FL/ENTERTAINMENT

Press Release

Paris – March 16th, 2023

Full-year 2022 results

STRONG FINANCIAL PERFORMANCE IN LINE WITH GUIDANCE
SOLID GROWTH ACROSS BOTH BUSINESSES
STRONG FREE CASH FLOW GENERATION AND RAPID DELEVERAGING

MID-TERM OUTLOOK CONFIRMED

2022 HIGHLIGHTS

- **Revenue** up +15.7%[1] to €4,047m driven by strong performance of both businesses
  - Content production & distribution: content catalogue up 30% to 160,000 hours, streaming platform revenues up 61% y/y, 15 bolt on acquisitions in 10 geographies
  - Online sports betting & gaming: Unique Active Player numbers up 25% y/y, partly driven by strong football World Cup performance
- **Adjusted EBITDA[2]** rose by +10.0% to €670.2m in 2022, resulting in an EBITDA margin of 16.6%
- **Adjusted net income**[2] rose to €307m (+8.6% versus 2021), **net income** stood at -€81m (2021: -€73m) due to the one-off impact of the Group's reorganization and listing
- Further improvement of **Adjusted free cash flow conversion**[1] **to reach 83%** (82% in 2021) and a record-high **€555m in 2022** driven by tight control of cash expenses and capex
- **Continued reduction of net financial debt** to reach €2,091m, leading to a leverage[3] ratio of 3.1x as of 31 December 2022 compared to 3.7x as at 31 December 2021
- **Strong liquidity position** (€689m on 2022 year-end), S&P rating on Banijay[4] upgraded to B+ in September 2022, Fitch Ratings rating on Banijay upgraded to B+ in March 2023
- **ESG** continued rollout of initiatives with focus on executing Responsible Gaming roadmap and fostering Diversity & Inclusion across Group's portfolio
- Proposed **dividend** of €0.36 per share, equal to 49% payout ratio on Adjusted net income

2023 OBJECTIVES & MID-TERM OUTLOOK

- 2023 objectives in line with mid-term outlook:
  - Revenue: mid-single digit organic growth for Content production & distribution and double-digit organic growth for Online sports betting & gaming
  - Adjusted EBITDA of around €710m
  - ~80% free cash flow conversion
  - Dividend payout ratio of at least 33.3% of the Group's Adjusted net income

- Mid-term outlook presented at the time of the business combination and listing confirmed

---

[1] +13.2% at constant currency

[2] Adjusted EBITDA, Adjusted net income and Adjusted free cash flow: refer to the Appendix for definition

[3] Leverage calculated on Net debt pre-IFRS 16 / Adjusted EBITDA

[4] Content production & distribution

François Riahi, CEO of FL Entertainment, said:

"2022 was an outstanding year for FL Entertainment. As a Group, we delivered strong results in line with our guidance, demonstrated rapid progress against the strategy presented at our listing and strengthened our financial position.

In Content production & distribution, strong profitable growth is linked both to new shows, including scripted hits Marie-Antoinette and SAS Rogue Heroes, and the continued evolution of our unscripted superbrand offering built on powerful IP such as Masterchef, Big Brother and Survivor which are relaunching in key markets and entering new territories. This production, as well as our successful execution of 15 bolt on acquisitions in 10 territories have driven a 30% increase of our overall content catalog, cementing our position as the number one global independent content producer. We are perfectly positioned in this business to capture market consolidation opportunities going forward.

In Online sports betting & gaming, the growth of our revenues has been also very strong, despite a high comparison base in 2021. The overall number of Unique Active Players increased by 25%, powered in part by our strong commercial performance during the football World Cup. Betclic has been the most downloaded sports betting app in our core markets of France, Poland and Portugal, and the second most downloaded across Europe, thanks to our state-of-the-art technology platform which leads the way in terms of reliability and efficiency. Looking ahead we will capitalize on increased player numbers to drive continued organic growth at a high pace.

Fl Entertainment's first yearly results are a testimony to the strength of our business model. We are well positioned to reinforce our leading positions in our structurally growing markets in 2023 and continue to demonstrate our proven ability to delivery profitable growth at scale".

*****

FL Entertainment invites you to its 2022 results conference call on:
Thursday, March 16th 2023, at 6:00pm CET

Webcast live:
You can watch the presentation on the following link:
https://edge.media-server.com/mmc/p/4i46xfmv

Dial-in access telephone numbers:
You need to register to the following link:
https://register.vevent.com/register/BI60d2c660f0f54582b32a5db6f13db8d3

Slides related to 2022 results are available on the Group's website, in the "Investor relations" section:
https://www.flentertainment.com/

