement of financial position

Assets

(in € million)	Note	31 December 2022
Property, plant and equipment		0.0
Investments in subsidiaries	Note 4	4,259.6
Deferred tax assets	Note 16	-
NON-CURRENT ASSETS		**4,259.6**
Receivables		0.9
Other current assets	Note 6	4.3
Current financial assets	Note 5	41.1
Cash and cash equivalents	Note 7	10.5
CURRENT ASSETS		**56.8**
ASSETS		**4,316.4**

Equity and liabilities

(in € million)	Note	31 December 2022
Share capital	Note 8.1	8.0
Share premiums	Note 8.1	4,140.3
Treasury shares		(0.1)
Retained earnings (deficit)		(3.2)
Net income/(loss)		(107.5)
TOTAL EQUITY		**4,037.5**
Other securities	Note 9	130.5
Deferred tax liabilities	Note 16	-
NON-CURRENT LIABILITIES		**130.5**
Short-term borrowings and bank overdrafts	Note 10	138.4
Trade payables		9.3
Other current liabilities		0.8
CURRENT LIABILITIES		**148.5**
EQUITY AND LIABILITIES		**4,316.4**

6.2.2 Company only statement of income

(in € million)	**Note**	**2022 (10-month period)**
External expenses	Note 12	(3.7)
Staff costs	Note 13	(1.0)
Other operating income	Note 14	0.5
Other operating expenses	Note 14	(106.6)
Depreciation and amortization expenses		(0.0)
OPERATING PROFIT/(LOSS)		**(110.9)**
Financial income	Note 15	1.1
Interest expenses	Note 15	(2.3)
COST OF NET DEBT		**(1.2)**
Other finance income/(costs)	Note 15	4.6
NET FINANCIAL INCOME/(EXPENSE)		**3.4**
EARNINGS BEFORE PROVISION FOR INCOME TAXES		**(107.5)**
Income tax expenses	Note 16	-
NET INCOME/(LOSS) FOR THE PERIOD		**(107.5)**

6.2.3 Company only statement of comprehensive income

(in € million)	**Note**	**2022 (10-month period)**
NET INCOME/(LOSS) FOR THE PERIOD		**(107.5)**
CHANGES AND INCOME DIRECTLY RECOGNIZED IN EQUITY		-
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(107.5)**

6.2.4 Company only statement of cash flows

(in € million)	Note	2022 (10-month period)
Profit/(loss)		(107.5)
Adjustments:		**72.5**
Amortization, depreciation, impairment losses and provisions, net of reversals		0.0
Change in fair value of financial instruments	Note 15	(4.6)
Income tax expenses	Note 16	-
Other adjustments[1]		75.9
Cost of net debt		1.2
GROSS CASH PROVIDED BY OPERATING ACTIVITIES		**(35.0)**
Changes in working capital		7.5
Income tax paid		-
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		**(27.5)**
Purchase of property, plant and equipment and intangible assets		(0.0)
Purchase of subsidiaries	Note 4	(392.1)
Increase in financial assets	Note 5	(221.0)
Dividends received		0.2
Interests received		0.5
Disposals of property, plant and equipment and intangible assets		-
Proceeds from sales of subsidiaries		-
Decrease in financial assets		10.0
Cash received through mergers	Note 7.2	164.0
NET CASH PROVIDED BY/(USED FOR) INVESTING ACTIVITIES	**NOTE 7**	**(438.4)**
Change in capital	Note 8.1	363.6
Change in other securities	Note 9	114.4
Dividends paid	Note 8.2	(1.6)
Proceeds from borrowings and other financial liabilities	Note 10	-
Other cash items related to financial activities		-
Interest paid		-
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**476.4**
Net increase/(decrease) of cash and cash equivalents	Note 7.1	**10.5**
Net cash and cash equivalents at the beginning of the period	Note 7.1	-
Net cash and cash equivalents at the end of the period	Note 7.1	*10.5*

(1) Other adjustments relate to the non-cash effect of IFRS2 listing costs.

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6.2.5 Company only statement of changes in equity

(in € million)	Share capital	Share premiums	Treasury shares	Retained earnings (deficit)	Other comprehensive income	Total equity
Net income/(loss)				(107.5)		(107.5)
Other comprehensive income						-
TOTAL COMPREHENSIVE INCOME				**(107.5)**	**-**	**(107.5)**
Incorporation of FL Entertainment	0.0	0.0				0.0
Contribution in kind (shares in subsidiaries)	7.1	3,559.2				3,566.3
Capital increase	0.6	363.0				363.6
Issuance of share capital as consideration for the Merger with Pegasus	0.2	188.7				188.9
Conversion of Founder Shares into Ordinary Shares	0.0	29.4				29.4
Treasury shares			(0.1)			(0.1)
Mergers with subsidiaries				(3.2)		(3.2)
BALANCE AS OF 31 DECEMBER 2022	**8.0**	**4,140.3**	**(0.1)**	**(110.7)**	**-**	**4,037.5**

6.2.6 Notes to the Company only financial statements

Note 1 Business presentation

FL Entertainment NV, a public limited liability company *(naamloze vennootschap)* incorporated under the laws of the Netherlands and listed on Euronext Amsterdam under the symbol "FL Entertainment", hereafter "FL Entertainment", "the Company" or "the Parent Company", detains and fosters the development of its controlled subsidiaries, hereafter "the Group". It encompasses two main businesses operating in the Content production & distribution business and the Online sports betting & gaming business.

The audiovisual entertainment business, hereafter "Content production & distribution business", is mainly represented by Banijay Group Holding and its subsidiaries, hereafter "Banijay" or "BGH", which operates in the production of audiovisual programs, distribution and marketing of intellectual property rights in relation to audiovisual and digital contents and/or formats.

The online sports betting and gaming business, hereafter "Online sports betting & gaming business" is mainly represented by Betclic Everest Group SAS and its subsidiaries, hereafter "Betclic Everest Group" or "BEG", which operates through its subsidiaries in the European online gaming markets, online casinos, online poker and sports betting. It operates under the names of its known brands such as Betclic and Bet-at-home, the latter being the brand name of bet-at-home.com AG, a listed company on the Frankfurt stock exchange.

As of June 30, 2022, this Company was a private limited liability company under the Dutch law, with a tax residency in France. On 1 July 2022, following the Business Combination Agreement described in the note 3.1 on page 293, FL Entertainment BV changed its legal structure from B.V. (Private limited company) to N.V. (Public limited company). Its tax residency is still in France.

As of 31 December 2022, FL Entertainment is the Parent Company of the Group. Its headquarters are located at 5 rue François 1er, 75008 Paris. The Company is registered in the Dutch trade register under the number 85742422. FL Entertainment is ultimately controlled by Lov Group Invest SAS, a private French company.

Note 2 Basis of preparation

2.1 Statement of compliance

FL Entertainment BV has been incorporated on 10 March 2022. It is controlled by Financière Lov SAS, a French entity.

These Company only financial statements, together with the accompanying notes thereto, are the first separate financial statements of the Company. These financial statements for the period ended on the 31 December 2022 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and available on the European Commission website. These standards include International Financial Reporting Standards and International Accounting Standards (IAS), as well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations. The accounting policies applied by FL Entertainment N.V. also comply with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code.

These separate financial statements are prepared in relation with the consolidated financial statements of the Group for the years ended on the 31 December 2022 and 2021. These separate and consolidated financial statements were authorized for issue by the Board of Directors on 28 April 2023.

The separate financial statements are presented in euros. Unless otherwise indicated, all amounts are rounded to the nearest hundred thousand euros, rounding differences may occur.

2.2 Main accounting policies

The accounting policies for the Company's financial statements are the same as for the consolidated financial statements. Where no specific policies are mentioned, reference should therefore be made to the accounting policies relating to the consolidated financial statements under note 2.5.

2.2.1 Investments in subsidiaries

Investments in subsidiaries are accounted for using the cost method. Cost is determined as the amount of cash or cash equivalents paid, or the fair value of consideration given to acquire the interests in subsidiaries, measured at fair value which includes the sum of fair values of the assets transferred, the liabilities incurred, and the equity interest issued by the Company at the acquisition date. This also includes any liability/asset for contingent consideration measured at fair value at acquisition date. Direct transaction costs are included in the initial cost.

The Company periodically (at least once a year at year-end) evaluates the carrying value of assets when events and circumstances indicate that the carrying value may not be recoverable. Factors that the Company considers important, which could trigger an impairment review include, but are not limited to, significant under-performance relative to expected historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the Company's overall business, significant negative industry or economic trends that are likely to prevail into the long term. The carrying value of an asset is considered impaired when the recoverable amount of such an asset is less than its carrying value and an impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

An impairment loss is directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

2.2.2 Group transactions

Group transactions (i.e. transactions with subsidiaries or transactions with companies under common control) are accounted for in accordance with the standard applicable to similar transactions with third parties. When the transaction is not aligned with market conditions, the transaction is measured in accordance with the agreement, with an information in the note 18, Related Parties.

2.3 Significant assumptions and estimates

In addition to the significant assumptions and estimates detailed in the note 2.4 of the consolidated financial statements, the preparation of these Company's financial statements requires the Group's management to make assumptions and estimates on the recoverable amount of shares in subsidiaries that may affect the reported amounts of assets and liabilities, as well as certain income and expenses for the period.

Note 3 Significant events

3.1 Business Combination Agreement - Transaction between FL Entertainment and the SPAC Pegasus Entrepreneurs

As explained in the note 3.1.1 II) of the consolidated financial statements on page 222, FL Entertainment, Financière Lov and Pegasus Entrepreneurial Acquisition Company Europe B.V. ("Pegasus Entrepreneurs"), a special purpose acquisition company (SPAC) focused on European growth companies listed and traded on Euronext Amsterdam, entered on 10 May 2022 into a definitive Business Combination Agreement amended on 22 June 2022 ("Business Combination Agreement"). The transaction consists of (i) the Business Combination of FL Entertainment and Pegasus Entrepreneurs resulting in a public listing of FL Entertainment on Euronext Amsterdam ("Business Combination", (ii) the equity roll-over of the minority shareholders in the Banijay Group (Vivendi, Fimalac and De Agostini) and the Betclic Everest Group (SBM International) to become shareholders of FL Entertainment (the "Lov Reorganization"), and (iii) raising of €646 million of proceeds.

More specifically, the Company has been impacted by the steps h. to m. described in the note 3.1.1 II i) of the consolidated financial statements on page 220, as well as step o. and Marco Bassetti's contribution of Banijay Group's shares.

The contribution of all Lov Banijay shares held by Financière Lov to FL Entertainment in exchange for Ordinary Shares and Special Voting Shares (Step h) relates to a common control transaction that does not follow the criteria of a structure reorganization provided by IAS 27. As explained in the note 2.2.2, the Company has recognized this contribution as an investment in subsidiaries. The initial cost has been measured at the fair value of the shares issued as a consideration.

The contribution of all Lov Banijay shares held by De Agostini, Fimalac and Vivendi to FL Entertainment, in exchange for Ordinary Shares (steps i. to k.) are accounted for as an acquisition of additional equity interests in Lov Banijay. The initial cost has been measured at the fair value of the shares issued as a consideration.

The same accounting treatment has been applied to:

- the contribution of all BEG shares held by SBM International to FL Entertainment for a consideration paid with Ordinary Shares and cash, partially financed by a vendor loan granted by SBM International to FL Entertainment for an amount of €36.5 million;
- the contribution of Banijay Group's shares held by Marco Bassetti, to FL Entertainment in exchange for Ordinary Shares.

Transaction costs related to these steps amounted to €3.6 million and have been incorporated in the initial cost of the shares.

The accounting treatment of the Business Combination Agreement in the separate financial statements is aligned with the consolidated financial statements.

3.2 Lov Banijay and LDH mergers

In order to simplify the structure of the Group, the two following mergers occurred at the end of the year:

- winding-up of LDH with and into Lov Banijay, occurred as at 8 December 2022 without retrospective effect;
- cross-border merger of Lov Banijay into FL Entertainment, occurred as at 28 December 2022 with a retrospective impact as at 5 July 2022 in financial statements.

As a consequence, in the financial statements of FL Entertainment, the merger with Lov Banijay occurred before the winding-up of LDH.

Merger with subsidiaries is not covered by IAS 27. LDH and Lov Banijay being holding companies which do not have the elements of a business as defined by IFRS 3, the mergers have been accounted for as a distribution of assets and liabilities: the investment in subsidiary was first measured at fair value at the date of the merger (counterpart profit or loss) and the acquired assets and assumes liabilities were recognized at fair value. Any difference was recognized in equity.

Cross-border merger of Lov Banijay into FL Entertainment

As FL Entertainment hold 100% of Lov Banijay share capital, the cross-border merger of Lov Banijay with and into FL Entertainment did not lead to a share capital increase of FL Entertainment as no shares were allotted on occasion of the merger.

The Lov Banijay's shares were remeasured at fair value of at the effective date of the merger (5 July 2022) for an amount of €3,072.2 million, implying a decrease of the value of these shares for an amount of €2.0 million which reflect the amount of capitalized transaction costs. This change in fair value was recognized in P&L, in other finance costs.

The fair value of the Lov Banijay's assets acquired, and the liabilities assumed at the date of the merger amounted as follows:

LDH shares	€2,459.3 million
BEG shares	€879.5 million
Tangible assets	€0.0 million
Trade receivables and other current assets	€0.7 million
Cash	€1.4 million
Vendor loan	€(99.5) million
Current account with FL Entertainment	€(170.5) million
Trade payables and other creditors	€(1.9) million
FAIR VALUE OF THE LOV BANIJAY'S NET IDENTIFIABLE ASSETS	**€3,069.0 MILLION**

The negative difference between the net identifiable assets acquired and the shares cancelled (-€3.2 million) was recognized in equity.

Winding-up of LDH

The winding-up of LDH did not lead to a share capital increase as no shares were allotted on occasion of the merger.

The LDH's shares fair value did not significantly changed at the effective date of the merger (8 December 2022).

The fair value of the LDH's assets acquired, and the liabilities assumed at the date of the merger amounted as follows:

BGH shares	€2,459.3 million
Cash	€0.0 million
Trade payables and other creditors	€(0.0) million
FAIR VALUE OF THE LDH NET IDENTIFIABLE ASSETS	**€2,459.3 MILLION**

Note 4 Investments in subsidiaries

The investments in subsidiaries *(refer to note 3 on page 293)* are the following:

Name of the legal entity	Country of incorporation	% of direct ownership 31 December 2022
Betclic Everest Group	France	94.6%
BGH	France	100.0%
Banijay Group	France	2.6%[1]

(1) % of indirect ownership: 92.3%.

(in € million)	2022 (10-month period)
Opening value	**-**
Additions	9,793.0
Mergers	(5,533.4)
GROSS VALUE AS OF 31 DECEMBER	**4,259.6**
Impairment	-
NET VALUE AS OF 31 DECEMBER	**4,259.6**

As explained in note 3, the shares that were contributed by shareholders against new shares or obtained through mergers with subsidiaries, that are non-cash transactions. The only impact in the cash-flow statements relates to the cash consideration paid to SBM International for an amount of €388.5 million and transaction costs paid (€3.6 million).

Impairment tests

The Company tests the shares in subsidiaries annually for impairment, or more frequently if there are indications that investments in subsidiaries might be impaired. This impairment test is performed by comparing the recoverable amount of the shares to their carrying value.

The recoverable amount as of 31 December 2022 was determined based on the fair value of the subsidiaries made by external appraisers. The valuation was performed using a multi-criteria methodology based on the implementation of income approach (DCF method) and market approaches.

The implementation of the DCF method relies on group parameters (WACC, LTG and income tax rate) for the current perimeter and non-identified acquisitions and local parameters for identified acquisitions.

The markets approaches are based on a sample of listed comparable companies and transactions multiples (Equity value / EBITDA multiple) derived from a group of comparable transactions.

The carrying amount of investments in subsidiaries based on the equity value in the context of the Business Combination Agreement (refer to 3.1) is a midrange value (see below "Sensitivity to changes in assumptions"). Moreover, the assumptions used for the Business Combination (business plans, WACC) are still valid at year-end. Consequently, the Management did not identify any impairment for investments in subsidiaries as at 31 December 2022.

Sensitivity to changes in assumptions

The Company has conducted an analysis of the sensitivity of the impairment test to change the key assumptions used to determine the recoverable amount for each investment in subsidiaries, based on the highest and lowest range of subsidiaries fair market values provided by appraisers:

- using the lowest range of fair market values would lead to a cumulative impairment charge of -€486.4 million;
- using the highest range of fair market values, the cumulative recoverable amount would exceed the carrying amount by €534.5 million.

Note 5 Current financial assets

(in € million)	31 December 2022
Current accounts with subsidiaries	40.7
Current restricted cash and cash equivalents	0.5
CURRENT FINANCIAL ASSETS	**41.1**
TOTAL FINANCIAL ASSETS	**41.1**

Financial assets comprise a loan with Betclic Everest Group for an amount of €50.0 million issued on 5 July 2022 and due in July 2023 (with a potential one-year renewal), which bears an interest at a variable EURIBOR 6 months rate plus a fixed margin of 3.5%. This loan amounted to €40.7 million as at 31 December 2022.

Also, FL Entertainment repaid the Vivendi bonds on behalf of Lov Banijay in July 2022 for an amount of €170.5 million, that led to recognize a financial receivable towards Lov Banijay. This receivable has been cancelled following the merger of Lov Banijay into FL Entertainment.

They also comprised the account dedicated to a liquidity agreement: the Company entered into a liquidity agreement with a liquidity provider. Under this agreement, the liquidity provider is responsible for providing liquidity in the market for FL Entertainment's shares, acting independently in compliance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "MAR") and all regulations promulgated thereunder, including but not limited to the EU Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 and the EU Commission Delegated Regulation (EU) 2016/908 of 26 February 2016, each supplementing the MAR, as well as the points of convergence established by the ESMA in relation to MAR accepted market practices on liquidity contracts, providing guidance to competent authorities on such AMP (the "ESMA Opinion"). The parties shall ensure to comply with all applicable laws, rules and regulations in the Netherlands. When performing or effecting transactions or trade orders in the shares in the execution of this contract, the liquidity provider shall always act without interfering with orderly market operation or misleading other parties. The liquidity account has been credited with the sum of €500.000.

Expected credit losses on current financial assets are unsignificant.

Note 6 Other current assets

The breakdown of other current assets as of 31 December 2022 is as follows:

(in € million)	31 December 2022
Prepaid expenses	1.3
VAT receivable	3.1
OTHER CURRENT ASSETS	**4.3**

Note 7 Cash and cash equivalents

7.1 Cash and cash equivalents

Cash and cash equivalents are presented net of bank overdrafts in the Company only cash-flow statement.

(in € million)	31 December 2022
Marketable securities	0.0
Cash	10.5
Cash and cash equivalents – Assets	**10.5**
Bank overdrafts	-
NET CASH AND CASH EQUIVALENTS	**10.5**

7.2 Other cash-flow statement explanations

During the period, cash and cash equivalents increased due to the amount of cash received through mergers (€162.6 million from Pegasus and 1.4 from Lov Banijay).

Note 8 Changes in equity

8.1 FL Entertainment equity instruments

In the context of the Group's reorganization (as explained in note 3, Significant events, on page 293), FL Entertainment has issued Ordinary Shares and Special Voting Shares (SVS) as follows in 2022 since the incorporation date:

	Number of shares		*(in € million)*
	Ordinary Shares *(nominal value: €0.01)*	**SVS** *(nominal value: €0.02)*	**Company equity**
Incorporation of FL Entertainment	1,000		0.0
Contribution of all Lov Banijay shares held by Financière Lov to FL Entertainment in exchange for Ordinary Shares and Special Voting Shares(1)	178,479,432	178,479,432	1,790.0
Contribution and sale of all LDH shares held by DEA Communications SA to the Group through several transactions, in exchange for FL Entertainment's Ordinary Shares(1)	20,408,177		204.1
Contribution of all LDH shares held by Fimalac to the Group through several transactions, in exchange for FL Entertainment's Ordinary Shares(1)	28,978,416		289.8
Contribution of all BGH shares held by Vivendi Content to the Group through several transactions, in exchange for FL Entertainment's Ordinary Shares(1)	78,829,610		788.3
Contribution and sale of all Betclic shares held by SBM International to FL Entertainment for, inter alia, Ordinary Shares(2)	42,500,000		425.0
Subscription in cash by FL to a share capital increase of FL Entertainment in exchange for Ordinary Shares and SVS(2)	13,520,565	13,520,565	135.2
Subscription in cash by Vivendi to a share capital increase of FL Entertainment for €25 million in exchange for Ordinary Shares	2,500,000		25.0
Contribution of all BG shares held by Marco Bassetti in exchange for Ordinary Shares(1)	6,916,269		69.2
Contribution of SPAC investors as consideration for the Merger with Pegasus, including the shares issued in the context of the FPA(3)	16,426,140		188.9
Subscription in cash by PIPE Investors to a share capital increase of FL Entertainment in exchange for Ordinary Shares	20,423,000		203.4
Conversion of Founder Shares into Ordinary Shares(4)	2,674,999		29.4
TOTAL 31 DECEMBER 2022	**411,657,608**	**191,999,997**	**4,148.2**

(1) The fair value of those shares was determined at the transaction date by an external appraiser (€10.0).
(2) In addition to Ordinary Shares and SVS, Financière Lov received Earn-Out Shares for an amount of €114.4 million, classified in liabilities according to IAS 32 (refer to Note 21 of the consolidated financial statements on page 254).
(3) The fair value of those shares was based on the listed stock price shares after the Listing (€11.498).
(4) The fair value of those shares was based on the listed stock price shares at the conversion date (€11.0).

