

H1 2022 RESULTS

GLOBAL ENTERTAINMENT LEADER REPORTS DOUBLE DIGIT REVENUE GROWTH AND STRONG CASH FLOW GENERATION

H1 2022 FIGURES

- Revenue growth: €1,801m in H1 2022, up +18.9% on a reported basis and +15.6% at constant exchange rates
- Adjusted EBITDA¹: €301m, up +16.0% versus H1 2021, representing an adj. EBITDA margin of 16.7%
- Adjusted net income: €139m up +8.0% versus €129m in H1 2021
- Net income: -€18.2m versus €24.2m in H1 2021, due to one-off impact from the Group re-organization and listing transaction
- Adjusted free cash flow¹: €249m, representing a cash flow conversion of 83%
- Net financial debt / Adj. EBITDA² ratio adjusted from the transaction: improved to 3.3x as of June 30, 2022 versus 3.7x as at December 31, 2021

H1 2022 HIGHLIGHTS

- Content production & distribution
 - Revenue up +22%³ with strong performance across all businesses and geographies
 - Solid revenue growth post-Covid driven by repeat business and new formats
 - Original programming: +9% of hours in catalog versus FY 2021, driven by both linear TV and streaming platforms
 - 8 bolt-on acquisitions 2022 YTD, enriching creative talent, content and geographic reach
- Sports betting & online gaming
 - Revenue from continuing operations⁴: +4% in H1 2022 despite high comparison basis due to Euro 2020 in 2021 and increased activity during Covid-related lockdowns
 - Unique Active Players increased by +7% in H1 2022 versus H1 2021
 - Responsible gaming at the heart of the strategy
- Successful listing in July 2022
- Strong Group balance sheet:
 - Liquidity position: €713m
 - Financial debt at fixed rate with no maturity before 2025
 - S&P credit rating on Banijay⁵ upgraded to B+ in September 2022

OUTLOOK

The Group confirms the 2022 guidance and mid-term outlook presented at the time of the business combination and listing.

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

² Net debt: pre-IFRS 16

³ At constant exchange rates

⁴ Excluding discontinued operations at Bet-at-home

⁵ Content production & distribution

FL/ENTERTAINMENT

François Riahi, CEO of FL Entertainment, said:

“During H1 2022, FL Entertainment delivered double-digit revenue and EBITDA growth thanks to a strong post-Covid recovery in Content production and increased Distribution revenues. Our Sports betting & online gaming business performed well and continued to attract new players, despite the quieter sports calendar in the first-half. Based on the strength of our H1 performance, we are confirming our revenue and earnings targets for 2022, as well as our mid-term outlook.

FL Entertainment's listing in July 2022 is the start of a new chapter for our business and we are delighted to begin life as a publicly-traded company with such strong momentum. We enjoy leading positions in attractive and growing segments of the entertainment industry and are well-placed to capitalize on new opportunities and continue our track record of delivering profitable growth.”

FL Entertainment invites you to its H1 2022 results conference call on:
Thursday, September 29th 2022, at 6:00pm CET

Webcast live:

You can watch the presentation on the following link:

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

Dial-in access telephone numbers:

You need to register to the following link:

<https://register.vevent.com/register/Bla4a4a6371e794693a2ab1868251455ef>

Slides related to H1 2022 results are available on the Group's website, in the “Investor relations” section:

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

FL/ENTERTAINMENT

On September 29, 2022, the board of directors approved the financial report and the unaudited condensed financial statements for the half-year ended June 30, 2022.

Accounts are presented under IFRS standards, unless explicitly mentioned

KEY FINANCIALS IN H1 2022

€m	H1 2021	H1 2022	% change	% constant currency
Group revenue	1 514.7	1 800.8	18.9%	15.6%
Adjusted EBITDA	259.3	300.7	16.0%	
<i>Adjusted EBITDA margin</i>	17.1%	16.7%		
Net income	24.2	(18.2)		
Adjusted net income excl. one-off items related to the transaction	128.5	138.7	7.9%	
Adjusted free cash flow	208.2	249.3	19.7%	
Free cash flow conversion rate	80%	83%		
For the twelve-month period ended	31 Dec. 2021	30 June 2022	% change	
Net financial debt (reported)	2 268.8	2 525.0	11.3%	
Net financial debt (adjusted from the transaction)		2 155.0		
Net financial debt / Adjusted EBITDA	3.7x	3.3x		

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H1 2022 – KEY EVENTS

Business combination agreement

On May 10, 2022, F.L. Entertainment N.V., announced that it had entered into a definitive business combination agreement with Pegasus Entrepreneurial Acquisition Company Europe B.V., a special purpose acquisition company ("SPAC") to become a listed company on Euronext Amsterdam.

