

9M 2022 RESULTS

STRONG REVENUE GROWTH, HIGH PROFITABILITY AND CASH FLOW CONVERSION

9M 2022 FIGURES

- Revenue growth: €2,713m, up +15.0% on a reported basis and +12.0% at constant exchange rates
- Adjusted EBITDA¹: €446m, up +17.5% versus 9M 2021, leading to 40bp margin increase to 16.5%
- Adjusted net income: €210m up +15.4% versus €182m for the first 9M 2021
- Net income: -€75m (9M 2021: -€2m) due to one-off impact from Group re-organization and listing
- Adjusted free cash flow¹: €369m, representing a cash flow conversion of 83%
- Net financial debt / Adj. EBITDA² ratio: improved to 3.4x as of September 30, 2022 versus 3.7x as at December 31, 2021, in line with 2022 guidance

9M 2022 HIGHLIGHTS

- Content production & distribution
 - Revenue up +13.8%³ with a return to normalized pre-covid seasonality in Q3 2022
 - 11 bolt-on acquisitions⁴, support growth of international footprint and attract new clients
 - Content catalog: +25% increase in hours in catalog versus 9M 2021
- Online sports betting & gaming
 - Revenue from continuing operations⁵: +12.9% with a strong recovery in Q3 2022 following quieter sports calendar in H1 2022 vs H1 2021
 - Unique Active Players up +11% in 9M 2022 versus 9M 2021
 - Targeting highest responsible gaming standards, launched major campaign in France
- Group balance sheet strength:
 - Liquidity position: €547m
 - Financial debt at fixed rate with no maturity before 2025
 - S&P credit rating on Banijay⁶ upgraded to B+ in September 2022

François Riahi, CEO of FL Entertainment, said:

“FL Entertainment delivered strong Group revenue growth for the first nine months of 2022, demonstrating continued high profitability and cash generation.

In Content production & distribution, we saw a return to normalized seasonality in Q3 2022 with strong activity across existing and new unscripted formats, as well as attractive new scripted programming including Marie-Antoinette in France and SAS Rogue Heroes in the UK. Distribution revenues were also up across both broadcaster and streaming platforms. We also successfully executed 11 bolt-on

¹ Adjusted EBITDA and adjusted free cash flow: refer to the Appendix for definition

² Net debt: pre-IFRS 16

³ At constant exchange rates

⁴ 2022 YTD

⁵ Excluding discontinued operations at Bet-at-home

⁶ Content production & distribution

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acquisitions this year so far, which will continue to drive performance and business development going forward.

Our Online sports betting & gaming business performed very well also, with an outstanding earnings growth, driven by its appealing digital platform and lean cost structure. With an 11% growth in unique active players year on year, Betclix is well placed to capitalize on opportunities from the football world cup, underpinned by its robust commitment to the highest standards of responsible gaming.

In an inflationary environment with several macroeconomic challenges, FL Entertainment is focused on driving productivity gains, particularly in content production, to protect margins and strong cash generation levels. The positive momentum seen in the year to date, combined with our leading positions in attractive and growing segments of the entertainment industry, puts us in a strong position to maintain continued sustainable growth in line with our 2022 guidance and mid-term outlook.”

FL Entertainment invites you to its first 9M 2022 results conference call on:
Wednesday, November 30th 2022, at 6:00pm CET

Webcast live:

You can watch the presentation on the following link:

<https://edge.media-server.com/mmc/p/7symqgxu>

Dial-in access telephone numbers:

You need to register to the following link:

<https://register.vevent.com/register/B147798600cde24daaac9dc0b432e7a3f7>

Slides related to 9M 2022 results are available on the Group’s website, in the “Investor relations” section:
<https://fl-entertainment.com/investor-relations/>

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On 29 November 2022, the board of directors approved the financial report and the unaudited condensed financial statements for the first nine months 2022.