The total cash received in regards with capital increase amounted to €363.6 million (net of transaction costs).

As at 31 December 2022, the equity instruments of the Company are the followings:

	Period ended 31 December 2022		
	Number of shares	**Share capital** *(in € million)*	**Share premium** *(in € million)*
Ordinary Shares			
• Capital increase	411,657,608	4.1	4,138.5
• Capital decrease	-	-	-
ORDINARY SHARES – CLOSING (NOMINAL VALUE: €0.01)	**411,657,608**	**4.1**	**4,138.5**
SVS			
• Capital increase	191,999,997	3.8	1.8
• Capital decrease	-	-	-
SVS – CLOSING (NOMINAL VALUE: €0.02)	**191,999,997**	**3.8**	**1.8**
TOTAL 31 DECEMBER 2022	**603,657,605**	**8.0**	**4,140.3**

As at 31 December 2022, the Company owned 6,975 treasury shares through the liquidity agreement (refer to note 5 on page 297), for an amount of €0.1 million.

8.2 Dividends distribution

The Company did not distribute any dividend during the period. However, in the context of the Lov Reorganization as detailed in the note 3.1.1 II i) of the consolidated financial statements on page 220, Lov Banijay distributed its share premium to its sole shareholder at that date, Financière Lov, for an amount of €33.2 million, of which €31.6 million was offset with the Financière Lov's current account and €1.6 million was paid in cash. At the date of the merger, this dividend was not paid. The payment was assumed by FL Entertainment subsequently to the merger and is presented as a dividend paid in the cash flow statement.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all holders of Ordinary Shares registered as shareholder on the register of members on record date (20 June 2023). The total estimated dividend to be paid is €0.36 per ordinary share. The payment of this dividend will not have any tax consequences for the Company.

From any profits, as remaining after application of the provisions in the Articles of Association regarding reservation and the profit entitlement of Earn-Out Preference Shares, Founder Shares and Special Voting Shares, an amount equal to 0.1% of the nominal value of each of the Special Voting Shares, Earn-Out Preference Shares and Founder Shares shall be added to the dividend reserve of the respective shares as described in the Articles of Association and as agreed upon by each Founder Share holder and Earn-Out Share holder in the Shareholders' Agreement dated 30 June 2022 and by the Special Voting Shares holders in the Special Voting Shares Terms dated 30 June 2022. Any profits remaining thereafter shall be at the disposal of the General Meeting for distribution to the holders of ordinary shares in proportion to the aggregate nominal value of their ordinary shares.

Under an arrangement dated 30 June 2022 and in accordance with SVS Terms, Founder Shares holders, Earn-Out Shares holders and Special Voting Shares holders have agreed to waive all profit rights due to them.

8.3 Company equity and comprehensive loss reconciliation to consolidated financials

(in € million)	Share capital	Additional paid-in capital	Treasury shares	Retained earnings (deficit)	Other comprehensive income	Total equity
Consolidated shareholders' equity as of 1 January 2022	**0.0**	**0.0**	**0.0**	**47.6**	**(17.0)**	**30.6**
Consolidated adjustments						
Cancellation of the effect of the carry-over accounting	-	-	-	(47.6)	17.0	(30.6)
COMPANY ONLY EQUITY AS OF 1 JANUARY 2022	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

(in € million)	Share capital	Additional paid-in capital	Treasury shares	Retained earnings (deficit)	Other comprehensive income	Total equity
Consolidated shareholders' equity as of 31 December 2022	**8.0**	**4,140.3**	**(0.1)**	**(4,115.8)**	**(20.7)**	**11.7**
Reconciling items Group to Company – Opening balance adjustment	**0.0**	**0.0**	**-**	**(47.6)**	**(17.0)**	**(30.6)**
Consolidated adjustments						
Cancelation of the effect of the carry-over accounting in the consolidated financial statements	-	-	-	22.6	3.3	25.8
Comprehensive income (loss) for the period attributable to shareholders	-	-	-	67.8	(32.3)	35.5
Other impact in retained earnings	-	-	-	1.7	(4.7)	(2.9)
Statutory adjustments						
Effect of initial measurement of investments in subsidiaries to cost in Company financial statements	-	-	-	4,071.3	37.4	4,108.7
Loss for the period	-	-	-	(107.5)	-	(107.5)
Mergers with subsidiaries	-	-	-	(3.2)	-	(3.2)
COMPANY ONLY EQUITY AS OF 31 DECEMBER 2022	**8.0**	**4,140.3**	**(0.1)**	**(110.7)**	**0.0**	**4,037.5**

Reconciliation of comprehensive loss to consolidated financial statements

(in € million)	2022	2021
Consolidated Income /(loss) attributable to shareholders	**(88.0)**	**(43.0)**
Reconciling items		
Cancellation of the effect of the carry-over accounting in the consolidated financial statements	12.7	43.0
Result of participations not recognized	(30.2)	
Results with participations eliminated in the consolidated financial statements	(2.0)	
COMPANY ONLY INCME/(LOSS) FOR THE PERIOD[1] ENDED	**(107.5)**	**0.0**

(1) 10-month period for the Company-only vs 12-month period for the consolidated group.

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Note 9 Other securities

Refer to note 21 in the consolidated financial statements on page 254 for detail regarding other securities of the Company.

Note 10 Borrowings and other financial liabilities

Financial liabilities comprised vendor loans, including:

- a vendor loan amounting to €99.5 million granted by De Agostini to Lov Banijay due in November 2023 (with a possibility to extend after this date) and bearing 3.5% interest per year, assumed by FL Entertainment following the merger with Lov Banijay; and
- a vendor loan amounting to €36.5 million granted by SBM International to FL Entertainment, bearing 3.5% interest per year, that is due no later than 30 November 2023 (with a possibility for FL Entertainment to extend after this date).

The variation of the financial liabilities breaks down as follows:

	Cash-flows (10-month period)			Non cash-flows (10-month period)	
(in € million)	Increase	Repay-ments	Other cash items	Others non cash items	31 December 2022
Vendor loans				138.4	138.4
TOTAL FINANCIAL LIABILITIES				**138.4**	**138.4**

Net financial debt

Net financial debt is determined as follows:

(in € million)	31 December 2022
Vendor loans	138.4
TOTAL BANK INDEBTEDNESS AND OTHER	**138.4**
Cash and cash equivalents and others	(51.2)
Cash in trusts	(0.5)
NET CASH AND CASH EQUIVALENTS	**(51.7)**
NET DEBT BEFORE DERIVATIVES EFFECTS	**86.7**
Derivatives – liabilities	-
Derivatives – assets	-
NET DEBT	**86.7**

Note 11 Financial instruments

The carrying value of financial instruments per category is determined as follows:

As of 31 December 2022 *(in € million)*	Carrying amount	Carrying amount of non-financial instruments	Financial instruments by category		
			Fair value through OCI	Amortized cost	Fair value through P&L
Non-current financial assets	-	-	-	-	-
Receivables	0.9	-	-	0.9	-
Other current assets	4.3	4.3	-	0.0	-
Current financial assets	41.1	-	-	40.7	0.5
Cash and cash equivalents	10.5	-	-	-	10.5
ASSETS	**56.8**	**4.3**	**-**	**41.5**	**11.0**
Other securities	130.5	-	-	-	130.5
Short-term borrowings and bank overdrafts	138.4	-	-	138.4	-
Trade payables	9.3	-	-	9.3	-
Other current liabilities	0.8	0.7	-	0.1	-
LIABILITIES	**278.9**	**0.7**	**-**	**147.8**	**130.5**

Fair value hierarchy

IFRS 13 *Fair Value Measurement,* establishes a fair value hierarchy consisting of three levels:

- Level 1: prices on the valuation date for identical instruments to those being valued, quoted on an active market to which the entity has access;
- Level 2: directly observable market inputs other than Level 1 inputs; and
- Level 3: inputs not based on observable market data (for example, data derived from extrapolations). This level applies when there is no observable market or data and the entity is obliged to rely on its own assumptions to assess the data that other market participants would have applied to price other instruments.

Fair value is estimated for the majority of the Company's financial instruments, with the exception of marketable securities for which the market price is used. For financial instruments other that those disclosed in the table below, the management considers that the carrying amount approximates to their fair value.

(in € million)	Fair Value	Fair value hierarchy		
		Level 1	Level 2	Level 3
Current financial assets	0.5	0.5	-	
Cash and cash equivalents	10.5	10.5		
Other securities	(130.5)			(130.5)
BALANCES AS OF 31 DECEMBER 2022	**(119.5)**	**11.0**	**-**	**(130.5)**

Other securities comprised public Warrants, Earn-Out Shares, Founder Shares and Founder Warrants that are classified as Level 3.

Those instruments have been measured using a multi-model analysis based on Monte-Carlo and Black-Scholes models, including public Warrants for which the lack of transactions in the public market does not provide a relevant pricing information.

Due to the low level of liquidity of FL Entertainment' shares during the period, unobservable inputs include FL Entertainment's ordinary share's price (based on a multiple analysis taking into account historical price prior and after quotation, analysts reviews and Pegasus transaction) and volatility (based on peers' index). The worst-case scenario would increase the liability for an amount of €16.9 million. The best-case scenario would decrease the liability for an amount of -€15.7 million.

The fair value adjustment for the period amounted to €6.6 million recognized in financial result as an income.

Note 12 External expenses

External services mainly comprised financial and reporting advisory fees for an amount of €1.7 million, audit fees for an amount of €0.7 million and insurance fees for €0.9 million.

Note 13 Staff costs

13.1 Payroll

Payroll costs are broken down as follows in 2022:

(in € million)	2022 (10-month period)
Employee remuneration	(0.7)
Social security costs	(0.2)
Other employee benefits	-
PERSONNEL EXPENSES	**(1.0)**

13.2 Average headcount

The average headcount, representing full-time employees, amounted to 1.6 in 2022, of which 1.6 working outside the Netherlands, mainly related to management and corporate functions.

Note 14 Other operational income and expenses

Other operational income and expenses for the period ended in 2022 are as follows:

(in € million)	2022 (10-month period)
Restructuring charges and other non-core items	(106.2)
Tax and duties	(0.1)
President and management fees	-
Other operating expenses	(0.3)
Other operating income	0.5
OTHER OPERATING INCOME AND EXPENSES	**(106.1)**
Of which other operating income	*0.5*
Of which other operating expense	*(106.6)*

Restructuring charges and non-core items comprised FL Entertainment's reorganization operation and listing fees as of December 2022, which includes €20.4 million costs (mainly advisory and legal fees) related to the financial and operational/structural transactions occurred during the period within the context of FL Entertainment's reorganization process initiated in 2022 and €85.7 million of IFRS 2 listing fees (refer to note 3.1.1 II iii) on page 221 of the consolidated financial statements). It also included abortive costs for an amount of €0.2 million.

Note 15 Financial result

(in € million)	2022 (10-month period)
Interests costs on bank borrowings, bonds and vendor loans	(2.3)
Cost of gross financial debt	**(2.3)**
Interests income on cash and cash equivalents and other	1.1
Gains on assets contributing to net financial debt	**1.1**
Cost of net debt	**(1.2)**
Change in fair value of financial instruments	4.6
Other financial gains/(losses)	0.0
NET FINANCIAL INCOME/(EXPENSE)	**3.4**

Note 16 Income tax

16.1 Income tax expense

No income tax expense (neither current nor deferred) was recognized for the period ended 31 December 2022.

16.2 Company's tax reconciliation

The current tax rates for French companies with a revenue lower than €10 million and with a net result lower than €42.5 thousand is 15% in fiscal year 2022.

The following table shows a reconciliation of the theoretical tax expense calculated at the French applicable rate, the Company being a tax resident in France, and the recognized income tax expense:

(in € million)	2022 (10-month period)
Net income	(107.5)
Income tax	-
Net income of the Company before tax	**(107.5)**
Applicable corporate tax rate	15.00%
Theoretical tax income (charges)	**16.1**
Change in unrecognized deferred tax assets on tax losses carried forward	(1.3)
Change in unrecognized deferred tax assets other than tax losses carried forward	(3.6)
Savings/charge on permanent tax differences	(11.2)
COMPANY TAX EXPENSE	**-**

The reconciling items reflect the effect of tax rate differentials and changes as well as the tax effects of non-taxable income or non-deductible expenses arising from permanent differences between local tax bases and the financial statements presented under IFRS.

16.3 Deferred taxes

The Company analyzed the potential utilization of the deferred tax asset arising from tax losses carry-forward and from other temporary difference in a near future (i.e. based on expected taxable profits in the two next years).

The cumulated unrecognized tax loss carryforward amounted to €1.3 million.

The tax losses carryforward can be used indefinitely but they are restricted in their consumption (limited to a certain amount or percentage of taxable income).

Note 17 Management of financial risk

17.1 Credit risk

Credit risk arises from cash at bank and related party receivables and is considered to be minimal. Majority of the cash at bank is held with high credit quality financial institutions with a credit rating of A or higher.

17.2 Liquidity risk

The Company monitors its risk of a shortage of funds using a monthly cash flow monitoring for the next 12 months and a cash flow analysis over the business plan period at the Company and Group level.

To mitigate its liquidity risk, the Company can access to the liquidity from the Content production & distribution business and from the Online sports betting & gaming business.

17.3 Interest rate risk

The exposure of the Company to interest rate risk is the following:

	31 December 2022		
(in € million)	Fixed rate	Variable rate	Total
Total financial assets	-	41.1	41.1
Cash and cash equivalents	10.5	-	10.5
Total borrowings and other financial liabilities	(138.4)	-	(138.4)
NET POSITION BEFORE HEDGING	**(127.8)**	**41.1**	**(86.7)**
Hedging instrument			
NET POSITION AFTER HEDGING	**(127.8)**	**41.1**	**(86.7)**

Vendor loans bearing interest at fixed rate, the Company exposure to interest rate risk is mainly driven by intercompany loans and current accounts, bearing interests at EURIBOR + margin.

Based on the financial assets position of FL Entertainment in 2022, if interest rate (EURIBOR 6 months) is to rise by 100 bps[(1)] during 2022, the estimated impact on financial income would be + €0.4 million.

A -100 bps drop in interest rate would reduce the financial income by -€0.4 million.

The Company has not elected to hedge interest-rate risk. However, the strategy may be revised if the profile of its exposure changes or depending on the future change in market interest rates.

17.4 Currency risk

The Company is not exposed to currency risk, as all its transactions are denominated in euro.

(1) *The theoretical impact of a rise or decrease in interest rate is calculated relative to the applicable rates as of 31 December 2022: 6m EURIBOR (2.405%).*

17.5 Capital risk

The Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net financial debt (as disclosed in note 10) and equity of the Company (comprising issued capital, share premiums after deduction of treasury shares, retained earnings and accumulated deficit as disclosed in note 8 and the statement of changes in equity).

(in € million)	31 December 2022
Net financial debt (A)	86.7
Equity (B)	4,037.5
NET FINANCIAL DEBT TO EQUITY RATIO (A/B)	**0.02**

The ratio indicates what proportion of equity and debt the Company has been using to finance its assets and how encumbered a company is with debt. Debt does not include trade payables and net intercompany current accounts as they relate to operational activities and not capital activities.

The Company also manages its equity and its liquidity to be able to distribute a dividend to its shareholders in accordance with its dividend policy.

Note 18 Related parties

Related parties consist of:

- Group Lov's controlling shareholders: Financière Lov Group and Lov Group Invest;
- other shareholders, notably: Vivendi, Fimalac, De Agostini, SBM International and their subsidiaries;
- subsidiaries;
- key management personnel.

18.1 Transactions with Financière Lov Group and Lov Group Invest

The Company recorded several transactions with Lov's controlling shareholder (Financière Lov) and its subsidiaries that are not part of the Group's consolidation scope, as follows:

(in € million)	31 December 2022
Other securities	(98.3)
Net financial assets/(financial liabilities)/(provisions)	0.0
Net trade receivables/(payables)	0.0
Operating income/(operating expenses)	0.0
Financial income/(expenses)	17.0

In addition, as detailed in note 3.1.1.2 of the consolidated financial statements, in the context of the Business Combination Agreement, significant transactions occurred between the Company and Financière Lov.

18.2 Transactions with other shareholders

(in € million) **De Agostini**	**31 December 2022**
Net financial assets/(financial liabilities)/(provisions)	(101.2)
Net trade receivables/(payables)	-
Operating income/(operating expenses)	-
Financial income/(expenses)	(1.7)

(in € million) **Vivendi**	**31 December 2022**
Net financial assets/(financial liabilities)/(provisions)	-
Net trade receivables/(payables)	-
Operating income/(operating expenses)	-
Financial income/(expenses)	(3.4)

(in € million) **Fimalac**	**31 December 2022**
Net financial assets/(financial liabilities)/(provisions)	-
Net trade receivables/(payables)	-
Operating income/(operating expenses)	-
Financial income/(expenses)	-

(in € million) **SBM International**	**31 December 2022**
Net financial assets/(financial liabilities)/(provisions)	(37.2)
Net trade receivables/(payables)	-
Operating income/(operating expenses)	-
Financial income/(expenses)	(0.6)

(in € million) **Pegasus Founders and Sponsors**	**31 December 2022**
Other securities	(24.4)
Net trade receivables/(payables)	-
Operating income/(operating expenses)	-
Financial income/(expenses)	(6.6)

In addition, as detailed in note 3.1.1.2 of the Consolidated Financial Statements, in the context of the Business Combination Agreement, significant transactions occurred between the Company and other shareholders.

18.3 Transactions with subsidiaries

(in € million)	31 December 2022
Net financial assets/financial liabilities/provisions	40.7
Net trade receivables/payables	0.8
Operating income/operating expenses	0.5
Financial income/expenses	1.1

18.4 Key management personnel compensation

Refer to the note 26.4 of the Consolidated Financial Statements on page 268 as regard of the key management personnel compensation.

Note 19 Off-balance sheet commitments

As of 31 December 2022, the off-balance sheet commitments of the Company were as follows:

i) Commitments given:

- The Betclic Group Senior Credit Facility was originally guaranteed, inter alia, by Betclic and Mangas Lov and was originally secured by first ranking pledges over Betclic Group SAS shares and Bet-at-home shares. A release of the pledge of Betclic Group SAS shares has been obtained as a result of the universal transmission of assets of Betclic Group SAS in Betclic, on 31 December 2021. Additional first ranking pledges have been entered into on 25 March 2022 pursuant to which Betclic Group SAS has granted pledges over Euro Gaming Investment S.A. shares (a Luxembourg subsidiary) and over Mangas Investment Limited (a Maltese subsidiary) shares held by Betclic Group SAS as security for its repayment obligations under the Betclic Group Senior Credit Facility.
- As Mangas Lov was merged into Lov Banijay on 30 June 2022 and as a cross-border merger of Lov Banijay into FL Entertainment, occurred as at 28 December 2022 and became effective on 20 December 2022, it being specified that the financial data of Lov Banijay will be included in the Annual Accounts of FLE for Dutch and French commercial accounting purposes and French tax purposes as from the 5 July 2022. The commitments given by Mangas Lov were then transferred to FL Entertainment.

ii) Commitments received:

None.

Note 20 Subsequent events

None.

Note 21 Other information

Profit appropriation according to the Articles of Association

In accordance with article 28.1 of the Articles of Association and if the adopted Annual Accounts show a profit, the General Meeting shall determine which part of the profits shall be reserved. After the reservation of profits over the Financial Year 2022, the remaining profits will be allocated in accordance with article 28.3 of the Articles of Association, which provides that an amount equal to 0.1% of each Earn-Out Preference Share, Founder Share and Special Voting Shares shall be added to the dividend reserve of the respective shares and that any remaining profits shall be at the disposal of the General Meeting for distribution to the holders of Ordinary Shares in proportion to the nominal value of the Ordinary Shares.

