

Paris, 7 March 2024

Full Year 2023 Results

**RECORD FINANCIAL PERFORMANCE IN 2023
CAPTURING GROWTH IN ALL BUSINESSES &
EXPANSION INTO LIVE EXPERIENCES THROUGH M&A
CONFIDENT FOR CONTINUED GROWTH IN 2024**

FY 2023 FINANCIAL HIGHLIGHTS¹

- **Revenue** up +13.8% to €4,531m pro forma acquisitions² in 2023 (+8.5% at current perimeter)
- **Adjusted EBITDA**³ up +15.0% to €756m pro forma acquisitions² (+11.8% at current perimeter), Adjusted EBITDA margin pro forma acquisitions up 20bp to 16.7% (17.1% at current perimeter)
- **Adjusted net income**³ up +6.8% to €323m, net income at €74m
- **Adjusted free cash flow conversion**² of 82%
- **Strong liquidity position** of €464m and stable 3.1x leverage ratio (31 Dec. 2023 vs 31 Dec. 2022)
- **Successful Banijay debt refinancing:** ~85% of debt maturity extended until 2028-2029
- **Proposed dividend of €0.35** per share, equal to 46% payout ratio on Adjusted net income

FY 2023 BUSINESS HIGHLIGHTS¹

- **Content production & distribution**
 - Reinforced leading position in content market with powerful brands, travelling IP, relentless creativity and growing content catalogue up +16% to 185,000 hours
 - Continued growth (revenue up +5.7%) in challenging market conditions
 - Dynamic strategy to broaden and monetize IP: new clients, new audiences and new channels
 - Successful expansion in 2023 into live experiences through acquisition of Balich Wonder Studio and investment in The Independents
- **Online sports betting & gaming**
 - Outstanding performance in 2023: increased leading positions in core markets
 - Double-digit growth in Unique Active Players (+23%) and revenue (+19%), supported by best-in class product and user experience
 - Effective diversification both in terms of products and geographies with casino, poker & turf increasing at double-digit rates and successful Ivory Coast expansion
 - GamCare certification demonstrates commitment to highest standards in responsible gaming
- **ESG strategy**
 - Rollout of strategy focused on inclusion and equality in a safe environment, carbon reduction and ensuring the highest standards of ethical leadership and ESG governance

¹ Growth at constant currencies, unless indicated differently

² Pro forma acquisitions as if they are consolidated on 1 January 2023

³ Adjusted EBITDA, Adjusted net income and Adjusted free cash flow conversion: figures in 2022 are adjusted to include holding costs of -€4.1m for comparison purposes

Refer to the Appendix for definition

OUTLOOK

- **Content production & distribution:** broaden and monetize content across multiple channels supported by AI; continue to increase market share in fast-growing and evolving OTT space; expand footprint in the production of sports shows; capture opportunities in the fast-growing live experiences production market and leverage Banijay's network
- **Online sports betting & gaming:** further develop the player base in all countries and expand footprint in Africa
- **2024 guidance for Adjusted EBITDA:** high single-digit organic growth

François Riahi, CEO of FL Entertainment, said:

"We delivered record results in 2023, powered by the continued strong performance of both businesses. Since we listed two years ago, we have increased our revenue by 30% and our Adjusted EBITDA by 26%, illustrating the strength of our business model. During this time, our revenues with OTT players in content production have increased by 75%, and we have also expanded our activities into the live experiences space through M&A, which will contribute to growth moving forward.

In Content production & distribution, 2023 illustrated our strengths in more challenging macroeconomic conditions, powered by our iconic brands like Big Brother and Star Academy, the depth of our content catalogue, and new scripted and non-scripted formats that are in demand from both linear and streaming clients across the globe. We are also developing opportunities in exciting areas like sports entertainment, while further monetizing our IP through digitalization and content indexing, which represents a new avenue for growth. Our diversification into the fast-growing live experiences market is also helping us to become a true multi-disciplinary creative heavyweight.

In Online sports betting & gaming, we delivered strong performance across all segments, with significant double-digit growth in casino, poker and turf revenues demonstrating the diverse appeal of our best-in-class tech platform. Underpinned by our resolute commitment to responsible gaming - with 99% of revenues coming from locally regulated countries - we developed our leading positions in France, Portugal and Poland, and successfully expanded into the Ivory Coast, with more to come in Africa.

Looking ahead to 2024, we are confident that we will continue to deliver profitable growth across all activities thanks to our unique positioning in the entertainment industry. One of our top priorities will also be expanding our free float and stock liquidity, so that our strong operational performance can result in value creation for all our shareholders."

