

PEGASUS ENTREPRENEURIAL ACQUISITION COMPANY EUROPE B.V.

(a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands)

**Shareholder Circular relating to the proposed business combination with
FL Entertainment N.V.**

including

**Convocation of and agenda for extraordinary general meeting of Shareholders of
Pegasus Entrepreneurs Acquisition Company Europe B.V.**

This document is a circular and a convocation (the "**Circular**") relating to the business combination agreement Pegasus Entrepreneurial Acquisition Company Europe B.V. ("**Pegasus Entrepreneurs**") has entered into with FL Topco B.V. ("**FL Entertainment**") and Financière Lov S.A.S. (the "**Business Combination Agreement**") relating to the proposed business combination as described in the Business Combination Agreement (the "**Business Combination**"). In connection with the proposed Business Combination, it is envisaged for FL Entertainment to be converted into a public limited liability company (*naamloze vennootschap*) and renamed FL Entertainment N.V.

This Circular is not a prospectus for the purposes of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") and thus has not been approved by, or filed with, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**"). This Circular does not constitute or form part of any offer or invitation to purchase, otherwise acquire or subscribe for, or any solicitation of any offer to purchase, otherwise acquire or subscribe for, any security.

The convocation, including the agenda for the extraordinary general meeting of the Shareholders of Pegasus Entrepreneurs, which will be held on 23 June 2022 at 14:00 CEST at the offices of Pegasus Entrepreneurs, Hoogoorddreef 15, 1101 BA Amsterdam (the "**EGM**"), is set out in section 3 of this document (the "**Convocation**"), and the explanatory notes to the agenda are set out in section 4 of this document. The agenda of the EGM and explanatory notes thereto constitute an integral part of this Convocation.

This Circular, including the Convocation, is published electronically and in English only.

This Circular is dated 12 May 2022

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1 EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Date and time (CEST)
Convocation EGM	12 May 2022
Start of redemption period	13 May 2022
Record date for the EGM	26 May 2022, at 17:30
Start of registration period for the EGM	27 May 2022
Deadline for (i) registration for the EGM and (ii) submitting voting instructions or proxies	16 June 2022, at 17:30
Redemption period ends	21 June 2022, at noon
EGM	23 June 2022, at 14:00
Repurchase and cancellation of Pegasus Ordinary Shares under the Redemption Arrangements	30 June 2022
Payment of consideration to Redeeming Shareholders for repurchased Pegasus Ordinary Shares	30 June 2022
Business Combination Date	30 June 2022
Merger becomes effective	1 July 2022, at 0:00
Listing and start trading FLE Ordinary Shares and FLE Warrants under the name FL Entertainment on an “as-if-and-when-issued/delivered” basis	1 July 2022, at 9:00
Ex date Pegasus Entrepreneurs	1 July 2022
Record date for holders of Pegasus Ordinary Shares and Pegasus Public Warrants to receive FLE Ordinary Shares and FLE Warrants	4 July 2022, at 9:00
Settlement Date (delivery of Ordinary Shares and Warrants in exchange for Pegasus Ordinary Shares and Pegasus Public Warrants)	5 July 2022, at 9:00
Longstop Date	31 August 2022

The dates and times given are based on Pegasus Entrepreneurs' current expectations and may be subject to change. Any revised dates and/or times will be notified to the Shareholders, by way of a press release published on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>).

2 LETTER TO SHAREHOLDER

Dear Shareholder,

On behalf of Pegasus Entrepreneurs, we are pleased to invite you to the EGM which is to be held on 23 June 2022 at 14:00 CEST at the offices of Pegasus Entrepreneurs, Hoogoorddreef 15, 1101 BA Amsterdam and to provide you with this Circular.

The purpose of this Circular is to ensure that the shareholders of Pegasus Entrepreneurs (the "**Shareholders**") are adequately informed of the facts and circumstances relevant to the proposals on the agenda for the EGM. This should enable the Shareholders (to the extent they have voting rights in the general meeting of Pegasus Entrepreneurs (the "**Pegasus General Meeting**")) to vote on the proposed resolutions, including amongst others, to (i) approve the Business Combination and (ii) resolve on the legal merger between Pegasus Entrepreneurs and FL Entertainment (the "**Merger**"). This EGM will also be considered a meeting of the holders of a particular class of shares for approval of the proposed resolutions by such holders of a particular class (to the extent required).

