FL/ENTERTAINMENT

Interim Financial Report and Unaudited Condensed Consolidated Interim Financial Statements

For the three-month period ended 31 March 2024

IMPORTANT INFORMATION

Defined terms

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

A glossary of the main defined terms used in this Interim Financial Report can be found in the Glossary on pages 377 to 382 of the 2023 Universal Registration Document approved on 28 March 2024 by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "2023 Universal Registration Document").

1. INTERIM MANAGEMENT REPORT

Preliminary considerations

On 15 May 2024, the Board of Directors of FL Entertainment approved the financial report and the unaudited condensed financial statements for the three-month period ended 31 March 2024.

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

The financial report for the three-month period ended 31 March 2024 should be read in conjunction with the 2023 Universal Registration Document. The Condensed Financial Statements for the three-month period ended 31 March 2024, have not been reviewed or audited.

1.1 Business overview

	Three-months ended March 31,		
	2024	2023	% Change
Revenues	1,001	900	11.2%
Adjusted EBITDA	164	145	13.3%
Adjusted EBITDA margin	16.4%	16.1%	0 pts
Adjusted Net Income	73	70	4.5%
Adjusted Free Cash Flow	131	119	10.1%
Adjusted Cash Conversion Rate	80.3%	82.6%	-2.3 pts

	3M 24	FY23	% Change
Net financial debt	2,354.4	2,280.0	3.3%
Leverage	3.1x	3.1x	0 pts

**** Non-IFRS measure** - This Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements include certain alternative performance indicators which are not defined in the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board as endorsed by the EU. The descriptions of these alternative performance indicators and reconciliations of non-IFRS to IFRS measures are included in this report (please refer to Note 4 to the Condensed Financial Statements for the three-month period ended 31 March 2024)**.***

- Three-month revenue grew by €101 million, reaching €1,001 million. Content production & distribution business revenue rose to €680 million while the Online sports betting & gaming business generated €322 million.
- Adjusted EBITDA rose by 13.3% to €164 million.
- Adjusted Free Cash Flow improved by 10.1% to €131 million.

1.2 Significant events during the three-month period ended 31 March 2024

1.2.1 Holding[1]

None.

1.2.2 Content production & distribution business

Acquisition of Authentic Media

On 11 January 2024, Banijay France has acquired Authentic Productions, based in France. The entity is specialised on producing scripted content in several formats (short, 26', 52' and 90') and genres (drama, comedy, crime) for linear broadcasters and, hopefully in the future, for platforms.

Repricing Term Loans

On 1 February 2024, Banijay Entertainment (French Holding) has announced that it has successfully repriced its €555 million term loan facility (the “EUR Term Loan”) at EURIBOR plus 3.75% and its $554 million term loan facility (the “USD Term Loan”) at SOFR plus 3.25%, in each case at par. The repricing will reduce the margins on the term loans from EURIBOR plus 4.50% for the EUR Term Loan and from SOFR plus 3.75% for the USD Term Loan.

1.2.3. Online sports betting & gaming business

None.

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

1.3 Analysis of results for the three-month periods ended 31 March 2024 and 2023

The Group operates two operating segments which reflect the internal organizational and management structure according to the nature of the products and services provided:

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

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

As of 31 March 2024, the internal reporting has been slightly modified to focus on Banijay Group operational activities. Consequently, Banijay Group Holding has been reallocated to the Holding segment. The following tables present information in accordance with this new allocation, and the comparative information has been restated in accordance with IFRS 8, Operating segments.

The following tables present information with respect to the Group's business segments in accordance with IFRS 8 for the three-month periods ended 31 March 2024 and 2023.

	Three months ended 31 March 2024				2023				
	Content production & distribution	Online sports betting & gaming	Holding	Total Group	Content production & distribution	Online sports betting & gaming	Holding	Total Group	% Change
Revenues	679.7	321.5	0.0	1 001.1	656.4	243.8	0.0	900.2	11.2%
External expenses	(351.8)	(213.7)	(0.9)	(566.3)	(327.6)	(159.6)	(1.7)	(488.9)	15.8%
Staff costs	(268.2)	(26.7)	(5.2)	(300.1)	(257.3)	(30.9)	(3.4)	(291.7)	2.9%
Other operating income	0.5	0.0	0.0	0.5	1.0	0.0	0.0	1.0	-47.4%
Other operating expenses	(7.4)	(3.8)	(0.2)	(11.4)	(8.4)	(3.6)	(0.5)	(12.4)	-9.0%
Depreciation and amortization expenses	(25.6)	(2.4)	(0.0)	(28.0)	(26.4)	(2.3)	(0.0)	(28.8)	-2.7%
Operating profit (loss)	**27.3**	**74.9**	**(6.3)**	**95.8**	**37.6**	**47.3**	**(5.6)**	**79.3**	**20.8%**
Financial income	0.5	0.0	0.1	0.5	1.0	0.0	0.0	1.0	-43.1%
Interest expenses	(41.2)	(4.2)	(2.1)	(47.5)	(32.7)	(1.9)	(0.6)	(35.2)	34.8%
Cost of net debt	**(40.7)**	**(4.2)**	**(2.0)**	**(46.9)**	**(31.8)**	**(1.9)**	**(0.6)**	**(34.3)**	**37.0%**
Other finance income (costs)	(16.2)	(0.4)	1.7	(14.9)	(19.3)	(0.4)	(5.5)	(25.3)	-40.9%
Net financial income/(expenses)	**(56.9)**	**(4.7)**	**(0.3)**	**(61.9)**	**(51.1)**	**(2.3)**	**(6.2)**	**(59.5)**	**4.0%**
Share of net income from associates & joint ventures	(1.4)	0.0	0.0	(1.4)	(0.9)	0.0	0.0	(0.9)	44.7%
Earnings before income tax expenses	**(31.0)**	**70.2**	**(6.6)**	**32.6**	**(14.4)**	**45.0**	**(11.8)**	**18.8**	**73.0%**
Income tax expenses	0.8	(14.7)	0.0	(13.9)	(1.0)	(9.4)	0.0	(10.4)	33.2%
Profit (loss) from continuing operations	**(30.2)**	**55.5**	**(6.6)**	**18.7**	**(15.4)**	**35.6**	**(11.8)**	**8.4**	**122.3%**
Profit (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net income (loss) for the period	**(30.2)**	**55.5**	**(6.6)**	**18.7**	**(15.4)**	**35.6**	**(11.8)**	**8.4**	**122.3%**

Segmental information

In € million	**Three months ended 31 March**		
	2024	2023	% Change
Content production & distribution business…..........			
Revenues…...	679.7	656.4	3.5%
Operating profit/loss…...	27.3	37.6	-27.6%
Adjusted EBITDA…...	80.4	84.2	-4.5%
Net income…..	(30.2)	(15.4)	96.0%
Online sports betting & gaming business…..............			
Revenues…...	321.5	243.8	31.9%
Operating profit/loss…...	74.9	47.3	58.4%
Adjusted EBITDA….…...	84.5	62.8	34.5%
Net income…..	55.5	35.6	55.9%
Holding…..			
Revenues…...	0.0	0.0	
Operating profit/loss…...	(6.3)	(5.6)	12.4%
Adjusted EBITDA…...	(1.1)	(2.4)	-53.2%
Net income	(6.6)	(11.8)	-43.7%

Revenues

For the three-month period ended 31 March 2024, the Group's consolidated revenues were €1,001 million compared to €900 million for the same period in 2023 (+11.2%). At constant exchange rates, revenues would have increased by +10.6 %.

For a detailed analysis of revenues by business segment, please refer to Note 4 to the Condensed Financial Statements for the three-month period ended 31 March 2024.

- *Content production & distribution business*

The **Content production & distribution business** amounted to 68% of the Group's consolidated revenues for three-month period ended 31 March 2024, compared to 73% for the three-month period ended 31 March 2023. Revenues for this business were €680 million for the first three-month period of 2024, an increase of +€23 million or +3.5% compared to the first three-month period of 2023 and is allocated as follow:

	Three months ended 31 March		
	2024	2023	% Change
Production	541.4	553.0	-2.1%
Distribution	60.5	67.9	-10.9%
Others	77.8	35.5	119.1%
Content Production & Distribution	**679.7**	**656.4**	**3.5%**

Revenue totaled €680 million, up +3.1% at constant currency compared to the first three months of 2023, primarily driven by the consolidation of Balich Wonder Studio in Live experiences & other.

Content production revenue in Q1 2024 stood at €541m, down -2.3% driven by continued demand from linear broadcasters and streamers, while partly offset by anticipated show phasing differences compared to Q1 2023.

Overall global and local streamers remained focused on enriching their catalogues with local non-scripted content, including docuseries and sports programing. Linear broadcasters continued to develop their own streaming platforms, in order to gain a larger share of audiences.

Content distribution revenue was down -12.5% to €61 million due to a high comparison basis with Q1 2023 when a significant number of new scripted shows were delivered.

The content catalogue increased by a further +4,000 hours to 189,000 hours at the end of March 2023 compared to December 2024.

Live experiences & other revenue growth is mainly attributable to the consolidation of Balich Wonder Studio. Q1 events included the opening ceremony for the Dakar Rally in Saudi Arabia and the Hegra Candlelit Concert in AlUla featuring the music of Ludovico Einaudi.

In Q1 2024, The Independents produced two iconic fashion shows in Paris: Saint Laurent Men's winter 2024 fashion show and Dior Women's winter 2024 through Bureau Betak agency.

- *Online sports betting & gaming business*

	Three months ended 31 March		
	2024	2023	% Change
Sportsbook	246.8	194.8	26.7%
Casino	51.2	30.6	67.1%
Poker	18.9	15.2	24.5%
Turf	4.6	3.1	45.2%
Content Production & Distribution	**321.5**	**243.8**	**31.9%**

Revenue recorded strong performance by +30.8% at constant currencies to €322 million over the first three months of 2024 compared to the first three months of 2023. Sportsbook revenue rose by +25.5% at constant currency, while Online casino, Poker and Turf posted very solid revenue growth of +52.5%. This was achieved thanks to the continued execution of the Group's strategy, focused on user experience.

Average monthly Unique Active Players (UAP), which combines retained and new players, increased by +24% in Q1 2024 compared to a high Q1 2023 comparison, which benefited from the FIFA World Cup at the end of 2022.

The overall performance was underpinned by the ongoing enrichment of the Betclic App, with product innovation through new and attractive games, particularly for online casinos, that improve player experience, drive engagement, and introduce a range of new features. The performance was also driven by cross-selling, particularly between sportsbook and poker. In sportsbook, the momentum continued to be very positive with an increasing number of new betting formats on live bets.

By geography, the Group continued to reinforce its positions in its core markets while recording excellent performance in new territories, namely Ivory Coast. During the Africa Cup of Nations in Jan-Feb 2024, the App was downloaded 127,000 times, and ranked first on the App Store among all categories.

As part of its responsible gaming strategy, the Group generated 99% of its revenue in locally regulated markets in March 2024, an increase of 7 percentage points over the last two years (92% in December 2021).

Operating profit (loss)

Operating profit was €96 million for the three-month period ended 31 March 2024, compared to €79 million for the three-month period ended 31 March 2023, an increase of €17 million (+20.8%). Operating profit included:

- **External expenses** of -€566 million, compared to -€489 million for the three-month period ended 31 March 2023. The change was mainly due to higher betting tax in line with the increase in Online sports betting & gaming activity.
- **Staff costs** of -€300 million, compared to -€292 million for the three-month period ended 31 March 2023. The increase was mainly driven by (i) higher change of LTIP related to acquisition for -€7 million, offset by (ii) lower LTIP charge for +€3 million, more permanent staff costs for -€4 million offset by less intermittent staff costs for +€7 million in line with the decrease in production activity.
- **Other operating and expenses** resulting in a net charge of -€11 million, compared to -€12 million for the three-month period ended 31 March 2023. For the three-month period ended 31 March 2024, the net expenses mainly related to management fees for -€6 million, restructuring and reorganization costs for -€4 million, acquisition costs or other impacts of scope variation for -€1 million and tax and duties for -€1 million.
- **Depreciation and amortization expenses** decreasing by -€1 million to -€28 million, compared to -€29 million for the three-month period ended 31 March 2023.