Accounts are presented under IFRS standards, unless explicitly mentioned

KEY FINANCIALS IN 9M 2022

€m	9M 2021	9M 2022	% change	% constant currency
Group revenue	2 359.3	2 712.9	15.0%	12.0%
Adjusted EBITDA	379.8	446.4	17.5%	
<i>Adjusted EBITDA margin</i>	16.1%	16.5%		
Net income	(1.8)	(75.4)		
Adjusted net income excl. one-off items related to the transaction	181.8	209.8	15.4%	
Adjusted free cash-flow	303.3	368.9	21.6%	
Free cash flow conversion rate	80%	83%		
For the twelve-month period ended	31-Dec-21	30-Sep-22	% change	
Net financial debt (reported)	2 268.8	2 271.8	0.1%	
Net financial debt / Adjusted EBITDA	3.7x	3.4x		

FIRST 9M 2022 – KEY EVENTS

Business combination

On 10 May 2022, F.L. 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 July 1, 2022 and provided the Group with additional capital of around €608m after deduction of the fees and expenses of the Business Combination, estimated at approximately €35m. The first day of trading on Euronext Amsterdam took place on 1st 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 Note 3.1.2 to the Condensed Financial Statements for the 9-month period ended 30 September 2022.

Liquidation of Bet-at-home Entertainment Ltd

On 22 December 2021, Bet-at-home Group announced the liquidation of Bet-at-home 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.

Content production & distribution acquisitions

Banijay maintained its acquisition strategy in 2022, realizing 11 bolt-on acquisitions⁷ of well-known production companies in the year to date across both non-scripted and scripted content. The strategic objective is to enrich Banijay's content and geographical footprint, permanently increasing value to its customers thanks to its enlarged high-quality catalog. This strategy also creates economies of scale and contributes to long-term performance.

Companies acquired during the period strengthen Banijay's exposure in 8 countries - the US, Australia, Israel, the UK, Germany, Italy, Spain and France - and adds expertise across unscripted, kids & family and premium scripted activities:

- **Légende Films** (renamed Montmartre Films) is 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** is one of the most unique scripted production companies in Spain focused on the fantasy, thriller, and horror space;
- UK young adult and family drama specialists, **Kindle Entertainment**;
- **Movimenti**, an Italian production company and animation focused creative hub;
- **SONY Pictures Film**-und Fernsehen GmbH in Germany is a home for high-quality, standout entertainment formats and scripted productions.

⁷ Of which one acquisition is signed, not yet completed

POST-CLOSING EVENTS

Content production & distribution acquisitions

Banijay realized 3 new acquisitions post-9M 2022, as it continued to expand its footprint:

- **Mam Tor** is a high-end original television drama producer from the UK;
- **Beyond International**⁸ is 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; and
- **MoviePlus Production** an independent Israeli production company specializing in drama series, documentaries and feature-length films.

Pursuing the highest standards for responsible gaming

As part of its relentless commitment to ensuring the highest levels of player protection, Betclik ran a major responsible gaming education campaign in France in October 2022:

- Educate players via the Betclik app as well as large-scale marketing campaign focused on playing with control
- Increase public awareness to prevent underage gambling
- Deepen the prevention of risky behavior with all the Betclik employees
- Innovate with a safer gaming “lab sprint” made up of 100 Betclik experts including engineers, product managers and responsible gaming experts. Betclik also invests in the latest artificial intelligence technology to develop and improve its own algorithm for detecting behaviour patterns.

Betclik signed two partnerships with reference Associations:

- E-Enfance, the first website for parents to help them prevent together their teenagers’ gambling
- GamCare, a recognized expert in the prevention and treatment of gambling problems

⁸ Acquisition signed, not yet realized

FIRST 9M 2022 - PROFIT & LOSS STATEMENT

9M 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 9).

