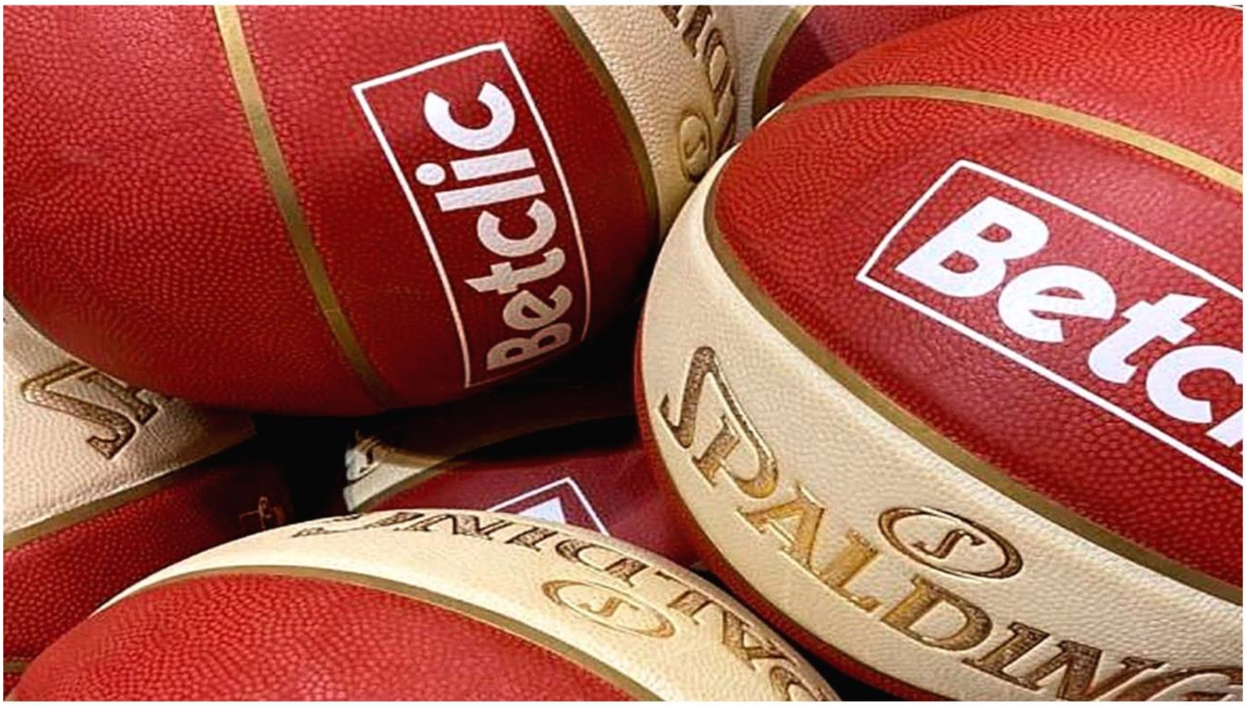


FL/ENTERTAINMENT

Interim Financial Report and Unaudited Condensed Consolidated Interim Financial Statements

For the six-month period ended 30 June 2023

IMPORTANT INFORMATION

Defined terms

In this Interim Financial Report, the term "Company" means the company FL Entertainment N.V., a Dutch public company with limited liability (*naamloze vennootschap*), with share capital of €8,698,462.62 whose Ordinary Shares are admitted to listing and trading on Euronext Amsterdam, having its business address at 5 rue François 1er, 75008 Paris, France. The Company is registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 85742422 and registered under number 913 167 227 RCS Paris, and its Legal Entity Identifier is 894500G73K46H93RF180.

A glossary of the main defined terms used in this Interim Financial Report can be found in section 8.7 (Glossary) of the 2022 Universal Registration Document approved on 28 April 2023, by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "2022 Universal Registration Document").

1. INTERIM MANAGEMENT REPORT

Preliminary considerations

On 2 August 2023, the Board of Directors of FL Entertainment approved the financial report and the unaudited condensed financial statements for the half-year ended 30 June 2023.

The condensed financial statements were prepared in accordance with IAS 34 – IFRS as adopted by the European Union and applicable to interim financial information.

The financial report for the first half of 2023 should be read in conjunction with the 2022 Universal Registration Document. The condensed financial statements for the first half-year ended 30 June 2023, have not been reviewed or audited.

1.1 Business overview

	Half-year ended 30 June		
	2023	2022	% Change
Revenues	1 923.3	1 800.8	6.8%
Adjusted EBITDA	327.3	300.8	8.8%
Adjusted EBITDA margin	17.0%	16.7%	0.3 pts
Adjusted Net Income	167.4	138.8	20.7%
Adjusted Free Cash Flow	274.1	249.3	10.0%
Adjusted Cash Conversion Rate	83.7%	82.9%	0.8 pts

	HY23	FY22	% Change
Net financial debt	2,354	2,091	12.6%

***Non-IFRS measure** - This Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements includes certain alternative performance indicators which are not defined in the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board as endorsed by the EU. The descriptions of these alternative performance indicators and reconciliations of non-IFRS to IFRS measures are included in this report (please refer to Note 4 to the Condensed Financial Statements for the half-year ended 30 June 2023).*

- Half-year revenue grew by €123 million, reaching €1,923 million. Content production and distribution business revenue rose to €1,434 million while the Sports betting and online gaming business generated €489 million.
- Adjusted EBITDA rose by 8.8% to €327 million.
- Adjusted Free Cash Flow improved by 10% to €274 million.

1.2 Significant events during the first half of 2023

1.2.1 Holding[1]

Acquisition of a minority stake in The Independents

On June 2023, FL Entertainment and TowerBrook announced an investment in the leading global marketing and communications group The Independents ("TIL"). The acquisition was closed on 28 June 2023 for a total amount of €86.4 million.

The Independents is a global marketing and communications group for luxury and lifestyle brands. It is a cross-sector leader, encompassing communications and digital marketing, experience, content creation and influencer strategy through its synergistic portfolio of six world renowned agencies: Bureau Betak & Bureau Future, K2, Karla Otto, Lefty, Prodject, and The Qode spread throughout Asia, the USA, Europe & the Middle East.

The investment of the Group in TIL was done through:

- the funding of the entity "Gardenia" (one of the shareholders of K10, the holding company of the TIL Group) for €77.0 million by Banijay Events (a newly created wholly owned subsidiary of FLE) providing financial rights and certain governance rights to Banijay Events;
- the direct shareholding in the TIL Group via K10 with the acquisition of Preferred C bis Shares by Banijay Events for €9.4 million, providing financial rights and certain governance rights to Banijay Events;
- the commitment of Banijay Events to fund €50.0 million for K10 within the next three years in exchange of K10 Preferred D bis Shares; and
- put and call mechanisms leading to the possibility for Banijay Events (i) to acquire additional shares in Gardenia and (ii) to acquire the control of TIL in 2026. In the event Banijay Events does not exercise its call option in 2026, the founders of The Independent might exercise a call option which entitles them to require Banijay Events to sell them all the securities held by Banijay Events or FL Entertainment in K10.

1.2.2. Content production & distribution business:

Refinancing of the two Term Loans and RCF

In 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 million (including a €453 million tranche and $448 million 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 million, which splits into €102 million and $110 million respectively. The Term Loans B will carry a floating interest at EURIBOR +450 bps for the Euro-denominated tranche, and at SOFR +375 bps for the US Dollar-denominated tranche, both of which 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.

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

[1] Holding refers to a third operating segment which includes the corporate activities.

Partial bonds reimbursement

Following the term loans refinancing mentioned above, Banijay repaid \$55 million (€51 million) out of its \$403 million senior secured notes due March 2025 pursuant to a cash tender offer.

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 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 which constitutes a great addition to the activities of Banijay.

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

BWS 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.

1.2.3. Online sports betting & gaming business:

New facility agreement of €150 million

In May 2023, Betclic activated the Tranche B of the Senior Loan with its partner banks, with a nominal value of €150 million and a reimbursement *in fine* at a maturity date of 2025. The step-up margin is 3% and then will rise progressively to 5% in December 2024. According to IFRS 9, this loan has been booked on amortized cost principle in order to reflect the actual cash flow.

1.3 Analysis of results for the half-years ended 30 June 2023 and 30 June 2022

	Half-year ended 30 June								
				2023				2022	
	Content production & distribution	Online sports betting & gaming	Holding	Total Group	Content production & distribution	Online sports betting & gaming	Holding	Total Group	% Change
Revenues	1,434.0	489.3	0.0	1,923.3	1,404.2	396.6	0.0	1,800.8	6.8%
External expenses	(676.7)	(314.7)	(2.0)	(993.5)	(607.4)	(253.3)	(0.7)	(861.3)	15.3%
Staff costs	(609.6)	(68.2)	(1.3)	(679.1)	(655.9)	(49.4)	0.0	(705.3)	(3.7)%
Other operating income	5.7	0.0	0.0	5.7	2.7	13.1	0.0	15.8	(64.0)%
Other operating expenses	(18.5)	(7.4)	(0.8)	(26.7)	(6.9)	(5.8)	(6.6)	(19.3)	38.2%
Depreciation and amortization expenses	(55.3)	(4.9)	(0.0)	(60.3)	(54.5)	(5.7)	0.0	(60.2)	0.2%
Operating profit (loss)	**79.5**	**94.0**	**(4.2)**	**169.4**	**82.3**	**95.5**	**(7.3)**	**170.5**	**(0.7)%**
Financial income	1.2	0.0	0.4	1.6	0.6	0.0	0.0	0.6	197.4%
Interest expense.	(83.9)	(5.0)	(1.5)	(90.5)	(64.3)	(6.3)	(3.6)	(74.2)	22.0%
Cost of net debt	**(82.7)**	**(5.0)**	**(1.1)**	**(88.8)**	**(63.8)**	**(6.3)**	**(3.6)**	**(73.6)**	**20.7%**
Other finance income (costs)	(60.8)	(0.3)	2.9	(58.2)	(63.7)	(1.5)	(20.6)	(85.7)	(32.1)%
Net financial income/(expenses)	**(143.5)**	**(5.4)**	**1.9**	**(147.0)**	**(127.4)**	**(7.7)**	**(24.1)**	**(159.3)**	**(7.7)%**
Share of net income from associates & joint ventures	(1.3)	0.0	0.0	(1.3)	(1.5)	0.0	0.0	(1.5)	(16.8)%
Earnings before income tax expenses	**(65.2)**	**88.6**	**(2.3)**	**21.1**	**(46.7)**	**87.8**	**(31.4)**	**9.7**	**118.2%**
Income tax expenses	5.6	(15.2)	0.0	(9.5)	(15.7)	(12.2)	0.0	(27.8)	-65.9%
Profit (loss) from continuing operations	**(59.6)**	**73.5**	**(2.3)**	**11.6**	**(62.3)**	**75.6**	**(31.4)**	**(18.2)**	**163.9%**
Profit (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net income (loss) for the period	**(59.6)**	**73.5**	**(2.3)**	**11.6**	**(62.3)**	**75.6**	**(31.4)**	**(18.2)**	**163.9%**

Segmental information

In € million	Half-year ended 30 June		
	2023	2022	% Change
Content production and distribution business…..........			
Revenues…...	1,434.0	1,404.2	2.1%
Operating profit/loss…...	79.5	82.3	(3.4)%
Adjusted EBITDA…...	200.7	198.3	1.2%
Net income…...	(59.6)	(62.3)	(4.4)%
Online sports betting and gaming business…..............			
Revenues…...	489.3	396.6	23.4%
Operating profit/loss…...	94.0	95.5	(1.6)%
Adjusted EBITDA……...	130.2	103.2	26.1%
Net income…...	73.5	75.6	(2.8)%
Holding…..			
Revenues…...	0.0	0.0	
Operating profit/loss…...	(4.2)	(7.3)	(42.8)%
Adjusted EBITDA…...	(3.5)	(0.7)	389.0%
Net income	(2.3)	(31.4)	(92.7)%

Revenues

For the first half of 2023, the Group's consolidated revenues were €1,923 million, compared to €1,801 million (€1,783 million at constant exchange rates) for the same period in 2022.

The Group's revenues were slightly impacted by the fluctuations in foreign exchange rates. At constant foreign exchange rates, revenues would have increased by +7.9 %.

For a detailed analysis of revenues by business segment, please refer to Note 5 to the Condensed Financial Statements for the half-year ended 30 June 2023.

- *Content production & distribution business*

The **Content production & distribution business** amounted to 75% of the Group's consolidated revenues for the half-year ended 30 June 2023, compared to 78% for the half-year period ended 30 June 2022. Revenues for this business were €1,434 million in the first half-year of 2023, an increase of €30 million or 2.1% compared to the first half-year 2022 (3.5% at constant rate), and is allocated as follow:

	Half-year ended June 30		
	2023	2022	% Change
Production	1,179.3	1,168.3	0.9%
Distribution	184.3	159.6	15.5%
Others	70.4	76.3	(7.7)%
Content Production and Distribution	**1,434.0**	**1,404.2**	**2.1%**

The activity during the six-month period ended 30 June 2023 was driven by a combination of original content production, the global growth of iconic and proven "superbrand" shows in new territories which demonstrates the durability of these titles and talent, as well as current series renewed for additional seasons and new territories. This performance continues to demonstrate a well-adapted offering with strong creative IP and distribution capabilities catering to demand from both linear TV and streaming platforms for key non-scripted and scripted content.

The production activity is in line with the first half-year of 2022. During the first half of 2022, the Group's iconic "superbrands" continued to be in firm demand from both broadcasters and audiences. Deal or No Deal is returning to Spain after a 12-year hiatus, while Big Brother, is recording its 67th adaptation with a new version in Chile and is also returning to UK screens. Survivor is returning to Argentinian screens after a 22-year break, and Lego Masters reached its 20th and 21st territories in Hungary and Japan.