KEY FINANCIALS IN 2022

€m	2021	2022	% change	% constant currency
Group revenue	**3 497.0**	**4 046.6**	**15.7%**	**13.2%**
Adjusted EBITDA	609.3	670.2	10.0%	
Adjusted EBITDA margin	17.4%	16.6%		
Net income	(73.4)	(81.1)	(10.5%)	
Adjusted net income excl. one-off items related to the transaction	282.5	306.7	8.6%	
Adjusted free cash-flow	**497.5**	**554.7**	**11.5%**	
Free cash flow conversion rate	82%	83%		

For the twelve-month period ended	31-Dec-21	31-Dec-22	% change
Net financial debt (reported)	2 268.8	2 090.8	(7.8%)
Adjusted EBITDA	609.3	670.2	10.0%
Net financial debt / Adjusted EBITDA	**3.7x**	**3.1x**	

2022 – KEY EVENTS

Content production & distribution: active year 2022 in M&A

Banijay continued to execute its M&A strategy in 2022, enriching its content and geographical footprint, creating economies of scale and contributing to long-term performance. Banijay completed 15 bolt-on acquisitions[5] of well-known production companies across both non-scripted and scripted content in 10 countries - the US, Australia, Belgium, France, Germany, Israel, Italy, the Netherlands, Spain and the UK:

- **Légende Films** (renamed Montmartre Films), a high-profile filmmaker in France;
- **Znak TV**, an entity created by famous showrunner and executive producer on Fox's "MasterChef" amongst other large-scale entertainment brands, which operates in the US and the UK;
- **Groenlandia,** an Italian premium scripted producer;
- **Tooco,** a specialist in the creation, development and management of new formats for the French and international markets;
- **Pookepsie Films**, one of the most unique scripted production companies in Spain focused on the fantasy, thriller, and horror space;
- **Kindle Entertainment**, a specialist in young adult and family drama in the UK;
- **Movimenti**, an Italian production company and animation focused creative hub;
- **SONY Pictures Film** und Fernsehen GmbH, a German producer of high-quality, standout entertainment formats and scripted content.
- **Mam Tor**, a high-end original television drama producer from the UK;
- **Beyond International,** a leading Australian producer of media content with more than 8,000 hours of scripted and non-scripted in-house and third-party acquired English content across multiple territories and genres including factual entertainment, premium documentary and drama;
- **MoviePlus Production**, an independent Israeli production company specialized in drama series, documentaries and feature-length films;
- **Puzzle Media,** the first French production company to deliver extreme and board sports content in high volume, with top titles including Riding Zone;
- **Jonnydepony,** an independent production label specialising in the development and production of high-quality drama series;
- **Posh Productions B.V.,** a storytelling production company working on the basis of equality between people with a cinematic style; and
- **Topkapi Films B.V.**, an Amsterdam-based production company dedicated to new ways of storytelling since 1994, creating television drama and feature films for the international market.

Online sports betting & gaming: strong performance during the Football World Cup

In 2022, Betclic continued to demonstrate its ability to attract and engage passionate sports fans thanks to the quality of its content and its attractive and robust platform.

Betclic's performance during the World Cup was a testament to its strong technology infrastructure, its commitment to security and its ability to deliver a seamless user experience.

During the tournament, Betclic handled 6 million odds updates per day, rapidly settling 1.5 million bets just 13 seconds after the end of the football matches. Despite exceptionally high betting volumes, the platform remained fully secure, with no security breaches and zero app downtime.

[5] Of which Influence Vision in Austria (influence media adnetwork)

ESG: At the heart of the FL Entertainment business model

Banijay: improving its position in diversity, inclusion, and environment

Banijay is committed to ensuring a truly representative and inclusive workforce and has implemented a framework to monitor the impact of these initiatives.

This framework has three pillars:

- Create global employees' groups (e.g., pride, disability, women-led) to foster inclusion and promote diversity;
- Create a safe working environment for all employees; and
- Equip all employees with a sustainability-led mind-set to reduce carbon footprint and overall impact on environment.

Banijay aims to create an environment where employees can perform to the best of their abilities in an inclusive work culture. In that context, it set up its first dedicated Diversity & Inclusion Board in 2022 and will go further in 2023 to effectively drive best practices and initiatives around the world. Banijay also partnered with 3Degrees to create a carbon emission measurement system for its operations, which will be launched in 2023.

Betclic: pursuing the highest standards for responsible gaming

Betclic puts player protection at the heart of the company's strategy and development. It ran three initiatives to raise attention to responsible gaming through a dedicated campaign, partnerships with associations with the launch of the first ever French website to prevent underage gaming as well as a dedicated communication during the FIFA World Cup Qatar 2022.

As part of its commitment to ensuring the highest standards, Betclic ran three initiatives to responsible gaming:

A major **responsible gaming education campaign** in France in October 2022, based on four pillars:

- Educate players via the Betclic app as well as large-scale marketing campaign focused on playing with control;
- Increase public awareness to prevent underage gaming
- Deepen training on risky behavior prevention measures with all Betclic employees;
- Innovate with a responsible gaming "lab sprint" made up of 100 Betclic experts including engineers, product managers and responsible gaming experts.