FL Entertainment invites you to its FY 2023 results conference call on:

Thursday, 7 March 2024, at 6:00pm CET

Webcast live:

You can watch the presentation on the following link:

<https://edge.media-server.com/mmc/p/5kr6ye45/>

Dial-in access telephone numbers:

You need to register to the following link:

<https://register.vevent.com/register/BI82321d321cd84fbeaa95813fa174dcb4>

Slides related to 2023 results are available on the Group's website, in the "Investor relations" section:

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

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KEY FINANCIALS IN 2023

€m	2022	2023	% reported change	% constant currency
Revenue	4 046.6	4 317.6	6.7%	8.5 %
Adjusted EBITDA	666.1	736.7	10.6%	11.8 %
<i>Adjusted EBITDA margin</i>	16.5%	17.1%		
Net income/(loss) for the period	(85.2)	73.6		
Adjusted net income	302.6	323.2	6.8%	
Adjusted free cash flow	550.6	606.2	10.1%	
Free cash flow conversion rate	82.7%	82.3%		
	31 Dec.	31 Dec.		
For the twelve-month period ended	2022	2023		
Net financial debt (reported)	2 090.8	2 280.0		
Net financial debt / Adjusted EBITDA	3.1x	3.1x		

Refer to the Appendix for definition

2022 figures are adjusted to include proforma holding costs of -€4.1m for comparison purposes

FY 2023 KEY EVENTS

Expanding into live experiences production

FL Entertainment expanded into live experiences production in 2023, supporting its efforts to become an integrated global entertainment leader. The Group invested in two businesses with strong positions in fast-growing and fragmented markets. Both operate with a decentralized organizational structure well-suited to developing creative talent and have an entrepreneurial culture and experienced management team with a passion for innovation.

Balich Wonder Studio

In September 2023, Banijay acquired a 52% stake in Balich Wonder Studio (BWS). Founded in 2013, Balich Wonder Studio is a global live entertainment group that specializes in creating, producing, and delivering live shows and experiences. BWS has a ten-year track record of impressive organic growth, driven by its three business units – Ceremonies, Exhibits & Brand Experiences, and Immersive Shows & Destination Experiences. Major events in 2023 include the inauguration of the Disney Castle live music experience in Riyadh; the opening of the Bulgari Hotel in Rome and the opening and closing ceremonies of the para-Pan-American games in Santiago. Banijay has invested alongside the founder of the business and has the option to progressively increase its stake.

The Independents

In June 2023, FL Entertainment acquired a minority stake in global marketing and communications group The Independents alongside the founders of the group and its agencies, with the option to progressively become the majority shareholder by 2026. Founded in 2017, The Independents is a global community for industry leaders across luxury and lifestyle, with leadership positions all over the world.

The Independents accelerated its development in 2023 by acquiring six businesses and now owns 11 best-in-class agencies: Atelier ATHEM, Atelier LUM, Bureau Betak & Bureau Future, CTZAR, INCA Productions, Karla Otto, K2, Lefty, Project and The Qode.

Bolt-ons M&A and new partnership

The Forge

In November 2023, Banijay acquired a majority stake in The Forge, a leading scripted production company in the UK. Well-established through its award-winning drama productions such as *Marriage, Help* and *Becoming Elizabeth*, The Forge bolsters Banijay UK's scripted output as the ninth owned UK label alongside Kudos, Tiger Aspects and Wild Mercury. Building on its pool of industry-leading talent, The Forge has several new titles in production for both linear and streaming platforms, including the second season of *The Buccaneers* for Apple TV+ and *Shardlake* for Disney+.

New partnership: Hyphenate Media Group

In October 2023, Banijay acquired a minority stake in Hyphenate Media Group, a new multi-platform media company led by Eva Longoria, actress, producer, director, and founder of production company UnbeliEVable, and Cris Abrego, Chairman of Banijay America Group. Hyphenate Media Group produces scripted and unscripted content and offers strong development opportunities in the Americas. Banijay has the option to increase its investment gradually over the coming years.

Broadening content monetization across multiple channels, leveraging generative AI

In 2023, Banijay took important initiatives to leverage and monetize further its product offering, as well as address fast-growing markets and new audiences. Banijay Sports launched in November 2023, building on the Banijay's existing capabilities in *sportainment*, documentary and digital, via new partnerships including a new joint venture with Spanish football league, LaLiga.

Banijay is also capitalizing on digital and social platforms to reach next generation audiences, complementing its licensing and merchandising efforts. As an example, a Big Brother Germany spin-off received 8.8m live views on the Twitch platform during the 57-hour live stream, while MasterChef World, the YouTube channel featuring highlights from local versions as well as new content, has more than 2.2m subscribers.

In parallel, Banijay has started to use AI technology to further monetize content across multiple channels including social media and video platforms. As part of this effort, Banijay is working to create more value by improving the searchability of its content and meta-data usage, by tagging and indexing every show or programs throughout the cloud-based content library.

Banijay debt: successful refinancing and maturity extension until 2028-29

In 2023, Banijay successfully refinanced around 85% of its debt, extending its Term Loan B by three years to March 2028 and its Senior Secured Notes by four years until May 2029. In all, Banijay has refinanced and raised a total amount close to €2.0bn.

In February 2024, Banijay re-priced its €555m Term Loan B at Euribor +3.75% and its \$556m Term Loan B at SOFR + 3.25%, reducing margins by 75bp and 50bp respectively.

STRATEGIC PRIORITIES AND OUTLOOK

The Group's ambition is to be a leading player in fast-growing segments of the entertainment industry while generating long-term sustainable and profitable growth.

Outlook for 2024

The Group expects a positive momentum in 2024, enabled by its differentiated strengths, the flexibility of its business model, as well as opportunities stemming from structural trends and new consumer behaviors.