The group continues to monetize its powerful IP thanks to its ability to adapt successful formats for multiple markets. Banijay Italia's game show 100% will be adapted for the first time by Banijay Production Media for France 2, and Star Academy has been picked up by Reshet 13 in Israel after its successful return to France with a second season on the way.

Good Luck Guys is a non-scripted production first created in France where it has successfully aired for five seasons on W9. Banijay has now also produced local version for Amazon Prime Video in Norway, Denmark and Sweden, which have all been picked up for a second season, while a first season in The Netherlands is under production.

The distribution revenue increased by 15.5%, reflecting a strong demand from both linear TV and streaming platforms for key non-scripted and scripted content. One notable example in the six-month period ended 30 June 2023 was scripted production Marie Antoinette, which will return for a second season on Canal+, has now been picked up in over 70 territories, including by Disney + in Germany.

Popstars, which was the world's first music reality competition, is returning to screens in France on Amazon Prime video after a 20-year break, while the group is seeing strong demand for non-English language shows like Time Zone for HBO Max Spain, or Culpa Mia for Prime Video.

Overall, the number of content hours at the end of June 2023 increased further by +3% compared to March 2023 to ~172,000 hours and +29% compared to the six-month period ended 30 June 2022.

- *Online sports betting & gaming business*

In € millions	2023	2022	% Change
Sportsbook	389.2	322.3	20.8%
Casino	65.4	46.5	40.5%
Poker	28.6	23.2	23.6%
Turf	6.1	4.6	31.0%
Online Sports Betting & Gaming	**489.3**	**396.6**	**23.4%**

Revenue rose by a solid +23.4% to €489.3 million on a reported basis in the six-month period ended 30 June 2023 (+23.9% at constant currency and perimeter), with accelerated growth in Q2 2023 of +34.0%.

The performance reflected the successful execution of the Group's growth strategy, capitalizing on continued strong player momentum with New Unique Active Players up by +44% and total Unique Active Players by +36%. The implementation of new innovative features such as instant payment, and cross-selling strategies across all other product lines, also drove performance.

All divisions recorded double-digit growth in the six-month period ended 30 June 2023: sportsbook revenue rose by +20.8%, online casino by +40.5%, and online poker by +23.6%, with all lines benefitting from gamification and constant product improvement. The increase in revenue is the consequence of the growing player database, the product improvement and a favorable sportbook margin.

At constant exchange rates and excluding Bet-at-home operations discontinued in certain jurisdictions, revenue was up +24.0% in the six-month period ended 30 June 2023, driven by the solid continued performance of Betclic entity (+25.9%). Bet-at-home recorded 5% decline in revenue.

BEG remains strongly engaged in complying with responsible gaming standards. This is illustrated in particular by the proportion of revenue generated in locally regulated markets which increased to 98.5% (compared to 96.5% in the six-month period ended 30 June 2022), partly due to the increase of Bet-at-home in regulated markets.

In the six-month period ended 30 June 2023, Bet-at-home group rolled out its new betting and gaming platform for the .COM domain. With the relaunch of the German regulated .DE label migration will be completed in the second half of the year.

Operating profit (loss)

Operating profit was €169 million, compared to €170 million for the first half-year of 2022, a slight decrease of €1 million (-0.7 %). Operating profit included:

- **External expenses** of -€994 million, compared to -€861 million for the first half of 2022. The change was mainly due to higher betting tax in line with the increase in the Sports betting and online gaming activity. As well as a reallocation of content production costs from Staff costs to External expenses while the EBITDA margin remains stable .
- **Staff costs** of -€679 million, compared to -€705 million for the first half of 2022. The decrease was mainly driven by lower temporary staff costs for Content production and distribution business due to the reallocation of costs as described above offset by higher LTIP charges following attributions to new beneficiaries.
- **Other operating and expenses** resulting in a net charge of -€21 million, compared to -€4 million for the first half of 2022. For the first half of 2023, the net expenses mainly related to management fees for -€10 million, restructuring and reorganization costs for -€5 million, acquisition costs or other impacts of scope variation for -€3 million and tax and duties for -€2 million. The net charge of -€4 million during the first half of 2022 mainly relates to the costs incurred for the Group reorganization as well as the management fees paid to Lov Group Invest partly offset by the impact of the liquidation of Bet-at-Home Entertainment Ltd.
- **Depreciation and amortization expenses** amounted to -€60 million in line with the half-year ended 30 June 2022.

The **Content production & distribution business** contributed €80 million to the Group's operating profit, a decrease of -€2 million, or -3.3% compared to the first half of 2022.

The **Online sports betting & gaming business** contributed €94 million to the Group's operating profit, a decrease of -€ 2million, or -1.6% compared to the first half of 2022.

Adjusted EBITDA

Adjusted EBITDA is not a financial measure calculated in accordance with IFRS. Adjusted EBITDA is used to measure performance as management believes that this measurement is the most relevant in evaluating the results of the segments. The presentation of this financial measure may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated.

The reconciliation between operating profit / (loss) and Adjusted EBITDA is presented in the table below:

	Half-year ended 30 June 2023			
	Content production and distribution	Online sports betting & gaming	Holding	Total Group
Operating profit (loss)	**79.5**	**94.0**	**(4.2)**	**169.4**
Restructuring costs and other non-core items	7.5	1.6	0.5	**9.6**
LTIP and employment-related earn-out and option expenses	58.2	29.7	0.2	**88.1**
Depreciation and amortization of non-current assets (excluding D&A fiction[1])	55.4	4.9	0.0	**60.3**
ADJUSTED EBITDA	**200.7**	**130.2**	**(3.5)**	**327.3**

(1) € 0.1 million amortization of fiction production recognized in 2023.

	Half-year ended 30 June 2022			
	Content production and distribution	Online sports betting & gaming	Holding	Total Group
Operating profit (loss)	**82.3**	**95.5**	**(7.3)**	**170.5**
Restructuring costs and other non-core items	0.2	(12.2)	6.6	(5.4)
LTIP and employment-related earn-out and option expenses	62.4	14.2	-	76.6
Depreciation and amortization of non-current assets (excluding D&A fiction[1])	53.4	5.7	-	59.0
ADJUSTED EBITDA	**198.3**	**103.2**	**(0.7)**	**300.8**

(1) No amortization of fiction production recognized in 2022.

Revised with additional holding costs of -€3.5 million for comparison purposes, the restated Adjusted EBITDA for the first half of 2022 amounted to €297 million, leading to an increase by +10.1% compared to the first half of 2022.

Net financial income (expense)

	Half-year ended 30 June								
	2023				**2022**				
	Content production & distribution	Online sports betting & gaming	Holding	**Total Group**	Content production & distribution	Online sports betting & gaming	Holding	**Total Group**	**% Change**
Interests paid on bank borrowings and bonds	(84)	(5)	(2)	(90)	(64)	(6)	(4)	(74)	22.0%
Cost of gross financial debt	**(84)**	**(5)**	**(2)**	**(90)**	**(64)**	**(6)**	**(4)**	**(74)**	**22.0%**
Interests received on cash and cash equivalents	1	0	0	2	1	0	0	1	197.1%
Gains on assets contributing to net financial debt	**1**	**0**	**0**	**2**	**1**	**0**	**0**	**1**	**197.1%**
Cost of net debt	**(83)**	**(5)**	**(1)**	**(89)**	**(64)**	**(6)**	**(4)**	**(74)**	**20.7%**
Interests paid on current accounts liabilities	0	0	0	0	0	0	0	0	
Interests received on current accounts receivables	0	0	0	0	0	0	1	1	-100.0%
Interests on lease liabilities	(3)	(0)	0	(3)	(2)	(0)	0	(2)	25.5%
Change in fair value of financial instruments	(35)	0	4	(31)	(68)	0	(21)	(90)	(65.5)%
Currency gains (losses)	(19)	(0)	0	(20)	9	(1)	0	8	-348.5%
Other financial gains (losses)	(4)	(0)	(1)	(5)	(2)	(1)	(0)	(3)	76.1%
NET FINANCIAL INCOME (EXPENSE)	**(143)**	**(5)**	**2**	**(147)**	**(127)**	**(8)**	**(24)**	**(159)**	**(7.7)%**

For the first half of 2023, net financial result was an expense of -€147 million, compared to -€159 million for the first half of 2022. Of this amount:

- The cost of net debt as of 30 June 2023, amounted to -€89 million, compared to -€74 million for the first six months of 2022. The increase by -€15 million is mostly explained by the cancellation of the old financing fees of Content production and distribution business Term Loans B which are not fully amortized at the time of the refinancing.
- Other financial income and expenses as of 30 June 2023 amounted to -€58 million, compared to -€86 million for the first six months of 2022 and were mainly driven by:
    - an FX impact of -€20 million compared to +€8 million during the first six months of 2022 mainly due to GBP currency;
    - the change in fair value of (i) the long-term liabilities on non-controlling interests and (ii) the employment earn-out and option obligation liabilities in line with the Banijay Group's key managers' reorganization for -€16 million compared to -€90 million for the first half year 2022 which was mainly driven by the change in fair value of financial instruments explained in part by the put on Banijay Group's shares held by managers following the upward reassessment of the Banijay Group's shares and by the change in fair value of Vivendi convertible bond derivatives that has been reimbursed following the Business Combinations on 5 July 2022;
    - the discounting effect on the long-term liabilities on non-controlling interests and the employment earn out and option obligation liabilities for -€12 million compared to -€10 million in the first six months of 2022;

- the change in fair value of financial instruments of the FX hedging derivatives instruments impacting negatively the financial result by -€6.4 million in the six-month period of 2023 compared to a positive impact by +€14 million in 2022;
- interests on lease liabilities for -€3 million, a slight decrease by -€1 million compared to the first six months of 2022, offset by ;
- the impact of the recognition of the fair value of the puts and calls option as part of the investment in The Independents for +€3.6 million.

The Group's gross total financial debt as of 30 June 2023, amounted to €2,899 million, compared to €2,639 million as of 31 December 2022. The gross financial debt is broken down as follows:

- €2,517 million for Content production & distribution business as of 30 June 2023 compared to €2,395 million as of 31 December 2022 (+€121 million), mainly explained by (i) new Term Loan B raised for a total amount equivalent to €204 million, (ii) the cancellation of the old financing fees not fully amortized for +€16 million (iii) the anticipated partial reimbursement of the $403 million Bonds for -€51 million, (iv) lower subsidiaries bank loans for -€23 million, (v) a positive FX impact of -€14 million and (vi) a net impact of issuance cost amortized over the loan duration for -€10 million.
- €242 million for Online sports betting & gaming business compared to €105 million as of 31 December 2022 (+€136 million) mostly explained by the new Senior Loan Tranche B raised for +€150 million and facilities for +€5 million offset by the reimbursement of the Senior Loan Tranche A for -€18 million.
- €141 million for Holding compared to €138 million (+€3 million) explained by the accrued interest of the quarter on the vendor loans granted by some shareholders as part of the Group reorganization in June 2022.

Net financial debt increased from €2,091 million as of 31 December 2022, to €2,277 million as of 30 June 2023, respectively €2,035 million for Content production & distribution business[2] (+€139 million compared to 31 December 2022), €187 million for Online sports betting & gaming business (+€79 million compared to 31 December 2022) and €55 million for Holding (-€32 million compared to 31 December 2022). The overall increase of +€186 million is mostly due to the Adjusted Operating Free cash flow of the period (-€147 million), offset by interest of the period (+€89 million), LTIP and exceptional items paid during the period (+€22 million), the impact of acquisitions and disposals (+€33 million), the cancellation of remaining transaction costs related to the refinancing of Term Loan B (+€16 million), the dividends paid to FL Entertainment' Shareholders and to non-controlling interests of the consolidated companies (+€165 million). Please refer to Note 4 to the Condensed Financial Statements for the six-month period ended 30 June 2023.

The Group's leverage[3], defined as Net Debt divided by 12 month Adjusted EBITDA stood at 3.3x compared to the 3.1x registered on 31 December 2022. The expected leverage as of 31 December 2023 after taking into account the impact of Balich acquisition and the proportion of EBITDA in The Independents will stand at 3.1x.

[3] Ratio between Last 12 month Adjusted EBITDA and Net financial debt.

Income tax expenses

The tax charge for the six-month period ended 30 June 2023 was -€10 million compared to -€28 million for the six-month period ended 30 June 2022, representing an effective tax rate of 16.4% for the six-month period ended 30 June 2023 compared with 16.5% for the six-month period ended 30 June 2022.

For more details, please refer to Note 9 to the Condensed Financial Statements for the six-month period ended 30 June 2023.

Net income/(loss) for the period

As a result of the changes described above, the Group's net income/(loss) increased by +€30 million to €12 million for the six-month period ended 30 June 2023, from -€18 million for the six-month period ended 30 June 2022.

1.4 Analysis of Cash flows for the half-years ended 30 June 2023 and 2022.

	Half-year ended 30 June								
	2023				**2022**				
	Content production & distribution	Online sports betting & gaming	Holding	Total Group	Content production & distribution	Online sports betting & gaming	Holding	Total Group	% Change
Net cash flows provided by operating activities	97	71	(9)	159	103	74	0	176	(10)%
Net cash flows (used in)/from investing activities	(50)	(1)	(86)	(138)	(37)	(5)	(0)	(42)	226%
Net cash flows (used in)/from financing activities	(27)	(75)	94	(9)	(80)	(24)	0	(104)	-(92)%
Effect of foreign exchange rate differences	(28)	0	0	(28)	25	0	0	25	(212)%
Net increase (decrease) of cash and cash equivalents	**(9)**	**(5)**	**(2)**	**(16)**	**11**	**44**	**0**	**56**	**(129)%**
Cash and cash equivalents at the beginning of the period	397	72	11	479	343	88	1	432	11%
Cash and cash equivalents at the end of the period	**388**	**68**	**8**	**464**	**354**	**132**	**2**	**488**	**(5)%**

Change in cash flows from operating activities

Net cash provided by operating activities amounted to €159 million for the six-month period ended 30 June 2023, compared to €176 million in the six-month period ended 30 June 2022. This decrease reflected the decrease of Holding (-€10 million), Content production & distribution business (-€6 million) and the Online sports betting & gaming business (-€2 million). This overall decrease of -€18 million was mainly attributable to the following items:

- The unfavorable variance in working capital (-€24 million),
- The effect of the increase of income tax paid (-€21 million)
- The slight unfavorable variance in non-cash adjustments (-€3 million), offset by
- The increase in net result (+€30 million with respectively +€3 million for Content production & distribution business and -€2 million for Online sports betting & gaming business and +€29 million for Holding).

