



# FL Entertainment

Global entertainment leader run by entrepreneurs

May 2022

# Leadership

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## FL Entertainment



**Stéphane Courbit**  
Chairman



**François Riahi**  
CEO



**Sophie Kurinckx**  
CFO



Special Purpose Acquisition Company  
listed on Euronext Amsterdam



**Pierre Cuilleret**  
Sponsor and CEO

# Invest in an entertainment leader alongside successful entrepreneurs and blue-chip shareholders

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- 1** Entrepreneur-led entertainment group with exposure to two market segments offering high growth potential
- 2** Founded by entertainment industry pioneer – Stéphane Courbit – with an outstanding track record of building businesses and creating shareholder value
- 3** Growing, profitable businesses with complementary profiles
- 4** Proven ability to source, execute and integrate M&A – and expand into new markets – further enhanced by Euronext listing and capital markets access
- 5** Strong alignment between all stakeholders: core shareholders, sponsors, new investors and managers
- 6** Unique opportunity to invest in scarce and high-quality assets at an attractive valuation

# 1 Global leader in entertainment



**#1 independent production company in the world**  
**World's largest content catalogue**  
**and deep portfolio of IP rights**

- **IP with strategic value for major digital SVOD<sup>2</sup> platforms and linear TV networks**
- **Critical scale and recognized brands**
- **Growing and secured business model**
- **Unique ability to attract and retain key talents**



**Fastest-growing online sports betting**  
**platform in Europe**  
**97%<sup>1</sup> revenues from regulated activities**

- **Proven track record of operating in highly-regulated and controlled environment**
- **Leading positions: #1 in France, #1 in Portugal and #3 in Poland**
- **Well-positioned for booming sport entertainment trend**
- **Proprietary technology platform with award-winning UX and products**

1. Based on 2022E. Regulated activities represent activities for which local license is required

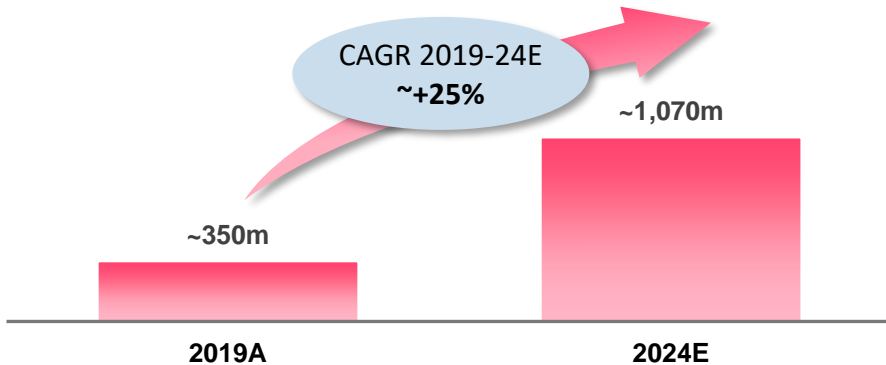
2. Subscription video-on-demand

# 1 Exposed to two market segments offering high growth potential

## Global content market

- Structurally growing market
- Content drives audience on digital platforms
- IP, a strong differentiating factor
- Extensive consolidation opportunity (top 10 players representing ~6% of global content production market)

Continued global growth of 'Over-the-Top' subscribers



**+11% 2019-2024E CAGR**

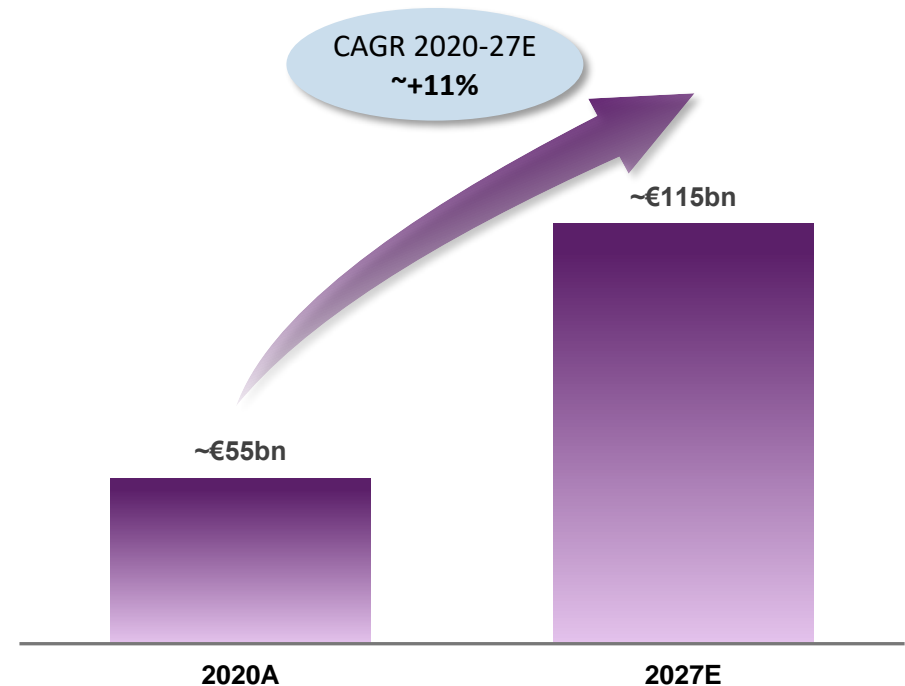
Expected increase in content creation spending<sup>1</sup>



## Global online gambling market

- Deep addressable markets
- Opportunities to duplicate know-how in new territories
- Regulation bringing stability and sustainability
- High / resilient growth pattern

Global online gambling market to double by 2027



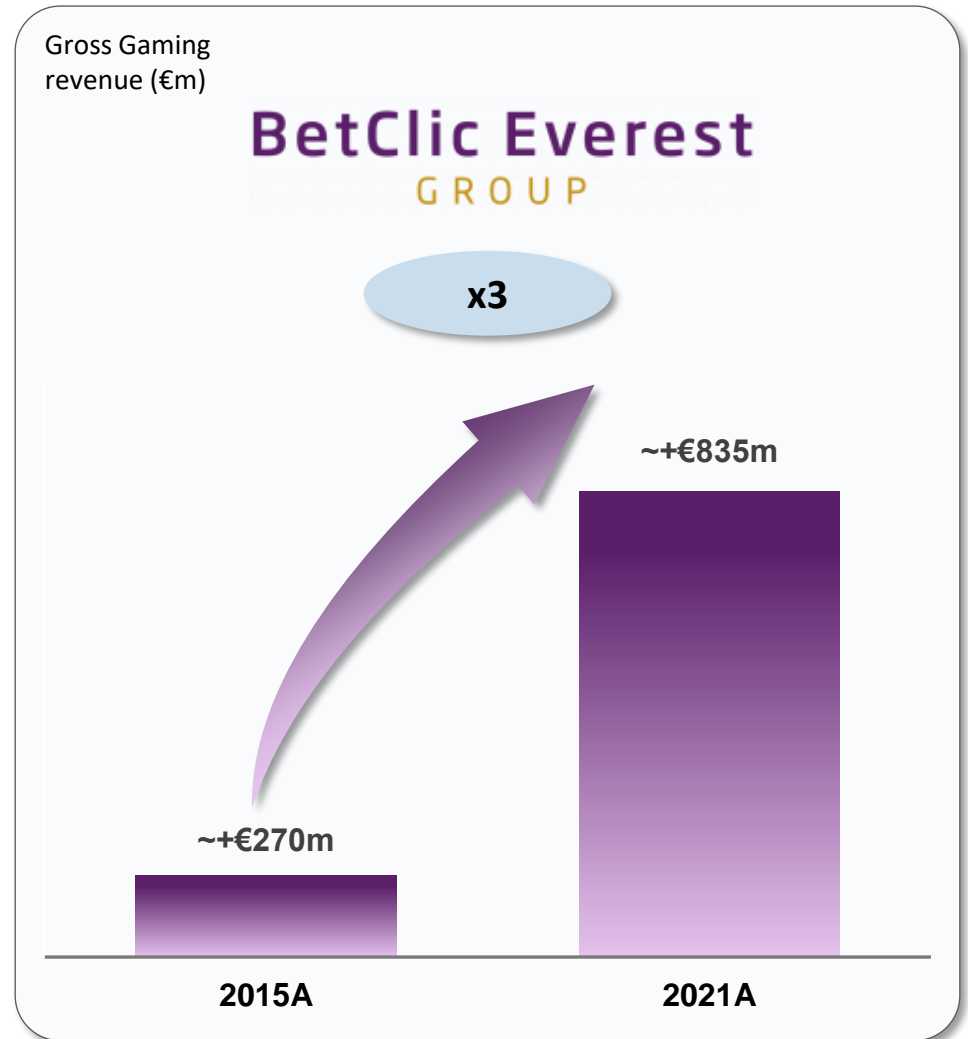
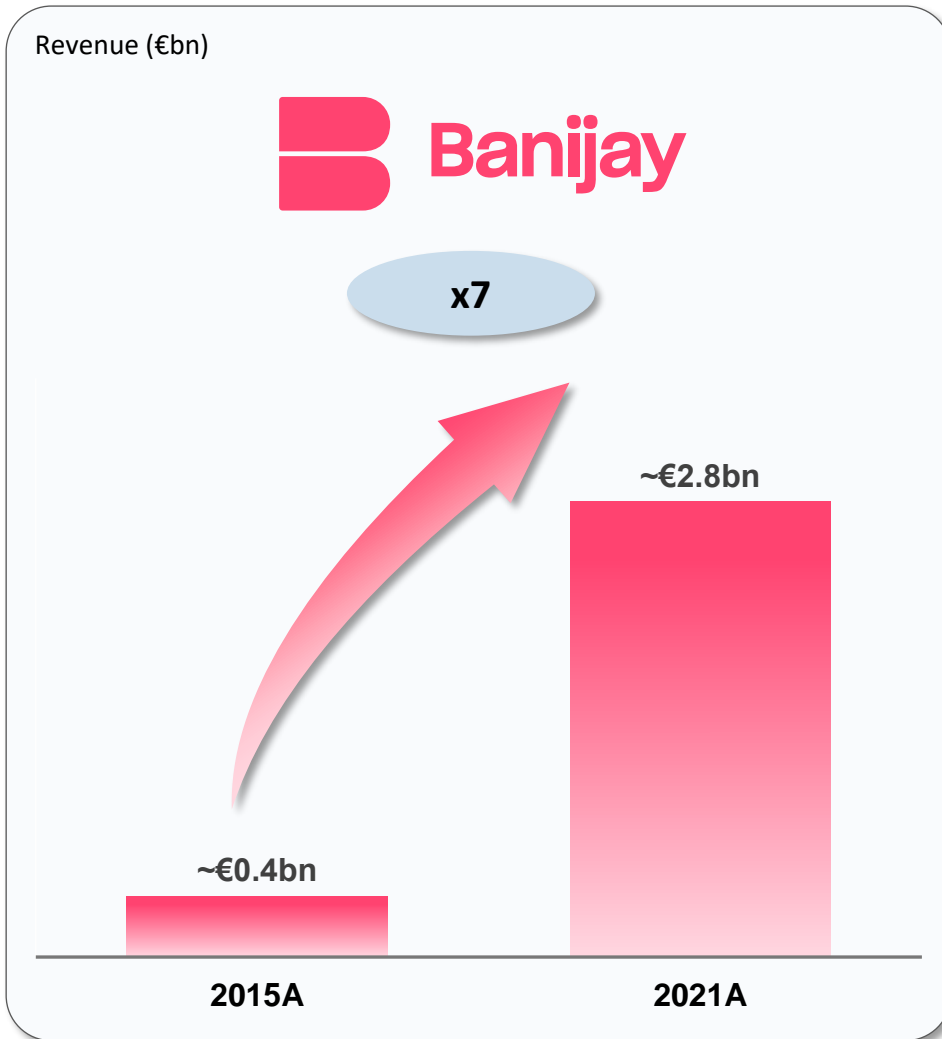
Sources: Companies, SNL, Wall Street Research