<i>In € million</i>	9M 2021 Reported	9M 2022 Reported	9M 2022 Normalized P&L	% change vs 9M 2021
Revenue	2 359.3	2 712.9	2 712.9	15.0%
External expenses	(1 155.2)	(1 308.5)	(1 308.5)	
Personnel expenses excluding LTIP & employment-related earn-out & option expenses	(815.9)	(940.4)	(940.4)	
Other operating income (loss) excl. restructuring costs & other non-recurring items	(8.3)	(15.8)	(15.8)	
Depreciation and amortization expenses related to D&A fiction	(0.1)	(1.7)	(1.7)	
Adjusted EBITDA	379.8	446.4	446.4	17.5%
<i>Adjusted EBITDA margin</i>	16.1%	16.5%	16.5%	
Restructuring costs and other non-recurring items	(37.4)	(99.5)	6.2	
LTIP & employment-related earn-out and option expenses	(127.3)	(104.7)	(71.7)	
Depreciation and amortization (excl. D&A fiction)	(81.3)	(88.2)	(88.2)	
Operating profit/(loss)	133.9	154.1	292.8	2.2x
Cost of net debt	(99.5)	(106.4)	(106.4)	
Other finance income/(costs)	(18.9)	(81.1)	15.3	
Net financial income/(expense)	(118.4)	(187.5)	(91.1)	-23.1%
Share of net income from associates & joint ventures	(1.3)	(1.7)	(1.7)	
Earnings before provision for income taxes	14.2	(35.1)	200.0	14.1x
Income tax expenses	(16.0)	(40.3)	(40.3)	
Profit/(loss) from continuing operations	(1.8)	(75.4)	159.7	
Net income/(loss) for the period	(1.8)	(75.4)	159.7	
Attributable to:				
<i>Non-controlling interests</i>	(4.8)	3.9	3.9	
<i>Shareholders</i>	3.0	(79.3)	155.8	
Restructuring costs and other non-recurring items	37.4	99.5	(6.2)	
LTIP & employment-related earn-out and option expenses	127.3	104.7	71.7	
Other finance income/(costs)	18.9	81.1	(15.3)	
Adjusted net income	181.8	209.8	209.8	15.4%

CONSOLIDATED REVENUE

Group revenue increased by +12.0% at constant exchange rates to €2,712.9m over the first 9M 2022, with robust growth of Content production & distribution business in particular. In absolute terms, consolidated revenue grew by +15.0% over the period (the difference mainly came from US\$ and £ currencies).

The performance in 9M 2022 reflects, as expected, distinct growth pattern between first half and third quarter in the two business lines. This is attributable to the impact of covid lockdowns, a busier sports calendar in 2021 for Online sports betting & gaming, and a return to normalized pre-covid seasonality in Q3 2022 for Content Production & distribution.

This is reflected as follows by business:

In € million	Q3 2021	Q3 2022	% change	9M 2021	9M 2022	% change	% constant currency
Production	570.0	575.9	1.0%	1 499.4	1 744.2	16.3%	
Distribution	82.3	107.6	30.8%	192.8	267.2	38.6%	
Other	42.0	34.1	-18.7%	108.1	110.4	2.2%	
Content production & distribution	694.2	717.6	3.4%	1 800.2	2 121.8	17.9%	13.8%
Sportsbook	111.8	154.8	38.5%	445.6	477.1	7.1%	
Casino	26.9	25.3	-5.7%	76.9	71.8	-6.5%	
Poker	10.5	11.7	11.4%	32.1	34.9	8.7%	
Other	1.4	2.6	87.1%	4.6	7.2	56.8%	
Online sports betting & gaming	150.4	194.4	29.3%	559.1	591.0	5.7%	5.8%
TOTAL REVENUE	844.6	912.1	8.0%	2 359.3	2 712.9	15.0%	12.0%

Content production & distribution:

After a strong recovery in H1 2022 in comparison with H1 2021 that was still heavily impacted by Covid effects, the business returned to a normalized pre-covid seasonality pattern in Q3 2022. Revenue totaled €2,122m, up +17.9% in absolute terms and +13.8% at constant currency over the first 9M 2022.

Content production revenue rose by +16.3% over 9M 2022, driven by a dynamic production cycle, with the recommission of successful well-known programs (“Star Academy” and “Masterchef” in France), the development of new shows delivered for local and international markets across both non-scripted (“Blow-up” in Germany, Australia and New Zealand, “Starstruck” in the UK), and scripted (“SAS Rogue Heroes” for BBC in the UK and “Marie-Antoinette” for Canal+ in France) and to a lesser extent the positive impact from bolt-on acquisitions.

