Q1 Report

January-March 2022

Management's discussion and analysis of financial condition and result of operations

DISCLAIMER

This report is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy the Notes or any other security.

This report includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this report, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements.

Words such as "believe", "expect", "anticipate", "may", "assume", "plan," "intend", "will", "should", "estimate", "risk", and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this report, and we do not intend and do not assume any obligation to update any statements set forth in this report.

This report contains financial information regarding the businesses and assets of Banijay Group S.A.S. (the "Company"), and its consolidated subsidiaries (the "Group"). Such financial information may not have been audited, reviewed, or verified by any independent accounting firm. Certain financial data included in this report consists of "non-IFRS financial measures." These non-IFRS financial measures, as defined by the Company, may not be comparable to similarly titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of the Company's cash flow based on IFRS. Even though the non-IFRS financial measures are used by management to assess the Company's financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the Company's financial position or results of operations as reported under IFRS. The inclusion of financial information in this report should not be regarded as a representation or warranty by the Company, or any of its affiliates, advisors or representatives or any other person as to the accuracy or completeness of such information's portrayal of the financial condition or results of operations of the Group and should not be relied upon when making an investment decision.

OPERATING AND FINANCIAL REVIEW

Results of Operations

The information presented below is extracted from the historical consolidated financial statements for the three-months ended March 31st, 2022 and is compared to the consolidated financial statements for the three-months ended March 31st, 2021.

	For the three-months period ended March 31,	
(in € millions)	**2022**	**2021***
Revenues	677	544
Operating expenses	(290)	(207)
External expenses	(41)	(39)
Staff costs	(270)	(251)
Depreciation and amortization of intangible and tangible assets	(24)	(24)
Current operating profit (loss)	**52**	**23**
Other non-current operating income (expenses)	(2)	(8)
Earnings before interest and income tax (EBIT)	**51**	**15**
Finance income	0	2
Interest expenses	(31)	(32)
Cost of net debt	**(31)**	**(30)**
Other finance income (costs)	2	(4)
Profit before tax and income (loss) from equity-accounted affiliates	**21**	**(19)**
Income taxes	(8)	(2)
Profit, net of tax expense	**14**	**(20)**
Share of profit of associates and joint ventures	(1)	(0)
Profit (loss) for the year	**12**	**(21)**
Non-controlling interests - Profit (loss) of the year	1	(0)
Owners of the Parent - Profit (loss) of the year	12	(21)

* restatement regarding Put options accounting treatment

Revenues

Revenue increased by €133 million, or 24%, from €544 million for the three-months period ended March 2021 to €677 million for the three-months period ended March 2022. This increase was mainly due to the post Covid-19 rebound in 2022. In fact, Q1 2021 was still impacted by delays and postponements.

Operating Expenses, External expenses, and Staff Costs

Operating expenses, external expenses and staff costs increased by €104 million from €497 million, for the three-months period ended March 2021 to €601 million for the three-months period ended March 2022. This increase was notably due to Q1 2022 activity being higher than it was in Q1 2021, because of Covid-19 mostly.

Depreciation and amortization of intangible and tangible assets

Depreciation and amortization of intangible and tangible assets are stable at €24 million for the three-months period ended March 2022, mainly made of the amortization of: IFRS 16, catalogue and IP, other CAPEX.

Other Non-Current Operating Income (Expenses)

Other non-current operating expenses decreased by €6 million, from €8 million for the three-months period ended March 2021 to €2 million for the three-months period ended March 2022. It mostly corresponds to lower restructuring costs in 2022, and the one-off impairment on lease right of use in 2021.

Cost of net debt

Cost of net debt is relatively stable, from €30 million for the three-months period ended March 2021 to €31 million for the three-months period ended March 2022. The cost of net debt as of March 2022 is mostly related to:

- The interests' expenses of the Senior secured Notes and the senior notes, issued on February 11, 2020
- The interests expense on Term Loans raised in July 2020
- The amortization of transaction costs related to the financing structures and,
- The interests of local production financing facilities.

Other Finance Income (Costs)

Other finance income (costs) variation is positive by €6 million from an expense of €4 million for the three-months period ended March 2021 to an income of €2 million for the three-months period ended March 2022.

Income Taxes

Income taxes increased by €6 million, from €2 million for the three-months period ended March 2021, to €8 million for the three-months period ended March 2022. Income taxes consist of current and deferred income taxes.

Profit (Loss) for the Year

Profit for the year increased by €33 million, from a loss of €21 million for the three-months period ended March 2021 to a profit of €12 million for the three-months period ended March 2022. This increase was primarily due to the reasons stated above.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS.

We present EBITDA and Adjusted EBITDA for informational purposes only. There can be no assurance that items we have identified for adjustment as non-recurring will not recur in the future or that similar items will not be incurred in the future.

We present EBITDA and Adjusted EBITDA because we believe they are helpful to investors as measures of our operating performance and ability to service our debt. EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

	For the three-months period ended March 31,	
(in € millions)	2022	2021*
Profit (loss) for the year	12	(21)
Share of profit of associates and joint ventures	1	0
Profit, net of tax expense	**14**	**(20)**
Income taxes	8	2
Profit before tax and income (loss) from equity-accounted affiliates	**21**	**(19)**
Other finance income (costs)	(2)	4
Cost of net debt	31	30
Earnings before interest and income tax (EBIT)	**51**	**15**
Depreciation and amortization of intangible and tangible assets	24	24
EBITDA	**74**	**39**
Non-current operating income (expenses)(b)	2	8
IFRS 2 expenses(c)	13	16
Adjusted EBITDA	**89**	**63**

(a) Represents current impairment losses and provisions, net of reversals, primarily incurred in connection with the depreciation of our intellectual property rights.

(b) Represents operating expenses out of the ordinary course of business.

(c) Represents share-based payments in connection with long-term incentive plans entered with certain key managers.

(d) Mainly represents the portion included in our Adjusted EBITDA of the depreciation and amortization of production costs in connection with the production of scripted content.

* restatement regarding Put options accounting treatment

Our EBITDA increased by €35 million from €39 million for the three-months ended March 31, 2021, to €74 million for the three-months ended March 31, 2022.

Our Adjusted EBITDA (under IFRS 16) increased by €26 million, from €63 million for the three-months ended March 31, 2021, to €89 million for the three-months ended March 31, 2022.

This variation was primarily due to the the higher activity this Q1 2022 compared to Q1 2021, as described in the Revenue part.

Cash Flow

The following cash flow information is extracted from historical consolidated financial statements of Banijay. The table below sets forth certain line items from the Group's cash flow statement for the three-months period ended March 31st, 2021 and 2022.

	For the three-months period ended March 31,	
(in € millions)	**2022**	**2021***
Net cash flow from operating activities	56	(1)
Net cash flow from investing activities	(29)	(18)
Net cash flow from (used in) financing activities........................	(59)	(58)
Effect of foreign exchange rate differences……………………	3	(4)
Net increase (decrease) of cash and cash equivalents	**(29)**	**(81)**
Cash and cash equivalents at the beginning of the period........	342	270
Cash and cash equivalents at the end of the period (a)	312	189

(a) Includes overdrafts

* restatement regarding Put options accounting treatment

Net Cash Flow from Operating Activities

Net cash flow from operating activities of Banijay for the three-months period ended March 2022 increased by €57 million from an outflow of €1 million for the three-months period ended March 2021 to an inflow €56 million for the three-months period ended March 2022.