Special statutory voting rights

The Company has implemented a Special Voting Plan, by creating Special Voting Shares A and B, in its share capital. These shares allow the holder thereof to exercise two voting rights in addition to one voting right for each corresponding Ordinary Share held by it in accordance with and subject to the SVS Terms. Financière Lov is the sole initial participant in the Special Voting Plan and the sole initial holder of the Special Voting shares A and B.

6.3 Independent Auditor's report

To: the Shareholders and the Board of Directors of FL Entertainment N.V.

Report on the audit of the financial statements 2022 included in the universal registration document

Our opinion

We have audited the financial statements 2022 of FL Entertainment N.V. based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of FL Entertainment N.V. as at 31 December 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the consolidated and company only statement of financial position as at 31 December 2022;
- the following statements for 2022: the consolidated and company only statement of income, the consolidated and company only statements of comprehensive income, changes in equity and cash flows;
- the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing.

Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements Section of our report.

We are independent of FL Entertainment N.V. (the company) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

OUR UNDERSTANDING OF THE BUSINESS

FL Entertainment N.V. together with its subsidiaries (together, the group) is a global entertainment group combining two complementary business lines in digital entertainment market segments. The production and television programme distribution business is operated through the Banijay Group Holding and its subsidiaries ('Banijay'); and the online sports betting and gaming business is operated through the BetClic Everest Group and its subsidiaries ('Betclic'). We tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

FL Entertainment N.V. has been incorporated on 10 March 2022. The company entered into a business combination with Pegasus Entrepreneurial Acquisition Company Europe B.V. The constitution of the group resulted from transfer of entities within Financière Lov Group, without modification of the Financière Lov's control on the Group. The consolidated financial statements are the continuation of the consolidated financial statements of the Financière Lov Group. The financial position and results of operations in the company only financial statements are reflected using the 'pooling of interest method'. We refer to the key audit matter 'Accounting for the merger of FL Entertainment with the special purpose acquisition company Pegasus'.

MATERIALITY

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality	€13 million
Benchmark applied	2% of Adjusted EBITDA, as defined in note 4.1 “Adjusted EBITDA” to the consolidated financial statements
Explanation	We consider Adjusted EBITDA as the most appropriate benchmark as it is a key-element in evaluating the results of the company compared to other companies that operate within the same industry.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements in excess of €0.6 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

SCOPE OF THE GROUP AUDIT

FL Entertainment N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or on specific items.

Our group audit mainly focussed on significant group entities of Banijay and Betclic, being significant by size or entities with a significant risk attached. The audits of all entities in scope are performed by auditors from the EY Global member firms, operating under our coordination and supervision, except for bet-at-home.com AG that is audited by another audit firm.

In total the scope of our audit procedures covered 76% of total consolidated revenue, 79% of total consolidated assets and 84% of total consolidated EBITDA and all adjustments to EBITDA. The remaining 24% of revenues, 21% of total assets and 16% of total EBITDA result from entities, none of which individually represents more than 2% of revenues or EBITDA. For those entities, we performed, amongst others, analytical procedures to corroborate our assessment that the financial statements are free from material misstatements.

By performing the procedures mentioned above at components of the group, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group’s financial information to provide an opinion on the consolidated financial statements.

TEAMING AND USE OF SPECIALISTS

We ensured that the audit team both at group level and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the entertainment and gambling industry. Team members met specialized knowledge regarding IT, tax and forensics were part of the team. Furthermore, we involved our own IFRS, actuarial and valuation specialists to assist the audit team.

OUR FOCUS ON CLIMATE RISKS AND THE ENERGY TRANSITION

Climate change and the energy transition are high on the public agenda. Issues such as CO_2 reduction impact financial reporting, as these issues entail risks for the business operation, or the sustainability of the business model and access to financial markets of companies with a larger CO_2 footprint.

The Board of Directors reported in the Section 02 “ESG Report: Statement on non-financial information” of the universal registration document how the company is addressing climate-related and environmental risks. As mentioned in Section 2.4 ‘Environmental considerations’ of the Universal Registration Document, the environment-related ESG challenges (such as carbon impact of products and office-based activities, or waste management) weren’t deemed as material, but they are becoming increasing priorities, with rising stakeholders’ awareness.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the possible effects of the energy transition are taken into account in estimates and significant assumptions as well as in the design of internal controls related to relevant estimates and assumptions. Furthermore, we read the universal registration document and considered whether there is any material inconsistency between the non-financial information in section 02 and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 31 December 2022.

OUR FOCUS ON FRAUD AND NON-COMPLIANCE WITH LAWS AND REGULATIONS

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the Board of Directors' process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. We refer to section 03 'Risk factors' of the universal registration document for the Board or Directors' (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, the whistleblower policy and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 2.4 'Significant assumptions and estimates' to the consolidated financial statements. We have also used data analysis to identify and address high-risk journal entries and we evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks, we presumed that there are risks of fraud in revenue recognition as management has the opportunity to accelerate production revenues by manipulating the timing of delivery of productions to the clients. We considered among others the company's revenue targets and their realization. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk, including the following audit procedures: examining contracts entered into during the year, verification of acceptance of productions by the customer and detailed gross margin analysis on production level and agreeing revenue amounts to underlying contracts. These risks did however not require significant auditor's attention.

We considered available information and made enquiries of relevant executives, internal audit, legal, compliance, divisional management and the Board of Directors.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the Board of Directors, reading minutes, inspection reports from the internal audit and compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We identified the following risk of non-compliance and performed the following specific procedures:

PRESUMED RISK OF NON-COMPLIANCE WITH ANTI-MONEY LAUNDERING AND RESPONSIBLE GAMING LEGISLATION

Risk	FL Entertainment's online sports betting and gaming business in Europe, mainly represented by Betclic, highly depends on its gambling licences. As such, Betclic is required to have a robust control framework regarding anti-money laundering and countering the financing of terrorism (AML-CFT) and know your customer processes (KYC) as well as a robust control framework safeguarding fair and responsible gaming (RG). Should Betclic not comply with the requirements of its gambling licences, enforcement actions can be initiated by the relevant licensing or regulatory authorities. In identifying and assessing risks, we considered the risks of non-compliance with the requirements of its gambling licences as result of shortcomings to implement (IT-) controls regarding AML-CFT and KYC RG to be an inherent risk. We refer to the discussion of non-compliance risks in section 3.1.3 'Risk relating to the Group's Online sports betting & gaming business' of the section 03 'Risk factors' of the universal registration document.
Our audit approach	We performed amongst others the following specific audit procedures responsive to the risks identified. These audit procedures have been designed and performed in conjunction with our own forensic specialists: • evaluating the tone set by the Board of Directors as well as the company's approach in managing this risk; • evaluating the overall control environment and the company's policies and AML-CFT, KYC and RG procedures; • evaluating the design and implementation of the control framework related to AML-CFT, KYC and RG; • inspecting the correspondence with relevant licensing or regulatory authorities; • evaluating the reports of the monitoring and incidents reporting system of the group.

We also read and evaluated lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

OUR AUDIT RESPONSE RELATED TO GOING CONCERN

As disclosed in section 2.6 'Going concern' in note 2 'Basis of preparation' to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the Board of Directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the Board of Directors exercising professional judgment and maintaining professional skepticism. We considered whether the Board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

OUR KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

ACCOUNTING FOR THE MERGER OF FL ENTERTAINMENT WITH THE SPECIAL PURPOSE ACQUISITION COMPANY PEGASUS

Risk	FL Entertainment N.V. and special purpose acquisition company (SPAC) Pegasus Entrepreneurial Acquisition Company Europe B.V. merged on 1st July 2022 within the meaning of Title 7, Book 2 of the Dutch Civil Code, in such way that Pegasus Entrepreneurs ceased to exist and that all assets and liabilities of Pegasus Entrepreneurs passed to FL Entertainment under universal succession of title (the "merger"). The Board of Directors concluded that the merger with the SPAC is not a business combination under IFRS 3 'Business Combinations' and should be accounted for as a share-based payment transaction within the scope of IFRS 2 'Share-based payment'. Prior to the transaction an internal reorganization was performed with the rollover of FL Entertainment's historical minority shareholders into FL Entertainment share capital. Also, as part of the merger, several financial instruments (earn out shares, special voting shares, warrants) were granted to different beneficiaries and other financial instruments (founder warrants, public warrants) were inherited from the SPAC. The audit of the accounting for the reorganization, the equity roll-over of the different minority shareholders, the merger with the SPAC, the different financial instruments granted as part of the merger and the transaction costs, involved subjective and complex judgements. The complexity and judgement involved in the accounting of merger resulted in a significant risk in our audit and is considered as a key audit matter. Reference is made to the disclosures in Note 3.1 'Significant events that occurred in 2022' to the consolidated financial statements and Note 3.1 'Business combination agreement – Transaction between FL Entertainment and the SPAC Pegasus Entrepreneurs' to the company only financial statements.
Our audit approach	Our audit procedures included, but were not limited to: • obtaining an understanding and evaluating the design of controls over the group's accounting for the merger; • inspecting of the legal documentation related to the internal reorganization under common control and the merger including the financial instruments granted (IFRS 2); • assisted by our IFRS specialists, evaluating the appropriateness of the accounting treatment of the various transactions and the financial instruments used for the merger between the SPAC and the company taking into account IFRIC agenda decision, Special Purpose Acquisition Companies (SPAC): Accounting for Warrants at Acquisition of 24 October 2022 and IAS 32 'Financial Instruments'; • inspecting of the tax treatment of each financial instrument used for the merger between the SPAC and the company and of the applicable tax regime following the transaction; • verifying of the valuation of each financial instrument, including the involvement of our own valuation specialists; • auditing the accounting entries related to the reorganization and assessment of the applicable accounting treatments in line with the related agreements. Finally, we evaluated the related disclosures in the financial statements in and whether significant judgments are disclosed in accordance with EU-IFRS.
Key observations	Based on procedures performed, we concluded that the accounting of the reorganization that occurred, the merger and the related disclosures are adequate and in accordance with EU-IFRS.

VALUATION OF GOODWILL

Risk	At 31 December 2022, the carrying amount of goodwill amounts to 2,570 million, approximately 49% of total assets. As disclosed in note 12 'Goodwill' management performed the annual impairment tests for goodwill, not resulting in an impairment for goodwill. The impairment test is performed by comparing the recoverable amount of each cash generating unit (CGU) or, if necessary, group of CGUs with the carrying value of the corresponding assets. These tests are carried out with discount rates specific for each division. We consider the valuation of goodwill a key audit matter due to (i) the significance of the amount recognized in the financial statements, (ii) the judgement required to determine the CGUs, and (iii) the estimates and assumptions used to determine the recoverable value, most often based on the financial projections derived from budgets that are subjective in nature and preparing these projections requires considerable judgment. Reference is made to the disclosures on Note 2.5 'Main Accounting Policies' and Note 12 'Goodwill' to the consolidated financial statements.

VALUATION OF GOODWILL

Our audit approach	Our audit procedures included, amongst others: • evaluating that the accounting policy for impairments of goodwill is in accordance with IAS 36 'Impairment of Assets'; • obtaining an understanding of the group's internal control relevant to impairment test for goodwill; • evaluating the goodwill impairment model; • evaluating the key assumptions underlying the cash flows based on budget 2023 and business plan at the level of individual programs as well as at group level; • evaluating management's outlook in the explicit period, in particular around forecasted revenues and EBITDA's as well as the long-term growth rate as approved by the Board of Directors; • review of the outcome or re-estimation of previous accounting estimates related to revenues and EBITDA (retrospective review); • assisted by our own specialist, assessing of the discount rate calculations are based on an appropriate methodology taking into account the correct market derived information; • performing independent sensitivity analyses. Finally, we evaluated the related disclosures in the financial statements and whether significant judgments are disclosed and adequately convey the degree of estimation uncertainty in accordance with EU-IFRS.
Key observations	We consider the method applied for valuation of goodwill is adequate and that the assumptions and the chosen valuation basis and accounting method are acceptable. We have determined that the disclosures are in accordance with EU-IFRS and that the inherent uncertainty has been adequately disclosed.

EMPLOYEE BENEFITS UNDER IFRS 2

Risk	The Group issued employee benefit long-term incentive plans (LTIP) to key personnel based on their respective contribution to the value creation of their entity and the group during a defined period, in accordance with formulas mostly based on operating KPI (such as EBITDA, Net Profit After Tax or based on the fair value of the relevant business unit). Some of them are settled in shares the others are settled in cash. Depending on the plans' terms and conditions, those transactions are recognized in accordance with IFRS 2 (cash-settled share-based payment) or IAS 19 'Employee Benefits' (long-term incentives). These plans are subject to service conditions. As part of its acquisition strategy, the group often enters into an employment agreement with the managers and creative talents and/or service agreement with the acquiree, pursuant to the closing. Share purchase agreements with the acquiree may also specify contingent restrictions on the acquisition price, on the potential earn-outs or on the remaining minority interest options in case of early departure of the managers. These contingent consideration arrangements aim at compensating former management of the business acquired for future services and shall be recognized as a separate transaction as required by IFRS 3. Depending on the description of the consideration, those transactions are recognized in accordance with IFRS 2 (cash-settled share-based payment) or IAS 19 (long-term incentives). The Group measures the LTIP liability at fair value at the closing date using the same calculation methodology as at the previous closing and based on: • updated budget forecasts based on the budget and the business plan adopted as part of the impairment tests; • assumptions used in determining the fair value of the relevant business unit or entity, such as the discount rate (9.51% for Banijay and 9.85% for Betclic) and the discounts in connection with the contractual clauses of good and bad leaver updated compared to the previous closing. We consider the valuation of employee benefits LTIPs a key audit matter due to the (complex) contracts that impact the accounting complexity and the fact that the valuation is affected by subjective elements as budget forecasts and assumptions used in determining the fair value of the relevant business unit or entity. Reference is made to Note 7.2 'Employee benefits long-term incentive plans' to the consolidated financial statements.

EMPLOYEE BENEFITS UNDER IFRS 2	
Our audit approach	Our audit procedures included, amongst others: • evaluating that the accounting policy for the employee benefits LTIPs is in accordance with IFRS 2 or IAS 19; • obtaining an understanding of the group's internal control relevant to accounting and valuation of the LTIPs; • inspecting new entities acquisitions contracts to conclude whether they include long-term incentive agreements with managers or creative talents; • assessing management's proposed accounting treatment in accordance with applicable accounting standard; • evaluating the basis of the valuation of the LTIP and challenging the underlying assumptions as budget forecasts and the discount rate used in determining the fair value of the relevant business unit or entity; • assisted by our own specialist, assessing of the discount rate calculations are based on an appropriate methodology taking into account the correct market derived information; • review the fair value of the share of the relevant business unit for the schemes linked to it; • review of the outcome or re-estimation of previous accounting estimates related to revenues and EBITDA (retrospective review); • checking the calculation of the employee benefits LTIP calculations. Finally, we evaluated the related disclosures in the financial statements and whether significant judgments are disclosed and adequately convey the degree of estimation uncertainty in accordance with EU-IFRS.
Key observations	We consider the assumptions and the chosen valuation basis and accounting method for determining the valuation of employee benefits under IFRS 2 acceptable. We have determined that the disclosures are in accordance with EU-IFRS and that the inherent uncertainty has been adequately disclosed.

Report on other information included in the Universal Registration Document

The universal registration document contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-Section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code, other information as required by Part 9 of Book 2 of the Dutch Civil Code and for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-Section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Board of Directors as statutory auditor of FL Entertainment N.V. on DATE as of the audit for the year 2022.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

FL Entertainment N.V. has prepared the universal registration document in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the universal registration document, prepared in the XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by FL Entertainment N.V., complies in all material respects with the RTS on ESEF.

The Board of Directors is responsible for preparing the universal registration document, including the financial statements, in accordance with the RTS on ESEF, whereby the Board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package;
- identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF,
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the shareholders either intend to liquidate the company or to cease operations or have no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' Section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included amongst others:

- performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures;
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION

We communicate with the Audit and Risk Committee of the Board of Directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Audit Committee of the Board of Directors in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 28 April 2023

Ernst & Young Accountants LLP

J.J. Vernooij

07/ GENERAL DESCRIPTION OF THE COMPANY AND ITS SHARE CAPITAL

7.1 Legal information on the Company and corporate purpose

The Company's legal and commercial name is FL Entertainment N.V. as at the date of this Universal Registration Document. On 10 March 2022, the Company was incorporated as a private company with limited liability *(besloten vennootschap met beperkte aansprakelijkheid)* under the laws of the Netherlands. On 1 July 2022, the Company converted into a public company with limited liability *(naamloze vennootschap)* under the laws of the Netherlands and its name was changed to FL Entertainment N.V. The Company operates under the laws of the Netherlands. The Company is domiciled in France. The Company's statutory seat *(statutaire zetel)* is in Amsterdam, the Netherlands and its business address is at 5, rue François 1er, 75008 Paris, France. The Company is registered with the Dutch Chamber of Commerce *(Kamer van Koophandel)* under number 85742422 and registered under number 913 167 227 RCS Paris.

The Company's telephone number is +33 1 44 95 23 00. The Company's Legal Entity Identifier (LEI) is 894500G73K46H93RF180.

The ISIN Code of the Ordinary Shares is NL0015000X07. The ISIN Code of the Warrants is NL0015000H56.

The Company's website is:

https://www.flentertainment.com.

The main websites relating to the two business lines (Banijay and Betclic respectively) are the following:

https://www.banijay.com and https://www.betclic.com

Information on FL Entertainment, Banijay and Betclic websites does not form part of this Universal Registration Document and has not been scrutinised or approved by the competent authority, the AFM. However, this comment does not apply to hyperlinks to information that is incorporated by reference as disclosed in Section 8.2 on page 338 of this Universal Registration Document.

As mentioned in section 1.1 on page 22, FL Entertainment is a global and entrepreneur-led entertainment group combining two complementary and successful business lines in digital entertainment market segments: Banijay Group and Betclic Everest Group.

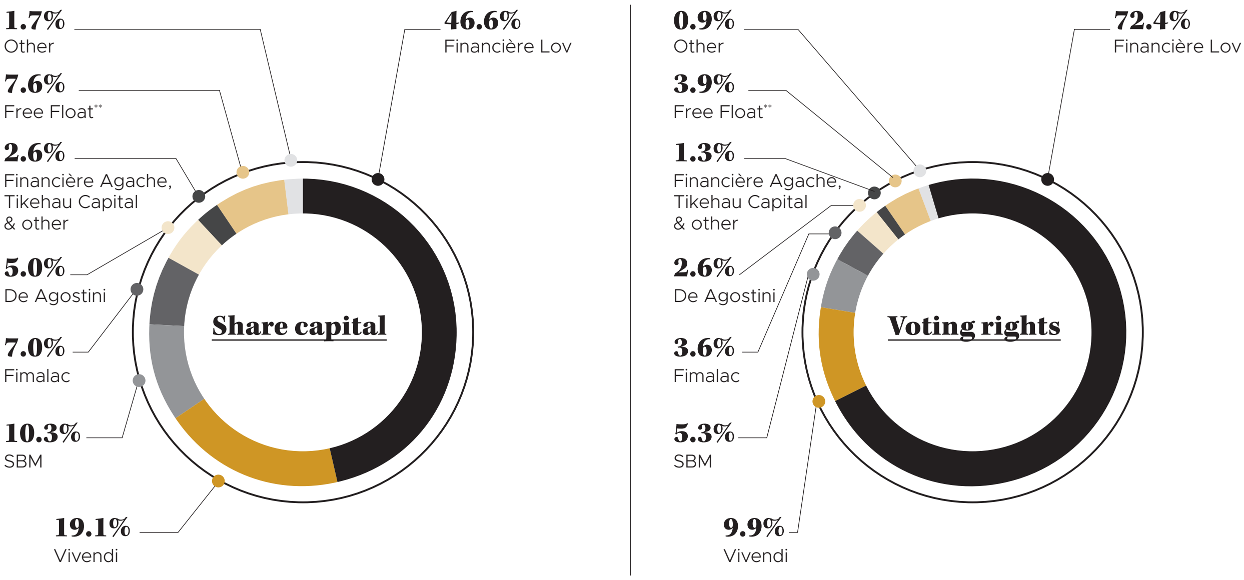
Pursuant to Article 3 of the Articles of Association, the corporate objectives of the Company are:

- to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises;
- to finance businesses and companies;
- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with aforementioned activities;
- to render advice and services to businesses and companies with which the Company forms a group and to third parties;
- to grant guarantees, to bind the Company and to pledge its assets and/or provide other security for obligations of businesses and companies with which it forms a group and on behalf of third parties;
- to acquire, use and/or assign industrial and intellectual property rights;
- to acquire, alienate, manage and exploit registered property and items of property in general;
- to trade in currencies, securities and items of property in general; and
- to perform any and all activities of an industrial, financial or commercial nature;
- and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

7.2 Share capital and shareholder structure

7.2.1 Shareholder structure

The following chart shows the share capital and voting rights of the Company as at 31 December 2022, based on the total outstanding Ordinary Shares[(1)]:



* Includes 2,674,999 of Founder Shares that were converted at the Listing.
** Free float includes Vivendi and Fimalac holding 2,500,000 Ordinary Shares each (not subject to the Group's Lock-up Agreements).