The transaction consists of (i) the business combination of FL Entertainment and Pegasus Entrepreneurs resulting in a public listing of FL Entertainment on Euronext Amsterdam, (ii) the equity roll-over of the minority shareholders in the Banijay Group (Vivendi, Fimalac and De Agostini) and the Betclac Everest Group (SBM International) to become shareholders of FL Entertainment, and (iii) raising of €643m of proceeds. The business combination was completed on July 1, 2022 and provided the Group with additional capital of around €608m after deduction of the fees and expenses of the Business Combination, estimated at approximately €35m. The SPAC provided €114m of additional capital, while a PIPE Financing and funding from Financière Lov and the SPAC Sponsors⁶ provided €229m and €300m, respectively.

Group reorganization

The Group conducted reorganization between entities within Financière Lov group and with minority interests in order to achieve the transaction described above. For more details, please refer to Note 3.1.3 to the Condensed Financial Statements for the half-year ended June 30, 2022.

Liquidation of Bet-at-home Entertainment Ltd

On 22 December 2021, Bet-at-home Group announced the liquidation of Bet-at-home Entertainment Ltd, a Maltese entity operating the casino activity under license MGA (Malta Gaming Authority), consolidated at 53.9% as of December 2021, which took effect in the first half of 2022.

Active M&A strategy at Content production & distribution

As part of the strategy to strengthen creative talents, Banijay continued its selective and disciplined M&A activity. Over the first half 2022, Banijay realized five bolt-on acquisitions of well-known production companies in both scripted and non-scripted formats (eight acquisitions 2022 YTD). Acquired companies strengthen Banijay's exposure in the US, UK, Italy, Spain and France, and brings a specific expertise in a particular field: 1) Légende Films is a high-profile filmmaker in France; 2) ZNAK TV, an entity of a famous showrunner and executive producer on Fox's "MasterChef" amongst other large-scale entertainment brands, operates in the US and the UK; 3) Groenlandia in Italy is focused on crafting stories with universal appeal that can travel the world; 4) Toocos Formats in France, creates, develops new formats for the French and international markets; 5) Pookepsie Films is one of the most unique scripted production companies in Spain.

⁶ Pegasus Acquisition Partners Holding, Tikehau Capital, Financière Agache SA, Diego De Giorgi and Jean Pierre Mustier and their affiliates and/or directors

POST-CLOSING EVENTS

Business combination successfully completed

On 1st July 2022, FL Entertainment successfully completed business combination with Pegasus Entrepreneurs and listed on Euronext Amsterdam. The first day of trading took place on 1st July.

Active M&A momentum in Content production & distribution

Banijay realized 3 new acquisitions post-H1 2022, as continuing to expand its footprint:

- SONY Pictures Film-und Fernsehen GmbH in Germany is a home for high-quality, standout entertainment formats and scripted productions;
- Banijay Kids & Family acquired UK drama specialists, Kindle Entertainment, and Movimenti, an Italian production company and animation focused creative hub. The division is now home to six production labels across France, the UK and Italy, alongside its distribution.

2022 GUIDANCE AND MID-TERM OUTLOOK CONFIRMED

The Group confirms the 2022 guidance and mid-term outlook presented at the time of the business combination and listing.

For 2022, FL Entertainment targets:

- Content production & distribution: c.€3bn and adjusted EBITDA of c.€450m
- Sports betting & online gaming: c.€800m and adjusted EBITDA of c.€200m
- Group adjusted cash conversion rate at around 80%
- Dividend payout ratio to be at least 33.3% of the Group's adjusted net income
- Group leverage⁷ between 3.0x and 3.5x net financial debt / Adjusted EBITDA

For the mid-term prospects:

- Content production & distribution: mid-single digit annual organic revenue growth and stable adjusted EBITDA margin
- Sports betting & online gaming: low teens annual organic revenue growth and stable adjusted EBITDA margin
- Group adjusted cash conversion rate at around 80%
- Dividend payout ratio to be at least 33.3% of the Group's adjusted net income
- Group net financial debt / Adjusted EBITDA below 3x

⁷ Net financial debt: pre-IFRS 16

H1 2022 - PROFIT & LOSS STATEMENT

H1 2022 “Normalized P&L” highlights the performance of the Group without any impact of one-off items related to reorganization and business combination as of 5 July 2022 (refer to page 9).