1. Content creation spending excludes sports programming; includes Fox, AMC, WarnerBros Discovery/HBO Max, Lionsgate, MGM, Viacom CBS, Walt Disney Company/Disney+/Hulu/Hoststar/ESPN+, Comcast/NBCU/Peacock, AT&T, SKY, Netflix, AmazonPrime Video, Apple TV+

## 2 Track record of building businesses and creating value

#1 independent production company globally

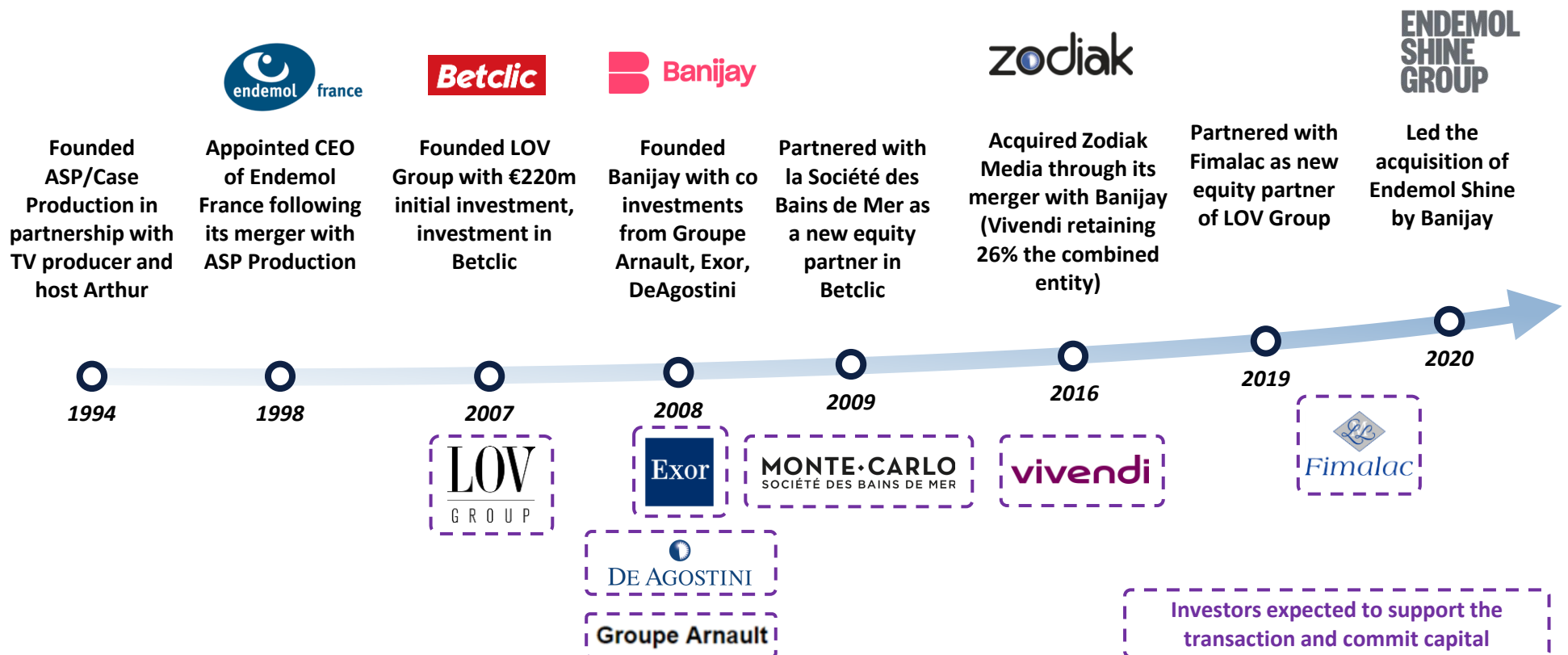
Fastest-growing online sports betting platform in Europe



## 2 Founded by entertainment industry pioneer – Stéphane Courbit



- 30-year track record of growing businesses and creating value for shareholders
- Founded Banijay – now world’s largest independent production company
- Early investor in Betclik – now Europe’s fastest-growing sports betting platform
- Proven leader who attracts strategic partners
- Track record of successful M&A execution and integration



### 3 Growing, profitable businesses with complementary profiles



Scalable platform with extensive opportunities for further consolidation

Strong M&A track-record with a mix of bolt-ons and transformative acquisitions

Proven and resilient business model based on hard and unique assets (#1 content catalog in the world)

Asset-light business model with a strong cash generation



Fastest-growing online betting platform in Europe

Continuous double-digit organic growth over the past years<sup>1</sup>

Strong brand awareness and digital platform to be leveraged in new countries

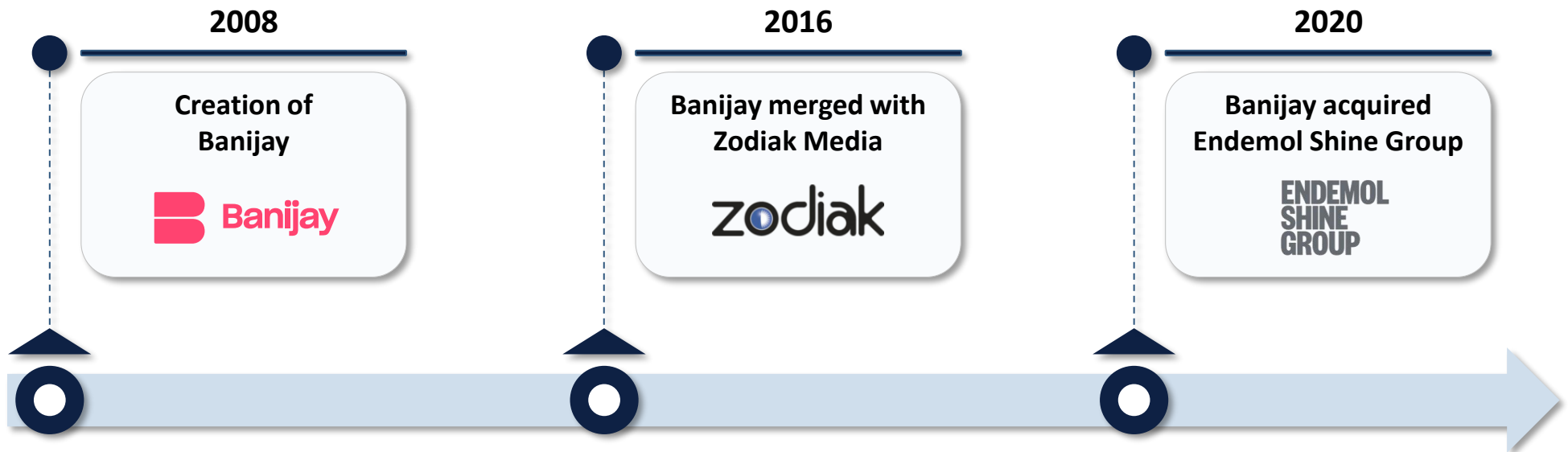
Stellar free cash flow<sup>2</sup> growth (~2.3x over 2019-21A)



1. Gross Gaming revenue

2. Defined as Adjusted EBITDA – Purchase of PP&E and of intangible assets – Total cash outflows for leases that are not recognised as rental expenses

# 4 Proven ability to execute bolt-ons M&A as well as transformative deals



~25 bolt-ons acquisitions since 2008 at an average EV/EBITDA multiple of 7x

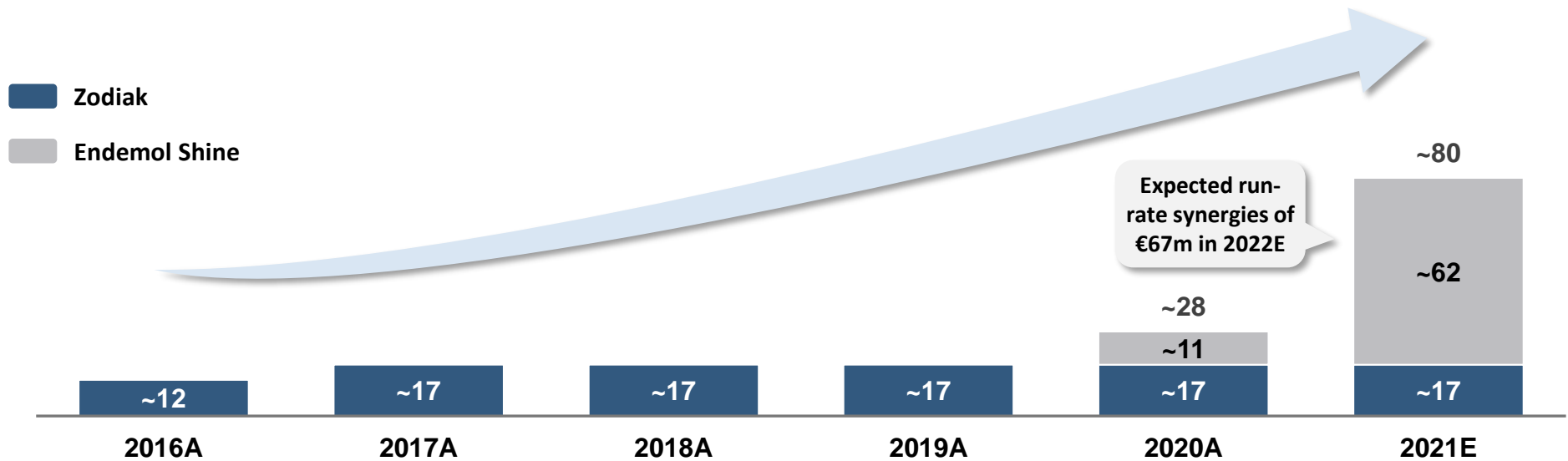
Over €100m of run-rate EBITDA acquired since 2008<sup>1</sup>

1. Cumulated EBITDA of acquired bolt-ons 4 years after acquisition

## 4 Strong cost synergies track record

Significant M&A integration capabilities and know-how with sizeable synergies realized over the past years

Zodiak and Endemol Shine case studies: ~€80m of annual cost synergies realized since 2016



**zodiak**

Acquisition in  
2015/16

- Group structure simplification
- Central costs optimization
- Maximisation of content library and format circulation
- Very quick implementation (10 months)