Figures are rounded.

07/

(1) As at 31 December 2022, the total number of outstanding Ordinary Shares is 411,657,608.

7.2.2 Share capital

Authorised and issued share capital of the Company

As at 31 December 2022, the following table shows the detail of the authorised share capital and the issued share capital:

	Par value per share *(in €)*	Authorised share capital *(in number)*	Authorised share capital *(in €)*	Issued share capital *(in number)*	Issued share capital *(in €)*
Ordinary Shares	€0.01	800,000,000	8,000,000	411,657,608	4,116,576.08
Founder Shares	€0.01	5,250,000	52,500	2,575,001[1]	25,750.01
Earn-Out Preference Shares A	€0.03	13,000,000	390,000	13,000,000	390,000
Earn-Out Preference Shares B	€0.03	3,500,000	105,000	3,500,000	105,000
Earn-Out Preference Shares C	€0.03	3,500,000	105,000	3,500,000	105,000
Special Voting Shares A	€0.02	300,000,000	6,000,000	191,999,997	3,839,999.94
Special Voting Shares B	€0.02	1,00	0.02	0	0
TOTAL	**-**	**1,125,250,001**	**14,652,500.02**	**838,232,603**	**8,582,326.03**

As at 31 December 2022, all of the issued shares as set out above have been fully paid up and there are no convertible securities, exchangeable securities or securities with Warrants in the Company, other than the Founder Shares, Earn-Out Preference Shares and the Special Voting Shares A, the Warrants and the Founder Warrants. Other than in respect of the Warrants and the Founder Warrants, there are no acquisition rights and/or obligations over unissued share capital of the Company (or any undertaking to increase the share capital of the Company). All of the shares as set out above represent capital in the Company. Except as provided under "Operating and Financial Review—Material Contracts and Related Party Transactions", no share or loan capital of any member of the Group is under option or agreed, conditionally or unconditionally, to be put under option.

(1) 2,674,999 issued Founder Shares were converted into Ordinary Shares on 5 July 2022.

History of share capital

Since its incorporation and prior to the date of this Universal Registration Document, the following changes have been made in the Company's issued share capital:

Date	Transaction	Increase/ decrease of share capital *(in €)*	Number of shares issued/ cancelled	Class of shares issued	Par value per share *(in €)*	Total issued share capital *(in €)* after change
30 June 2022	Issuance	390,000	13,000,000	Earn-Out Preference Shares A	€0.03	390,010
30 June 2022	Issuance	105,000	3,500,000	Earn-Out Preference Shares B	€0.03	495,010
30 June 2022	Issuance	105,000	3,500,000	Earn-Out Preference Shares C	€0.03	600,010
30 June 2022	Issuance	3,840,000	191,999,997	Special Voting Shares A	€0.02	4,440,010
30 June 2022 and 1 July 2022	Issuance	3,627,162	362,716,200	Ordinary Shares	€0.01	8,067,172
30 June 2022 and 1 July 2022	Issuance	69,163	6,916,269	Ordinary Shares	€0.01	8,136,335
1 July 2022	Attribution upon legal merger Business Combination	393,491	39,349,140	Ordinary Shares	€0.01	8,529,826
1 July 2022	Attribution upon legal merger Business Combination	52,500	5,250,000	Founder Shares	€0.01	8,582,326
5 July 2022	Issuance of Ordinary Shares following conversion of Founder Shares	-	2,575,001	Ordinary Shares	€0.01	8,582,326
5 July 2022	Cancellation of Founder Shares following their conversion into Ordinary Shares	-	2,674,999	Founder Shares	€0.01	8,582,326

Ordinary Shares

The Ordinary Shares have a nominal value of €0.01 each. The holders of Ordinary Shares are entitled to distributions in proportion to the aggregate nominal value of their Ordinary Shares. The Ordinary Shares rank pari passu with each other. Each Ordinary Share entitles its holder to cast one vote in the General Meeting.

All Ordinary Shares are in registered form *(op naam)* and are only available in the form of an entry in the shareholders' register and not in certificate form and shall at all times remain in dematerialised form. No share certificates *(aandeelbewijzen)* are or may be issued.

Founder Shares

The Founder Shares have a nominal value of €0.01 each. From any profits, as remaining after application of the provisions in the Articles of Association regarding reservation and the profit entitlement of Earn-Out Preference Shares, an amount equal to 0.1% of the nominal value of each Founder Share shall be added to the dividend reserve for Founder Shares as described in the Articles of Association. The Founder Shares rank pari passu with each other. Each Founder Share entitles its holder to cast one vote in the General Meeting, although parties have agreed in the Shareholders Agreement that the sponsors shall not exercise any voting rights attached to the Founder Shares in any General Meeting.

All Founder Shares are in registered form *(op naam)* and are only available in the form of an entry in the shareholders' register and not in certificate form. No share certificates *(aandeelbewijzen)* are or may be issued.

Earn-Out Preference Shares

All Earn-Out Preference Shares have a nominal value of €0.03 each. From any profits, as remaining after application of the provisions in the Articles of Association regarding reservation and the profit entitlement of Earn-Out Preference Shares, an amount equal to 0.1% of the nominal value of each Earn-Out Preference Share shall be added to the dividend reserve for Preference Shares A, B and C respectively as described in the Articles of Association. The Earn-Out Preference Shares rank pari passu with each other. Each Earn-Out Preference Share entitles its holder to cast three votes in the General Meeting, although parties have agreed in the Shareholders Agreement that the holder of Earn-Out Preference Shares shall not exercise any voting rights attached to those shares in any General Meeting.

All Earn-Out Preference Shares are in registered form *(op naam)* and are only available in the form of an entry in the shareholders' register and not in certificate form. No share certificates *(aandeelbewijzen)* are or may be issued.

Special Voting Shares

The Company has implemented a Special Voting Plan by creating special voting shares A in the Company's capital ("Special Voting Shares A"), that will allow the holder of such Special Voting Shares A to exercise two voting rights for each Special Voting Share A in the General Meeting in addition to the one voting right for each Ordinary Share held by it, in accordance with the Articles of Association and the other terms and conditions applicable to the holder(s) of Special Voting Shares (the "SVS Terms"). Special Voting Shares A will not be listed.

Special Voting Shares A can be converted into Special Voting Shares B with a nominal value of €0.02 per share ("Special Voting Shares B" together with Special Voting Shares A, the "Special Voting Shares" and each such share a "Special Voting Share"), as an ultimum remedium if Special Voting Shares A are held by a shareholder who does not comply with the terms and conditions set forth in the Articles of Association and SVS Terms. Special Voting Shares B will in principle only be outstanding following a resolution of the Board to convert the relevant Special Voting Shares A into an equal number of Special Voting Shares B. Upon conversion of such Special Voting Shares A into Special Voting Shares B, such Special Voting Shares B can—and in principle—will be cancelled in accordance with the terms and conditions of the Articles of Association and SVS Terms and Dutch law for no consideration. The Special Voting Shares B would in principle entitle the holder to exercise two voting rights each per Special Voting Share B, except that it is envisaged that the voting rights on Special Voting Shares B (if any are outstanding) will be suspended immediately upon the conversion of Special Voting Shares A to Special Voting Shares B.

The profit rights attached to a Special Voting Share are limited to 0.1% of the nominal value of such Special Voting Share. From any profits, as remaining after application of the provisions in the Articles of Association regarding reservation and the profit entitlement of Earn-Out Preference Shares and Founder Shares, an amount equal to 0.1% of the nominal value of each Special Voting Share shall be added to the dividend reserve of the respective Special Voting Shares as described in the Articles of Association. The Special Voting Shares rank pari passu with each other.

All Special Voting Shares are in registered form *(op naam)* and are only available in the form of an entry in the shareholders' register and not in certificate form and shall at all times remain in dematerialised form. No share certificates *(aandeelbewijzen)* are or may be issued.

Stock price

GENERAL INFORMATION

ISIN Code	NM0015000X07
Ticker (Reuters/Bloomberg)	FL Entertainment.AS / FL Entertainment NA
Listing price on 1 July 2022	€11.50
Price as at 31 December 2022 (closing)	€9.48
Highest price in 2022 (closing)	€11.50
Lowest price in 2022 (closing)	€8.50
Average daily volume (in number of shares) in 2022	833.96
Market capitalisation as at 31 December 2022 (in € million)	3,903

CHANGE IN THE SHARE PRICE AND THE VOLUME OF SHARES TRADED

7.2.3 The Warrants

On 10 December 2021, Pegasus Entrepreneurs completed the Pegasus IPO in which it offered 21,000,000 Pegasus Units at a price of €10.00 per Pegasus Unit. Each Pegasus Unit consisted of one Pegasus Ordinary Share that entitled its holder to receive an additional 1/3 of a Pegasus Public Warrant. On 14 January 2022, the 13,916,666 Pegasus Public Warrants automatically commenced trading separately from the Pegasus Ordinary Shares. In addition, a further 6,916,666 Pegasus Public Warrants that were held in treasury by Pegasus Entrepreneurs were admitted to listing and trading on Euronext Amsterdam on 10 December 2021.

Pursuant to the Merger, the Company acquired the contractual arrangement of the Pegasus Public Warrants and assumed the obligations thereunder under universal title upon completion of the Merger, and subsequently the Pegasus Public Warrant holders became holders of Warrants that entitle the holder to acquire Ordinary Shares in the Company.

Time of issuance, exercise and expiration

Each Warrant entitles the Warrant Holder to purchase one Ordinary Share at a price of €11.50 per Ordinary Share, subject to adjustments as set out in the Warrant T&Cs, at any time commencing five business days after the Business Combination Date. The Warrants will expire at 18:00h CEST, on the date that is five years after the Business Combination Date, or earlier upon redemption of the Warrants or liquidation of the Company. Settlement of Ordinary Shares pursuant to the exercise of a Warrant will take not more than ten Trading Days.

The exercise of Warrants may result in dilution of the Company's share capital.

Warrant Holders do not have any voting rights and are not entitled to any dividend, liquidation or other distributions.

The Warrants do not have a fixed price or value. The price of the Warrants will be determined by virtue of trading on Euronext Amsterdam.

Warrant Holders may exercise their Warrants through the relevant intermediary through which they hold their Warrants, following applicable procedures for exercise and payment, including compliance with the applicable selling and transfer restrictions. No Warrants will be exercisable unless the issuance and delivery of the Ordinary Shares upon such exercise is permitted in the jurisdiction of the exercising Warrant Holder and the Company will not be obligated to issue any Ordinary Shares to Warrant Holders seeking to exercise their Warrants unless such exercise and delivery of Ordinary Shares is permitted in the jurisdiction of the exercising Warrant Holder. If such conditions are not satisfied with respect to a Warrant, the Warrant Holder will not be entitled to exercise such Warrant and such Warrant may have no value and expire worthless.

The date of exercise of the Warrants shall be the date on which the last of the following conditions is met: (i) the Warrants have been transferred by the accredited financial intermediary to ABN AMRO Bank NV as warrant agent (the "Warrant Agent"); (ii) the amount, if any, due to the Company as a result of the exercise of the Warrants is received by the Warrant Agent; and (iii) completion of the form of notice of Warrant exercise published on the Company's website. Delivery of Ordinary Shares upon exercise of the Warrants shall take place no later than on the tenth Trading Day after their exercise date. Upon exercise, the relevant Warrants will cease to exist and the Company will issue or transfer to the Warrant Holder the number of Ordinary Shares to which it is entitled.

The Warrant Holders will not be charged by the Company upon exercise of the Warrants. The Warrant Agent will charge financial intermediaries a fee of €0.005 per Warrant exercised with a minimum of €50.00 per exercise instruction. Financial intermediaries processing the exercise may charge costs to Warrant Holders directly. Such charges will depend on the terms in effect between the Warrant Holder and such financial intermediary.

The proceeds of a redemption of Warrants, the proceeds of the repurchase of Warrants or a full or partial cash or cashless settlement of Warrants may be subject to Dutch dividend withholding tax at a rate of 15%.

The Warrant T&Cs are available on the Company's website: https://www.flentertainment.com.

Redemption

REDEMPTION OF WARRANTS WHEN THE PRICE PER ORDINARY SHARE EQUALS OR EXCEEDS €18.00

Once the Warrants become exercisable, the Company may redeem all issued and outstanding Warrants (other than the Founder Warrants), in whole and not in part at a price of €0.01 per Warrant upon not less than 30 days' prior written notice of redemption (a Redemption Notice), if the closing price of the Ordinary Shares for any 20 Trading Days within a 30 consecutive Trading Day period ending on the third Trading Day prior to the date on which the Company issues the Redemption Notice (the "Reference Value") equals or exceeds €18.00 per Ordinary Share (as adjusted for adjustments to the number of shares issuable upon exercise or the Exercise Price of a Warrant as described under the heading "*—Anti-dilution adjustments*" below). Each Warrant Holder will be entitled to exercise its Warrant(s) prior to the scheduled redemption record date to be indicated in the Redemption Notice.

REDEMPTION OF WARRANTS WHEN THE PRICE PER ORDINARY SHARE EQUALS OR EXCEEDS €10.00 AND IS LESS THAN €18.00

Once the Warrants become exercisable, the Company may redeem all issued and outstanding Warrants (other than the Founder Warrants), in whole and not in part at a price of €0.01 per Warrant upon not less than 30 days' prior Redemption Notice, if the Reference Value equals or exceeds €10.00 per Ordinary Share and is less than €18.00 per Ordinary Share (as adjusted for adjustments to the number of shares issuable upon exercise or the Exercise Price of a Warrant as described under the heading "*—Anti-dilution adjustments*" below). However, if (after adjustments) the Reference Value equals or exceeds €10.00 per Ordinary Shares and is less than €18.00 per Ordinary Shares, Warrant Holders will be able to exercise their Warrants on a cashless basis prior to redemption and receive that number of Ordinary Shares determined by reference to the table set forth below and based on the redemption date and the Redemption Fair Market Value (as

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defined below) of the Ordinary Shares, except as otherwise described below.

The proceeds of a full or partial cash or cashless settlement of Warrants may be subject to Dutch dividend withholding tax at a rate of 15%.

The "Redemption Fair Market Value" of the Ordinary Shares shall mean the volume weighted average price of the Ordinary Shares during the ten Trading Days immediately following the date on which the Redemption Notice is issued. In no event will the Warrants be exercisable in connection with this redemption feature for more than 0.361 Ordinary Shares per Warrant (subject to adjustment).

Beginning on the date the Redemption Notice is issued until the Warrants are redeemed or exercised, Warrant Holders may elect to exercise their Warrants on a cashless basis if the Reference Value equals or exceeds €10.00 per Ordinary Shares and is less than €18.00 per Ordinary Share (as adjusted for adjustments to the number of shares issuable upon exercise or the Exercise Price of a Warrant as described under the heading "*—Anti-dilution adjustments*" below. The numbers in the table below represent the number of Ordinary Shares that a Warrant Holder will receive upon such cashless exercise in connection with a redemption by the Company pursuant to this redemption feature, based on the Redemption Fair Market Value of the Ordinary Shares on the corresponding redemption date (assuming Warrant Holders elect to exercise their Warrants and such Warrants are not redeemed for €0.01 per Warrant), determined for these purposes based on volume weighted average price of the Ordinary Shares during the 10 Trading Days immediately following the date on which the Redemption Notice is issued, and the number of months that the corresponding redemption date precedes the expiration date of the Warrants, each as set forth in the table below. The Company will provide Warrant Holders with the final Redemption Fair Market Value no later than one business day after the ten Trading Day period described above ends.

The prices set forth in the column headings of the table below will be adjusted as of any date on which the number of Ordinary Shares issuable or deliverable upon exercise of a Warrant or the Exercise Price of a Warrant is adjusted as set forth under the heading "*—Anti-dilution adjustments*" below. If the number of Ordinary Shares issuable or deliverable upon exercise of a Warrant is adjusted, the adjusted share prices in the column headings shall equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of Ordinary Shares issuable or deliverable upon exercise of a Warrant immediately prior to such adjustment and the denominator of which is the number of Ordinary Shares issuable or deliverable upon exercise of a Warrant as so adjusted. The number of Ordinary Shares determined by reference to the table below shall be adjusted in the same manner and at the same time as the number of Ordinary Shares issuable or deliverable upon exercise of a Warrant. In no event will the number of Ordinary Shares issued or delivered in connection with this redemption feature exceed 0.361 Ordinary Shares per Warrant (subject to adjustment).

Redemption fair market value of Ordinary Shares

Redemption Date *(period to expiration of Warrants)*	**≤€10.00**	**€11.00**	**€12.00**	**€13.00**	**€14.00**	**€15.00**	**€16.00**	**€17.00**	**≥€18.00**
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact Redemption Fair Market Value and redemption date may not be set forth in the table above, if the Redemption Fair Market Value is between two values in the table or the redemption date is between two dates in the table. In that case, the number of Ordinary Shares to be issued or delivered for each Warrant exercised will be determined by a straight-line interpolation between the number of Ordinary Shares set forth for the higher and lower Redemption Fair Market Values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. Finally, as reflected in the table above, if the Warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by the Company pursuant to this redemption feature, since they will not be exercisable for any Ordinary Shares.

For example, if the volume weighted average price of the Ordinary Shares during the 10 Trading Days immediately following the date on which the Redemption Notice is issued is €11.00 per Ordinary Share, and at such time there are 57 months until the expiration of the Warrants, Warrant Holders may choose to, in connection with this redemption feature, exercise their Warrants for 0.277 Ordinary Shares for each whole Warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of the Ordinary Shares during the 10 Trading Days immediately following the date on which the Redemption Notice is issued is €13.50 per Ordinary Share, and at such time there are 38 months until the expiration of the Warrants, Warrant Holders may choose to, in connection with this redemption feature, exercise their Warrants for 0.298 Ordinary Shares for each whole Warrant.

This redemption feature differs from the typical warrant redemption features used in special purpose acquisition company offerings, which typically only provide for a redemption of warrants for cash (other than the Founder Warrants) when the trading price for an Ordinary Share exceeds €18.00 per Ordinary Share for a specified period of time. This redemption feature is structured to allow for all of the outstanding Warrants to be redeemed when the Ordinary Shares are trading at or above €10.00 per Ordinary Share, which may be at a time when the trading price of the Ordinary Shares is below the Exercise Price of the Warrants. The Company has established this redemption feature to provide the flexibility to redeem the Warrants without the Warrants having to reach the €18.00 threshold set forth above under "*Redemption of Warrants when the price per Ordinary Share equals or exceeds €18.00*". Warrant Holders choosing to exercise their Warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of Ordinary Shares for their Warrants based on an option pricing model with a fixed volatility input as at the date of the Pegasus IPO. This redemption right provides the Company with an additional mechanism by which to redeem all of the outstanding Warrants, and therefore have certainty as to its capital structure, as the Warrants would no longer be outstanding and would have been exercised or redeemed, and the Company will be required to pay the Redemption Price to Warrant Holders if it chooses to exercise this redemption right, and it will allow the Company to quickly proceed with a redemption of the Warrants if it determines it is in its best interest to do so.

If the Company chooses to redeem the Warrants when the Ordinary Shares are trading at a price below the Exercise Price of the Warrants, this could result in the Warrant Holders receiving fewer Ordinary Shares than they would have received if they had chosen to wait to exercise their Warrants for Ordinary Shares if and when such Ordinary Shares were trading at a price higher than the Exercise Price of €11.50.

The Warrant T&Cs provide that the terms of the Warrants may be amended without the consent of any Warrant Holder for the purpose of removing the terms of the Warrant T&Cs that allow for the redemption of Warrants for Ordinary Shares if the Reference Value equals or exceeds €10.00 per Ordinary Share and is less than €18.00 per Ordinary Share and making any further amendments to the Warrant T&Cs in connection with such removal, if this is necessary in the good faith determination of the Board (taking into account then existing market precedents) to allow for the Warrants to be classified as equity in the Company's financial statements.

