Banijay Group

Unaudited condensed consolidated interim financial statements

For the six-months period ended 30 June 2023

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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Unaudited Consolidated Interim Statement of Income

In € million	Note	2023.06	2022.06
Revenue	5	1,434.0	1,404.2
External expenses	6	(676.7)	(607.3)
Staff costs	7	(602.4)	(633.5)
Other operating income	8	1.4	0.9
Other operating expenses	8	(6.7)	(4.8)
Depreciation and amortization expenses		(55.3)	(52.9)
Impairment losses and provisions, net of reversals		(0.1)	(1.6)
Current Operating profit/(loss)		94.2	105.0
Other non current operating income (expenses)	9	(7.5)	(0.2)
Operating profit/(loss)		86.7	104.8
Financial income	10	1.2	0.7
Interest expenses	10	(84.9)	(64.5)
Cost of net debt		(83.7)	(63.8)
Other finance income/(costs)	10	(39.4)	17.3
Net financial income/(expense)		(123.1)	(46.5)
Share of net income from associates & joint ventures		(1.3)	(1.5)
Earnings before provision for income taxes		(37.7)	56.8
Income tax expenses	11	6.3	(15.7)
Profit/(loss) from continuing operations		(31.4)	41.1
Profit/(loss) from discontinued operations		-	-
Net income/(loss) for the period		(31.4)	41.1
Attributable to:			
Non-controlling interests		0.7	1.5
Shareholders		(32.1)	39.6
Earnings per share (in €)			
Basic earnings (losses) per share		(0.31)	0.38
Diluted earnings (losses) per share		(0.30)	0.37

Unaudited Consolidated Interim Statement of Comprehensive Income

In € million	Note	2023.06	2022.06
Net income/(loss) for the period		(31.4)	41.1
- Foreign currency translation adjustment		7.0	(42.9)
- Fair value adjustment on cash flow hedge		(0.7)	36.1
- Deferred tax on fair value adjustment on cash flow hedge		(0.1)	(8.9)
Items to be subsequently reclassified to profit or loss		6.2	(15.7)
Actuarial gains and losses		-	-
Fair Value adjustements on investments		0.1	
Deferred tax recognized through reserves		-	-
Items not subsequently reclassified to profit or loss		0.1	-
Changes and income directly recognized in equity		6.3	(15.7)
Total comprehensive income/(loss)		(25.1)	25.4
Attributable to:			
Non-controlling interests		0.8	1.6
Shareholders		(25.9)	23.8

Unaudited Consolidated Interim Statement of Financial Position

Assets

In € million	Note	2023.06	2022.12
Goodwill	12.3	2,500.6	2,471.5
Intangible assets		191.6	181.8
Right-of-use assets	13.1	161.3	149.5
Property, plant and equipment		55.2	50.9
Investments in associates and joint ventures		26.4	14.0
Non-current financial assets	17.1	89.6	120.7
Other non-current assets	14.2	22.5	26.6
Deferred tax assets		59.1	50.3
Non-current assets		3,106.2	3,065.3
Production of audiovisual programs - work in progress		819.4	705.2
Trade receivables	14.1	479.6	483.8
Other current assets	14.2	275.9	263.9
Current financial assets	17.1	56.8	57.0
Cash and cash equivalents		390.6	396.0
Assets classified as held for sale		-	-
Current assets		2,022.2	1,905.8
Assets		5,128.5	4,971.1

Equity and liabilities

In € million	Note	2023.06	2022.12
Share capital		104.2	104.2
Share premiums		579.6	579.6
Treasury shares		(36.9)	(8.8)
Retained earnings (deficit)		(171.5)	(169.9)
Net income/(loss) - attributable to shareholders		(32.1)	49.5
Shareholders' equity		443.3	554.6
Non-controlling interests		10.8	8.4
Total equity		454.1	563.1
Other securities		-	-
Long-term borrowings and other financial liabilities	17.2	2,397.6	2,219.9
Long-term lease liabilities	13.2	135.5	122.1
Non-current provisions	16.1	28.7	29.2
Other non-current liabilities	14.2	199.6	197.1
Deferred tax liabilities		8.0	6.2
Non-current liabilities		2,769.3	2,574.4
Short-term borrowings and bank overdrafts	17.2	121.7	175.4
Short-term lease liabilities	13.2	36.9	37.9
Trade payables		565.1	627.9
Current provisions	16.1	12.5	17.8
Customer contract liabilities	14.3	794.0	637.6
Other current liabilities	14.4	374.8	337.0
Liabilities classified as held for sale		-	-
Current liabilities		1,905.0	1,833.6
Equity and liabilities		5,128.5	4,971.1

Unaudited Consolidated Interim Statement of Cash Flows

In € million	Notes	2023.06	2022.06
Profit (loss)		(31.4)	41.1
Adjustments :		227.2	156.8
Share of profit of associates and joint ventures		1.3	1.5
Amortisation, depreciation, impairment losses and provisions, net of reversals	18	55.7	53.5
Employee benefits LTIP & employment-related earn-out and option expenses	7.2/ 7.3	51.0	40.1
Change in fair value of financial instruments		14.3	(14.3)
Income tax expenses	11	(6.3)	15.7
Other adjustments	18	27.5	(3.4)
Cost of net debt	10	83.7	63.8
Gross cash provided by operating activities		195.8	198.0
Changes in working capital		(80.6)	(79.7)
Income tax paid		(18.6)	(15.8)
Net cash flows provided by operating activities		96.6	102.4
Purchase of property, plant and equipment and of intangible assets		(27.2)	(24.5)
Purchases of consolidated companies, net of acquired cash		(5.5)	(12.0)
Increase in financial assets		(21.4)	(4.7)
Disposals of property, plant and equipment and intangible assets		0.2	0.1
Proceeds from sales of consolidated companies, after divested cash		0.0	2.5
Decrease in financial assets		8.4	1.3
Dividends received		0.1	0.3
Net cash provided by/(used for) investing activities		(45.5)	(37.0)
Dividends paid to Group Shareholders		(54.8)	0.0
Dividends paid by consolidated companies to their non-controlling interests		(4.7)	(1.5)
Proceeds from borrowings and other financial liabilities(1)	17.2/ 17.3	207.4	11.1
Repayment of borrowings and other financial liabilities		(96.3)	(29.0)
Interest paid		(84.8)	(60.3)
Net cash flows from (used in) financing activities		(33.2)	(79.5)
Impact of changes in foreign exchange rates		(28.2)	25.2
Net increase (decrease) of cash and cash equivalents		(10.4)	11.0
Cash and cash equivalents at the beginning of the period		396.2	342.4
Cash and cash equivalents at end of the period		385.8	353.3

(1) The cashflow statement reflects the actual cashflows related to refinancing of term loans and RCF: the cash flow received by the Group was the net amount of the refinancing operation and then, has been reflected for this amount in the line" Proceeds from borrowings and other financial liabilities".

Cash and cash equivalents presented in the consolidated statement of cash flows are comprised of cash and cash equivalents (390.6 M€ in June 2023, 357.8 M€ in June 2022), reduced by bank overdrafts (4.7 M€ in June 2023, 4.5 M€ in June 2022).