After careful consideration, the board of Pegasus Entrepreneurs (the "**Pegasus Board**") considers that the terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination, to be in the best interest of Pegasus Entrepreneurs and its stakeholders, including the Shareholders, for the reasons set out under "*5.2(a.) Pegasus Entrepreneurs' reasons for the Business Combination*". The Pegasus Board unanimously recommends the Business Combination Agreement and the Business Combination to you and since the approval of the Pegasus General Meeting is required to complete the Business Combination, recommends that you vote in favour of the Business Combination, including the transactions contemplated by the Business Combination Agreement such as the Merger, and the other resolutions proposed for adoption at the EGM.

The Business Combination will allow the Shareholders to become investors in FL Entertainment. FL Entertainment together with its subsidiaries is a global group, operating across a variety of platforms and geographies. Its business is divided between a content production & distribution business and an online sports betting and gaming business. FL Entertainment operates its business associated with content production & distribution through its subsidiary Banijay Group Holding SAS, together with its subsidiaries (the "**Banijay Group**") and its business associated with online sports betting and gaming through its subsidiary Betclie Everest Group SAS, together with its subsidiaries (the "**Betclie Everest Group**") (together the "**FL Entertainment Group**" and each such entity, including FL Entertainment, a "**FL Entertainment Group Company**").

The Banijay Group is the world's leading independent producer and distributor of television programmes based on revenue for the year ended 31 December 2021. The Banijay Group creates, develops, sells, produces and distributes television formats and programmes, and digital content for a wide range of customers. The Banijay Group operates over 120 production companies, across 22 countries. The Banijay Group has a multi-genre catalogue boasting over 120,000 hours of original standout programming. It produces both scripted and non-scripted content across all genres, including reality shows, entertainment and talk shows, game shows, factual entertainment, documentary, drama and comedy. The Banijay Group has produced successful long-running programmes such as Survivor, Temptation Island, Peaky Blinders, Big Brother and MasterChef.

Pegasus Entrepreneurs believes that the Betclie Everest Group is the fastest growing online sports

gaming platform in Europe in terms of revenue growth. The Betclic Everest Group aims to offer the most entertaining gaming experience on the market thanks to easy-to-use, interactive and innovative mobile apps. In its online sports betting offering, customers can find betting offers on more than 50 sports. The Betclic Everest Group's online gaming offering comprises casino, poker, games and virtual sports. Furthermore, Betclic has a controlling interest of 53.9% in Bet-at-home AG ("**Bet-at-home**"), an online gaming and sports betting company listed on the Frankfurt Stock Exchange that operates independently.

Pursuant to the Business Combination Agreement, the Business Combination is intended to be completed and Pegasus Entrepreneurs intends to enter into a notarial deed of merger with FL Entertainment (the "**Deed of Merger**") on 30 June 2022 (the "**Business Combination Date**"). Consequently, the Merger will become effective as from 1 July 2022 and Pegasus Entrepreneurs will be the disappearing entity, as a result of which, the Shareholders will become shareholders of FL Entertainment.

The Business Combination will provide FL Entertainment with additional financial flexibility and diversity of financing sources through access to a wider range of capital raising options (see section "5.2(b.) *FL Entertainment's reasons for the Business Combination*").

In connection with the Business Combination, Pegasus Entrepreneurs and FL Entertainment have entered into and will enter into subscription agreements (the "**PIPE Financing Subscription Agreements**") with certain investors (jointly the "**PIPE Investors**"), pursuant to which such investors undertake to subscribe for ordinary shares in FL Entertainment's capital at an issue price of €10 per ordinary share (the "**PIPE Financing**"). In return for their investment, the PIPE Investors will receive ordinary shares in FL Entertainment's capital each with a nominal value of €0.01 (the "**FLE Ordinary Shares**" and each such ordinary share a "**FLE Ordinary Share**") on the Settlement Date. At the date of this Circular, Pegasus Entrepreneurs and FL Entertainment have entered into PIPE Financing Subscription Agreements with a number of PIPE Investors for an aggregate amount of €219,000,000 and may enter into PIPE Financing Subscription Agreements with additional PIPE Investors whereby these PIPE Investors would undertake to subscribe to the PIPE Financing up to a certain amount, subject to the terms and conditions of the PIPE Financing Subscription Agreements. The targeted total aggregate amount of the PIPE Investors subscription undertakings amounts to €250,000,000, which is equal to the issuance of 25,000,000 FLE Ordinary Shares at an issue price of €10 per FLE Ordinary Share.