The **Content production & distribution business** contributed €27 million to the Group’s operating profit, a decrease of -€10 million, or -27.6% compared to the first three months of 2023.

The **Online sports betting & gaming business** contributed €75 million to the Group’s operating profit, an increase of +€28 million, or +58.4% compared to the first three month of 2023.

Adjusted EBITDA

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

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

	Three months ended 31 March 2024			
	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Operating profit (loss)	**27.3**	**74.9**	**(6.3)**	**95.8**
Restructuring costs and other non-core items	3.8	(0.0)	1.2	**4.9**
LTIP and employment-related earn-out and option expenses	23.6	7.2	4.0	**34.8**
Depreciation and amortization (excluding D&A fiction[1])	25.8	2.4	0.0	**28.2**
ADJUSTED EBITDA	**80.4**	**84.5**	**(1.1)**	**163.7**

[1] *No amortization of fiction production recognized in 2024.*

	Three months ended 31 March 2023			
In € million	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Operating profit (loss)	**37.6**	**47.3**	**(5.6)**	**79.3**
Restructuring costs and other non-core items	4.7	0.7	0.3	5.7
LTIP and employment-related earn-out and option expenses	15.4	12.5	2.9	30.8
Depreciation and amortization (excluding D&A fiction[1])	26.5	2.3	0.0	28.8
ADJUSTED EBITDA	**84.2**	**62.8**	**(2.4)**	**144.6**

[1] *No amortization of fiction production recognized in 2023.*

For the first three months of 2024, Adjusted EBITDA amounted to €164 million, compared to €145 million for the first three months of 2023. The increase in Adjusted EBITDA mainly reflects (i) the Group’s good performance despite the offsetting effect of the return of normal seasonality in Content production & distribution and (ii) a solid performance in Online sports betting & gaming.

Net financial income (expense)

	Three-month period ended 31 March								
	2024				2023				
	Content production & distribution	Online sports betting & gaming	Holding	**Total Group**	Content production & distribution	Online sports betting & gaming	Holding	**Total Group**	**% Change**
Interests paid on bank borrowings and bonds	(41.2)	(4.2)	(2.1)	(47.5)	(32.7)	(1.9)	(0.6)	(35.2)	34.9%
Cost of gross financial debt	**(41.2)**	**(4.2)**	**(2.1)**	**(47.5)**	**(32.7)**	**(1.9)**	**(0.6)**	**(35.2)**	**34.9%**
Interests received on cash and cash equivalents	0.5	-	0.1	0.5	1.0	-	-	1.0	-44.1%
Gains on assets contributing to net financial debt	**0.5**	**-**	**0.1**	**0.5**	**1.0**	**-**	**-**	**1.0**	**-44.1%**
Cost of net debt	**(40.7)**	**(4.2)**	**(2.0)**	**(46.9)**	**(31.8)**	**(1.9)**	**(0.6)**	**(34.3)**	**37.0%**
Interests paid on current accounts liabilities	-	-	-	-	-	-	-	-	
Interests received on current accounts receivables	-	-	-	-	-	-	-	-	-100.0%
Interests on lease liabilities	(1.6)	(0.1)	0.0	(1.7)	(1.8)	(0.1)	-	(1.9)	-9.8%
Change in fair value of financial instruments	(3.5)	-	2.4	(1.1)	(10.5)	-	(5.5)	(16.0)	-93.2%
Currency gains (losses)	(8.9)	(0.5)	-	(9.4)	(5.9)	(0.3)	0.0	(6.2)	53.1%
Other financial gains (losses)	(2.2)	0.2	(0.7)	(2.7)	(1.1)	(0.0)	(0.1)	(1.3)	118.5%
NET FINANCIAL INCOME (EXPENSE)	**(56.9)**	**(4.7)**	**(0.3)**	**(61.9)**	**(51.1)**	**(2.3)**	**(6.2)**	**(59.5)**	**4.0%**

For the first three months of 2024, net financial result was an expense of -€62 million, compared to -€60 million for the first three months of 2023. Of this amount:

- The cost of net debt as of 31 March 2024, amounted to -€47 million, compared to -€34 million for the first three months of 2023. The increase by -€13 million is mostly explained by (i) interest expenses of Term Loans, issued on April 2023, the Senior Secured Notes issued on September, 2023, and the Senior Unsecured Notes issued on February, 2020 for Content production & distribution.
- Other financial income and expenses as of 31 March 2024 amounted to -€15 million, compared to -€25 million for the first three months of 2023. The increase of €10 million were mainly driven by:
  - +€10 million of the change in fair value of financial instruments of the FX hedging derivatives instruments impacting positively the financial result by €3 million in the three-month period of 2024 compared to a negative impact by -€7 million in 2023;
  - +€1 million related to the change in fair value of the long-term liabilities on non-controlling interests and the employment earn-out and option obligation liabilities in line with the increase in value of the group for -€2 million compared to -€3 million in 2023;
  - +€2 million related to the discounting effect on the long-term liabilities on non-controlling interests and the employment earn out and option obligation liabilities for -€5 million compared to -€7 million in 2023;
  - -€3 million related to FX impact for -€9 million compared to -€6 million in 2023.

The Group's gross total financial debt as of 31 March 2024, amounted to €2,934 million, compared to €2,904 million as of 31 December 2023. The gross financial debt is broken down as follows:

- €2,568 million for Content production & distribution business as of 31 March 2024 compared to €2,536 million as of 31 December 2023 (+€32 million), mainly explained by (i) a FX impact of +€21 million, (ii) an impact of repayment of bank borrowings for -€13 million, (iii) an impact of accrued interests for +€9 million and (iv) increase of credit lines linked to production for +€9 million;
- €220 million for Online sports betting & gaming business compared to €224 million as of 31 December 2023 (-4€ million) mostly explained by repayment of bank borrowings for -€4 million.
- €146 million for Holding compared to €144 million as of 31 December 2023 (+€2 million) explained by the accrued interest of the quarter on the vendor loans granted by some shareholders as part of the Group reorganization in June 2022.

Net financial debt increased from €2,280 million as of 31 December 2023, to €2,354 million as of 31 March 2024, respectively €2,261 million for Content production & distribution business (+€132 million compared to 31 December 2023), €40 million for Online sports betting & gaming business (-€48 million compared to 31 December 2023) and €53 million for Holding (-€9 million compared to 31 December 2023). The overall increase of +€74 million is mostly due to the Adjusted Operating Free cash flow of the period (€68 million), offset by the impact of acquisitions, disposals and change in financial assets (+€34 million), interest of the period (+€47 million), LTIP and exceptional items paid during the period (+€37 million) of which (-€12 million) have been reinvested into FL Entertainment and +€21 of FX impact. Please refer to Note 4 to the Condensed Financial Statements for the three-month period ended 31 March 2024.

The Group's leverage, defined as Net Debt divided by 12 month Adjusted EBITDA stood at 3.1x compared to the 3.1x registered on 31 December 2023.

Income tax expenses

The tax charge for the three-month period ended 31 March 2024 was -€14 million compared to -€10 million for the three-month period ended 31 March 2023, representing an effective tax rate of 18.3% for the three-month period ended 31 March 2024 compared with 24.2% for the three-month period ended 31 March 2023.

For more details, please refer to Note 9 to the Condensed Financial Statements for the three-month period ended 31 March 2024.

Net income/(loss) for the period

As a result of the changes described above, the Group's net income/(loss) increased by +€10 million to €19 million for the three-month period ended 31 March 2024, from €8 million for the three-month period ended 31 March 2023.

Net income/(loss) for the period per business

Content production & distribution business

Net income/(loss) for the period decreased by -€15 million to a loss of -€30 million for the three-month period ended 31 March 2024, from -€15 million for the three-month ended 31 March 2023.

Online sports betting & gaming business

Net income/(loss) for the period increased by +€20 million to a profit of €56 million for the three-month period ended 31 March 2024, from €36 million for the three-month ended 31 March 2023.

1.4 Analysis of Cash flows for the three-month periods ended 31 March 2024 and 2023.

	Three-month period ended								
	2024				2023				
	Content production & distribution	Online sports betting & gaming	Holding	Total Group	Content production & distribution	Online sports betting & gaming	Holding	Total Group	% Change
Net cash flows provided by operating activities	(5.6)	54.4	(2.1)	46.8	25.4	60.6	(6.8)	79.2	-41.0%
Net cash flows (used in)/from investing activities	(46.6)	23.2	0.0	(23.3)	(18.3)	(2.8)	0.0	(21.1)	10.5%
Net cash flows (used in)/from financing activities	(55.0)	(8.9)	11.2	(52.7)	(124.7)	(23.0)	71.9	(75.7)	-30.4%
Effect of foreign exchange rate differences	0.1	0.0	0.0	0.1	(11.0)	0.0	0.0	(11.0)	-100.9%
Net increase (decrease) of cash and cash equivalents	**(107.0)**	**68.7**	**9.1**	**(29.1)**	**(128.6)**	**34.9**	**65.1**	**(28.6)**	**2.3%**
Cash and cash equivalents at the beginning of the period	368.1	93.3	1.5	462.9	396.2	72.1	11.2	479.4	-3.4%
Cash and cash equivalents at the end of the period	**261.1**	**162.1**	**10.6**	**433.7**	**267.6**	**106.9**	**76.3**	**450.8**	**-3.8%**

Change in cash flows from operating activities

Net cash provided by operating activities amounted to €47 million for the three-month period ended 31 March 2024, compared to €79 million for the three-month period ended 31 March 2023. This decrease reflects the decrease of Content production & distribution (-€31 million) and Online sports betting & gaming (-€6 million) offset by Holding for +€5million. This overall decrease of -€33 million was mainly attributable to the following items :

- The unfavorable variance in working capital for -€38 million, driven by Online sports betting & gaming business for -€23 million, Content production & distribution business for -€20 million, and offset by Holding for +€4 million;
- The effect of the increase of income tax paid for -€12 million, driven by Content production & distribution business for -€7 million, and Online sports betting & gaming business for -€5 million;
- The increase in net result (+€10 million, with respectively -€15 million for Content production & distribution business, +€20 million for Online sports betting & gaming business and +€5 million for Holding); balanced by
- The favorable variance in non-cash adjustments (+€8 million).

Change in cash flows from investing activities

Net cash used in investing activities amounted to -€23 million for the three-month period ended 31 March 2024 compared to -€21 million in the three-month period ended 31 March 2023. The decrease by -€2 million was mostly driven by (i) purchases of consolidated companies in Content production & distribution, for -€12 million, related to the acquisition of Authentic Media in France (-€7 million) and the vendor loan settlement of The Forge for (-€5 million); (ii) investing in associated and joint ventures for -€7 million, mainly related to Hyphenated (-€5 million) and the UK Esmeralda (-€3 million), and (iii) a decrease of purchase of property, plant and equipment for -€7 million, offset by a change of financial asset decrease in Online sports betting & gaming for +€31 million, mainly related to reimbursement of cash in trust.

Change in cash flows from financing activities

Net cash used in financing activities amounted to -€53 million for the three-month period ended 31 March 2024, compared to -€76 million for the three-month period ended 31 March 2023. The increase of +€23 million was mostly driven by:

- Lower interests paid for +€11 million;
- A positive impact in the variation for +12 million related to the change in capital on Holding during the first three months of 2024, with LTIP cash-out compensation.