FL Entertainment is forecasting high-single digit organic growth for Adjusted EBITDA in 2024 compared to Adjusted EBITDA in 2023.

In **Content production & distribution**, numerous shows are already commissioned including scripted series such as *Marie-Antoinette* (second season) and *Carême* (new French drama); and returning iconic shows such as *Deal or No Deal* in the UK, and *MasterChef* in the US. In the live experiences space, there are significant opportunities with multiple large-scale projects emerging to satisfy evolving consumer preferences towards immersive and interactive experiences.

Online sports betting & gaming is expected to benefit from a busy sporting events calendar in 2024, including major football events such as the recent Africa Cup of Nations 2023 in Ivory Coast, and the upcoming UEFA EURO 2024 in Germany and COPA America in the US. This should support the Group's strategy to reinforce its leading positions in core markets and develop further its footprint in Africa.

As previously communicated, FL Entertainment aims to expand its free float and stock liquidity in the short to medium term. In this respect, it continues to review its options and monitor capital markets.

PROFIT & LOSS – FY 2023

2022 figures are adjusted to include proforma holding costs of -€4.1m for comparison purposes.

<i>In € million</i>	2022 Reported	2023	% reported change
Revenue	4 046.6	4 317.6	6.7 %
External expenses	(2 054.6)	(2 302.3)	12.0 %
Personnel expenses excluding LTIP & employment-related earn-out & option expenses	(1 287.2)	(1 257.6)	(2.3)%
Other operating income & expenses excl. restructuring costs & other non-recurring items	(29.0)	(22.2)	(23.5)%
Depreciation and amortization expenses net of reversals related to fiction and other operational provisions	(9.5)	1.1	
Adjusted EBITDA	666.1	736.7	10.6 %
<i>Adjusted EBITDA margin</i>	<i>16.5%</i>	<i>17.1%</i>	
Restructuring costs and other non-recurring items	(127.3)	(34.3)	
LTIP expenses	(127.3)	(152.8)	
Employment-related earn-out and option expenses	(20.2)	(13.7)	
Depreciation and amortization (excl. D&A fiction and other operational provisions)	(140.6)	(135.4)	
Operating profit/(loss)	250.6	400.5	59.8 %
Cost of net debt	(143.8)	(195.6)	
Other finance income/(costs)	(112.9)	(48.8)	
Net financial income/(expense)	(256.7)	(244.4)	(4.8)%
Share of net income from associates & joint ventures	(2.2)	(4.3)	
Earnings before provision for income taxes	(8.3)	151.8	
Income tax expenses	(76.9)	(78.2)	
Profit/(loss) from continuing operations	(85.2)	73.6	
Net income/(loss) for the period	(85.2)	73.6	
Attributable to:			
<i>Non-controlling interests</i>	6.9	12.8	
<i>Shareholders</i>	(92.1)	60.8	
Restructuring costs and other non-recurring items	127.3	34.3	
LTIP and employment-related earn-out and option expenses	147.5	166.5	
Other finance income/(costs)	112.9	48.8	
Adjusted net income	302.6	323.2	6.8 %

CONSOLIDATED REVENUE

On a pro forma basis⁴ and at constant currencies, FL Entertainment recorded revenue of €4,531m, equating to +13.8% growth.

At current perimeter and constant currencies, revenue was up +8.5% to €4,318m in 2023,. In Q4 2023, FL Entertainment posted revenue of €1,452m, +10.7% at constant currencies. This is reflected as follows by business:

€m	Q4 2022	Q4 2023	% reported change	% constant currency	2022	2023	% reported change	% constant currency
Production	920.5	918.6	(0.2)%	1.9 %	2 664.6	2 689.0	0.9%	3.3%
Distribution	120.5	117.8	(2.2)%	0.5 %	387.7	395.3	2.0%	3.8%
Live experiences & other	48.8	137.4	181.3 %	286.8 %	159.3	237.1	48.9%	51.4%
Content production & distribution	1 089.8	1 173.8	7.7 %	10.1 %	3 211.6	3 321.4	3.4%	5.7%
Sportsbook	192.9	208.0	7.8 %	6.9 %	670.1	766.4	14.4%	13.9%
Casino	32.9	47.8	45.2 %	44.8 %	104.8	154.7	47.7%	47.6%
Poker	15.0	17.7	18.0 %	18.0 %	49.9	61.4	23.1%	23.0%
Turf	3.1	4.2	36.0 %	36.0 %	10.3	13.7	33.3%	33.3%
Online sports betting & gaming	243.9	277.7	13.8 %	13.1 %	835.0	996.2	19.3%	18.9%
TOTAL REVENUE	1 333.7	1 451.5	8.8 %	10.7 %	4 046.6	4 317.6	6.7%	8.5%

Content production & distribution⁵:

Revenue increased by +5.7% to €3,321m in 2023 compared to high comps in 2022 reflecting the catch-up effect after the Covid period. The performance in 2023 was driven by the diversity of content – proven superbrands and series renewals, global circulation of IP as core driver for recurring revenue, relentless creativity, and an enlarged content catalogue and the impact of the recent acquisitions⁶ (Balich Wonder Studio and The Forge). Over the fourth quarter 2023, revenue rose by +10.1%.