In € million	H1 2021 Reported	H1 2022 Reported	H1 2022 Normalized P&L	% Change vs H1 2021
Revenue	1 514.7	1 800.8	1 800.8	18.9%
External expenses	(713.3)	(861.3)	(861.3)	
Personnel expenses excluding LTIP & employment-related earn-out and option expenses	(536.0)	(628.6)	(628.6)	
Other operating income and expenses excl. restructuring costs and other non-recurring items	(6.6)	(8.9)	(9.0)	
D&A related to fiction	0.4	(1.2)	(1.2)	
Adjusted EBITDA	259.3	300.7	300.7	16.0%
<i>Adjusted EBITDA margin</i>	<i>17.1%</i>	<i>16.7%</i>	<i>16.7%</i>	
Restructuring costs and other non-recurring items	(14.6)	5.4	12.0	
LTIP & employment-related earn-out & option exp.	(79.1)	(76.6)	(43.6)	
Depreciation and amortization (excl D&A fiction)	(54.1)	(59.0)	(59.0)	
Operating profit/(loss)	111.5	170.4	210.0	88.3%
Cost of net debt	(66.0)	(73.6)	(73.6)	
Other finance income/(costs)	(10.6)	(85.6)	10.8	
Net financial income/(expense)	(76.6)	(159.2)	(62.8)	-18.0%
Share of net income from associates & joint ventures	(1.4)	(1.5)	(1.5)	
Earnings before provision for income taxes	33.6	9.7	145.7	4.3x
Income tax expenses	(9.4)	(27.8)	(27.8)	
Profit/(loss) from continuing operations	24.2	(18.2)	117.8	
Net income/(loss) for the period	24.2	(18.2)	117.8	4.9x
Attributable to:				
<i>Non-controlling interests</i>	<i>11.3</i>	<i>2.1</i>	<i>2.1</i>	
<i>Shareholders</i>	<i>12.8</i>	<i>(20.2)</i>	<i>115.8</i>	
Restructuring charges and other non-core items	14.6	(5.4)	(12.0)	
LTIP & employment-related earn-out & option exp.	79.1	76.6	43.6	
Other financial income	10.6	85.6	(10.8)	
Adjusted Net income	128.5	138.7	138.7	7.9%

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CONSOLIDATED REVENUE

Group revenue increased by +15.6% at constant exchange rates to €1,800.8m and +18.9% in absolute terms in H1 2022 (the difference is mainly explained by US\$ and £ currencies).

At constant exchange rates, the growth was driven by the Content production & distribution business, +22.1%, which strongly recovered after a first half 2021 that was still heavily impacted by Covid effects. Sports betting & online gaming business declined by -2.8% due to a high comparison basis in H1 2021 and discontinued operations in some jurisdictions at Bet-at-Home⁸ in the first half. Excluding the impact of discontinued operations, Sports betting & online gaming business recorded a solid +4% growth in H1 2022 (constant exchange rates).

This is reflected as follows by business:

€m	H1 2021	H1 2022	% change	% constant currency
Production	929.4	1168.3	25.7%	
Distribution	110.4	159.6	44.4%	
Other	66.1	76.3	15.3	
Content production & distribution	1 106.0	1 404.2	27.0%	22.1%
Sportsbook	333.8	322.3	-3.5%	
Casino	50.0	46.5	-7.0%	
Poker	21.6	23.2	7.1%	
Other	3.2	4.6	44.9%	
Sports betting & online gaming	408.7	396.6	-3.0%	-2.8%
TOTAL REVENUE	1 514.7	1 800.8	18.9%	15.6%

Content production & distribution:

The strong double-digit revenue growth was well spread across the two activities: Content production was driven by new show deliveries (such as “Pride and Prejudice” in the US, “Pekin Express” and “Laura Pausini” in Italy), the return to seasonal pre-covid production pace in the US (such as “Big Brother Celebrity”, “Masterchef”), repeat business with formats recommission (such as “Survivor” in Australia), a favorable production phasing with early deliveries of programs and, to a lower extent, bolt-on acquisitions. Distribution also performed well both with linear TV and streaming platforms for key non-scripted and scripted formats. This also includes a good trend in selling new formats in different territories.