Unaudited Consolidated Interim Statement of Changes in Equity

In € millions	Number of shares (in million)	Share capital	Share premiums	Own shares	Other comprehensive income	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Equity
December 31, 2021	104.2	104.1	579.6	(1.3)	(36.0)	(147.7)	498.8	3.7	502.5
Income / Loss for the year					-	39.6	39.6	1.5	41.1
Foreign currency translation reserve					(43.1)	-	(43.1)	0.1	(43.0)
Fair Value adjustment on Cash Flow Hedge (1)					36.8	-	36.8		36.8
Deferred Tax on fair value adjustment on Cash Flow Hedge (1)					(8.9)	-	(8.9)		(8.9)
Total comprehensive income (loss) for the year	-	-	-	-	(15.2)	39.6	24.4	1.6	26.1
Long-term incentive plan equity settled					-	3.0	2.99		3.0
Payment of dividends					-	-	-	(0.5)	(0.5)
Transaction on Non Controlling Interest and other variation					-	(9.7)	(9.7)	0.3	(9.4)
June 30, 2022	104.2	104.1	579.6	(1.3)	(51.2)	(114.7)	516.5	5.09	521.6
Income / Loss for the year					-	10.2	10.2	2.5	12.7
Foreign currency translation reserve					7.3	-	7.3	(0.3)	7.0
Fair Value adjustment on Cash Flow Hedge					24.8	-	24.8		24.8
Deferred Tax on fair value adjustment on Cash Flow Hedge					1.3	-	1.3		1.3
Fair value variation on investments					(2.0)	-	(2.0)		(2.0)
Actuarial gains and losses					0.3	-	0.3		0.3
Other changes					-	-	-		-
Total comprehensive income (loss) for the year	-	-	-	-	31.7	10.2	41.9	2.2	44.1
Long-term incentive plan equity settled					-	0.8	0.8		0.8
Attribution of frees shares				1.2	-	(1.2)	-		-
Increase in capital or share premium					-	-	-		-
Own Shares buy-back				(8.7)	-	-	(8.7)		(8.7)
Cancellation of own shares					-	-	-		-
First accounting on put options					-	(7.2)	(7.2)		(7.2)
Payment of dividends					-	-	-	(2.4)	(2.4)
Transaction on Non Controlling Interest and other variation		0.1			2.1	9.2	11.3	3.5	14.8
December 31, 2022	104.2	104.2	579.6	(8.8)	(17.4)	(103.0)	554.6	8.4	563.1
Income / Loss for the year					-	(32.1)	(32.1)	0.7	(31.4)
Foreign currency translation reserve					6.9	-	6.9	0.1	7.0
Fair Value adjustment on Cash Flow Hedge (1)					(0.7)	-	(0.7)		(0.7)
Deferred Tax on fair value adjustment on Cash Flow Hedge (1)					(0.1)	-	(0.1)		(0.1)
Fair value variation on investments					0.1	-	0.1		0.1
Total comprehensive income (loss) for the year		-	-		6.2	(32.1)	(25.9)	0.8	(25.1)
Long-term incentive plan equity settled					-	0.7	0.7		0.7
Own Shares buy-back (3)					-	(28.1)	(28.1)		(28.1)
Payment of dividends					-	(54.8)	(54.8)	(4.7)	(59.5)
Transaction on Non Controlling Interest and other variation (2)					0.0	(3.2)	(3.2)	6.3	3.1
June 30, 2023	104.2	104.2	579.6	(8.8)	(11.2)	(220.4)	443.3	10.8	454.1

(1) Fair value adjustment on cash flow hedge, see note 10
(2) o/w non-controlling interest on La Liga Studio
(3) Financial commitment to repurchase the own shares in July/August 2023

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The format of the notes has been modified to be aligned with that of the FL Entertainment accounts. This new format may have led to slight changes in the presentation of the income statement and balance sheet (including comparative periods).

Note 1 BUSINESS PRESENTATION

1.1 Presentation of the business

Banijay Group S.A.S. (the "Company") is a limited liability company domiciled in France with its head office located at 5, rue François 1er – 75008 Paris (France).

The interim condensed consolidated financial statements of Banijay Group for the six months period ended 30 June 2023 were closed by the Chairman of Banijay Group on 1 August 2023.

Banijay Group S.A.S has a share capital of € 104,215,171 (104,215,171 shares of € 1.00 each) and is the parent entity of the Banijay group. Banijay Group Holding S.A.S. is the direct parent of Banijay Group S.A.S. LOV Group Invest S.A.S. is the ultimate parent of the group. FL Entertainment, listed vehicle in Amsterdam, is one of the intermediate holdings.

Banijay Group is in the business of producing audiovisual programs, managing and marketing of intellectual property rights in relation to audiovisual and digital contents and / or formats.

These interim condensed consolidated financial statements present the financial situation of the Company and its subsidiaries (the "group"). The financial statements are denominated in Euro as this is the currency used for the majority of the group's transactions.

Banijay Group's annual reporting date for its financial statements is December 31.

1.2 Seasonal activity

Group interim production operations can be impacted by the timing of delivery of both scripted and non-scripted productions. The distribution activity tends to present a more important seasonality in the last quarter of the year but is also impacted by the timing of recoupment of its distribution advances.

Note 2 BASIS OF PREPARATION

2.1 Statement of compliance

The unaudited condensed consolidated interim financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with IAS 34 – Interim Financial Reporting of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The unaudited condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union and should be read in conjunction with the consolidated financial statements as of and for the year ended 31 December 2022, that have been closed by the Chairman of Banijay Group on 13 March 2023 and for which an unqualified auditor's opinion was issued by ERNST & YOUNG et Autres thereon.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual consolidated financial statements for the year ended 31 December 2022, except for:

- The adoption of new standards effective as of 1 January 2023.
- The estimation of the income tax expense which is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full year.

The new and amended standards effective from 1 January 2023 do not have a material effect on the unaudited condensed consolidated interim financial statements.

2.3 Standards issued but not yet effective

Certain new accounting standards and interpretations have been issued but are not yet effective for the six-month period ended 30 June 2023 and have not been early adopted. None of the accounting standards issued but not yet effective are expected to have a significant impact on the Group's unaudited condensed consolidated interim financial statements.

International tax reform –Pillar 2 rules.

The international tax reform Pillar 2, approved by a European directive that transposed the OECD's Global Anti-Base Erosion Model Rules (GloBE). Applicable to groups with sales in excess of 750 million euros, this reform requires a minimum effective tax rate of 15% on profits generated in each of the jurisdictions in which the Group operates.

Transitional simplification measures have been introduced for fiscal years 2024 to 2026. They enable compliance with GloBE obligations progressively, by making it possible not to carry out all the calculations leading to the determination of the GloBE tax, in countries where the Group's presence is not significant or where taxation is high.

The amendments to IAS 12 aimed at introducing a temporary exception to the recognition of deferred taxes resulting from the implementation of the OECD Pillar II rules, have not yet been adopted by the EU as at June 30, 2023. The group is currently analyzing the potential impacts and, in accordance with IAS 8, the Group has decided not to recognize deferred taxes in respect of the Pillar II additional taxes.

All amounts in the unaudited condensed interim consolidated financial statements are presented in millions of Euros with one decimal point, unless otherwise specified. The fact that figures have been rounded off to the nearest decimal point may, in certain cases, result in minor discrepancies in the totals and sub-totals in the tables and/or in the calculation of percentage changes.

2.4 Scope of consolidation

Apart from the elements mentioned in Note 12. 'Change in consolidation scope', the group's consolidation scope is similar to the one disclosed in the 2022 consolidated financial statements.

The group's consolidation scope is available upon request at headquarters of the group. Banijay Group is consolidated in the financial statements of Financière Lov Entertainment.

2.5 Significant assumptions and estimates

The preparation of these unaudited condensed consolidated interim 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. In addition, with those described in the combined financial statements as of and for the year ended 31 December 2022, significant assumptions and estimates include the valuation of securities issued and recognized as liabilities (preference shares, founder warrants, public warrants).

2.6 Going concern

The management assessed the Group's ability to continue as a going concern when preparing the consolidated interim financial statements. In terms of liquidity, the management is confident in the Group capacity to covers its needs:

- The net cash-flows provided by operating activities are positive
- The current part of the financial liabilities is covered by the current part of the financial assets and cash and cash equivalent hold by the Group.