Distribution: revenue increased by +38.6% driven by both linear TV and streaming platforms for key non-scripted and scripted content such as “You” for Sky and “Peaky Blinders” for Netflix in the UK.

Overall, the number of content hours at the end of September 2022 reached about 146,000 hours⁹, up +25% versus 9M 2021.

⁹ Including all the bolt-on acquisitions signed and/or completed

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Online sports betting & gaming:

The Online sports betting & gaming business recorded +5.7% revenue growth in absolute terms over the first 9M 2022 (+5.8% at constant currency) with a strong rebound in Q3 2022 (+29.3%) following a first half that saw a quieter sports calendar compared with H1 2021 (including the Euro 2020 football tournament held in June / July 2021). These figures also reflect the discontinued Bet-at-home activities.

At constant exchange rates and excluding discontinued Bet-at-home operations in certain jurisdictions, revenue was up +13% over 9M 2022, driven by the solid continued performance of Betcltic entity (+15%), offsetting the -11% decline at Bet-at-home.

Unique Active Players increased sharply by +11% in 9M 2022 versus 9M 2021, illustrating the appeal of the Betcltic platform.

ADJUSTED EBITDA

Adjusted EBITDA amounted to €446.4m, up +17.5% over 9M 2022, on revenue up +15.0%. This was driven by a strong +23.4% rise to €297.2m for Content production & distribution and +8.4% to €150.8m for Online sports betting & gaming.

Overall, this led to a 40bp improvement in Adjusted EBITDA margin to 16.5% for the first 9M 2022, with improved profitability across both business lines thanks to revenue growth and a higher proportion of Distribution revenue for Content production & distribution as well as a strong operational leverage for Online sports betting & gaming.

The increase in external and personnel expenses was mainly driven by Content production & distribution, in line with the increase in production revenue.

In € million	9M 2021	9M 2022	% change
Content production & distribution	240.8	297.2	23.4%
Online sports betting & gaming	139.1	150.8	8.4%
Holding	(0.1)	(1.5)	
Adjusted EBITDA	379.8	446.4	17.5%
Content production & distribution	13.4%	14.0%	
Online sports betting & gaming	24.9%	25.5%	
Adjusted EBITDA margin	16.1%	16.5%	

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

Normalized P&L highlights the underlying performance of the group for the first 9M 2022 without one-off items related to reorganization and business combination.

Comments thereafter analyze the “Normalized P&L” over the first 9M 2022 compared to the first 9M 2021 reported P&L.

<i>In € million</i>	9M 2021 Reported	9M 2022 Reported (1)	Transaction impact (2)	9M 2022 Normalized P&L (1) - (2)
Revenue	2 359.3	2 712.9		2 712.9
External expenses	(1 155.2)	(1 308.5)		(1 308.5)
Personnel expenses excluding LTIP & employment-related earn-out & option expenses	(815.9)	(940.4)		(940.4)
Other operating income (loss) excl. restructuring costs & other non-recurring items	(8.3)	(15.8)		(15.8)
Depreciation and amortization expenses related to D&A fiction	(0.1)	(1.7)		(1.7)
Adjusted EBITDA	379.8	446.4		446.4
<i>Adjusted EBITDA margin</i>	16.1%	16.5%		16.5%
Restructuring costs and other non-recurring items	(37.4)	(99.5)	(105.7)	6.2
LTIP & employment-related earn-out and option expenses	(127.3)	(104.7)	(33.0)	(71.7)
Depreciation and amortization (excl. D&A fiction)	(81.3)	(88.2)		(88.2)
Operating profit/(loss)	133.9	154.1	(138.7)	292.8
Cost of net debt	(99.5)	(106.4)	-	(106.4)
Other finance income/(costs)	(18.9)	(81.1)	(96.4)	15.3
Net financial income/(expense)	(118.4)	(187.5)	(96.4)	(91.1)
Share of net income from associates & joint ventures	(1.3)	(1.7)	-	(1.7)
Earnings before provision for income taxes	14.2	(35.1)	(235.1)	200.0
Income tax expenses	(16.0)	(40.3)	-	(40.3)
Profit/(loss) from continuing operations	(1.8)	(75.4)	(235.1)	159.7
Net income/(loss) for the period	(1.8)	(75.4)	(235.1)	159.7
Attributable to:				
<i>Non-controlling interests</i>	(4.8)	3.9	-	3.9
<i>Shareholders</i>	3.0	(79.3)	(235.1)	155.8
Restructuring costs and other non-recurring items	37.4	99.5	105.7	(6.2)
LTIP & employment-related earn-out and option expenses	127.3	104.7	33.0	71.7
Other financial income/(costs)	18.9	81.1	96.4	(15.3)
Adjusted net income	181.8	209.8	-	209.8