Overall, the number of hours of in the catalog at the end of June 2022 reached about 134,000 hours, up +9% versus December 2021.

⁸ Bet-at-home Entertainment Ltd liquidated during the first half 2022

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Sports betting & online gaming:

Revenue decreased by -3.0% in absolute terms to €396.6m in H1 2022. The decline was largely attributable to a quieter sports calendar compared with H1 2021 (Euro 2020 football tournament in June / July 2021), positive impact of lockdowns in 2021 and some activities at Bet-at-home which were discontinued in the course of 2021.

At constant exchange rates and excluding discontinued operations in some jurisdictions of Bet-at-home, revenues of the business were up +4% during the first half with a solid performance of Betclik entity (+5% revenue growth), while partly offset by Bet-at-home, down -16%.

Overall, Unique Active Players increased by +7% in H1 2022 versus H1 2021, illustrating the attractiveness of the platform. This comes in particular from the permanent enrichment of product services with high added-value content and a cutting-edge digital platform, continuing to provide its players with a safe and responsible gaming environment thanks to the development of advanced AI tools and processes, putting the player at the core of business and bringing individual support to players in need.

ADJUSTED EBITDA

Adjusted EBITDA amounted to €300.7m, up +16.0% in H1 2022, splitting into +31.1% to €198.3m for Content production & distribution and -4.6% for Sports betting & online gaming as a result of revenue trend.

Adjusted EBITDA margin came at 16.7% versus 17.1% in H1 2021, demonstrating FL Entertainment sound business model. Increased profitability of Content production & distribution mostly derived from increased revenue. Profitability of Sports betting & online gaming reduced on the back of the lower performance of Bet-at-home.

The increase in external and personnel expenses was mainly driven by Content production & distribution, which grew in lockstep with its revenue growth, illustrating the dynamism of the activity and variability of the costs.

<i>In € million</i>	H1 2021	H1 2022	% change
Content production & distribution	151.2	198.3	31.1%
Sports betting & online gaming	108.2	103.2	-4.6%
Holding	(0.1)	(0.7)	
Adjusted EBITDA	259.3	300.7	16.0%
Content production & distribution	13.7%	14.1%	
Sports betting & online gaming	26.5%	26.0%	
Adjusted EBITDA margin	17.1%	16.7%	

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

H1 2022 Normalized P&L highlights the performance of the group without any impact of one-off items related to reorganization & business combination.

Comments thereafter analyze the “Normalized P&L” in H1 2022 compared to H1 2021 reported P&L.

<i>In € million</i>	H1 2021 Reported	H1 2022 Reported	H1 2022 Adjusted from merger (1)	Transaction impact (2)	H1 2022 Normalized P&L (1) – (2)
Adjusted EBITDA	259.3	300.7	300.7	-	300.7
Restructuring costs & other non-recurring items	(14.6)	5.4	(95.8)	(107.8)	12.0
LTIP & employment-related earn-out and option expenses	(79.1)	(76.6)	(76.6)	(33.0)	(43.6)
Depreciation and amortization (excl D&A fiction)	(54.1)	(59.0)	(59.0)	-	(59.0)
Operating profit/(loss)	111.5	170.4	69.2	(140.8)	210.0
Cost of net debt	(66.0)	(73.6)	(73.6)	0.0	(73.6)
Other finance income/(costs)	(10.6)	(85.6)	(82.7)	(93.5)	10.8
Net financial income/(expense)	(76.6)	(159.2)	(156.3)	(93.5)	(62.8)
Share of net income from associates & joint ventures	(1.4)	(1.5)	(1.5)	-	(1.5)
Earnings before provision for income taxes	33.6	9.7	(88.7)	(234.3)	145.7
Income tax expenses	(9.4)	(27.8)	(27.8)	-	(27.8)
Profit/(loss) from continuing operations	24.2	(18.2)	(116.5)	(234.3)	117.8
Net income/(loss) for the period of w/h:	24.2	(18.2)	(116.5)	(234.3)	117.8
Non-controlling interests	11.3	2.1	2.1	-	2.1
Shareholders	12.8	(20.2)	(118.5)	(234.3)	115.8
Restructuring costs & other non-recurring items	14.6	(5.4)	95.8	107.8	(12.0)
LTIP & employment-related earn-out and option expenses	79.1	76.6	76.6	33.0	43.6
Other financial income	10.6	85.6	82.7	93.5	(10.8)
Adjusted Net income	128.5	138.7	138.7	0.0	138.7