Alongside those initiatives, Betclic had **two partnerships** with two reference associations in 2022:

- E-Enfance, to build the first website for parents to help them prevent teenage gaming together: www.pasdujeu.fr
- GamCare, a recognized European expert in the prevention and treatment of gaming problems.

During the FIFA World Cup, Betclic launched a **communication campaign** to raise awareness among players and public opinion on that matter.

Betclic also initiated actions related to its social and societal impact including the introduction of a sustainable mobility package to reduce its environmental footprint.

More information on the Group’s existing policies and action plans will be included in chapter 2 of the 2022 Universal Registration Document, that will be published at the end of April 2023.

FL Entertainment will report annually in its Universal Registration Document on the progress of its key non-financial performance indicators.

Business combination

On 10 May 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, to become a listed company on Euronext Amsterdam.

The business combination was completed on 1 July 2022 and provided the Group with additional capital of around €608m after deduction of the fees and expenses of the business combination, at around €35m. The first day of trading on Euronext Amsterdam took place on 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.

Liquidation of Bet-at-home Entertainment Ltd

On 22 December 2021, Bet-at-home Group announced the winding up by the court procedure of bet-at-home.com Entertainment Ltd, a Maltese entity operating casino activities under license by the Malta Gaming Authority, consolidated at 53.9% as of December 2021, which took effect in the first half of 2022.

2022 - PROFIT & LOSS STATEMENT

2022 "Normalized P&L" highlights the underlying performance of the Group by removing the impact of one-off items related to reorganization and business combination (refer to page 11).

Accounts are presented under IFRS standards, unless explicitly mentioned.

In € million	2021 Reported	2022 Reported	2022 Normalized	% change vs 2021
Revenue	**3 497.0**	**4 046.6**	**4 046.6**	**15.7%**
External expenses	(1 774.1)	(2 050.6)	(2 050.6)	15.6%
Personnel expenses excluding LTIP & employment-related earn-out & option expenses	(1 095.4)	(1 287.2)	(1 287.2)	17.5%
Other operating income (loss) excl. restructuring costs & other non-recurring items	(17.6)	(29.0)	(29.0)	64.6%
Depreciation and amortization expenses related to D&A fiction	(0.6)	(9.5)	(9.5)	
Adjusted EBITDA	**609.3**	**670.2**	**670.2**	**10.0%**
Adjusted EBITDA margin	**17.4%**	**16.6%**	**16.6%**	
Restructuring costs and other non-recurring items	(49.8)	(127.4)	(21.7)	
LTIP & employment-related earn-out and option expenses	(308.0)	(147.5)	(114.5)	
Depreciation and amortization (excl. D&A fiction)	(141.1)	(140.6)	(140.6)	
Operating profit/(loss)	**110.4**	**254.7**	**393.4**	**3.6x**
Cost of net debt	(135.3)	(143.8)	(143.8)	
Other finance income/(costs)	1.9	(112.9)	(16.5)	
Net financial income/(expense)	**(133.4)**	**(256.7)**	**(160.3)**	**20.2%**
Share of net income from associates & joint ventures	(1.2)	(2.2)	(2.2)	
Earnings before provision for income taxes	**(24.2)**	**(4.2)**	**230.9**	
Income tax expenses	(49.2)	(76.9)	(76.9)	
Profit/(loss) from continuing operations	**(73.4)**	**(81.1)**	**154.0**	
Net income/(loss) for the period	**(73.4)**	**(81.1)**	**154.0**	
Attributable to:				
Non-controlling interests	(30.4)	6.9	6.9	
Shareholders	(43.0)	(88.0)	147.1	
Restructuring costs and other non-recurring items	49.8	127.4	21.7	
LTIP & employment-related earn-out and option expenses	308.0	147.5	114.5	
Other financial income	(1.9)	112.9	16.5	
Adjusted net income	**282.5**	**306.7**	**306.7**	**8.6%**

CONSOLIDATED REVENUE

In 2022, Group revenue increased by +13.2% at constant currency to €4,046.6m, driven by solid growth across its two business lines. This includes +15.7% in Q4 2022.

On a reported basis, consolidated revenue grew by +15.7% over the period.