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One-off items related to the transaction:

FL Entertainment recorded one-off items from the Group re-organization 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 +€6m mainly coming from the deconsolidation of Bet-at-home Entertainment Ltd in H1 2022.

Net financial result

Net financial result amounted to -€91.1m over 9M 2022 compared to -€118.4m in 9M 2021. Of this amount:

- **Cost of net debt** totaled -€106.4m in 9M 2022 vs -€99.5m in 9M 2021, mostly attributable to a higher level of interest charges explained by a timing effect of interest charges related to Betclix loan issued on 13 December 2021.
- **Other financial income and expenses** as of September 2022 amounted to +€15.3m, compared to -€18.9m for 9M 2021 mainly explained by derivatives during 9M 2022.

Income tax expenses

The tax charge in 9M 2022 totaled -€40.3m compared to -€16.0m in 9M 2021, representing an effective tax rate of 17.2% compared with 12.5% respectively.

The change is mostly explained by a particularly low effective income tax interest rate in over 9M 2021 due to the use of significant loss carry-forward in 2021 for Online sports betting & gaming business.

Adjusted net income

Adjusted net income rose by +15.3% to €209.8m in 9M 2022 from €181.8m in 9M 2021.

FREE CASH FLOW AND NET FINANCIAL DEBT OVER 9M 2022

FREE CASH FLOW CONVERSION

Adjusted free cash flow (after lease payments) reached €369m, up +66m yoy (+21.6%), driven by the business performance as well as a tight control of cash expenses and capex.

The change in working capital mainly derived from Content production and distribution. The third quarter traditionally has the highest requirements, reflecting the seasonality of the activity and the timing of deliveries.

The rise in income taxes paid was attributable to greater use of tax loss carry-forward in 9M 2021.

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

€m	9M 2021	9M 2022	% change
Adjusted EBITDA	379.8	446.4	17.5%
Capex	(43.0)	(43.2)	
Total cash outflows for leases that are not recognized as rental expenses	(33.6)	(34.3)	
Adjusted free-cash flow	303.3	368.9	21.6%
Change in working capital*	(108.9)	(101.1)	
Income tax paid	(28.6)	(48.6)	
Adjusted operating free cash flow	165.8	219.1	32.2%

*Excludes LTIP paid and exceptional items cash-out

SOLID FINANCIAL POSITION AND DE-LEVERAGING

The Group's net financial debt as of September 30, 2022 stood at €2,272m, compared to €2,269m as of 31 December 2021. It is at fixed rate with no maturity before 2025.

The stability in net financial debt reflected the seasonality of the Content production & distribution business and negative exchange rates impact.

Net financial debt came mainly from an increase in adjusted free cash flows of the period for -€219m and cash proceeds received following the transaction (-€121m), partly offset by LTIP paid & exceptionals for €139m, net acquisitions for €68m and €106m interests recognized during 9M 2022.

The financial leverage ratio was 3.4x as of September 30, 2022, compared to 3.7x as of December 31, 2021.

Agenda

FY 2022 results: 16 March 2023

Investor Relations

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

Press Relations

Anne-France Malrieu - afmalrieu@image7.fr

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 gambling, combining the strengths of Banijay, the world's largest independent producer distributor, with Betclix Everest Group, the fastest-growing online sports betting platform in Europe. In 2021, FL Entertainment recorded through Banijay and Betclix Everest Group, a combined revenue, and adjusted EBITDA, of €3.5bn and €609m 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. Further information on the non-IFRS measures can be found in our [reference to report].