In a challenging macro-economic environment, the Group content offering was particularly well adapted to serve clients' needs, illustrating the attractiveness and proven popularity of its well-diversified and enriched portfolio.

Strong appetite from streaming platforms

Global and local streaming platforms continued to seek more local / non-English content as well as in-demand content types such as sports documentaries: Examples include premium scripted *Lidia Poët*, produced by Groenlandia and aired on Netflix in Italy; *Good Luck Guys* picked up by Joyn in Germany, the seventh territory to adapt the format, after a second season in Nordics and also being commissioned in Benelux; and sports documentary *Four Kings* on Prime Video in the UK.

⁴ Pro forma acquisitions as if they are consolidated on 1 January 2023

⁵ At constant currencies, unless indicated differently

⁶ Balich Wonder Studio and The Forge consolidated for 3 months and 1 month respectively

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Against that backdrop, streaming platforms' share of Content production & distribution⁷ revenue increased further in 2023 to 19%, up +6ppts compared to 2021, representing +75% revenue growth over the past two years.

Content production revenue increased by +3.3% in 2023, driven by returning shows in multiple territories as well as original content production (71 new scripted shows and 201 new unscripted shows).

Iconic superbrands, seasons' recommission and global IP circulation: *Big Brother* made a major return to the UK on ITV after a 5-year hiatus, trending at number 1 on the broadcaster's ITVx streaming service; *The Buccaneers*, the acclaimed drama from The Forge, has been commissioned for a season 2 on AppleTV+; *Star Academy* returned on TF1 in France for its eleventh season, recording a major prime time success with 4.3m viewers for the finale; *The Fifty*, first produced in France with 200m views and 1m App downloads, has been adapted in 2023 for the US Hispanic market, ranking as the network's top show with 1.3m viewers for the finale.

New shows included non-scripted *Upside Down*, a game show from Endemol Shine Nederland on Videoland; *The Summit*, an Australian Adventure from Endemol Shine Australia, on Nine Network; *Moulin Rouge: Yes We Can Can* in the UK; and *The A Talks*, produced by Endemol Shine Iberia for Mediaset.

Content distribution revenue increased by +3.8% to €395m in 2023, driven by continuous demand from both linear TV and streaming platforms for key non-scripted and scripted content. The year was marked by the delivery of scripted *Marie Antoinette*, now sold to over 147 territories, including the US, the UK, Australia and several broadcasters across Europe and Latin America. *Lego Masters* continued to experience a global success, reaching 20 territories with RTL broadcasting a first season in Hungary, and 46 seasons globally since 2017. This followed a deal for the format with TBS in Japan and several multi-seasons runs in major markets including the US and Australia. In 2023, the world's most successful cookery TV format *MasterChef* reached 70 territories.

At the end of December 2023, the content catalogue increased by a further +16% to 185,000 hours (compared to December 2022).

Live experiences & other: revenue growth is mainly attributable to the consolidation of Balich Wonder Studio for 3 months in 2023.

Online sports betting & gaming⁸:

The Group posted a record year, reflected in a solid growth across all segments, with revenue up +18.9% to €996m in 2023, even when factoring in the high comparison in 2022 with the FIFA World Cup. In Q4 2023, revenue rose by +13.1% compared to Q4 2022.

The overall performance was underpinned by a combination of ongoing strong momentum from UAP (+23% in 2023) with a good retention of players from the FIFA World Cup, and an excellent commercial development. By geography, the Group reinforced its positions in its core markets while expanding firmly in recent territory, namely Ivory Coast.

All segments recorded double-digit growth in 2023. Sportsbook revenue rose by +13.9%, with a positive reverse trend at year-end after an historic low in October led by unfavorable sports results

⁷ Excludes "Live experiences & other" revenue

⁸ Revenue growth is at constant currencies

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and a positive impact from the new App. Online casino, poker and turf posted very solid revenue growth of +39.3%, partly driven by a brand-new experience and new casino games, designed to offer an even simpler and more enjoyable user experience as well as a range of new features.

ADJUSTED EBITDA

On a pro forma basis⁹ and at constant currencies, FL Entertainment recorded a +15.0% increase in **Adjusted EBITDA** to €756m in 2023, i.e. a 20bp improvement in Adjusted margin to 16.7%.

At current perimeter and constant exchange rates, Adjusted EBITDA increased by +11.8% to €737m in 2023, reflecting a solid level of profitability across all businesses. This represents an Adjusted EBITDA margin of 17.1%, a 60bp improvement versus 2022.

Adjusted EBITDA - In € million	2022	2023	% reported change	% constant currency
Content production & distribution	472.1	493.5	4.5%	6.7%
Online sports betting & gaming	202.8	251.8	24.2%	23.3%
Holding	(8.8)	(8.7)		
Adjusted EBITDA	666.1	736.7	10.6%	11.8%
Content production & distribution	14.7%	14.9%		
Online sports betting & gaming	24.3%	25.3%		
Holding				
Adjusted EBITDA margin	16.5%	17.1%		

At a Group level, external expenses rose by +12.0% to €2,302.3m driven by two elements already reported in 9M 2023: the change in the allocation of free-lancers' costs at Content production & distribution between personnel costs and external expenses as well as higher betting taxes, in line with activity growth, for Online sports betting & gaming. Consequently, this also had an impact on personnel expenses (excluding LTIP and employment-related earn-out & option expenses) which declined by -2.3% to €1,257.6m.