Adjusted Free Cash Flow

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

	Three-month period ended 31 March 2024			
	Content production & distribution	Online sports betting & gaming	Holding	**Total**
Operating profit (loss)	**27.3**	**74.9**	**(6.3)**	**95.8**
Restructuring costs & other non-core items	3.8	(0.0)	1.2	4.9
LTIP and employment-related earn-out and option expenses	23.6	7.2	4.0	34.8
Depreciation and amortization (excluding D&A fiction)	25.8	2.4	0.0	28.2
Adjusted EBITDA	**80.4**	**84.5**	**(1.1)**	**163.7**
Purchase of property, plant and equipment and intangible assets	(13.2)	(7.2)	0.0	(20.3)
Total cash outflows for leases that are not recognised as rental expenses	(11.1)	(0.9)	0.0	(12.0)
Adjusted Free Cash Flow	**56.2**	**76.4**	**(1.1)**	**131.5**
Adjusted EBITDA	80.4	84.5	(1.1)	163.7
Adjusted Cash Conversion	**69.8%**	**90.5%**	**-**	**80.3%**

	Three-month period ended 31 March 2023			
	Content production & distribution	Online sports betting & gaming	Holding	**Total**
Operating profit (loss)	**37.6**	**47.3**	**(5.6)**	**79.3**
Restructuring costs & other non-core items	4.7	0.7	0.3	5.7
LTIP and employment-related earn-out and option expenses	15.4	12.5	2.9	30.8
Depreciation and amortization (excluding D&A fiction)	26.5	2.3	0.0	28.8
Adjusted EBITDA	**84.2**	**62.8**	**(2.4)**	**144.6**
Purchase of property, plant and equipment and intangible assets	(11.6)	(2.0)	-	(13.6)
Total cash outflows for leases that are not recognized as rental expenses	(10.7)	(1.0)	-	(11.6)
Adjusted Free Cash Flow	**61.9**	**59.9**	**(2.4)**	**119.4**
Adjusted EBITDA	84.2	62.8	(2.4)	144.6
Adjusted Cash Conversion	**73.5%**	**95.4%**	**-**	**82.6%**

Cash conversion

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

The Group's Cash Conversion Rate decreased from 82.6% to 80.3% for the three-month period ended 31 March 2024 and remains in line with the Group's objective of maintaining an Adjusted Cash Conversion rate of approximately 80%.

Liquidity

As of 31 March 2024, the Group had the following financing resources:

- Gross cash amounting to €434 million;
- An undrawn Revolving credit facility (RCF) of €50 million from Holding and €210 million from Content production & distribution business and €30 million of overdraft not used.

Capital Expenditures

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

	Three-month period ended 31 March		
In € million	2024	2023	% Change
Scripted production costs and intellectual property rights	(26.0)	(5.0)	420.0%
Investments in technical equipment	(3.0)	(6.0)	-50.0%
IT capitalized expenses	-	(1.3)	-100.0%
Total	**(29.0)**	**(12.0)**	**135.4%**

Capital expenditures for the three-month period ended 31 March 2024, amounted to €29 million compared to €12 million for the three-month period ended 31 March 2023.

1.5 Main transactions with related parties

No significant changes compared to the information on the main transactions with related parties provided in Note 27 to the Consolidated Financial Statements as of 31 December 2023, in Section 6.1.6 of the 2023 Universal Registration Document.

1.6 Outlook

The Group is upgrading its guidance for 2024 to low-teens organic Adjusted EBITDA growth, from the previous guidance of high single-digit organic growth.

This is due to the stronger performance at Online sports betting & gaming, and reflects the continued profitable growth expected for each business segment

- In **Content production & distribution**, the growth will be expected to be more skewed to second half of the year with major scripted show deliveries especially in Q4 ;
- In **Online sports betting & gaming**, positive commercial momentum combined with a busy sports event calendar including UEFA Euro 2024.

The Group also provides the following additional financial metrics within its FY 2024 guidance:

- Free Cash Flow conversion: above 80%
- Net Debt Leverage: below 3x as at December 2024

1.7 Main risks and uncertainties

The main risks and uncertainties to which the Group believes it is exposed as of the date of this three-month period financial report are detailed in Chapter 3 (Risk factors) of the 2023 Universal Registration Document. The Group does not anticipate any changes in its risks that may have an impact on the rest of the 2024 financial year.

1.8 Subsequent events

None.

2. CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

FL/ENTERTAINMENT

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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UNAUDITED CONSOLIDATED INTERIM STATEMENT OF INCOME

For the three-month period ended 31 March *In € million*	Note	2024	2023
Revenue	Note 5	1,001.1	900.2
External expenses		(566.3)	(488.9)
Staff costs	Note 6	(300.1)	(291.7)
Other operating income	Note 7	0.5	0.9
Other operating expenses	Note 7	(11.4)	(12.4)
Depreciation and amortization expenses		(28.0)	(28.8)
OPERATING PROFIT/(LOSS)		95.8	79.3
Financial income	Note 8	0.5	1.0
Interest expenses	Note 8	(47.5)	(35.2)
Cost of net debt		(46.9)	(34.3)
Other finance income/(costs)	Note 8	(14.9)	(25.3)
NET FINANCIAL INCOME/(EXPENSE)		(61.9)	(59.5)
Share of net income from associates & joint ventures		(1.4)	(0.9)
EARNINGS BEFORE PROVISION FOR INCOME TAXES		32.6	18.8
Income tax expenses	Note 9	(13.9)	(10.4)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		18.7	8.4
Profit/(loss) from discontinued operations		-	-
NET INCOME/(LOSS) FOR THE PERIOD		18.7	8.4
Attributable to:			
Non-controlling interests		1.4	*3.8*
Shareholders		17.3	*4.6*
Earnings per share (in €)			
Basic earnings per share	Note 13	*0.04*	*0.01*
Diluted earnings per share	Note 13	*0.04*	*0.01*

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March *In € million*	Note	2024	2023
NET INCOME/(LOSS) FOR THE PERIOD		18.7	8.4
- Foreign currency translation adjustment		(9.0)	7.8
- Fair value adjustment on cash flow hedge		5.7	(7.5)
- Deferred tax on fair value adjustment on cash flow hedge		(1.0)	2.3
ITEMS TO BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		(4.3)	2.6
Actuarial gains and losses		-	-
Financial assets at fair value through other comprehensive income		-	-
Deferred tax recognised through reserves		-	-
ITEMS NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		-	-
CHANGES AND INCOME DIRECTLY RECOGNISED IN EQUITY		(4.3)	2.6
TOTAL COMPREHENSIVE INCOME/(LOSS)		14.4	11.0
Attributable to:			
Non-controlling interests		*12.6*	*3.9*
Shareholders		*1.8*	*7.1*

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Assets

In € million	Note	31 March 2024	31 December 2023
Goodwill	Note 10	2,847.0	2,834.0
Intangible assets		225.9	204.7
Right-of-use assets		146.5	149.2
Property, plant and equipment		69.1	70.6
Investments in associates and joint ventures		42.8	31.7
Non-current financial assets	Note 14.1	164.2	228.5
Other non-current assets	Note 11.2	32.8	36.9
Deferred tax assets		57.7	58.4
Non-current assets		**3,586.0**	**3,614.0**
Production - work in progress		708.1	678.1
Trade receivables	Note 11.1	628.0	588.9
Other current assets	Note 11.2	396.3	357.6
Current financial assets	Note 14.1	63.1	30.2
Cash and cash equivalents		433.8	464.2
Assets classified as held for sale		-	-
Current assets		**2,229.3**	**2,119.0**
ASSETS		5,815.3	5,733.0

Equity and liabilities

In € million	Note	31 March 2024	31 December 2023
Share capital		8.1	8.1
Share premiums		4,108.1	4,108.1
Treasury shares		(0.2)	(0.2)
Retained earnings (deficit)		(4,086.7)	(4,143.7)
Net income/(loss) - attributable to shareholders		17.3	60.8
Shareholders' equity		**46.6**	**33.0**
Non-controlling interests		22.6	20.2
TOTAL EQUITY		69.2	53.2
Other securities		139.4	139.4
Long-term borrowings and other financial liabilities	Note 14.3	2,583.5	2,551.9
Long-term lease liabilities		120.5	126.1
Non-current provisions		31.7	34.3
Other non-current liabilities	Note 11.4	399.2	352.5
Deferred tax liabilities		7.5	7.9
Non-current liabilities		**3,281.8**	**3,212.1**
Short-term borrowings and bank overdrafts	Note 14.3	352.2	358.3
Short-term lease liabilities		44.6	41.8
Trade payables		701.7	709.7
Current provisions		12.3	13.5
Customer contract liabilities	Note 11.3	771.8	750.0
Other current liabilities	Note 11.4	581.6	594.3
Liabilities classified as held for sale		-	-
Current liabilities		**2,464.2**	**2,467.7**
EQUITY AND LIABILITIES		5,815.3	5,733.0

UNAUDITED CONSOLIDATED INTERIM Statement of Cash Flows

For the three-month period ended 31 March *In € million*	Note	2024	2023
Profit/(loss)		18.7	8.4
Adjustments:		139.4	131.6
Share of profit/(loss) of associates and joint ventures		1.4	0.9
Amortization, depreciation, impairment losses and provisions, net of reversals		27.8	27.9
Employee benefits LTIP & employment-related earn-out and option expenses		34.8	30.8
Cost of financial debt, lease liabilities and current accounts	Note 8	48.6	36.1
Change in fair value of financial instruments		1.2	16.1
Income tax expenses	Note 9	13.9	10.4
Other adjustments[2]		11.8	9.2
GROSS CASH PROVIDED BY OPERATING ACTIVITIES		158.1	140.0
Changes in working capital		(91.0)	(52.8)
Income tax paid		(20.3)	(7.9)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		46.8	79.2
Purchase of property, plant and equipment and intangible assets		(20.4)	(13.7)
Purchases of consolidated companies, net of acquired cash and other liabilities related to business combination (1)		(14.8)	(3.0)
Investing in associates and joint-ventures (1)		(7.2)	-
Increase in financial assets	Note 3.2	(10.9)	(6.4)
Disposals of property, plant and equipment and intangible assets		0.1	0.2
Proceeds from sales of consolidated companies, after divested cash		(2.6)	0.1
Decrease in financial assets	Note 14.1	32.5	1.7
Dividends received		(0.0)	0.1
NET CASH PROVIDED BY/(USED FOR) INVESTING ACTIVITIES		(23.3)	(21.1)
Change in capital	Note 12.1	11.7	-
Change in other securities		-	-
Dividends and share premium distribution paid	Note 12.2	(0.0)	-
Dividends paid by consolidated companies to their non-controlling interests		(4.4)	(4.1)
Transactions with non-controlling interests		(0.3)	-
Proceeds from borrowings and other financial liabilities	Note 14.3	5.3	3.3
Repayment of borrowings and other financial liabilities	Note 14.3	(27.1)	(25.3)
Other cash items related to financial activities		0.0	0.2
Interest paid		(38.0)	(49.8)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(52.7)	(75.7)
Impact of changes in foreign exchange rates		0.1	(11.0)
Net increase/(decrease) of cash and cash equivalents	Note 14.2	**(29.1)**	**(28.6)**
Net cash and cash equivalents at the beginning of the period	Note 14.2	462.9	479.4
Net cash and cash equivalents at the end of the period	Note 14.2	433.7	450.8

(1) Investing in associates and joint-ventures has been reclassified from "Purchases of consolidated companies, net of acquired cash" to "Investing in associates and joint-venture"