Net Cash Flow from Investing Activities

Net cash outflow from investing activities of Banijay for the three-months period ended March 2022 increased by €11 million, from a cash outflow of €18 million for the three-months period ended March 2021 to a cash outflow of €29 million.

Net Cash Flow from (used in) Financing Activities

Net cash flow from financing activities of Banijay for the three-months period ended March 2022 is relatively stable, from a cash outflow of €58 million for the three-months period ended March 2021, to a cash outflow of €59 million for the three-months period ended March 2022.

Adjusted Free Cash Flows

(in € millions)	For the three-months period ended March 31, 2022	2021*
Cash flow from operating activities	**82**	**57**
Income tax paid	(2)	(2)
Changes in working capital	(24)	(56)
Capital expenditure(a)	(13)	(13)
Free Cash Flow	**43**	**(14)**
IFRS 2 payment cancellation	7	5
Exceptional expenses included in changes in working capital & in cash flow from operations (b) (c)	5	15
Adjusted Free Cash Flow	**55**	**5**

(a) "Capital expenditure" represents net investments in property, plant and equipment and intangible assets, such as intellectual property rights, audiovisual rights, production contracts and works in progress.

(b) Represents exceptional expenses included in cash flow from operations.

(c) Represents exceptional expenses included in changes in working capital (for instance acquisition costs included in the working capital).

* restatement regarding Put options accounting treatment

Liquidity

As of March 31, 2022, the Group has the following financing resources:

- Gross cash amounting to €312 million
- RCF of €170.0 million not drawn as of March 2022

Capital Expenditures

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

(in € millions)	For the three-months period ended March 31, 2022	2021
Intellectual property rights (including scripted production costs)	9	10
Investments in technical equipment	4	3
Total	**12**	**13**

Capital expenditures for the three-months period ended March 2022, amount to €12 million, compared to €13 million for the three-months period ended March 2021. Our capital expenditures for the three-months ended March 2022 consisted of investments in intellectual property rights for €9 million. In addition, €4 million of our capital expenditures for the three-months period ended March 2022 consisted of investments in technical equipment.

Banijay Group

Unaudited interim condensed consolidated financial statements

For the period ended March 31, 2022

CONTENTS

1. INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In € millions	Notes	3 months ended March 2022	3 months ended March 2021 Restated*
Revenue	5.7.1.	677	544
Operating expenses		(290)	(207)
External expenses		(41)	(39)
Staff costs	5.7.2.	(270)	(251)
Taxes and duties		(0)	(0)
Depreciation and amortization expenses		(24)	(24)
Current operating profit (loss)		**52**	**23**
Other non current operating income (expenses)	5.7.3.	(2)	(8)
Operating profit (loss)		**51**	**15**
Financial income		0	2
Interest expenses		(31)	(32)
Cost of net debt	**5.7.4.**	**(31)**	**(30)**
Other finance income (costs)	5.7.5.	2	(4)
Profit before tax and income (loss) from associates and JVs		**21**	**(19)**
Income tax	5.7.6.	(8)	(2)
Profit before income (loss) from associates and JVs		**14**	**(20)**
Share of profit of associates and joint ventures, net of tax	5.7.8.	(1)	(0)
Profit (loss)		**12**	**(21)**
Profit (loss) - Non controlling interests		1	(0)
Profit (loss) - Attributable to the owners of Banijay Group		**12**	**(21)**
Basic earning (loss) per share (in €)	5.7.9	0.11	(0.20)
Diluted earning (loss) per share (in €)	5.7.9	0.11	(0.19)

** Comparative financial statements have been restated to take into account the effect of retrospective application of a recent clarification on the accounting treatment for acquisition instruments with lock up mechanism. The impact is presented in Note 5.4*

Interim Condensed Consolidated statement of comprehensive income

In € millions	**3 months ended March 2022**	**3 months ended March 2021 Restated***
Profit (loss)	**12**	**(21)**
- Variation of foreign currency translation reserve	(7)	(20)
- Fair Value Adjustment on Cash flow Hedge [(1)]	26	8
- Deferred tax on Fair Value adjustment on Cash flow Hedge	(6)	(2)
Items to be subsequently reclassified to profit or loss	**12**	**(16)**
Changes and income directly recognized in equity	**12**	**(16)**
Comprehensive income (loss)	**25**	**(36)**
Comprehensive income (loss) - Non controlling interests	1	(0)
Comprehensive income (loss) - Attributable to the owners of Banijay Group	**24**	**(36)**

** Comparative financial statements have been restated to take into account the effect of retrospective application of a recent clarification on the accounting treatment for acquisition instruments with lock up mechanism. The impact is presented in Note 5.4*

(1) see note 5.10 - Interest rate risk

2. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

In € millions	Notes	**March 31, 2022**	**December 31, 2021**
Goodwill	5.8.1.	2 434	2 395
Long-term content assets	5.8.1.	217	215
Other intangible assets	5.8.1.	9	8
Right-of-use assets	5.8.2.	147	153
Property, plant and equipment	5.8.3.	45	46
Investments in associates and joint ventures		11	11
Non-current financial investments	5.8.4.	30	29
Deferred tax assets		38	45
Other long-term assets	5.8.4.	48	33
Non-current assets		**2 979**	**2 936**
Inventories and work in progress	5.8.5.	641	677
Trade and other receivables	5.8.6.	826	657
Income tax receivables		14	10
Other current assets	5.8.7.	41	25
Cash and cash equivalents	5.8.8.	315	344
Current assets		**1 836**	**1 714**
Assets		**4 815**	**4 650**

EQUITY AND LIABILITIES

In € millions	Notes	**March 31, 2022**	**December 31, 2021**
Issued capital	5.8.9.	104	104
Share premiums	5.8.9.	583	583
Own shares		(3)	(3)
Retained earnings and other reserves		(173)	(255)
Profit (loss) - attributable to the owners of Banijay Group		12	70
Equity attributable to the owners of Banijay Group		**523**	**499**
Non-controlling interests		4	4
Equity		**528**	**503**
Long-term borrowings and other financial liabilities	5.8.10.	2 199	2 186
Long-term lease liabilities	5.8.2.	122	128
Non-current provisions	5.8.11.	19	20
Employee defined benefit obligation		4	4
Deferred tax liabilities		3	3
Other long-term liabilities	5.8.12.	154	135
Non-current liabilities		**2 501**	**2 476**
Short-term borrowings and bank overdrafts	5.8.10.	85	107
Short-term lease liabilities	5.8.2.	36	37
Trade and other payables	5.8.13.	858	745
Current tax liabilities		33	22
Current provisions	5.8.11.	9	11
Other current liabilities	5.8.14.	765	749
Current liabilities		**1 786**	**1 671**
Equity and liabilities		**4 815**	**4 650**

3. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In € millions	Notes	**3 months ended March 2022**	**3 months ended March 2021 Restated***
Profit (loss)		12	(21)
Share of profit of associates and joint ventures		1	0
Amortisation, depreciation, impairment losses and provisions, net of reversals		24	21
Other adjustments	5.9.1.	6	24
Income tax expense		8	2
Cost of net debt		31	30
Cash flows provided by operating activities		**82**	**57**
Changes in working capital		(24)	(56)
Income tax paid		(2)	(2)
Net cash flows provided by operating activities		**56**	**(1)**
Consequences of changes in consolidation scope		(16)	(3)
Purchase of property, plant and equipment and of intangible assets		(13)	(13)
Net investments in financial assets		(1)	(2)
Net cash flows from investing activities		**(29)**	**(18)**
Proceeds from borrowings	5.8.10.	2	1
Repayment of borrowings	5.8.10.	(5)	(4)
Repayments of lease liabilities		(9)	(9)
Net interest paid and derivative instrument settlement		(45)	(43)
Interest paid on leases		(1)	(1)
Dividends paid to non-controlling interests		(1)	(2)
Net cash flows from (used in) financing activities		**(59)**	**(58)**
Effects of exchange rate differences		3	(4)
Net increase (decrease) of cash and cash equivalents		**(29)**	**(81)**
Cash and cash equivalents at the beginning of the year		342	270
Cash and cash equivalents at the end of the period		312	189

** Comparative financial statements have been restated to take into account the effect of retrospective application of a recent clarification on the accounting treatment for acquisition instruments with lock up mechanism. The impact is presented in Note 5.4*

Cash and cash equivalents presented in the consolidated statement of cash flows are comprised of cash and cash equivalents (€315m in March 2022, €199m in March 2021), reduced by bank overdrafts (€2m in March 2022, vs €11m in March 2021).

We refer to note 5.3.3. 'Summary of key accounting methods – Cash & cash equivalent'.

4. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

						OCI	OCI	OCI	OCI			Equity	
In € millions	*Number of shares (in million)*	*Issued capital*	*Share premiums*	*Own shares*	*Equity-settled share-based payment*	*Revaluation reserve for financial instruments*	*Other OCI*	*Deferred tax*	*Foreign currency translation reserve*	*Retained earnings*	*Attributable to owners of the parent*	*Non-controlling interests*	*Equity*
December 31, 2020 - restated*	**104**	**103**	**578**	**-**	**23**	**(21)**	**(2)**	**5**	**14**	**(232)**	**470**	**11**	**481**
Income / Loss for the year										70	70	(2)	68
Foreign currency translation reserve									(46)		(46)	3	(43)
Fair Value adjustment on Cash Flow Hedge (1)						18					18		18
Deferred Tax on fair value adjustment on Cash Flow Hedge								(4)			(4)		(4)
Other changes							0				0		0
Total comprehensive income (loss) for the year		-	-		-	18	0	(4)	(46)	70	38	1	39
Long-term incentive plan equity settled					2						2		2
Attribution of frees shares	1	1			(9)					8	-		-
Increase in capital or share premium (2)			5								5		5
Own Shares buy-back (2)				(5)							(5)		(5)
Cancellation of own shares (2)	(0)	(0)		4						(3)	-		-
Payment of dividends										(6)	(6)	(4)	(10)
Transaction on Non Controlling Interest and other variation (3)										(8)	(5)	(4)	(9)
December 31, 2021	**104**	**104**	**583**	**(1)**	**16**	**(4)**	**(1)**	**1**	**(32)**	**(170)**	**499**	**4**	**503**
Income / Loss for the year										12	12	1	12
Foreign currency translation reserve									(7)		(7)	0	(7)
Fair Value adjustment on Cash Flow Hedge (1)						26					26		26
Deferred Tax on fair value adjustment on Cash Flow Hedge								(6)			(6)		(6)
Total comprehensive income (loss) for the year		-	-		-	26	-	(6)	(7)	12	24	1	25
Long-term incentive plan equity settled					0						0		0
Payment of dividends											-	(0)	(0)
Transaction on Non Controlling Interest and other variation (3)										-	0	0	0
March 31, 2022	**104**	**104**	**583**	**(1)**	**16**	**22**	**(1)**	**(6)**	**(39)**	**(159)**	**523**	**5**	**528**

**Comparative financial statements have been restated to take into account the effect of retrospective application of a recent clarification on the accounting treatment for acquisition instruments with lock up mechanism. The impact is presented in Note 5.4*

1) Fair value adjustment on cash flow hedge, see note 5.10 – § Hedging on interest rate risk
2) Increase in share premium
3) Acquisition of Non Controlling Interest and other variation -

We refer to Note 5.8.9. 'Equity'.

5. NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5.1. Corporate information

Banijay Group S.A.S. (the “Company") is a limited liability company domiciled in France and with its head office located at 5, rue François 1er – 75 008 Paris (France).

The interim condensed consolidated financial statements of Banijay Group for the three months period ended March 31, 2022 were closed by the Chairman in order to be presented to the supervisory board’s meeting of Banijay Group on May 12, 2022.

Banijay Group S.A.S has a share capital of € 104,215,171 (104,215,171 shares of € 1.00 each) and is the parent entity of the Banijay group. Banijay Group Holding S.A.S. is the parent of Banijay Group S.A.S and the ultimate parent of the group is LOV Group Invest S.A.S.

Banijay Group is in the business of producing audiovisual programs, managing and marketing of intellectual property rights in relation to audiovisual and digital contents and / or formats.

These interim condensed consolidated financial statements present the financial situation of the Company and its subsidiaries (the “group”). The financial statements are denominated in Euro as this is the currency used for the majority of the group’s transactions.

Banijay Group’s annual reporting date for its financial statements is December 31.

5.2. Significant events

Integration plan

As part of the Endemol integration process, the global reorganization plan launched in July 2020 is now finalizing. Restructuring costs are decreasing consequently.

Many assessments (such as tax, human resources, legal, intellectual property, finance) have been done in the major territories.

The target is to reflect the operational organization in the legal structure.

Russian / Ukrainian crisis

The group is closely monitoring developments in the conflict between Russia and Ukraine. The group has limited exposure to the Russian market. In the first quarter 2022, its Russian subsidiaries generated a net revenue contribution of €5m (0.7% of total sales as of Mach 2022) and current operating profit of €1.0m (1.8 % of total current operating profit as of Mach 2022).

5.3. Accounting principles and methods

All amounts in the interim condensed consolidated financial statements are presented in millions of euros, unless otherwise specified. The fact that figures have been rounded off to the nearest decimal point may, in certain cases, result in minor discrepancies in the totals and sub-totals in the tables and/or in the calculation of percentage changes.

5.3.1. Compliance with IFRS

The interim condensed consolidated financial statements of the group for the three months period ended March 31, 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable at that date, and the relevant interpretation standards (SIC/IFRIC) registered by the European Commission and in force at such date, which, for those relevant to the Company, do not present any difference with the accounting standards as issued by the International Accounting Standards Board (IASB).

Most specifically, they have been prepared in accordance with "IAS 34 – Interim Financial Reporting". Notably, the income tax for the period has been determined using the annual projected tax rate method.

New standards, interpretations and amendments adopted by the group from January 1, 2022

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

5.3.2. Main estimates and accounting assumptions

The preparation of the consolidated financial statements of the group requires the management to use certain estimates and assumptions that have an impact on the carrying amount of revenues, costs, assets, and liabilities. The main estimates and assumptions relate to (i) the valuation and useful lives of audiovisual rights, (ii) the valuation of goodwill, (iii) the amount of provisions for risks and other provisions in relation with the group's activity, (iv) the calculation of debt related to earn outs on acquisitions, (v) the estimate of debt resulting from put options in favour of minority shareholders, and (vi) the assumptions used for share-based payments.