**ENDEMOL  
SHINE  
GROUP**

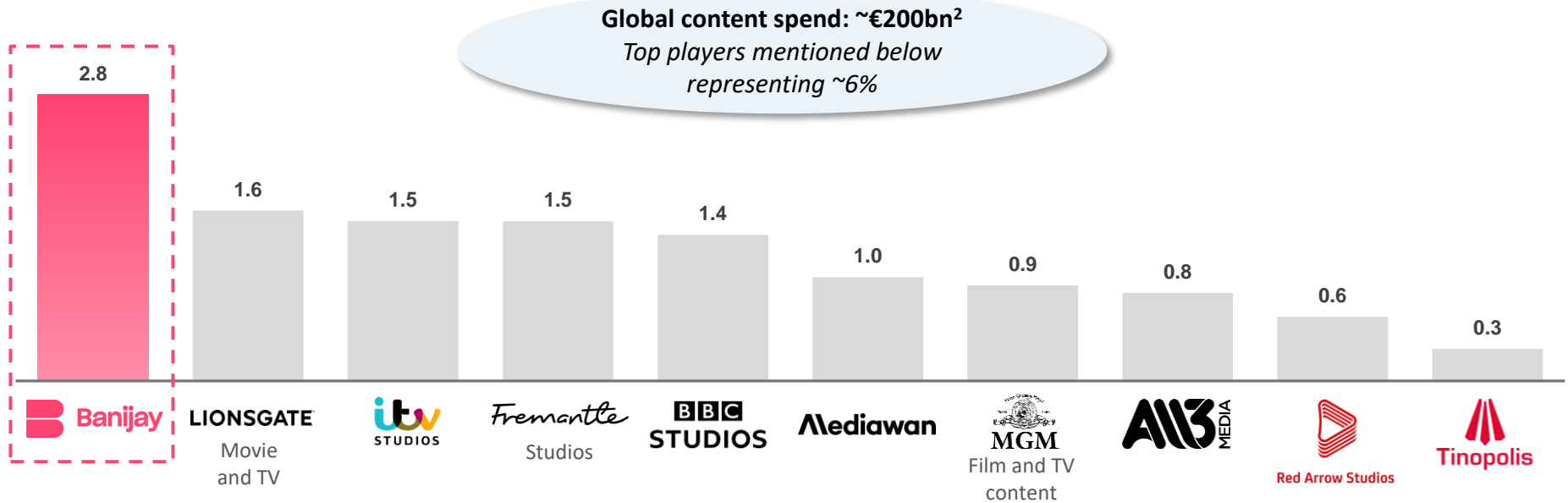
Acquisition in  
2019/20

- Structure simplification (corporate, IT and other central functions)
- Finance and distribution integration
- Leverage a strong catalogue
- Rationalisation of use of third-party service providers
- Very quick implementation (18 months)

# 4 Extensive consolidation opportunities for Banijay...

## Selected global content production players

Revenue (€bn)<sup>1</sup>



## Recent consolidation transactions in content production

**WARNER MEDIA**

**Discovery CHANNEL**

**Merger of AT&T's WarnerMedia with Discovery**  
Announced in May-2021 / \$43bn transaction

**amazon prime video**

**MGM**

**Acquisition of MGM by Amazon**  
Announced in May-2021 / \$8.5bn transaction

Sources: Companies, Press, Ampere Analysis, Factset

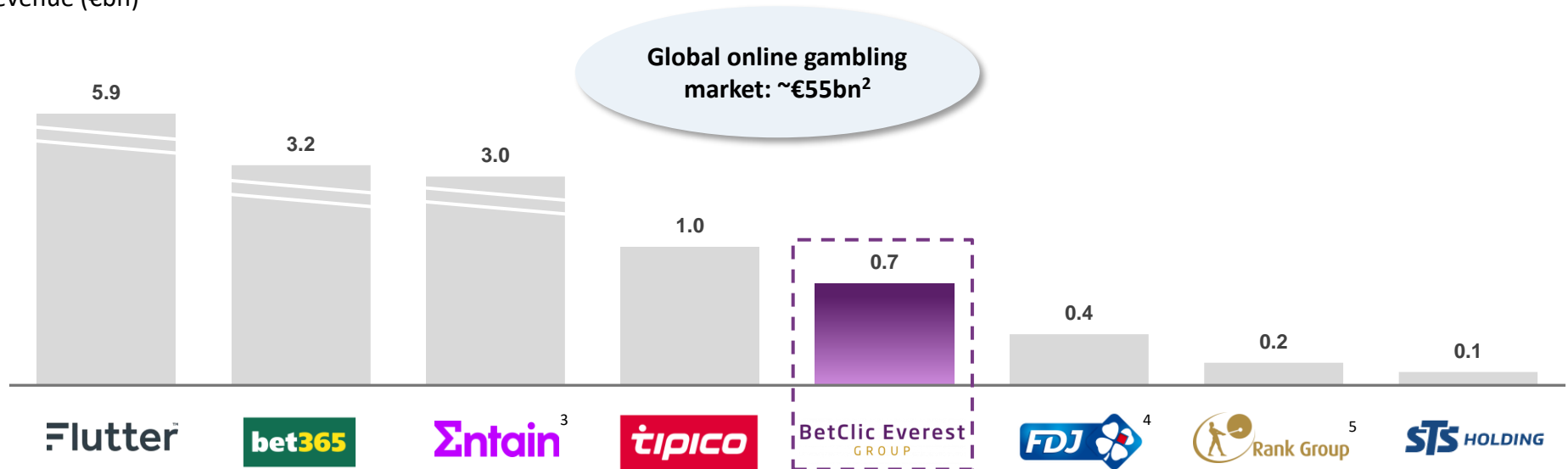
1. 2021A for Banijay, FY2021 for Lionsgate and BBC Studios, FY2020 for ITV Studio, Fremantle, MGM and Red Arrows Studios, FY2019 for All3media and Tinopolis, Mediawan as per company website

2. 2021E

# 4 ... as well as for Betclic Everest Group

## Selected European betting players

Revenue (€bn)<sup>1</sup>



## Recent M&A activity in mobile betting



**Listing of allwyn via SPAC transaction with Cohn Robbins Holdings Corp**  
Announced in Jan-22 / \$9.3bn transaction

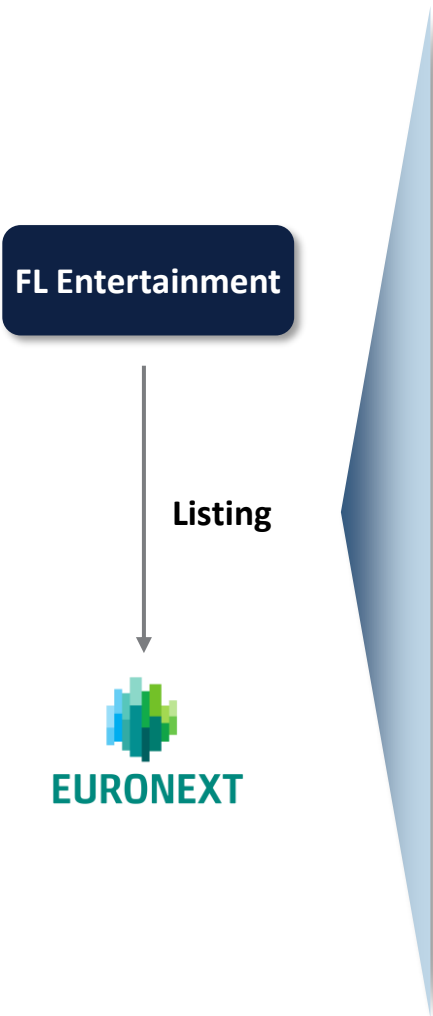
**Acquisition of Sisal by Flutter Entertainment**  
Announced in Dec-21 / €1.9bn transaction

**Lapsed acquisition of Entain by DraftKings**  
Lapsed in Oct-21 / \$22bn transaction

Sources: Companies, Press, Grand View Research, Moody's, Factset  
1. 2021A for Betclic Everest Group, FY2021 for Rank Group, FY2020 for Flutter, Bet365, Entain, Tipico (estimated), FDJ, and STS Holding  
2. 2020A

3. Online NGR  
4. Sports betting  
5. Digital NGR

## 4 Strong strategic rationale of a listing accelerating group development...

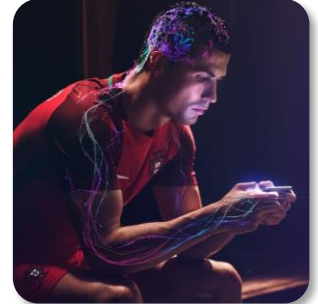


✓ **100% primary transaction**

✓ **Significant equity raise reducing leverage...**

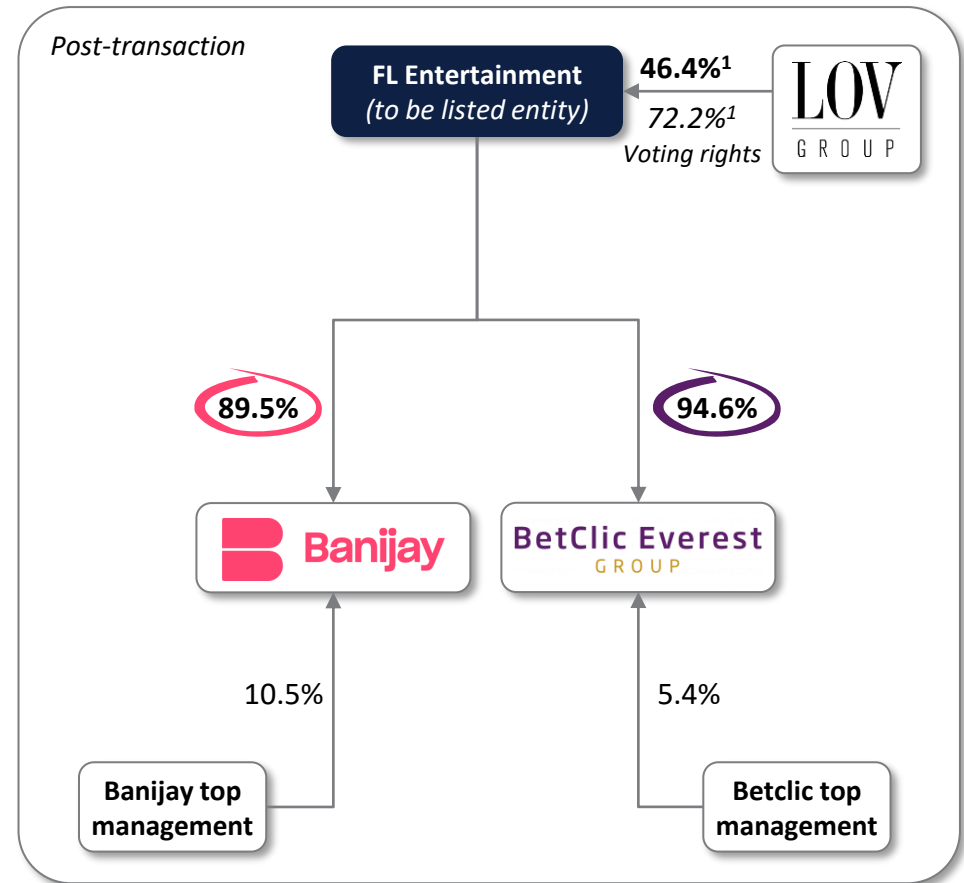
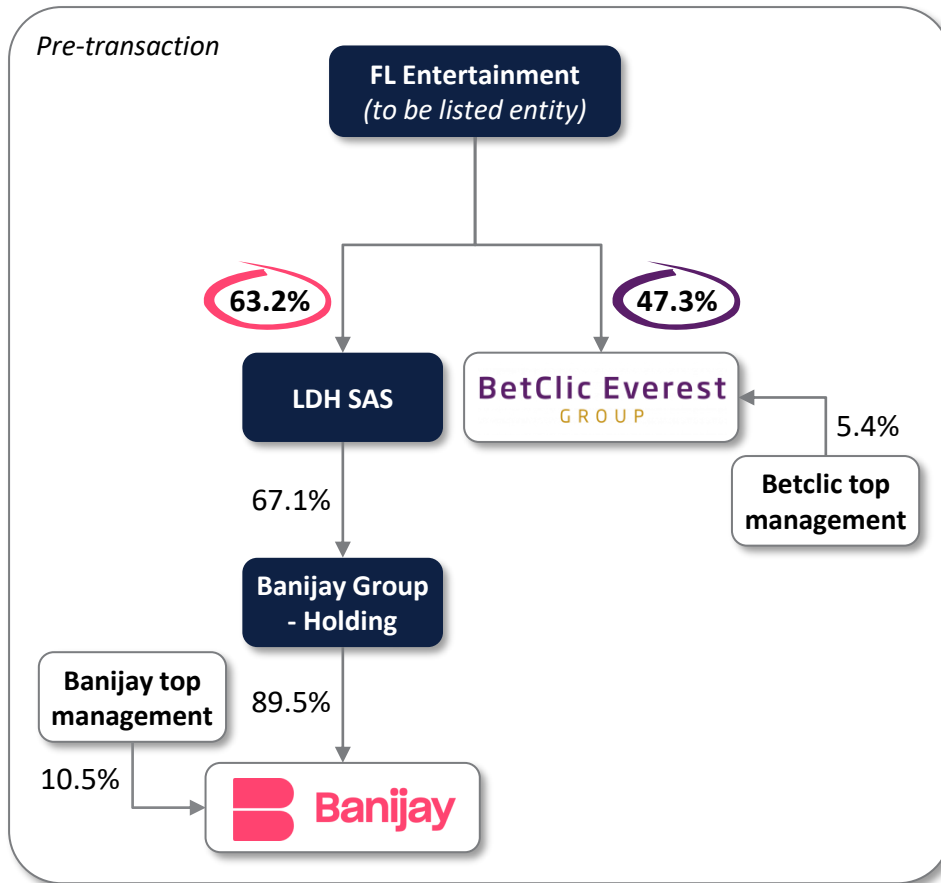
- ✓ **... and increasing M&A and strategic room of manoeuvre**
- **Two platforms ideally positioned to seize M&A opportunities**
  - **Further funding for bolt-ons / quasi organic acquisitions**
  - **Optionality for large-scale M&A transactions**
  - **Triple voting rights structure creating additional flexibility for acquisitions**