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One-off items related to the transaction:

FL Entertainment recorded one-off items from the Group re-organization and listing transaction that occurred in H1 2022 and until 5 July 2022. They split as follow:

- **Restructuring and other non-recurring items: €108m** related to listing fee and costs incurred to realize the transaction. Under IFRS, the merger with the SPAC is considered as an equity-settled share-based payment for a service rendered by the SPAC to list the Group. This service is valued at €89m and is recorded as a listing fee.
- **LTIP & employment-related earn-out and option expenses: €33m** mainly driven by the change in fair value of financial instruments explained by the LTIP following the upward reassessment of the Banijay Group's shares.
- **Other finance income / loss: €94m** attributable mainly to the change in fair value of financial instruments. This splits into puts re-evaluation and the change in fair value of Vivendi's convertible bond derivatives following the upward assessment of the Banijay Group's shares. This bond was paid back as part of the transaction.

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

FL Entertainment recorded €12m income mainly coming from the deconsolidation of Bet-at-home Entertainment Ltd in H1 2022.

Net financial result

Net financial result amounted to -€62.8m in H1 2022 compared to -€76.6m in H1 2021. Of this amount:

- **Cost of net debt** amounted to -€73.6m in H1 2022 vs -€66.0m in H1 2021, mostly attributable to a higher level of interest charges explained by a timing effect of interest charges related to Betclix loan issued on 13 December 2021.
- **Other financial income and expenses** as of June 2022 amounted to +€10.8m, compared to -€10.6m for the first half of 2021 mainly explained by gains on exchange rates and derivatives during H1 2022.

Income tax expenses

The tax charge in H1 2022 totaled -€28m compared to -€9m in H1 2021, representing an effective tax rate of 17.8% compared with 11.2% respectively.

The change is mostly explained by a particularly low effective income tax interest rate in H1 2021 due to the use of significant loss carry-forward in 2021 for Sports betting & online gaming business.

Adjusted net income

As a result of the above, adjusted net income rose by +7.9% to €138.7m in H1 2022 from €128.5m in H1 2021.

FREE CASH FLOW AND NET FINANCIAL DEBT IN H1 2022

HIGH FREE CASH FLOW CONVERSION IN H1 2022

The Group improved significantly its adjusted free cash flow in H1 2022 compared to H1 2021 thanks to positive adjusted EBITDA and tight control of cash expenses: capex remained stable while change in working capital increased on the back of timing differences for betting taxes' payment. The rise in income taxes paid was attributable to greater use of tax loss carry-forward in H1 2021.

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

€m	H1 2021	H1 2022	% change
Adjusted EBITDA	259.3	300.7	16.0%
Capex	(28.8)	(28.6)	
Total cash outflows for leases that are not recognised as rental expenses	(22.3)	(22.8)	
Adjusted free cash flow	208.2	249.3	19.7%
Changes in working capital*	(62.1)	(68.9)	
Income tax paid	(17.4)	(33.0)	
Adjusted operating free cash flow	128.7	147.4	14.5%

*Excludes LTIP paid and exceptional items cash-out

SOLID FINANCIAL POSITION AND DE-LEVERAGING

Including the full impact of the transaction as of 5 July 2022, net financial debt decreased to €2,155m as of 30 June 2022 compared to €2,269m as of 31 December 2021, primarily driven by the performance of adjusted EBITDA. The decrease in net debt came mainly from adjusted free cash flows of the period for -€147m and cash proceeds received following the transaction, partly offset by vendor loans for €525m, net acquisitions for €46m and €74m interests recognized during H1 2022.

Based on net debt adjusted from the transaction, the Group's leverage reduced to 3.3x as of 30 June 2022 versus 3.7x as at 31 December 2021. Group's financial debt is at fixed rate with no maturity before 2025.

On a reported basis:

- Cash and cash equivalents increased to €493m as at 30 June 2022 versus €434m as at 31 December 2021.
- Liquidity position came at €713m, including €493m cash and cash equivalents, €170m from the RCF which remained undrawn and €50m of unused overdraft.