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

<https://fl-entertainment.com/investor-relations/>

<https://fl-entertainment.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 re-organization

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 WC, 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

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Content production & distribution: Key indicators

Key indicators - In €m	9M 2021	9M 2022	% change	% constant currency
Production	1 499.4	1 744.2	16.3%	
Distribution	192.8	267.2	38.6%	
Other	108.1	110.4	2.2%	
REVENUE	1 800.2	2 121.8	17.9%	13.8%
Adjusted EBITDA	240.8	297.2	23.4%	
Adjusted EBITDA margin (%)	13.4%	14.0%		
Capex	(36.2)	(36.8)		
Total cash outflows for leases that are not recognised as rental expenses	(31.1)	(31.7)		
Adjusted Free-cash flow	173.6	228.7	31.8%	
Change in WC*	(92.7)	(105.8)		
Income tax paid	(17.7)	(27.6)		
Adjusted Operating free cash flow	63.3	95.4	50.7%	

Online sports betting & gaming: Key indicators

Key indicators - €m	9M 2021	9M 2022	% change	% constant currency
Sportsbook	445.6	477.1	7.1%	
Casino	76.9	71.8	-6.5%	
Poker	32.1	34.9	8.7%	
Other	4.6	7.2	56.8%	
REVENUE	559.1	591.0	5.7%	5.8%
Adjusted EBITDA	139.1	150.8	8.4%	
Adjusted EBITDA margin (%)	24.9%	25.5%		
Capex	(6.8)	(6.4)		
Total cash outflows for leases that are not recognised as rental expenses	(2.6)	(2.6)		
Adjusted free-cash flow	129.8	141.7	9.2%	
Change in WC*	(16.2)	5.2		
Income tax paid	(11.0)	(21.0)		
Adjusted Operating free cash flow	102.6	125.9	22.6%	

*Excluding LTIP and exceptional items payment

FL/ENTERTAINMENT

Interim consolidated statement of cash flows

<i>In € million</i>	30 Sept. 2021	30 Sept. 2022
Profit/(loss)	(1.9)	(75.4)
Adjustments:	363.5	487.5
Share of profit/(loss) of associates and joint ventures	1.3	1.7
Amortization, depreciation, impairment losses and provisions, net of reversals	102.1	91.3
Employee benefits LTIP & employment-related earn-out and option expenses	127.3	104.7
Change in fair value of financial instruments	6.8	76.9
Income tax expenses	16.0	40.3
Other adjustments ⁽¹⁾	9.3	63.8
Share of profit/(loss) of associates and joint ventures	100.7	108.7
Gross cash provided by operating activities	361.6	412.1
Changes in working capital	(164.8)	(205.6)
Income tax paid	(28.6)	(48.6)
Net cash flows provided by operating activities	168.3	157.8
Purchase of property, plant and equipment and intangible assets	(43.0)	(43.2)
Purchases of consolidated companies, net of acquired cash	(22.3)	(36.3)
Increase in financial assets	(3.4)	(4.6)
Proceeds from sales of consolidated companies, after divested cash	7.5	3.8
Decrease in financial assets	0.5	163.5
Net cash provided by/(used for) investing activities	(60.7)	83.2
Change in capital		364.8
Change in other securities		114.4
Dividends paid	(30.0)	(0.2)
Dividends paid by consolidated companies to their non-controlling interests	(43.2)	(3.6)
Transactions with non-controlling interests	(2.1)	(3.4)
Proceeds from borrowings and other financial liabilities	23.5	15.6
Repayment of borrowings and other financial liabilities	(51.1)	(365.7)
Repayment of vendor loans		(388.5)
Other cash items related to financial activities	(0.8)	(0.1)
Interest paid	(106.9)	(111.1)
Net cash flows from/(used in) financing activities	(210.7)	(377.7)
Impact of changes in foreign exchange rates	(9.9)	36.7
Net increase/(decrease) of cash and cash equivalents	(113.0)	(100.1)
Cash and cash equivalents at the beginning of the period	388.5	432.4
Cash and cash equivalents at end of the period	275.5	332.4