✓ **Reinforced governance**



# 4 ... while strengthening control over both businesses

## Contemplated transaction perimeter



✓ **Group simplification increasing economic exposure**

✓ **Cost of capital optimization potential**

✓ **Unencumbered access to cash flows and dividends**

1. Pre earn-outs and pre warrants, equity raising of €550m as described on page 24

## 5 Strong alignment: major shareholders expected investments...

Sizeable additional investments...

**LOV**  
GROUP

€250m



FINANCIERE AGACHE

€81m<sup>1</sup>

**TK** TIKEHAU  
CAPITAL

~€330m additional investments from existing shareholders and sponsors

... as well as reinvestments from existing shareholders

**vivendi**

€788m

**MONTE-CARLO**  
SOCIÉTÉ DES BAINS DE MER

€425m



*Fimalac*

€290m



**DE AGOSTINI**

€207m

~€1.7bn roll-over from existing shareholders in Banijay and Betclic

1. Including €31m invested at Pegasus Entrepreneurs IPO and €50m in forward purchase agreement

5 ... committed to a long-term horizon

LOV  
GROUP

36 months lock-up



vivendi



MONTE-CARLO  
SOCIÉTÉ DES BAINS DE MER



Lock-ups of  
6-to-18 months<sup>1</sup>

Strong alignment of all major shareholders committing to 6-to-36 months lock-up and to an orderly sale coordination agreement

1. On stakes rolled over; lock-ups of 18 months for Vivendi, 12 months for SBM and Fimalac, 6 months for De Agostini

## 5 Strong incentives focused on equity value creation...

**LOV**  
GROUP

### **3 earn-outs**

*Respectively triggered at €13,  
€15 and €17 per share<sup>1</sup>*



### **Staggered promote**

*Shareholder friendly structure  
Only ~1/2 awarded on or  
around business combination  
~1/4 awarded at €11.50  
and ~1/4 at €13.00 per share*

**Strong incentive for LOV Group and sponsors driven by earn-out and promote mechanisms**

5 ... and experienced leadership team committed to long-term success



**Marco Bassetti**

CEO, Banijay, Endemol Italy Founder  
*30+ years of experience  
in media and entertainment*  
*~5% owner in Banijay<sup>1</sup>*



**Nicolas Béraud**

CEO, Betclik Founder  
*20+ years of experience  
in online gaming*  
*~5% owner in Betclik  
Everest Group*