The features of main accounting methods, judgements and other uncertainties which affect the application of these accounting methods, as well as the sensitivity of the results to changes in the conditions and assumptions, are factors to be taken into account while reading these financial statements, as the outcomes of these estimations will, by definition, rarely equal the actual figures.

There has been no significant change in the main estimates and accounting assumptions of the group over the period.

Goodwill impairment

The group reviews, at least once a year, and at any time when a trigger event for impairment occurs, if goodwill requires to be impaired. The latest impairment review was performed in December 2021. This requires the recoverable value of the cash generating unit to which the goodwill has been allocated, to be measured. The group mainly estimates the recoverable value through its value-in-use. The latter is determined by the management through a projection of expected future cash flows that are discounted at an appropriate rate.

Content assets depreciation

The group reviews, at least once a year, and at any time when a trigger event for impairment occurs, if the content assets presented in the balance sheet requires to be impaired. The carrying value of these assets is compared to the net sales forecast of the said format over a maximum period of 10 years.

Earn-out payments / put option rights in favour of minority shareholders

Following external growth transactions, the group can be committed to pay former/minority shareholders either earn-outs or further acquisition price pursuant to put options on their remaining shareholding, depending on future profits. Related debts are accounted for in the balance sheet at their present value. The group estimates these debts using assumptions on future profits and calculates scheduled cash outflows using a discount rate.

Share-based payments and Long term incentive plans

Share subscription, purchase options, phantom shares as well as free shares have been granted to certain employees of the group. The value of these plans depends on future profits of the relevant subsidiaries as well as on the equity value of the group.

5.3.3. Summary of key accounting methods

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. We refer to Note 5.3.1. ‘Compliance with IFRS’ regarding the impacts of the new standards applicable from January 1, 2022.

5.3.4. Seasonality of the interim operations

Group interim production operations can be impacted by the timing of delivery of both scripted and non-scripted productions. 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.

5.4. Clarification on put options accounting treatment

Put options over minority interest in the context of a business combination were used to be treated as part of the consideration transferred irrespective of the existence of lock-up mechanism. Recent clarifications on such schemes lead to conclude that in some of the existing agreements with minority interests such instruments include a lock-up mechanism that should be considered as a transaction that remunerates employees or former owners of the acquired company for services rendered rather than a consideration transferred in a business combination. Minority interests shares not linked to a lock-up mechanism remain treated as a put option over minority interest.

The Banijay consolidated financial statements have been restated from 1 January 2020. The impact as at 1 January 2020 are disclosed in the 31 December 2021 consolidated financial statements.

The impact on the 31 March 2021 consolidated financial statements are disclosed here after:

Consolidated statement of profit or loss

In € millions	**3 months ended March 2021**	**Cumul change of accounting**	**3 months ended March 2021 Restated**
Revenue	544	-	544
Operating expenses	(207)	-	(207)
External expenses	(39)	-	(39)
Staff costs	(249)	(2)	(251)
Taxes and duties	(0)	-	(0)
Depreciation and amortization expenses	(24)	0	(24)
Current operating profit (loss)	**25**	**(2)**	**23**
Other non current operating income (expenses)	(8)	-	(8)
Operating profit (loss)	**17**	**(2)**	**15**
Financial income	2	-	2
Interest expenses	(32)	-	(32)
Cost of net debt	**(30)**	**-**	**(30)**
Other finance income (costs) (a)	(6)	2	(4)
Profit before tax and income (loss) from associates and JVs	**(19)**	**0**	**(19)**
Income tax	(2)	(0)	(2)
Profit before income (loss) from associates and JVs	**(21)**	**0**	**(20)**
Share of profit of associates and joint ventures, net of tax	(0)	-	(0)
Profit (loss)	**(21)**	**0**	**(21)**
Profit (loss) - Non controlling interests	(0)	-	(0)
Profit (loss) - Attributable to the owners of Banijay Group	**(21)**	**0**	**(21)**
Basic earning (loss) per share (in €)	(0.20)		(0.20)
Diluted earning (loss) per share (in €)	(0.19)		(0.19)

(a) +€2m impact in other financial income (costs), is made of cancellation of foreign exchange impact +€2m.

Consolidated statements of cash flows

In € millions	**3 months ended March 2021**	**Cumul change of accounting**	**3 months ended March 2021 Restated**
Profit (loss)	(21)	0	(21)
Share of profit of associates and joint ventures	0	-	0
Amortisation, depreciation, impairment losses and provisions, net of reversals	21	(0)	21
Other adjustments	24	(0)	24
Income tax expense	2	-	2
Cost of net debt	30	-	30
Cash flows provided by operating activities	**57**	**(0)**	**57**
Changes in working capital	(56)	-	(56)
Income tax paid	(2)	0	(2)
Net cash flows provided by operating activities	**(1)**	**(0)**	**(1)**
Consequences of changes in consolidation scope	(3)	-	(3)
Purchase of property, plant and equipment and of intangible assets	(13)	-	(13)
Net investments in financial assets	(2)	-	(2)
Net cash flows from investing activities	**(18)**	**-**	**(18)**
Proceeds from borrowings	1	-	1
Repayment of borrowings	(4)	-	(4)
Repayments of lease liabilities	(9)	-	(9)
Net interest paid and derivative instrument settlement	(43)	-	(43)
Interest paid on leases	(1)	-	(1)
Dividends paid to non-controlling interests	(2)	-	(2)
Net cash flows from (used in) financing activities	**(58)**	**-**	**(58)**
Effects of exchange rate differences	(4)		(4)
Net increase (decrease) of cash and cash equivalents	**(81)**	**(0)**	**(81)**
Cash and cash equivalents at the beginning of the year	270	-	270
Cash and cash equivalents at the end of the period	189	-	189

5.5. Segment information

5.5.1. Reporting by operating segment

5.5.1.1. Definition of group operating segment

According to IFRS 8, an operating segment is a component of an entity that (i) engages in business activities from which it may earn revenues and incur expenses, (ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to decide how resources should be allocated to the component and (iii) for which discrete financial information is available.

As of March 31, 2022, Banijay Group recognizes three main operating segments:

- Production activity, which encompasses all production entities of the group. These entities form a single operating segment as the nature of their business is similar across the group (mainly 'the production of audiovisual contents') and they present similar long-term economic characteristics.
- Distribution activity, constituted by Banijay Rights and its subsidiaries, whose activity differs from the rest of the group as those entities are in charge of selling finished tapes and formats.
- 'Others' segment is mainly composed of holdings.

Compared to last year, most of the "others" segment was reclassified to the "production" segment.