Proforma Adjusted EBITDA totaled €756m in 2023, taking into account a 12-month contribution of acquisitions realized in 2023.

⁹ Pro forma acquisitions as if they are consolidated on 1 January 2023

FROM ADJUSTED EBITDA TO ADJUSTED NET INCOME

Restructuring and other non-recurring items: -€34.3m in 2023 compared to -€127.3m in 2022¹⁰.

LTIP expenses totaled -€152.8m in 2023 compared to -€127.3m in 2022. LTIPs charges reflected new beneficiaries and were mechanically higher charges during the first years of the plans as IFRS accounting standards request the vesting to start from the attribution date regardless of the actual vesting period. This is in line with Group's trajectory to record on average 10% of Adjusted EBITDA as LTIPs expenses.

Employment-related earn-out and option expenses: -€13.7m in 2023 compared to -€20.2m in 2022.

Net financial result amounted to -€244.4m in 2023 compared to -€256.7m in 2022. Of this amount:

- **Cost of net debt** totaled -€195.6m in 2023 compared to -€143.8m in 2022. The increase was mostly explained by (i) one-off costs related to the cancellation of the old financing fees not fully amortized at the time of the refinancing of Term Loans B and Senior Secured Notes and redemption costs of the Senior Secured Notes; (ii) and increased interest costs on the renewed debts at the Content production & distribution business.
- **Other financial income and expenses** amounted to -€48.8m in 2023 compared to -€112.9m in 2022, mainly explained by the change in fair value of the Put/Earn-out debt and other financial instruments, hedging instruments and currency impact.

Income tax expenses

The tax charge amounted to -€78.2m in 2023 compared to -€76.9m in 2022. Tax in 2022 was particularly high compared to pretax income given higher taxable results due to the non-taxable listing fees in 2022.

Adjusted net income rose by +6.8% to €323.2m in 2023.

FREE CASH FLOW AND NET FINANCIAL DEBT

The Group's Adjusted free cash flow (after lease payments) reached €606.2m in 2023, up +10.1% YoY, driven by the business performance and disciplined capital expenditures. The increase in the change in working capital requirement reflected higher betting taxes' debt.

Adjusted free cash flow conversion after capex and leases payment amounted to 82%.

The rise in income taxes paid was mainly attributable to tax instalments in 2023 based on a higher 2022 base, as well as a catch-up effect in 2023 of the 2022 tax for which the instalments were based on lower 2021 performance.

Adjusted operating free cash flow stood at €512.6m in 2023.

¹⁰ Restructuring items in 2022 were mainly related to listing and transaction fees and costs incurred to realize the listing on 1 July 2022

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€m	2022	2023	% reported change
Adjusted EBITDA	666.1	736.7	10.6%
Capex	(68.1)	(84.1)	
Total cash outflows for leases that are not recognised as rental expenses	(47.3)	(46.4)	
Adjusted free cash flow	550.6	606.2	10.1%
Change in working capital*	(6.8)	5.5	
Income tax paid	(74.5)	(99.1)	
Adjusted operating free cash flow	469.3	512.6	9.2%

*Excludes LTIP paid, exceptional items cash-out, trade receivables on providers and players' liabilities

The Group's net financial debt totaled €2,280m as of 31 December 2023 compared to €2,091m as of 31 December 2022. The increase in net financial debt mainly reflected the dividend payment for €148m, acquisitions and change in financial assets for €196m, LTIP paid & exceptional items for €78m, €196m interests recognized in 2023 and €84m of others.

As a result, the financial leverage ratio stood at 3.1x as of 31 December 2023, stable compared to 31 December 2022.

DIVIDEND

FL Entertainment plans to distribute dividends in respect of the financial year 2023 which will represent at least one third of Adjusted net income.

The proposed dividend for the financial year 2023 amounts to €148m, i.e. €0.35 per share, representing a 46% payout ratio on Adjusted net income. It will be paid fully in cash and will be submitted for approval to the Annual General Meeting on 23 May 2024.

Rollout of ESG strategy

Set on its mission to “Entertain the world” with a responsible approach, FL Entertainment has positioned sustainability, equality & inclusion, and well-being at the heart of its business model with a long-standing commitment to the highest ESG standards and long-term value creation. In 2023, FL Entertainment continued to deploy its strategy with a focus on governance structure, implementing business initiatives, and close collaboration with both businesses.

Governance

The Group established a Board level HR & ESG Committee responsible for validating the strategy, as well as monitoring and overseeing its deployment at business level. In parallel, Banijay has established three dedicated workstreams on environment, social and governance, all coordinated by a newly appointed ESG Director.

Promote inclusion & equality in a safe environment

Multiple initiatives have been launched in 2023 across the group to promote social values in a safe environment.