Change in cash flows from investing activities

Net cash used in investing activities amounted to -€138 million for the six-month period ended 30 June 2023 compared to -€42 million in the six-month period ended 30 June 2022. The decrease by -€96 million was mostly driven by the cash out related to the investment in The Independents for -€86 million, a higher net amount used to purchase consolidated companies, associates, and joint ventures for -€6 million and a higher amount of purchase of property, plant and equipment for -€2 million mainly explained by studios improvement in Brazil for the Content production and distribution business.

Change in cash flows from financing activities

Net cash used in financing activities amounted to -€9 million for the six-month period ended 30 June 2023, compared to -€104 million for the six-month period ended 30 June 2022. The increase of +€95 million was mostly driven by:

- Higher proceeds from borrowing and other financial liabilities for +€349 million mainly related to (i) Content production and distribution business with the new money from the Term Loans B euros and dollars for a cumulative amount of +€205 million and (ii) Online sports betting and gaming with the cash in from the Senior Loan Tranche B for +€150 million and (iii) higher local borrowings for +€4 million, offset by;
- A higher dividend payment FL Entertainment' shareholders during the period for -€148 million as well as to non-controlling interests during the period for -€16 million;
- Higher repayments of borrowings for -€67 million related to (i) the anticipated reimbursement of the SSN $403 million bonds for -€51 million in the Content production and distribution business, and the reimbursement of the Senior Loan Tranche A for -€18 million in the Online sports betting and gaming;
  Higher interests paid for -€24 million mainly explained by (i) the issuance costs for the new Term Loans B Euros and USD as well as the RCF for -€19 million in the Content production and distribution business and (ii) higher other interests mainly on Term Loan B as part of the new money.

Adjusted Free Cash Flow

The Group presents its Adjusted Free Cash Flow because it provides investors with relevant information on how management assesses and measures its cash flows from ongoing operating activities. Its purpose is to provide both management and investors relevant and useful information about Group's cash generation capacity and performance.

	Half-year ended 30 June 2023			
	Content production & distribution	Online sports betting and gaming	Holding	**Total**
Operating profit (loss)	**80**	**94**	**(4)**	**169**
Restructuring costs & other non-core items	7	2	1	10
LTIP and employment-related earn-out and option expenses	58	30	0	88
Depreciation and amortization (excluding D&A fiction)	55	5	0	60
Adjusted EBITDA	**201**	**130**	**(4)**	**327**
Purchase of property, plant and equipment and of intangible assets	(27)	(4)	(0)	(31)
Total cash outflows for leases that are not recognised as rental expenses	(21)	(1)	0	(22)
Adjusted Free Cash Flow	**153**	**125**	**(4)**	**274**
Adjusted EBITDA	201	130	(4)	327
Adjusted Cash Conversion	**76.1%**	**95.9%**	**100.2%**	**83.7%**

	Half-year ended 30 June 2022			
	Content production & distribution	Online sports betting and gaming	Holding	**Total**
Operating profit (loss)	**82**	**96**	**(7)**	**170**
Restructuring costs & other non-core items	0	(12)	7	(5)
LTIP and employment-related earn-out and option expenses	62	14	0	77
Depreciation and amortization (excluding D&A fiction)	53	6	0	59
Adjusted EBITDA	**198**	**103**	**(1)**	**301**
Purchase of property, plant and equipment and of intangible assets	(24)	(4)	(0)	(29)
Total cash outflows for leases that are not recognised as rental expenses	(21)	(2)	0	(23)
Adjusted Free Cash Flow	**153**	**97**	**(1)**	**249**
Adjusted EBITDA	198	103	(1)	301
Adjusted Cash Conversion	**76.9%**	**94.4%**	**100.1%**	**82.9%**

Cash conversion

The Group presents its Adjusted Cash Conversion Rate because it provides investors with relevant information on how management assesses and measures its cash flows from ongoing operating activities compared to the income it generates on a consistent basis as its business grows. Adjusted Cash Conversion Rate is defined as Adjusted Free Cash Flow divided by Adjusted EBITDA.

The Group's Cash Conversion Rate increased from 82.9% to 83.7% in the six-month period ended 30 June 2023 and remains in line with the Group's objective of maintaining an Adjusted Cash Conversion rate of approximately 80%.

Liquidity

As of 30 June 2023, the Group had the following financing resources:

- Gross cash amounting to €468 million.
- An undrawn Revolving credit facility (RCF) of €170 million from Content production and distribution business and €41 million of overdraft not used.

Capital Expenditures

To support its business strategy and development plans and to further expand its business, FL Entertainment regularly incurs capital expenditures. The following table sets forth the amount of capital expenditure incurred during the periods presented:

	Half year- ended 30 June				
In € million		2023		2022	% Change
Scripted production costs and intellectual property rights	-	13.6	-	14.0	(3.2)%
Investments in technical equipment	-	13.2	-	14.5	(9.3)%
IT capitalized expenses	-	2.6	-	2.5	5.4%
Total	**-**	**29.4**	**-**	**31.0**	(5.4)%

Capital expenditures for the half-year period ended 30 June 2023, amounted to €29.4 million compared to €31 million the half-year period ended 30 June 2022.

1.5 Main transactions with related parties

No significant changes compared to the information on the main transactions with related parties provided in Note 26 to the Consolidated Financial Statements as of 31 December 2022, in Chapter 6 of the 2022 Universal Registration Document except for the one described in the Note 16 to the condensed consolidated interim financial statements for the six month period ended 30 June 2023.

1.6 Outlook

With the combination of a solid six-month period ended 30 June 2023 performance, continued positive momentum experienced across both businesses and the strength of its unique model, the Group re-confirms all its financial objectives for 2023 and mid-term outlook despite wider macroeconomic conditions and updates its guidance for 2023 Adjusted EBITDA proforma the acquisitions.

For the financial year 2023, FL Entertainment anticipates the following:

- Revenue:
  - Mid-single digit organic growth for Content production & distribution
  - Double-digit organic growth for Online sports betting & gaming
- Adjusted EBITDA: the Group now anticipates **~€750 million proforma for acquisitions on a 12-month basis[4], compared to €710 million pre-acquisitions.**
- ~80% free cash flow conversion
- Dividend payout ratio: at least 33.3% of the Group's Adjusted net income

1.7 Main risks and uncertainties

The main risks and uncertainties to which the Group believes it is exposed as of the date of this six-month period financial report are detailed in Chapter 3 (Risk factors) of the 2022 Universal Registration Document. The Group does not anticipate any changes in its risks that may have an impact on the rest of the 2023 financial year.

1.8 Subsequent events

Exchange of shares and correlative issuance of ordinary shares by FL Entertainment

Some Banijay Group's key managers have contributed on 4 July 2023 most of their Banijay Group's shares owned directly or reinvest their Phantom shares plans to FL Entertainment in exchange for FL Entertainment's ordinary shares. Pursuant to a shareholders' agreement at the level of Banijay Group, the shareholders were granted a put option which is recognized in the consolidated financial statements. Following the transaction, the put option are not valid anymore.

The transaction led to the settlement of liabilities on non-controlling interests for €137.5 million and Employee-related long-term incentives for €33.0 million in exchange of 11,613,659 FLE's ordinary shares and the payment in cash of €28.1 million.

Therefore, these liabilities have been reclassified as current liabilities in these consolidated financial statements for the period ended 30 June 2023.

Multicurrency Revolving Credit Facility of €50 million

On 1 August 2023, FL Entertainment entered into a multicurrency revolving credit facility with Natixis for an aggregate amount of €50.0 million. The drawn facility will carry a floating interest with reference to a term reference rate depending on the duration and the currency plus a margin between 275 and 425 bps (mainly conditional to the leverage ratio of the Group).

[4] Including Balich Wonder Studio on a full consolidation and the share of The Independents.

2. CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

FL/ENTERTAINMENT

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

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

CONTENTS

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF INCOME

For the six-month period ended 30 June *In € million*	Note	2023	2022
Revenue	Note 5	1,923.3	1,800.8
External expenses		(993.5)	(861.3)
Staff costs	Note 6	(679.1)	(705.3)
Other operating income	Note 7	5.7	15.8
Other operating expenses	Note 7	(26.7)	(19.4)
Depreciation and amortization expenses		(60.3)	(60.2)
OPERATING PROFIT/(LOSS)		169.4	170.5
Financial income	Note 8	1.6	0.6
Interest expenses	Note 8	(90.5)	(74.2)
Cost of net debt		(88.8)	(73.6)
Other finance income/(costs)	Note 8	(58.2)	(85.7)
NET FINANCIAL INCOME/(EXPENSE)		(147.0)	(159.3)
Share of net income from associates & joint ventures		(1.3)	(1.5)
EARNINGS BEFORE PROVISION FOR INCOME TAXES		21.1	9.7
Income tax expenses	Note 9	(9.5)	(27.8)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		11.6	(18.2)
Profit/(loss) from discontinued operations		-	-
NET INCOME/(LOSS) FOR THE PERIOD		11.6	(18.2)
Attributable to:			
Non-controlling interests		*5.3*	*2.1*
Shareholders		*6.3*	*(20.2)*
Earnings per share (in €)			
Basic earnings per share	Note 13	0.02	(0.11)
Diluted earnings per share	Note 13	0.02	(0.11)

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June *In € million*	Note	2023	2022
NET INCOME/(LOSS) FOR THE PERIOD		11.6	(18.2)
- Foreign currency translation adjustment		6.6	(40.7)
- Fair value adjustment on cash flow hedge		(1.7)	39.1
- Deferred tax on fair value adjustment on cash flow hedge		0.3	(8.9)
ITEMS TO BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		5.2	(10.5)
Actuarial gains and losses		-	-
Deferred tax recognized through reserves		-	-
ITEMS NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		-	-
CHANGES AND INCOME DIRECTLY RECOGNIZED IN EQUITY		5.2	(10.5)
TOTAL COMPREHENSIVE INCOME/(LOSS)		16.8	(28.7)
Attributable to:			
Non-controlling interests		*5.4*	*(5.2)*
Shareholders		*11.4*	*(23.5)*

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Assets

In € million	Note	30 June 2023	31 December 2022
Goodwill	Note 10	2,599.2	2,570.2
Intangible assets		205.7	194.8
Right-of-use assets		174.9	160.8
Property, plant and equipment		62.7	59.2
Investments in associates and joint ventures		26.4	14.0
Non-current financial assets	Note 14.1	216.7	161.7
Other non-current assets	Note 11.2	31.1	35.9
Deferred tax assets		64.3	51.9
Non-current assets		**3,381.1**	**3,248.6**
Inventories and work in progress		819.4	705.2
Trade receivables	Note 11.1	505.9	496.5
Other current assets	Note 11.2	319.1	288.3
Current financial assets	Note 14.1	29.4	24.7
Cash and cash equivalents		468.3	479.4
Assets classified as held for sale		-	-
Current assets		**2,142.0**	**1,994.1**
ASSETS		**5,523.0**	**5,242.6**

Equity and liabilities

In € million	Note	30 June 2023	31 December 2022
Share capital		8.0	8.0
Share premiums		3,992.2	4,140.3
Treasury shares		(0.0)	(0.1)
Retained earnings (deficit)		(4,134.3)	(4,048.6)
Net income/(loss) - attributable to shareholders		6.3	(88.0)
Shareholders' equity	Note 12	**(127.9)**	**11.7**
Non-controlling interests		4.9	6.3
TOTAL EQUITY		**(122.9)**	**18.0**
Other securities		130.5	130.5
Long-term borrowings and other financial liabilities	Note 14.3	2,600.0	2,290.3
Long-term lease liabilities		147.0	131.2
Non-current provisions		30.4	27.7
Other non-current liabilities	Note 11.4	365.7	441.3
Deferred tax liabilities		9.0	7.4
Non-current liabilities		**3,282.6**	**3,028.4**
Short-term borrowings and bank overdrafts	Note 14.3	301.7	349.4
Short-term lease liabilities		39.6	40.4
Trade payables		607.3	663.5
Current provisions		14.7	23.0
Customer contract liabilities	Note 11.3	841.6	693.3
Other current liabilities	Note 11.4	558.5	426.6
Liabilities classified as held for sale		-	-
Current liabilities		**2,363.3**	**2,196.2**
EQUITY AND LIABILITIES		**5,523.0**	**5,242.6**

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June *In € million*	Note	2023	2022
Profit/(loss)		11.6	(18.2)
Adjustments:		309.0	311.8
Share of profit/(loss) of associates and joint ventures		1.3	1.5
Amortization, depreciation, impairment losses and provisions, net of reversals		60.6	59.8
Employee benefits LTIP & employment-related earn-out and option expenses		88.1	76.6
Cost of financial debt, lease liabilities and current accounts		91.9	75.0[2]
Change in fair value of financial instruments		31.0	89.7
Income tax expenses		9.5	27.8
Other adjustments[1]		26.6	(18.7)[2]
GROSS CASH PROVIDED BY OPERATING ACTIVITIES		320.6	293.7
Changes in working capital		(108.4)	(84.2)
Income tax paid		(53.5)	(33.0)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		158.7	176.4
Purchase of property, plant and equipment and intangible assets		(31.0)	(28.6)
Purchases of consolidated companies, net of acquired cash		(18.1)	(13.9)
Increase in financial assets		(95.4)	(2.5)
Disposals of property, plant and equipment and intangible assets		0.2	-
Proceeds from sales of consolidated companies, after divested cash		-	2.2
Decrease in financial assets		6.6	0.4
Dividends received		0.1	0.3
NET CASH PROVIDED BY/(USED FOR) INVESTING ACTIVITIES		(137.6)	(42.2)
Change in capital		-	-
Change in other securities		-	-
Dividends and share premium distribution paid	Note 12.2	(148.1)	-
Dividends paid by consolidated companies to their non-controlling interests		(17.3)	(1.5)
Transactions with non-controlling interests		-	-
Proceeds from borrowings and other financial liabilities	Note 14.3	362.4	11.1
Repayment of borrowings and other financial liabilities	Note 14.3	(114.6)	(47.9)
Other cash items related to financial activities		-	-
Interests paid		(91.2)	(65.3)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(8.8)	(103.6)
Impact of changes in foreign exchange rates		(28.2)	25.2
Net increase/(decrease) of cash and cash equivalents		(15.9)	55.7
Net cash and cash equivalents at the beginning of the period	Note 14.2	479.4	*432.4*
Net cash and cash equivalents at the end of the period	Note 14.2	463.6	*488.2*

[1] Other adjustments include notably i) unrealized foreign exchange gains; and ii) losses on disposal and liquidation of subsidiaries.