REDEMPTION NOTICE

The Company will publish any Redemption Notice by issuing a press release. Any Redemption Notice published in this manner will be conclusively presumed to have been duly given whether or not the Warrant Holder has seen such notice. The Company has established this redemption criterion to prevent a redemption call unless there is at the time of the call a significant premium to the Exercise Price. If the foregoing conditions are satisfied and the Company issues a Redemption Notice for the Warrants, each Warrant Holder will be entitled to exercise its Warrant(s) prior to the scheduled redemption record date to be indicated in the Redemption Notice. However, the price of the Ordinary Shares may fall below the €10.00 or €18.00 redemption trigger price (as applicable and as adjusted for adjustments to the number of Ordinary Shares issuable upon exercise or the Exercise Price of a Warrant as described under the heading "*—Anti-dilution Adjustments*" below) as well as the €11.50 Warrant Exercise Price after the Redemption Notice is issued.

7.2.4 Anti-dilution adjustments

If the number of issued and outstanding Ordinary Shares is increased by a capitalisation or share dividend payable in Ordinary Shares, or by a split-up of Ordinary Shares or other similar event, then, on the effective date of such capitalisation or share dividend, split-up or similar event, the number of Ordinary Shares issuable on exercise of each Warrant will be increased in proportion to such increase in the issued and outstanding Ordinary Shares. A rights offering to holders of Ordinary Shares entitling Warrant Holders to purchase Ordinary Shares at a price less than the "Historical Fair Market Value" (as defined below) will be deemed a share dividend of a number of Ordinary Shares equal to the product of (1) the number of Ordinary Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Ordinary Shares) and (2) one minus the quotient of (x) the price per Ordinary Share paid in such rights offering and (y) the Historical Fair Market Value. For these purposes, if the rights offering is for securities convertible into or exercisable for Ordinary Shares, in determining the price payable for Ordinary Shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (2) "Historical Fair Market Value" means the volume weighted average price of Ordinary Shares during the 10 Trading Day period ending on the Trading Day prior to the first date on which the Ordinary Shares trade on the applicable exchange or in the applicable market without the right to receive such rights (the ex-rights trading date).

In addition, if the Company at any time while the Warrants are outstanding and unexpired, pays to all or substantially all of the Ordinary Shareholders a dividend or makes a distribution in cash, securities or other assets on account of such Ordinary Shares (or other securities into which the Warrants are convertible), other than (a) as described above, or (b) Ordinary Cash Dividends (as defined below), then the Exercise Price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each Ordinary Share in respect of such event. "Ordinary Cash Dividends" means any cash dividend or cash distribution which, when combined on a per share basis, with the per share amounts of all other cash dividends and cash distributions paid on the Ordinary Shares during the 365-day period ending on the date of declaration of such dividend or distribution (as adjusted to appropriately reflect any of the events described under the heading *"Anti-dilution adjustments"* and excluding cash dividends or cash distributions that resulted in an adjustment to the Exercise Price of the Warrants or to the number of Ordinary Shares issuable on exercise of each Warrant) to the extent it does not exceed €0.50.

If the number of issued and outstanding Ordinary Shares is decreased by a consolidation, combination, or reclassification of Ordinary Shares or other similar event, then, on the effective date of such consolidation, combination, reclassification or similar event, the number of Ordinary Shares issuable on exercise of each Warrant will be decreased in proportion to such decrease in issued and outstanding Ordinary Shares.

Whenever the number of Ordinary Shares purchasable upon the exercise of the Warrants is adjusted, as described above, the Exercise Price of the Warrants will be adjusted by multiplying the Exercise Price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number Ordinary Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment and (y) the denominator of which will be the number of Ordinary Shares so purchasable immediately thereafter.

In addition, if (x) the Company issues additional Ordinary Shares or securities of the Company that are convertible into, exchangeable for or exercisable for Ordinary Shares for capital raising purposes in connection with the Business Combination at an issue price or effective issue price of less than €9.20 per Ordinary Share (with such issue price or effective issue price to be determined in good faith by the Board or such person or persons granted a power of attorney by the Board, and in the case of any such issuance to the Sponsors, the Pegasus Board members or their affiliates, without taking into account any Ordinary Shares held by the Sponsors, the Pegasus Board members or their affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the Business Combination on the Business Combination Date (net of redemptions), and (z) the volume weighted average trading price of the Ordinary Shares during the twenty Trading Day period starting on the Trading Day prior to the Business Combination Date (such price, the "Market Value") is below €9.20 per Ordinary Share, (i) the Exercise Price of the Warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, (ii) the €18.00 per Ordinary Share redemption trigger price described under *"—The Warrants—Redemption —Redemption of Warrants when the price per Ordinary Share equals or exceeds €18.00"* above and *"—The Warrants—Redemption—Redemption of Warrants when the price per Ordinary Share equals or exceeds €10.00 and is less than €18.00"* above, will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

In case of any reclassification or reorganisation of the issued and outstanding Ordinary Shares (other than those described above or that solely affects the nominal value of such Ordinary Shares), or in the case of a merger or consolidation of the Company with or into another company (other than a merger or consolidation in which the Company is the surviving company and that does not result in any reclassification or reorganisation of the Company's issued and outstanding Ordinary Shares), or in the case of any sale or conveyance to another company or entity of substantially all the assets or property of the Company in connection with which the Company will be dissolved, the Warrant Holders will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Warrant T&Cs and in lieu of Ordinary Shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares, stock or other equity securities or property (including cash) receivable upon such reclassification, reorganisation, merger or consolidation, or upon a dissolution following any such sale or transfer, that the Warrant Holder would have received if they had exercised their Warrants immediately prior to such event (the "Alternative Issuance"). However, if such Warrant Holder were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such merger or consolidation, then the kind and amount of securities, cash or other assets constituting the Alternative Issuance for which each Warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such Warrant Holder in such merger or consolidation that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such Warrant Holders under circumstances in which, upon completion of such tender or exchange offer the party (and any person or persons acting in concert with such party under the Dutch FSA) instigating such tender or exchange offer owns more than 50% of the issued and outstanding Ordinary Shares, the Warrant Holder will be entitled to receive as the Alternative Issuance, the highest amount of cash, securities or other property to which such Warrant Holder would actually have been entitled as a shareholder if such Warrant Holder had exercised the Warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the Ordinary Shares held by such Warrant Holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the Warrant T&Cs. Additionally, if less than 70% of the consideration receivable by the Ordinary Shareholders in such a transaction is payable in the form of Ordinary Shares in the successor entity that is listed and traded on a regulated market or multilateral trading facility in the European Economic Area (the "EEA") or the United Kingdom immediately following such event, and if Warrant Holder properly exercises the Warrant within thirty days following public disclosure of such transaction, the Exercise Price of the Warrants will be reduced as specified in the Warrant T&Cs based on the per share consideration minus Black-Scholes Warrant Value (as defined in the Warrant T&Cs) of the Warrant.

7.2.5 Warrant T&Cs

This Universal Registration Document, including this section, provides an overview of the relevant and material information regarding the Warrant T&Cs but does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by reference to, the Warrant T&Cs as published on the Company's website.

The Warrant T&Cs provide that (a) the terms of the Warrants may be amended without the consent of any Warrant Holder for the purpose of (i) curing any ambiguity or correcting any mistake or defective provision, including to conform the provisions of the Warrant T&Cs to the description of the terms of the Pegasus Public Warrants set out in this Universal Registration Document, (ii) adding or changing any provisions with respect to matters or questions arising under the Warrant T&Cs as the Company may deem necessary or desirable and that it deems to not adversely affect the rights of the Warrant Holders under the Warrant T&Cs, or (iii) making any amendments that are necessary in the good faith determination of the Board (taking into account then existing market precedents) to allow for the Warrants to be classified as equity in the Company's financial statements, such as removing the Alternative Issuance terms or removing the terms that allow for the redemption of Warrants for Ordinary Shares if the Reference Value equals or exceeds €10.00 per Ordinary Share and is less than €18.00 per Ordinary Share, together with such other amendments as are necessary in connection therewith, provided that this shall not allow for any modification or amendment to the Warrant T&Cs that would increase the Warrant Price or shorten the period in which a holder can exercise its Warrants, and (b) all other modifications or amendments require the vote or written consent of the holders of at least 50% of the then outstanding Warrants and Founder Warrants; provided that any amendment that solely affects the terms of the Founder Warrants will also require the vote or written consent of the holders of at least 50% of the then outstanding Founder Warrants; and except that the removal of the terms of the Warrant T&Cs that allow for the exercise of Founder Warrants on a cashless basis only requires the vote or written consent of the holders of at least 50% of the then outstanding Founder Warrants.

The Warrant Holders do not have the rights or privileges of Ordinary Shareholders and any voting rights until they exercise their Warrants and receive Ordinary Shares. After the issuance of Ordinary Shares upon exercise of the Warrants, each Warrant Holder will be entitled to one vote for each share held of record on all matters to be voted on by Ordinary Shareholders. No fractional Warrants will be issued or delivered and only whole Warrants will trade. The financial intermediary will be charged a fee by the Warrant Agent for the exercise of the Warrants (other than the Founder Warrants). The fee is €0.005 per Warrant with a minimum of €50.00 per instruction.

The Warrant T&Cs are governed by Dutch law. Any action, proceeding or claim against arising out of or relating in any way to the Warrant T&Cs will be brought before the applicable court in Amsterdam, the Netherlands. The Company and the Warrant Holders irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim.

7.2.6 Founder Warrants

In a placement that closed 10 December 2021, simultaneously with the Pegasus IPO, inter alia, Tikehau Capital, Financière Agache and one of its Directors, Mr Diego De Giorgi, Mr Jean Pierre Mustier and Pegasus Acquisition Partners Holding (which is jointly controlled by Mr Pierre Cuilleret, Mr Diego De Giorgi and Mr Jean Pierre Mustier) obtained 5,250,000 Pegasus Founder Warrants at a price of €0.03 for an aggregate subscription price of €157,500.

Pursuant to the Merger, the Company acquired the contractual arrangement of the Pegasus Founder Warrants and assumed the obligations thereunder under universal title upon completion of the Merger, and subsequently these Pegasus Founder Warrant holders became holders of Founder Warrants that entitle the holder to acquire Ordinary Shares in the Company.

The Founder Warrants have substantially the same terms as the Warrants, except as follows: the Founder Warrants and the Ordinary Shares issuable or deliverable upon the exercise of the Founder Warrants will not be transferable, assignable or saleable until 30 days after the Merger becoming effective, subject to certain limited exceptions as described below. Additionally, the Founder Warrants will be exercisable on a cashless basis and be non-redeemable, except as described herein, so long as they are held by Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, Pegasus Acquisition Partners or their Permitted Transferees (as defined in *"Description of Share Capital—Lock-up arrangements—Pegasus Lock-up Arrangements"* below). No voting rights attach to the Founder Warrants. If the Founder Warrants are held by someone other than Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, Pegasus Acquisition Partners Holding or their Permitted Transferees, the Founder Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Warrants. The proceeds of a redemption of Warrants, the proceeds of the repurchase of Warrants or a full or partial cash or cashless settlement of Warrants may be subject to Dutch dividend withholding tax at a rate of 15%.

Each Founder Warrant is exercisable to purchase one Ordinary Share at a price of €11.50 per Ordinary Share, subject to adjustment as described above for the Warrants. Founder Warrants may be exercised only for a whole number of Ordinary Shares. The Founder Warrants may be exercised by Tikehau Capital, Financière Agache, Mr Diego De Giorgi, Mr Jean Pierre Mustier, Pegasus Acquisition Partners Holding on either a cash or cashless basis. If the Founder Warrants are exercised on a cashless basis, Tikehau Capital, Financière Agache, Mr Diego De Giorgi, Mr Jean Pierre Mustier, Pegasus Acquisition Partners Holding their Permitted Transferees would surrender their Founder Warrants for that number of Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Ordinary Shares underlying the Founder Warrants, multiplied by the excess of the "Sponsor Fair Market Value" (as defined below) over the Exercise Price by (y) the Sponsor Fair Market Value.

Each of Tikehau Capital, Financière Agache, Mr Diego De Giorgi, Mr Jean Pierre Mustier, as well as Pegasus Acquisition Partners Holding (which is jointly controlled by Mr Pierre Cuilleret, Mr Diego De Giorgi and Mr Jean-Pierre Mustier) or their permitted transferees may elect to exchange their Founder Warrants for newly issued and listed Warrants at the earliest thirty (30) days after the Merger becoming effective.

The "Sponsor Fair Market Value" shall mean the volume-weighted average price of the Ordinary Shares for the 10 Trading Days ending on the third Trading Day prior to the date on which the notice of Warrant exercise is sent to the Warrant Agent.

If the Sponsors and Mr Pierre Cuilleret remain affiliated with the Company, their ability to sell securities in the open market will be significantly limited. The Company expects to have policies in place that restrict insiders from selling the Company's securities except during specific periods of time. Even during such periods of time when insiders will be permitted to sell the Company's securities, an insider cannot trade in the Company's securities if he or she is in possession of inside information. Accordingly, unlike Ordinary Shareholders who could exercise their Warrants and sell the Ordinary Shares received upon such exercise freely in the open market in order to recoup the cost of such exercise, the insiders could be significantly restricted from selling such securities. As a result, the Company believes that allowing the holders of Founder Warrants to exercise such Founder Warrants on a cashless basis is appropriate.

As further described in *"—Lock-up Arrangements"* below, the Founder Warrants are subject to transfer restrictions pursuant to lock-up provisions in the Pegasus Letter Agreement, until the period ending 30 calendar days from the Business Combination Date. The Ordinary Shares issued or delivered upon exercise of the Founder Warrants or Warrants are not subject to transfer restrictions.

Change in CSD

The Company resolved to change its central securities depository ("CSD") for the Ordinary Shares, the Warrants and the Special Voting Shares from Nederlands Centraal Instituut voor Giraal Effectenverkeer BV ("Euroclear Netherlands") to Euroclear France SA ("Euroclear France"). As a result, the Ordinary Shares, the Warrants and the Special Voting Shares were or will be withdrawn from the book-entry system *(girodepot)* in the Netherlands and subsequently included in the book-entry system of Euroclear France. Consequently, the Ordinary Shares, the Warrants and the Special Voting Shares are or will be legally deposited within the French jurisdiction and the clearance of trading in the Ordinary Shares and the Warrants on Euronext Amsterdam occurs or will occur in France via the book-entry system of Euroclear France. In view of the change of CSD the Articles of Association, the SVS Terms and the Warrant T&Cs will be updated.

7.2.7 Treasury shares

As of 31 December 2022, the Company does hold 6,975 shares in treasury, as a result of a liquidity agreement entered into with Kepler Cheuvreux S.A. on 5 December 2022 to ensure liquidity and foster regular trading in shares in the Company.

As long as any shares are held in treasury, they do not yield dividends, do not entitle the Company as a holder thereof to voting rights, and do not count towards the calculation of dividends or voting percentages and are not eligible for redemption.

7.2.8 Lock-up arrangements

Pegasus Lock-up Arrangements

Each of the Sponsors and the Pegasus Board have agreed in a letter agreement dated 10 December 2021 (the "Pegasus Letter Agreement") not to sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Pegasus Ordinary Shares received as remuneration by the Pegasus Board members, Pegasus Founder Shares or Pegasus Founder Warrants (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing without the prior written consent of the joint global coordinators that assisted in the Pegasus IPO during a certain period of time (the "Pegasus Lock-up Arrangements").

As a result of the Merger becoming effective, the Sponsors and certain Pegasus Board members received (i) Ordinary Shares in return for their Pegasus Ordinary Shares, (ii) Founder Shares in return for their Pegasus Founder Shares and (iii) Founder Warrants in return for their Pegasus Founder Warrants.

Following the Pegasus Lock-up Arrangements, the Sponsors and the Pegasus Board members will not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Ordinary Shares received as remuneration by certain Pegasus Board members, Founder Shares or Founder Warrants (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing without the prior written consent of the joint global coordinators that assisted in the Pegasus IPO: (i) in respect of the Founder Warrants, until the period ending 30 calendar days from the Business Combination Date; and (ii) in respect of the Founder Shares and Ordinary Shares received upon the exchange of Founder Shares during the period up to 365 calendar days from the Business Combination Date, save that, (x) the lock-up undertaking shall not apply to the Sponsors and Pegasus Board members to the extent required to pay or provide liquidity for any taxation that becomes due by them in connection with the Business Combination, (y), from the period commencing 150 calendar days from the Business Combination Date, any such Ordinary Shares and Founder Shares held by the Sponsors and the Pegasus Board members shall be released from the lock-up undertaking immediately after the Trading Day on which the closing price of the Ordinary Shares for any 20 Trading Days out of a 30 consecutive Trading Day period equals or exceeds €12.00 and (z) the lock-up undertaking shall not apply to the transfer of Ordinary Shares by the Sponsors to certain investors that have been allocated at least 2,500,000 units in the Pegasus IPO, provided that, on the date that is two Trading Days after the date set by the Pegasus Board for redemption of the Pegasus Ordinary Shares, such investor (a) has not redeemed any of its Pegasus Ordinary Shares subscribed for in the Pegasus IPO, to the extent that such redemption would lead to such investor holding fewer than 2,500,000 Pegasus Ordinary Shares at any time and (b) owns at least 2,500,000 Pegasus Ordinary Shares. Such number of Pegasus Ordinary Shares or Ordinary Shares to be transferred by the Sponsors to these Major IPO shareholders will not exceed 140,000.

The foregoing restrictions on transfer shall not apply to transfers made to permitted transferees (the "Permitted Transferees"): (a) the Pegasus Board members, any affiliates or family members of any of the Pegasus Board members, any members or Directors of the Sponsors, or any affiliates of the Sponsors, (b) in the case of an individual, by gift to a member of the individual's immediate family or to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person, or to a charitable organisation; (c) in the case of an individual, by virtue of distribution upon death of the individual; (d) any transferee, by private sales or transfers made in connection with the consummation of the Business Combination at prices no greater than the price at which the Pegasus Founder Warrants were originally subscribed for; (e) any transferee, in the event of a liquidation of the Company prior to completion of the Business Combination; (f) in the case of an entity, by virtue of the laws of its jurisdiction or its organisational documents or operating agreement; or (g) any transferee, in the event of completion of a liquidation, merger, share exchange, reorganisation or other similar transaction which results in all of the holders of the Pegasus Ordinary Shares having the right to exchange their Pegasus Ordinary Shares for cash, securities or other property subsequent to completion of the Business Combination; provided, however, that, subject to and in accordance with the terms of the Pegasus Letter Agreement, in the case of clauses (a) through (d) and (f) these Permitted Transferees must accede to and become a party to the Pegasus Letter Agreement.

In addition to the Pegasus Lock-up Arrangements, the Sponsors will commit to a new lock-up commitment pursuant to the Shareholders Agreement, as further described below.

The Group's lock-up arrangements

The following table shows the main Lock-Up Agreements pursuant to the Shareholders Agreement:

Main Shareholders under Lock-up Arrangements	Lock-up at Listing	End of Lock-up
De Agostini*	6 months	1 January 2023
SBM International	12 months	1 July 2023
Fimalac	12 months	1 July 2023
Vivendi	18 months	1 July 2024
Financière Lov	36 months	1 July 2025
Sponsors (including Tikehau Capital, Financière Agache, Pegasus Acquisition Partners Holding)	36 months	1 July 2025

* *Expired as at 1 January 2023.*

Subject to the terms and exceptions, including in respect of transfers to affiliates and other permitted transfers, set out in the Shareholders Agreement:

- Financière Lov has agreed to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, any shares it holds in the Company's capital or enter into any transaction with the same economic effect as any of the foregoing, for three calendar years from the Business Combination Date. This restriction (i) does not apply to a number of up to 25,000,000 Ordinary Shares and Special Voting Shares obtained by Financière Lov in return as part of its contribution in cash made immediately before the Business Combination Date, and (ii) will not limit Financière Lov to freely transfer its shares in the Company to financial institutions having exercised pledges on such shares as put in place to their benefit in the context the financing granted to Financière Lov for the purpose of the Business Combination or its refinancing (and, for the avoidance of doubt, Financière Lov shall be able to freely grant such pledges to those financial institutions), it being further specified that, in case of enforcement of the pledges, such financial institutions (including any of their transferees in accordance with the underlying finance documentation or successors) shall be free to either appropriate the shares in the Company or to sell the shares in the Company in one or several transactions (including by way of private sale, public or private auction, sale on the regulated market where the shares in the Company are listed, court order or otherwise) and further to such enforcement, the financial institutions and/or the third-party assignees (and their subsequent assignees or transferees) shall be free to transfer the shares in the Company to any third-party or investor without any restriction or condition other than as provided for in the SVS Terms to the extent such transfer concerns Special Voting Shares, and (iii) any Earn-Out Preference Shares as well as any Ordinary Shares and Special Voting Shares resulting from the conversion of the Earn-Out Preference Shares may be freely pledged. For the sake of clarity, any Ordinary Shares and Special Voting Shares to be received by Financière Lov as a result of the Earn-Out shall be subject to the lock-up period;

- the Sponsors have agreed to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, of any shares they hold in the Company's capital or enter into any transaction with the same economic effect as any of the foregoing, for three calendar years from the Business Combination Date. This restriction will not apply to (i) Ordinary Shares received following the exercise of Warrants or Founder Warrants and (ii) the transfer of Ordinary Shares by the Sponsors to certain investors that have been allocated at least 2,500,000 units in the Pegasus IPO, provided that, on the date that is two Trading Days after the date set by the Pegasus Board for redemption of the Pegasus Ordinary Shares, such investor (a) has not redeemed any of its Pegasus Ordinary Shares subscribed for in the Pegasus IPO, to the extent that such redemption would lead to such investor holding fewer than 2,500,000 Pegasus Ordinary Shares at any time and (b) owns at least 2,500,000 Pegasus Ordinary Shares. Such number of Pegasus Ordinary Shares or Ordinary Shares to be transferred by the Sponsors to these Major IPO shareholders will not exceed 140,000. For the avoidance of doubt, the Major IPO shareholders shall not become a party to the Shareholders Agreement;
- Vivendi has agreed to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, any shares it holds in the Company's capital or enter into any transaction with the same economic effect as any of the foregoing, for eighteen calendar months from the Business Combination Date;
- Fimalac has agreed to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, any shares it holds in the Company's capital or enter into any transaction with the same economic effect as any of the foregoing, for twelve calendar months from the Business Combination Date;
- SBM International has agreed to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, any shares it holds in the Company's capital or enter into any transaction with the same economic effect as any of the foregoing, for twelve calendar months from the Business Combination Date; and
- De Agostini has agreed to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, any shares it holds in the Company's capital or enter into any transaction with the same economic effect as any of the foregoing, for six calendar months from the Business Combination Date.