In Content production and distribution, various initiatives were deployed with a focus on promoting diversity & equality both on and off-screen. This is building diverse, supportive, and collaborative teams, while ensuring equal opportunities for everyone. A specific program (“Belong”), based on a full set of initiatives (at local and global levels) is in place worldwide to foster Inclusion & Equality in recruiting, employee training and awareness, and audiences’ awareness. Initiatives in 2023 included Banijay Launch, a global accelerator program that discovers and empowers emerging women creators, and Baniday, a global initiative where employees help charities, local governments in their local cities and towns.

On the sports betting and online gaming side, the Group has placed responsible gaming behaviour at the core of its business strategy, supported by a team dedicated to preventing excessive and underage gaming and a robust data-driven AI-based algorithm. We have developed Betclik Protect program, a comprehensive player protection program available throughout their gaming journey. It includes various tools and services that promote responsible gaming, such as early detection of signs of excessive gambling as well as numerous ways of assisting players in need. Within Betclik Protect, key activities in 2023 have included the second edition of the Safer Gaming week, employee training and recruitment. Its commitment is also well reflected in the way it operates its business as a digital company (100% of business online) and the high proportion (99% in 2023, up 2 ppt compared to 2022) of its revenue generated in locally regulated markets. Thanks to its strong commitment to player protection, Betclik received in November 2023 the international standard for Safer Gambling certified by GamCare, making it the first operator outside the UK to receive this certification.

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Environment

FL Entertainment is committed to monitor and reduce its carbon footprint both on content and tech production. In the sports betting and online gaming activities, which is a fully digital business, we are committed in controlling energy consumption from IT developments. 2023 marked the first year of carbon emissions measurement on the content production side, on 2022 data, in partnership with 3Degrees. Banijay has continued to work actively on sustainable production across its activities, being a member of the Albert Consortium in the UK and EcoProd in France, two organizations dedicated to industry carbon footprint reduction.

In 2024, the Group will continue to develop its commitments to ESG and deliver on its strategy, reinforcing its position as a trusted partner to clients, customers and stakeholders.

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Agenda: Q1 2024 results: 15 May 2024

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About FL Entertainment

FL Entertainment Group is a global entertainment leader founded by Stéphane Courbit, a 30-year entrepreneur and entertainment industry pioneer. Our mission is to inspire passion by providing audiences with engaging and innovative entertainment experiences. The Group's activities include content production & distribution (through Banijay, the world's largest independent content producer and distributor) and online sports betting & gaming (through Betclix, Europe's fastest-growing online sports betting platform). In 2023, FL Entertainment recorded revenue and Adjusted EBITDA of €4,318m and €737m respectively. FL Entertainment is listed on Euronext Amsterdam (ISIN: NL0015000X07, Bloomberg: FLE NA, Reuters: FLE.AS).

Forward-looking statements

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

Forward Looking Statements

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

We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.

Alternative performance measures

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

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

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

<https://www.flentertainment.com/>

APPENDIX

Glossary

Adjusted EBITDA: for a period is defined as the operating profit for that period excluding restructuring costs and other non-core items, costs associated with the long-term incentive plan within the Group (the "LTIP") and employment related earn-out and option expenses, and depreciation and amortization net of reversals (excluding D&A fiction and non-recurring provisions). D&A fiction are costs related to the amortization of fiction production, which the Group considers to be operating costs. As a result of the D&A fiction, the depreciation and amortization line item in the Group's combined statement of income deviates from the depreciation and amortization costs in this line item.

Adjusted net income: defined as net income (loss) adjusted for restructuring costs and other non-core items, costs associated with the LTIP and employment related earn-out and option expenses and other financial income.

Adjusted free cash flow: defined as Adjusted EBITDA adjusted for purchase and disposal of property plant and equipment and of intangible assets and cash outflows for leases that are not recognized as rental expenses.

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

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

Leverage: Adjusted net financial debt / Adjusted EBITDA.

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

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Table 1: Revenue breakdown by activity

€m	Q4 2022	Q4 2023	% reported change	% constant currency	2022	2023	% reported change	% constant currency
Production	920.5	918.6	(0.2)%	1.9 %	2 664.6	2 689.0	0.9%	3.3%
Distribution	120.5	117.8	(2.2)%	0.5 %	387.7	395.3	2.0%	3.8%
Live experiences & other	48.8	137.4	181.3 %	286.8 %	159.3	237.1	48.9%	51.4%
Content production & distribution	1 089.8	1 173.8	7.7 %	10.1 %	3 211.6	3 321.4	3.4%	5.7%
Sportsbook	192.9	208.0	7.8 %	6.9 %	670.1	766.4	14.4%	13.9%
Casino	32.9	47.8	45.2 %	44.8 %	104.8	154.7	47.7%	47.6%
Poker	15.0	17.7	18.0 %	18.0 %	49.9	61.4	23.1%	23.0%
Turf	3.1	4.2	36.0 %	36.0 %	10.3	13.7	33.3%	33.3%
Online sports betting & gaming	243.9	277.7	13.8 %	13.1 %	835.0	996.2	19.3%	18.9%
TOTAL REVENUE	1 333.7	1 451.5	8.8 %	10.7 %	4 046.6	4 317.6	6.7%	8.5%