5.5.1.2. Disclosure of operating segment information

The interim performance of the group's segments as of March 31, 2022 and March 31, 2021 are as follows:

In € millions	3 months ended March 2022	3 months ended March 2021 Restated
Production	643	508
Distribution	34	36
Others	0	-
Revenue	**677**	**544**

In € millions	3 months ended March 2022	3 months ended March 2021 Restated
Production	57	34
Distribution	2	3
Others	(7)	(16)
Current operating profit (loss)	**52**	**23**

5.5.2. Reporting by geographical area

As of March 31, 2022 and March 31, 2021, the revenue by geographical area (based on the location of the entity that recognizes this revenue) was as follows:

In € millions	3 months ended March 2022	3 months ended March 2021 Restated
France	68	61
Europe excluding France	352	299
USA	146	84
Rest of the world	76	65
Production and others	**643**	**508**
Distribution	**34**	**36**
Total Revenue	**677**	**544**

As of March 31, 2022, the non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, are as follow:

In € millions	France	Europe excluding France	USA	Rest of the world	**Total Production**	Distribution	**Banijay Group**
Goodwill	242	1 340	474	305	**2 361**	73	**2 434**
Long-term content assets	6	210	1	0	**217**	0	**217**
Other intangible assets	4	4	0	0	**8**	0	**8**
Right-of-use assets related to leases	18	70	49	10	**147**	0	**147**
Property, plant and equipment	6	25	10	5	**45**	0	**45**
Non current assets related to exploitation	**276**	**1 648**	**535**	**320**	**2 779**	**73**	**2 852**

As of December 31, 2021, the non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, are as follow:

In € millions	France	Europe excluding France	USA	Rest of the world	**Total Production**	Distribution	**Banijay Group**
Goodwill	236	1 313	468	304	2 322	73	2 395
Long-term content assets	2	212	1	0	215	0	215
Other intangible assets	4	4	0	0	8	0	8
Right-of-use assets related to leases	18	75	51	8	153	0	153
Property, plant and equipment	6	26	10	5	46	0	46
Non current assets related to exploitation	**266**	**1 631**	**530**	**317**	**2 744**	**73**	**2 818**

5.6. Changes in consolidation scope

Acquisitions during the period

Acquisition of Montmartre Films, formerly Legend Film (France)

In January 2022, Banijay France acquired Montmartre Films (formerly Légende Films), a French based scripted production entity managed by Alain Goldman via the production entities, Pitchipoï Productions and Montmartre Films (previously Légende Films).

Channeling the arrangement through regional outpost, Banijay France, the deal will see the group and Alain Goldman come together to grow a pipeline of premium quality scripted IP, in the form of both series and feature-length films.

Acquisition of Groenlandia

In March 2022, Banijay Italy acquired 51% of the share capital of Groenlandia S.r.l. Groenlandia is engaged in the business of the creation, development, production, selling, marketing, promotion and distribution of movies, features, short films and documentaries for both cinema and television markets and, in general, of audiovisual products for the international market featured by high quality level.

Other acquisitions

During the first quarter of 2022, the company acquired the following:

- Tooco (France)
- ZNAK TV (USA)

A cumulative goodwill of €35m was recognized on these acquisitions. The purchase price allocation of all those acquisitions is still under progress at the date of issuance of these consolidated financial statements.

5.7. Notes to the statement of profit or loss

5.7.1. Revenue

Revenue reached €677m over the three-months period ended March 31, 2022 against €544m as of March 31, 2021. This revenue essentially corresponds to the production and sale of audiovisual programs.

5.7.2. Staff costs

Staff costs consist of salaries and remuneration of staff, including payroll expenses, as well as expenses related to share-based payments schemes, i.e.:

- expenses related to plans allocating free shares,
- expenses related to phantom shares plans indexed on the increase in equity value.
- expenses related to commitment to purchase shares of minority shareholders (put option) or to pay earn out based on level of performance and conditioned to the existence of lock up mechanism.

Expenses related to long term incentive plan (LTIP), mostly share-based payments, included within staff costs amounted to c. €(13)m in the three months period ended March 31, 2022, compared to c. €(16)m in March 2021.
As described in note §5.3.2 - Long-term incentive plan, most LTIPs are contractually based on one or more financial performance indicators.

5.7.3. Other non-current operating income (expenses)

Other non-current operating income (expenses) amounted to c.€(2)m as of March 2022 and mostly correspond to the restructuring costs for €(2)m

In the three-months period ended March 2021, the non-current operating income (expenses) was a loss of €(8)m and mostly correspond to the restructuring costs for €(5)m, and impairment on lease right of use €(2)m

5.7.4. Cost of net debt

Cost of net debt amounts to €(31)m in the three-months period ended March 2022 compared to €(30)m as of March 31, 2021.

The cost of net debt as of March 2022 is mostly related to:

- The interests' expenses of the Senior secured Notes and the senior notes, issued on February 11, 2020
- The interests expense on Term Loans raised in July 2020
- The amortization of transaction costs related to the financing structures and,
- The interests of local production financing facilities.

5.7.5. Other finance income (costs)

In € millions	3 months ended March 2022	3 months ended March 2021 Restated
Discounting and revaluation income or expenses	(2)	(2)
Change in financial provisions	(0)	(0)
Exchange gains and losses	(3)	1
Gains or losses on derivatives	8	(2)
Leases interest expenses	(1)	(1)
Other	(1)	1
Other finance income (costs)	**2**	**(3)**

Other finance income and costs are composed of:

- The discounting and revaluation expenses related to the earn out and put option debts and long term incentive plan (LTIP). These liabilities are discounted based on a 9.30% discount rate in 2022 (2021: 9.31%). This line also includes some discounting effect on revenue with regards to the financing component under IFRS 15.

- Exchange gain and losses are mainly related to €(3)m unrealized and realized foreign exchange effect (2021 : €1m)
- The gain and losses on derivatives corresponds to the mark to market variation of foreign exchange hedging instruments: €8m, €(2)m in 2021.

5.7.6. Income tax

The group computed its income tax expense for the interim period using the projected effective tax rate method (based on 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).

In € millions	3 months ended March 2022	12 months ended December 2021	3 months ended March 2021
Income tax	**(8)**	**(26)**	**(2)**
Withholding taxes restated from effective income tax rate	1	3	(1)
Tax provision and tax adjustment	-	1	(1)
Restated income tax	**(7)**	**(22)**	**-**
Reported profit before tax	**21**	**96**	**(19)**
Restatement of certain items with no tax effect*	6	(6)	4
Restated profit before tax	**27**	**90**	**(15)**
Effective income tax rate	24,6%	24,5%	-2,6%

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

5.7.7. Share of profit of associates and joint ventures

The share of profit from associates and joint ventures, accounted for under the equity method corresponds to the portion of profit or loss achieved during the three-months period ended March 2022 by the following main entities:

- Financière EMG (7.62%),
- Minestrone TV (40.11%)
- Ladykracher TV (40.11%)
- Playzido Limited (19.86%)
- Crossmex B.V. (60%)
- Second Nature Media B.V. (50%)
- Goodhumor (49%)
- Marathon (49%)
- Shine Fiction (49%)
- Double Dutch (50%)
- Daze Management (35%)

Percentages indicated between brackets are the direct interest owned by the controlled entities holding shares.