- In April 2023, the group has been able to refinance the two Term Loans B as well as the Revolving facility with an extension of maturity of 3 years.
- In addition, as explained in <u>Note 20</u>, as of 30 June 2023, undrawn committed lines of credit, overdrafts and other borrowings amount to a total of 299 M€.

Note 3 SIGNIFICANT EVENTS THAT OCCURRED IN THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

3.1 Refinancing of the two Term Loans and RCF

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 860 M€ (including a 453 M€ tranche and 448 M$ remaining 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 M€, which splits into 102 M€ and 110 M$ 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 benefit from the existing hedges. The existing hedging contracts are still in place until March 2025, and Banijay plans to extend this hedging until 2028 through a new derivative instrument. Furthermore, Banijay entered into a new hedging contract to hedge floating interest rate risks on the additional amounts raised until 2028 (refer to Note 17.2).

In parallel, Banijay extended the maturity of its 170 M€ RCF by 3 years to September 2027 at EURIBOR +3.75%.

in M€	Net debt at 25 Avril 2023 (before issuing costs)	Initial maturity	Additional financing	Net debt after refinancing (before issuing costs)	New maturity
USD TL*	407.0	1 March 2025	101.2	508.1	1 March 2028
Eur TL	453.0	1 March 2025	102.0	555.0	1 March 2028
Total debt before issuing costs	860.0		203.2	1,063.1	
Multicurrency RCF	170.0	01-sept-24		170.0	01-sept-27

**Disclosed at the date of the operation, that is to say at 25 April 2023 exchange rate (1€ = 1.1021USD)*

Despite being in a particularly volatile market, Banijay was able to extend the maturity of its financing by three years to 2028 (2027 for the revolving facility), and under favorable conditions with high-quality institutional lenders.

Under IFRS 9, this refinancing has been dealt as an extinction of the former loans and the issuance new loans. Former issuing costs have been expensed.

3.2 Partial Bonds reimbursement

Following the Term Loans refinancing mentioned above, Banijay proceeded to an anticipated reimbursement of bonds for 55M$ (51 M€) out of the total 403 M$ bonds (ending in March 2025).

3.3 Commitment to take control of Balich Wonder Studio

Banijay has signed in June 2023, a binding agreement, subject to suspensive conditions fulfillment, to purchase a 52% controlling stake in Balich Wonder Studio.

Founded by Marco Balich, Balich Wonder Studio (BWS) is a live entertainment group in charge of creating, producing and delivering live shows and experiences that engage live audiences worldwide, performing custom-made narrative with cutting-edge technologies.

Based in Milan, Balich Wonder Studio has offices in Milan, Saudi-Arabia and the UAE.

The Group has 3 business units:

- Ceremonies: Olympic Games, Ceremonies, National Celebrations, Institutional Celebrations, Opening Ceremonies
- Events & Brand experiences: Hybrid events and activations, gala, roadshows, conventions, entertainment formats, exhibitions
- Immersive shows and destination experiences: cutting-edge creative planning and design for large-scale projects, in collaboration with real estate developers, entertainment operators and public institutions.

The combination of the business of Balich constitutes a great addition to the existing Banijay activities.

3.4 Impairment

The Group performs its annual impairment test during the fourth quarter of each fiscal year or each time events or changes in the economic environment may indicate a risk of impairment as described in the Combined financial statements.

As of 30 June 2023, the Group did not identify any triggering events indicating a decrease in the recoverable amount of Cash Generating Units (CGU) or groups of CGUs.

Note 4 SEGMENT INFORMATION

The Group operates three operating segments which reflect the internal organizational and management structure according to the nature of the products and services provided:

- Production activities (including digital), which encompasses all production entities of the group. These entities form a single operating segment as the nature of their business is similar across the group (mainly 'the production of audiovisual contents') and they present similar long-term economic characteristics.

- Distribution activities (including commercial), constituted by Banijay Rights, Banijay Brands and their subsidiaries, whose activity differs from the rest of the group as those entities are in charge of selling finished tapes and formats.

- And 'Holdings' segment.

Profit & Loss per segment

	2023.06			
In € million	Production	Distribution	Holding	Total Group
Revenue	1,297.2	136.8	0.0	1,434.0
Adjusted EBITDA	186.1	35.9	(21.3)	200.7
Operating profit/(loss)	111.8	12.6	(37.7)	86.7
Cost of net debt	(23.2)	(0.0)	(60.5)	(83.7)
Net income/(loss) for the period	16.3	6.5	(54.2)	(31.4)
Attributable to:				
Non-controlling interests	0.7	(0.0)	-	0.7
Shareholders	15.6	6.5	(54.2)	(32.1)

	2022.06			
In € million	Production	Distribution	Holding	Total Group
Revenue	1,281.9	122.3	0.0	1,404.2
Adjusted EBITDA	184.3	32.8	(18.9)	198.3
Operating profit/(loss)	121.8	14.0	(31.0)	104.8
Cost of net debt	(13.7)	(0.0)	(50.1)	(63.8)
Net income/(loss) for the period	42.1	22.3	(23.2)	41.1
Attributable to:				
Non-controlling interests	1.6	(0.1)	-	1.5
Shareholders	40.5	22.4	(23.2)	39.6

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 transactions 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.

- **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 Note 7.

- **Depreciation and amortization (excluding D&A fiction)**: depreciation and amortization of software and intangible assets, property, plant and equipment 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 unaudited 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 the six-month periods ended 30 June 2023 and 30 June 2022:

	2023.06			
In € million	Production	Distribution	Holding	Total Group
Operating profit/(loss):	111.8	12.6	(37.7)	86.7
Restructuring costs and other non-core items	4.0	1.2	2.2	7.5
LTIP and employment-related earn-out and option expenses	20.5	0.6	29.9	51.1
Depreciation and amortization (excluding first D&A fiction(1))	32.2	19.8	3.2	55.2
Impairment losses and provisions, net of reversals	0.2	0.1	-	0.2
Managment fees reallocations	17.4	1.5	(18.9)	-
Adjusted EBITDA	186.1	35.9	(21.3)	200.7

(2) 0,1 M€ first amortization of fiction production recognized in 2023.06.

In € million	2022.06 Production	Distribution	Holding	Total Group
Operating profit/(loss):	121.8	14.0	(31.0)	104.8
Restructuring costs and other non-core items	(0.4)	0.2	0.4	0.2
LTIP and employment-related earn-out and option expenses	17.7	0.8	21.5	40.0
Depreciation and amortization (excluding first D&A fiction(1))	31.8	16.7	4.4	52.9
Impairment losses and provisions, net of reversals	0.2	0.2	0.1	0.4
Managment fees reallocations	13.2	1.0	(14.3)	-
Adjusted EBITDA	184.3	32.8	(18.9)	198.3

(1) No first amortization of fiction production recognized in 2022.06.

Balance Sheet per segment

In € million	2023.06 Production	Distribution	Holding	Total Group
Non-current assets	2,784.9	247.6	73.6	3,106.2
Current assets	1,703.2	91.9	227.1	2,022.2
Total assets	4,488.1	339.5	300.8	5,128.5
Non-current liabilities	2,226.8	34.8	507.7	2,769.3
Current liabilities	741.8	(72.7)	1,235.9	1,905.0
Total Liabilities (excluding equity)	2,968.6	(37.9)	1,743.7	4,674.4

In € million	2022.12 Production	Distribution	Holding	Total Group
Non-current assets	2,764.9	218.4	82.0	3,065.3
Current assets	1,563.3	113.2	229.3	1,905.8
Total assets	4,328.2	331.6	311.3	4,971.1
Non-current liabilities	2,064.8	39.0	470.5	2,574.4
Current liabilities	739.4	(56.3)	1,150.5	1,833.6
Total Liabilities (excluding equity)	2,804.3	(17.3)	1,621.0	4,408.0

Production and distribution

Non-current assets are mainly constituted by goodwill resulting from Group acquisitions, intangible assets, right-of use assets and the impact of the change in the fair value of the entities' derivatives.