**~200**  
*People under LTIP*

**8-year**  
*LTIP*

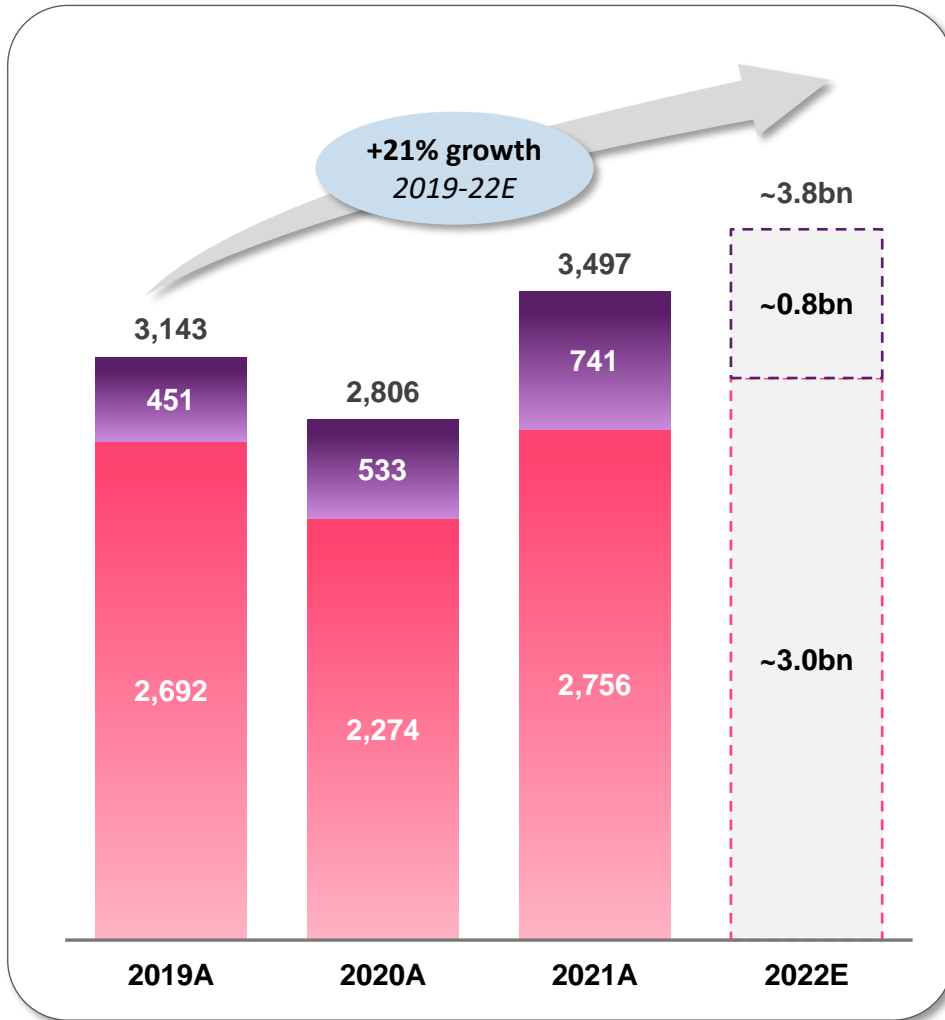


**~50**  
*People under LTIP*

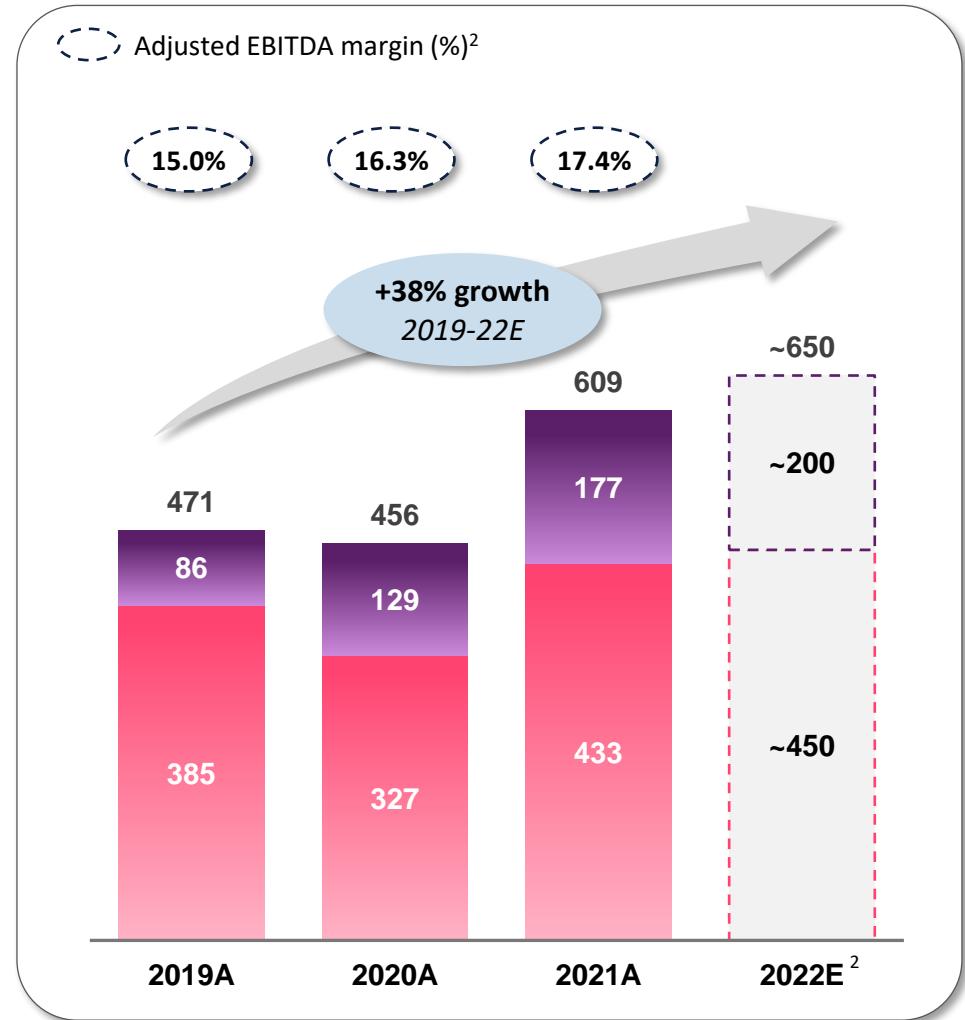
**6-year**  
*LTIP*

# 6 Strong profitable growth...

Aggregated revenue (€m)<sup>1</sup>



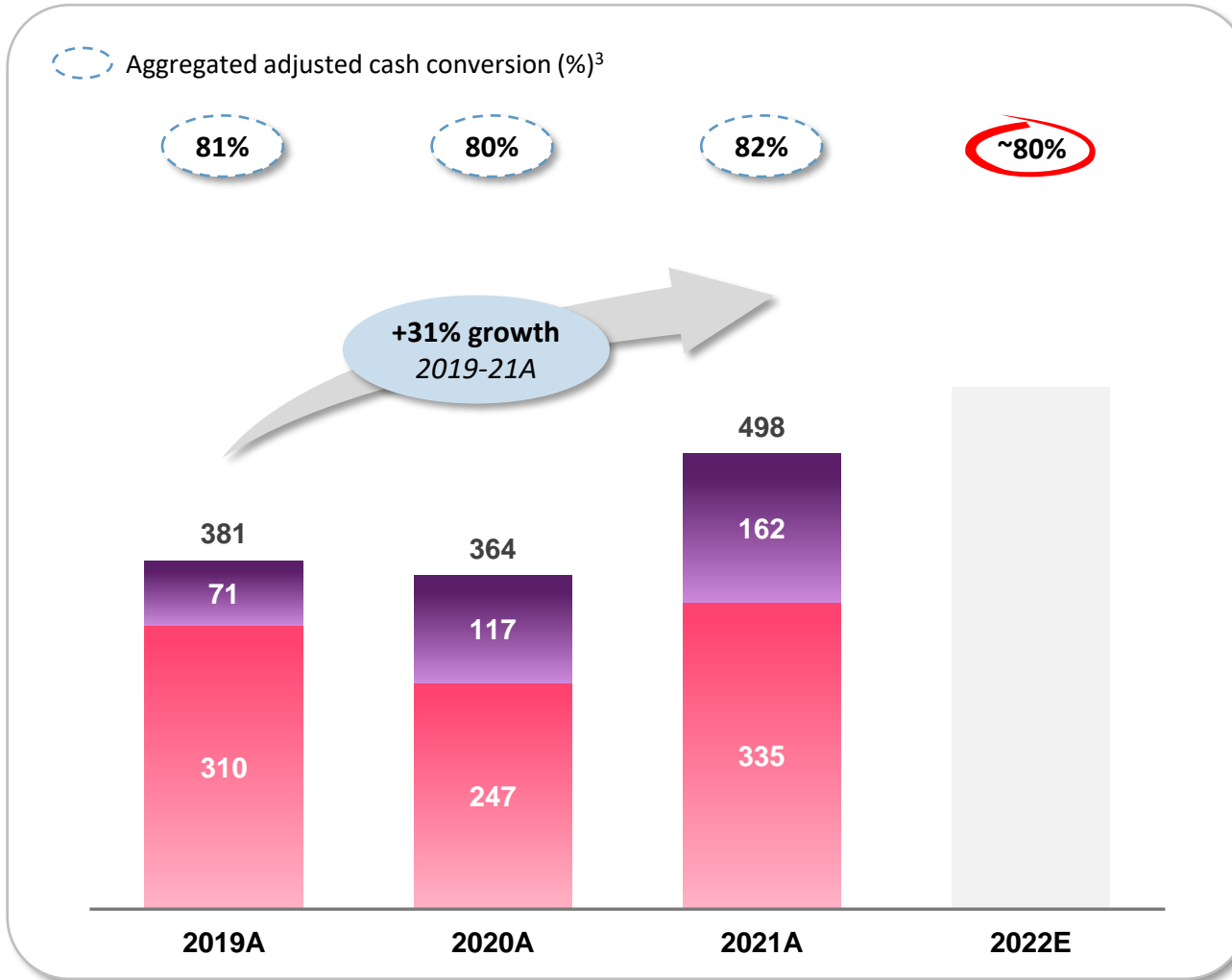
Aggregated adjusted EBITDA (€m)<sup>1</sup>



1. Aggregated financials for Banijay and Endemol Shine in 2019 and 2020, including respectively €1,688m and €678m revenue and €231m and €74m adjusted EBITDA contribution from Endemol Shine in 2019 and 2020.  
 2. See page 34 for further background on the 2022E EBITDA forecast, including applicable factors and assumptions

## 6 ... and high and resilient cash generation

Aggregated adjusted FCF (€m)<sup>1,2</sup>



- High cash conversion characterized by low capex-intensity business model for both businesses





1. Aggregated financials for Banijay and Endemol Shine in 2019 and 2020, including respectively €189m and €54m adjusted FCF contribution from Endemol Shine in 2019 and 2020.

2. Defined as Adjusted EBITDA – Purchase of PP&E and of intangible assets – Total cash outflows for leases that are not recognised as rental expenses.

3. Defined as Aggregated adjusted Free-cash flow/Aggregated adjusted EBITDA

## 6 Guidance & Outlook

	Guidance 2022E	Midterm Outlook
	<ul style="list-style-type: none"> <li>• Revenue : ~€3.0bn</li> <li>• Adjusted EBITDA: ~€450m</li> </ul>	<ul style="list-style-type: none"> <li>• Annual organic revenue growth: mid single digit</li> <li>• Stable adjusted EBITDA margin</li> </ul>
	<ul style="list-style-type: none"> <li>• Revenue: ~€0.8bn</li> <li>• Adjusted EBITDA: ~€200m</li> </ul>	<ul style="list-style-type: none"> <li>• Annual organic revenue growth: low teens</li> <li>• Stable adjusted EBITDA margin</li> </ul>
<p><b>FL Entertainment</b></p>	<ul style="list-style-type: none"> <li>• Revenue: ~€3.8bn</li> <li>• Adjusted EBITDA: ~€645m<sup>1</sup></li> <li>• Adjusted FCF: ~80% cash conversion<sup>2</sup></li> <li>• Leverage between 3.0-3.5x<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Adjusted FCF: ~80% cash conversion<sup>2</sup></li> <li>• Dividend payout ratio: not less than 1/3 of adjusted net income<sup>3</sup></li> <li>• Leverage policy: &lt;3.0x<sup>4</sup></li> </ul>

Note: See page 34 for further background on the 2022E guidance and midterm outlook, including applicable factors and assumptions. The Group has not defined and does not intend to define by reference to specific periods the term "midterm".

1. Including ~€5m holding costs

2. Defined as (Adjusted EBITDA - Purchase of PP&E and of intangible assets – Total cash outflows for leases that are not recognised as rental expenses)/Adjusted EBITDA

3. Net income adjusted for restructuring charges and other non-recurring items, LTIP and employment-related earn-out and option expenses, and other financial income

4. Defined as Net debt post IFRS 16/Adjusted EBITDA

# 6 A rare investment opportunity in growth entertainment



Key characteristics of the businesses

- Large independent content producer
- Successful proprietary IP, brands and formats
- Best-in-class talent attraction and retention
- Large scale platform with strong bargaining power and export capabilities
- Highly diversified across genres, formats, clients and geographies
- Top margins and cash conversion

- Leader in attractive sports betting markets
- Digital pure-play with best-in-class user experience
- Scalable proprietary technology
- Positioned in growing regulated markets with a strong focus on responsible gaming
- Fast & sustainable growth resilient to cycles
- High margins and cash conversion

Finding the right universe of comparable listed entities



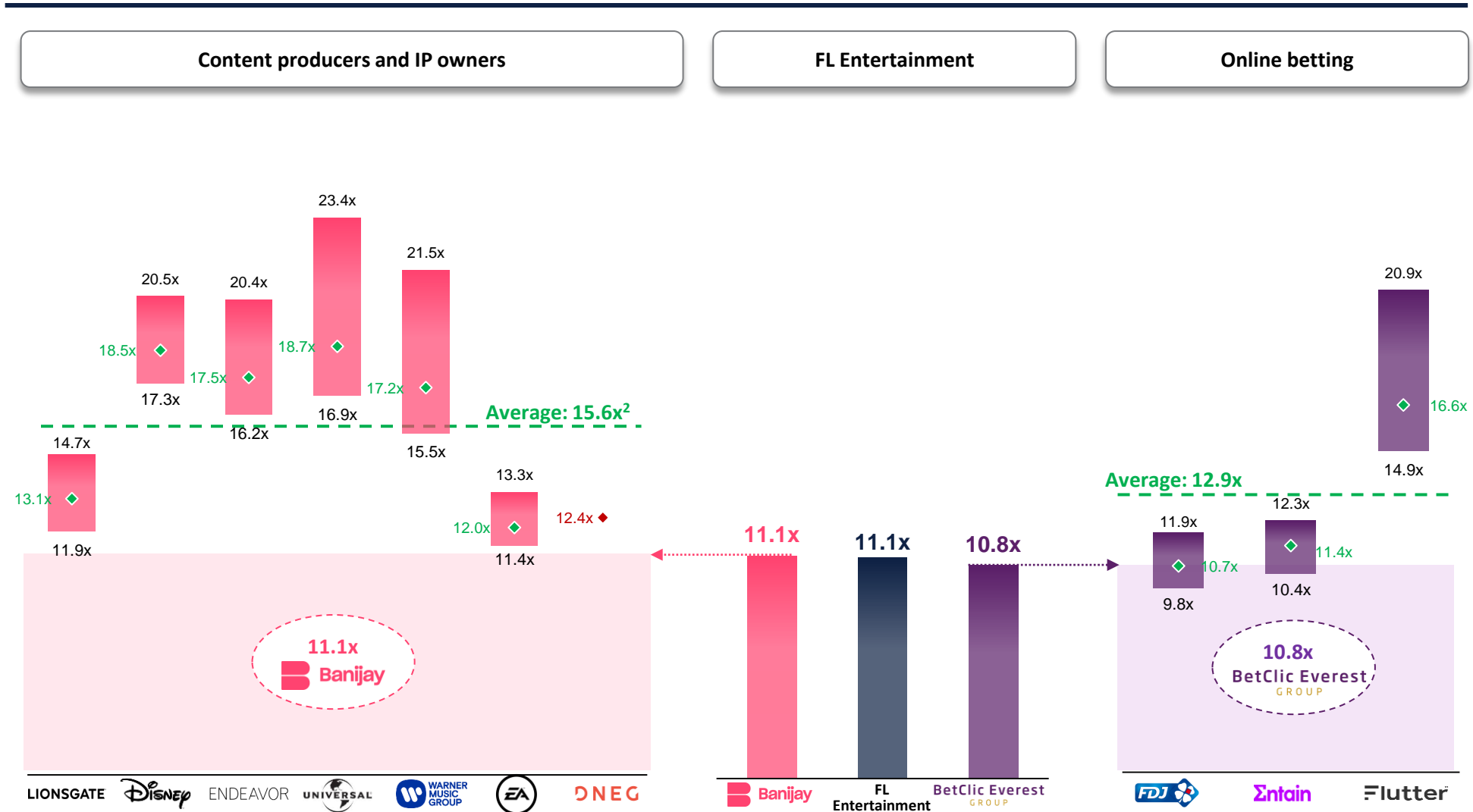
- ✓ Large content producers, IP owners and ecosystem stakeholders
- ✓ Global scale and operating capabilities
- ✓ Large diversification across businesses/ geographies
- ✗ No pure comparable in terms of business mix
- ✗ In-house studios of broadcasters irrelevant given lower scale or independence, limited coverage and value impact of structural and cyclical headwinds



- ✓ European betting operators exposed to similar markets and/or structural growth / regulatory drivers
- ✓ Fast growing businesses leveraging digital platforms
- ✗ Some comparables have a high exposure to retail and/or unregulated markets

# 6 Compelling valuation levels

## EV/EBITDA 2022E of peer set<sup>1</sup>



Sources: Companies, FactSet as of 21/03/2022

Note: All EBITDA calendarised as of 31/12

1. EV is commonly computed as Equity value + financial net debt + non-controlling interests + other debt like items – associates

2. Including DNEG PIPE multiple

**Legend:** —◆— Multiple based on a 1-month VWAP as of 21/03/22  
—◆— PIPE EV / 2022E Adj. EBITDA multiple

**High/low ranges:** multiples based on 3-month min / max share prices as of 21/03/22

## 6 Transaction structured to align all stakeholders

### Highlights

- The company expects the following highlights:
  - ~€330m of cash secured by stakeholders to the transaction (LOV Group, SPAC Sponsors)
  - Consolidate ownership of Betclac Everest Group via purchase of SBM stake for €425m in cash and €425m in equity<sup>1</sup>
  - Consolidate ownership of Banijay via minorities stakes roll-up<sup>3</sup>
  - €300m in new cash for combined business, listed on Euronext Amsterdam
  - More than €100m of the €210m SPAC cash escrow and c.€220m of the €250m PIPE investors line are already secured/committed