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

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

In € million	Share capital	Share premiums	Treasury shares	Retained earnings (deficit)	Other compre-hensive income	**Shareholders' equity**	Non-controlling interests	**Total equity**
BALANCE AS OF 1 JANUARY 2023	8.0	4,140.3	(0.1)	(4,115.8)	(20.7)	11.7	6.3	18.0
Net income/(loss)	-	-	-	4.6	-	**4.6**	3.8	**8.4**
Other comprehensive income	-	-	-	-	2.5	**2.5**	0.1	**2.6**
Total comprehensive income	-	-	-	4.6	2.5	7.1	3.9	11.0
Capital increase	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	-	(4.1)	**(4.1)**
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	-	-	-	-	-	-
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	-	0.3	**0.3**
Treasury shares	-	-	(0.0)	-	-	**(0.0)**	-	**(0.0)**
Other variations in retained earnings	-	-	-	(3.8)	-	**(3.8)**	4.1	**0.3**
BALANCE AS OF 31 MARCH 2023	8.0	4,140.3	(0.1)	(4,115.0)	(18.2)	14.8	10.6	25.4

In € million	Share capital	Share premiums	Treasury shares	Retained earnings (deficit)	Other compre-hensive income	**Shareholders' equity**	Non-controlling interests	**Total equity**
BALANCE AS OF 1 JANUARY 2024	8.1	4,108.1	(0.2)	(4,051.4)	(31.5)	33.0	20.2	53.2
Net income/(loss)	-	-	-	17.3	-	**17.3**	1.4	18.7
Other comprehensive income	-	-	-	-	(4.6)	**(4.6)**	0.4	(4.3)
Total comprehensive income	-	-	-	17.3	(4.6)	12.6	1.8	14.4
Capital increase	-	-	-	-	-	**-**	-	-
Dividend and share premium distribution	-	-	-	-	-	**-**	(1.9)	(1.9)
Share-based payment	-	-	-	3.2	-	**3.2**	0.2	3.4
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	**-**	-	-
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	(0.5)	-	**(0.5)**	0.5	0.0
Treasury shares	-	-	-	-	-	**-**	-	-
Other variations in retained earnings	-	-	-	(3.0)	1.3	**1.7**	1.8	0.1
BALANCE AS OF 31 MARCH 2024	8.1	4,108.1	(0.2)	(4,034.4)	(34.8)	46.7	22.6	69.2

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1 BUSINESS PRESENTATION

1.1 Presentation of the business

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

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

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

These two businesses together compose the Group, hereafter "**the Group**".

1.2 Seasonal activity

Content production & distribution business interim production operations can be impacted by the timing of delivery of both scripted and non-scripted productions (and thus affecting the level of revenue and work in progress). The distribution activity tends to present a more important seasonality in the last quarter of the year but is also impacted by the timing of recoupment of its distribution advances. The live experiences activity can be impacted by the seasonality of major events such as international ceremonies (Olympics, Fifa World Cup).

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

Sports betting volumes follow the various sports calendars. With football being the main attractive sport within the business, the online sports betting volumes tend to follow its calendar typically starting in August and ending in May. Volumes are consequently higher during this period. The organization of international events such as the FIFA World Cup or the European Football Championship, which usually take place during the summer break (except in 2022 which took place during winter), leads to additional significant betting & players activity.

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

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

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

Note 2 BASIS OF PREPARATION

2.1 Statement of compliance

The unaudited condensed consolidated interim financial statements for the three-month period ended 31 March 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and available on the European Commission website.

The unaudited condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union and should be read in conjunction with the consolidated financial statements as of and for the year ended 31 December 2023, that have been authorized for issuance by the Board of Directors at its meeting held on 15 May 2024 and for which an unqualified auditor's opinion was issued by Ernst & Young Accountants LLP thereon.

These unaudited condensed consolidated three-month financial statements were authorized for issue by the Board of Directors on 15 May 2024.

2.2 Significant accounting policies

The accounting policies applied in these unaudited condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements as of and for the year ended 31 December 2023, except for the estimation of the income tax expense which is recognized based on management's estimate of the weighted average effective annual income tax rate expected for the full year.

The new and amended standards effective from 1 January 2024 do not have a material effect on the unaudited condensed consolidated interim financial statements.

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

2.3 Standards issued but not yet effective

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning 1 January 2024. The Group has performed a first assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment performed, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply. The Group is performing a detailed computation for these jurisdictions. However, the Group does not expect a material exposure to Pillar Two income taxes to date. The amendments to IAS 12 introduced a temporary exception to the recognition of deferred taxes resulting from the implementation of the OECD Pillar II rules. Accordingly, the group did not recognize any deferred taxes in respect of the Pillar 2 additional taxes.

2.4 Scope of consolidation

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

		% of ownership interest	
Name of the legal entity or sub-group	Country of incorporation	31 March 2024	31 December 2023
FL Entertainment	The Netherlands	*Parent company*	*Parent company*
Banijay Events	France	*100.00%*	100.00%
Banijay Group Holding		*100.00%*	100.00%
Fonds de dotation FLE		*100.00%*	100.00%
Banijay Experience		*100.00%*	100.00%
Sub-Group Betclic Everest Group - Betclic Everest Group	France	94.60%	94.60%
Sub-Group Banijay - Banijay Group	France	98.04%	98.04%

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

2.5 Significant assumptions and estimates

The preparation of these unaudited condensed consolidated interim financial statements requires the Group's management to make assumptions and estimates that may affect the application of the accounting methods, and the reported amounts of assets and liabilities, as well as certain income and expenses for the period. In addition, with those described in the consolidated financial statements as of and for the year ended 31 December 2023, significant assumptions and estimates include the income tax and the classification of the investments made this year.

2.6 Going concern

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

<u>Balance sheet</u>

As of 31 March 2024, the equity continues to increase to a total amount of €69.2 million compared to €53.2 million as of 31 December 2023. In addition, the current part of the financial liabilities is covered by the current part of the financial assets and cash and cash equivalents held by the Group.

<u>Net result</u>

The result continues to turn positive again in the first quarter of 2024 to €18.7 million compared to €73.6 million in twelve-month period ended 2023.

Liquidity / Forecast

In terms of liquidity, the management has performed a monthly cash flow forecast for the next year. This forecast includes an organic growth with a high degree of certainty predictability due to the group activity, dividend cash out and repayment of borrowings and other financial liabilities. This forecast confirmed the absence of solvency risk and that the group is confident in its capacity to cover its needs.

As described in the Note 3.2 on page 11, Banijay completed the repricing of its €555 million term loan facility (the "EUR Term Loan") at EURIBOR plus 3.75% and its $556 million term loan facility (the "USD Term Loan") at SOFR plus 3.25%, in each case at par. The repricing will reduce the margins on the term loans from EURIBOR plus 4.50% for the EUR Term Loan and from SOFR plus 3.75% for the USD Term Loan.

In addition, there is no breach of financial covenants to be reported.

Sensitivity test

As of 31 December 2023, the Group also modelled a scenario assuming a decrease of 10% of activity in 2024 and 2025 compared to the budget 2024 and Business plan 2025 to assess whether there is sufficient liquidity position. In this scenario, the Group would have enough liquidity and financing facilities to continue its operation. A stress test to a decrease of activity by 15% was also performed and lead to the same conclusion.

As of 31 March 2024, we ensured that the cash impact do not change the conclusion for this test.

Other lines of credit

In addition, as of 31 March 2024, undrawn committed lines of credit, overdrafts and other borrowings amounts to €260m.

The Content production & distribution business is subject to financial covenants, namely concerning RCF (revolving credit facility) in the event of a drawdown of 40% for Banijay RCF. The Holding segment is also subject to a financial covenant. On 31 March 2024, although the RCF are not drawn, such financial covenants are satisfied.

Conclusion

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

Note 3 SIGNIFICANT EVENTS THAT OCCURRED IN THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

3.1 Holding

None.

3.2 Content production & distribution business

Authentic Media

On 11 January 2024, Banijay France has acquired Authentic Productions, based in France. The entity is specialized on producing scripted content in several formats (short, 26', 52' and 90') and genres (drama, comedy, crime) for linear broadcasters and, hopefully in the future, for platforms.

Repricing

On 1 February 2024, Banijay Entertainment (French Holding) has announced that it has successfully repriced its €555 million term loan facility (the "EUR Term Loan") at EURIBOR plus 3.75% and its $556 million term loan facility (the "USD Term Loan") at SOFR plus 3.25%, in each case at par. The repricing will reduce the margins on the term loans from EURIBOR plus 4.50% for the EUR Term Loan and from SOFR plus 3.75% for the USD Term Loan.

3.3 Online sports betting & gaming business

None.

Note 4 SEGMENT INFORMATION

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

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

As of 31 March 2024, the internal reporting has been slightly modified to focus on Banijay Group operational activities. Consequently, Banijay Group Holding has been reallocated to the Holding segment. The following tables present information in accordance with this new allocation, and the comparative information has been restated in accordance with IFRS 8, Operating segments.

The following tables present information with respect to the Group's business segments in accordance with IFRS 8 for the three-month periods ended 31 March 2024 and 2023.

Profit & Loss per segment

For the three-month period ended 31 March *In € million*	2024 Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Net revenue	679.7	321.5	-	-	1,001.1
Adjusted EBITDA	**80.4**	**84.5**	**(1.1)**	**-**	163.7
Operating profit/(loss)	**27.3**	**74.9**	**(6.3)**	-	95.8
Cost of net debt	(40.7)	(4.2)	(2.0)	-	(46.9)
Consolidated net income	**(30.2)**	**55.5**	**(6.6)**	-	18.7
Attributable to:					
Non-controlling interests	*(2.1)*	*3.5*	*-*	*-*	***1.4***
Shareholders	*(28.1)*	*52.0*	*(6.6)*	*-*	***17.3***

For the three-month period ended 31 March *In € million*	2023 Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Net revenue	656.4	243.8	-	-	900.2
Adjusted EBITDA	**84.2**	**62.8**	**(2.4)**	**-**	144.6
Operating profit/(loss)	**37.6**	**47.3**	**(5.6)**	**-**	79.3
Cost of net debt	(31.8)	(1.9)	(0.6)	-	(34.3)
Consolidated net income	**(15.4)**	**35.6**	**(11.8)**	**-**	8.4
Attributable to:					
Non-controlling interests	*1.6*	*2.3*	*-*	**-**	***3.8***
Shareholders	*(17.0)*	*33.4*	*(11.8)*	**-**	***4.6***

Adjusted EBITDA

The Group considers Adjusted EBITDA to be a useful metric for evaluating its operating performance as it facilitates a comparison of its core operating results from period to period by removing the impact of, among other things, its capital structure, asset base and tax consequences. Adjusted EBITDA is a non-IFRS measures and, as a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names.

Adjusted EBITDA 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 and operational provisions).

Those adjustments items include:

- **Restructuring costs and other non-core items**: due to their unusual nature or particular significance, these items are excluded. In general, these items relate to transactions that are significant, infrequent, or unusual. However, in certain instances, transactions, such as restructuring costs or asset disposals, which are not representative of the normal course of business (referred as “non-core items”), may be adjusted although they may have occurred within prior years or are likely to occur again within the coming years. The details of these costs are provided in Note 7.

- **LTIP and other long-term incentive plans**: reference is made to Employee benefits Long-Term Incentive Plans and Employee benefits obligations resulting from a business acquisition arrangement. The details of these costs are provided in Note 6.

- **Depreciation and amortization (excluding D&A fictions and operational provisions)**: depreciation and amortization of software and intangible assets, property, plant and equipment own property, right-of-use and intangible assets acquired in business combinations. 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 unaudited consolidated financial statement of income deviates from the depreciation and amortization costs in this line item.