This is reflected as follows by business:

€m	Q4 2021	Q4 2022	% change	% constant currency	2021	2022	% change	% constant currency
Production	763.8	920.5	20.5%		2 263.2	2 664.6	17.7%	
Distribution	139.0	120.5	-13.3%		331.8	387.7	16.9%	
Other	52.9	48.8	-7.7%		161.0	159.3	-1.1%	
Content production & distribution	**955.7**	**1 089.8**	**14.0%**	**12.3%**	**2 756.0**	**3 211.6**	**16.5%**	**13.3%**
Sportsbook	143.0	193.0	34.9%		588.6	670.1	13.8%	
Casino	25.1	33.0	31.3%		102.0	104.8	2.7%	
Poker	12.0	15.0	24.9%		44.1	49.9	13.1%	
Other	1.8	3.1	71.3%		6.4	10.3	60.7%	
Online sports betting & gaming	**181.9**	**244.1**	**34.2%**	**34.2%**	**741.0**	**835.0**	**12.7%**	**12.8%**
TOTAL REVENUE	**1 137.6**	**1 333.7**	**17.3%**	**15.7%**	**3 497.0**	**4 046.6**	**15.7%**	**13.2%**

Content production & distribution:

Revenue totaled €3,212m, up +16.5% in absolute terms and +13.3% at constant currency in 2022. Overall, growth was fueled by high-quality IP, a comprehensive content offering to serve clients needs and to a lesser extent the positive impact from bolt-on acquisitions.

Content production revenue was up +17.7% to €2,665m in 2022, driven by 216 launches of successful new non-scripted shows and around 67 new scripted shows.

The Group delivered new shows with universal appeal across both non-scripted ("Starstruck" in the UK, "Love Triangle" in Australia), and scripted ("SAS Rogue Heroes" in the UK, "Marie-Antoinette" in France and "Grantchester" in the UK). Recommissioned or returning formats generated 69% of Content production revenue. "Masterchef", one of the top travelling formats, was recommissioned in France, and aired in 39 countries in 2022. Other top travelling formats included "Survivor", showing in 21 territories for its 25th anniversary and "Big Brother" in 33 territories.

Distribution revenue increased by +16.9% to €388m driven by a firm demand from both linear TV and streaming platforms (OTT) for key non-scripted and scripted content such as "You" for Sky and "Peaky Blinders" for Netflix in the UK.

In 2022, partly due to the delay in production during Covid, scripted programs' production has been higher than in 2021 and totaled 24% of Content production & distribution revenue compared to 20% in 2021.

The share of OTT increased drastically in 2022 to 18% of Content production & distribution revenue, up 5ppts compared to 2021.

Overall, the number of content hours at the end of December 2022 increased sharply by +30% compared to 2021 to ~160,000 hours[6].

Online sports betting & gaming:

The Online sports betting & gaming business recorded +12.7% revenue growth on a reported basis[7] in 2022 (+12.8% at constant currency) with a strong performance in Q4 2022 (+34.2%) boosted by the impact of the World Cup.

The football 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 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 World Cup.

At constant exchange rates and excluding discontinued Bet-at-home operations in certain jurisdictions, revenue was up +19% in 2022, driven by the solid continued performance of Betclic entity (+21%), offsetting the -10% decline at Bet-at-home. In Q4 2022, growth stood at +36%.

As part of its commitment towards responsible gaming standards, Betclic primarily operates in regulated markets. This is illustrated by the proportion of its revenue generated in locally regulated markets: 96.5% of 2022 revenue.

[6] Including Beyond acquisition

[7] Including the discontinued Bet-at-home activities

ADJUSTED EBITDA

Adjusted EBITDA rose by +10.0% to €670.2m in 2022, on revenue up +15.7% on a reported basis. This split into +9.1% rise to €472m for Content production & distribution and +14.8% increase to €202.8m for Online sports betting & gaming.

In € million	Q4 2021	Q4 2022	% change	2021	2022	% change
Content production & distribution	191.9	174.9	-8.9%	432.7	472.1	9.1%
Online sports betting & gaming	37.5	52.1	38.9%	176.6	202.8	14.8%
Holding	-	(3.2)		(0.1)	(4.7)	
Adjusted EBITDA	**229.4**	**223.8**	**-2.5%**	**609.3**	**670.2**	**10.0%**
Content production & distribution	20.1%	16.0%		15.7%	14.7%	
Online sports betting & gaming	20.6%	21.3%		23.8%	24.3%	
Adjusted EBITDA margin	**20.2%**	**16.8%**		**17.4%**	**16.6%**	

NORMALIZED P&L: FROM ADJUSTED EBITDA TO ADJUSTED NET INCOME

Normalized P&L highlights the underlying performance of the group for 2022 without one-off items related to reorganization and business combination.

Comments thereafter analyze the "Normalized P&L" in 2022 compared to 2021 reported P&L.