Current assets are constituted by trade receivables, cash and cash equivalents, tax receivables, intercompany debt with other segments and inventories 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. The increment in inventories and work in progress is due to the usual seasonality effect of the business, explained by the fact that projects are delivered normally at the end of the year rather than in the year.

Non-current liabilities include primarily long-term borrowings and other financial debt (refer to Note 17.2), long-term lease liabilities (refer to Note 13.2) and other non-current liabilities (refer to Note 14.4).

Current liabilities are constituted by short-term loans, trade payables, vendor loans and deferred income that relates to undelivered programs that are work-in progress (or intangible assets-in-progress) and that have already been invoiced.

Holding

Non-current assets are mainly constituted by real estate right of use assets and investments in associates. Current assets are mainly constituted by tax receivables (excluding income tax) and cash and cash equivalents.

Non-current and current liabilities include mainly earn-out and put options debts as well as long term incentive plans.

Statement of Cash Flows and Free-Cash flow

	2023.06			
In € million	Production	Distribution	Holding	Total Group
Net cash flow from operating activities	98.5	35.4	(37.3)	96.6
Cash flow (used in)/from investing activities	(44.8)	(9.7)	9.0	(45.5)
Cash flow (used in)/from financing activities	(24.1)	(15.8)	6.6	(33.2)
Other	(5.5)	1.4	(24.1)	(28.3)
Net increase/(decrease) in cash and cash equivalents	24.1	11.2	(45.7)	(10.4)
Cash and cash equivalents as of 1 January	808.6	230.9	(643.3)	396.2
Cash and cash equivalents as of 30 June	832.8	242.1	(689.0)	385.8

	2022.06			
In € million	Production	Distribution	Holding	Total Group
Net cash flow from operating activities	45.4	78.5	(21.4)	102.4
Cash flow (used in)/from investing activities	(21.2)	(11.2)	(4.5)	(36.9)
Cash flow (used in)/from financing activities	(68.4)	15.3	(26.7)	(79.7)
Other	2.2	4.3	18.6	25.2
Net increase/(decrease) in cash and cash equivalents	(42.0)	86.9	(33.9)	11.0
Cash and cash equivalents as of 1 January	631.2	179.7	(468.6)	342.4
Cash and cash equivalents as of 30 June	589.2	266.7	(502.6)	353.3

Note 5 Revenue

Revenue for the six-month periods ended 30 June 2023 and 30 June 2022 by activity and sub-activity are as follows:

In € million	2023.06	2022.06
Production	1,179.3	1,168.3
Distribution	184.3	159.6
Others	70.4	76.3
TOTAL REVENUE	1,434.0	1,404.2

The total revenue is split by typology of revenue and not by segment and corresponds essentially to the production and sale of audiovisual programs and the distribution of audiovisual rights and/or catalogues.

The decrease between periods is driven by the organic growth of the production stream partially compensated by the increase in sales of the distribution stream through intellectual property development.

Information by geographical area based on the location of the entity is as follow:

In € million	2023.06	2022.06
France	130.2	134.3
Europe excluding France	869.3	748.2
United States of America	251.8	335.7
Rest of the world	182.8	186.0
TOTAL REVENUE	1,434.0	1,404.2

Note 6 External expenses

External expenses for the six-month periods ended 30 June 2023 and 30 June 2022 are as follows:

In € million	2023.06	2022.06
Content production costs	(695.5)	(602.7)
Grants received	66.4	35.6
IT costs	(14.4)	(11.2)
Consulting/audit/other fees	(11.1)	(11.3)
Other external services	(22.2)	(17.8)
External expenses	(676.7)	(607.3)

The “Grants received” line corresponds to the government funding for audiovisual productions (mainly scripted-programs) in the various geographical areas the Group operates.

Note 7 STAFF COSTS

7.1 Payroll

Payroll costs for the six-month periods ended 30 June 2023 and 30 June 2022 are broken down as follows in 2023.06 and 2022.06:

In € million	2023.06	2022.06
Employee remuneration and social security costs	(551,0)	(592,6)
Post-employement benefit - Defined benefit obligation	(0,4)	(0,8)
Employee benefits LTIP	(42,1)	(29,4)
Employment-related earn-out and option expenses	(9,0)	(10,6)
Staff costs	(602,4)	(633,5)

The decrease in personnel expenses between periods is mainly explained by an increase of staff costs and long-term incentive plans (LTIP) charges.

In 2022.06 some reclassifications have been performed in the Staff costs:

- (3.8 M€) priorly booked in Staff costs and now classify in Other operating expenses and concerning group management fees (Note 8 - other operating income and expenses)
- (0.8 M€) from Operating expenses to Staff costs and concerning pension costs.

7.2 Employee benefits Long-Term Incentive Plans

Long term incentive plan (LTIP) includes share-based payment plan both phantom shares and free shares, that have been granted to certain employees of the group and are settled in cash or equity, and some other long term incentive plan usually based on the performance of one or several entities.

Most of those schemes are based on the local value creation of the entities in accordance with formulas mostly based on operating KPI (such as operating profit) in which the beneficiaries of the plan are rendering services.

The group revaluates at each reporting date the fair value of the services that have been rendered to date by the beneficiaries of the plan and the resulting expense is recorded under staff costs.

Several plans have been granted to certain key employees of the group. Main plans are disclosed here after:

- Phantom shares plan (Perimeter and Group LTIP), granting phantom shares over a period of 4 years (2021 – 2024) and 8 years of vesting (2021 – 2028).

Perimeter LTIP is based on the operating performance of each entity belonging to the plan. The value creation compared to a floor will generate phantom shares of Banijay Group to the beneficiaries.

Group LTIP is based on the fair market value of Banijay Group share value. Beneficiaries will receive phantom shares of Banijay Group.

The phantom shares value is mainly driven by the Banijay Group share value and is assessed by external financial experts on a regular basis. Those phantom shares enable the beneficiaries to benefit from the value creation of Banijay group shares.

- Free shares plan.

Some managers have been granted a free share program of Banijay Group shares (existing or new shares). Expected attribution date are between 2023 and 2029.

Measurement of the plans

The Group has recorded liabilities of 133.2 M€ as of 30 June 2023 (105.5 M€ as of 31 December 2022). The Group recorded total expenses of 42.1 M€ for the period ended 30 June 2023, compared to 29.4 M€ for the period ended 30 June 2022.

Expenses related to the following share-based payments schemes are:

- Plans allocating free shares, 0.7 M€ (share-based payment equity settled) vs 3.0 M€ in prior year;
- Phantom shares plans indexed on the increase in equity value 40.5 M€ (share-based payment cash settled) vs 22.2 M€ in prior year.
- Other Long Term Incentive Plan (including social charges on free shares) amount to 0.9 M€ compared to 4.2 M€ in prior year.

The cash outflows in regards with LTIP amounted to (12.0) M€ for the period ended 30 June 2023 compared to (7.6) M€ for the period ended 30 June 2022.

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	2023.06	2022.06
Current assets	(0.3)	(3.4)
Non-current assets	(1.2)	(1.4)
Current liabilities	9.4	5.3
Non-current liabilities	38.7	25.0
Employment-related earn-out and option obligation (net)	46.6	25.4

The movements in the employment-related earn-out and option obligation (net) over the years are as follows:

In € million	2023.06	2022.06
Balance as of 1 January	34.4	(7.8)
Service costs	9.0	10.6
Interest expense	1.8	1.0
Benefits paid	(0.4)	(0.3)
Change in scope	0.3	0.3
Translation adjustments and other movements	1.5	21.7
Balance as of 30 June	46.6	25.4

Benefits are based on contractual formulas and computed based on business plans as validated by the business units.