The table below presents the reconciliation of operating profit before exceptional items and amortization of acquisition-related intangibles to Adjusted EBITDA for the three-month periods ended 31 March 2024 and 31 March 2023:

For the three-month period ended 31 March	2024			
In € million	Content production & distribution	Online sports betting & gaming	Holding	**Total Group**
Operating profit/(loss) :	27.3	74.9	(6.3)	95.8
Restructuring costs and other non-core items	3.8	(0.0)	1.2	4.9
LTIP and employment-related earn-out and option expenses	23.6	7.2	4.0	34.8
Depreciation and amortization (excluding D&A fiction [1] and D&A net or reversals on non-recurring provision)	25.8	2.4	0.0	28.2
ADJUSTED EBITDA	80.4	84.5	(1.1)	163.7

(1) No amortization of fiction production recognised in 2024

For the three-month period ended 31 March	2023			
In € million	Content production & distribution	Online sports betting & gaming	Holding	**Total Group**
Operating profit/(loss) :	37.6	47.3	(5.6)	79.3
Restructuring costs and other non-core items	4.7	0.7	0.3	5.7
LTIP and employment-related earn-out and option expenses	15.4	12.5	2.9	30.8
Depreciation and amortization (excluding D&A fiction[1] D&A net or reversals on non-recurring provision)	26.5	2.3	0.0	28.8
ADJUSTED EBITDA	84.2	62.8	(2.4)	144.6

(2) No amortization of fiction production recognised in 2023

Balance Sheet per segment

In € million	31 March 2024 Content production & distribution	Online Sports Betting & Gaming	Holding	Intercompany elimination	Total Group
Non-current assets	2,459.1	304.9	822.1	-	**3,586.0**
Current assets	1,912.7	302.3	14.8	(0.5)	**2,229.3**
Total assets	**4,371.8**	**607.2**	**836.9**	**(0.5)**	**5,815.3**
Non-current liabilities	2,876.7	214.4	190.8	-	**3,281.8**
Current liabilities	1,911.3	364.2	189.3	(0.5)	**2,464.2**
Total liabilities (excluding equity)	**4,788.0**	**578.5**	**380.1**	**(0.5)**	**5,746.1**

In € million	31 December 2023 Content production & distribution	Online Sports Betting & Gaming	Holding	Intercompany elimination	Total Group
Non-current assets	3,167.7	329.9	116.5	-	3,614.0
Current assets	1,922.0	192.4	17.7	(13.1)	2,119.0
Total assets	**5,089.6**	**522.3**	**134.2**	**(13.1)**	**5,733.0**
Non-current liabilities	2,813.4	206.0	192.7	-	3,212.1
Current liabilities	1,952.3	347.3	181.3	(13.1)	2,467.7
Total liabilities (excluding equity)	**4,765.7**	**553.3**	**374.0**	**(13.1)**	**5,679.8**

Content production & distribution

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

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

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

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

Online sports betting & gaming business

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

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

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

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

Holding

Non-current assets are mainly composed of financial assets.

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

Non-current liabilities mainly comprise other securities, employee-related long-term incentives, long-term liabilities on non-controlling interests and other non-current liabilities.

Current liabilities correspond mainly to supplier payables and vendor loans issued in the context of the transaction occurred in 2022, employee-related long-term incentives.

Net debt per segment

In € million	31 March 2024 Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Bonds	1,293.5	-	-	-	1,293.5
Bank borrowings and other	1,228.1	220.0	-	-	1,448.0
Accrued interests on bonds and bank borrowings	46.7	0.1	-	-	46.9
Vendor loans	-	-	145.7	-	145.7
Bank overdrafts	0.2	(0.0)	-	-	0.2
Total bank indebtedness and other	**2,568.5**	**220.1**	**145.7**	**-**	**2,934.2**
Cash and cash equivalents	(261.2)	(162.0)	(10.6)	-	(433.8)
Funding of Gardenia [(1)]	-	-	(82.1)	-	(82.1)
Trade receivables on providers	-	(73.1)	-	-	(73.1)
Players' liabilities	-	56.8	-	-	56.8
Cash in trusts and restricted cash	-	-	(0.3)	-	(0.3)
Net cash and cash equivalents and other	**(261.2)**	**(178.3)**	**(93.0)**	**-**	**(532.5)**
Net debt before derivatives effects	**2,307.3**	**41.8**	**52.7**	**-**	**2,401.8**
Derivatives – liabilities	1.4	-	-	-	1.4
Derivatives – assets	(47.3)	(1.4)	-	-	(48.7)
NET DEBT	**2,261.4**	**40.4**	**52.7**	**-**	**2,354.5**

(1) *Fair value of the financial instrument represents the funding by FL Entertainment of the entity "Gardenia" as described in the Note 23.1 to the Consolidated Financial Statements as of 31 December 2023, in Section 6.1.6 of the 2023 Universal Registration Document.*

In € million	31 December 2023 Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Bonds	1,284.2	-	-	-	1,284.2
Bank borrowings and other	1,213.7	223.6	-	-	1,437.3
Accrued interests on bonds and bank borrowings	37.0	0.2	-	-	37.2
Vendor loans	-	-	143.5	-	143.5
Bank overdrafts	1.5	-	-	-	1.5
Total bank indebtedness and other	**2,536.4**	**223.8**	**143.5**	**-**	**2,903.7**
Cash and cash equivalents	(369.4)	(93.3)	(1.5)	-	(464.2)
Funding of Gardenia [(2)]	-	-	(79.7)	-	(79.7)
Trade receivables on providers	-	(60.8)	-	-	(60.8)
Players' liabilities	-	50.2	-	-	50.2
Cash in trusts and restricted cash	-	(30.7)	(0.3)	-	(31.0)
Net cash and cash equivalents and other	**(369.4)**	**(134.6)**	**(81.5)**	**-**	**(585.5)**
Net debt before derivatives effects	**2,167.0**	**89.1**	**62.0**	**-**	**2,318.2**
Derivatives – liabilities	6.4	-	-	-	6.4
Derivatives – assets	(44.0)	(0.6)	-	-	(44.6)
NET DEBT	**2,129.4**	**88.6**	**62.0**	**-**	**2,280.0**

(2) *Fair value of the financial instrument represents the funding by FL Entertainment of the entity "Gardenia" as described in the Note 23.1 to the Consolidated Financial Statements as of 31 December 2023, in Section 6.1.6 of the 2023 Universal Registration Document.*

The variation of the bank indebtedness for the Content production & distribution segment is mainly explained by (i) a FX impact of +€21 million, (ii) an impact of repayment of bank borrowings for -€13 million, (iii) an impact of accrued interests for +€9 million and (iv) increase of credit lines linked to production for +€9 million;

The variation of the bank indebtedness for the Online sports betting & gaming segment is mainly explained by repayment of bank borrowings for -€4 million.

For the Holding segment, the variation of the gross debt is mainly explained by the accrued interest of the quarter on the vendor loans granted by some shareholders as part of the group reorganization in June 2022.

Statement of Cash Flows and Free-Cash flow

For the three-month period ended 31 March	2024				
In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Net cash flow from operating activities	(5.6)	54.4	(2.1)	-	**46.8**
Cash flow (used in)/from investing activities	(46.6)	23.2	0.0	-	**(23.3)**
Cash flow (used in)/from financing activities	(55.0)	(8.9)	11.2	-	**(52.7)**
Impact of foreign exchanges rates	0.1	-	-	-	**0.1**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(107.0)**	**68.7**	**9.1**	-	**(29.1)**
Cash and cash equivalents as of 1 January	*368.1*	*93.3*	*1.5*	-	***462.9***
Cash and cash equivalents as of 31 March	*261.1*	*162.1*	*10.6*	-	***433.7***

For the three-month period ended 31 March	2024			
In € million	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Adjusted EBITDA	80.4	84.5	(1.1)	**163.7**
Purchase of property, plant and equipment and intangible assets	(13.2)	(7.2)	-	**(20.3)**
Total cash outflows for leases that are not recognised as rental expenses	(11.1)	(0.9)	-	**(12.0)**
ADJUSTED FREE-CASH FLOW	**56.2**	**76.4**	**(1.1)**	**131.5**
Changes in working capital excluding LTIP payments, exceptional items	(48.5)	6.8	(1.0)	**(42.7)**
Income tax paid	(12.2)	(8.1)	-	**(20.3)**
ADJUSTED OPERATING FREE-CASH FLOW	**(4.5)**	**75.1**	**(2.1)**	**68.5**

For the three-month period ended 31 March	2023				
In € million	Content production & distribution	Online sports betting & gaming	Holding	Intercompany elimination	Total Group
Net cash flow from operating activities	25.4	60.6	(6.8)	-	79.2
Cash flow (used in)/from investing activities	(18.3)	(2.8)	-	-	(21.1)
Cash flow (used in)/from financing activities	(124.7)	(23.0)	71.9	-	(75.7)
Impact of foreign exchanges rates	(11.0)	-	-	-	(11.0)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(128.6)	34.9	65.1	-	(28.6)
Cash and cash equivalents as of 1 January	*396.2*	*72.1*	*11.2*	-	*479.4*
Cash and cash equivalents as of 31 March	*267.6*	*106.9*	*76.3*	-	*450.8*

For the three-month period ended 31 March	2023			
In € million	Content production & distribution	Online sports betting & gaming	Holding	Total Group
Adjusted EBITDA	84.2	62.8	(2.4)	**144.6**
Purchase of property, plant and equipment and intangible assets	(11.6)	(2.0)	-	**(13.6)**
Total cash outflows for leases that are not recognised as rental expenses	(10.7)	(1.0)	-	**(11.6)**
ADJUSTED FREE-CASH FLOW	61.9	59.9	(2.4)	119.4
Changes in working capital excluding LTIP payments and exceptional items	(40.5)	6.1	(4.3)	(38.6)
Income tax paid	(4.9)	(3.0)	-	(7.9)
ADJUSTED OPERATING FREE-CASH FLOW	16.5	63.0	(6.8)	72.8

Note 5 REVENUE

Revenue for the three-month periods ended 31 March 2024 and 31 March 2023 by activity and sub-activity is as follows:

For the three-month period ended 31 March *In € million*	2024	2023
Content production & distribution	679.7	656.4
Production	541.4	553.0
Distribution	60.5	67.9
Others	77.8	35.5
Online sports betting & gaming	321.5	243.8
Sportsbook	246.8	194.8
Casino	51.2	30.6
Poker	18.9	15.2
Turf	4.6	3.1
TOTAL REVENUE	1,001.1	900.2

Total revenue of the Content production & distribution business corresponds essentially to the production and sale of audiovisual programs, and the distribution of audiovisual rights and/or catalogues. The increase of the revenue compared to the first three months of 2023 is primarily driven by the consolidation of Balich Wonder Studio in Live experience & other.

The remaining part of Group's revenue is attributed to the Online sports betting & gaming business, which includes sportsbooks, gambling in casinos, poker and turf. The increase in revenue compared to the first three months of 2023 is the consequence of the growing player database, the product improvement and a favorable sportbook margin. Online sports betting & gaming business' revenue consists of the GGR (Gross Gaming Revenue) – difference between bets and winnings paid to players for sports betting and casino products, and commissions on horse betting and entry fees for poker products – less bonuses (credit on the gambler's account until the unveiling of the bet's result).

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

For the three-month period ended 31 March *In € million*	2024		
Revenue by geographical area	Content production & distribution	Online sports betting & gaming	Total Group
Europe	474.1	296.7	770.8
United States of America	98.4	-	98.4
Rest of the world	107.1	24.8	131.9
TOTAL REVENUE	679.7	321.5	1,001.1

For the three-month period ended 31 March *In € million*	2023		
Revenue by geographical area	Content production & distribution	Online sports betting & gaming	Total Group
Europe	480.9	235.8	716.7
United States of America	92.1	-	92.1
Rest of the world	83.4	8.0	91.4
TOTAL REVENUE	656.4	243.8	900.2

Note 6 STAFF COSTS

Payroll costs are broken down as follows for the three-month periods ended 31 March 2024 and 2023:

For the three-month period ended 31 March *In € million*	2024	2023
Employee remuneration and social security costs	(263.8)	(259.7)
Employee benefits LTIP	(22.6)	(25.4)
Employment-related earn-out and put options expenses	(12.2)	(5.4)
Other employee benefits	(1.2)	(0.9)
Post-employement benefit - Defined benefit obligation	(0.3)	(0.2)
PERSONNEL EXPENSES	(300.1)	(291.7)

The increase was mainly driven by (i) higher change of LTIP related to acquisition for -€7 million, offset by (ii) lower LTIP charge for +€3 million, more permanent staff costs for -€4 million offset by less intermittent staff costs for +€7 million in line with the decrease in production activity.