[2] Cost of lease liabilities has been reclassified from "Other adjustments" to "Cost of financial debt, lease liabilities and current accounts" to ensure comparability.

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

In € million	Share capital	Share premiums	Treasury shares	Retained earnings (deficit)	Other compre-hensive income	**Shareholders' equity**	Non-controlling interests	**Total equity**
BALANCE AS OF 1 JANUARY 2022	-	-	-	47.6	(17.0)	30.6	(36.7)	(6.2)
Net income/(loss)	-	-	-	(20.2)	-	(20.2)	2.1	**(18.2)**
Other comprehensive income	-	-	-	-	(3.3)	(3.3)	(7.2)	**(10.5)**
Total comprehensive income	**-**	**-**	**-**	**(20.2)**	**(3.3)**	**(23.5)**	**(5.2)**	**(28.7)**
Group's constitution[1]	5.4	1,784.6	-	(1,790.0)	-	-	-	**-**
Capital increase[1]	0.4	160.2	-	-	-	160.6	-	**160.6**
Dividend distribution	-	-	-	(33.2)	-	(33.2)	(0.7)	**(33.9)**
Changes in ownership interest in subsidiaries that do not result in a loss of control[1]	1.8	1,774.5	-	(2,237.7)	(37.2)	(498.6)	43.5	**(455.1)**
Other variations in retained earnings	-	-	-	(6.3)	-	(6.3)	(0.2)	**(6.5)**
BALANCE AS OF 30 JUNE 2022	7.6	3,719.4	-	(4,039.8)	(57.5)	(370.4)	0.7	(369.7)

[1] Those items mainly include the effect of the Group's reorganization (Refer to note 1.2 and Consolidated Statements as of 31 December 2022).

In € million	Share capital	Share premiums	Treasury shares	Retained earnings (deficit)	Other compre-hensive income	**Shareholders' equity**	Non-controlling interests	**Total equity**
BALANCE AS OF 1 JANUARY 2023	8.0	4,140.3	(0.1)	(4,115.8)	(20.7)	11.7	6.3	18.0
Net income/(loss)	-	-	-	6.3	-	6.3	5.3	**11.6**
Other comprehensive income	0.0	0.0	-	0.0	5.1	5.1	0.1	**5.2**
Total comprehensive income	**0.0**	**0.0**	**-**	**6.3**	**5.1**	**11.4**	**5.4**	**16.8**
Dividend and share premium distribution[1]	-	(148.1)	-	-	-	(148.1)	(17.4)	**(165.5)**
Share-based payment	-	-	-	4.2	-	4.2	0.2	**4.5**
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	-	3.0	**3.0**
Treasury shares	-	-	0.0	-	-	0.0	-	**0.0**
Other variations in retained earnings	-	-	-	(7.1)	-	(7.1)	7.4	**0.3**
BALANCE AS OF 30 JUNE 2023	8.0	3,992.2	(0.0)	(4,112.4)	(15.6)	(127.9)	4.9	(122.9)

[1] Refer to note 12.2.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1 BUSINESS PRESENTATION

1.1 Presentation of the business

FL Entertainment N.V., a Dutch-based holding, hereafter “**FLE**”, “the **Company**” or “**the Parent Company**”, detains and fosters the development of its controlled subsidiaries. It encompasses two main businesses operating in the Content production & distribution business and the Online sports betting & gaming business.

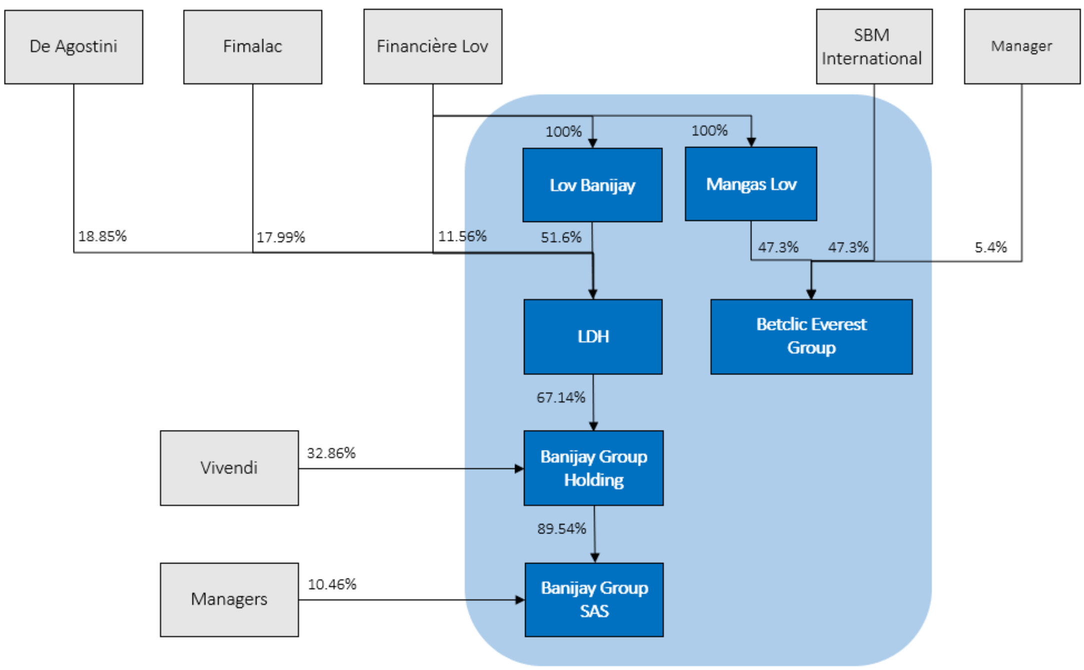
The audiovisual entertainment business, hereafter “**the Content production & distribution business**”, is mainly represented by Banijay Group Holding and its subsidiaries, hereafter “**Banijay**” or “**BGH**”, which operates in the production of audiovisual programs, distribution and marketing of intellectual property rights in relation to audiovisual and digital contents and/or formats.

The online sports betting and gaming business, hereafter “**the Online sports betting & gaming business**” is represented by Betclic Everest Group SAS and its subsidiaries, hereafter “**Betclic Everest Group**” or “**BEG**”, which operates through its subsidiaries in the European online gaming markets, online casinos, online poker and sports betting. It operates under the names of its known brands such as Betclic and Bet-at-home, the latter being the brand name of bet-at-home.com AG, a listed company on the Frankfurt stock exchange.

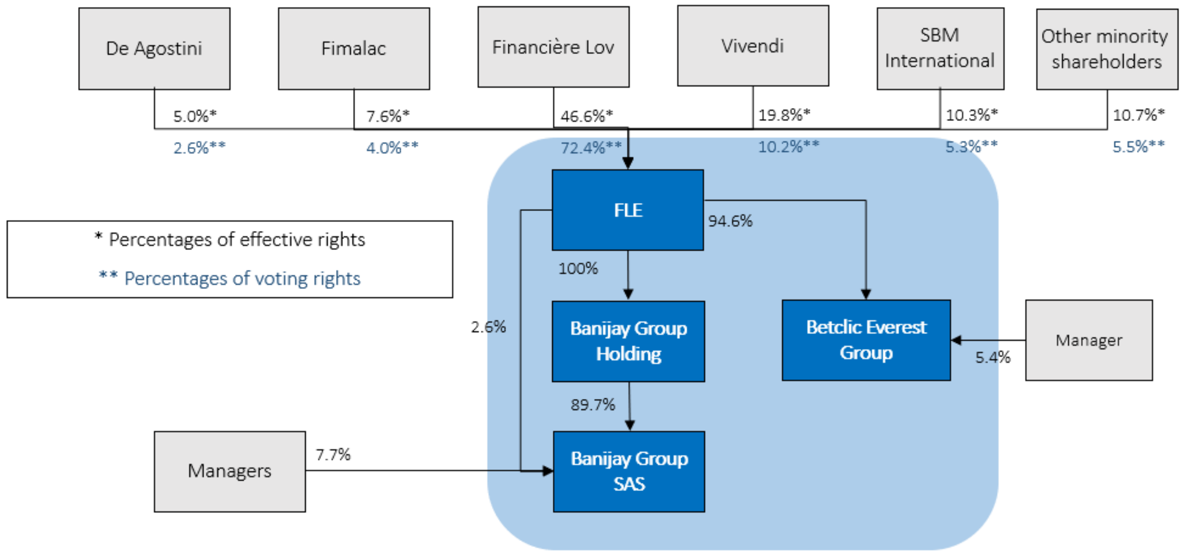
These two businesses together compose the Group, hereafter “**the Group**”.

1.2 Group’s constitution

FL Entertainment B.V. has been incorporated on 10 March 2022. The Group restructuration take place in the end of June 2022. Prior to the contribution of the subsidiaries to FL Entertainment occurred in June 2022 and the merger with the SPAC occurred in July 2022, the simplified structure of the Group was the following:



After completion of the contribution of the subsidiaries to FL Entertainment transactions, the merger with Pegasus and the merger of intermediate holdings, the simplified structure of the Group is the following:



For more information, refer to consolidated financial statements for year ended 31 December 2022 (note 3.1).

1.3 Seasonal activity

Content production & distribution business 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.

The online sports betting and gaming business primarily generates its revenues from the sports betting segment.

Sports betting volumes follow the various sports calendars. With football being the main attractive sport within the business, the online sports betting volumes tend to follow its calendar typically starting in August and ending in May. Volumes are consequently higher during this period. The organization of international events such as the FIFA World Cup or the European Football Championship, which usually take place during the summer break, leads to additional significant betting and players activity.

In casino games and online poker segments, business volumes remain relatively stable throughout the calendar year, with an increase in activity during the winter season.

Regarding Online sports betting, being fixed odds betting, its revenues rely on the outcome sport betting margin, which represents the difference between bets and winnings. The margin is highly correlated with the results of the favorite teams, causing short-term fluctuations that directly impact positively or negatively the financial results. However, being driven by its statistical approach, the sport margin will always converge on the long-term to the applied sport pricing strategy.

It is important to note that in jurisdictions where betting taxes are applied on the wagered amounts (e.g., Portugal or Poland), any adverse impact on the sports betting margin will further affect profitability and subsequently the overall results of operations and the business.

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) and available on the European Commission website.

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 authorized for issuance by the Board of Directors at its meeting held on 28 April 2023 and for which an unqualified auditor's opinion was issued by Ernst & Young Accountants LLP thereon.

These unaudited condensed consolidated six-month financial statements were authorized for issue by the Board of Directors on 2 August 2023.

2.2 Significant accounting policies

The accounting policies applied in these unaudited condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements as of and for the year ended 31 December 2022, except for 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.

The unaudited condensed consolidated interim financial statements are presented in euros. Unless otherwise indicated, all amounts are rounded to the nearest hundred thousand euros, rounding differences may occur.

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.

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 of 30 June 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.

2.4 Scope of consolidation

The consolidated Group is the continuity of the reporting entity reflected in the combined financial statements as of 31 December 2021. The constitution of the Group’s results from contribution of entities to FLE made in June 2022, without modification *in fine* of the direct or indirect holding of Financière Lov. These operations are therefore a combination between entities under common control.

The legal entities and sub-groups forming part of the Group are as follows:

Name of the legal entity or sub-group	Country of incorporation	% of ownership interest		
		30 June 2023	31 December 2022	30 June 2022
FL Entertainment	The Netherlands	*Parent company*	*Parent company*	*Parent company*
Banijay Events	France	100%	100%	-
Pegasus Entrepreneurial Acquisition Company Europe B.V.	The Netherlands	*Merged into FLEntertainment*	*Merged into FL Entertainment*	-
Lov Banijay	France	*Merged into FL Entertainment*	*Merged into FL Entertainment*	100.00%
LDH	France	*Merged into Lov Banijay*	*Merged into Lov Banijay*	100.00%
Sub-Group Betclic Everest Group - Betclic Everest Group	France	94.60%	94.60%	94.60%
Sub-Group Banijay - Banijay Group Holding - Banijay Group	France France	100.00% 92.26%	100.00% 92.26%	100.00% 92.26%

All companies and sub-groups in the table above are fully consolidated. However, the sub-groups have interests in associates and joint ventures.

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 consolidated financial statements as of and for the year ended 31 December 2022, significant assumptions and estimates include the income tax and the classification of the investments made this year.

2.6 Going concern

The management assessed the Group's ability to continue as a going concern when preparing the consolidated financial statements.

<u>Balance sheet</u>

As of 31 December 2022, the equity turned positive for a total amount of €18.0m. The negative equity as of 30 June 2023 is related to a timely effect following the share premium distribution in June 2023. In addition, the current part of the financial liabilities is covered by the current part of the financial assets and cash and cash equivalents held by the Group.

