

FL Entertainment
Naamloze Veenootschap
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Official seat: Amsterdam
Business address: 5, rue François 1^{er}, 75008 Paris
(the « **Company** »)

SPECIAL REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING 2024 ON THE GRANT OF FREE SHARES DURING THE FINANCIAL YEAR 2023

Dear shareholders,

Pursuant to Article L. 225-197-4 of the French commercial code and to Article 11.1 of the Employees Free Share Award Plan 2023 (as defined below), this special report aims to provide information to the Company's shareholders (the "**Shareholders**") in connection with the free shares granted to employees and executive directors of the Company during the financial year ended on the 31 December 2023 (the "**Financial Year 2023**").

This special report will be made available to the Shareholders in preparation for the annual general meeting of the company which will be held on the 23 May 2024 (the "**General Meeting 2024**").

1. Legal Framework

The resolution n°8(a) adopted by the general meeting of the Company on the 15 June 2023 (the "**General Meeting 2023**") authorised the board of directors of the Company (the "**Board of Directors**") to issue ordinary shares and to grant rights to acquire ordinary shares representing up to 3% of the Company's issued share capital in connection with long-term incentive plan(s). This authorisation was given for an 18-month period (the "**Authorisation**").

Pursuant to the Authorisation, the Board of Directors, implementing the delegation of power granted by the General Meeting 2023, adopted on the 30 June 2023, and in accordance with the provisions of Articles L. 225-197-1 to L. 225-197-3 of the French commercial code, a free share grant plan for the benefit of employees of the Company (the "**Employees Free Share Award Plan 2023**").

The terms and conditions of the Employees Free Share Award Plan 2023 are presented below.

2. Details of the Employees Free Share Award Plan 2023

In accordance with the Authorisation, the Board of Directors duly determined the conditions for the grant of rights to acquire ordinary shares to the beneficiaries of the Employees Free Share Award Plan 2023.

2.1. Beneficiaries

The Employees Free Share Award Plan 2023 was adopted with the aim to increase the Company's employees' involvement in the Company's development.

The beneficiaries of the Employees Free Share Award Plan 2023 are the employees of the Company designated by the Board of Directors.

2.2. Conditions

2.2.1. Vesting period

The Employees Free Share Award Plan 2023 provides for a 2-year vesting period, with the shares vesting at the end of this period only if the beneficiary has been employed by the Company or by a Subsidiary during this 2-year period, except in the event of death, retirement, or disability.

2.2.2. Holding period

The Employees Free Share Award Plan 2023 provides for a 1-year holding period starting on the share transfer date.

3. Number of shares granted during the Financial Year 2023 under Employees Free Share Award Plan 2023

Pursuant to Article 11.1 of the Employees Free Share Award Plan 2023 and in accordance with Article L. 225-197-4 of the French commercial code, the Board of Directors is due to provide specific information to the Shareholders in connection with the number and value of shares granted during the Financial Year 2023 under the Employees Free Share Award Plan 2023.

3.1. Number of shares granted during the Financial Year 2023 to the Executive Directors by the Company or related companies²

In the Financial Year 2023, the Company did not grant any free shares to the Executive Directors of the Company.

3.2. Number of shares granted during the Financial Year 2023 to the Executive Directors by controlled entities¹

In the Financial Year 2023, the controlled entities did not grant any shares to the Executive Directors of the Company.

3.3. Number of shares granted during the Financial Year 2023 by the Company and related companies² to the 10 employees (other than Executive Directors) of the company who have received the highest number of shares.

In the Financial Year 2023, the 10 employees (other than Executive Directors) who were granted the most shares received a total number of 7,500 shares for a total value of 75,000 euros.

¹ As defined under article L. 233-16 of the French commercial code

² As defined under article L. 225-197-2 of the French commercial code

3.4. Number of shares granted during the Financial Year 2023 by the Company and related companies² to all employees and allocation of the shares among the categories of beneficiaries

Category of beneficiaries	Number of shares granted	Value (in €)
Employees	7,500	75,000
TOTAL	7,500	75,000