Mr Stéphane Courbit has agreed in the Shareholders Agreement that during the abovementioned lock-up period applicable to Financière Lov and except in the event of death, incapacity or invalidity of Mr Stéphane Courbit, (A) the Courbit Family will keep the control of Financière Lov (i.e. to hold, directly or indirectly, the majority of the share capital and voting rights of Financière Lov) and (B) Mr Stéphane Courbit will remain, through LGI (whose share capital is owned by the Courbit Family), sole legal representative of Financière Lov (and therefore the sole legal representative of LGI).

In connection with its contribution of shares in Banijay Group in exchange for Ordinary Shares, Prader SRL, which is controlled by Marco Bassetti has agreed to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, any shares it holds in the Company's capital or enter into any transaction with the same economic effect as any of the foregoing, before 30 June 2024, it being specified that such undertaking shall terminate upon occurrence of change of control of the Company. This restriction does not apply to any pledge on part of the Ordinary Shares. Furthermore, Prader SRL shall be permitted to contribute to the Company at fair market value determined at the date of contribution, on one or two instalments between 31 December 2025 and 31 December 2027, the shares of Banijay Group SAS subscribed as a result of the exercise of the Warrants of Banijay Group SAS held by it.

Banijay

Minority shareholders of Banijay Group SAS (which are key managers) and Banijay have entered into a shareholders agreement in relation to Banijay Group SAS on 22 June 2017, pursuant to which such minority shareholders committed not to transfer any securities for a remaining period of approximately two years in general, subject to certain individual specific arrangements.

Betclic

On 1 July 2022, Mr Nicolas Béraud committed, pursuant to the amended shareholders agreement in relation to Betclic, not to transfer any shares of Betclic he owns for a remaining period of approximately seven years. This restriction does not apply to transfers of shares within the Group.

Notwithstanding the above, any transfer of Ordinary Shares up to a number of Additional Purchased Shares (as defined below) by a party to the Shareholders Agreement that has acquired or subscribed for shall not be subject to any lock-up.

7.2.9 Issuance of Shares

The General Meeting, or the Board, to the extent authorised by the General Meeting for a specific period with due observance of the applicable statutory provisions and the provisions included in the Articles of Association, may resolve to issue shares. This also applies to the granting of rights to subscribe for shares, such as options, but is not required for an issue of shares pursuant to the exercise of a previously acquired right to subscribe for shares. The authorisation will only be valid for a fixed term of no more than five years and may each time only be extended for a maximum period of five years. Unless determined otherwise in the designation, the designation of the Board as the corporate body authorised to resolve to issue shares cannot be revoked. The Company may not subscribe for its own shares upon issuance.

As of 1 July 2022, the Board has been authorised for a period of 18 months to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares up to 10% of the issued Shares at the time of the issuance. Furthermore, the Board is designated to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares up to 3% of the issued Ordinary Shares at the time of issuance, in connection with any long-term incentive plan(s). If a resolution of the Board to issue Ordinary Shares or grant rights to subscribe for Ordinary Shares is adopted in the period between the date of the convocation of the General Meeting and that General Meeting, that resolution of the Board must be adopted with two-thirds of the votes cast in a meeting where all Board members in office are present or represented. Both designations can be revoked by the General Meeting.

After this period of 18 months, or so much earlier as the General Meeting has revoked the designation(s), Ordinary Shares shall be issued, or rights to subscribe for Ordinary Shares shall be granted, pursuant to a resolution of the General Meeting. Ordinary Shares may also be issued pursuant to a resolution of the Board, if designated thereto by the General Meeting for a period not exceeding 18 months. The designation may be extended from time to time, pursuant to a resolution of the General Meeting.

7.2.10 Pre-emptive rights

Upon the issue of Ordinary Shares or grant of rights to subscribe for Ordinary Shares, each Ordinary Shareholder shall have a pre-emptive right in proportion to the aggregate nominal amount of his or her Ordinary Shares. Shareholders have no pre-emptive rights in respect of (i) the issue of shares against payment other than in cash; (ii) the issue of Special Voting Shares; or (iii) the issue of shares to employees of the Company or of a Group Company; or (iv) the issue of shares to a person exercising a previously acquired right to subscribe for shares.

As of 1 July 2022, the Board has been authorised for a period of 18 months to restrict or exclude pre-emptive rights in relation to issuances of Ordinary Shares or grant of rights to subscribe for Ordinary Shares, pursuant to a resolution of the Board as described in *"—Issuance of Shares"*. Such designation can be revoked by the General Meeting. After this period of 18 months, or so much earlier as the General Meeting has revoked the designation, the pre-emptive right of the shareholders may be restricted or excluded pursuant to a resolution of the General Meeting. The pre-emptive rights may also be restricted or excluded pursuant to a resolution of the Board if designated thereto by the General Meeting for a period not exceeding 18 months. The designation may be extended from time to time, pursuant to a resolution of the General Meeting.

7.2.11 Acquisition by the Company of its Ordinary Shares

The Company may acquire fully paid-up Ordinary Shares at any time for no consideration or, subject to Dutch law and the Articles of Association if: (i) its shareholder' equity less the payment required to make the acquisition, does not fall below the sum of called-up and paid-in share capital and any reserves to be maintained by Dutch law and/or the Articles of Association; (ii) the aggregate nominal value of the Ordinary Shares which the Company acquires, holds or holds as pledgee or which are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Board has been authorised by the General Meeting to repurchase Ordinary Shares.

As of 1 July 2022, the Board has been authorised by the General Meeting for a period of 18 months to repurchase any number of fully paid up shares in the share capital of the Company, on the stock exchange or otherwise, subject to the conditions that (i) following such acquisition by the Company the nominal value of the shares in the share capital of the Company which are held by it or for which it holds a right of pledge, of which are held by subsidiaries for their own account, shall not exceed 10% of the issued share capital of the Company on 1 July 2022 and (ii) the repurchase may be effected at a price not less than €0.01 and not higher than 110% of the highest market price of the shares on Euronext Amsterdam on the date of the acquisition or on the preceding day of stock market trading.

No authorisation from the General Meeting is required for the acquisition of fully paid up Ordinary Shares for the purpose of transferring these Ordinary Shares to employees of the Company or of a Group Company pursuant to any applicable equity plan, provided that the Ordinary Shares are quoted on an official list of a stock exchange.

The Company may not cast votes on, and is not entitled to dividends paid on, Ordinary Shares held by it nor will such Ordinary Shares be counted for the purpose of calculating a voting quorum. Pledgees or usufructuaries of an Ordinary Share owned by the Company or a subsidiary are not excluded from exercising voting rights if the right of pledge or usufruct was created before the Ordinary Share was owned by the Company or such subsidiary and the voting rights were transferred to the respective pledgee or usufructuary. For the computation of the profit distribution, the Ordinary Shares held by the Company in its own capital shall not be included. The Board is authorised to dispose of the Company's own Ordinary Shares held by it.

7.2.12 General Meetings and voting rights

General meetings

The annual General Meeting must be held at least annually and within six months of the end of the Financial Year. Extraordinary General Meetings may be held as often as the Board or the Chairperson of the Board deems desirable. In addition, (i) shareholders, who alone or together with one or more of and their affiliates who hold at least twenty percent of the issued and outstanding Ordinary Shares may convene a General Meeting and (ii) one or more shareholders (or others with meeting rights under Dutch law), who solely or jointly represent at least the percentage of the issued share capital of the Company as required by law, which currently is at least one-tenth of the issued share capital of the Company, may request that a General Meeting be convened, the request setting out in detail matters to be considered. If the Board has not taken the steps necessary to ensure that such a meeting can be held within eight weeks after the request, the shareholder(s) making such request may, on their application, be authorised by the competent Dutch court in preliminary relief proceedings to convene a General Meeting. Furthermore, within three months of it becoming apparent to the Board that the equity of the Company has decreased to an amount equal to or lower than one-half of the paid-up and called up part of the capital, a General Meeting must be held to discuss any requisite measures.

The convocation of the General Meeting must be published through an announcement by electronic means. Shareholders registered in the shareholders' register may also be convened by means of convening notices sent to them at their respective addresses as included in the shareholders' register. Furthermore, shareholders and others with meeting rights under Dutch law may, subject to such person's consent to this method of convocation, be convened by means of electronic messages sent to them (e.g. by email) in accordance with their instructions. The notice must state the subjects to be dealt with, the time, date and place of the meeting, the record date, the record date for the meeting, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the procedure for participating in the meeting by proxy, the Company's website, and such other information as may be required by Dutch law. The notice must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days.

The agenda for the annual General Meeting typically contains specific subjects, including, among other things, the adoption of the Annual Accounts, the discussion of substantial changes in the corporate governance structure of the Company and the distribution profits, insofar as these are at the disposal of the General Meeting, and the granting of discharge to the Directors in respect of the performance of their duties as Directors, respectively, during the Financial Year to which the Annual Accounts relate.

One or more shareholders (and others with meeting rights under Dutch law), who solely or jointly represent at least the percentage of the issued share capital of the Company as required by law, which currently is at least 3% of the Company's issued share capital, may request that an item is added to the agenda. Such requests must be made in writing or by electronic means, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 45 days before the day of the General Meeting. No resolutions may be adopted on items other than those that have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued share capital of the Company is present or represented).

Shareholders who, individually or with other shareholders, hold shares in the Company's capital that represent at least 1% of the issued share capital of the Company or a market value of at least €250,000 may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting, provided that the Company has done a so-called "identification round" in accordance with the provisions of the Dutch Securities Transactions Act. The Company can only refuse disseminating such information, if received less than seven business days prior to the day of the General Meeting, if the information gives or could be expected to give an incorrect or misleading signal with respect to the Company or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

The General Meeting is chaired by the Chairperson of the Board or the Executive Director who has been granted the title CEO. When both are present in the General Meeting, the Chairperson of the Board will choose who will chair the General Meeting. In the absence of both the Chairperson of the Board and the Executive Director who has been granted the title CEO, the Person chosen by the Board may act as Chairperson of such General Meeting.

Directors may attend a General Meeting. In these General Meetings, Directors have an advisory vote. The Chairperson of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting.

Record date, admission and registration

Each shareholder (as well as other persons with meeting rights under Dutch law) may attend the General Meeting, address the General Meeting and, insofar as they have such right, exercise voting rights attached to the relevant Ordinary Shares, either in person or by proxy. Shareholders and others with meeting rights under Dutch law may exercise these rights, if they are the shareholders (or holders of meeting rights under Dutch law) on the record date for the General Meeting, which, at the date of this Universal Registration Document, is the 28th day before the day of the General Meeting. Under the Articles of Association, shareholders and others with meeting rights under Dutch law must notify the Company of their identity and their intention to attend the meeting in writing or by electronic means. This notice must be received by the Company ultimately on the seventh day prior to the General Meeting, unless indicated otherwise when such meeting is convened.

Voting rights

Each Ordinary Share and Founder Share confers the right on the holder to cast one vote at a General Meeting. Each Special Voting Share confers the right on the holder to cast two votes at a General Meeting. Each Earn-Out Preference Share confers the right on the holder to cast three votes at a General Meeting. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Ordinary Shares, Founder Shares, Earn-Out Preference Shares or Special Voting Shares that are held by the Company or any Group Company. Nonetheless, the holders of a right of usufruct and the holders of a right of pledge in respect of shares held by the Company or Group Companies in the Company's share capital are not excluded from the right to vote on such shares, if the right of usufruct or the right of pledge was granted prior to the time such shares were acquired by the Company or any Group Company. Neither the Company nor any Group Company may cast votes in respect of a share on which the Company or such Group Company holds a right of usufruct or a right of pledge. Shares which are not entitled to voting rights pursuant to the preceding sentences will not be taken into account for the purpose of determining the number of shareholders that vote and that are present or represented, or the amount of the share capital that is present or represented at a General Meeting.

In the Shareholders Agreement, the owners of Founder Shares and Earn-Out Preference Shares have undertaken not to exercise their voting rights attached to such shares. Pursuant to and in accordance with the Articles of Association, the holders of Special Voting Shares are subjected to a suspension of rights if the Board issues a Suspension Notice (as defined in the Articles of Association) in accordance with the provisions of the Articles of Association in relation hereto.

The Warrant Holders do not have the rights or privileges of Ordinary Shareholders and any voting rights until they exercise their Warrants and receive Ordinary Shares. After the issuance of Ordinary Shares upon exercise of the Warrants, each Warrant Holder will be entitled to one vote for each Ordinary Share held of record on all matters to be voted on by Ordinary Shareholders.

At the General Meeting, resolutions are passed by a simple majority of the valid votes cast, unless Dutch law or the Articles of Association prescribe a greater majority. If there is a tie in voting, the proposal concerned will be rejected. The Board may decide that persons entitled to attend and vote at General Meetings may cast their vote electronically or by post prior to the General Meeting. The Board may determine the period during which votes may be cast in this manner, provided that the votes shall not be cast prior to the record date for the General Meeting. Votes validly cast electronically or by post rank as equal to votes validly cast at the General Meeting.

7.2.13 Amendment of the Articles of Association

Under the Articles of Association, only the General Meeting may resolve to the amendment to the Articles of Association. A proposal to amend the Articles of Association must be included in the agenda. A copy of the proposal, containing the verbatim text of the proposed amendment, must be lodged with the Company for the inspection of every shareholder (as well as every other person with meeting rights under Dutch law) until the end of the General Meeting. Any amendments that adversely affect the rights deriving from the Earn-Out Preference Shares, the Special Voting Shares, require the prior approval of the respective meeting of holders of such Shares.

It is specified that any amendment of the Special Voting Shares terms shall require approval of (i) Financière Lov (or its subsequent transferee) and (ii) the simple majority of the vote cast (excluding Financière Lov or its subsequent transferee who shall abstain from voting) in a General Meeting.

7.3 Major shareholders

7.3.1 Shareholders

The Company is controlled by Financière Lov and indirectly by the Courbit Family. The below table provides an overview of the beneficial ownership of each shareholder who owns 3% or more of the Company's share capital, effective economic rights or voting rights and also identified shareholders, parties to the Shareholder Agreement (please refer to Section 7.3.2 (Shareholders Agreement) on page 334 of the Universal Registration Document) as at 31 December 2022.

Shareholder

	Number of Ordinary Shares	Number of Founder Shares	Number of Earn-Out Preference Shares	Number of Special Voting Shares	Actual percentage of share capital and voting rights(1)	Percentage of effective economic rights(2)	Percentage of effective voting rights(3)
Financière Lov(4)	192,000,997	0	20,000,000	191,999,997	74.11%	46.64%	72.39%
Vivendi(5)	81,329,610	0	0	0	9.48%	19.76%	10.22%
SBM International	42,500,000	0	0	0	4.95%	10.32%	5.34%
Fimalac(5)	31,478,416	0	0	0	3.67%	7.65%	3.96%
De Agostini(6)	20,408,177	0	0	0	2.38%	4.96%	2.56%
Tikehau Capital	4,641,666	858,334	0	0	0.64%	1.13%	0.58%
Financière Agache	4,641,666	858,334	0	0	0.64%	1.13%	0.58%
TOTAL(7)	**377,000,532**	**1,716,668**	**20,000,000**	**191,999,997**	**95.86%**	**91.58%**	**95.64%**

(1) The percentage of share capital and voting rights is calculated as follows: (the total number of shares (across all classes of shares) held by the relevant shareholder multiplied by the respective nominal value of each share) divided by (the total number of shares (across all classes of shares) held by all shareholders multiplied by the nominal value of each share).

(2) The effective economic rights are calculated on the basis of Ordinary Shares shown under "Number of Ordinary Shares". The calculation does not include Founder Shares, Earn-Out Preference Shares or Special Voting Shares, as the Special Voting Shares, the Founder Shares and the Earn-Out Preference Shares have a minimal economic entitlement (and any amount of profit allocated to the Special Voting Shares, Founder Shares and/or Earn-Out Preference Shares pursuant to such entitlement will not be distributed to the holders thereof but added to separate dividend reserves maintained by the Company in relation to (each class of the) Special Voting Shares, Founder Shares and Earn-Out Preference Shares).

(3) The effective voting rights are calculated on the basis of the Ordinary Shares shown under "Number of Ordinary Shares" and Special Voting Shares shown under "Number of Special Voting Shares". The calculation does not include Founder Shares and Earn-Out Preference Shares. Voting rights are attached to the Founder Shares and the Earn-Out Preference Shares, but their holders have committed to not exercise any voting rights attached to these shares.

(4) Financière Lov is controlled by Lov Group Invest, a French société par actions simplifiée, whose share capital is owned by Stéphane Courbit, the founder of the Group and the Chairman of the Board, his wife and children (the "Courbit Family"). Based on an investment agreement dated 10 May 2022, which was subsequently amended on 22 June 2022, the five members of the Courbit Family acquired 10,000 Ordinary Shares each in addition to the shares that are held indirectly via Financière Lov, at a price per share of €10 for a total amount of €500,000. The Courbit Family acts in concert (handelend in onderling overleg) and is deemed to jointly have control (overwegende zeggenschap) over the Company.

(5) Vivendi and Fimalac holding 2,500,000 Ordinary Shares each (not subject to the Group's Lock-up Agreements). Fimalac also holds 8.32% of the shares in the capital of Financière Lov. The filings for Fimalac in the AFM substantial holdings register were made by Marc Ladreit de Lacharrière.

(6) The filings in the AFM substantial holdings register were made by B&D Holding SpA.

(7) The total numbers show the number of each class of shares held in aggregate by major shareholders. It does not show the total number of each class of shares issued by the Company. Furthermore, the totals show the percentage of the share capital and voting rights, the effective economic rights and the effective voting rights held in aggregate by the major shareholders. The remainder (i.e. 4.14% of the share capital and voting rights, 8.42% of the effective economic rights and 5.36% of the effective voting rights) are held by the other shareholders of the Company.

Pursuant to the Dutch Financial Supervision Act, Shareholders are required to notify the AFM in the event that they acquire or lose the disposal of a capital interest and/or voting rights in the Company as a result of which their percentage of capital interest and/or voting rights in the Company reaches, exceeds or falls below one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. The requirement to notify the AFM also applies in the event that their percentage of capital interest and/or voting rights in the Company passively reaches, exceeds or falls below one of the thresholds due to a change in the issued share capital of and/or voting rights in the Company.

7.3.2 Shareholders Agreement

A Shareholders' Agreement in relation to the Company was entered into between Financière Lov, Vivendi, SBM International, Fimalac, De Agostini, Pegasus Acquisition Partners Holding, Geyser Investments SA, Spf, Mr Pierre Cuilleret, Mr Diego De Giorgi, Mr Jean Pierre Mustier, TAM SARL, Tikehau Capital, Bellerophon Financial Sponsor 2 SAS, Poseidon Entrepreneurs Financial Sponsor, Mr Stéphane Courbit and the Company on 30 June 2022 (the "Shareholders Agreement"). The parties to the Shareholder Agreement will consult each other prior to any General Meeting on the published draft resolutions to be submitted to the shareholders, it being specified that (i) such consultation will take place to discuss and align, where possible, the parties' view on relevant voting items and (ii) each party maintains the discretion to vote its shares as it deems fit (without prejudice to the Board composition as described below). In addition, parties have agreed Shareholder Agreement certain arrangements in respect of the composition of the Board and the committees of the Board.