<u>Net result</u>

Net losses in 2022 are mainly due to the impact of the change of fair value of the put options and LTIP debts following the re-assessment of Banijay Group shares in relation with the Group's reorganization.

The result turned positive again in the first half year of 2023.

Liquidity / Forecast

In terms of liquidity, the management has performed a monthly cash flow forecast for the next year. This forecast includes an organic growth with a high degree of certainty predictability due to the group activity, dividend cash out and repayment of borrowings and other financial liabilities. This forecast confirmed the absence of solvency risk and that the group is confident in its capacity to covers its needs. In addition, there is no breach of financial covenants to be reported.

Sensitivity test

As of 31 December 2022, the Group also modelled a scenario assuming a decrease of 10% of activity in 2023 and 2024 compared to the budget 2023 and Business plan 2024 to assess whether there is sufficient liquidity position. In this scenario, the Group would have enough liquidity and financing facilities to continue its operation. A stress test to a decrease of activity by 15% was also performed and lead to the same conclusion.

As of 30 June 2023, we ensured that the cash impact of the new significant transactions and commitments (The Independents investments, Content production and distribution refinancing, Online sports betting and gaming new facility, M&A commitments) do not change the conclusion for this test.

Other lines of credit

In addition, as explained in Note 16, as of 30 June 2023, undrawn committed lines of credit, overdrafts and other borrowings have been obtained for a total of €211m. The Content production & distribution business is subject to financial covenants, namely concerning RCF (revolving credit facility) in the event of a drawdown of 40%. On 30 June 2023, although the RCF is not drawn, such financial covenants are satisfied.

In addition, as disclosed in note 14.3, FL Entertainment has the possibility to extend the maturity of the vendor loans that are due in November 2023.

Conclusion

Based on the above, management considers the Group has sufficient resources to continue operating for at least 12 months and that there are no material uncertainties about the Group's ability to continue as going concern.

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

3.1.1 Holding

On June 2023, FLE and TowerBrook announced an investment in the leading global marketing and communications group The Independents ("TIL"). The acquisition was closed on 28 June 2023 for a total amount of 86.4m€.

The Independents is a global marketing and communications group for luxury and lifestyle brands. It is a cross-sector leader, encompassing communications and digital marketing, experience, content creation and influencer strategy through its synergistic portfolio of six world renowned agencies: Bureau Betak & Bureau Future, K2, Karla Otto, Lefty, Prodject, and The Qode spread throughout Asia, the USA, Europe & the Middle East.

The investment of the Group in TIL was done through:

- the funding of the entity "Gardenia" (one of the shareholders of K10, the holding company of the TIL Group) for €77.0m by Banijay Events (a newly created wholly owned subsidiary of FLE) providing financial rights and certain governance rights to Banijay Events;

- the direct shareholding in the TIL Group via K10 with the acquisition of Preferred C bis Shares by Banijay Events for €9.4m, providing financial rights and certain governance rights to Banijay Events;
- the commitment of Banijay Events to fund €50.0m for K10 within the next three years in exchange of K10 Preferred D bis Shares; and
- put and call mechanisms leading to the possibility for Banijay Events (i) to acquire additional shares in Gardenia and (ii) to acquire the control of TIL in 2026. In the event Banijay Events does not exercise its Call 2026, the founders of The Independent might exercise a call option which entitles them to require Banijay Events to sell them all the securities held by Banijay Events or FLE in K10.

3.1.2 Content production & distribution business

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 USDollars for an amount equivalent to around €860m (including a €453m tranche and $448m 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 €200m, which splits into €102m and $110m 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.

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

Partial bonds reimbursement

Following the term loans refinancing mentioned above, Banijay proceeded to an anticipated reimbursement for an amount of $55m (€51m) out of the total $403m bonds contract (ending in March 2025).

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.

BWS 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 BWS constitutes a great addition to the existing Banijay activities.

3.1.3 Online sports betting & gaming business

New facility agreement of €150m

In May 2023, Betclic activated the Tranche B of the Senior Loan with its partner banks, with a nominal value of €150m and a reimbursement *in fine* at a maturity date of 2025. The step-up margin is 3% and then will rise progressively to 5% in December 2024. The capital is to be repaid at maturity (refer to 0). According IFRS 9, consolidated financial statements this loan has been booked on amortized cost principle in order to reflect the actual cash flow.

Note 4 SEGMENT INFORMATION

As described in note 1.1 Presentation of the business, the Group operates two operating segments which reflect the internal organizational and management structure according to the nature of the products and services provided:

- Content production & distribution business: incorporates the activities of production, distribution and marketing of content property rights for television and multimedia platforms. This segment corresponds entirely to the Banijay Group; and
- Online sports betting & gaming business: comprises sports betting, poker, casino and turf. This segment corresponds to the Betclic Everest Group.

In addition, a third operating segment "Holding" includes the corporate activities.

The following tables present information with respect to the Group's business segments in accordance with IFRS 8 for the periods ended 30 June 2023 and 2022.

Profit & Loss per segment

For the six-month period ended 30 June	2023				
In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Net revenue	1,434.0	489.3	-	-	1,923.3
Adjusted EBITDA	200.7	130.2	(3.5)	-	327.3
Operating profit/(loss)	79.5	94.0	(4.2)	-	169.4
Cost of net debt	(82.7)	(5.0)	(1.1)	-	(88.8)
Consolidated net income	(59.6)	73.5	(2.3)	-	11.6
Attributable to:					
Non-controlling interests	*0.7*	*4.6*	-	-	*5.3*
Shareholders	*(60.3)*	*68.9*	*(2.3)*	-	*6.3*

For the six-month period ended 30 June	2022				
In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Net revenue	1,404.2	396.6	-	-	1,800.8
Adjusted EBITDA	198.3	103.2	(0.7)	-	300.7
Operating profit/(loss)	82.3	95.5	(7.3)	-	170.5
Cost of net debt	(63.8)	(6.3)	(3.6)	-	(73.6)
Consolidated net income	(62.3)	75.6	(31.4)	-	(18.2)
Attributable to:					
Non-controlling interests	*(40.2)*	*42.3*	*(0.0)*	-	*2.1*
Shareholders	*(22.1)*	*33.3*	*(31.4)*	-	*(20.2)*

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:

For the six-month period ended 30 June	2023			
In € million	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Operating profit/(loss):	79.5	94.0	(4.2)	169.4
Restructuring costs and other non-core items	7.5	1.6	0.5	9.5
LTIP and employment-related earn-out and option expenses	58.2	29.7	0.2	88.1
Depreciation and amortization of non-current assets (excluding D&A fiction[1])	55.4	4.9	0.0	60.3
ADJUSTED EBITDA	200.7	130.2	(3.5)	327.3

[1] *€0.1m amortization of fiction production recognized in 2023.*

For the six-month period ended 30 June	2022			
In € million	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Operating profit/(loss):	82.3	95.5	(7.3)	170.5
Restructuring costs and other non-core items	0.2	(12.2)	6.6	(5.4)
LTIP and employment-related earn-out and option expenses	62.4	14.2	-	76.6
Depreciation and amortization of non-current assets (excluding D&A fiction[1])	53.4	5.7	-	59.0
ADJUSTED EBITDA	198.3	103.2	(0.7)	300.8

[1] *No amortization of fiction production recognized in 2022.*

Balance Sheet per segment

	30 June 2023				
In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Non-current assets	2,961.9	329.1	90.0	-	**3,381.1**
Current assets	2,023.4	133.6	12.7	(27.7)	**2,142.0**
Total assets	4,985.3	462.7	102.7	(27.7)	5,523.0
Non-current liabilities	2,839.3	312.7	130.6	-	**3,282.6**
Current liabilities	2,014.4	232.1	144.6	(27.7)	**2,363.3**
Total liabilities (excluding equity)	4,853.7	544.9	275.1	(27.7)	5,645.9

	31 December 2022				
In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Non-current assets	2,920.3	328.3	0.0	-	3,248.6
Current assets	1,906.9	105.1	56.0	(74.0)	1,994.1
Total assets	4,827.2	433.4	56.0	(74.0)	5,242.6
Non-current liabilities	2,744.2	153.7	130.5	-	3,028.4
Current liabilities	1,841.8	280.8	147.6	(74.0)	2,196.2
Total liabilities (excluding equity)	4,586.0	434.6	278.1	(74.0)	5,224.6

Content production & distribution

Non-current assets are mainly constituted by goodwill resulting from BGH's acquisitions, intangible assets, right-of use assets, property, plant and equipment, financial interests in non-consolidated companies, the non-current portion of the derivative financial assets and deferred taxes.

Current assets are mainly constituted by trade receivables, cash and cash equivalents, tax and grant receivables and work in progress which correspond to costs incurred in the production of non-scripted programs (or scripted programs for which the Group does not expect subsequent Intellectual Property revenue) that have not been delivered at reporting date, as the Group recognizes its production revenue upon delivery of the materials to the customer.

Non-current liabilities include primarily long-term borrowings, long-term lease liabilities, employee-related long-term incentives, long-term liabilities on non-controlling interests and other non-current liabilities.

Current liabilities are mainly constituted by short-term borrowings, trade payables, employee-related payables, tax liabilities, short term liabilities on non-controlling interests, employments-related earn out and option obligations and deferred income that relates to undelivered programs that are work-in progress (or intangible assets-in-progress) and that have already been invoiced. This deferred income corresponds to the contract liabilities (in accordance with IFRS 15).

Online sports betting & gaming

Non-current assets are mainly composed of goodwill generated from acquisitions, intangible assets (mainly IT software and online gaming platform), right-of use assets, fair value of financial derivatives (interest rate swap on loans) and non-current restricted cash and cash equivalents.

Current assets primarily comprise cash and cash equivalents, trade receivables from providers (refer to note 11.1), and other current assets.

Non-current liabilities are composed by long-term borrowings and employee-related long-term incentives.

Current liabilities are primarily constituted by short-term borrowings, intercompany debt with other segments, betting taxes, income taxes, liabilities related to the Betclic Everest Group's incentive plans (LTIP) and Liabilities for gaming bets (refer to note 11.3).

Holding

Non-current assets are mainly composed by financial assets.

Current assets are mainly constituted by tax receivables (excluding income tax) and cash and cash equivalents.

Non-current liabilities mainly comprise other securities.

Current liabilities correspond mainly to supplier payables and vendor loans issued in the context of the transaction occurred in 2022.

Net debt per segment

In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
	30 June 2023				
Bonds	1,277.9	-	-	-	1,277.9
Bank borrowings and other[(1)]	1,204.4	268.6	-	(27.7)	1,445.3
Accrued interests on bonds and bank borrowings	29.6	0.7	-	-	30.4
Vendor loans	-	-	140.8	-	140.8
Bank overdrafts	4.7	-	-	-	4.7
Total bank indebtedness and other	**2,516.7**	**269.4**	**140.8**	**(27.7)**	**2,899.1**
Cash and cash equivalents and other[(1)]	(420.0)	(67.6)	(8.4)	27.7	(468.3)
Funding of Gardenia	-	-	(77.0)	-	(77.0)
Trade receivables on providers		(26.7)			(26.7)
Players' liabilities		44.5			44.5
Cash in trusts and restricted cash		(28.1)	(0.4)		(28.5)
Net cash and cash equivalents and other	**(420.0)**	**(77.9)**	**(85.8)**	**27.7**	**(556.0)**
Net debt before derivatives effects	2,096.6	191.5	55.0	-	2,343.1
Derivatives – liabilities	2.7	-	-	-	2.7
Derivatives – assets	(64.1)	(4.5)	-	-	(68.6)
NET DEBT	2,035.2	187.0	55.0	-	2,277.2

(1) Including intercompany loans.

In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
	31 December 2022				
Bonds	1,330.8	-	-	-	1,330.8
Bank borrowings and other[(1)]	1,035.1	179.0	0.0	(74.0)	1,140.1
Accrued interests on bonds and bank borrowings	29.5	0.1	-	-	29.6
Vendor loans	-	-	138.4	-	138.4
Bank overdrafts	-	-	-	-	-
Total bank indebtedness	**2,395.4**	**179.1**	**138.4**	**(74.0)**	**2,638.9**
Cash and cash equivalents and other[(1)]	(430.2)	(72.1)	(51.2)	74.0	(479.4)
Trade receivables on providers		(13.1)			(13.1)
Players' liabilities		50.6			50.6
Cash in trusts and restricted cash		(31.2)	(0.5)		(31.6)
Net cash and cash equivalents	**(430.2)**	**(65.8)**	**(51.7)**	**74.0**	**(473.6)**
Net debt before derivatives effects	1,965.3	113.3	86.7	-	2,165.3
Derivatives – liabilities	-	-	-	-	-
Derivatives – assets	(69.1)	(5.4)	-	-	(74.5)
NET DEBT	1,896.2	107.9	86.7	-	2,090.8

(1) Including intercompany loans.

The variation of the bank borrowings for the Content production & distribution segment is explained by the completion of the refinancing of the two Term Loan B credit facilities in Euros and in US Dollars which increased its bank borrowings for a total amount equivalent to €200m (refer to Note 3).

The decrease in bonds of Banijay is explained by the anticipated reimbursement of bonds for $55m (€51m) following term loans refinancing (refer to Note 3).

Betclic also obtained at the end of May 2023 an additional facility agreement for an additional tranche to its €165m Senior loan issued on 23 September 2020, increasing the bank borrowings for Online sports betting & gaming segment by €150m (additional tranche with a maturity of June 2025) (refer to Note 3).