5.8. Notes to the statement of financial position

5.8.1. Goodwill and other intangible assets

In € millions	*Goodwill*	*Content assets and formats excl. PPA*	*Content assets in progress excl. PPA*	*Other intangible assets excl. PPA*	*Intangible assets recognized as part of a PPA*	*Banijay Group*
Gross values at January 1, 2021	**2 341**	**626**	**-**	**52**	**211**	**3 229**
Changes in consolidation scope	39	11	4	4	7	**65**
Acquisitions	-	39	-	3	-	**43**
Disposals and derecognition	-	(2)	-	(2)	(6)	**(10)**
Reclassifications	-	(23)	(4)	4	-	**(23)**
Exchange differences	16	19	-	1	7	**43**
Gross values at December 31, 2021	**2 395**	**668**	**-**	**62**	**220**	**3 345**
Amortisation and impairment losses at January 1, 2021	**-**	**(566)**	**-**	**(45)**	**(33)**	**(644)**
Changes in consolidation scope	-	(11)	-	-	-	**(11)**
Depreciation / amortization	-	(51)	-	(3)	(20)	**(75)**
Disposals and derecognition	-	2	-	2	-	**4**
Disposals, reclassification and derecognition	-	23	-	(7)	-	**16**
Exchange differences	-	(15)	-	(1)	(2)	**(17)**
Amortisation and impairment losses at December 31, 2021	**-**	**(617)**	**-**	**(55)**	**(55)**	**(726)**
Net values at December 31 , 2021	**2 395**	**51**	**-**	**7**	**165**	**2 619**
Gross values at January 1, 2022	**2 395**	**668**	**-**	**62**	**220**	**3 345**
Changes in consolidation scope	35	62	1	1	9	**107**
Acquisitions	-	9	-	0	-	**9**
Disposals and derecognition	1	(0)	-	(0)	-	**1**
Reclassifications	-	(0)	-	(0)	-	**(0)**
Exchange differences	3	(4)	-	(0)	(1)	**(3)**
Gross values at March 31, 2022	**2 434**	**734**	**1**	**63**	**228**	**3 459**
Amortisation and impairment losses at January 1, 2022	**-**	**(617)**	**-**	**(55)**	**(55)**	**(726)**
Changes in consolidation scope	-	(58)	-	-	(3)	**(60)**
Depreciation / amortization	-	(9)	-	(0)	(5)	**(15)**
Disposals and derecognition	-	0	-	0	-	**0**
Reclassifications	-	0	-	(0)	-	**0**
Exchange differences	-	3	-	0	0	**3**
Amortisation and impairment losses at March 31, 2022	**-**	**(681)**	**-**	**(55)**	**(62)**	**(799)**
Net values at March 31, 2022	**2 434**	**52**	**1**	**8**	**165**	**2 660**

(PPA : Price purchase allocation)

Intangible assets, including goodwill, as of March 31, 2022 amount to €2 660m.

Content assets in progress consist in the total production costs of scripted programs not yet delivered at reporting date and for which the group retains the Intellectual Property (IP) and expects to generate significant future IP revenues.

Reclassifications in intangible assets mainly correspond to content assets that were or that have been classified in working capital.

5.8.2. Leases

5.8.2.1. Right-of-use assets

In € millions	*Right-of-use assets related to leases*
Net values at December 31, 2021	**153**
Addition of assets	8
Depreciation / amortization	(9)
Reclassification and derecognition	(5)
Changes in consolidation scope	(0)
Exchange differences	1
Net values at March 31, 2022	**147**

At end of period, right-of-use assets corresponds to real estate lease.

For the three months' period ended March 2022 amortization of right-of-use assets of leases amounts to €(9)m booked in "depreciation and amortization right-of-use of leases, intangible and tangible".

5.8.2.2. Lease liabilities

In € millions	
Lease liabilities at December 31, 2021	**164**
Addition of assets	8
Principal lease repayments	(9)
Interests lease repayments	(1)
Accrued Interests	1
Reclassification and derecognition	(6)
Changes in consolidation scope	(0)
Exchange differences	1
Lease liabilities at March 31, 2022	**158**

Lease liabilities amounted to €158m at March 31, 2022 of which €36m classified as current liabilities.

5.8.2.3. Low value leases and short-term leases

Leases of low-value assets or short-term leases have immediately been expensed in profit or loss and have been booked in “external expenses” for a cumulated amount of €18m at the end of the period.

5.8.2.4. Maturity of lease

Maturity of lease liabilities

The maturity profile of the group’s lease liabilities based on contractual undiscounted payments as of March 31, 2022 is as follows:

In € millions	**March 31, 2022**
Due in less than one year	40
Due between one to five years	112
Due in more that five years	11
Total	**163**

5.8.3. Property, plant and equipment

In € millions	*Buildings and leasehold improvements*	*Technical installations, equipment and industrial tools*	*Other*	*Property, plant and equipment*
Gross values at January 1, 2021	**102**	**58**	**105**	**265**
Acquisitions	2	4	9	**15**
Disposals, reclassification and derecognition	(23)	1	(2)	**(23)**
Exchange differences	3	1	3	**7**
Gross values at December 31, 2021	**84**	**64**	**103**	**252**
Depreciation and impairment losses at January 1, 2021	**(81)**	**(48)**	**(83)**	**(211)**
Depreciation / amortization	(5)	(5)	(9)	**(19)**
Disposals, reclassification and derecognition	20	(0)	20	**41**
Exchange differences	(2)	(1)	(2)	**(5)**
Depreciation and impairment losses at December 31, 2021	**(67)**	**(54)**	**(84)**	**(206)**
Net values at December 31, 2021	**17**	**10**	**19**	**46**
Gross values at January 1, 2022	**84**	**64**	**103**	**252**
Acquisitions	1	1	2	**3**
Disposals, reclassification and derecognition	0	(0)	(2)	**(2)**
Exchange differences	0	0	0	**1**
Gross values at March 31, 2022	**85**	**65**	**103**	**254**
Depreciation and impairment losses at January 1, 2022	**(67)**	**(54)**	**(84)**	**(206)**
Depreciation / amortization	(1)	(1)	(2)	**(4)**
Disposals, reclassification and derecognition	(0)	0	2	**2**
Exchange differences	(0)	(0)	(0)	**(1)**
Depreciation and impairment losses at March 31,2022	**(69)**	**(55)**	**(85)**	**(209)**
Net values at March 31, 2022	**17**	**10**	**18**	**45**

5.8.4. Non-current financial investments and other long-term assets

The non-current financial investments as of March 31, 2022 and December 31, 2021 are as follows:

In € millions	**March 31, 2022**	**December 31, 2021**
Non consolidated shares	12	12
Loans, security & other fin. receivables - non current portion	14	14
Deposits and guaranties paid - non current portion	4	3
Non-current financial investments, net	**30**	**29**

At the end of March 2022, non-consolidated shares mainly consist in My Major Company and Bamago shares for an amount of € 6m and property investment companies in the US for € 4m.

The other long-term assets are made of €20m of long term receivables as of 31 March 2022 and 31 December 2021 and fair-value of the long term hedging instrument : €25m as of 31 March / €3m as of 31 December 2021.

5.8.5. Inventories and work in progress

Inventories and work-in-progress mainly correspond to costs incurred for the production of non-scripted programs (or scripted programs for which the group does not expect subsequent IP revenue) that have not been delivered at reporting date, as the group recognizes its production revenue upon delivery of the materials to the customer.

5.8.6. Trade and other receivables

The breakdown of trade and other receivables as of March 31, 2022 and December 31, 2021 is as follows:

In € millions	Gross Value	Allowance and impairment	**Net book value at March 31, 2022**
Clients and related accounts, net	583	(14)	570
Current account assets	11	(9)	2
Tax receivables, excluding income tax	186		186
Other	68	(1)	68
Trade and other receivables	**849**	**(23)**	**826**

In € millions	Gross Value	Allowance and impairment	**Net book value at December 31, 2021**
Clients and related accounts, net	452	(14)	439
Current account assets	13	(10)	3
Tax receivables, excluding income tax	162		162
Other	56	(1)	55
Trade and other receivables	**682**	**(25)**	**657**

Clients and related accounts, net consist of trade receivables pending to be collected, or which have been sold on a recourse basis, and unbilled receivables.