On 10 December 2021 Pegasus Entrepreneurs entered into a forward purchase agreement with Tikehau Capital, Poseidon Entrepreneurs Financial Sponsor SAS and Financière Agache (the "**Forward Purchase Agreement**"), pursuant to which each of Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS) have agreed to purchase from Pegasus Entrepreneurs up to 2,500,000 class A ordinary shares in Pegasus Entrepreneurs' capital (the "**Pegasus Ordinary Shares**" and each such class A ordinary share a "**Pegasus Ordinary Share**") and up to 833,333 warrants (the "**Pegasus Public Warrants**" and each a "**Pegasus Public Warrant**"), for an aggregate amount of up to €25,000,000 each (representing the number of Pegasus Ordinary Shares purchased under the Forward Purchase Agreement multiplied by €10.00), in a private placement that would occur simultaneously with the Business Combination. Since the Merger is expected to become effective on 1 July 2022 and Pegasus Entrepreneurs is the disappearing entity, Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS) will each subscribe for 2,500,000 FLE Ordinary Shares and 833,333 FL Entertainment Warrants (the

"FLE Warrants" and each a **"FLE Warrant"**).

The main terms for the proposed Business Combination include:

- The parties have agreed in the Business Combination Agreement that the Business Combination is based on an equity value, on a fully-diluted basis excluding Earn-Out (as defined in "5.7.(c) *Earn-Out Preference Shares*"), of FL Entertainment of €3,635,259,281 immediately prior to the Merger becoming effective and before receipt of the proceeds of the PIPE Financing, the Business Combination Escrow Amount (as defined in paragraph "6.1(f) *Conditions to closing of the Business Combination*") and the proceeds from the issue of the Forward Purchase Securities (as defined below).
- As soon as practicable following the date of the Business Combination Agreement (and in any event prior to the First Trading Date), Financière Lov shall and shall cause FL Entertainment and any FL Entertainment Group Company, as applicable, to take all actions necessary to authorise, decide and implement the Lov Reorganisation (as defined below).
- FL Entertainment agreed to use its best efforts to (A) cause the FLE Ordinary Shares and the FLE Warrants to be approved and submitted for listing on Euronext Amsterdam on the First Trading Date, subject to official notice of issuance thereof, and (B) to satisfy any applicable initial and continuing listing requirements of Euronext Amsterdam, in each case as promptly reasonably practicable after the date of the Business Combination Agreement and in any event prior to the First Trading Date. Pegasus Entrepreneurs and Financière Lov agreed to, and Financière Lov agreed to cause the FL Entertainment Group Companies, to cooperate with FL Entertainment in connection with the foregoing.
- The business combination is subject to approval by Pegasus Entrepreneurs' shareholders and other regulatory and customary closing conditions which must be met by 31 August 2022 at the latest, see "6.1(f) *Conditions to closing of the Business Combination*".

Although we encourage the Shareholders to remain shareholders post Business Combination, we are also providing Shareholders with the opportunity to have part or all of their Pegasus Ordinary Shares repurchased subject to completion of the Business Combination (as described under "5.1(d) *Business Combination process*") irrespective of their vote on the Business Combination in accordance with the timeline set out under "1 *Expected Timetable of Principal Events*". At the date of this Circular, approximately 50% of the holders of Pegasus Ordinary Shares, representing in aggregate €102 million, have signed a letter in which they agreed not to redeem their Pegasus Ordinary Shares.

This Circular provides detailed information on the proposed Business Combination and on a number of related matters. The convocation of the EGM and the agenda items and explanatory notes thereto, to be considered and voted upon at the EGM, are discussed in sections 3 and 4 of this Circular. Followed by a description of the background to and rationale for the Business Combination and a more detailed description of the Business Combination in sections 5 and 6. Thereafter, this Circular sets out a detailed description of FL Entertainment's business in section 7, its current shareholding structure in section 8, certain financial information on FL Entertainment in section 9 and the risk factors in section 10.

We encourage you to carefully read this Circular and the documentation it refers to. We hope you will agree with the recommendation of the Pegasus Board to approve the Business Combination, including the transactions contemplated by the Business Combination Agreement, and the other resolutions proposed for adoption at the EGM.

We value and thank you for your continued support and look forward to welcoming you to our EGM on 23 June 2022.