Statement of Cash Flows and Free-Cash flow

For the six-month period ended 30 June	2023				
In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Net cash flow from operating activities	96.7	71.2	(9.2)	-	158.7
Cash flow (used in)/from investing activities	(45.4)	(0.8)	153.6	(245.0)	(137.6)
Cash flow (used in)/from financing activities	(32.5)	(74.8)	(146.5)	245.0	(8.8)
Impact of foreign exchanges rates	(28.2)	-	-	-	(28.2)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(9.3)	(4.5)	(2.1)	-	(15.9)
Cash and cash equivalents as of 1 January	*396.8*	*72.1*	*10.5*	-	*479.4*
Cash and cash equivalents as of 30 June	*387.6*	*67.6*	*8.4*	-	*463.6*

For the six-month period ended 30 June	2023			
In € million	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Adjusted EBITDA	200.7	130.2	(3.5)	327.3
Purchase of property, plant and equipment and intangible assets	(27.2)	(3.8)	(0.0)	(31.0)
Disposals of property, plant and equipment and intangible assets	0.2	-	-	0.2
Total cash outflows for leases that are not recognized as rental expenses	(20.9)	(1.5)	-	(22.4)
ADJUSTED FREE-CASH FLOW	152.7	124.9	(3.5)	274.1
Changes in working capital excluding LTIP payments and exceptional items	(64.2)	(5.1)	0.0	(69.3)
Income tax paid	(18.6)	(34.3)	(0.6)	(53.5)
ADJUSTED OPERATING FREE-CASH FLOW	70.0	85.5	(4.1)	151.3

For the six-month period ended 30 June	2022				
In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Net cash flow from operating activities	102.6	73.5	0.3	-	176.4
Cash flow (used in)/from investing activities	(36.9)	(5.4)	-	-	(42.2)
Cash flow (used in)/from financing activities	(79.7)	(24.0)	0.0	-	(103.6)
Impact of foreign exchanges rates	25.2	-	-	-	25.2
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	11.2	44.2	0.3	-	55.7
Cash and cash equivalents as of 1 January	*343.1*	*87.9*	*1.5*	-	*432.4*
Cash and cash equivalents as of 30 June	*354.3*	*132.1*	*1.8*	-	*488.2*

In € million	2022			
	Content production & distribution	Online sports betting & gaming	Holding	**Total Group**
Adjusted EBITDA	198.3	103.2	(0.7)	**300.8**
Purchase of property, plant and equipment and intangible assets	(24.5)	(4.1)	-	**(28.6)**
Total cash outflows for leases that are not recognized as rental expenses	(21.2)	(1.7)	-	**(22.8)**
ADJUSTED FREE-CASH FLOW	152.6	97.4	(0.7)	249.2
Changes in working capital excluding LTIP payments and exceptional items	(64.6)	(20.6)	1.0	**(84.3)**
Income tax paid	(15.6)	(17.4)	-	**(33.0)**
ADJUSTED OPERATING FREE-CASH FLOW	72.3	59.4	0.3	132.0

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:

For the six-month period ended 30 June *In € million*	2023	2022
Content production & distribution[1]	1,434.0	1,404.2
Production	1,179.3	1,168.3
Distribution	184.3	159.6
Others	70.4	76.3
Online sports betting & gaming	489.3	396.6
Sportsbook	389.2	322.3
Casino	65.4	46.5
Poker	28.6	23.2
Turf	6.1	4.6
TOTAL REVENUE	1,923.3	1,800.8

[1] *The split of the revenue for Content production & distribution business has been redefined. Comparative figures have been restated accordingly to ensure comparability.*

Total revenue of the Content production & distribution business corresponds essentially to the production and sale of audiovisual programs, and the distribution of audiovisual rights and/or catalogues.

The remaining part of Group's revenue is attributed to the Online sports betting & gaming business, which includes sportsbooks, gambling in casinos, poker and turf. The increase in revenue is the consequence of the growing player database, the product improvement and a favorable sportbook margin. Online sports betting & gaming business's revenue consists of the GGR (Gross Gaming Revenue) – difference between bets and winnings paid to players for sports betting and casino products, and commissions on horse betting and entry fees for poker products – less bonuses (credit on the gambler's account until the unveiling of the bet's result).

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

For the six-month period ended 30 June *In € million*	2023		
Revenue by geographical area	Content production & distribution	Online sports betting & gaming	Total Group
Europe	999.4	471.1	1,470.5
United States of America	251.8	-	251.8
Rest of the world	182.8	18.2	201.0
TOTAL REVENUE	**1,434.0**	**489.3**	**1,923.3**

For the six-month period ended 30 June *In € million*	2022		
Revenue by geographical area	Content production & distribution	Online sports betting & gaming	Total Group
Europe	882.5	394.8	1,277.3
United States of America	335.7	-	335.7
Rest of the world	186.0	1.8	187.9
TOTAL REVENUE	**1,404.2**	**396.6**	**1,800.8**

Note 6 STAFF COSTS

Payroll costs are broken down as follows in June 2023 and 2022:

For the six-month period ended 30 June *In € million*	2023	2022
Employee remuneration and social security costs	(586.9)	(626.3)
Post-employment benefit – Defined benefit obligation	(0.4)	(0.8)
Employee benefits LTIP	(79.1)	(65.8)
Employment-related earn-out and option expenses	(9.0)	(10.9)
Other employee benefits	(3.7)	(1.5)
STAFF COSTS	**(679.1)**	**(705.3)**

The decrease in personnel expenses between periods is mainly explained by a reduction of the resort to temporary workers over the period.

Employee benefits Long-Term Incentive Plans

Certain employees of the Group benefit from several long-term incentive plans (LTIP) whose goal is to share the created value by the Group or one of its subsidiaries. Some of them are settled in shares but are supplemented by a liquidity agreement granted by the relevant intermediate business unit holding, while the remaining are settled in cash. In accordance with IFRS 2, all plans are classified as cash-settled share-based payment transactions.

Description of the on-going plans

At Banijay's level, the Group issues to key management free share plans ("**AGA**") and share purchase warrants ("**BSA**").

In addition, Banijay issues phantom shares plans to certain directors and employees that require the sub-group to pay the intrinsic value of the phantom shares to the employee at the date of exercise.

A summary of the plans' characteristics is presented below:

Plan	Attribution date	Conditions	End of vesting period
Free Share plans (AGA)	2017 to 2025	Presence and performance	2019 to 2029
Share purchase warrants (BSA)	2021	Presence and performance	2026
Phantom shares	2016	Presence and performance	2020 and 2023
Phantom shares	2021	Presence and performance	2024 and 2028
Phantom shares	2023	Presence and performance	2026 and 2030
Other	2020 to 2022	Presence and performance	2023 and 2034

At BEG's level, there are LTI plans and equity instruments that were assimilated to compensation received for goods and services rendered (cash-settled plans) issued to certain managers and employees. The plans regarding each type are summarized below:

Plan	Attribution date	Conditions	End of vesting period
LTIP A	2018 & 2019	Presence and Performance	2023
LTIP B	2018 & 2019	Presence and Performance	2021
LTIP C	2020 and 2021	Presence and Performance	2023
Preferred shares	2018, renegotiated in 2021	Performance	2021
LTI 2023	2023	Performance	2027

The Group has reflected in its financial statements the impact of the grant of share-based and similar benefits to the Betclic CEO. The contract is a three-party agreement with the Betclic CEO, FL Entertainment and Betclic. It runs until 2027. The impact on the first-half financial statements has been recognized under current liabilities and shareholders' equity, in accordance with the terms of the contract.

Measurement of the plans

The Group has recorded liabilities of €288.2m as of 30 June 2023 (€227.9m as of 31 December 2022). The Group recorded total expenses of €79.1m for the period ended 30 June 2023, compared to €65.8m for the period ended 30 June 2022. The variation is mainly explained by the new Betclic's share-based plan described above running until 2027, as well as the anticipated reimbursement of Banijay Group's key managers phantom shares (refer to Note 18) and partially offset by the remeasurement of the Banijay's plans following the reassessment of the Banijay Group's shares during the first semester of 2022.

The cash outflows in regards with LTIP amounted to (€12.4m) for the period ended 30 June 2023, compared to (€7.9m) for the period ended 30 June 2022.

Note 7 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:

For the six-month period ended 30 June *In € million*	2023	2022
Restructuring charges and other non-core items	(9.6)	5.4
Tax and duties	(1.6)	(1.3)
President and management fees	(9.9)	(7.5)
Other operating expenses	(1.3)	(0.1)
Other operating income	1.4	0.0
OTHER OPERATING INCOME AND EXPENSES	(21.0)	(3.5)
Of which other operating income	*5.7*	*15.8*
Of which other operating expenses	*(26.7)*	*(19.4)*

The increase in other operating income and expenses is mainly attributed to the raise of restructuring charges and other non-core items, explained below.

Restructuring charges and other non-core items are detailed as follows:

For the six-month period ended 30 June *In € million*	2023	2022
Restructuring costs and reorganization	(4.8)	(1.9)
FLE's reorganization operation	-	(6.6)
Scope variation effect (badwill/capital gain or loss/acquisition costs)	(3.1)	15.3
Significant litigations	(1.6)	(1.4)
RESTRUCTURING CHARGES AND OTHER NON-CORE ITEMS	(9.6)	5.4

Restructuring costs and reorganization caption comprises expenses with personnel and relocation held within the context of Banijay's acquisitions occurred during the period in the different subsidiaries.

FLE's reorganization operation caption as of June 2022 includes charges related to the financial and operational/structural transactions occurred during the period within the context of FLE's reorganization process initiated in 2022. This amount did not include success fees related to Pegasus combination, recognized at the date of the combination.

Scope variation effect caption as of June 2023 mainly relates to the disposal of Funwood Italy, deconsolidation of the Russian subsidiary and integration costs on recent acquisition and M&A project costs on going during the first semester of 2023. Regarding June 2022, scope variation effect caption includes the proceeds from the sale of Group BEG's former entity Expekt and liquidation of BaH Entertainment LtD during the first semester of 2022.

Significant litigations as of June 2023 are mainly constituted by an additional provision allowance related to the bet-at-home sub-group's litigation process.

Note 8 FINANCIAL RESULT

For the six-month period ended 30 June *In € million*	2023	2022
Interests paid on bank borrowings and bonds	(76.2)	(74.2)
Interests on anticipated reimbursement of bank borrowings and bonds	(14.3)	-
Cost of gross financial debt	**(90.5)**	**(74.2)**
Interests received on cash and cash equivalents	1.6	0.6
Gains on assets contributing to net financial debt	**1.6**	**0.6**
Cost of net debt	(88.8)	(73.6)
Interests received on current accounts receivables	-	1.1
Interests on lease liabilities	(3.1)	(2.5)
Change in fair value of financial instruments	(31.0)	(89.7)
Currency gains/(losses)	(19.6)	7.9
Other financial gains/(losses)	(4.5)	(2.6)
Other finance income/(costs)	**(58.2)**	**(85.7)**
NET FINANCIAL INCOME/(EXPENSE)	(147.0)	(159.3)

The increase of the cost of the gross financial debt between periods is mainly related to Banijay's one-shot recognition in profit and loss of the former issuance costs not yet amortized associated with the former loans which were dealt as an extinction in accordance with IFRS 9 following the refinancing for an amount of €14.3m (refer to Note 3).

The significant variation of the change in fair value of financial instruments is mainly driven by:

- the change in fair value and discounting effect of (i) the long-term liabilities on non-controlling interests and (ii) the employment earn-out and option obligation liabilities in line with the Banijay Group's key managers' reorganization (refer to Note 18) for €(24.5)m compared to €(81.8)m for the first half year 2022 which was mainly driven by the change in fair value of financial instruments explained in part by the put on Banijay Group's shares held by managers following the upward reassessment of the Banijay Group's shares
- the reset of the derivative attached to the Vivendi convertible bond that has been reimbursed following the Business Combinations on 5 July 2022 for an amount of €(21.5)m;
- the change in fair value of financial instruments of the FX hedging derivatives instruments impacting negatively the financial result by €(6.4)m in the six-month period of 2023 compared to a positive impact by €13.5m in 2022.

Note 9 INCOME TAX

The Group computed its income tax expense for the interim period using the projected effective tax rate method (based on expected 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).

For the six-month period ended 30 June *In € million*	2023	2022
Income tax expenses	(9.5)	(27.8)
Withholding taxes restated from effective income tax rate	1.7	1.9
Tax provision and tax adjustment	(3.8)	0.1
Restated income tax	(11.7)	(25.8)
Earnings before provision for income taxes	21.1	9.7
Share of net income from associates & joint ventures	1.3	1.5
Restatement of certain items with no tax effect*	42.7	113.8
Unrecognized tax loss carryforward (basis)	5.9	31.4
RESTATED PROFIT BEFORE TAX	71.0	156.4
Effective income tax rate	*16.4%*	*16.5%*

**Such as: Fair value revaluation income or expenses, some non-deductible share-based payment, or some capital gains or losses over change in consolidation.*

Note 10 GOODWILL

Goodwill as of 30 June 2023 is as follows:

In € million	Content production & distribution	Online sports betting & gaming	**Gross value**	Impairment	**Goodwill, net**
1 January 2023	2,328.8	241.4	2,570.2	-	2,570.2
Acquisitions	31.4	-	31.4	-	31.4
Divestures	-	-	-	-	-
Reclassifications	-	-	-	-	-
Exchange difference	(2.4)	-	(2.4)	-	(2.4)
30 June 2023	2,357.8	241.4	2,599.2	-	2,599.2

At the end of December 2022, Banijay acquired 100% of Beyond International in Australia. As a late acquisition, Beyond shares was presented as financial interests in non-consolidated companies (refer to note 14.1) 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.

The increase of the goodwill during the period is mainly explained by the recognition of the preliminary goodwill in connection with the Beyond acquisition in the end of December 2022 for an amount of €24.2m and the recognition of the goodwill in context of A Fábrica acquisition in the first semester for an amount of €8.7m.

Note 11 WORKING CAPITAL BALANCES

11.1 Trade receivables

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

In € million	30 June 2023	31 December 2022
Trade receivables, gross	491.8	496.4
Trade receivables from providers, gross	26.7	13.1
Total trade receivables, gross	518.5	509.5
Depreciation	(12.6)	(13.0)
TRADE RECEIVABLES, NET	505.9	496.5

Trade receivables from providers (payment service providers) correspond to balances in transit with the payment partners of the Group and which are repatriated to bank accounts manually or automatically. These receivables are considered liquid because they can be transferred in a few minutes or a few days, depending on partners.