Employee benefits Long-Term Incentive Plans

Certain employees of the Group benefit from several long-term incentive plans (LTIP) whose goal is to share the created value by the Group or one of its subsidiaries.

At Banijay's level, some of them are settled in shares but are supplemented by a liquidity agreement granted by the relevant intermediate business unit holding, while the remaining are settled in cash. In accordance with IFRS 2, all plans are classified as cash-settled share-based payment transactions.

At Betclic Everest Group and Holding's level, those plans can either be settled in shares or in cash and are respectively classified as equity-settled or cash settled share-based payment transactions.

Description of the on-going plans:

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

In addition, Banijay issues phantom shares plans to certain directors and employees that require the sub-group to pay the intrinsic value of the phantom shares to the employee at the date of exercise. A summary of the plans' characteristics is presented below:

Plan	Type	Attribution date	Conditions	End of vesting period
Free Share plans (AGA)	Cash-settled	2017 to 2025	Presence and performance	2019 to 2029
Share purchase warrants (BSA)	Cash-settled	2021	Presence and performance	2026
Phantom shares	Cash-settled	2016	Presence and performance	2020 and 2023
Phantom shares	Cash-settled	2021&2023	Presence and performance	2024 and 2028 - 2026 and 2030
Warrants on a local incentive	Cash-settled	2023	Presence and performance	2028 and 2031
Other	Cash-settled	2020 to 2022	Presence and performance	2023 and 2034

At Betclic Everest Group's level, there are LTI plans and equity instruments that were assimilated to compensation received for goods and services rendered (cash-settled plans) issued to certain managers.

The Group has also reflected in its financial statements the impact of the grant of share-based and similar benefits to the Betclic Everest Group CEO. The contract is a three-party agreement with the Betclic Everest Group CEO, FL Entertainment and Betclic Everest Group and it runs until 2027. The impact on the period ended 31 March 2024 financial statements has been recognised under current liabilities and shareholders' equity, in accordance with the terms of the contract.

The plans regarding each type are summarized below:

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

At Holding's level, the Group issues to key management free share plans ("**AGA**") and phantom shares.

The plans regarding each type are summarized below:

Plan	Type	Attribution date	Conditions	End of vesting period
Phantom shares	Cash-settled	2023	Presence and Performance	2027
Free shares plans (AGA)	Equity-settled	2023	Presence and Performance	2025

Measurement of the plans

The Group has recorded liabilities of €327.1 million as of 31 March 2024 (€316.3 million as of 31 December 2023). The Group recorded total expenses of €22.6 million for the period ended 31 March 2024, compared to €25.4 million for the period ended 31 March 2023. The variation is mainly explained by:

- Phantom shares plans indexed on the increase in equity value (share-based payment cash settled)
- Other Long Term Incentive Plan (including social charges on free shares)

The cash outflows in regards with LTIP amounted to -€8.6 million for the period ended 31 March 2024, compared to -€10.5 million for the period ended 31 March 2023.

Note 7 OTHER OPERATING INCOME AND EXPENSES

Other operational income and expenses for the three-month periods ended 31 March 2024 and 31 March 2023 are as follows:

For the three-month period ended 31 March ***In € million***	**2024**	**2023**
Restructuring charges and other non-core items	(4.9)	(5.8)
Tax and duties	(1.2)	(0.8)
President fees	(5.7)	(4.8)
Other operational expenses	0.5	(0.7)
Other operational income	0.4	0.6
OTHER OPERATING INCOME AND EXPENSES	**(10.9)**	**(11.5)**
Of which other operating income	*0.5*	*0.9*
Of which other operating expenses	*(11.4)*	*(12.4)*

The decrease in other operating income and expenses is mainly attributable to the restructuring charges and other non-core items in the first three months of 2024, explained below.

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

For the three-month period ended 31 March *In € million*	31 March 2024	31 March 2023
Restructuring costs and reorganization	(4.1)	(2.3)
Scope variation effect (badwill/capital gain or loss/acquisition costs)	(0.2)	(2.2)
Significant litigations	(0.7)	(1.3)
Public donation	-	-
RESTRUCTURING CHARGES AND OTHER NON-CORE ITEMS	(4.9)	(5.8)

Restructuring costs and reorganization consist of redundancy costs incurred in recent acquisitions, or similar costs incurred in certain entities in order to achieve synergies.

Note 8 FINANCIAL RESULT

For the three-month period ended 31 March *In € million*	2024	2023
Interest paid on bank borrowings and bonds	(47.5)	(35.2)
Interest and redemption costs on anticipated reimbursement of bank borrowings and bonds		-
Cost of gross financial debt	**(47.5)**	**(35.2)**
Interest received on cash and cash equivalents	0.5	1.0
Gains on assets contributing to net financial debt	**0.5**	**1.0**
Cost of net debt	(46.9)	(34.3)
Interest received on current accounts receivables	-	-
Interest on lease liabilities	(1.7)	(1.9)
Change in fair value of financial instruments	(1.1)	(16.0)
Currency gains/(losses)	(9.4)	(6.2)
Other financial gains/(losses)	(2.7)	(1.3)
Other finance income/(costs)	**(14.9)**	**(25.3)**
NET FINANCIAL INCOME/(EXPENSE)	(61.9)	(59.5)

The increase of the cost of the gross financial debt between periods is mainly related to Banijay's interest expenses and amortization of transactional costs of the Term loans, issued on April 25, 2023, the Senior Secured Notes issued on September 19, 2023, and the Senior Unsecured Notes issued on February 11, 2020: -€41.2 million in 2024.03 vs -€33.0 million in 2023.03.

The other financial income and expenses for the three-month periods ended 31 March 2024 and 31 March 2023 are detailed as follows:

- +€10 million of the change in fair value of financial instruments of the FX hedging derivatives instruments impacting positively the financial result by €3 million for the three-month period ended 31 March 2024 compared to a negative impact by -€7 million in 2023;
- +€1 million related to the change in fair value of the long-term liabilities on non-controlling interests and the employment earn-out and option obligation liabilities in line with the increase in value of the group by -€2 million for the three-month period ended 31 March 2024 compared to -€3 million in 2023;

- +€2 million related to the discounting effect on the long-term liabilities on non-controlling interests and the the employment earn out and option obligation liabilities for -€5 million for the three-month period ended 31 March 2024 compared to -€7 million in 2023;
- - €3 million related to FX impact for -€9 million for the three-month period ended 31 March 2024 compared to -€6 million in 2023.

Note 9 INCOME TAX

The Group computed its income tax expense for the interim period using the projected effective tax rate method (based on expected tax rate at year end per geographical area) after restating the profit/(loss) before tax from certain selected items with no tax impacts (e.g., discount and revaluation income or expense, tax losses carried forward for which deferred tax assets do not reach the recognition criteria).

For the three-month period ended 31 March *In € million*	2024	2023
Income tax expenses	(13.9)	(10.4)
Withholding taxes restated from effective income tax rate	3.0	1.1
Tax provision and tax adjustment	-	-
Restated income tax	(10.9)	(9.3)
Earnings before provision for income taxes	32.6	18.8
Share of net income from associates & joint ventures	1.4	0.9
Restatement of certain items with no tax effect*	22.8	17.8
Unrecognised tax loss carryforward (basis)	2.7	1.0
RESTATED PROFIT BEFORE TAX	59.4	38.6
Effective income tax rate	*18.3%*	*24.2%*

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

Note 10 GOODWILL

Goodwill as of 31 March 2024 is as follows:

In € million	Content production, & distribution	Online sports betting & gaming	Gross value	Impairment	Goodwill, net
1 January 2024	2,592.6	241.4	2,834.0	-	2,834.0
Acquisitions	8.4	-	8.4	-	8.4
Divestures	-	-	-	-	-
Reclassifications	-	-	-	-	-
Exchange difference	4.6	-	4.6	-	4.6
31 March 2024	2,605.6	241.4	2,847.0	-	2,847.0

The increase of the goodwill for +€13 million is mainly related to Authentic Media integration of +€8.4million and +€4.6 million on FX impact.

Authentic Media is specialized in producing scripted content in several formats (short, 26', 52' and 90') and genres (drama, comedy, crime) for linear broadcasters and, hopefully in the future, for platforms.

Note 11 WORKING CAPITAL BALANCES

11.1 Trade receivables

The breakdown of trade and other receivables as of 31 March 2024 and 31 December 2023 is as follows:

In € million	31 March 2024	31 December 2023
Trade receivables, gross	565.9	541.9
Trade receivables from providers, gross	73.1	60.8
Total trade receivables, gross	**639.0**	**602.7**
Allowance for expected credit loss	(11.0)	(13.8)
TRADE RECEIVABLES, NET	628.0	588.9

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

11.2 Other non-current and current assets

The breakdown of other non-current and current assets as of 31 March 2024 and 31 December 2023 is as follows:

In € million	31 March 2024	31 December 2023
Trade receivables, LT	20.0	24.0
Income tax receivables, LT	0.3	0.4
Receivables from disposals of assets, LT	-	-
Employment-related earn-out and option, LT	-	-
Other, LT	12.5	12.5
OTHER NON-CURRENT ASSETS	32.8	36.9

Other long-term items mainly comprise receivables from bet-at-home.com Entertainment Ltd. (in liquidation) for an amount of €10.9 million and €10.8 million as of 31 March 2024 and 31 December 2023, respectively.

From the current perspective, the insolvency proceedings in Malta of bet-at-home.com Entertainment Ltd (in liquidation) are expected to be settled at the end of 2025 and the receivables are expected to be paid at that time. Accordingly, the expected payments on the receivables were discounted over this period.

In € million	31 March 2024	31 December 2023
Tax receivables, excluding income tax	129.9	101.0
Grants receivables	163.3	168.1
Income tax receivables	18.8	12.0
Prepaid expenses	40.4	36.2
Production-related receivables	10.9	12.6
Receivables from disposals of assets	8.1	-
Employment-related earn-out and option, ST (2)	0.5	0.8
Others(3)	24.4	27.0
OTHER CURRENT ASSETS	396.3	357.6

11.3 Customer contract liabilities

Customer contract liabilities as of 31 March 2024 and 31 December 2023 are as follows:

In € million	31 March 2024	31 December 2023
Deferred revenue	709.7	695.0
Liabilities for gaming	62.2	55.1
TOTAL CUSTOMER CONTRACT LIABILITIES	771.8	750.0

Deferred revenue relates to undelivered programs that are work-in-progress (or intangible assets-in-progress) and that have already been invoiced, recognised as deferred revenue under IFRS 15.

Liabilities for gaming mainly relates to players' liabilities and bets already placed on sporting events at the reporting date but the results of which will not be known until after the end of period.