### Expected sources & uses

Sources	(€m)	Uses	(€m)
FL Entertainment equity contributed	3,380	FL Entertainment equity roll-over	3,380
<i>LOV Group</i>	1,670	<i>LOV Group</i>	1,670
<i>Vivendi</i>	788	<i>Vivendi</i>	788
<i>Société des Bains de Mer</i>	425 <sup>1</sup>	<i>Société des Bains de Mer</i>	425
<i>Fimalac</i>	290	<i>Fimalac</i>	290
<i>De Agostini</i>	207 <sup>2</sup>	<i>De Agostini</i>	207 <sup>2</sup>
SPAC cash escrow	210	SBM cash consideration	425 <sup>1</sup>
Equity raising	550	Transaction costs	35
<i>LOV Group cash equity new investment</i>	250	Cash available and debt repayment	300
<i>SPAC sponsors cash equity new investment</i>	50		
<i>PIPE investors</i>	250 <sup>1,2</sup>		
<b>Total sources</b>	<b>4,140</b>	<b>Total uses</b>	<b>4,140</b>

1. If PIPE raised (excluding LOV Group investment and SPAC sponsors) is above €250m, portion of cash payment for SBM's €850m stake could be increased from €425m up to €500m

2. Remaining De Agostini stake in LDH bought back by FL Entertainment through a vendor loan. If PIPE raised (excluding LOV Group investment and SPAC sponsors) is above €250m, De Agostini stake roll-up would be increased to maintain a 4.99% stake in FL Entertainment, subject to certain conditions

3. Vivendi 32.86% Banijay Group Holding stake roll-up for €788m, Fimalac 17.99% LDH stake roll-up for €290m and De Agostini 12.83% LDH stake roll-up for €207m

## 6 Pro forma ownership

### Illustrative pro forma capitalization

Share price	€10.00
Pro forma shares outstanding (m)	414.0 <sup>1</sup>
<b>Equity value (€bn)</b>	<b>€4.1bn</b>
(+) Pro forma net financial debt (€bn) <sup>2</sup>	€2.3bn
(+) Non-controlling interests (€bn) <sup>3</sup>	€0.4bn
(+) Other items <sup>4</sup>	€0.3bn
<b>Entreprise value (€bn)</b>	<b>€7.2bn</b>
<b>Implied EV/adj. EBITDA 2022E<sup>5</sup></b>	<b>11.1x</b>
<b>Pro forma net financial debt/adj. EBITDA 2022E<sup>5</sup></b>	<b>3.5x</b>

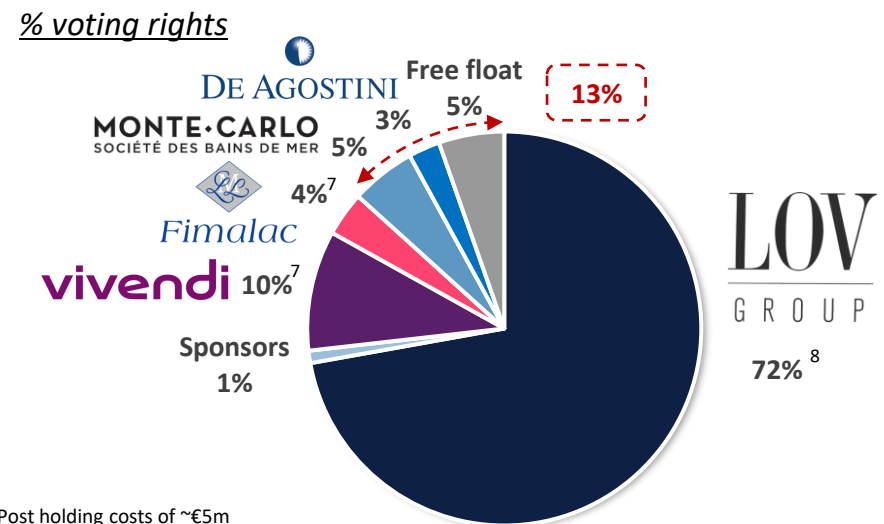
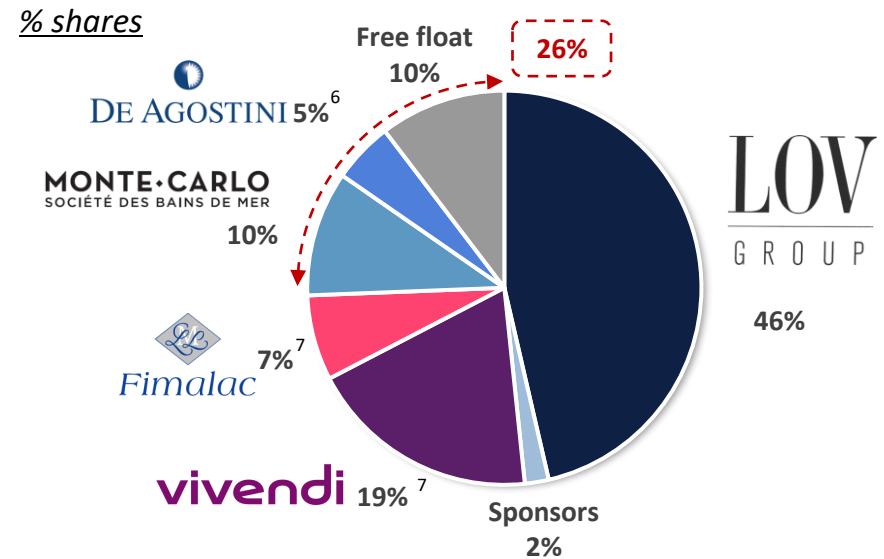
1. Pre warrants and pre earn out

2. Including €2,114m of net debt 2021A post IFRS 16 for Banijay, €193m of net debt 2021A post IFRS 16 for Betclac Everest Group, €167m of net debt 2021A post IFRS 16 at Holding level, €97m vendor loan to purchase remaining De Agostini 6.02% stake in LDH and €300m of cash available post transaction

3. Including non-controlling interests in Banijay (€280m) and Betclac Everest Group (€150m)

4. Including €326m of earn-out and LTIPs

### Illustrative pro forma ownership<sup>1</sup>
















5. Post holding costs of ~€5m

6. 4.99% stake rounded to 5% for presentation purposes

7. Excluding PIPE investments

8. Through triple voting rights mechanism benefiting to LOV Group only (with ability to transfer all (and not part) of them provided minority shareholders have the option to sell their shares at a price equivalent to the price received by LOV Group in the context of a tender offer launched by the transferee)

# 6 Board of Directors with extensive experience

	<b>Stéphane Courbit</b> Chairman	<ul style="list-style-type: none"> <li>• Founder of Banijay - world's largest independent production company</li> <li>• Early investor in Betclac - Europe's fastest-growing sports betting platform</li> </ul>	
	<b>François Riahi</b> Executive Director	<ul style="list-style-type: none"> <li>• Former CEO of Natixis</li> </ul>	 <b>Pierre Cuilleret</b> Independent Director <ul style="list-style-type: none"> <li>• Co-founder and CEO of Pegasus Entrepreneurs</li> </ul>
	<b>Sophie Kurinckx</b> Executive Director	<ul style="list-style-type: none"> <li>• CFO of Banijay</li> </ul>	 <b>Cécile Mayer-Lévi</b> Independent Director <ul style="list-style-type: none"> <li>• Head of Private Debt at Tikehau Capital</li> </ul>
	<b>Alain Minc</b> Director	<ul style="list-style-type: none"> <li>• Chairman of the Board of Sanef</li> </ul>	 <b>Susana Gallardo</b> Independent Director <ul style="list-style-type: none"> <li>• Board member of Unibail-Rodamco-Westfield</li> </ul>
	<b>Eléonore Ladreit de la Charrière</b> Director	<ul style="list-style-type: none"> <li>• Board member of Fimalac</li> </ul>	 <b>Yves de Toytot</b> Independent Director <sup>1</sup> <ul style="list-style-type: none"> <li>• Deputy Chief Executive Officer-Finance at SBM</li> </ul>
	<b>Hervé Philippe</b> Director	<ul style="list-style-type: none"> <li>• CFO of Vivendi</li> </ul>	 <b>Marella Moretti</b> Independent Director <ul style="list-style-type: none"> <li>• Board member of Telecom Italia</li> </ul>
	<b>Marco Bassetti</b> Permanent Guest	<ul style="list-style-type: none"> <li>• CEO of Banijay</li> </ul>	 <b>Nicolas Béraud</b> Permanent Guest <ul style="list-style-type: none"> <li>• CEO of Betclac</li> </ul>

**11**  
members

**55%**  
of Directors independent from LOV Group

**Balanced gender diversity**

Note: Number of independent directors, gender diversity and conflict of interest rules secured in a shareholders' agreement between all major shareholders

1. Should SBM hold more than 10% of FL Entertainment, FL Entertainment shall disclose and explain the reason why it does not comply with the independence threshold provided for in the Dutch Corporate Governance Code


## 6 Highest ESG standards

FL entertainment is committed to set an example in all its markets and activities and strongly believes that social and societal performances are linked, and all subjects are tackled without taboo, be that gender equality, disability, inclusion, diversity, well-being at work, and a commitment to solidarity



- ✓ Creation of global employees' groups (e.g. pride, disability, women-led) to foster inclusion and promote diversity
- ✓ Sustainability-led mindset to reduce carbon footprint and overall impact on environment
- ✓ Reaffirmed focus on creating a safe working environment for all employees



- ✓ Product positioning centered on mass recreational market (limited stakes - €10-15 per bet)
  - ✓ Best-in-class ability to pro-actively detect excessive gaming through data-driven algorithms
- |   |                                 |   |
|---|---------------------------------|---|
| 70  | 97% <sup>1</sup>                |  |
| people dedicated to prevent excessive and underage gaming | revenues from regulated markets | detection supported by artificial intelligence  |

## 6 Unique investment opportunity in entertainment industry

### ✓ Scarcity in the investable entertainment universe

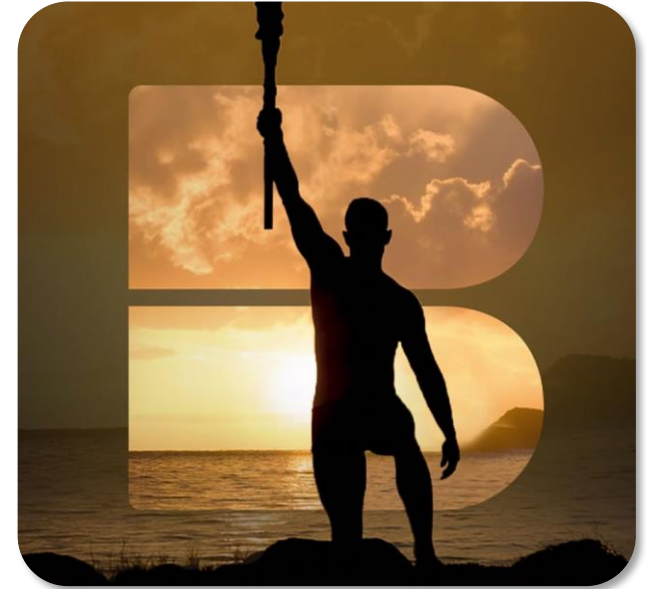
- #1 world independent leader in content production and #1 content catalog in the world<sup>1</sup>
- Fastest growing online sports betting platform in Europe

### ✓ Invest alongside entrepreneurs and investors with exceptional value creation track record

- All major shareholders rolling over into new group
- Management with significant skin in the game

### ✓ Strong growth potential

- Exposed to two fast-growing and fragmented segments of entertainment industry
- Clear path to future value creation – including via M&A