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

FL/ENTERTAINMENT

Interim consolidated statement of financial position

<i>In € million</i>	31-Dec-2021	30-Sep-2022
ASSETS		
Goodwill	2 493.9	2 557.3
Intangible assets	236.7	219.6
Right-of-use assets	171.1	155.1
Property, plant and equipment	55.3	59.3
Investments in associates and joint ventures	11.1	12.6
Non-current financial assets	83.0	131.3
Other non-current assets	29.6	20.6
Deferred tax assets	47.6	27.1
Non-current assets	3 128.3	3 182.9
Inventories and work in progress	676.7	882.7
Trade receivables	463.6	518.8
Other current assets	264.2	324.0
Current financial assets	75.2	36.3
Cash and cash equivalents	434.1	335.8
Current assets	1 913.7	2 097.6
TOTAL ASSETS	5 042.0	5 280.5
EQUITY AND LIABILITIES		
Share capital	-	8.0
Share premium and retained earnings	73.6	47.8
Net income/(loss) - attributable to shareholders	(43.0)	(79.3)
Shareholders' equity	30.6	(23.5)
Non-controlling interests	(36.7)	0.7
Total equity	(6.2)	(22.8)
Other securities	-	135.7
Long-term borrowings and other financial liabilities	2 457.8	2 535.5
Long-term lease liabilities	143.2	124.5
Non-current provisions	22.0	23.8
Other non-current liabilities	291.7	391.5
Deferred tax liabilities	3.2	9.4
Non-current liabilities	2 917.9	3 220.5
Short-term borrowings and bank overdrafts	306.2	158.2
Short-term lease liabilities	40.2	41.9
Trade payables	511.2	558.6
Current provisions	39.1	12.5
Customer contract liabilities	776.9	912.3
Other current liabilities	456.8	399.4
Current liabilities	2 130.3	2 082.9
TOTAL EQUITY AND LIABILITIES	5 042.0	5 280.5

FL/ENTERTAINMENT

IFRS consolidated net financial debt

<i>In € million</i>	31-Dec-2021	30-Sep-2022
Bonds	1 461.5	1 362.6
Bank borrowings	1 232.5	1 176.3
Bank overdrafts	1.7	3.4
Accrued interests on bonds and bank borrowings	32.7	14.3
Vendor loans	-	137.2
Total bank indebtedness	2 728.4	2 693.8
Cash and cash equivalents	(434.1)	(335.8)
Trade receivables on providers	(24.8)	(10.2)
Players' liabilities	41.7	40.8
Cash in trusts	(22.4)	(22.0)
Net cash and cash equivalents	(439.5)	(327.1)
Net debt before derivatives effects	2 288.8	2 366.7
Derivatives - liabilities	6.1	-
Derivatives - assets	(26.2)	(94.8)
Net debt	2 268.8	2 271.8

FL/ENTERTAINMENT

Content production & distribution: net financial debt as at 30 September 2022

Net financial debt - In €m	31-Dec-2021	31-Mar-2022	30-Jun-2022	30-Sep-2022
At Banijay level:				
Total Secured Debt (OM definition)	1 805	1 809	1 871	1 914
Other debt	296	279	313	314
SUN	409	402	409	402
Total Debt	2 510	2 490	2 593	2 630
Available financial assets				(78)
Net Cash	(342)	(312)	(353)	(230)
Total net financial debt	2 168	2 178	2 240	2 322
EO & PUT	100	114	116	115
Total net financial debt (incl EO & PUT)	2 268	2 292	2 355	2 437
At FL Entertainment level:				
Transaction costs amortization			(48)	(44)
Lease debt (IFRS 16)			(156)	(155)
Total net financial debt at FL Entertainment level			2 035	2 122
Derivatives			(49)	(90)
Total net financial debt at FL Entertainment level			1 987	2 032
Ratios at Banijay level:				
Leverage Ratio, as presented	4.85	4.66	4.60	4.55
Adjusted Leverage Ratio, as presented	5.07	4.91	4.84	4.78
Senior secured net leverage ratio	3.50	3.45	3.35	3.37