11.4 Other non-current and current liabilities

Other non-current liabilities as of 31 March 2024 and 31 December 2023 are as follows:

In € million	31 March 2024	31 December 2023
Employee-related long-term incentives	155.5	135.3
Long-term liabilities on earn-out and put option	147.9	144.4
Employment-related earn-out and option obligation	53.2	40.9
Debts to right owners	30.5	17.6
Other employee-related liabilities	9.1	3.3
Other non-current liabilities	3.0	11.1
OTHER NON-CURRENT LIABILITIES	399.2	352.5

Other current liabilities as of 31 March 2024 and 31 December 2023 are as follows:

In € million	31 March 2024	31 December 2023
Employee-related long-term incentives, current	171.6	181.1
Short-term liabilities on earn-out and put option	40.6	35.7
Employment-related earn-out and option obligation	14.1	13.5
Employee-related payables (accruals for paid leave, bonuses and other)	90.6	110.1
National, regional and local taxes other than gaming tax and income tax	98.3	96.4
Income tax liabilities	41.2	43.1
Gaming tax liabilities	58.9	59.1
Production-related payables	11.7	12.1
Payable on fixed asset purchase	23.7	9.4
Other current liabilities	30.9	33.9
OTHER CURRENT LIABILITIES	581.6	594.3

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

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

The Group estimates these debts based on contractual agreements and using assumptions on future profits. The present value of the scheduled cash outflows is computed using a discount rate.

Note 12 CHANGES IN SHAREHOLDERS EQUITY

12.1 FL Entertainment equity instruments

As of 31 March 2024, the company owned 23,062 treasury shares through the liquidity agreement (refer to Note 13.1).

12.2 Distribution of dividends

The proposed distribution is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements. The proposed distribution is payable to all holders of ordinary shares registered as shareholder. The total estimated distribution to be paid is around €148 million (i.e., 0.35 € per ordinary share). The payment will not have any tax consequences for the Group. If adopted, the shares will trade ex-dividend as from 27 May 2024, the dividend record date will be on 28 May 2024, and payment of the final dividend will take place on 18 June 2024.

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

Note 13 EARNINGS PER SHARE

13.1 Number of shares

In accordance with IAS33, the weighted average number of ordinary shares for the three-month period ended 31 March 2024 and 2023 are as follows:

In € million	31 March 2024		31 March 2023	
	Number of ordinary shares	Share Capital (€m)	Number of shares	Share Capital (€m)
Opening share capital	423,271,267	4.2	411,657,608	4.1
Capital increase	-	-	-	-
Closing share capital	423,271,267	4.2	411,657,608	4.1
Of which treasury shares				
Opening treasury shares	(23,676)		(6,975)	
Change in treasury shares	614		(6,499)	
Closing treasury shares	(23,062)		(13,474)	
Weighted average number of ordinary shares outstanding (1)	423 247 598		411,644,834	
Free Shares	6,865,700		-	
Diluted weighted average number of ordinary shares outstanding (1)	430,113,298		411,644,834	

(1) *Including the retrospective adjustment related to the 178,479,432 shares issued in compensation for the shares contributed by Financière Lov.*

Free shares represent potential FL Entertainment shares as part of LTI 2023 plan and Holding Free shares plans (AGA) as described in the Note 6.

As of 31 March 2024, 20,000,000 earn-out shares, 2,575,001 founder shares, 5,250,000 founder warrants and 8,666,667 public warrants were not taken in consideration for the calculation of diluted earnings per share because the conversion conditions were not satisfied at the end of the period.

13.2 Basic and diluted earnings per share

In € million		31 March 2024	31 March 2023
Income available to common shareholders	A	17.3	4.6
Weighted average number of ordinary shares outstanding [(1)]	B	423,247,598	411,644,834
Basic earnings per share (in euros)	**A/B**	**0.04**	**0.01**

[(1)] Including the retrospective adjustment related to the 178,479,432 shares issued in compensation for the shares contributed by Financière Lov.

In € million		31 March 2024	31 March 2023
Income available to common shareholders	A	17.3	4.6
Diluted weighted average number of ordinary shares outstanding [(1)]	B	430,113,298	411,644,834
Diluted earnings per share (in euros)	**A/B**	**0.04**	**0.01**

(1) Including the retrospective adjustment related to the 178,479,432 shares issued in compensation for the shares contributed by Financière Lov.

Note 14 FINANCIAL ASSETS AND LIABILITIES

14.1 Current and non-current financial assets

Financial assets comprise financial interests in non-consolidated companies, loans, restricted cash accounts and current accounts with third parties.

In € million	31 March 2024	31 December 2023
Financial interests in non-consolidated companies	10.1	10.1
Other financial assets – Investment in debt instruments	113.4	111.0
Non-current loans, guarantee instruments and other financial assets	21.8	24.5
Non-current restricted cash and cash equivalents	5.4	36.1
Non-current derivative financial assets	13.5	46.8
NON-CURRENT FINANCIAL ASSETS	**164.2**	**228.5**
Current part of loans, guarantee instruments and other financial assets	15.8	21.3
Current restricted cash and cash equivalents	0.3	0.3
Current accounts	5.2	4.2
Current derivative financials assets	41.8	4.4
CURRENT FINANCIAL ASSETS	**63.1**	**30.2**
TOTAL FINANCIAL ASSETS	**227.3**	**258.7**

The decrease in non-current financial assets is mainly explained by the reimbursement of the cash in trust of the Online sports betting & gaming segment for €30.7m.

The increase of the current financial assets is mainly due to the variation of the derivative instruments. Derivatives comprise foreign exchange and interest rate hedging as well as the call 2026 mentioned above, which are measured at fair value.

14.2 Cash and cash equivalents

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

In € million	31 March 2024	31 December 2023
Marketable securities	1.1	0.6
Cash	432.8	463.6
Cash and cash equivalents - Assets	433.8	464.2
Bank overdrafts	(0.2)	(1.5)
NET CASH AND CASH EQUIVALENTS	433.7	462.9

14.3 Current and non-current financial Liabilities

In € million	Non-current	Current	31 March 2024
Bonds	1,293.5	-	1,293.5
Bank borrowings	1,289.1	158.9	1,448.0
Accrued interests on bonds and bank borrowings	-	46.9	46.9
Vendor loans	-	145.7	145.7
Current accounts	-	-	-
Accrued interests on current accounts	-	-	-
Bank overdrafts	-	0.2	0.2
Derivatives – Liabilities	0.9	0.6	1.4
TOTAL FINANCIAL LIABILITIES	2,583.5	352.2	2,935.7

In € million	Non-current	Current	31 December 2023
Bonds	1,284.2	-	1,284.2
Bank borrowings	1,262.1	175.2	1,437.3
Accrued interests on bonds and bank borrowings	-	37.2	37.2
Vendor loans	-	143.5	143.5
Current accounts	-	0.8	0.8
Bank overdrafts	-	1.5	1.5
Derivatives – Liabilities	5.5	0.8	6.4
TOTAL FINANCIAL LIABILITIES	2,551.9	358.3	2,910.1

The variation of the financial liabilities breaks down as follows:

In € million	1 January 2024	Cash-flows			Non cash-flows			31 March 2024
		Increase	Repayment	Other cash items	Changes in consolidation scope	Other non-cash items	Foreign exchange	
Bonds	1,284.2	-	-	-	-	1.3	8.0	1,293.5
Bank borrowings	1,437.3	5.3	(16.8)	9.2	-	0.6	12.3	1,448.0
Accrued interests on bonds and bank borrowings	37.2	-	-	-	-	9.4	0.3	46.9
Vendor loans	143.5	-	-	-	-	2.1	-	145.7
Current accounts	-	-	-	-	-	-	-	-
Bank overdrafts	1.5	-	-	(1.3)	-	-	-	0.2
Derivatives – Liabilities	6.4	-	-	-	-	(5.0)	-	1.4
TOTAL FINANCIAL LIABILITIES	2,910.1	5.3	(16.8)	7.9	-	8.5	20.7	2,935.7

Characteristics of bonds and term loans

• Issuer: Banijay Group SAS	Residual nominal amount (*In € million*) 31 March 2024	31 December 2023
- €540 million senior secured notes issued in 2023 and due in 2029, which have a coupon of 7.00% per annum;	540.0	540.0
- €400 million senior notes issued in 2020 and due in 2026, which have a coupon of 6.500% per annum;	400.0	400.0
- $400 million senior secured notes issued in 2023 and due in 2029, which have a coupon of 8.125% per annum;	370.0	362.0
- €555 million term loan B facility issued in 2023 and due in 2028, which bears interest at a rate of EURIBOR plus 4.50% per annum, with a customary margin ratchet mechanism with a 0.0% EURIBOR floor for €453 million until March 2025 and 2.80%~3.30% tunnel for €102 million until March 2028;	555.0	555.0
- $560 million term loan B facility issued in 2023 and due in 2028, which bears interest at a rate of SOFR 1 month plus 3.75% and plus 0.1% credit adjustment spread per annum, with a 1.4% SOFR floor for $448,5 million until March 2025 and 3.45% SOFR floor for $111,5 million until March 2028.	513.0	503.0
	2,378.0	2,360.0

• Issuer: Betclic Everest Group SAS	Residual nominal amount (*In € million*) 31 March 2024	31 December 2023
- €165 million senior loan A issued on 23 September 2020 and due in June 2025, which bears interest at a rate of EURIBOR 3 months plus 3% per annum. This loan was underwritten with a group of banks (Natixis, BNP Paribas and Société Générale);	71.0	71.0
- €150 million senior loan B issued on 24 May 2023 and due in June 2025, which a floating interest at EURIBOR +300 bps, +400 bps, +500 bps for the period ended 30 June 2024, from 1 July 2024 to 31 December 2024 and after 1 January 2025, respectively. This loan was underwritten with a group of banks (Natixis, BNP Paribas, Société Générale, Crédit Agricole Corporate and Investment Bank, Crédit Lyonnais and Goldman Sachs Bank Europe SE).	150.0	150.0
	221.0	221.0

As of 31 March 2024, the Group's financial indebtedness also consists in the following items:

- Local production financing carried by some Banijay's subsidiaries (including recourse factoring and production credit lines);
- State-guaranteed loans;
- Accrued interests;
- Bank overdrafts;
- Lease liabilities; and
- Vendor loans, including a vendor loan amounting to €99.5 million granted by De Agostini to Lov Banijay initially due in November 2023 and extended in November 2024 and bearing 3.5% interest per year until November 2023 and then 6% interest per year, a vendor loan amounting to €36.5 million granted by SBM International to FL Entertainment, bearing 3.5% interest per year until November 2023 and then 6% interest per year, initially due in 30 November 2023 and extended in November 2024.

Maturity of current and non-current debt (principal and interest)

In € million	Current	Non-current		
	Less than 1 year	1 to 5 years	More than 5 years	Total 31 March 2024
Bonds	101.8	697.4	943.9	1,743.1
Bank borrowings	166.0	1,518.0	-	1,684.0
Bank overdraft	0.2	-	-	0.2
Vendor loans	145.7	-	-	145.7
Derivatives	0.6	0.8	-	1.4
TOTAL DEBT MATURITY (PRINCIPAL AND INTERESTS)	414.3	2,216.2	943.9	3,574.4

In € million	Current	Non-current		
	Less than 1 year	1 to 5 years	More than 5 years	Total 31 December 2023
Bonds	101.1	707.8	935.6	1,744.5
Bank borrowings	219.1	1,532.2	-	1,751.3
Bank overdraft	1.5	-	-	1.5
Vendor loans	143.5	-	-	143.5
Derivatives	0.8	0.1	5.5	6.4
TOTAL DEBT MATURITY (PRINCIPAL AND INTERESTS)	466.0	2,240.1	941.1	3,647.2

14.4 Net financial debt

Net financial debt is determined as follows:

In € million	31 March 2024	31 December 2023
Bonds	1,293.5	1,284.2
Bank borrowings	1,448.0	1,437.3
Accrued interests on bonds and bank borrowings	46.9	37.2
Vendor loans	145.7	143.5
Bank overdrafts	0.2	1.5
Total bank indebtedness	**2,934.2**	**2,903.7**
Cash and cash equivalents	(433.8)	(464.2)
Funding of Gardenia	(82.1)	(79.7)
Trade receivables on providers	(73.1)	(60.8)
Players' liabilities	56.8	50.2
Cash in trusts and restricted cash and cash equivalents	(0.3)	(31.0)
Net cash and cash equivalents	**(532.5)**	**(585.5)**
NET DEBT BEFORE DERIVATIVES EFFECTS	2,401.8	2,318.2
Derivatives – liabilities	1.4	6.4
Derivatives – assets	(48.7)	(44.6)
NET DEBT	2,354.5	2,280.0

14.5 Derivatives

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

The ineffective portion of cash flow hedges recognised in net income is not significant during the periods presented. The main hedges unmatured as of 31 March 2024 and 31 March 2023, as well as their effects on the financial statements, are detailed in the table below.