1. Based on +120,000 hours in Banijay's content library

# PIPE overview

<b>Issuer</b>	<ul style="list-style-type: none"> <li>• FL Entertainment</li> </ul>
<b>Listing venue at Business Combination</b>	<ul style="list-style-type: none"> <li>• Euronext Amsterdam</li> </ul>
<b>PIPE size<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• c.€220m PIPE commitments by anchor investors as of announcement of the transaction</li> <li>• Target to increase PIPE up to €250m</li> </ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>• To provide FL Entertainment with an optimal capital structure and financial flexibility to pursue its organic and inorganic growth strategy</li> <li>• To ensure a sufficient minimum free float post business combination</li> </ul>
<b>Selected anchors investors</b>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  <p>(Saadé family office)</p> </div> <div style="text-align: center;"> <p><b>Arjo</b></p> <p>(Investment vehicle of Didier le Menestrel)</p> </div> </div>
<b>Lock-up at listing<sup>2</sup></b>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>36 months</b></p> </div> <div style="text-align: center;">  <p><b>Sponsors</b></p> </div> <div style="text-align: center;">  <p><b>18 months</b></p> </div> <div style="text-align: center;">   <p><b>12 months</b></p> </div> <div style="text-align: center;">  <p><b>6 months</b></p> </div> </div>

1. Excluding €250m investment from LOV Group and €50m from Sponsors already committed

2. Lock-up excluding shares subscribed in the PIPE

# Indicative transaction timeline

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**May 10<sup>th</sup>**

- **Announcement of the Business Combination**

**May 12<sup>th</sup>**

- **Publication of Shareholder Circular and convening of the Pegasus Entrepreneurs EGM**

**June 23<sup>rd</sup>**

- **Pegasus Entrepreneurs EGM**

**July 1<sup>st</sup>**

- **Closing, new shares issued and admitted to trading**

**EGM notice period**

**FL Entertainment starts trading on Euronext Amsterdam**

# Risk factors (1/3)

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## **Risks relating to the Business of the Group in General**

- The Group may not be able to retain key personnel or creative talents or to attract new talent, and it may not be able to maintain stable relationships with its consultants in certain strategic domains.
- The revenues generated by the Group depend on positive reception by audiences, consumer preferences and trends in popular culture, media and technology, which can be difficult to predict and can be impacted by various factors that the Group does not control.
- The Group may fail to successfully implement its business strategy or achieve any or all of the financial objectives included in this Prospectus, and if it does its financial performance and growth could be materially and adversely affected
- The Group faces substantial competition and if it is unable to compete effectively with existing or new competitors, its market share and sales could decline or not grow as rapidly as expected.
- The Group is subject to risks associated with acquisitions, joint ventures and the presence of minority shareholders.
- Increased employment costs may have a material adverse effect on the Group's business, results of operations or financial condition.
- Negative events may affect the Group's reputation, which could have an adverse effect on the Group's business and the market price of the Ordinary Shares and Warrants.
- Litigation and liability issues may have a material adverse effect on the Group's business, results of operations and financial condition.
- Changes in global or regional economic and political conditions could adversely affect the Group's business, results of operations or financial condition.
- The ongoing COVID-19 pandemic and the global efforts to contain it may harm the Group's business and results of operations and its ability to operate in any respect may be interrupted by the current COVID-19 pandemic.
- A substantial amount of the Group's assets represents goodwill and other intangible assets, and its earnings will be reduced if its goodwill becomes impaired and its ability to recover deferred taxes may be limited.
- The Group's success is dependent, in part, upon the integrity of its management and employees, and its risk management and internal controls may not prevent or detect violations of law.
- The Group's revenues and results of operations are subject to volatility and periodical and seasonal fluctuations.

## **Risks relating to the Group's Content Production and Distribution Business**

- Customers may request to obtain intellectual property rights to the formats the Banijay Group creates and programmes the Banijay Group produces, which may have a negative impact on the Banijay Group's revenues.
- Some of the formats produced by the Banijay Group are owned by third parties and the Banijay Group's access to these formats depends on the terms of the licenses for these formats.
- The Banijay Group's business may be impacted by misconduct of management, employees, performers or other persons acting in connection with its productions.
- The Banijay Group may need additional capital to fund its growing operations, especially for the production of scripted programmes. If the Banijay Group is not able to obtain sufficient capital, it may be forced to limit the scope of its operations.
- As an audiovisual production company, the Banijay Group benefits from various subsidies and tax incentives in European and non-European countries which support its productions, and changes in tax laws, regulations or other conditions underlying these subsidies could have a material impact on the Banijay Group's results of operations.
- Intellectual property infringements may have a material adverse effect on the Banijay Group's business.
- The Banijay Group's ability to generate secondary rights to the content the Banijay Group produces varies from one programme to another.
- Labour disputes involving the Banijay Group's own employees may disrupt its operations and adversely affect its results of operations.
- The Banijay Group's business may be affected by the default of counterparties in respect of money owed to the Banijay Group.
- A failure to honour the Banijay Group's obligations under the terms of its agreements with broadcasters could have a material adverse effect on its business.
- The Banijay Group is exposed to risks associated with content piracy, including digital and internet piracy, and the Banijay Group's information technology systems which may adversely affect its business, results of operations or financial condition.

## **Risks relating to the Group's Online Sports Betting and Gaming Business**

- Activities related to online sports betting and gaming are subject to an uncertain and rapidly evolving regulatory regime which varies significantly among countries.
- The Betcllc Everest Group's growth prospects and market potential depend on obtaining, maintaining and renewing the licenses required by applicable national rules and regulations. The loss and/or revocation of such licenses could have a material adverse effect on the Betcllc Everest Group's business.
- The Betcllc Everest Group's success depends on its ability to attract and retain new users, and the loss of its users, failure to attract new users in a cost-effective manner, or failure to effectively manage the Betcllc Everest Group's growth could adversely affect its business, financial condition, results of operations and prospects.
- The Betcllc Everest Group's growth prospects may suffer if the Betcllc Everest Group is unable to develop successful offerings, if it fails to pursue additional offerings or if it is unable to anticipate its competitors' developments. In addition, if the Betcllc Everest Group fails to make the right investment decisions in its offerings and technology platform, the Betcllc Everest Group may not attract and retain key users and its revenue and results of operations may decline.
- The Betcllc Everest Group's online sports betting and gaming businesses may not be able to respond to changes in technology to satisfy the future technological demands of its customers.

# Risk factors (2/3)

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- As an online business, the Betcltic Everest Group depends on the reliable functioning of the internet and information technology and equipment systems. Failure in IT systems and serious interference with IT systems, particularly through adverse external influences such as hacker attacks, may have a negative impact on the Betcltic Everest Group's financial position, financial performance and cash flows.
- Actual or alleged procedural errors in the processing of online sports betting and gaming orders and the payment of winnings could result in claims for damages by customers for lost income from online sports betting or gaming, in regulatory risks and could have a material adverse effect on the Betcltic Everest Group's business and reputation.
- The Betcltic Everest Group may not be able to guarantee to its customers responsible gaming conditions.
- The Betcltic Everest Group is subject to laws aimed at preventing money laundering, bribery and the financing of terrorism. Failure to comply with these laws could have a negative effect on the Betcltic Everest Group's business and reputation.
- The Betcltic Everest Group is exposed to risks of fraud or cheating and fraudulent activities.
- Due to the nature of its business, the Betcltic Everest Group processes a significant amount of consumer data. The Betcltic Everest Group's inability to protect consumer data may lead to reputational damage and regulatory scrutiny or penalties, which could adversely affect the Betcltic Everest Group's business, financial condition and results of operations.
- The Betcltic Everest Group is subject to banking regulations due to deposits made by customers.
- The Betcltic Everest Group may not be able to adequately protect or enforce its intellectual property rights, or third parties may allege that the Betcltic Everest Group is infringing their intellectual property rights.
- The Betcltic Everest Group relies on other third-party service providers and if such third parties do not perform adequately or terminate their relationships with the Betcltic Everest Group, the Betcltic Everest Group's costs may increase and its business, financial condition and results of operations could be adversely affected.
- The Betcltic Everest Group's Bet-at-home.com business is subject to additional risks.

## **Risks relating to Taxation**

- The Betcltic Everest Group has been subject to a VAT reassessment with respect to its activities of sports betting in France.
- As a significant portion of the Betcltic Everest Group's revenues are generated in a limited number of geographies, a change in the taxation applicable to online sports betting and gaming may have a significant adverse impact on the profitability of the Betcltic Everest Group.
- Changes in tax laws or successful challenges to the Group's tax position could adversely affect its results of operations or financial condition.
- The adoption by the Council of the European Union of an EU list of non-cooperative jurisdiction for tax purposes and the use of this list in the jurisdictions where the Group operates may impact its financial results.
- Tax legislation, tax audits or disputes and the Group's results may restrict its ability to use tax loss carry-forwards, and/or deduct interest.
- A change of control of the Group may restrict its ability to use tax loss carry-forwards.
- The services that the Group provides are subject to VAT and sales taxes that may increase.
- The Group may become subject to social security contributions reassessments.
- The Company intends to be treated exclusively as a resident of France for tax purposes, but the Company also is a resident of the Netherlands for certain Dutch tax purposes, and other tax authorities may seek to treat the Company as a tax resident of another jurisdiction, as a result of which the Company could be subject to increased and/or different taxes.
- Dividends distributed by the Company may be subject to dividend withholding tax in both France and the Netherlands.
- The number of issued and outstanding Ordinary Shares and/or Warrants may fluctuate substantially, which could lead to adverse tax consequences for the holders thereof.

## **Risks relating to Financial Matters, Capital Structure and Corporate Structure of the Company and the Group**

- Following the Listing, Financière LOV will continue to be in a position to exert substantial influence over the Company and its respective interests may differ from the interests of the Company's other shareholders.
- The Company relies on its operating subsidiaries to provide the Company with funds necessary to meet its financial obligations and the Company's ability to pay dividends may be constrained.
- The Group's significant leverage may make it difficult for the Group to operate its businesses.
- Failure to comply with the covenants or other obligations contained in the Banijay Indentures and in the Senior Credit Facilities Agreements could result in an event of default. Any failure to repay or refinance the outstanding debt when due could materially and adversely affect the Group's business.
- The Group is subject to restrictive covenants which limit its operating, strategic and financial flexibility.
- The Group is exposed to interest rate risks, and such rate may adversely affect its debt service obligations.

## **Risks relating to the Business Combination**

- Pegasus Entrepreneurs and the Group have incurred significant transaction expenses and transition costs in connection with the Business Combination.
- The obligations associated with being a public company will involve significant expenses and will require significant resources and management attention, which may divert from the Company's business operations.
- BNP Paribas and Citigroup Global Markets Limited have acted as Joint Global Coordinator and Joint Bookrunner with respect to the Pegasus IPO, and have also acted as a Placement Agent in the PIPE Financing (with BNP Paribas as financial advisor to Pegasus Entrepreneurs) in connection with the Business Combination. A conflict of interest might be perceived as a result of such relationships.