In € million	2021 Reported	2022 Reported	Transaction impact	2022 Normalized
Revenue	**3 497.0**	**4 046.6**		**4 046.6**
External expenses	(1 774.1)	(2 050.6)		(2 050.6)
Personnel expenses excluding LTIP & employment-related earn-out & option expenses	(1 095.4)	(1 287.2)		(1 287.2)
Other operating income (loss) excl. restructuring costs & other non-recurring items	(17.6)	(29.0)		(29.0)
Depreciation and amortization expenses related to D&A fiction	(0.6)	(9.5)		(9.5)
Adjusted EBITDA	**609.3**	**670.2**		**670.2**
Adjusted EBITDA margin	***17.4%***	***16.6%***		***16.6%***
Restructuring costs and other non-recurring items	(49.8)	(127.4)	(105.7)	(21.7)
LTIP & employment-related earn-out and option expenses	(308.0)	(147.5)	(33.0)	(114.5)
Depreciation and amortization (excl. D&A fiction)	(141.1)	(140.6)		(140.6)
Operating profit/(loss)	**110.4**	**254.7**	**(138.7)**	**393.4**
Cost of net debt	(135.3)	(143.8)	-	(143.8)
Other finance income/(costs)	1.9	(112.9)	(96.4)	(16.5)
Net financial income/(expense)	**(133.4)**	**(256.7)**	**(96.4)**	**(160.3)**
Share of net income from associates & joint ventures	(1.2)	(2.2)	-	(2.2)
Earnings before provision for income taxes	**(24.2)**	**(4.2)**	**(235.1)**	**230.9**
Income tax expenses	(49.2)	(76.9)	-	(76.9)
Profit/(loss) from continuing operations	**(73.4)**	**(81.1)**	**(235.1)**	**154.0**
Net income/(loss) for the period	**(73.4)**	**(81.1)**	**(235.1)**	**154.0**
Attributable to:				
Non-controlling interests	(30.4)	6.9	-	6.9
Shareholders	(43.0)	(88.0)	(235.1)	147.1
Restructuring costs and other non-recurring items	49.8	127.4	105.7	21.7
LTIP & employment-related earn-out and option expenses	308.0	147.5	33.0	114.5
Other financial income	(1.9)	112.9	96.4	16.5
Adjusted net income	**282.5**	**306.7**	**-**	**306.7**

One-off items related to the Transaction:
FL Entertainment recorded one-off items from the Group reorganization and listing Transaction:

- **Restructuring and other non-recurring items**: **€106m** related to listing and transaction fees and costs incurred to realize the Transaction. Under IFRS, the merger with the SPAC is considered as an equity-settled share-based payment for a service rendered by the SPAC to list the Group. This service is valued at €86m and is recorded as a listing fee;

- **LTIP & employment-related earn-out and option expenses: €33m** mainly driven by the change in fair value of financial instruments explained by the LTIP following the upward reassessment of the Banijay Group's shares;

- **Other finance income / loss: €96m** attributable mainly to the change in fair value of financial instruments. This includes re-evaluation and the change in fair value of Vivendi's convertible bond derivatives following the upward assessment of the Banijay Group's shares. This bond was paid back as part of the Transaction.

Exceptional income from the deconsolidation of Bet-at-home Entertainment Ltd

FL Entertainment recorded a net exceptional income of +€11m mainly coming from the deconsolidation of Bet-at-home Entertainment Ltd in H1 2022.

Net financial result

Net financial result amounted to -€160.3m in 2022 compared to -€133.4m in 2021. Of this amount:

- **Cost of net debt** totaled -€143.8m in 2022 vs -€135.3m in 2021, attributable to a higher level of interest charges due to a currency effect in Content production & distribution and a timing effect of interest charges related to Betclic loan issued on 13 December 2021.

- **Other financial income and expenses** amounted to -€16.5m in 2022, compared to +€1.9m in 2021, mainly explained by financial instruments in 2022.

Income tax expenses

The tax charge in 2022 rose to -€76.9m compared to -€49.2 in 2021, due to greater use of tax loss carry-forward in 2021 and a change in country mix.

Adjusted net income

As a result of the above, Adjusted net income amounted to €306.7m in 2022 compared to €282.5m in 2021.

FREE CASH FLOW AND NET FINANCIAL DEBT IN 2022

FREE CASH FLOW CONVERSION

Adjusted free cash flow (after lease payments) reached €554.7m, up +11.5% in 2022, driven by the business performance as well as a tight control of cash expenses and capital expenditures.

The change in working capital reflected the seasonality of the two businesses.

Adjusted free cash flow conversion after capex and leases payment amounted to 83%.

The rise in income taxes paid was mainly attributable to greater use of tax loss carry-forward in 2021.

Adjusted operating free cash flow rose by 11.1% to €495m in 2022 compared to 2021.

€m	2021	2022	% change
Adjusted EBITDA	**609.3**	**670.2**	**10.0%**
Capex	(66.5)	(68.1)	
Total cash outflows for leases that are not recognised as rental expenses	(45.2)	(47.3)	
Adjusted Free-cash flow	**497.5**	**554.7**	**11.5%**
Change in working capital*	(9.2)	14.7	
Income tax paid	(42.7)	(74.5)	
Adjusted operating free cash flow	**445.7**	**495.0**	**11.1%**

*Excludes LTIP paid and exceptional items cash-out

SOLID FINANCIAL POSITION AND DE-LEVERAGING

The Group's Net financial debt declined by €178m to €2,091m as of 31 December 2022 compared to €2,269m as of 31 December 2021. This reflects the robust business performance over the year.