Material provisions

The Shareholders Agreement also contains the following provisions regarding the transfer of the Ordinary Shares:

- **lock-up**: the lock up undertakings are described in *"Share Capital and shareholder structure—Lock-up arrangements";*
- **prohibition to sell to competitors or activists**: (i) Vivendi, Fimalac, SBM International, the Sponsors and De Agostini have agreed to undertake not to sell the shares they hold in the Company's capital (i) to a competitor group (including its significant shareholder or affiliates, it being specified that financial player (including but not limited to investment funds) not directly involved in the management of such competitor group is excluded) of the Company (or its businesses) according to an overview of competitors that is included in the Shareholders Agreement and which may be updated periodically to include possible new players or (ii) all parties to the Shareholders Agreement will undertake not to sell the shares they hold in the Company's capital to an activist according to an overview of activists that is included in the Shareholders Agreement or if the activist is an investment fund, such fund as well as any other funds advised by the same management company or any management company which is under the same control as the management company advising or managing such activist;
- **prohibition to transfer the Company's registered office**: the parties to the Shareholders Agreement have agreed that the Company's registered office or statutory seat cannot be transferred to a country other than the United States, the United Kingdom or a Member State (as defined below), unless otherwise unanimously agreed between the parties to the Shareholders Agreement;
- **orderly sale**: For the first eighteen (18) months following the Business Combination Date, each party to the Shareholders Agreement have committed to only carry out any sale of shares issued by the Company on the market in an orderly manner and only after having informed the Company of such potential sale, to limit any negative impact on the Company share price. This arrangement is subject to the lock-up undertakings and will only apply if the relevant party holds more than 1% of the economic interest in the Company's capital, except for a transfer by a party to the Shareholders Agreement of a number of Ordinary Shares up to the number of Additional Purchased Shares (as defined below) such party has acquired or subscribed for;
- **right of first offer for the benefit of Financière Lov**: Financière Lov benefits from a right of first offer in case of a transfer to an identified party (*cession de gré à gré* or through an *application*) by any of the parties to the Shareholders Agreement, except if such transfer is (i) carried out by any of the Sponsors or (ii) represents in aggregate less than 1% of the economic interest in the Company over the last twelve (12) months;
- **right of priority for the benefit of Financière Lov**: Financière Lov benefits from a priority right to purchase all or part of the Ordinary Shares that a party to the Shareholders Agreement holding more than 2% of the economic interest in the Company contemplates to transfer directly on the market or through accelerated book-build or a fully marketed offering, except if such transfer represents in aggregate less than 0.5% of the Ordinary Shares over the last twelve (12) months;
- **proportional tag along right on Financière Lov**: subject to the exceptions as set out in the Shareholders Agreement, each party to the Shareholders Agreement holding more than 5% of the economic interest in the Company shall benefit from a proportional tag along right in case of a transfer by Financière Lov of its Company's shares, such transfer resulting in Financière Lov holding less than the majority of the voting interests in the Company, to an identified third-party (*cession de gré à gré* or through an *application*) or through an accelerated book-build or a fully marketed offer, as well as any subsequent similar transfer;
- **non-compete**: customary non-compete undertaking applicable to Stéphane Courbit and Financière Lov;
- **tender offer**: the parties to the Shareholders Agreement shall not—and will cause their respective Affiliates not to—carry out, approve, direct or cause any transaction, perform any act or enter into any arrangement that may result in an obligation for any one or more of the parties or their respective Affiliates to jointly or individually make a mandatory tender offer *(openbaar bod)* on the Company as long as the Concert exists. In case of a breach of this prohibition by any party to the Shareholders Agreement the breaching party will (i) assume all consequences of such mandatory tender offer to the extent allowed under applicable law, and (ii) hold harmless the other parties to the Shareholders Agreement and each non-breaching party will have the right to terminate the Concert with respect to itself with immediate effect.

In addition, the parties to the Shareholders Agreement have agreed to not tender their shares in the Company to a tender offer not recommended by the Board as long as Financière Lov holds more than 20% of the economic interests in the Company. Should Fimalac or Vivendi subscribe in cash for Ordinary Shares on the Business Combination Date as well as any Ordinary Shares subscribed for or purchased after such date (the "Additional Purchased Shares"), such Additional Purchased Shares shall be fully excluded of the scope of the Shareholders Agreement, including not taken into account for the purpose of determining whether Fimalac or Vivendi shall benefit from any governance rights under the Shareholders Agreement, save for Fimalac or Vivendi to elect that the provisions of the Shareholders Agreement shall apply to these Additional Purchased Shares.

Board composition

In the Shareholders Agreement the parties thereto have agreed that the Board would be comprised of nine to thirteen Directors. On the First Trading Date, the Board is composed of eleven Directors, including two Executive Directors (including the chief executive officer of the Company) and nine Non-Executive Directors. The composition of the Board as of the First Trading Date is set out in "*Management, Employees and Corporate Governance—Board—Directors*" and:

the two Executive Directors (including the CEO) have been nominated by Financière Lov. Financière Lov may nominate two Executive Directors (including the CEO), which nomination shall be proposed by the Board for appointment by the General Meeting, as long as Financière Lov holds more than 20% of the economic interests in the Company;three Non-Executive Directors have been nominated by Financière Lov (including the chairman). Financière Lov may nominate three Non-Executive Directors (including the chairman), which nomination shall be proposed by the Board for appointment by the General Meeting, as long as Financière Lov holds more than 20% of the economic interests in the Company;one Non-Executive Director fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below) has been nominated by Financière Lov. Financière Lov may nominate one independent Non-Executive Director, which nomination shall be proposed by the Board for appointment by the General Meeting, as long as Financière Lov holds more than 20% of the economic interests in the Company;two Non-Executive Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code have been nominated by the Director Designating Sponsors. Until the date that is four calendar years after the Business Combination Date, the Director Designating Sponsors may nominate two independent Non-Executive Directors, which nomination shall be proposed by the Board for appointment by the General Meeting;two Non-Executive Directors (of which one is fulfilling the independence criteria provided by the Dutch Corporate Governance Code) have been nominated by Vivendi. Vivendi may nominate two Non-Executive Directors (of which one is independent), which nomination shall be proposed by the Board for appointment by the General Meeting, as long as Vivendi (individually or together with its affiliates) holds at least 13% of the economic interests in the Company it being specified that Vivendi shall designate for appointment an equal number of women and men. Vivendi may nominate one Non-Executive Director, which does not have to fulfil the independence criteria provided by the Dutch Corporate Governance Code or to be a particular gender, as long as Vivendi (individually or together with its affiliates) holds between 8% and 13% of the economic interests on a non-fully diluted basis in the Company. In all events, Vivendi shall retain its right to appoint one or two Non- Executive Directors for the duration of its lock-up undertaking;one Non-Executive Director fulfilling the independence criteria provided by the Dutch Corporate Governance Code has been nominated by SBM International. SBM International may nominate one Non-Executive Director, which nomination shall be proposed by the Board for appointment by the General Meeting, as long as SBM International (individually or together with its affiliates) holds more than 8% of the economic interests in the Company, it being specified that, in all events, SBM International shall retain its right to appoint one Non-Executive Director at least for the duration of its lock up undertaking; and a vice-chairman has been designated by the Board among the Non-Executive Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code, it being specified that the vice-chairman shall not have any casting vote or any other special rights.

Subject to certain exceptions as set out in the Shareholders Agreement, the parties to the Shareholders Agreement have agreed to ensure that (i) in case of an even number of Directors, the Board keeps at least 50% of the seats available for Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code and the seats available for Directors will be equally divided between women and men (whilst always complying with Dutch law); and (ii) in case of an odd number of Board members, the 50% and gender neutrality thresholds shall be reduced to the lower whole number.

The parties to the Shareholders Agreement have further agreed that if any of Financière Lov, Vivendi, the Director Designating Sponsors and SBM International, respectively, no longer meets the conditions set forth in the Shareholders Agreement to designate one or more candidates for appointments as Directors by the General Meeting, each of one Financière Lov, Vivendi, the Director Designating Sponsors or SBM International, as the case may be, shall respectively be entitled, for as long as they individually (or together with their respective affiliates) hold more than 5% of the economic interest in the Company, to designate one Board observer (without any voting rights),which will be allowed to be present at each meeting of the Board, but will not have any voting rights.

Board committees

In the Shareholders Agreement the parties thereto have also agreed to the implementation of two Board committees comprised of Non-Executive Directors only: the Audit Committee; and the Remuneration, Selection and Appointment Committee.

Termination

The Shareholders Agreement and the Concert, co-existing with the Courbit Family concert, will terminate (i) after 20 calendar years from the date of the Shareholders Agreement or (ii) if all parties thereto in aggregate hold less than 30% of the voting rights in the General Meeting. Furthermore, any party (other than a Sponsor) shall be free to terminate the Shareholders Agreement (and the Concert) should it hold less than 1% of the economic interest in the Company.

Governing law and jurisdiction

The Shareholders Agreement is governed by and construed in accordance with the laws of the Netherlands, excluding its conflict of laws principles. The competent court in Amsterdam, the Netherlands, has exclusive jurisdiction, in first instance, over any dispute that may arise in connection with or resulting from the validity, construction or performance of the Shareholders Agreement, whether contractual or non-contractual.

08/ OTHER INFORMATION

8.1 Information incorporated by reference

In accordance with Article 19 of Regulation (EU) 2017 / 1129 of 14 June 2017, this Universal Registration Document contains the following information by reference:

- the Combined Financial Statements for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 prepared in accordance with IFRS and the accompanying Independent Auditors' report. Those Combined Financial Statements have been included in the Prospectus that had been approved by the AFM on 1 July 2022;
- the Articles of association;
- the Warrant T&Cs.

8.2 Person responsible

8.2.1 Person responsible for the Universal Registration Document and the Annual Financial Report

FL Entertainment, represented by Mr François Riahi, Chief Executive Officer.

8.2.2 Declaration by the person responsible for the Universal Registration Document and the Annual Financial Report

"I declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and that the registration document makes no omission likely to affect its import.

I certify, to my knowledge, that the financial statements are drawn up in accordance with the applicable accounting standards and give a faithful picture of the assets, financial position and results of the Company and of all the companies included in the consolidation, and that the information included in this Universal Registration Document that falls within the Management report of the Board of Directors of this Universal Registration Document presents a faithful picture of the evolution of the business, the results and financial position of the Company and all the companies included in the consolidation and a description of the main risks and uncertainties they face."

Paris, 28308-316 April 2023

Mr François Riahi, Chief Executive Officer

8.3 Documents available to the public

Subject to any applicable securities laws, copies of the following documents will be available and can be obtained free of charge from the Company's website (https://www.flentertainment.com) from the date of this Universal Registration Document until at least 12 months thereafter:

- the Prospectus here;
- the Articles of Association (in English) here;
- the SVS Terms here;
- the Board Rules here;
- the Remuneration policy here;
- the Warrant T&Cs here; and
- the Combined Financial Statements for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 prepared in accordance with IFRS and the accompanying Statutory Auditors' report here.

8.4 Profit appropriation section

Provisions in the Articles of Association relating to profit appropriation

Article 28.2 of the Articles of Association states that if the adopted Annual Accounts show a profit, the General meeting shall determine which part of the profits shall be reserved.

According to Article 28.3, out of the profits remaining after a reservation as referred to in Article 28.2, if any, shown in the adopted Annual Accounts:

1. First, an amount equal to one tenth per cent (0.1%) of the nominal value of each Earn-Out Preference share A, each Earn-Out Preference Share B and each Earn-Out Preference Share C than outstanding shall be added to the dividend reserves for Earn-Out Preference Shares A, B and C respectively, as described in Article 27.4;
2. Secondly, an amount equal to one tenth percent (0.1%) of the nominal value of each Founder Share shall be added to the dividend reserve for Founder Shares as described in Article 27.4;
3. Thirdly, an amount equal to one tenth per cent (0.1%) of the nominal value of each Special Voting Share A and each Special Voting Share B shall be added to the Special Voting Shares A dividend reserve and the Special Voting Shares B dividend reserve, respectively, each as described in Article 27.4; and
4. Finally, any profits remaining thereafter shall be at the disposal of the General Meeting for distribution to the holders of Ordinary Shares in proportion to the aggregate nominal value of their Ordinary Shares.

For the avoidance of doubt, the Earn-Out Preference Shares, the Special Voting Shares and the Founder Shares shall not carry any entitlement to profits other than as described in this article.

8.5 Independent Statutory Auditors

Ernst & Young Accountants LLP is an independent audit firm registered with the Dutch trade register under number 24432944, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, the Netherlands. The Auditor signing the independent Auditor's reports on behalf of Ernst & Young Accountants LLP is a member of the Royal Netherlands Institute of Chartered Accountants *(Koninklijke Nederlandse Beroepsorganisatie van Accountants)* (NBA). The NBA is the professional body for accountants in the Netherlands.

Please also refer to Section 6.3 (Independent Auditor's report) on page 308 for the report.

8.6 Table of concordance

Cross-reference table with Annex 1 to the Commission Delegated Regulated (EU) 2019 / 980

The table below identifies in this document the information mentioned by the different headings of the Universal Registration Document.

Information		Chapters	Pages
1	**Persons responsible, third party information, experts' reports and competent authority approval**		
1.1	Persons responsible for the information	8.2.1	338
1.2	A declaration by those responsible for the universal registration document	8.2.2	338
1.3	A statement or report attributed to a person as an expert	n/a	n/a
1.4	Information sourced from a third party	5.2.2	165-166
1.5	A statement that the universal registration document has been approved by the competent authority	n/a	1, 5
2	**Statutory auditors**		
2.1	Names and addresses of the issuer's auditors (together with their membership in a professional body)	8.5	339
2.2	If auditors have resigned, been removed or have not been re-appointed, indicate details if material.	n/a	n/a
3	**Risk factors**	3	99-140
4	**Information about the issuer**		
4.1	The legal and commercial name of the issuer	7.1	318
4.2	The place of registration of the issuer, its registration number and legal entity identifier ('LEI')	7.1	318
4.3	The date of incorporation and the length of life of the issuer	7.1	318
4.4	The domicile and legal form of the issuer, the legislation under which the issuer operates	7.1	318
5	**Business review**		
5.1	Principal activities	1.1	23-29, 40-42
5.2	Principal markets	1.1	30-38, 43-44
5.3	The important events in the development of the issuer's business	1.1	23-24, 40
5.4	Strategy and objectives	1.2	47-48, 50-54
5.5	Summary information regarding the extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	1.1, 5.4	39, 43-44, 46, 192-194
5.6	The basis for any statements made by the issuer regarding its competitive position	1.3	57-58
5.7	Investments		
5.7.1	*A description, (including the amount) of the issuer's material investments*	5.3.6	190
5.7.2	*A description of any material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad)*	5.3.5	190
5.7.3	*Information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses*	5.2.3	170
5.7.4	*A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets*	*2.4*	*89-90*
6	**Organisational structure**		
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6.2	A list of the issuer's significant subsidiaries	1.1, 6.1.6	22, 273-286

Information		Chapters	Pages
7	**Operating and financial review**		
7.1	Financial condition		
7.1.1	*A fair review of the development and performance of the issuer's business and of its position for each year*	5.1, 5.2	164-180
7.1.2	*The review shall also give an indication of the issuer's likely future development and its activities in the field of research and development*	*1.2*	*47-56*
7.2	Operating results		
7.2.1	*Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations*	5.1, 5.2	164-180
7.2.2	*Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes*	5.2.6, 5.2.7	174, 175-177
8	**Capital resources**		
8.1	Information concerning the issuer's capital resources	5.3	181-191
8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows	5.3.1	181-183
8.3	Information on the borrowing requirements and funding structure of the issuer	5.3.2	183-190
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	5.3.2	183-190
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments	n/a	n/a
9	**Regulatory environment**		
9.1	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	1.4	59-61
10	**Trend information**		
10.1	A description of: (a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the universal registration document; (b) any significant change in the financial performance of the group	5.2.3	167-172
10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	5.2.3	167-172
11	**Profit forecasts or estimates**	1.2.1.3	49-50
12	**Administrative, management and supervisory bodies and senior management**		
12.1	Information on administrative, management and supervisory bodies and senior management	4.2, 4.3	145-157
12.2	Administrative, management and supervisory bodies and senior management conflicts of interests	4.2.2.6, 5.4.1, 7.2.8	154, 192-194, 328-330
13	**Remuneration and benefits**		
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13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	4.5	160-162

Information		Chapters	Pages
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14.1	Date of expiration of the current term of office	4.2.2.5	147-153
14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer	4.5	160-162
14.3	Information about the issuer's Audit Committee and remuneration committee	4.2.2.6	154-155
14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer	4.1	144
14.5	Potential material impacts on the corporate governance, including future changes in the Board and committees composition	n/a	n/a
15	**Employees**		
15.1	Number of employees	2.2	70-71
15.2	Shareholdings and stock-options	4.5	160-162
15.3	Description of any arrangements for involving the employees in the capital of the issuer	6.1.6	231
16	**Major shareholders**		
16.1	Shareholders holding more than 5 % of the capital	7.3	334
16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist	7.3	334
16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom	7.3	334-336
16.4	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	n/a	n/a
17	**Related party transactions**		
17.1	Details of related party transactions	5.4.1	192-194
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
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18.2	Interim and other financial information	n/a	n/a
18.3	Auditing of historical annual financial information	6.3	308-316
18.4	Pro forma financial information	n/a	n/a
18.5	Dividend policy	1.2.1.4	51
18.6	Legal and arbitration proceedings	3.4	137-140
18.7	Significant change in the issuer's financial position	5.5	195
19	**Additional information**		
19.1	Share Capital		
19.1.1	*The amount of issued capital, and for each class of share capital*	7.2	319-320
19.1.2	*If there are shares not representing the capital, state the number and main characteristics of such shares*	n/a	n/a
19.1.3	*The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer*	7.2.7	328
19.1.4	*The amount of any convertible securities, exchangeable securities or securities with Warrants*	7.2	319-333
19.1.5	*Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital*	7.2	319-333
19.1.6	*Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options*	5.4	192-194
19.1.7	*A history of share capital, highlighting information about any changes, for the period covered by the historical financial information*	7.2.2	321
19.2	Memorandum and Articles of Association		
19.2.1	*The register and the entry number therein, and a brief description of the issuer's objects and purposes*	7.1	318
19.2.2	*Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class*	7.2	321-322
19.2.3	*A brief description of any provision of the issuer's Articles of Association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer*	n/a	n/a
20	**Material contracts**	5.4.2	193-194
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Cross-reference table with Annex 2 to the Commission Delegated Regulated (EU) 2019 / 980

Reference table in accordance with Annex 2 of Commission Regulation (EU) 2017/1129

Information		Chapters	Pages
1.1	Disclosure requirements for the registration document for equity securities laid down in Annex 1	8.6	340-342
1.2	Statement that the URD may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/112	Foreword	1

Cross-reference table with the Annual Financial Report

The Universal registration Document also concerns the Annual Financial Report within the meaning of 5:25c(2) of the Dutch Financial Supervision Act

Information		Chapters	Pages
1	**Declaration by the individuals responsible for the Annual Financial Report**	8.2	338
2	**Management report**	Group overview – Highlights of the year, 1, 2, 3, 4.1, 4.2, 4.3, 5, 6.1.6 note 25 *(for the financial risk management)*,7	10-17, 18-19, 21-62,99-140,144,157, 63-196, 265, 317-336
3	**Financial statements and independent auditor's report**		
3.1	Company only Financial statements	6.2	287-307
3.2	Consolidated financial statements	6.1	198-286
3.3	Independent auditors' report on the financial statements	6.3	308-316

8.7 Glossary

This Universal Registration Document is published in English only. Definitions used in this Universal Registration Document are defined below:

Adjusted Cash Conversion	Adjusted Free Cash Flow divided by Adjusted EBITDA
Adjusted EBITDA	the Operating Profit for that period excluding restructuring costs and other non-core items, costs associated with the LTIP and employment related earn-out and option expenses, and depreciation and amortisation (excluding D&A fiction).
Adjusted EBITDA Margin	Adjusted EBITDA for a certain period as a percentage of revenue for that period
Adjusted Free Cash Flow	Adjusted EBITDA adjusted for purchase and disposal of property plant and equipment and of intangible assets and cash outflows for leases that are not recognised as rental expenses
Adjusted Net Income	net income (loss) adjusted for restructuring costs and other non-core items, costs associated with the LTIP and employment related earn-out and option expenses and other financial income
AFJEL	The French Association of Online Games the *(Association française des jeux en ligne)*
AFM	the Dutch Authority for the Financial Markets *(Stichting Autoriteit Financiële Markten)*
AML	laws aimed at preventing money laundering
ANJ	The French National Gaming Authority *(Autorité nationale des jeux)*
Annual Accounts	The annual accounts referred to in Article 2:361 DCC
Annual Financial Report	The Annual Financial Report within the meaning of 5:25c(2) of the Dutch Financial Supervision Act
Articles of Association	the Articles of Association of the Company
Audiovisual Media Services Directive	Directive 2010/13/EU (as amended by Directive 2018/1808/EU)
Audit Committee	The Audit and Risk Committee of the Company
AVOD	Advertising-based Video on Demand
Banijay	Banijay Group Holding SAS, a French joint stock company *(société par actions simplifiée)* duly organised and existing under the laws of France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 829 295 138 RCS PARIS
Banijay Entertainment	Banijay Entertainment SAS
Banijay Facility B	the TLB (USD) and the TLB (EUR)
Banijay Group	Banijay Entertainment together with its subsidiaries
Banijay Indentures	The Senior Notes Indenture and the Senior Secured Notes Indenture
Banijay Intercreditor Agreement	an intercreditor agreement between, among others, Banijay Group SAS, Banijay Entertainment and the Guarantors dated 11 February 2020 (as amended from time to time)
Banijay Rights	Banijay Rights Limited
Banijay Senior Credit Facilities	The TLB (EUR), the TLB (USD), the Revolving Credit Facility and, if the context permits, each additional facility established from time to time under the Banijay Senior Secured Credit Facilities Agreement
Banijay Senior Secured Credit Facilities Agreement	the senior secured credit facilities entered into on 7 February 2020, by and among, *inter alios*, Banijay Group SAS as topco, Banijay Entertainment SAS, as company, the original lenders (as named therein), U.S. Bank National Association as agent and Elavon Financial Services DAC as security agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time, pursuant to which the (i) euro-denominated term loan in an aggregate principal amount of €453 million, (ii) the US dollar-denominated term loan in an aggregate principal amount of €415.9 million (equivalent) and (iii) the €170 million (equivalent) senior secured revolving credit facility have been made available to the borrowers by the lenders
Banijay Senior Secured Net Leverage Ratio	the ratio of consolidated senior secured net debt to consolidated pro forma EBITDA (as defined in the Banijay Senior Secured Credit Facilities Agreement)
Benelux	Belgium, the Netherlands and Luxembourg together
BEPS	base erosion and profit shifting
Bet-at-home	Bet-at-home AG

Betclic	Betclic Everest Group SAS, a French joint stock company *(société par actions simplifiée)* duly organised and existing under the laws of France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 501 420 939 RCS Paris
Betclic Everest Group	Betclic together with its subsidiaries, including Bet-at-home
Betclic Group	Betclic together with its subsidiaries, excluding Bet-at-home
Betclic Group Senior Credit Facility Agreement	the senior secured credit facility entered into on 23 June 2020, by and among, *inter alios*, Betclic Group SAS as borrower, Betclic as parent and Guarantor, Mangas Lov as Guarantor, BNP Paribas, Natixis and Société Générale as mandated lead arrangers and Société Générale as agent and security agent and Natixis as documentation agent as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time, pursuant to which the euro-denominated term loan in an aggregate principal amount of €165 million has been made available by the lenders to the borrower
Betclic Group Senior Credit Facility	the euro-denominated term loan in an aggregate principal amount of €165 million made available under the Betclic Group Senior Credit Facility Agreement
Black List	annex 1 of the list of non-cooperative tax jurisdictions, adopted by the Council of the European Union on 5 December 2017, as amended
Board	the one-tier Board *(raad van bestuur)* of the Company
Business Combination	the business combination between the Company and Pegasus Entrepreneurs which took place on 1 July 2022
Business Combination Agreement	the business combination agreement between the Company, Pegasus Entrepreneurs and Financière Lov dated 10 May 2022, which was subsequently amended on 22 June 2022
Business Combination Date	the date on which Pegasus Entrepreneurs and the Company entered into the Deed of Merger
CA Media	CA Media Mauritius Holding, the minority shareholder of ES India
CEST	Central European Summer Time
CFT	laws aimed at preventing bribery and the financing of terrorism
Combined Financial Statements	the audited combined full year financial statements of the Group for (i) the Financial Year 2021, (ii) the year ended 31 December 2020 and (iii) the year ended 31 December 2019
Company	FL Entertainment N.V.
Concert	a concerted action within the meaning of Dutch law in relation to the Shareholders Agreement by its parties, together with Financière Agache (fully owned by Agache, the Arnault family holding company) as controlling parent of Poseidon Entrepreneurs Financial Sponsor SAS
CSAT	Customer Satisfaction Score
Courbit Family	Mr Stéphane Courbit, his wife and children
DCC	Dutch Civil Code *(Burgerlijk Wetboek)*
DCCP	Dutch Code of Civil Procedure *(Wetboek van Burgerlijke Rechtsvordering)*
De Agostini	DEA Communications SA, a Luxembourg *société anonyme,* having its business address at 31, rue Philippe II, Luxembourg, Grand Duchy of Luxembourg, registered under number B116877
Deed of Merger	the notarial deed of merger between Pegasus Entrepreneurs and the Company dated 30 June 2022
DFSA	the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)
Director Designating Sponsors	Geyser Investments S.A., Spf, Mr Pierre Cuilleret, Tikehau Capital, Poseidon Entrepreneurs Financial Sponsor SAS, Mr Diego De Giorgi and Mr Jean Pierre Mustier
Directors	the Executive Directors or Non-Executive Directors
Dutch Corporate Governance Code or **DCGC**	the Dutch Corporate Governance Code issued on 8 December 2016
Dutch Income Tax Act	Dutch income tax act *(Wet inkomstenbelasting 2001)*
Dutch Nexus Investor	a holder of Ordinary Shares that is resident in the Netherlands for tax purposes
Dutch Resident Entity	a holder of Ordinary Shares and/or Warrants that is an entity resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes
Dutch Resident Individual	a holder of Ordinary Shares and/or Warrants that is an individual resident or deemed to be resident of the Netherlands for Dutch income tax purposes
Dutch Securities Giro Transactions Act	Dutch securities giro transactions act (Wet giraal effectenverkeer)
Dutch SRD Act	the Dutch act to implement the Shareholder Rights Directive II (bevordering van de langetermijnbetrokkenheid van aandeelhouders)
Earn-Out Preference Shares A	earn-out preference shares A in the Company's capital with a nominal value of €0.03 per share

Earn-Out Preference Shares B	earn-out preference shares B in the Company's capital with a nominal value of €0.03 per share
Earn-Out Preference Shares C	earn-out preference shares C in the Company's capital with a nominal value of €0.03 per share
Earn-Out Preference Shares	Earn-Out Preference Shares A, Earn-Out Preference Shares B and Earn-Out Preference Shares C
EEA	European Economic Area
Eligible SVS Holder	a person that (x) agrees to adhere to, and shall continue to meet the requirements of, the SVS Terms, and (y) acquires Special Voting Shares A together with a same number of Ordinary Shares, and (z) either (i) individually or together with its affiliates, (a) holds (after the acquisition of Ordinary Shares set out under (y)) Ordinary Shares representing twenty percent (20%) or more of the total number of Ordinary Shares issued and outstanding at any time, and (b) holds all of the issued and outstanding Special Voting Shares A at any time, and (c) except for Financière Lov and its affiliates, shall have filed and actually launched (which means that shareholders of the Company are actually able to sell their shares) a public offer (*openbaar bod*) in cash on the Company that is declared unconditional (for all outstanding shares and other equity-linked securities, issued by the Company and with no conditions) at a price per Ordinary Share at least equal to the aggregate of (I) the price paid for one Ordinary Share and (II) the price paid for one corresponding Special Voting Share A, or (ii) is a Pledgee SVS Beneficiary and holds Special Voting Shares A no longer than six (6) months (provided such deadline shall be extended to a maximum of eighteen (18) months if the Pledgee SVS Beneficiary envisages a transfer of Ordinary Shares with the corresponding Special Voting Shares A held by it to an Eligible SVS Holder as referred to in limbs (x), (y) and (z)(i) of this definition, in a situation where such transfer cannot be completed without such transferee first obtaining the requisite regulatory authorizations) after the acquisition of such Special Voting Shares A
Endemol Shine Group	AP NMT JV Newco B.V and its subsidiaries
Endemol Shine Turkey	Endemol Medya Prodüksiyon Tic. Ltd. Şti.
ES India	Endemol Private India Limited
ESG	environmental, social and governance
EU	European Union
EU List	the Black List and the Grey List
EUR or euro or €	the lawful currency of the European Economic and Monetary Union
EURIBOR	the Euro Interbank Offered Rate
Euroclear France	French Central Securities Depositary
Euronext Amsterdam	Euronext Amsterdam, a regulated market of Euronext Amsterdam N.V.
Executive Directors	Executive Directors of the Board
FAST	Free Ad-Supported streaming TV
FDJ	Française des Jeux
Fimalac	F. Marc de Lacharrière (Fimalac), a French *société européenne,* having its business address at 97, rue de Lille, 75007 Paris, France, registered under number 542 044 136
Financial Year 2021	the financial year ended 31 December 2021
Financial Year 2022	the financial year ended 31 December 2022
Financière Agache	Financière Agache SA and its subsidiary Poseidon Entrepreneurs Financial Sponsor SAS
Financière Lov	Financière Lov SAS
First Trading Date	the date on which trading, to the extent applicable on an "as-if-and-when-issued/delivered" basis, in the Ordinary Shares and trading in the Warrants on Euronext Amsterdam which happened on 1 July 2022
Forward Purchase Securities	2,500,000 Ordinary Shares and 833,333 Warrants to be subscribed by each of Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS), therefore in the aggregate 5,000,000 Ordinary Shares and 1,666,666 Warrants
Founder Shares	Founder shares in the Company's capital with a nominal value of €0.01 per share
Founder Warrants	Pegasus Founder Warrants which are assumed by the Company pursuant to the Merger
French-Dutch Tax Treaty	the 1973 Convention between the Kingdom of the Netherlands and the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital
FRSA	Dutch Financial Reporting Supervision Act *(Wet toezicht financiële verslaggeving)*
GDPR	Regulation (EU) 2016/679 of the Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data
General Meeting	General Meeting *(algemene vergadering)* of shareholders of the Company, being the corporate body, or where the context so requires, the physical meeting of the Company's shareholders

Grey List	annex 2 of the list of non-cooperative tax jurisdictions, adopted by the Council of the European Union on 5 December 2017, as amended
Gross Gaming Revenue	the difference between bets and winnings paid to players for sports betting and casino products, and commissions on horse betting and entry fees for poker products for a certain period
Group Companies	the Company's subsidiaries within the meaning of Article 2:24b DCC
Group	the Company and its subsidiaries or, when referring to a period or point in time prior to the First Trading Date, to Lov Banijay, LDH, the Banijay Group and Betclic Everest Group and their subsidiaries, under the common control of Financière Lov
Guarantor	a guarantor in relation to the Senior Secured Notes or the Senior Notes
Historical Fair Market Value	the volume weighted average price of Ordinary Shares during the 10 Trading Day period ending on the Trading Day prior to the first date on which the Ordinary Shares trade on the applicable exchange or in the applicable market without the right to receive such rights (the ex-rights trading date)
IFRS	the International Financial Reporting Standards as adopted by the European Union
ISIN	International Securities Identification Number
LDH	LDH, a French joint stock company *(société par actions simplifiée) duly* organised and existing under the laws of France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 817 471 402 R.C.S Paris
LEI	Legal Entity Identifier
Leverage	Net Debt divided by Adjusted EBITDA
LGI	Lov Group Invest, a French *société par actions simplifiée,* controlling Financière Lov and whose share capital is owned by the Courbit Family
LIBOR	the London Interbank Offered Rate
Listing	the Company's listing of all Ordinary Shares and all Warrants on Euronext Amsterdam
Lov Banijay	Lov Banijay SAS
Lov Group	LGI and its direct and indirect subsidiaries
LTIP	any long-term incentive plan within the Group
Management report	the management report referred to in Article 2:391 DCC
Mangas Lov	Mangas Lov, a French joint stock company *(société par actions simplifiée)* and a subsidiary of Financière Lov, duly organised and existing under the laws of France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 510 815 020 R.C.S Paris
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse and the regulations promulgated thereunder
Merger	the merger between Pegasus Entrepreneurs and the Company that became effective as from 1 July 2022 with Pegasus Entrepreneurs as the disappearing entity
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
MLI Tie-Breaker Reservation	the reservation France has made under Article 4(3) of the MLI
MLI	the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting
MTT	Multi-Table Tournament
NBA	the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants)
NCST	a "Non-Cooperative State and Territory" *(État ou territoire non-coopératif)* as defined in Article 238-0 A of the French Tax Code
Net Debt	the sum of bonds, bank borrowings, bank overdrafts, vendor loans and accrued interests on bonds and bank borrowings minus cash and cash equivalents, trade receivables on providers and cash in trusts, plus players liabilities plus (or minus) the fair value of net derivatives liabilities (or assets) for a certain period
Non-Cooperative States and Territories	of the non-cooperative states and territories within the meaning of Article 238-0 A of the French Tax Code, as determined by order or decree on the list of non-cooperative states and territories
Non-Dutch Resident	a holder of Ordinary Shares and/or Warrants that is neither a Dutch Resident Entity nor a Dutch Resident Individual
Non-Eligible Special Voting Shares A	Special Voting Shares A held by a Eligible SVS Holder exceeding the number of Ordinary Shares held by such Eligible SVS Holder, and the Special Voting Shares A held by a Non-Eligible SVS Holder

Non-Eligible SVS Holder	a shareholder who holds Special Voting Shares A and/or Special Voting Shares B and who is not or ceases to be an Eligible SVS Holder
Non-Executive Director	a Non-Executive Director of the Board
NPS	Net Promoted Score
Notes	the Senior Notes and the Senior Secured Notes
OECD	Organisation for Economic Cooperation and Development's
ORAN	bonds redeemable in cash or in ordinary shares in Lov Banijay for a principal amount of €90 million issued by Lov Banijay on 23 February 2016 and governed by terms and conditions amended from time to time and subscribed by SIG 116 (an affiliate of Vivendi SE)
Ordinary Cash Dividends	any cash dividend or cash distribution which, when combined on a per share basis, with the per share amounts of all other cash dividends and cash distributions paid on the Ordinary Shares during the 365-day period ending on the date of declaration of such dividend or distribution
Ordinary Shareholders	shareholders of Ordinary Shares
Ordinary Shares	Ordinary shares in the Company's share capital, with a nominal value of €0.01 each
OTT	Over-The-Top content
Pegasus Entrepreneurs	Pegasus Entrepreneurial Acquisition Company Europe B.V.
Pegasus IPO	Pegasus Entrepreneurs' initial private placement of the Pegasus Ordinary Shares and Pegasus Public Warrants
Pegasus Letter Agreement	the letter agreement entered into by the Sponsors and the Pegasus Board dated 10 December 2021
Pegasus Lock-up Arrangements	the agreement that each of the Sponsors and the Pegasus Board do not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Pegasus Ordinary Shares received as remuneration by the Pegasus Board Members, Pegasus Founder Shares or Pegasus Founder Warrants (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing without the prior written consent of the joint global coordinators that assisted in the Pegasus IPO during a certain period of time, as set out in the Pegasus Letter Agreement
Pegasus Ordinary Shareholders	the Pegasus Entrepreneurs' holders of Pegasus Ordinary Shares, other than the Sponsors
Pegasus Ordinary Shares	class A ordinary shares in Pegasus Entrepreneurs' capital
Pegasus Promote Schedule	has the meaning given to that term on pages 88-89 of the Prospectus
Pegasus Public Warrants	public warrants issued by Pegasus Entrepreneurs
Pegasus Units	21,000,000 units in the capital of Pegasus Entrepreneurs, each which consisted of one Pegasus Ordinary Share that entitled its holder to receive an additional 1/3 of a Pegasus Public Warrant
Pegasus Warrant T&Cs	the terms and conditions of the Pegasus Public Warrants and the Pegasus Founder Warrants
Pillar 1	the update issued by OECD on 8 October 2021 on the major reform of international tax system, so-called two pillar solution, agreed on 1 July 2021, and aimed at aligning taxing rights more closely with local market engagement
Pillar 2	the update issued by OECD on 8 October 2021 on the major reform of international tax system, so-called two pillar solution, agreed on 1 July 2021, and aimed at implementing as from 2023 a minimum 15% taxation rate in each country where the groups operate
PIPE Financing Subscription Agreements	the subscription agreements with PIPE Investors in the PIPE Financing that the Company and Pegasus Entrepreneurs have entered into in connection with the Business Combination
PIPE Financing	a private investment in public equity transaction entered into by the Company in connection with the Business Combination
PIPE Investors	each investor with which the Company has entered into subscription agreements for the PIPE Financing
PMU	Pari Mutuel Urbain, a French horse racing betting company
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 supplmented with Commission Delegated Regulation (EU) 2020/1272 (including any amendments and relevant delegated regulations)
Prospectus	The prospectus dated 1 July 2022 relating to the Listing and admission to trading of 408,982,609 Ordinary Shares and 13,916,660 Warrants on Euronext Amsterdam by FL Entertainment

Remuneration, Selection and Appointment Committee	the Company's Remuneration, Selection and Appointment Committee
Revolving Credit Facility	the €170 million (equivalent) senior secured revolving credit facility made available under the Banijay Senior Secured Credit Facilities Agreement
SBM International	Monte-Carlo SBM International s.à r.l.
SBM Monaco	*Société Anonyme* des Bains de Mer et du Cercle des Étrangers à Monaco
Senior Credit Facilities Agreements	the Banijay Senior Secured Credit Facilities Agreement and the Betclic Group Senior Credit Facilities Agreement
Senior Credit Facilities	the Banijay Senior Credit Facilities and the Betclic Group Senior Credit Facility
Senior Management Members	Mr Marco Bassetti and Mr Nicolas Béraud
Senior Management Team	the Executive Directors and the Senior Management Members
Senior Notes	the €400 million in aggregate principal amount 6.500% senior notes due 2026 and issued under the Senior Notes Indenture
Senior Secured Notes	the €575 million in aggregate principal amount of 3.500% senior secured notes due 2025 issued under the Senior Secured Notes Indenture on 11 February 2020 and the $403 million in aggregate principal amount of 5.375% senior secured notes due 2025 to be issued under the Senior Secured Notes Indenture
Special Voting Plan	a special voting plan implemented by the Company
Special Voting Shares A	special voting shares A in the Company's capital with a nominal value of €0.02 per share
Special Voting Shares B	special voting shares B in the Company's capital with a nominal value of €0.02 per share
Special Voting Shares	Special Voting Shares A and Special Voting Shares B
SVS Terms	the terms and conditions that will be applicable to the holders of Special Voting Shares, as amended from time to time
SVOD	Subscription Video On Demand
the Netherlands	the part of the Kingdom of the Netherlands located in Europe
Tikehau Capital	Tikehau Capital SCA (a French partnership limited by shares that is listed on Euronext Paris) and its subsidiary Bellerophon Financial Sponsor 2 SAS
TLB (EUR)	the euro-denominated term loan in an aggregate principal amount of €453 million made available under the Banijay Senior Secured Credit Facilities Agreement
TLB (USD)	the US dollar-denominated term loan in an aggregate principal amount of €415.9 million (equivalent) made available under the Banijay Senior Secured Credit Facilities Agreement
Trading Day	a day on which Euronext Amsterdam is open for trading
United States	United States of America
Vivendi SE	Vivendi SE, a French *société européenne,* having its business address at 42, avenue de Friedland, 75008 Paris, registered under number 343 134 763
Vivendi	Vivendi Content, a French *société par actions simplifiée,* having its business address at 1, place du Spectacle, 92130 Issy-les-Moulineaux, registered under number 789 568 797
VOD	Video On Demand
Warrants	warrants issued by the Company, each which entitles the Warrant Holder to purchase one Ordinary Share at a price of €11.50, subject to adjustments as set out in the Warrant T&Cs
Withholding Tax Restriction	the restriction, based on the French-Dutch Tax Treaty and case law of the Dutch Supreme Court, that the Netherlands imposes Dutch dividend withholding tax on dividends paid by the Company to a holder of Ordinary Shares other than a Dutch Nexus Investor, as long as the Company for the purposes of the French-Dutch Tax Treaty will be considered to be exclusively tax resident in France and subject to the Company meeting the Principal Purpose Test

FL/ENTERTAINMENT

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5 rue François 1er
75008 Paris
France

Dutch Chamber of Commerce
under number 85742422
Paris Trade and Companies register
under number 913 167 227

www.flentertainment.com