Current account assets correspond to the financing that has been granted to some associates or joint ventures.

Tax receivables, excluding income tax, mainly relate to tax credits obtained as part of the group's business to finance the production of certain scripted shows.

5.8.7. Other current assets

The breakdown of other current assets as of March 31, 2022 and December 31, 2021 is as follows:

In € millions	March 31, 2022	December 31, 2021
Receivables from disposals of assets	6	(0)
Derivatives (part < one year)	8	1
Prepaid expenses	17	14
Financial assets (part < one year)	9	10
Other current assets	**41**	**25**

5.8.8. Cash and cash equivalents

Bank cash produces interest at variable rates based on daily bank deposit interest rates. Short-term deposits are made for periods ranging from one day to three months depending on the immediate cash requirements of the group. They bear interest at the corresponding short-term interest rate.

5.8.9. Equity

In € millions	March 31, 2022	December 31, 2021
Issued Capital	104	104
Share premium	583	583
Own shares	-3	-3
Share capital and related premium	**684**	**684**

As of March 31, 2022, the capital of Banijay Group amounts to €104,215,171 (104,215,171 shares of €1 each, fully paid).

At March 31, 2022, Banijay Group holds 129.014 of own shares (December 31, 2021: 129.014).

5.8.10. Borrowings and other financial liabilities

The breakdown of net indebtedness as of March 31, 2022 and December 31, 2021 was as follows:

In € millions	**March 31, 2022**	**December 31, 2021**
Long-term borrowings and other financial liabilities, gross	**2 239**	**2 229**
Long-term Transaction costs to be amortized under the effective interest rate method	(40)	(43)
Long-term borrowings and other financial liabilities, net	**2 199**	**2 186**
Short-term borrowings and bank overdrafts, net	**85**	**107**
Borrowings and bank overdrafts, net	**2 283**	**2 293**
Cash and cash equivalents	(315)	(344)
Net indebtedness without leases liabilities	**1 969**	**1 949**
Leases liabilities	158	164
Net indebtedness including leases liabilities	**2 127**	**2 113**

Nature of borrowings

On March 31, 2022, the following notes have been issued:

- €575m senior secured notes due 2025, which priced at par and have a coupon of 3.500% per annum (the "Euro Senior Secured Notes");
- $403m senior secured notes due 2025, which priced at par and have a coupon of 5.375% per annum (the "Dollar Senior Secured Notes");
- €400m senior notes due 2026, which priced at par and have a coupon of 6.500% per annum (the "Senior Notes" and together with the Euro Senior Secured Notes and Dollar Senior Secured Notes, the "Notes");
- €453m Term Loan due 2025 which priced at par and have a coupon of 3.75% per annum and a variable part (0.0% Euribor floor). The variable part of this loan had been capped at a rate of 0%; and
- $460m Term Loan due 2025 which priced at par and have a coupon of 3.75% per annum and a variable part (0.0% Libor floor). The variable part of this loan had been swapped to a rate of 1.4 %.

As of March 31, 2022, the group's financial indebtedness also consists in the following items:

- Local production financing carried by some subsidiaries (including recourse factoring and production credit lines);
- Accrued interests; and
- Lease liabilities

The maturity profile of the Group's financial liabilities based on contractual undiscounted payments as of March 31, 2022 is as follows:

In € millions	Due in less than one year	Due between one to five years	Borrowings and financial liabilities
Senior Secured Notes (€575m)	20	625	645
Senior Secured Notes ($403m)	19	411	430
Senior Unsecured Notes (€400m)	26	491	517
Term Loan (€453m)	17	495	512
Term Loan ($460m)	22	450	472
Local production financing and other loans	71	0	71
Bank overdrafts	2	0	2
Borrowings and financial liabilities (incl. Principal and accrued interests)	**177**	**2 472**	**2 649**

5.8.11. Provisions

The change in provisions between March 31, 2022 and December 31, 2021 was as follows:

In € millions	December 31, 2021	Allowance for the year	Reversals	Changes in consolidation scope	March 31, 2022
			Used		
Provisions for claims and litigation	5	0	(0)	1	5
Provisions for other contingencies	16	0	(2)	0	14
Provisions for contingencies	21	0	(2)	1	19
Employee defined benefit obligation - post employement	4	1	(0)	0	4
Provision for financial risks	2	0	0	(0)	2
Provision for restructuring	3	0	(0)	0	2
Other provisions	5	0	(0)	1	5
Provisions for charges	14	1	(1)	1	13
Provisions	**35**	**1**	**(3)**	**2**	**32**
Current provisions (< 1 year)	11	0	(2)	0	9

Employee defined benefit obligation

The group is part of some defined benefit schemes by contributing to pension plans and other post-employment benefits mainly in France and Italy.

Provision for financial risks

Provision for financial risks mainly corresponds to the negative equity of the entities consolidated under equity method as it is the group's responsibility to cover those losses if needed.

Other provisions

All disputes (type, amounts, procedure and level of risk) are identified by the Legal Department of the group which ensures regular monitoring. The amount of provisions for the claims result from a case by case analysis, depending on the positions of the litigants, on the estimation of the risks by the group's legal advisors and on first instance decisions, if any.

By nature, some provisions are based on estimates and assumptions without considering a precise deadline for the corresponding cash outflows.

5.8.12. Other long-term liabilities

Other long-term liabilities mainly correspond to the share due in more than one year related to earn-outs payable for acquisitions and to put options granted to minority interests on the one hand; and to debts related to cash-settled share-based payments as well as to profit-sharing plans in favour of certain employees of the group on the other hand.

5.8.13. Trade and other payables

Trade and other payables as of March 31, 2022 and December 31, 2021 can be broken down as follows:

In € millions	**March 31, 2022**	**December 31, 2021**
Trade payables and related accounts	600	486
Tax liabilities	88	76
Payroll liabilities	75	83
Other liabilities	95	100
Trade and other payables	**858**	**745**

5.8.14. Other current liabilities

In € millions	**March 31, 2022**	**December 31, 2021**
Liabilities related to investment purchases	1	1
Other derivatives	0	2
Deferred income	682	661
Other current liabilities	82	85
Other current liabilities	**765**	**749**

The €682m deferred income as of March 2022 mainly relates to undelivered programs that are work-in-progress (or intangible assets-in-progress) and that have already been invoiced compared to €661m as of December 2021. Deferred income corresponds to the contract liabilities (under IFRS 15).

Other current liabilities mainly correspond to earn-out commitments on acquisitions, to put options granted to minority shareholders, for the share to be settled within one year, and Hedging Derivatives.

5.9. Notes to the statement of cash flows

5.9.1. Other non-cash adjustments

Other non-cash adjustments in the statement of cash flows mainly include the restatement of:

- IFRS 2 expenses,
- discounting and revaluation income or expenses,
- unrealized foreign exchange gains or losses,
- certain elements that are restated from the cash flows from operating activities to be presented under investing or financing activities (e.g. transaction costs).