Note 8 OTHER OPERATING INCOME AND EXPENSES

Other operational income and expenses for the six-month periods ended 30 June 2023 and 30 June 2022 are as follows:

In € million	2023.06	2022.06
Tax and duties	(0.6)	(0.9)
President and management fees	(5.7)	(3.8)
Other operational expenses	(0.4)	(0.1)
Other operational income	1.4	0.9
Other operating income and expenses	(5.3)	(3.9)
Of which other operating income	*1.4*	*0.9*
Of which other operating expense	*(6.7)*	*(4.8)*

The other operating income and expenses is mainly explained by the management fees costs incurred to shareholders for (5.7) M€ of which (5.4) M€ to LOV and (0.3) M€ to FL Entertainment (vs (3.8) M€* to LOV in 2022.06).

** Priorly booked in "staff costs" and now classify in "other operating expenses".*

Note 9 OTHER NON-CURRENT OPERATING INCOME (EXPENSES)

Other non-current operating income and expenses for the six-month periods ended 30 June 2023 and 30 June 2022 are as follows:

In € million	2023.06	2022.06
Acquisition costs	(4.2)	(1.2)
Restructuring costs	(3.1)	(2.0)
Change in consolidation scope	0.8	3.0
Other non current operating income (expenses)	(1.0)	(0.0)
Other non current operating income (expenses)	(7.5)	(0.2)

The acquisition costs include expenses related to the different M&A projects (closed, committed or cancelled).

Restructuring costs consist of redundancy costs incurred in recent acquisitions, or similar costs incurred in certain entities in order to achieve synergies.

Note 10 FINANCIAL RESULT

In € million	2023.06	2022.06
Interests costs on bank borrowings, bonds and vendor loans	(84.9)	(64.5)
Cost of gross financial debt	(84.9)	(64.5)
Interests received on cash and cash equivalents	1.2	0.7
Gains on assets contributing to net financial debt	1.2	0.7
Cost of net debt	(83.7)	(63.8)
Interests paid on current accounts liabilities	(4.0)	(1.0)
Interests on lease liabilities	(2.9)	(2.3)
Change in fair value of financial instruments	(14.2)	12.7
Currency gains/(losses)	(19.5)	8.6
Other financial gains/(losses)	1.2	(0.7)
Net financial income/(expense)	(123.1)	(46.5)

The costs of debt net include mainly interests expenses and amortization of transactional costs of the Senior secured and not secured Notes issued on February 11, 2020, and Term loans, issued on April 25, 2023 (80.8) M€ in 2023.06 vs (61.5) M€ in 2022.06).

In first half 2023, those (80.8 M€) includes (15.6 M€) of accelerated issuance costs amortization following Term loans refinancing and partial bonds reimbursement.

The other financial income and expenses for the six-month periods ended 30 June 2023 and 30 June 2022 are detailed as follows:

- The interests paid on current account liabilities are related to factoring commission
- The change in fair value of financial instruments includes:
  - (6.4) M€ of gains and losses on derivatives correspond to the mark to market variation of foreign exchange hedging instruments (vs 13.5 M€ in 2022.06)
  - (0.3) M€ of reevaluation expenses related mainly to the earnout, put option debts, and earn out (vs (1.2) M€ in 2022.06)
  - (5.3) M€ of discounting expenses related to the earn out, put option debts and earn out, put options assimilated as LTIP (vs (3) M€ in 2022.06). These liabilities are discounted based on a 9.51% discount rate in 2022 (2022.06: 9.30%)
  - Discounting effect on revenue with regards to the financing component under IFRS 15 is evaluated for 0.1 M€ (vs (1.2) M€ in 2022.06)
- Currency gains/(losses) are related to unrealized and realized foreign exchange effect for (19.5) M€ (vs 8.6 M€ in 2022.06)
- The Other financial gains/(losses) are mainly composed of 1 M€ of interests income on BETCLIC loan (see note 19.1 – transaction with parent's companies)

Note 11 INCOME TAX

The Group computed its income tax expense for the interim period using the projected effective tax rate method (based on tax rate at year end per geographical area) after restating the profit/(loss) before tax from certain selected items with no tax impacts (e.g., discount and revaluation income or expense, tax losses carried forward for which deferred tax assets do not reach the recognition criteria).

In € million	2023.06	2022.06
Income tax per Financial Statements	6.3	(15.7)
Restatement of Withholding taxes	1.7	1.9
Restatement of Tax provision	(3.8)	0.1
Restated income tax	4.1	(13.7)
Earnings before provision for income Tax	(37.7)	56.8
Share of net income from associates & joint ventures	1.3	1.5
Restatement of certain items with no tax effect [1]	18.1	10.9
Restated Earning before provision for Income Tax	(18.3)	69.3
Effective income tax rate	22.6%	19.7%

(1) Such as: Discounting and revaluation income or expenses, some non-deductible share-based payment, or some capital gains or losses over change in consolidation, badwill.

The income tax rate restated from major permanent difference for the interim period 2023 stands at 22.6%.

Note 12 CHANGE IN CONSOLIDATION SCOPE

12.1 Significant acquisitions in first semester 2023 of controlled entities

Integration of Beyond (Australia)

At the end of Dec. 2022, Banijay acquired 100% of Beyond International in Australia. As a late acquisition, Beyond shares was presented as non-consolidated shares as of December 2022. From January 2023, Beyond is fully integrated in Banijay

Beyond is an international producer and distributor, it has a portfolio of around 8 000 hours of scripted and non-scripted in-house and 3rd-party-acquired content overseen by Beyond Rights. Complimentary to our own catalogue, its track record lies mainly in the English-language with notable titles it distributes.

Opening balance sheet analysis is still in progress. Preliminary Goodwill is temporally fully allocated to distribution segment +22.4 M€.

Acquisition of A Fabrica (Brazil)

In March 2023, Banijay acquired 51.0% of A Fábrica. Based in Brazil, the label, is behind a host of the nation's best scripted series and films, including the top-rated pay TV sitcom, Vai Que Cola.

Acquisition of TWENTYTWO PRODUCTIES B.V (Netherland)

In March 2023, Banijay acquired 51.0% of TWENTYTWO PRODUCTIES B.V (through a subscription to the capital 30% and a direct investment 20%). TWENTYTWO PRODUCTIES B.V provides both production and postproduction services to the motion picture industry.

Majority investment in LaLiga Studios (Spain)

In June 2023, Banijay Iberia invested 51% in the new Joint Venture LaLiga Studios. The remaining 49% are invested by LaLiga Group International. The agreement sees Banijay Iberia utilise its production expertise and LaLiga, its knowledge and reputation, to establish LaLiga Studios, a global leader in the creation of sports-related content.

Through this partnership, LaLiga Studios will produce audiovisual content for LaLiga, clubs, sponsors, and broadcasters. It will also work with international platforms and brands in the development, production, and distribution of entertainment, documentary, fiction, and animation content.

The purchase price allocation of all those acquisitions is still under progress at the date of issuance of the consolidated financial statements.

12.2 Significant investment in first semester 2023 in non-controlled entities

Banijay has acquired minority stake on several non-controlled entities in the UK and in the USA during the first semester 2023 for a total investment of 12.5 M€ financing scripted projects and other premium content.

12.3 Change in Goodwill

In € million	Production	Distribution	Holding	Gross value	Impairment	Goodwill, net
1 January 2023	2,355.8	115.7	(0.0)	2,471.5	-	2,471.5
Acquisitions (1)	7.0	24.4	-	31.4	-	31.4
Divestures	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Exchange difference	(2.7)	0.4	-	(2.4)	-	(2.4)
30 June 2023	2,360.1	140.5	(0.0)	2,500.6	-	2,500.6

(1) The 7 M€ increase in production is mainly due to A Fàbrica goodwill. The 24.2 M€ in distribution is mainly explained by Beyond integration.