	Derivatives – assets			Derivatives – liabilities		
As of 31 March 2024 *In € million*	Total	Non-current	Current	Total	Non-current	Current
Exchange risk	10.8	-	10.8	-	-	-
Interest rate risk	37.9	6.9	31.0	1.4	0.9	0.5
HEDGING INSTRUMENTS	48.7	6.9	41.8	1.4	0.9	0.6
Other derivatives	6.7	6.7	-	-	-	-
TOTAL DERIVATIVES	55.4	13.5	41.8	1.4	0.9	0.6

	Derivatives – assets			Derivatives – liabilities		
As of 31 December 2023 *In € million*	Total	Non-current	Current	Total	Non-current	Current
Exchange risk	8.6	4.2	4.4	0.9	0.1	0.8
Interest rate risk	35.9	35.9	-	5.4	5.4	-
HEDGING INSTRUMENTS	44.6	40.2	4.4	6.4	5.5	0.8
Other derivatives	6.7	6.7	-	-	-	-
TOTAL DERIVATIVES	51.2	46.8	4.4	6.4	5.5	0.8

Note 15 FINANCIAL INSTRUMENTS

The carrying value of financial instruments per category is determined as follows:

As of 31 March 2024 *In € million*	Carrying amount	Carrying amount of non-financial instruments	Financial instruments by category			Fair value of financial instruments
			Fair value through OCI	Amortized cost	Fair value through P&L	
Non-current financial assets	164.2	-	23.7	21.8	118.8	164.2
Other non-current assets	32.8	0.3	-	32.5	-	32.5
Trade receivables	628.0	-	-	628.0	-	628.0
Other current assets	396.3	353.7	-	42.6	-	42.6
Current financial assets	63.1	-	31.0	21.2	10.8	63.1
Cash and cash equivalents	433.8	-	-	-	433.8	433.8
ASSETS	1,718.3	354.1	54.7	746.1	563.4	1,364.2
Other securities	139.4	-	-	-	139.4	139.4
Long-term borrowings and other financial liabilities	2,583.5	-	0.9	2,582.6	-	2,638.4
Other non-current liabilities	399.2	211.1	-	40.2	147.9	188.1
Liability instruments	-	-	-	-	-	-
Short-term borrowings and bank overdrafts	352.2	0.1	0.5	351.4	0.2	352.1
Trade payables	701.7	-	-	701.7	-	701.7
Customer contract liabilities	771.8	711.2	-	56.8	3.9	60.7
Other current liabilities	581.6	479.3	-	61.7	40.6	102.3
LIABILITIES	5,529.5	1,401.7	1.4	3,794.5	331.9	4,182.6

As of 31 December 2023 *In € million*	Carrying amount	Carrying amount of non-financial instruments	Financial instruments by category			Fair value of financial instruments
			Fair value through OCI	Amortized cost	Fair value through P&L	
Non-current financial assets	228.5	-	52.7	55.2	120.6	228.5
Other non-current assets	36.9	0.4	-	36.5	-	36.5
Trade receivables	588.9	-	-	588.9	-	588.9
Other current assets	357.6	318.9	-	38.7	-	38.7
Current financial assets	30.2	-	-	25.8	4.4	30.2
Cash and cash equivalents	464.2	-	-	-	464.2	464.2
ASSETS	1,706.2	319.3	52.7	745.1	589.2	1,386.9
Other securities	139.4	-	-	-	139.4	139.4
Long-term borrowings and other financial liabilities	2,551.9	-	5.4	2,546.3	0.1	2,607.8
Other non-current liabilities	352.5	178.5	-	29.7	144.4	174.1
Liability instruments	-	-	-	-	-	-
Short-term borrowings and bank overdrafts	358.3	(0.1)	-	356.0	2.3	358.3
Trade payables	709.7	-	-	709.7	-	709.7
Customer contract liabilities	750.0	696.5	-	50.2	3.4	53.6
Other current liabilities	594.3	501.4	-	57.2	35.7	93.0
LIABILITIES	5,456.2	1,376.2	5.4	3,749.2	325.3	4,135.9

Fair value hierarchy

IFRS 13 Fair Value Measurement establishes a fair value hierarchy consisting of three levels:

- Level 1: prices on the valuation date for identical instruments to those being valued. quoted on an active market to which the entity has access;
- Level 2: directly observable market inputs other than Level 1 inputs; and
- Level 3: inputs not based on observable market data (for example, data derived from extrapolations).

  This level applies when there is no observable market or data and the entity is obliged to rely on its own assumptions to assess the data that other market participants would have applied to price other instruments.

Fair value is estimated for the majority of the Group's financial instruments, with the exception of marketable securities for which the market price is used.

As of 31 March 2024		Fair value hierarchy		
In € million	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Non-current financial assets	142.4	5.4	13.5	123.5
Other current assets	-	-	-	-
Current financial assets	41.8	-	41.8	-
Cash and cash equivalents	433.8	433.8	-	-
Other securities	(139.4)	-	-	(139.4)
Long-term borrowings and other financial liabilities	(0.9)	-	(0.9)	-
Other non-current liabilities	(147.9)	-	-	(147.9)
Short-term borrowings and bank overdrafts	(0.7)	(0.1)	(0.6)	-
Customer contract liabilities	(3.9)	-	-	(3.9)
Other current liabilities	(40.6)	-	-	(40.6)
BALANCES AS OF 31 MARCH 2024	**284.8**	**439.1**	**53.9**	**(208.2)**

As of 31 December 2023		Fair value hierarchy		
In € million	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Non-current financial assets	173.3	5.4	46.8	121.1
Other current assets	-	-	-	-
Current financial assets	4.4	-	4.4	-
Cash and cash equivalents	464.2	464.2	-	-
Other securities	(139.4)	-	-	(139.4)
Long-term borrowings and other financial liabilities	(5.5)	-	(5.5)	-
Other non-current liabilities	(144.4)	-	-	(144.4)
Short-term borrowings and bank overdrafts	(2.3)	(1.5)	(0.8)	-
Customer contract liabilities	(3.4)	-	-	(3.4)
Other current liabilities	(35.7)	-	-	(35.7)
BALANCES AS OF 31 DECEMBER 2023	**311.1**	**468.1**	**44.8**	**(201.9)**

Other securities comprised public warrants, earn-out shares, founder shares and founder warrants that are classified as Level 3. Derivatives are classified as Level 2 instruments and Level 3 instruments mainly comprise shares in non-consolidated non-listed companies, liabilities on non-controlling interests and pending bets.

Note 16 CONTINGENT LIABILITIES

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

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

On 13 May 2022, the Betclic Everest Group received (i) a rectification on the notice of adjustment from December 2021, decreasing the amount of €52.4 million to €37.3 million (wilful misconduct and interest for late payment included) and (ii) a new notice of adjustment from the French tax authorities for a total amount of €25.8 million (wilful misconduct and interest for late payment included) related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France for the year 2020.

On 27 September 2023, the French tax authorities notified the Betclic Everest Group of the waiver of the wilful misconduct penalties, for the years 2018 and 2019, decreasing the adjustments from €37.3 million to €27.1 million.

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

However, to avoid further similar adjustments from the French tax authorities, the Betclic Everest Group has decided to spontaneously collect and pay VAT in respect of income resulting from sports bets placed by players residing in France for the year 2021, 2022 and 2023. A first payment has been done in this respect in January 2024 for a total amount of -€34.5 million.

The Betclic Everest Group still considers that such VAT is not due and intends to claim repayment of the corresponding VAT spontaneously paid. Consequently, the amounts paid will be recognized as State receivables toward the French Tax Authorities in the Financial Statements.

Note 17 OFF-BALANCE SHEET COMMITMENTS

As of 31 March 2024, the off-balance sheet commitments were updated compared to 31 December 2023 as follows:

CONTENT PRODUCTION & DISTRIBUTION BUSINESS

In € million	31 March 2024	31 December 2023
COMMITMENTS GIVEN [1]	76.6	100.5
Credit Lines	350.4	289.1
COMMITMENTS RECEIVED	350.4	289.1

[1] *Of which Financing commitments on Hyphenated for $85 million*

"*Other commitments given*" mainly correspond for March 2024 & 2023 year-end end to minimum guarantees granted by distribution activity to third party producers.

"*Commitments received*" refer to confirmed credit lines not drawn.

Other guarantees given

The group has pledged shares of its subsidiaries for the benefit of (i) its noteholders under a) the Senior Notes Indenture dated February 11. 2020 with Banijay Group SAS as Senior Notes Issuer and b) the Senior Secured Notes Indenture dated September 19. 2023 with Banijay Entertainment SAS as Senior Secured Notes Issuer and; (ii) its bank pooling under the Senior Facilities Agreement dated February 11, 2020, as amended and restated, latest on April 25, 2023.

The shares of the following companies are pledged as collateral:
Banijay Entertainment SAS, Adventure Line Productions SAS, H2O Productions SAS, Banijay France SAS, Banijay Media Ltd (Ex Zodiak Media Ltd), Banijay Rights Ltd, Bwark Productions Ltd, Castaway Television Productions Ltd, RDF Television Ltd, Banijay Group US Holding Inc., Banijay Entertainment Holdings US Inc., Bunim-Murray Productions Inc., Bunim-Murray Productions LLC., M Therory Entertainement, Inc., Mobility Productions, Inc., Endemol US Holding Inc., Trully Original LLC., Screentime Pty Limited ; Endemol Shine Australia Pty Ltd., Banijay Benelux Holding B.V (EX: AP NMT JV NEWCO B.V), Endemol Shine IP B.V; Endemol Shine Nederland Holding B.V (now Banijay Benelux Holding B.V), Endemol Shine Nederland B.V.

ONLINE SPORTS BETTING & GAMING BUSINESS

Commitments given:

Betclic Group senior credit facility agreement Tranche A

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

Betclic Group senior credit facility agreement Tranche B

The Betclic Group Senior Tranche B has been secured by the pledge of second ranking over bet-at-home AG shares hold by Betclic Everest Group (3.782.382 shares) and an addendum to the existing pledge over Euro Gaming Investments SA shares and over Mangas Investment Ltd shares. The addendum replaces and extends the existing first pledge ranking to the full scope of the Senior Loan (Tranche A and Tranche B).

HOLDING

Commitments given:

In the context of the TIL acquisition, Banijay Events provided to K10 an irrevocable commitment (within three years, as the case may be) to subscribe to a reserved capital increase of €50 million in exchange of another type of preferred shares (Preferred D bis Shares) (please refer to Note 3.1.1 to the Consolidated Financial Statements as of 31 December 2023, in Section 6.1.6 of the 2023 Universal Registration Document).

Commitments received:

- Confirmed credit lines not drawn for an amount of €50m.

Note 18 RELATED PARTIES

Related parties consist of:

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

There are no major changes on the related parties during the three-month period 2024 and the information disclosed in the consolidated financial statements year ended 31 December 2023 remains applicable.

Note 19 SUBSEQUENT EVENTS

None

3. STATEMENT OF THE MANAGEMENT BOARD

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

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

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

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François RIAHI

Chief Executive Officer

FL Entertainment N.V.