Net financial debt mainly came from an increase in Adjusted free cash flows for -€495m and cash proceeds received following the transaction (-€121m), partly offset by LTIP paid & exceptionals for €152m, net acquisitions for €130m and €144m interests recognized during 2022.

The financial leverage ratio stood at 3.1x as of 31 December 2022, compared to 3.7x as of 31 December 2021, at the low end of 3.0-3.5x 2022 guidance.

The Group's Net financial debt is at fixed rate with no maturity before 2025. The Group may, from time to time and depending on prevailing market conditions, seek to extend the maturity of, or to refinance, all or part of its financial indebtedness.

At Banijay level, two agencies recently upgraded their ratings on its strong performance: B+ by S&P on 15 September 2022 and B+ by Fitch Ratings on 15 March 2023.

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 €150m, 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.

2023 OBJECTIVES IN LINE WITH MID-TERM OUTLOOK

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 of around €710M
- ~80% free cash flow conversion
- Dividend payout ratio: at least 33.3% of the Group's Adjusted net income

MID-TERM OUTLOOK CONFIRMED

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

FL/ENTERTAINMENT

Agenda

Q1 2023 results: 30 May 2023

General Shareholders' Meeting: 15 June 2023

A brand-new website now available

Investor Relations

Caroline Cohen – Phone: +33 1 44 95 23 34 – c.cohen@flentertainment.com

Press Relations

flentertainment@brunswickgroup.com

Hugues Boëton – Phone: +33 6 79 99 27 15

Nicolas Grange – Phone: +33 6 29 56 20 19

About FL Entertainment

Founded by Stéphane Courbit, a 30-year entertainment industry pioneer and entrepreneur, FL Entertainment Group is a global leader in multimedia content and gaming, combining the strengths of Banijay, the world's largest independent producer distributor, with Betclic Everest Group, the fastest-growing online sports betting platform in Europe. In 2022, FL Entertainment recorded through Banijay and Betclic Everest Group, a combined revenue, and Adjusted EBITDA, of €4,047m and €670m respectively. FL Entertainment listed on Euronext Amsterdam in July 2022.
ISIN: NL0015000X07 - Bloomberg: FLE NA - Reuters: FLE.AS

Forward-looking statements

This communication contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Forward Looking Statements

Some statements in this press release may be considered "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industry in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only express views as at the date of this press release and are neither predictions nor guarantees of possible future events or circumstances.
We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.

Alternative performance measures

The financial information in this release includes non-IFRS financial measures and ratios (e.g. non-IFRS metrics, such as adjusted EBITDA) that are not recognized as measures of financial performance or liquidity under IFRS. The non-IFRS financial measures presented are measures used by management to monitor the underlying performance of the business and operations and, have therefore not been audited or reviewed. Furthermore, they may not be indicative of the historical operating results, nor are they meant to be predictive of future results. These non-IFRS measures are presented because they are considered important supplementary measurements of FL Entertainment N.V.'s (the "Company") performance, and we believe that these and similar measures are widely used in the industry in which the Company operates as a way to evaluate a company's operating performance and liquidity. Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names.

Regulated information related to this press release is available on the website:

https://www.flentertainment.com/results-center/

https://www.flentertainment.com/

APPENDIX

Glossary

Transaction: business combination with Pegasus Entrepreneurial Acquisition Company Europe B.V., a special purpose acquisition company to become a listed company on Euronext Amsterdam as well as the Group's reorganization

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 amortization (excluding D&A fiction). 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 Group's combined statement of income deviates from the depreciation and amortization costs in this line item.

Adjusted net income: 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.

Adjusted free cash flow: 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 recognized as rental expenses.

Adjusted operating free cash flow: defined as adjusted EBITDA adjusted for purchase and disposal of property plant and equipment and of intangible assets, cash outflows for leases that are not recognized as rental expenses, change in working capital requirements, and income tax paid.

Net financial debt: defined as the sum of bonds, bank borrowings, bank overdrafts, vendor loans, accrued interests on bonds and bank borrowings minus cash and cash equivalents, trade receivables on providers, cash in trusts, plus players liabilities and escrow accounts plus (or minus) the fair value of net derivatives liabilities (or assets) for that period. Net financial debt is pre-IFRS 16.

Leverage: Adjusted net financial debt / Adjusted EBITDA.

Number of Unique Active Players: average number of unique players playing at least once a month in a defined period.