Note 13 Leases

13.1 Right-of-use assets

The assets accounted under IFRS 16 as of 30 June 2023 and 31 December 2022 are mainly real estate assets, i.e., office buildings and studios.

In € millions	2023.06	2022.12
GROSS AMOUNT		
As of January 1st	256.3	235.5
Addition of assets	33.3	42.5
Change in consolidation scope	1.0	1.4
Reclassification and others (1)	(17.6)	(24.9)
Exchange differences	(1.8)	1.8
As end of period	271.3	256.3
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
As of January 1st	(106.8)	(82.8)
Depreciation / amortization	(19.1)	(39.2)
Change in consolidation scope	0.1	0.0
Reclassification and others (1)	15.1	15.4
Exchange differences	0.8	(0.2)
As end of period	(110.0)	(106.8)
Net values as end of period	161.3	149.5

(1) The reclassification and others caption is mainly related to contracts' modifications.

13.2 Lease liabilities

In € millions	2023.06	2022.12
Lease liability as of January 1st	159.9	164.2
Increase in liabilities	33.3	42.5
Principal lease repayments	(20.9)	(43.0)
Accrued Interests	2.9	4.1
Changes in consolidation scope	1.0	1.5
Reclassification and others (1)	(2.9)	(11.1)
Exchange differences	(1.0)	1.7
Lease liability as of March and December 31st	172.4	159.9

(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 20.9 M€ and 43.0 M€ for the period ended respectively on 30 June 2023 and 31 December 2022.

The maturity profile of the Group's lease liabilities based on contractual undiscounted payments is as follows:

In € millions	2023.06	2022.12
Due in less than one year	39	40
Due between one to five years	109	107
Due in more that five years	42	24
Total	190	171

Note 14 WORKING CAPITAL BALANCES

14.1 Trade receivables

The breakdown of trade and other receivables as of 30 June 2023 and 31 December 2022 is as follows:

In € million	2023.06	2022.12
Trade receivables, gross	492.2	496.7
Depreciation	(12.6)	(13.0)
TRADE RECEIVABLES, NET	479.6	483.8

Trade receivables are related to clients and related accounts. They consist of trade receivables pending to be collected, or which have been sold on a recourse basis, and unbilled receivables.

14.2 Other non-current and current assets

The breakdown of other non-current and current assets as of 30 June 2023 and 31 December 2022 is as follows:

In € million	2023.06	2022.12
Trade receivables, LT	14.2	17.8
Income tax receivables, LT	1.8	5.2
Grant receivables, LT	4.2	1.5
Receivables from disposals of assets, LT	-	-
Employment-related earn-out and option, LT	1.2	0.8
Other, LT	1.2	1.3
OTHER NON-CURRENT ASSETS	22.5	26.6

In € million	2023.06	2022.12
Tax receivables, excluding income tax	84.3	98.4
Grants receivables	111.4	102.2
Income tax receivables	21.5	5.5
Prepaid expenses	26.0	17.4
Production-related receivables	18.3	18.6
Receivables from disposals of assets	(0.0)	2.0
Employment-related earn-out and option, ST	0.3	2.2
Others	14.0	17.5
OTHER CURRENT ASSETS	275.9	263.9

14.3 Customer contract liabilities

Customer contract liabilities as of 30 June 2023 and 31 December 2022 are as follow and only consist of deferred revenue:

In € million	2023.06	2022.12
Deferred revenue	794.0	637.6
Customer contract liabilities	794.0	637.6

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.

14.4 Other non-current and current liabilities

Other non-current liabilities as of 30 June 2023 and 31 December 2022 are as follows:

In € million	2023.06	2022.12
Long-term liabilities on non-controlling interests (1)	50.7	51.1
Employee long term incentive plan, LT (2)	95.0	91.1
Other employee-related liabilities, LT	3.2	3.5
Employment-related earn-out and option obligation, LT	38.7	32.6
Other non-current liabilities	11.9	18.8
Other non-current liabilities	199.6	197.1

Other current liabilities as of 30 June 2023 and 31 December 2022 are as follows:

In € million	2023.06	2022.12
Employee-related payables (accruals for paid leave, bonuses and other)	82.8	98.3
National, regional and local taxes other income tax	77.8	98.2
Short-term liabilities on non-controlling interests (1)	108.6	73.1
Income tax liabilities	22.5	19.7
Employee long term incentive plan, ST (2)	38.2	14.3
Other employee-related liabilities, ST	2.3	3.1
Employment-related earn-out and option obligation, ST	9.4	4.8
Payable on fixed asset purchase	0.7	1.0
Production-related payables	14.2	3.7
Other current liabilities	18.5	20.8
Other current liabilities	374.8	337.0

(1) *Liabilities on non-controlling interests (put options and earn out) 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	2023.06	2023.12
Liabilities on non-controlling interest as of 1 January	124.2	100.2
Scope entry	3.3	18.0
Remeasurement through P&L	6.1	5.8
Repayments	(1.8)	(6.8)
Translation differences	(0.6)	(0.4)
New put instrument other than in scope variation (1.1)	28.1	7.2
Reclassification	(0.0)	-
Liabilities on non-controlling interest as of end of period	159.3	124.2
Of which current	*108.6*	*73.1*
Of which non-current	*50.7*	*51.1*

(1.1) For 2023.06 - Financial commitment to repurchase the own shares in July/August 2023

(2) *Employees' long-term incentive plans include cash-settled share-based payment liability (refer to Note 7).*

Note 15 CHANGES IN SHAREHOLDERS EQUITY

15.1 Banijay Group equity

The capital of Banijay Group amounts to 104,215,171€ (104,215,171 shares of 1€ each, fully paid). No change occurred in the second quarter 2023.

15.2 Own shares

At the end of June 2023, Banijay Group holds 348,180 own shares (no movement during the period compared to 31 December 2022).

15.3 Dividend distribution

The Company has granted the following dividend distribution:

In € million	Dividend (in €)	Dividend per share (in €) (1)
2021	5,644,000	0.054
2022	nil	nil
2023	58,198,293	0.558

(1) Dividend per share based on the number of shares at the time of the distribution.

Note 16 PROVISIONS AND CONTINGENT LIABILITIES

The change in provisions between 1 January 2023 and 30 June 2023 is as follows:

In € million	Commercial claims and litigation	Restructuring plan	Other	Total
As of 1 January 2023	14.6	2.5	29.9	47.0
Movements taken to profit and loss	(1.1)	(0.9)	(3.0)	(5.1)
Additions	(0.1)	1.7	1.0	2.6
Releases	(1.0)	(2.6)	(4.0)	(7.6)
Of which used	*(0.3)*	*(2.6)*	*(4.0)*	*(6.9)*
Of which unused	*(0.6)*	*-*	*(0.0)*	*(0.7)*
Other movements	(0.5)	(0.0)	(0.2)	(0.7)
Reclassifications and others (1)	(0.7)	-	0.1	(0.6)
Translation adjustment	0.0	(0.0)	0.1	0.1
Change in scope of consolidation and other	0.2	-	(0.4)	(0.2)
As of 30 June 2023	13.0	1.5	26.7	41.2
Of which non-current provisions	*11.4*	*-*	*17.3*	*28.7*
Of which current provisions	*1.6*	*1.5*	*9.4*	*12.5*

(1) Reclassifications and others include mainly reclassifications to other account aggregates. When risks become more specified, provision is reclassified into "certain" liability account if not yet paid.

Other provisions include:

Employee defined benefit obligation (post-employment benefits) – 13 M€

The group is part of some defined benefit schemes by contributing to pension plans and other post-employment benefits mainly in Germany, France and Italy.

Provision for financial risks – 0.7 M€

Provision for financial risks mainly corresponds to the negative equity of the entities consolidated under equity method or non-consolidated as it is from time to time the group's responsibility to cover those losses if needed.