Agenda

Q3 2022 results: 30 November 2022

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About FL Entertainment

Founded by Stéphane Courbit, a 30-year entertainment industry pioneer and entrepreneur, FL Entertainment Group is a global leader in multimedia content and gambling, combining the strengths of Banijay, the world's largest independent producer distributor, with Betclix Everest Group, the fastest-growing online sports betting platform in Europe. In 2021, FL Entertainment recorded through Banijay and Betclix Everest Group, a combined revenue, and adjusted EBITDA, of €3.5bn and €609m respectively. FL Entertainment listed on Euronext Amsterdam in July 2022.

ISIN: NL0015000X07 - Bloomberg: FLE NA - Reuters: FLE.AS

Forward-looking statements

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

Forward Looking Statements

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

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

Alternative performance measures

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

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

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

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

APPENDIX

Glossary

Transaction: business combination with Pegasus Entrepreneurial Acquisition Company Europe B.V., a special purpose acquisition company ("SPAC") to become a listed company on Euronext Amsterdam as well as the Group's re-organization

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

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

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

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

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

Leverage: adjusted net financial debt / Adjusted EBITDA

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

Content production & distribution: Key indicators

Key indicators - In €m	H1 2021	H1 2022	% change	% constant currency
Production	929.4	1168.3	25.7%	
Distribution	110.4	159.6	44.4%	
Other	66.1	76.3	15.3%	
REVENUE	1 106.0	1 404.2	27.0%	22.1%
Adjusted EBITDA	151.2	198.3	31.1%	
Adjusted EBITDA margin (%)	13.7%	14.1%		
Capex	(23.9)	(24.5)		
Total cash outflows for leases that are not recognised as rental expenses	(20.2)	(21.2)		
Adjusted free cash flow	107.1	152.6	42.5%	
Changes in WC & income tax paid*	(49.0)	(81.7)		
Adjusted operating free cash flow	58.1	70.9	22.1%	

Sports betting & online gaming: Key indicators

Key indicators - €m	H1 2021	H1 2022	% change	% constant currency
Sportsbook	333.8	322.3	-3.5%	
Casino	50.0	46.5	-7.0%	
Poker	21.6	23.2	7.1%	
Other	3.2	4.6	44.9%	
REVENUE	408.7	396.6	-3.0%	-2.8%
Adjusted EBITDA	108.2	103.2	-4.6%	
Adjusted EBITDA margin (%)	26.5%	26.0%		
Capex	(4.9)	(4.1)		
Total cash outflows for leases that are not recognised as rental expenses	(2.1)	(1.7)		
Adjusted free cash flow	101.2	97.4	-3.7%	
Changes in WC & income tax paid*	(30.5)	(28.1)		
Adjusted operating free cash flow	70.7	69.3	-2.0%	

*Excluding LTIP and exceptional items payment

Interim consolidated statement of cash flows

<i>In € million</i>	30 June 2021	30 June 2022
Profit/(loss)	24.2	(18.2)
Adjustments:	221.2	311.8
Share of profit/(loss) of associates and joint ventures	1.4	1.5
Amortization, depreciation, impairment losses and provisions, net of reversals	57.4	59.8
Employee benefits LTIP & employment-related earn-out and option expenses	79.0	76.6
Change in fair value of financial instruments	6.7	89.7
Income tax expenses	9.4	27.8
Other adjustments ⁹	1.9	(19.2)
Cost of net debt and current accounts	65.4	75.6
Gross cash provided by operating activities	245.3	293.7
Changes in working capital ¹⁰	(97.7)	(84.2)
Income tax paid	(17.4)	(33.0)
Net cash flows provided by operating activities	130.2	176.4
Purchase of property, plant and equipment and intangible assets	(28.8)	(28.6)
Purchases of consolidated companies, net of acquired cash	(14.5)	(13.9)
Increase in financial assets	(0.8)	(2.3)
Disposals of property, plant and equipment and intangible assets	0.4	-
Proceeds from sales of consolidated companies, after divested cash	4.1	2.2
Decrease in financial assets	0.5	0.4
Net cash provided by/(used for) investing activities	(39.0)	(42.2)
Dividends paid by consolidated companies to their non-controlling interests	(20.7)	(1.5)
Transactions with non-controlling interests	(2.1)	-
Proceeds from borrowings and other financial liabilities	3.1	11.1
Repayment of borrowings and other financial liabilities	(35.1)	(47.9)
Other cash items related to financial activities	-	-
Interest paid	(61.2)	(65.3)
Net cash flows from/(used in) financing activities	(116.0)	(103.6)
Impact of changes in foreign exchange rates	(8.6)	25.2
Net increase/(decrease) of cash and cash equivalents	(33.4)	55.7
Cash and cash equivalents at the beginning of the period	388.5	432.4
Cash and cash equivalents at end of the period	355.1	488.2