# Risk factors (3/3)

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## **Risks relating to the Ordinary Shares and Warrants**

- Our Special Voting Shares will concentrate voting control with Financière LOV or a permitted subsequent holder thereof, and limit the ability of other shareholders to influence corporate matters
- Future issuances of Ordinary Shares by the Company or any future sales or the possibility of future sales of a substantial number of Ordinary Shares and Warrants by Ordinary Shareholders may adversely affect the market price of the Ordinary Shares and Warrants, and any future issuance of Ordinary Shares may dilute investors' shareholdings.
- Shareholders may not be able to participate in future equity offerings with pre-emptive rights.
- To the extent a Warrant Holder has not exercised its Warrants before the end of the period within which that is permitted such Warrants will lapse worthless
- The Company may redeem unexpired Warrants prior to their exercise at a time that is disadvantageous to Warrant Holders, thereby making such Warrants worthless
- The Company has determined that the Warrants currently should be treated as debt, which may make the Company less attractive to investors. The Company cannot guarantee that the Warrants will be able to be reclassified as equity in future
- Non-compliance by Financière Lov under the Equity Financings could significantly impact the Company's shareholding structure and adversely affect the market price of the Ordinary Shares and the Warrants
- Investors with a reference currency other than euro will become subject to foreign exchange risks when investing in the Ordinary Shares and/or Warrants.
- If securities or industry analysts do not publish research or reports about the Company's business or industry, or if such analysts (if any) change their recommendations regarding the Ordinary Shares and/or the Warrants adversely, the market price and trading volumes of the Ordinary Shares and the Warrants could decline.

## **Risks relating to the Listing**

- There is currently no public trading market for the Ordinary Shares and the Warrants and there is a risk that no active and liquid market for the Ordinary Shares and the Warrants will develop and that the price of the Ordinary Shares and the Warrants may be volatile.
- If Settlement does not take place, purchases of the Ordinary Shares and Warrants will be disregarded and transactions effected in the Ordinary Shares and the Warrants will be annulled.

# Disclaimer 2022 Adjusted EBITDA Forecast and other 2022 Guidance and Medium-term Outlook

## **Adjusted EBITDA Forecast for the year ending 31 December 2022**

The forecasted Adjusted EBITDA for 2022 and other 2022 guidance and medium term outlook in this press release ("Adjusted EBITDA Forecasts") is provided subject to the assumptions described below and assuming anticipated market conditions and anticipated macro-economic conditions. The Adjusted EBITDA Forecasts have been prepared on a basis which is: (i) comparable with the historical financial information of the FL Entertainment Group included in the FL Entertainment Group's combined financial statements; and (ii) consistent with the accounting policies applied by the FL Entertainment Group for the preparation of the combined financial statements. The Adjusted EBITDA Forecasts for 2022 are influenced by the factors listed below and are based on current assumptions, expectations and plans made by the FL Entertainment Group's management related to these factors. These assumptions relate to factors that can, even if only to a limited extent, or cannot be influenced by the FL Entertainment Group. Even if the FL Entertainment Group believes that these assumptions have been made to the best of the FL Entertainment Group's management's knowledge as of the date of this press release, they may prove erroneous or unfounded. As the Adjusted EBITDA Forecasts for 2022 relate to a period not yet completed and have been prepared on the basis of assumptions about future uncertain events and actions, it naturally entails substantial uncertainties. Because of these uncertainties, it is possible that the actual Adjusted EBITDA of the Banijay Group, the Betclac Everest Group and/or the FL Entertainment Group for 2022 may differ materially from the Adjusted EBITDA Forecasts.

For the purpose of the Adjusted EBITDA Forecasts for 2022, the FL Entertainment Group assumes that:

### Factors outside the Group's influence

The Adjusted EBITDA Forecasts for 2022 are generally subject to factors that are beyond the control of the FL Entertainment Group and its subsidiaries or any individual. These factors and the related assumptions of the FL Entertainment Group are outlined below:

#### Factor: unforeseen events such as force majeure

For the purpose of the Adjusted EBITDA Forecasts for 2022, the FL Entertainment Group assumes that no material unforeseen events will occur that could result in material or lasting constraints on the ongoing operations of the FL Entertainment Group such a force majeure (e.g. fire, floods hurricanes, storms earthquakes or terrorist attacks), strikes, a global pandemic or war.

#### Factor: changes to the macro-economic, legislative or regulatory environment

For the purpose of the Adjusted EBITDA Forecasts for 2022, the FL Entertainment Group assumes that there will be no material changes to the macro-economic, legislative, taxation and regulatory environment of the FL Entertainment Group when compared to those in effect during the year ended 31 December 2021.

#### Factor: growing demand

For the purpose of the Adjusted EBITDA Forecasts for 2022, the FL Entertainment Group assumes that global content market will grow with approximately 25% in 2022 and global online gambling market with approximately 11% in 2022 compared to during the year ended 31 December 2021.

#### Factor: no COVID-19

For the purpose of the Adjusted EBITDA Forecasts for 2022, the FL Entertainment Group assumes that there will be no COVID-19 that impact the FL Entertainment Group's business during the year ending 31 December 2022.

#### Factors that can be partly or wholly influenced by the FL Entertainment Group

In addition, further factors may also influence the Adjusted EBITDA Forecasts for 2022 over which the FL Entertainment Group has control. The relevant assumptions are outlined below:

#### Factor: timing and performance of acquisitions and disposals

There are no material acquisitions of subsidiaries, joint ventures and/or associates by the FL Entertainment Group planned prior to 31 December 2022.

#### **In respect of the Banijay Group:**

##### Factor: the Banijay Group will pursue its strategy

- Development of scripted business: The Banijay Group will develop new scripted business at the same level as historically in the year ending 31 December 2022.
- Renewal of the Banijay Group's shows: The Banijay Group's main shows, such as Big Brother, Survivor and Masterchef, will be renewed by its customers in the year ending 31 December 2022.
- Investment in new IP to feed the Banijay Group's catalog and productions: The Banijay Group will invest in new intellectual property at the same level as historically to feed and develop the Banijay Group's catalog and productions.

##### Factor: new blockbuster in the Banijay Group's catalog

For the purpose of the forecasts for 2022, the Banijay Group assumed there would be no new blockbusters in the Banijay Group's catalog of shows in the year ending 31 December 2022.

#### **In respect of the Betclac Everest Group:**

##### Factor: Innovation in offers and user experiences to be able to attract new and retain current players

The Betclac Everest Group will be able to attract new players by innovation in the offers made to players and improvement of its user experience, as well as to invest in customer relation management to retain players and improve their loyalty, and make the player database grow by 18% in the year ending 31 December 2022 compared to the year ended 31 December 2021, from 893,000 monthly average players in the year ended 31 December 2021 to 1,047,000 monthly average players in the year ended 31 December 2022.

If one or more of these assumptions proves to be erroneous or unfounded, the actual Adjusted EBITDA of the Banijay Group, the Betclac Everest Group and/or the FL Entertainment Group could deviate materially from the Adjusted EBITDA Forecasts.

#### **Other 2022 Guidance and Medium-term Outlook**

Assuming normal macro-economic conditions, market circumstances and no material changes to the current regulatory and tax framework of the Group's business or the markets in which the Group is active, in addition to the Adjusted EBITDA Forecasts for 2022, the Group aims to achieve the other 2022E guidance and medium-term outlook on pages 19 and 21.

Except as specifically set out on page 21, the Group has not defined, and does not intend to define by reference to specific periods the term "midterm" and the medium-term outlook should not be read as forecasts, projections or expected results and should not be read as indicating that the Group is targeting such metrics for any particular year. The 2022 guidance and medium-term outlook are based on the Group's business plan and a number of assumptions that the Group's management believes are appropriate, but which may turn out to be incorrect or different than expected. The Group's ability to realise these estimates or to meet these objectives is based upon the assumption that it will be successful in executing its strategy and it depends, in addition, on the accuracy of a number of assumptions, involving factors that are significantly or entirely beyond its control and no assurance can be given that the Group will be able to realise these estimates or to meet these objectives or that its financial position or results of operations will not be materially different from these estimates or objectives. The estimates and objectives are also subject to known and unknown risks, uncertainties, and other factors that may result in the Group being unable to achieve them, see the risk factors set out on pages 31-33. These estimates and objectives constitute forward-looking statements and are not guarantees of future financial performance. As a result, the Group's actual results may vary from the 2022 guidance and medium-term outlook established herein and those variations may be material.

The Group does not undertake to provide or publish any revised financial targets and objectives to reflect events or circumstances arising after the date of this presentation or to reflect events or circumstances existing at the date of this presentation but that have not been taken into account by us in connection with the Group's financial targets and objectives.

# Disclaimer (1/2)

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# Disclaimer (2/2)

## **Use of Projections**

This document contains estimated or projected information including financial information with respect to the Combined Company, including Revenue, Annual Organic Revenue Growth, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Free Cash Flow, Adjusted Cash Conversion, Adjusted Net Income, Gross Gaming Revenue and Leverage. Such estimated or projected financial targets and objectives represent the Company's and PEACE's expectations in respect of these financial measures for the periods indicated. These financial targets and objectives constitute forward-looking statements, and are for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such estimated or projected financial information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. See "Forward-looking Statements" below. Actual results may differ materially from the results contemplated by the estimated or projected financial information contained in this document, and the inclusion of such forward-looking statements in this document should not be regarded as a representation by any person that the results reflected in such estimates and projections will be achieved. Neither the Company's, PEACE's nor the Combined Company's independent auditors have audited, reviewed, studied, compiled, or performed any procedures with respect to the estimates or projections for the purpose of their inclusion in this document, and accordingly, neither of them expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this document.

## **Forward-Looking Statements**

This document includes statements, including financial and operational objectives regarding the Company or the Combined Company that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "predicts", "assumes", "potential", "annualised", "forecasts", "anticipates", "expects", "intends", "aims", "targets", "seeks", "continues", "could", "can have", "likely", "would", "may", "might", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Past performance of the Company and PEACE cannot be relied on as a guide to future performance of the Combined Company. Any forward-looking statements reflect the Company's and/or PEACE's current view and expectations with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Combined Company's, the Company's and/or PEACE's business, results of operations, financial position, liquidity, prospects, growth or strategies, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's and PEACE's records (and those of their affiliates) and other data available from third parties. Although each of the Company, PEACE and the Combined Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control.

These forward-looking statements are subject to a number of risks and uncertainties, including but not limited to, changes in domestic and foreign business, market, financial, political and legal conditions; the inability of the Company and PEACE to successfully or timely complete the proposed Business Combination, including the risk that the approval of the shareholders of PEACE is not obtained; failure to realise the anticipated benefits of any future acquisitions; failure to realise the anticipated benefits of the contemplated Business Combination risks relating to the uncertainty of the projected financial information with respect to the Company; risks related to the rollout of the Combined Company's strategy; failure to acquire, develop, distribute or introduce new companies, formats or programmes; failure to retain or attract key personnel or creative talents; developments and changes in laws and regulations; the amount of redemption requests made by PEACE's public shareholders; the ability of PEACE or the Combined Company to issue equity or equity-linked securities in connection with the proposed Business Combination or in the future; the risk factors set out on pages 31-33 of this document and those risk factors discussed in the section "Risk Factors" in PEACE's prospectus dated 10 December 2021. Investors should read both complete sets of risk factors referred to above for a more complete discussion of the factors that could affect the Combined Company's future performance. If any of these risks materialises or the assumptions underlying these forward-looking statements prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that neither the Company nor PEACE presently know or that the Company and PEACE currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. Forward-looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual results of operations, financial condition and liquidity of the Combined Company, PEACE and their affiliates or the industry to differ materially from those results expressed or implied in the Information by such forward-looking statements. No representation is made that any forward-looking statement will come to pass or that any of the Combined Company's financial targets and objectives or forecast result will be achieved. As a result, undue influence should not be placed on any forward-looking statement. Except as specifically set out above, we have not defined and do not intend to define by reference to any specific periods the terms "short-term" or "medium-term", and the financial targets and objectives should not be read as indicating that we represent or otherwise commit to achieve any of these metrics or objectives for any particular fiscal year or reporting period. Other than the 2022E EBITDA guidance as set out on pages 19 and 21 of this document, no statement in this document is intended to be nor may be construed as a profit forecast. Forward-looking statements speak only as of the date they are made. Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.

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