11.2 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	30 June 2023	31 December 2022
Trade receivables, LT	14.2	17.8
Income tax receivables, LT	1.8	5.2
Employment-related earn-out and option, LT	1.2	0.8
Other, LT	14.0	12.1
OTHER NON-CURRENT ASSETS	31.1	35.9

Other long-term items mainly comprise receivables from bet-at-home.com Entertainment Ltd. (in liquidation) for an amount of €8.6m and €9.1m as of 30 June 2023 and 31 December 2022, respectively. As of 30 June 2023, this aggregate also includes grant receivables for €4.2m (€1.5m in December 2022).

From the current perspective, the insolvency proceedings in Malta of bet-at-home.com Entertainment Ltd (in liquidation) are expected to be settled at the end of 2024 and the receivables are expected to be paid at that time. Accordingly, the expected payments on the receivables were discounted over this period.

In € million	30 June 2023	31 December 2022
Tax receivables, excluding income tax	93.0	99.2
Grants receivable	111.4	102.2
Income tax receivables	39.1	10.7
Prepaid expenses	35.8	26.1
Production-related receivables	18.3	18.6
Receivables from disposals of assets	-	2.0
Employment-related earn-out and option	0.2	2.2
Others	21.3	27.1
OTHER CURRENT ASSETS	319.1	288.3

11.3 Customer contract liabilities

Customer contract liabilities as of 30 June 2023 and 31 December 2022 are as follows:

In € million	30 June 2023	31 December 2022
Deferred revenue	794.1	638.0
Liabilities for gaming bets	47.5	55.4
CUSTOMER CONTRACT LIABILITIES	841.6	693.3

Deferred revenue mainly 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.

11.4 Other non-current and current liabilities

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

In € million	30 June 2023	31 December 2022
Long-term liabilities on non-controlling interests	52.3	164.1
Employee-related long-term incentives	245.3	213.6
Employment-related earn-out and option obligation	42.7	31.1
Other employee-related liabilities	3.4	3.5
Debt to right owners	9.4	13.2
Other non-current liabilities	12.6	15.7
OTHER NON-CURRENT LIABILITIES	365.7	441.3

In € million	30 June 2023	31 December 2022
Employee-related payables (accruals for paid leave, bonuses and other)	94.1	111.0
National, regional and local taxes other than gaming tax and income tax	81.5	98.8
Short-term liabilities on non-controlling interests	213.1	73.1
Gaming tax liabilities	31.9	39.9
Income tax liabilities	51.2	51.6
Employee-related long-term incentives, current	42.8	14.3
Employment-related earn-out and option obligation	9.8	10.3
Payable on fixed asset purchase	0.7	1.0
Production-related payables	14.2	3.7
Other current liabilities	19.2	22.8
OTHER CURRENT LIABILITIES	558.5	426.6

Employees-related long-term incentives include cash-settled share-based payment liability.

Liabilities on non-controlling interests reflect the commitments to purchase non-controlling interests amounts, as well as the liabilities regarding contingent consideration arrangement on business acquisitions. The Group estimates these debts based on contractual agreements and using assumptions on future profits. The present value of the scheduled cash outflows is computed using a discount rate.

Following the decision of some Banijay Group's key managers to contribute most of their Banijay Group's shares owned directly or through Phantom shares plans to FL Entertainment in exchange for 11,613,659 FLE's ordinary shares and the payment in cash of €28.1m (refer to Note 18), the Group has reclassified liabilities on non-controlling interests for €137.5m and Employee-related long-term incentives for €33.0m from non-current to current liabilities.

Other non-current liabilities relate mainly to payables owed by Betclic to bet-at-home.com Entertainment Ltd. (in liquidation).

Note 12 CHANGES IN SHAREHOLDERS EQUITY

12.1 FL Entertainment equity instruments

As of 30 June 2023, the Company owned 9,746 treasury shares through the liquidity agreement (refer to note 13.1).

12.2 Distribution of share premium

Following the Annual General Meeting of FL Entertainment N.V. on 15 June 2023 and the approval of the resolution 4b, a share premium distribution was paid to all holders of ordinary shares registered as shareholder as from 21 June 2023. The total distribution paid is around €148m (i.e., 0.36€ per ordinary share).

From any profits, as remaining after application of the provisions in the articles of association of FLE regarding reservation and the profit entitlement of earn-out preference shares and founder shares and special voting shares an amount equal to 0.1% of the nominal value of each of the earn-out preference shares, special voting shares and founder shares shall be added to the dividend reserve of the respective shares as described in the articles of association and as agreed upon by each founder share holder and earn-out preference share holder in the shareholders' agreement dated 30 June 2022 of FLE (the "Shareholders' Agreement") and by the special voting shares holders in the special voting shares terms dated 30 June 2022 (the "SVS Terms") . Any profits remaining thereafter shall be at the disposal of the general meeting for distribution to the holders of ordinary shares in proportion to the aggregate nominal value of their ordinary shares.

Pursuant to the Shareholders' Agreement and in accordance with SVS terms, founder shares holders, earn-out shares' holders and special voting shares holders have agreed to waive all profit rights due to them.

Note 13 EARNINGS PER SHARE

13.1 Number of shares

The shares issued by FL Entertainment in exchange for all Lov Banijay's shares held by Financière Lov in the context of the Group's reorganization (combination between entities under common control) did not result in a corresponding change in resources, since the attached economical rights were already controlled by the reporting entity. As a consequence, and in accordance with IAS 33, the weighted average number of ordinary shares for the six-month period ended 30 June 2022 has been adjusted during the period presented as if these shares were issued at the beginning of the earliest period presented.

In € million	30 June 2023		30 June 2022	
	Number of ordinary shares	Share Capital (M€)	Number of shares	Share Capital (M€)
Opening share capital	411,657,608	4.1	-	-
Capital increase	-		-	-
Capital decrease	-		-	-
Closing share capital	411,657,608		178,480,060	-
Opening treasury shares	(6,975)		-	
Change in treasury shares	(2,771)		-	-
Closing treasury shares	(9,746)		-	-
Weighted average number of ordinary shares outstanding [(1)]	411,645,548		178,480,060	
Founder warrant	-		-	
Public warrant	-		-	
Diluted weighted average number of ordinary shares outstanding [(1)]	411,645,548		178,480,060	

[(1)] Including the retrospective adjustment for the six-month period ended 30 June 2022 related to the 178,479,432 shares issued in compensation for the shares contributed by Financière Lov.

As of 30 June 2023, 20,000,000 earn-out shares, 2,575,001 founder shares (June 2022: 0), 5,250,000 founder warrants and 8,666,667 public warrants were not taken in consideration for the calculation of diluted earnings per share because the conversion conditions were not satisfied at the end of the period or because they had an anti-dilutive effect at the closing date.

13.2 Basic and diluted earnings per share

In € million		30 June 2023	30 June 2022
Income available to common shareholders	A	6.3	(20.2)
Weighted average number of ordinary shares outstanding[(1)]	B	411,645,548	178,480,060
Basic earnings per share (in euros)	A/B	0.02	(0.11)

[(1)] Including the retrospective adjustment for the six-month period ended 30 June 2022 related to the 178,479,432 shares issued in compensation for the shares contributed by Financière Lov.

In € million		30 June 2023	30 June 2022
Income available to common shareholders	A	6.3	(20.2)
Diluted weighted average number of ordinary shares outstanding[(1)]	B	411,645,548	178,480,060
Diluted earnings per share (in euros)	A/B	0.02	(0.11)

[(1)]Including the retrospective adjustment for the six-month period ended 30 June 2022 related to the 178,479,432 shares issued in compensation for the shares contributed by Financière Lov.

Note 14 FINANCIAL ASSETS AND LIABILITIES

14.1 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	30 June 2023	31 December 2022
Financial interests in non-consolidated companies	10.1	40.6
Non-current loans, guarantee instruments and other financial assets	104.6	16.2
Non-current restricted cash and cash equivalents	33.5	36.6
Non-current derivative financial assets	68.6	68.3
NON-CURRENT FINANCIAL ASSETS	**216.7**	**161.7**
Current part of loans, guarantee instruments and other financial assets	19.1	15.3
Current restricted cash and cash equivalents	0.4	0.5
Current accounts	6.3	2.7
Current derivative financials assets	3.6	6.2
CURRENT FINANCIAL ASSETS	**29.4**	**24.7**
TOTAL FINANCIAL ASSETS	**246.1**	**186.4**

The decrease in financial interests in non-consolidated companies is related to the consolidation of Beyond International which is fully integrated in 2023 (refer to Note 10).

The increase in the non-current loans, guarantee instruments and other financial assets caption is mainly due to the investment in The Independent Group (refer to Note 3.1.1). The analysis of the securities demonstrates that some of them have characteristics of a financial instrument and therefore shall be accounted for in accordance with IFRS 9, using the fair value measurement through P&L. In addition, the Call 2026 have been recognized for an amount of €3.6m (the other call and put options have no value as of 30 June 2023).

In addition to the Call 2026 mentioned above, derivatives comprise foreign exchange and interest rate hedging, which are measured at fair value.

This increase is partially offset by the consolidation of Beyond International which is fully integrated in 2023 (refer to Note 10).Non-current restricted cash is related to the Online sports betting & gaming business' obligations and includes:

- Cash in trusts in accordance with the French Online Gambling Regulatory Authority's requirements (€28.1m and €31.2m as of 30 June 2023 and 31 December 2022, respectively); and
- Blocked funds and guarantees related to other countries regulatory authorities' requirements, notably in Germany and Portugal, for an amount of €5.4m and €5.5m as of 30 June 2023 and 31 December 2022, respectively.

Current restricted cash comprised the amount of cash allocated to a liquidity agreement with a liquidity provider.

14.2 Cash and cash equivalents

Cash and cash equivalents are presented net of bank overdrafts in the consolidated cash-flow statement.

In € million	30 June 2023	31 December 2022
Marketable securities	68.2	25.2
Cash	400.0	454.2
Cash and cash equivalents - Assets	**468.3**	**479.4**
Bank overdrafts	(4.7)	-
NET CASH AND CASH EQUIVALENTS	**463.6**	**479.4**

14.3 Current and non-current financial liabilities

In € million	Non-current	Current	30 June 2023
Bonds	1,277.9	-	1,277.9
Bank borrowings	1,322.1	123.2	1,445.3
Accrued interests on bonds and bank borrowings	-	30.4	30.4
Vendor loans	-	140.8	140.8
Bank overdrafts	-	4.7	4.7
Derivatives – Liabilities	0.0	2.7	2.7
TOTAL FINANCIAL LIABILITIES	2,600.0	301.7	2,901.7

In € million	Non-current	Current	31 December 2022
Bonds	1,330.8	-	1,330.8
Bank borrowings	959.5	180.6	1,140.1
Accrued interests on bonds and bank borrowings	-	29.6	29.6
Vendor loans	-	138.4	138.4
Current accounts	-	0.8	0.8
Bank overdrafts	-	-	-
Derivatives – Liabilities	-	-	-
TOTAL FINANCIAL LIABILITIES	2,290.3	349.4	2,639.6

The variation of the financial liabilities breaks down as follows:

In € million	1 January 2023	Cash-flows			Non cash-flows		30 June 2023
		Increase	Repayment	Other cash items	Other non-cash items	Foreign exchange	
Bonds	1,330.8	-	(51.1)	-	4.7	(6.4)	1,277.9
Bank borrowings	1,140.1	362.4	(44.3)	(22.4)	15.3	(5.8)	1,445.3
Accrued interests on bonds and bank borrowings	29.6	-	-	-	1.7	(1.0)	30.4
Vendor loans	138.4	-	-	-	2.4	-	140.8
Current accounts	0.8	-	-	-	(0.8)	-	-
Bank overdrafts	-	-	-	4.3	-	0.3	4.7
Derivatives – Liabilities	-	-	-	-	2.7	0.0	2.7
TOTAL FINANCIAL LIABILITIES	2,639.6	362.4(1)	(95.4)(2)	18.1(3)	26.1(4)	(13.0)	2,901.7

(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 column "Increase".

(2)The line "Repayment of borrowings and other financial liabilities" in the cash-flow statement also included the lease repayments for an amount of €(19.2)m.

(3)Other cash items mainly include the issuance costs paid during the period.

(4)Other non-cash items mainly include the former issuance costs not yet amortized associated with Banijay's former loans.

Characteristics of bonds and term loans

- Issuer: Banijay Group SAS

	Residual nominal amount (*In € million*)	
	30 June 2023	31 December 2022
- €575m senior secured notes issued in 2020 and due in 2025, which priced at par and have a coupon of 3.500% per annum;	575.0	575.0
- €400m senior notes issued in 2020 and due in 2026, which priced at par and have a coupon of 6.500% per annum;	400.0	400.0
- $403m 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 €453m 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
- €555m 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 €453m until March 2025 and 2,80%~3,30% tunnel for €102m until March 2028;	555.0	-
- Former $460m 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
- $560m 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 $448,5m until March 2025 and 3.45% SOFR floor for $111,5m until March 2028.	514.1	-
	2,364.3	**2,227.4**

(1) *$55m (€51m) have been reimbursed in June 2023.*
(2) *Refinancing of the two term loans in April 2023.*

- Issuer: Betclic Everest Group SAS

	Residual nominal amount (*In € million*)	
	30 June 2023	31 December 2022
- €165m senior loan A issued on 23 September 2020 and due in June 2025, which bears interest at a rate of EURIBOR 3 months plus 3% per annum. This loan was underwritten with a group of banks (Natixis, BNP Paribas and Société Générale);	88.5	106.0
- €150m senior loan B issued on 24 Mai 2023 and due in June 2025, which a floating interest at EURIBOR +300 bps, +400 bps, +500 bps for the period ended 30 June 2024, from 1 July 2024 to 31 December 2024 and after 1 January 2025, respectively. This loan was underwritten with a group of banks (Natixis, BNP Paribas, Société Générale, Crédit Agricole Corporate and Investment Bank, Crédit Lyonnais and Goldman Sachs Bank Europe SE).	150.0	-
	238.5	**106.0**

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 overdrafts;

- Lease liabilities; and

- Vendor loans, including a vendor loan amounting to €99.5m granted by De Agostini to Lov Banijay due in November 2023 (with a possibility to extend after this date) and bearing 3.5% interest per year, and a vendor loan amounting to €36.5m granted by SBM International to FLE, bearing 3.5% interest per year, due no later than 30 November 2023 (with a possibility to extend after this date).