Table 1: Content production & distribution: Key indicators

In €million	Q4 2021	Q4 2022	% change	2021	2022	% change
Production	763.8	920.5	20.5%	2 263.2	2 664.6	17.7%
Distribution	139.0	120.5	-13.3%	331.8	387.7	16.9%
Other	52.9	48.8	-7.7%	161.0	159.3	-1.1%
REVENUE	**955.7**	**1 089.8**	**14.0%**	**2 756.0**	**3 211.6**	**16.5%**
Adjusted EBITDA	**191.9**	**174.9**	**-8.9%**	**432.7**	**472.1**	**9.1%**
Adjusted EBITDA margin (%)	20.1%	16.0%		15.7%	14.7%	
Capex	(19.8)	(23.5)	18.5%	(56.0)	(60.3)	7.6%
Total cash outflows for leases that are not recognised as rental expenses	(10.5)	(12.3)	17.8%	(41.5)	(44.1)	6.1%
Adjusted free cash flow	**161.6**	**139.1**	**-14.0%**	**335.2**	**367.8**	**9.7%**
Change in working capital requirements*	90.2	94.4	4.6%	(2.4)	(11.3)	371.4%
Income tax paid	(9.3)	(21.7)	133.6%	(26.9)	(49.3)	82.9%
Adjusted Operating free cash flow	**242.6**	**211.8**	**-12.7%**	**305.9**	**307.2**	**0.4%**

Table 2: Online sports betting & gaming: Key indicators

In € million	Q4 2021	Q4 2022	% change	2021	2022	% change
Sportsbook	143.0	193.0	34.9%	588.6	670.1	13.8%
Casino	25.1	33.0	31.3%	102.0	104.8	2.8%
Poker	12.0	15.0	24.9%	44.1	49.9	13.1%
Other	1.8	3.1	71.3%	6.4	10.3	60.9%
REVENUE	**181.9**	**244.1**	**34.2%**	**741.1**	**835.0**	**12.7%**
Adjusted EBITDA	**37.5**	**52.1**	**38.9%**	**176.6**	**202.8**	**14.8%**
Adjusted EBITDA margin (%)	20.6%	21.3%		23.8%	24.3%	
Capex	(3.7)	(1.4)	-60.6%	(10.5)	(7.9)	-24.8%
Total cash outflows for leases that are not recognised as rental expenses	24.5	(0.7)		(3.7)	(3.3)	-11.8%
Adjusted free cash flow	**58.3**	**49.9**		**162.4**	**191.7**	**18.0%**
Change working capital requirements *	9.6	19.9	108.1%	(6.6)	25.1	-
Income tax paid	(3.5)	(4.1)	18.4%	(14.5)	(25.2)	74.1%
Adjusted Operating free cash flow	**64.4**	**65.7**	**2.1%**	**141.4**	**191.6**	**35.5%**

*Excluding LTIP and exceptional items payment

Table 3: Consolidated statement of cash flows

In € million	31-Dec-2021	31-Dec-2022
Profit/(loss)	(73.4)	(81.1)
Adjustments:	**656.5**	**706.4**
Share of profit/(loss) of associates and joint ventures	1.2	2.2
Amortization, depreciation, impairment losses and provisions, net of reversals	168.3	150.5
Employee benefits LTIP & employment-related earn-out and option expenses	308.0	147.5
Change in fair value of financial instruments	(7.4)	105.4
Income tax expenses	49.2	76.9
Other adjustments(1)	(1.2)	76.8
Cost of financial debt, lease liabilities and current accounts	138.3	147.2
Gross cash provided by operating activities	**583.0**	**625.3**
Changes in working capital	(136.9)	(92.3)
Income tax paid	(42.7)	(74.5)
Net cash flows provided by operating activities	**403.5**	**458.6**
Purchase of property, plant and equipment and intangible assets	(66.5)	(68.1)
Purchases of consolidated companies, net of acquired cash	(26.6)	(46.1)
Increase in financial assets	(13.3)	(43.1)
Proceeds from sales of consolidated companies, after divested cash	8.7	(9.1)
Cash received through merger with Pegasus (including FPA capital increase)		162.6
Decrease in financial assets	0.5	2.7
Net cash provided by/(used for) investing activities	**(97.1)**	**(1.1)**
Change in capital		363.6
Change in other securities		114.4
Dividends paid	(95.0)	(1.6)
Dividends paid by consolidated companies to their non-controlling interests	(115.8)	(4.3)
Transactions with non-controling interests	53.7	(392.1)
Proceeds from borrowings and other financial liabilities	159.8	20.7
Repayment of borrowings and other financial liabilities	(134.8)	(399.0)
Interest paid	(125.9)	(131.3)
Net cash flows from/(used in) financing activities	**(258.0)**	**(429.6)**
Impact of changes in foreign exchange rates	(4.4)	19.1
Net increase/(decrease) of cash and cash equivalents	**43.9**	**47.0**
Cash and cash equivalents at the beginning of the period	388.5	432.4
Cash and cash equivalents at end of the period	432.4	479.4