Other provisions – 13 M€

All disputes (type, amounts, procedure and level of risk) are identified by the Legal Department of the group which ensures regular monitoring. The amount of provisions for the claims result from a case by case analysis, depending on the positions of the litigants, on the estimation of the risks by the group's legal advisors and on first instance decisions, if any.

Note 17 FINANCIAL ASSETS AND LIABILITIES

17.1 Current and non-current financial assets

Financial assets comprise financial interests in non-consolidated companies, loans, restricted cash accounts and current accounts with shareholders.

In € million		2023.06	2022.12
Financial interests in non-consolidated companies	(1)	10.1	40.6
Non-current loans, guarantee instruments and other financial assets		19.1	17.2
Non-current restricted cash and cash equivalents		-	-
Non-current derivative financial assets		60.5	62.9
Non-current financial assets		89.6	120.7
Current loans, guarantee instruments and other financial assets		46.9	48.0
Current restricted cash and cash equivalents		-	-
Current accounts		6.3	2.7
Escrow account		-	-
Current derivative financials assets		3.6	6.2
Current financial assets		56.8	57.0
TOTAL FINANCIAL LIABILITIES		146.4	177.6

(1) Beyond has been fully consolidated since January 2023

Derivatives comprise foreign exchange and interest rate hedging, which are measured at fair value.

17.2 Current and non-current Financial Liabilities

In € million		2023.06	
	Non-current	Current	Total
Bonds	1,260.4	-	1,260.4
Bank borrowings	1,137.2	84.8	1,222.0
Accrued interests on bonds and bank borrowings	-	29.6	29.6
Vendor loans	-	-	-
Accrued interests on current accounts	-	-	-
Bank overdrafts	-	4.6	4.6
Derivatives - Liabilities	0.0	2.7	2.7
TOTAL FINANCIAL LIABILITIES	2,397.6	121.7	2,519.3

In € million		2022.12	
	Non-current	Current	Total
Bonds	1,313.7	-	1,313.7
Bank borrowings	906.1	146.0	1,052.1
Accrued interests on bonds and bank borrowings	-	29.5	29.5
Vendor loans	-	-	-
Accrued interests on current accounts	-	-	-
Bank overdrafts	-	(0.0)	(0.0)
Derivatives - Liabilities	-	-	-
TOTAL FINANCIAL LIABILITIES	2,219.9	175.4	2,395.3

The variation of the financial liabilities breaks down as follows:

In € million	1 January 2023	Cash-flows: Increase	Cash-flows: Repayment	Cash-flows: Other cash items	Non cash-flows: Other non cash items	Non cash-flows: Foreign exchange	31 March 2023
Bonds	1,313.7		(51.1)	-	4.1	(6.3)	1,260.4
Bank borrowings (1)	1,052.1	207.4	(27.0)	(3.5)	0.1	(7.0)	1,222.0
Accrued interests on bonds and bank borrowings	29.5	-	-	-	1.1	(1.0)	29.6
bank overdrafts	(0.0)	4.4	(2.8)	-	0.0	3.1	4.6
Derivatives	-	-	-	-	2.7	-	2.7
TOTAL FINANCIAL LIABILITIES	2,395.3	211.7	(80.9)	(3.5)	8.0	(11.2)	2,519.3

(1) *The line "Repayment of borrowings and other financial liabilities" in the cash-flow statement also includes the lease repayments for an amount of (17.9) M€ while the Total Financial Liabilities include bank overdrafts for (2.5) M€.*

In € million	1 January 2022	Cash-flows: Increase	Cash-flows: Repayment	Cash-flows: Other cash items	Non cash-flows: Other non cash items	Non cash-flows: Foreign exchange	31 December 2022
Bonds	1,679.1	-	-	-	(416.5)	51.1	1,313.7
Bank borrowings (1)	584.4	20.9	(21.3)	0.6	475.9	(8.3)	1,052.1
Accrued interests on bonds and bank borrowings	28.0	-	-	-	0.9	0.6	29.5
Bank overdrafts	1.7	-	-	-	(1.8)	-	(0.0)
TOTAL FINANCIAL LIABILITIES	2,293.2	20.9	(21.3)	0.6	58.4	43.4	2,395.3

(1) *The line "Repayment of borrowings and other financial liabilities" in the cash-flow statement also includes the lease repayments for an amount of (38.9) M€.*

Characteristics of bonds and term loans

	Residual nominal amount (in € millions) 30 June 2023	31 December 2022
- 575 M€ senior secured notes issued in 2020 and due in 2025, which priced at par and have a coupon of 3.500% per annum;	575	575
- 400 M€ senior notes issued in 2020 and due in 2026, which priced at par and have a coupon of 6.500% per annum;	400	400
- 403 M$ senior secured notes issued in 2020 and due in 2025, which priced at par and have a coupon of 5.375% per annum (1);	320.3	377.8
- Former 453 M€ term loan B facility issued in 2020 and due in 2025, which bears interest at a rate of EURIBOR plus 3.75% per annum, with a customary margin ratchet mechanism with a 0.0% EURIBOR floor;	N/A (2)	453.0
- 555 M€ term loan B facility issued in 2023 and due in 2028, which bears interest at a rate of EURIBOR plus 4.50% per annum, with a customary margin ratchet mechanism with a 0.0% EURIBOR floor for 453 M€ until March 2025 and 2,80%~3,30% tunnel for 102 M€ until March 2028;	555	0.0
-Former 460 M$ term loan B facility issued in 2020 and due in 2025, which bears interest at a rate of LIBOR plus 3.75% per annum, with a 0.0% LIBOR floor.	N/A (2)	421.6
- 560 M$ term loan B facility issued in 2023 and due in 2028, which bears interest at a rate of SOFR plus 3.75% and plus 0.1% credit adjustment spread per annum, with a 1.4% SOFR floor for 448,5 M$ until March 2025 and 3.45% SOFR floor for 111,5 M$ until March 2028.	514.1	0
	2,364.3	2,227.4

(1) *55 M$ have been reimbursed in June 2023 concerning the 403 M$ of Senior Secured notes.*
(2) *Refinancing of the two term loans in April 2023*

As of 30 June 2023, 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; and
- Lease liabilities;

Maturity of current and non-current debt (principal and interest)

In € million	Current	Non current		
	Less than 1 year	1 to 5 years	More than 5 years	Total 31 June 2023
Bonds	63,1	1 384,6	-	1 447,7
Bank borrowings	146,8	1 444,1	-	1 591,0
Total debt maturity (principal and interests)	209,9	2 828,8	-	3 038,6

In € million	Current	Non current		
	Less than 1 year	1 to 5 years	More than 5 years	Total 31 December 2022
Bonds	66.4	1,476.0	-	1,542.4
Bank borrowings	186.5	948.4	-	1,134.9
Total debt maturity (principal and interests)	252.9	2,424.4	-	2,677.3

17.3 Net financial debt

Net financial debt is determined as follows:

In € million	2023.06	2022.12
Bonds	1,260.4	1,313.7
Bank borrowings	1,222.0	1,052.1
Bank overdrafts	4.6	(0.0)
Accrued interests on bonds and bank borrowings	29.6	29.5
Total bank indebtedness	2,516.7	2,395.3
Cash and cash equivalents	(390.6)	(396.0)
Intercompany loan Betclic	(27.8)	(33.4)
Net cash and cash equivalents	(418.3)	(429.4)
Net debt before intercompany loan and derivatives effects	2,098.3	1,965.9
Derivatives - Liabilities	2.7	-
Derivative - Assets	(64.1)	(69.1)
Net debt	2,036.9	1,896.8

17.4 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 main hedges unmatured as of 30 June 2023 and 31 December 2022 are detailed in the table below:

	Derivatives - assets		
As of 30 June 2023 *In € million*	Total	Non-current	Current
Exchange risk	7.9	4.3	3.6
Interest rate risk	56.2	56.2	-
Hedging instruments	64.1	60.5	3.6
Embedded derivatives	-	-	-
Total derivatives	64.1	60.5	3.6

	Derivatives - assets		
As of 31 December 2022 *In € million*	Total	Non-current	Current
Exchange risk	11.2	5.0	6.2
Interest rate risk	57.9	57.9	-
Hedging instruments	69.1	62.9	6.2
Embedded derivatives	-	-	-
Total derivatives	69.1	62.9	6.2

	Derivatives - liabilities		
As of 30 June 2023 *In € million*	Total	Non-current	Current
Exchange risk	2.7	-	2.7
Interest rate risk	0.0	0.0	-
Hedging instruments	2.7	0.0	2.7
Embedded derivatives	-	-	-
Total derivatives	2.7	0.0	2.7

As of 31 December 2022, there was no derivatives liabilities.