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Table 2: Adjusted operating free cash flow by activity

Content production & distribution - €m	2022	2023	% reported change
Adjusted EBITDA	472.1	493.5	4.5%
Adjusted EBITDA margin (%)	14.7%	14.9%	
Capex	(60.3)	(73.3)	
Total cash outflows for leases that are not recognised as rental expenses	(44.1)	(42.7)	
Adjusted free cash flow	367.8	377.5	2.7%
Change in WC ⁽¹⁾	(12.9)	(9.9)	
Income tax paid	(49.4)	(48.1)	
Adjusted Operating free cash flow	305.3	319.5	4.6%
Online Sports betting & gaming	2022	2023	% reported change
Adjusted EBITDA	202.8	251.8	24.2%
Adjusted EBITDA margin (%)	24.3%	25.3%	
Capex	(7.9)	(10.8)	
Total cash outflows for leases that are not recognised as rental expenses	(3.3)	(3.7)	
Adjusted free cash flow	191.7	237.3	23.8%
Change in WC ⁽²⁾	3.5	13.5	
Income tax paid	(25.2)	(51.1)	
Adjusted Operating free cash flow	170.1	199.7	17.4%

(1) Excluding LTIP payment and exceptional items for Content production & distribution

(2) Excluding LTIP payment, exceptional items, trade receivables on providers and players' liabilities for Online sports betting & gaming

Table 3: Consolidated statement of cash flows

<i>In € million</i>	31 Dec. 2022	31 Dec. 2023
Profit/(loss)	(81.1)	73.6
Adjustments:	706.4	641.9
Share of profit of associates and joint ventures	2.2	4.3
Amortisation, depreciation, impairment losses and provisions, net of reversals	150.5	141.8
Employee benefits LTIP & employment-related earn-out and option expenses	147.5	166.7
Change in fair value of financial instruments	105.4	2.7
Income tax expenses	76.9	78.2
Other adjustments ⁽¹⁾	76.8	46.0
Cost of financial debt, lease liabilities and current accounts	147.2	202.2
Gross cash provided by operating activities	625.3	715.5
Changes in working capital	(92.3)	(99.5)
Income tax paid	(74.5)	(99.1)
Net cash flows provided by operating activities	458.6	517.0
Purchase of property, plant, and equipment and of intangible assets	(68.1)	(84.9)
Purchases of consolidated companies, net of acquired cash	(37.4)	(141.7)
Investing in associates and Joint ventures	-	(19.9)
Increase in financial assets	(43.1)	(101.8)
Disposals of property, plant and equipment and intangible assets	-	0.8
Proceeds from sales of consolidated companies, after divested cash	(9.1)	1.2
Decrease in financial assets	165.3	9.9
Dividends received	-	0.3
Net cash provided by/(used for) investing activities	7.5	(336.1)
Change in capital	363.6	0.1
Change in other securities	114.4	-
Dividends paid	(1.6)	(148.2)
Dividends paid by consolidated companies to their non-controlling interests	(4.3)	(19.3)
Transactions with non-controlling interests	(400.8)	(27.7)
Proceeds from borrowings and other financial liabilities	20.7	1 292.8
Repayment of borrowings and other financial liabilities	(399.0)	(1 069.5)
Other cash items related to financial activities	(0.0)	0.0
Interest paid	(131.3)	(195.7)
Net cash flows from (used in) financing activities	(438.2)	(167.6)
Impact of changes in foreign exchange rates	19.1	(29.7)
Net increase (decrease) of cash and cash equivalents	46.9	(16.5)
<i>Cash and cash equivalents at the beginning of the period</i>	<i>432.4</i>	<i>479.4</i>
<i>Cash and cash equivalents at end of the period</i>	<i>479.4</i>	<i>462.9</i>

(1) Other adjustments include notably in 2023: i) unrealized foreign exchange gains; ii) acquisition costs reclassified in "Purchases of consolidated companies"; and (iii) other financial items reclassified in "Interests paid" and in 2022 i) unrealized foreign exchange gains; ii) losses on disposal and liquidation of subsidiaries; and (iii) IFRS 2 listing costs.

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Table 4: Consolidated balance sheet