5.10. Objectives and strategies regarding financial risk management

The main financial instruments of the group include bank borrowings (including a €170m multi-currency revolving credit facility not drawn as of March 31, 2022) and bank overdrafts. The main purpose of these financial instruments is to provide the group with the financial means necessary for its activities. The group has various financial assets, such as trade receivables, cash and short-term deposits, which are directly generated by its operations.

The group's strategy was, and remains, not to do any trading on derivative instruments.

The main risks resulting from the financial instruments of the group involve liquidity risk, interest rate risk, exchange risk and credit risk. The risks of the entities of the group are managed by each entity according to the group's strategy and in accordance with the Company's instructions.

Liquidity risk

The group maintains adequate reserves of cash and short-term deposits to satisfy its liquidity needs. Besides, the group implemented several liquidity concentration pools around the main business regions (Europe, US, UK & Scandinavia). Over the period, approximately 89% of group's revenue is covered by such mechanisms. Therefore, the organic growth of the group, its working capital needs as well as its financing commitments (including payment of earn-out debts or put option debts) are notably ensured by operating cash flows generated by the business units.

As part of its financing, Banijay Group is subject to financial covenants. As of March 2022, all ratios impacting the group's short-term liquidity are satisfied.

Interest rate risk

The group exposure to the risk of interest rate fluctuations is mainly related to:

- The $460m term loan B expected to be granted on the completion date of the Endemol Shine acquisition. This loan bears interest at a rate of LIBOR plus 3.75% per annum, with a 0.0% Libor floor. On this specific loan, Banijay has taken out an interest rate hedge by means of an interest rate swap exchanging the variable rate for a fixed rate of 1.4%.
- The €453m term loan B expected to be granted on the completion date of the Endemol Shine acquisition. This loan bears interest at a rate of EURIBOR plus 3.75% per annum, with a 0.0% Euribor floor.
  On this specific loan, Banijay has taken out an interest rate hedge by means of an interest rate capping the variable rate to 0.0%.
- The €170m (equivalent) multicurrency Revolving Credit Facility. Considering the relatively stable level of EURIBOR over the recent period, the group regards the related interest rate risk as remote.

Considering the relatively stable level of EURIBOR over the recent period, the group regards its interest rate risk as remote.

Hedging on interest rate risk

In € millions							
Nature	Under-lying	Maturity	Interest Fixed rate	Value at 01.01.2022	Value variation in Equity	Foreign currency effect	Value at 31.12.2022
Interest Rate Swap on the USD 460 m Term Loan B	USD 460m	March 1, 2025	1.40%	(5)	17	(0)	11
Interest Rate CAP on the EUR 453 m Term Loan B	EUR 453m	March 3, 2025	0%	1	8	-	9
Total				**(4)**	**25**	**(0)**	**20**

Foreign currency risk

The foreign subsidiaries of the group operate essentially on their own territory and sales or purchases within the group are not significant; as a result, the transactional foreign exchange risk is limited.

For the group, the main currency risk is a translational foreign exchange risk, mostly linked to GBP and USD:

- As of March 31, 2022, the percentage of sales carried out in GBP represented 13% of the consolidated turnover. A decrease of 5% (resp. an increase of 5%) of the GBP foreign exchange rate would have an impact on the consolidated revenue of €(4)m (resp. €4m) and an impact on the consolidated equity of €17m (resp €4m)
- As of March 31, 2022, the percentage of sales carried out in USD represented 22% of the consolidated turnover. A decrease of 5% (resp. an increase of 5%) of the USD foreign exchange rate would have an impact on the consolidated revenue of €(7)m (resp. €8m) and an impact on the consolidated equity of €34m (resp €(15)m)

Credit risk

Credit risk occurs if a party to a transaction is unable or refuses to fulfil its obligations, causing a financial loss to the group. The group deals only with recognised and creditworthy third parties.

Receivables are monitored regularly, so that the group's exposure to bad debts is not significant.

Hedging on foreign currency risk

In € millions							
Nature	Under-lying	Maturity	forward rate/strike price	Value at 01.01.2022	Value variation in Equity	Value variation in P&I	Value at 31.12.2022
Forward USD 30m	USD 403m	May 3, 2025	1.23	1	1	(1)	1
Forward USD 40m	USD 403m	April 6, 2022	1.18	1	(0)	1	2
Call/put option with barrier USD 30m	USD 403m	Feb 27, 2025	1.22	1	0	0	1
Total				**3**	**1**	**1**	**4**

According to IFRS 9 the impact of premium/discounts of forward contracts and the time value of the option are recognized in the other comprehensive income.

The underlying of those instruments replicates the terms of the hedged item and hence qualifies for hedge accounting.

5.11. Off – balance - sheet commitments

In € millions	March 31, 2022	December 31, 2021
Other commitments given	6	7
Commitments given	**6**	**7**
Credit Lines	266	299
Commitments received	**266**	**299**

"*Other commitments given*" mainly correspond to minimum guarantees granted by distribution activity to third party producers.

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

As of March 31, 2022, the off-balance sheet commitments of the group are as follows:

Other guarantees given:

- The group has pledged shares of its subsidiaries for the benefit of its noteholders and its bank pooling pursuant to the financing subscribed on February 11, 2020. The shares of the following companies are pledged as collateral:

  Banijay Entertainment Holdings US ,Inc., Zodiak Media Limited, Banijay Rights Limited, Banijay France S.A.S., Banijay Group US Holding ,Inc., Adventure Line Productions S.A.S., H2O Productions S.A.S., Bwark Productions Limited, Banijay Production Media, Bunim-Murray Productions Inc., Bunim-Murray Productions LLC, RDF Television Limited, Castaway Television Productions Limited

  Endemol Shine IP BV., Media Arena Acquisition B.V., Endemol Shine Holding B.V., Endemol Shine Nederland Holding B.V., Endemol Shine Nederland B.V., Endemol Shine International Limited, Endemol UK Holding Limited, Shine TV Limited, Tiger Aspect Productions Limited, Kudos Film&Television Limited, Primetime Limited, Endemol USA Holding,Inc., Truly Original LLC, and Endemol Shine France SAS,

  and in the case of the Senior Secured Notes, the SUN Issuer (i.e. Banijay Group SAS) or, in the case of the Senior Notes, the SSN Issuer (i:.e. Banijay entertainment).

5.12. Information on related parties

In the three-months period ended March 31, 2022, the nature of the transactions with related parties did not change significantly compared to the twelve-months period ended December 31,2021.

The consolidated financial statements include operations carried out by the group in the ordinary course of its business with related parties. Main related parties consist in shareholders, affiliates of shareholders, and associates or joint ventures of the group. These transactions are realized at market price.

5.13. Events after the reporting period

Pokeepsie Films

In April 2022, Banijay Iberia acquired 51% of the share capital of Pokeepsie Films.

No other significant events occurred between the reporting period date and May 6, 2022 (date of completing this report) to the best of the group's management knowledge.

5.14. Consolidation scope

Apart from the elements mentioned in Note 5.6. 'Change in consolidation scope', the group's consolidation scope is similar to the one disclosed in the 2021 consolidated financial statements.

The group's consolidation scope is available upon request at headquarters of the group. Banijay Group Holding is consolidated in the financial statements of LOV Group Invest S.A.S.