(1) Other adjustments include notably unrealized foreign exchange gains on disposal and liquidation of subsidiaries

Table 4: Consolidated balance sheet

In € million	31-Dec-21	31-Dec-22
ASSETS		
Goodwill	2 493.9	2 570.2
Intangible assets	236.7	194.8
Right-of-use assets	171.1	160.8
Property, plant and equipment	55.3	59.2
Investments in associates and joint ventures	11.1	14.0
Non-current financial assets	83.0	161.7
Other non-current assets	29.6	35.9
Deferred tax assets	47.6	51.9
Non-current assets	**3 128.3**	**3 248.6**
Production of audiovisual programs - work in progress	676.7	705.2
Trade receivables	463.6	496.5
Other current assets	264.2	288.3
Current financial assets	75.2	24.7
Cash and cash equivalents	434.1	479.4
Current assets	**1 913.7**	**1 994.1**
TOTAL ASSETS	**5 042.0**	**5 242.6**
EQUITY AND LIABILITIES		
Share capital	-	8.0
Share premium and retained earnings	73.6	91.7
Net income/(loss) - attributable to shareholders	(43.0)	(88.0)
Shareholders' equity	**30.6**	**11.7**
Non-controlling interests	(36.7)	6.3
Total equity	**(6.2)**	**18.0**
Other securities	-	130.5
Long-term borrowings and other financial liabilities	2 457.8	2 290.3
Long-term lease liabilities	143.2	131.2
Non-current provisions	22.0	27.7
Other non-current liabilities	291.7	441.3
Deferred tax liabilities	3.2	7.4
Non-current liabilities	**2 917.9**	**3 028.4**
Short-term borrowings and bank overdrafts	306.2	349.4
Short-term lease liabilities	40.2	40.4
Trade payables	580.8	663.5
Current provisions	39.1	23.0
Customer contract liabilities	707.2	693.3
Other current liabilities	456.8	426.6
Current liabilities	**2 130.3**	**2 196.2**
TOTAL EQUITY AND LIABILITIES	**5 042.0**	**5 242.6**

Table 5: IFRS consolidated net financial debt

In € million	31-Dec-2021	31-Dec-2022
Bonds	1 461.5	1 330.8
Bank borrowings	1 232.5	1 140.1
Bank overdrafts	1.7	-
Accrued interests on bonds and bank borrowings	32.7	29.6
Vendor loans	-	138.4
Total bank indebtedness	**2 728.4**	**2 638.9**
Cash and cash equivalents	(434.1)	(479.4)
Trade receivables on providers	(24.8)	(13.1)
Players' liabilities	41.7	50.6
Cash in trusts and restricted cash	(22.4)	(31.6)
Net cash and cash equivalents	**(439.5)**	**(473.6)**
Net debt before derivatives effects	**2 288.8**	**2 165.3**
Derivatives - liabilities	6.1	-
Derivatives - assets	(26.2)	(74.5)
Net debt	**2 268.8**	**2 090.8**

Table 6: Cash flow statement

In € million	31-Dec-2022 Content production & distribution	Online sports betting & gaming	Holding	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 changes in foreign exchange 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	31-Dec-2021 Content production & distribution	Online sports betting & gaming	Holding	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 changes in foreign exchange 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***

Table 7: Content production & distribution: Net financial debt as of 31 December 2022

At Banijay level:		
In € million	**31-Dec-2021**	**31-Dec-2022**
Total Secured Debt (OM definition)	**1 805**	**1 847**
Other debt	296	339
SUN	409	409
Total Debt	**2 510**	**2 595**
Net Cash	(342)	(396)
Total net financial debt (excl. Earn-out & PUT)	**2 168**	**2 199**
EO & PUT	100	124
Total net financial debt (incl. Earn-out & PUT)	**2 268**	**2 323**
Ratios at Banijay level:		
Leverage Ratio	4.85	4.46
Adjusted Leverage Ratio	5.07	4.71
Senior secured net leverage ratio	3.50	3.20

Banijay contribution at FL Entertainment level:		
In € million	**31-Dec-2021**	**31-Dec-2022**
Total net financial debt (excl. Earn-out & PUT)	**2 168**	**2 199**
Transaction costs amortization	(54)	(39)
Lease debt (IFRS 16)	(164)	(160)
Total Net financial debt at FL Entertainment level	**1 949**	**1 999**
Derivatives	**2**	**(69)**
Total Net financial debt at FL Entertainment level	**1 950**	**1 930**

Leverage ratio: total Net financial debt / (Adj EBITDA + shareholder fees + proforma impact from acquisitions)

Adjusted leverage ratio: total Net financial debt including earn-out and PUTS / (Adjusted EBITDA + shareholder fees + proforma impact from acquisitions)

Senior secured net leverage ratio: total Senior Secure Notes + earn-out – Cash / (Adjusted EBITDA + shareholder fees + proforma impact from acquisitions)