	Derivatives - assets value variation		
As of 30 June 2023 *In € million*	Total	Non-current	Current
Value variation in Equity	0.4	0.4	
Value variation in P&L	(3.8)	(1.2)	(2.6)
Foreign currency effect	-		
Value variation exchange risk	(3.3)	(0.7)	(2.6)
Value variation in Equity	(1.2)	(1.2)	-
Value variation in P&L	-	-	-
Foreign currency effect	(0.5)	(0.5)	-
Value variation interest rate risk	(1.7)	(1.7)	-
Total value variation in Equity	(0.7)	(0.7)	-
Total value variation in P&L	(3.8)	(1.2)	(2.6)
Total foreign currency effect	(0.5)	(0.5)	-
Total value variation derivatives	(5.0)	(2.4)	(2.6)

As of 30 June 2023 *In € million*	Derivatives - liabilities value variation Total	 Non-current	 Current
Value variation in Equity	-	-	-
Value variation in P&L	2.7	-	2.7
Foreign currency effect	-	-	-
Value variation exchange risk	2.7	-	2.7
Value variation in Equity	-	-	-
Value variation in P&L	-	-	-
Foreign currency effect	-	-	-
Value variation interest rate risk	0.0	0.0	-
Total value variation in Equity	-	-	-
Total value variation in P&L	2.7	-	2.7
Total foreign currency effect	-	-	-
Total value variation derivatives	2.7	0.0	2.7

The maturity of the hedging instruments is comprised between 1 and 5 years.

The measurement of hedging instruments during the period is mostly impacted by the change in interest rates and also by the changes in the EUR/USD /GBP and AUD exchange rate.

The change in fair value of cash flow hedge instruments is accounted for in other comprehensive income for an amount of (0.7) M€ for the period ended 30 June 2023.

The change in fair value of fair value hedge instruments is recognized in net income amounted to (6.4) M€ for the period ended 30 June 2023.

Note 18 Cash flow Statements

18.1 Amortization, depreciation, impairment losses and provisions, net of reversals

The 55.7 M€ are made of cancellation of amortization, depreciation, impairment losses and provision for 55.4 M€ within Current operating profit and for 0.3 M€ stated in financial result.

18.2 Other adjustments

Other adjustments in the statement of cash flows mainly include the restatement of:

- unrealized and realized foreign exchange gains or losses,
- certain elements that are restated from the cash flows from operating activities to be presented under investing or financing activities (e.g. transaction costs).
- Certain financial costs that are restated from the cash flows from operating activities to be presented under financing activities (e.g. factoring costs).

Note 19 RELATED PARTIES

The consolidated accounts include operations carried out by the group in the ordinary course of its business with related parties. These transactions are made at the market price.
The table below shows total amounts of transactions that were concluded with related parties in the six-months period ended June 2023.

Related parties consist of:

- Parents' companies of Banijay Group: Financière LOV, Financière LOV Entertainment and Betclic;
- Other shareholders, notably: Group Vivendi's subsidiaries, Fimalac, De Agostini and Banijay Group Holding;
- Associates and joint ventures;
- Key management personnel.

19.1 Transactions with parents' companies

The Group recorded several transactions with its parent's companies and its subsidiaries that are not part of the Group's consolidation scope, as follows:

In € millions	Financière LOV (1)	Financière Lov Entertainment	Betclic	Banijay Group Holding
Operating income / Operating expenses	(5,3)	(0,3)	0,0	-
Financial income / expenses	-	-	1,0	-
Total P&L	(5,3)	(0,3)	1,0	-
Net financial assets / financial liabilities / Provisions	-	-	27,8	1,5
Net trade receivables / payables	0,7	0,5	0,1	-
Total BS	0,7	0,5	27,8	1,5

(1) Including Financière LOV COSMETICS and LOV HOTEL COLLECTION

19.2 Transactions with other Shareholders

In € millions	De Agostini subsidiaries	Vivendi Subsidiaries	Fimalac Subsidiaries
Operating income / Operating expenses	-	15.3	0.6
Financial income / expenses	-	-	-
Total P&L	-	15.3	0.6
Net financial assets / financial liabilities / Provisions	-	-	-
Net trade receivables / payables	-	0.2	-
Total BS	-	0.2	-

19.3 Transactions with Associates and Joint Ventures

The Investments in associates and joint ventures amounts to 26.4 M€ at end of June 2023. Transactions with those entities are listed here after:

In € millions	Associates and joint ventures
Operating income / Operating expenses	0,4
Financial income / expenses	0,2
Total P&L	0,6
Net financial assets / financial liabilities / Provisions	6,3
Net trade receivables / payables	0,5
Total BS	6,7

19.4 Transactions with Key Management Personnel

Key management personnel who has the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, is the CEO of Banijay Group. The remuneration of the CEO, in the books of Banijay Group, is detailed in the table below:

In € million	30 June 2023	30 June 2022
Short-term employee benefits (fixed salary and variable component)	(1.0)	(1.0)
Share-based payment	(0.0)	(0.2)
Total compensation to key management personnel	(1.1)	(1.2)

Note 20 Off-Balance Sheet Commitments

As of 30 June 2023, the off-balance sheet commitments of the sub-group were as follows:

In € million	30 June 2023	31 December 2022
Commitments given (1)	202.2	1.3
Credit Lines	298.7	318.0
Commitments received	298.7	318.0

(1) Of which Balich Wonder Studio on-going acquisition and Financing commitments on investment in associates

"*Other commitments given*" mainly correspond for 2023 & 2022 year-end end to minimum guarantees granted by distribution activity to third party producers.

"*Commitments received*" refer to confirmed credit lines not drawn.

Other guarantees given

The group has pledged shares of its subsidiaries for the benefit of its noteholders and its bank pooling pursuant to the financing subscribed on February 11, 2020, as amended and restated on 25, April 2023 only with regards to the amount owed to the bank pooling under the Senior Facility Agreement.

The shares of the following companies are pledged as collateral:
Banijay Entertainment SAS, Adventure Line Productions SAS, H2O Productions SAS, Banijay France SAS, Banijay Media Ltd (Ex Zodiak Media Ltd), Banijay Rights Ltd, Bwark Productions Ltd, Castaway Television Productions Ltd, RDF Television Ltd, Banijay Group US Holding Inc., Banijay Entertainment Holdings US Inc., Bunim-Murray Productions Inc., Bunim-Murray Productions LLC., M Therory Entertainement, Inc., Mobility Productions, Inc., Endemol US Holding Inc., Trully Original LLC., Screentime Pty Limited ; Endemol Shine Australia Pty Ltd., Banijay Benelux Holding B.V (EX: AP NMT JV NEWCO B.V), Endemol Shine IP B.V; Endemol Shine Nederland Holding B.V (now Banijay Benelux Holding B.V), Endemol Shine Nederland B.V..

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).

Note 21 SUBSEQUENT EVENTS

No significant events occurred between the reporting period and end of July (date of completing this report) to the bets of the group's management knowledge.