<i>In € million</i>	31 Dec. 2022	31 Dec. 2023
ASSETS		
Goodwill	2 570.2	2 834.0
Intangible assets	194.8	204.7
Right-of-use assets	160.8	149.2
Property, plant and equipment	59.2	70.6
Investments in associates and joint ventures	14.0	31.7
Non-current financial assets	161.7	228.5
Other non-current assets	35.9	36.9
Deferred tax assets	51.9	58.4
Non-current assets	3 248.6	3 614.0
Inventories and work in progress	705.2	678.1
Trade receivables	496.5	588.9
Other current assets	288.3	357.6
Current financial assets	24.7	30.2
Cash and cash equivalents	479.4	464.2
Current assets	1 994.1	2 119.0
TOTAL ASSETS	5 242.6	5 733.0
EQUITY AND LIABILITIES		
Share capital	8.0	8.1
Share premiums, treasury shares and retained earnings (deficit)	91.7	(35.8)
Net income/(loss) - attributable to shareholders	(88.0)	60.8
Shareholders' equity	11.7	33.0
Non-controlling interests	6.3	20.2
Total equity	18.0	53.2
Other securities	130.5	139.4
Long-term borrowings and other financial liabilities	2 290.3	2 551.9
Long-term lease liabilities	131.2	126.1
Non-current provisions	27.7	34.3
Other non-current liabilities	441.3	352.5
Deferred tax liabilities	7.4	7.9
Non-current liabilities	3 028.4	3 212.1
Short-term borrowings and bank overdrafts	349.4	358.3
Short-term lease liabilities	40.4	41.8
Trade payables	663.5	709.7
Current provisions	23.0	13.5
Customer contract liabilities	693.3	750.0
Other current liabilities	426.6	594.3
Liabilities classified as held for sale	-	-
Current liabilities	2 196.2	2 467.7
TOTAL EQUITY AND LIABILITIES	5 242.6	5 733.0

Table 5: IFRS consolidated net financial debt

<i>In € million</i>	31 December 2022	31 December 2023
Bonds	1 330.8	1 284.2
Bank borrowings and other	1 140.1	1 437.3
Bank overdrafts	-	1.5
Accrued interests on bonds and bank borrowings	29.6	37.2
Vendor loans	138.4	143.5
Total bank indebtedness	2 638.9	2 903.7
Cash and cash equivalents	(479.4)	(464.2)
Funding of Gardenia	-	(79.7)
Trade receivables on providers	(13.1)	(60.8)
Players' liabilities	50.6	50.2
Cash in trusts and restricted cash	(31.6)	(31.0)
Net cash and cash equivalents	(473.5)	(585.5)
Net debt before derivatives effects	2 165.3	2 318.2
Derivatives - liabilities	0.0	6.4
Derivatives - assets	(74.5)	(44.6)
Net debt	2 090.8	2 280.0

Table 6: Cash flow statement

In € million	31 December 2022			Total Group
	Content production & distribution	Sports Betting & Online Gaming	Holding	
Net cash flow from operating activities	380.4	107.4	(29.2)	458.6
Cash flow (used in)/from investing activities	(147.4)	(16.3)	171.2	7.5
Cash flow (used in)/from financing activities	(198.3)	(106.9)	(133.0)	(438.2)
Effect of foreign exchange rate differences	19.1	-	-	19.1
Net increase/(decrease) in cash and cash equivalents	53.8	(15.8)	9.0	47.0
<i>Cash and cash equivalents as of 1 January</i>	<i>342.4</i>	<i>87.9</i>	<i>2.2</i>	<i>432.4</i>
<i>Cash and cash equivalents as of 30 December</i>	<i>396.2</i>	<i>72.1</i>	<i>11.2</i>	<i>479.4</i>

In € million	31 December 2023			Total Group
	Content production & distribution	Online sports betting & gaming	Holding	
Net cash flow from operating activities	370.1	162.3	(15.4)	517.0
Cash flow (used in)/from investing activities	(238.9)	(10.4)	(86.8)	(336.1)
Cash flow (used in)/from financing activities	(129.6)	(130.6)	92.5	(167.6)
Effect of foreign exchange rate differences	(29.7)	-	-	(29.7)
Net increase/(decrease) in cash and cash equivalents	(28.1)	21.3	(9.7)	(16.5)
<i>Cash and cash equivalents as of 1 January</i>	<i>396.2</i>	<i>72.1</i>	<i>11.2</i>	<i>479.4</i>
<i>Cash and cash equivalents as of 30 December</i>	<i>368.1</i>	<i>93.3</i>	<i>1.5</i>	<i>462.9</i>

Table 7: Content production & distribution: Net financial debt as of 31 December 2023

At Banijay level:		
<i>In € million</i>	31 Dec. 2022	31 Dec. 2023
Total Secured Debt (OM definition)	1 847	1 988
Other debt	339	326
SUN	409	409
Total Debt	2 595	2 722
Net Cash	(396)	(368)
Total net financial debt (excl. Earn-out & PUT)	2 199	2 354
EO & PUT	124	178
Total net financial debt (incl earn-out & PUT)	2 323	2 532
<i>Ratios at Banijay level:</i>		
Leverage Ratio, as presented	4.46	4.49
Adjusted Leverage Ratio, as presented	4.71	4.82
Senior secured net leverage ratio	3.20	3.43
<i>Cash conversion rate - Banijay definition*</i>	74%	73%
Banijay contribution at FL Entertainment level:		
<i>In € million</i>	31 Dec. 2022	31 Dec. 2023
Total net financial debt (excl. Earn-out & PUT)	2 199	2 354
Transaction costs amortization and other	(74)	(32)
Vendor loan	-	-
Lease debt (IFRS 16)	(160)	(155)
Total net financial debt at FL Entertainment level	1 966	2 167
Derivatives	(69)	(38)
Total net financial debt at FL Entertainment level after derivatives	1 897	2 129

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

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

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

* Based on free cash flow as defined as follows: Adjusted EBITDA + change in working capital – income tax paid – capex