Contractual maturity of current and non-current debt (including principal and interests)

In € million	Current	Non-current		
	Less than 1 year	1 to 5 years	More than 5 years	Total 30 June 2023
Bonds	63.1	1,384.6	-	1,447.7
Bank borrowings	198.8	1,660.5	-	1,859.3
Vendor loans	142.8	-	-	142.8
TOTAL DEBT MATURITY (PRINCIPAL AND INTERESTS)	404.7	3,045.1	-	3,449.8

In € million	Current	Non-current		
	Less than 1 year	1 to 5 years	More than 5 years	Total 31 December 2022
Bonds	66.4	1,478.5	-	1,544.9
Bank borrowings	226.1	1,126.6	-	1,352.7
Vendor loans	142.8	-	-	142.8
TOTAL DEBT MATURITY (PRINCIPAL AND INTERESTS)	435.4	2,605.1	-	3,040.4

14.4 Net financial debt

Net financial debt is determined as follows:

In € million	30 June 2023	31 December 2022
Bonds	1,277.9	1,330.8
Bank borrowings	1,445.3	1,140.1
Accrued interests on bonds and bank borrowings	30.4	29.6
Vendor loans	140.8	138.4
Bank overdrafts	4.7	-
Total bank indebtedness	**2,899.1**	**2,638.9**
Cash and cash equivalents	(468.3)	(479.4)
Funding of Gardenia	(77.0)	-
Trade receivables on providers	(26.7)	(13.1)
Players' liabilities	44.5	50.6
Cash in trusts and restricted cash and cash equivalents	(28.5)	(31.6)
Net cash and cash equivalents	**(556.0)**	**(473.5)**
NET DEBT BEFORE DERIVATIVES EFFECTS	2,343.1	2,165.3
Derivatives – liabilities	2.7	-
Derivatives – assets	(68.6)	(74.5)
NET DEBT	2,277.2	2,090.8

14.5 Derivatives

The Group's cash flow hedges' main goal is to neutralize foreign exchange risk on future cash flows (notional, coupons) or switch floating-rate debt to fixed-rate debt.

The ineffective portion of cash flow hedges recognized in net income is not significant during the periods presented. The main hedges unmatured as of 30 June 2023 and 31 December 2022, as well as their effects on the financial statements, are detailed in the table below:

As of 30 June 2023 *In € million*	Derivatives – assets			Derivatives – liabilities		
	Total	Non-current	Current	Total	Non-current	Current
Exchange risk	7.9	4.3	3.6	2.7	-	2.7
Interest rate risk	60.7	60.7	-	0.0	0.0	-
HEDGING INSTRUMENTS	68.6	65.0	3.6	2.7	0.0	2.7
Other derivatives	3.6	3.6	-	-	-	-
TOTAL DERIVATIVES	72.2	68.6	3.6	2.7	0.0	2.7

As of 31 December 2022 *In € million*	Derivatives – assets			Derivatives – liabilities		
	Total	Non-current	Current	Total	Non-current	Current
Exchange risk	11.2	5.0	6.2	-	-	-
Interest rate risk	63.3	63.3	-	-	-	-
HEDGING INSTRUMENTS	74.5	68.3	6.2	-	-	-
Other derivatives	-	-	-	-	-	-
TOTAL DERIVATIVES	74.5	68.3	6.2	-	-	-

The other derivatives correspond to Call 2026 negotiated within the context of the TIL transaction for an amount of €3.6m (refer to note 3.1.1).

Note 15 CONTINGENT LIABILITIES

An obligation constitutes a contingent liability if the amount cannot be estimated with sufficient reliability or if it is unlikely to result in an outflow of resources.

Betclic Everest Group received in December 2021 a notice of adjustment from the French tax authorities for a total amount of €52.4m (willful misconduct and interest for late payment included) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France, for the years 2018 and 2019.

On 13 May 2022, Betclic Everest Group received (i) a rectification on the notice of adjustment from December 2021, decreasing the amount of €52.4m to €37.2m (willful misconduct and interest for late payment included) and (ii) a new notice of adjustment from the French tax authorities for a total amount of €25.8m (willful misconduct and interest for late payment included) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France for the year 2020.

Betclic Everest Group, with the support of its legal and tax advisers, still considers the position of the tax authorities is not in conformity with various general principles of VAT, in the same way as the other online gaming operators in France that are part of the association ARJEL. Betclic Everest Group will challenge this adjustment in France, with the tax authorities and, if necessary, the French courts, but also with the Court of Justice of the European Commission if a French Court decides to make a request for a preliminary ruling. No provision relating to this litigation has been recorded.

The group is also part of preliminary pre investigation tax procedures. At this stage, in accordance with tax advisors and IFRS standards, no provision has been recorded.

Note 16 OFF-BALANCE SHEET COMMITMENTS

As of 30 June 2023, the off-balance sheet commitments were updated compared to 31 December 2022 as follows:

CONTENT PRODUCTION & DISTRIBUTION BUSINESS

i) **Commitments given:**

- Minimum guarantees granted by the distribution activity to third party producers for an amount of €1.5m;
- Commitments on M&A of €200.8m including Balich Wonder Studio;
- Pledging of shares of its subsidiaries for the benefit of its noteholders and its bank pooling pursuant to the financing subscribed on 11 February 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).

ii) **Commitments received:**

- Confirmed credit lines not drawn for an amount of €298.7m.

ONLINE SPORTS BETTING & GAMING BUSINESS

iii) **Commitments given:**

Betclic Group senior credit facility agreement Tranche A

The Betclic Group senior credit facility Tranche A was originally guaranteed, inter alia, by Betclic and Mangas Lov and was originally secured by first ranking pledges over Betclic Group SAS shares and bet-at-home shares. A release of the pledge of Betclic Group SAS shares has been obtained as a result of the universal transmission of assets of Betclic Group SAS in Betclic, on 31 December 2021. Additional first ranking pledges have been entered into on 25 March 2022 pursuant to which Betclic Group SAS has granted pledges over Euro Gaming Investment S.A. shares (a Luxembourg subsidiary) and over Mangas Investment Limited (a Maltese subsidiary) shares held by Betclic Group SAS as security for its repayment obligations under the Betclic Group Senior Credit Facility.

Betclic Group senior credit facility agreement Tranche B

The Betclic Group Senior Tranche B has been secured by the pledge of second ranking over bet-at-home AG shares hold by Betclic Everest Group (3,782,382 shares) and an addendum to the existing pledge over Euro Gaming

Investments SA shares and over Mangas Investment Ltd shares. The addendum replaces and extends the existing first pledge ranking to the full scope of the Senior Loan (Tranche A and Tranche B).

HOLDING

In the context of the TIL acquisition, Banijay Events provides to K10 an irrevocable commitment (within three years, as the case may be) to subscribe to a reserved capital increase of €50m in exchange of another type of preferred shares (Preferred D bis Shares) (Refer to note 3.1.1).

Other off-balance sheet commitments disclosed in the consolidated financial statements as of 31 December 2022 remains unchanged.

Note 17 RELATED PARTIES

Related parties consist of:

- Group LOV's controlling shareholders: Financière LOV Group and LOV Group Invest;
- Other shareholders, notably: Group Vivendi's subsidiaries, Fimalac, De Agostini, Monte-Carlo SBM International, Pegasus Founders and Sponsors;
- Associates and joint ventures; and
- Key management personnel.

There are no major changes on the related parties during the first semester 2023 and the information disclosed in the consolidated financial statements for year ended 31 December 2022 remains applicable, except the grant of share-based and similar benefits to the Betclic CEO as described in Note 6.

As mentioned in the subsequent event (Refer to Note 18), on 4 July 2023, some Banijay Group's key managers became shareholders of FLE and as such, Group related parties. Due to their position of salaries of some Group's entities, they are perceiving remuneration and LTIP compensation, and as minorities of those Group's entities and based of a shareholders' agreement signed with them which grant to the latter a put option, a debt is recognized in the consolidated financial statements.

Note 18 SUBSEQUENT EVENTS

EXCHANGE OF SHARES AND CORRELATIVE ISSUANCE OF ORDINARY SHARES BY FL ENTERTAINMENT

Some Banijay Group's key managers have contributed on 4 July 2023 most of their Banijay Group's shares owned directly or reinvest their Phantom shares plans to FL Entertainment in exchange for FL Entertainment's ordinary shares. Pursuant to a shareholders' agreement at the level of Banijay Group, the shareholders were granted a put option which is recognized in the consolidated financial statements. Following the transaction, the put option are not valid anymore.

The transaction led to the settlement of liabilities on non-controlling interests for €137.5m and Employee-related long-term incentives for €33.0m in exchange of 11,613,659 FLE's ordinary shares and the payment in cash of €28.1m.

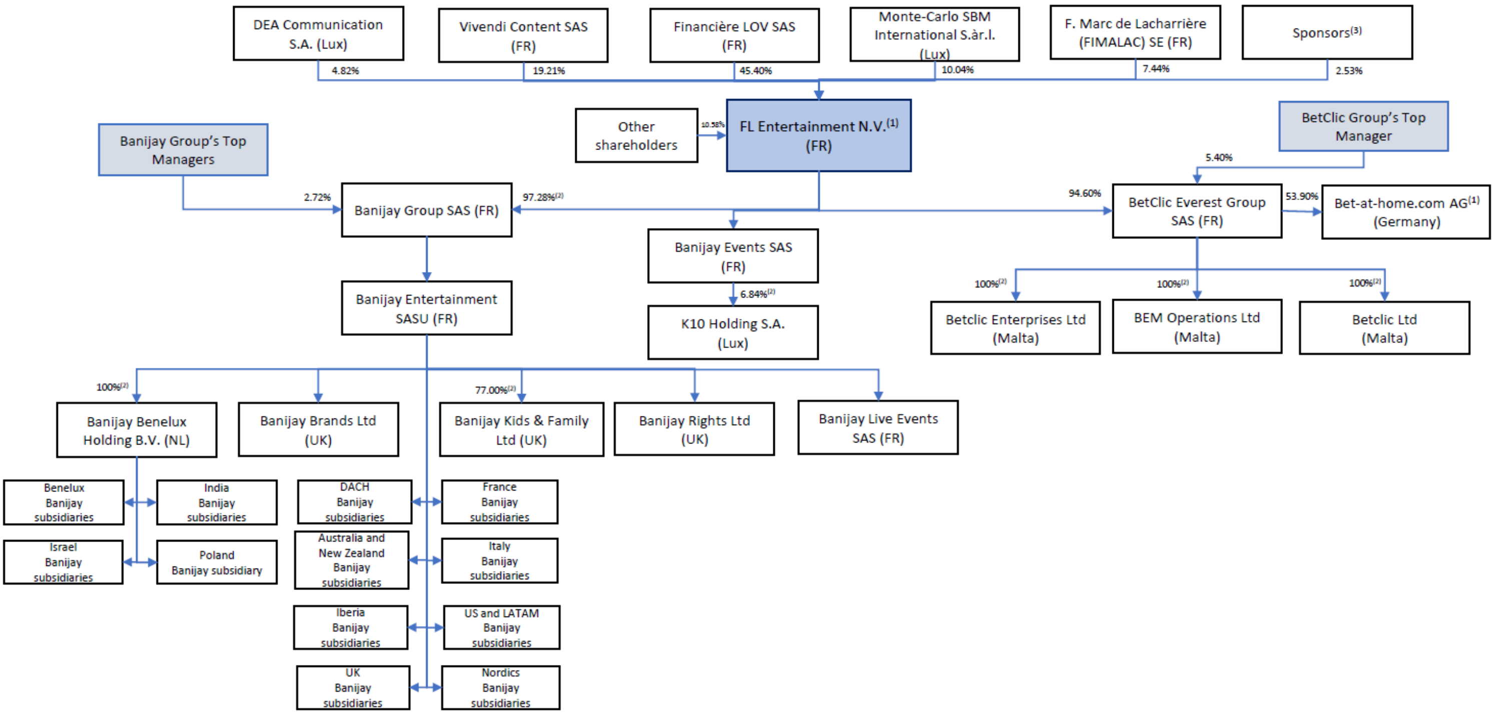
Therefore, these liabilities have been reclassified as current liabilities in these consolidated financial statements for the period ended 30 June 2023.

RCF FACILITY

On 1 August 2023, FL Entertainment N.V. enter to a multicurrency revolving loan facility with Natixis in an aggregate amount equal to €50.0m. The drawn facility will carry a floating interest with reference to a Term Reference Rate depending on the duration and the currency plus a margin between 275 and 425 bps (mainly conditional to the leverage ratio of the Group).

3. OTHER INFORMATION

As at 31 July 2023, the following structure chart illustrates the simplified structure of the Group:



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

(1) Listed entity
(2) Directly and/or indirectly
(3) Including Tikehau Capital and Financière Agache

4. STATEMENT BY THE MANAGEMENT BOARD

As is required by section 5.25d of the Dutch Financial Supervision Act (*Wet op het financieel toezich*t) we state that according to the best of our knowledge:

1. The interim condensed consolidated financial statements present a true and fair view of the consolidated assets, liabilities, financial position and the profit or loss of FL Entertainment N.V.; and

2. The interim consolidated financial statements provide a true and fair view of the information required pursuant to article 5.25d paragraph 8 and 9 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

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François RIAHI

Chief Executive Officer