⁹ Other adjustments include notably unrealized foreign exchange gains, and gain/(loss) on disposal and liquidation of subsidiaries

¹⁰ Including LTIP paid and exceptional items cash-out

FL/ENTERTAINMENT

Interim consolidated statement of financial position

<i>In € million</i>	31-Dec-2021	30-Jun-2022
ASSETS		
Goodwill	2 493.9	2 538.0
Intangible assets	236.7	226.9
Right-of-use assets	171.1	156.3
Property, plant and equipment	55.3	57.5
Investments in associates and joint ventures	11.1	12.6
Non-current financial assets	83.0	103.4
Other non-current assets	29.6	19.9
Deferred tax assets	47.6	34.2
Non-current assets	3 128.3	3 148.8
Inventories and work in progress	676.7	824.9
Trade receivables	463.6	541.0
Other current assets	264.2	319.9
Current financial assets	75.2	297.4
Cash and cash equivalents	434.1	492.7
Current assets	1 913.7	2 475.8
TOTAL ASSETS	5 042.0	5 624.6
EQUITY AND LIABILITIES		
Share capital	-	7.6
Additional paid-in capital	-	3 719.4
Retained earnings	73.6	(4 077.1)
Net income/(loss) - attributable to shareholders	(43.0)	(20.2)
Shareholders' equity	30.6	(370.4)
Non-controlling interests	(36.7)	0.7
Total equity	(6.2)	(369.7)
Other securities	-	114.4
Long-term borrowings and other financial liabilities	2 457.8	2 475.3
Long-term lease liabilities	143.2	127.3
Non-current provisions	22.0	21.9
Other non-current liabilities	291.7	355.6
Deferred tax liabilities	3.2	7.8
Non-current liabilities	2 917.9	3 102.4
Short-term borrowings and bank overdrafts	306.2	868.0
Short-term lease liabilities	40.2	40.3
Trade payables	511.2	594.5
Current provisions	39.1	10.8
Customer contract liabilities	776.9	900.0
Other current liabilities	456.8	478.3
Current liabilities	2 130.3	2 891.9
TOTAL EQUITY AND LIABILITIES	5 042.0	5 624.6

FL/ENTERTAINMENT

IFRS consolidated net financial debt

<i>In € million</i>	31-Dec-2021	30-Jun-2022
Bonds	1 461.5	1 505.2
Bank borrowings	1 232.5	1 278.2
Bank overdrafts	1.7	4.5
Accrued interests on bonds and bank borrowings	32.7	29.0
Vendor loans	-	524.5
Total bank indebtedness	2 728.4	3 341.4
Cash and cash equivalents	(434.1)	(492.7)
Trade receivables on providers	(24.8)	(10.2)
Players' liabilities	41.7	35.6
Cash in trusts	(22.4)	(22.5)
Escrow account	-	(275.0)
Net cash and cash equivalents	(439.5)	(764.8)
Net debt before derivatives effects	2 288.8	2 576.6
Derivatives - liabilities	6.1	1.8
Derivatives - assets	(26.2)	(53.4)
Net debt	2 268.8	2 525.0

FL/ENTERTAINMENT

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

Net financial debt - In €m	31-Dec-2021	31-Mar-2022	30-June-2022
At Banijay level:			
Total Secured Debt (OM definition)	1 805	1 809	1 871
Other debt	296	279	313
SUN	409	402	409
Total Debt	2 510	2 490	2 593
Net Cash	(342)	(312)	(353)
Total net financial debt - (1)	2 168	2 178	2 240
EO & PUT	100	114	116
Total net financial debt (incl EO & PUT)	2 268	2 292	2 355
At FL Entertainment level:			
Transaction costs amortization - (2)			(48)
Lease debt (IFRS 16) – (3)			(156)
Total net financial debt at FL Entertainment level (1) + (2) + (3)			2 035
Derivatives			(49)
Total net financial debt at FL Entertainment level			1 987
Ratios at Banijay level:			
Leverage Ratio, as presented	4.85	4.66	4.60
Adjusted Leverage Ratio, as presented	5.07	4.91	4.84
Senior secured net leverage ratio	3.50	3.45	3.35