Yours sincerely,

Pierre Cuilleret, CEO of Pegasus Entrepreneurs

3 CONVOCATION AND AGENDA FOR THE EXTRAORDINARY GENERAL MEETING

The EGM will be held on 23 June 2022 at 14:00 CEST at the offices of Pegasus Entrepreneurs, Hoogoorddreef 15, 1101 BA Amsterdam.

The Pegasus Board has decided that this Circular, including the Convocation, shall only be communicated to Shareholders electronically.

3.1 Agenda

- (1) Opening;
- (2) The proposed Business Combination:
presentation of the proposed Business Combination and approval and adoption of the following matters relating to the Business Combination (*voting item*):
 - i) Approval of the Business Combination, including the transactions contemplated by the Business Combination Agreement;
 - ii) Entering into and effectuating the Merger, being a legal merger (*juridische fusie*), whereby Pegasus Entrepreneurs, as disappearing company, will merge with and into FL Entertainment, as acquiring company, and whereby FL Entertainment will allot shares in its capital to the Shareholders at the time of such Merger in accordance with the merger proposal that will be deposited with the Dutch trade register and disclosed for public inspection;
- (3) Cancellation (*intrekking*) of Pegasus Ordinary Shares (i) to be repurchased by Pegasus Entrepreneurs under the Redemption Arrangements (as defined in "*11.1 Repurchase of the Pegasus Ordinary Shares held by Pegasus Ordinary Shareholders at the time of the Business Combination*") on the Business Combination Date or (ii) directly if the repurchase under the Redemption Arrangements is not (expected) to be completed before the Merger becomes effective (*voting item*);
- (4) Board report for the financial year 2021 (*discussion item*)
- (5) Remuneration report for the financial year 2021 (*advisory voting item*)
- (6) Reservation and dividend policy (*discussion item*)
- (7) Adoption of the annual accounts for the financial year 2021 (*voting item*)
- (8) Discharge from liability for the members of the Pegasus Board with respect to the performance of their duties (*voting item*)
- (9) Instruction to Mazars Accountants N.V. for the external audit of Pegasus Entrepreneurs' annual accounts for the financial year 2022 (*voting item*)
- (10) Closing.

The above matters are described in more detail in this Circular. We urge you to carefully read this Circular in its entirety. The Pegasus Board decided to combine certain resolutions as one singular

voting item in the EGM, as these resolutions are closely related. Furthermore, it is noted that, to the extent necessary, it will be at the discretion of the Pegasus Board to withdraw one or more proposals from the agenda in order to facilitate the adoption of the other proposals.

After careful consideration, the Pegasus Board has approved the Business Combination and unanimously recommends that the Shareholders vote: "FOR" approval of the Business Combination, including the transactions contemplated by the Business Combination Agreement, and "FOR" all other proposals presented to the Shareholders in this Circular. When you consider the Pegasus Board's recommendation of these proposals, you should keep in mind that the members of the Pegasus Board have interests in the Business Combination that may conflict with your interests as a shareholder. Please see sections titled "5. Proposed Business Combination" and "6. Business Combination Agreement and Ancillary Agreements" for additional information. In addition, you should read the section titled "10. Risk Factors" for a discussion of the risks you should consider in evaluating the proposed Business Combination and how it may affect you.

3.2 Record date

Holders of Pegasus Ordinary Shares and founder shares in Pegasus Entrepreneurs' capital ("**Pegasus Founder Shares**") and together with the Pegasus Ordinary Shares referred to as: the "**Pegasus Shares**") will be entitled to attend and vote at the EGM, provided these Shareholders (i) are registered as a Shareholder on 26 May 2022 at 17:30 CEST, after processing of all settlements on that date (the "**Record Date**") in one of the registers mentioned below, and (ii) have submitted their application to attend the EGM in accordance with the procedure as set out in the paragraph below.

The Pegasus Board has designated as registers, in each case as at the Record Date: (i) for the Pegasus Ordinary Shares held through Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) ("**Euroclear Nederland**"): the administrations of the banks and brokers which are intermediaries (*intermediairs*) of Euroclear Nederland within the meaning of the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*); and (ii) for Pegasus Founder Shares held by persons registered in Pegasus Entrepreneurs' shareholders register: Pegasus Entrepreneurs' electronic shareholders' register maintained by the Pegasus Board (the "**Shareholders Register**") (see section "3.3 Registration for the EGM" of this Circular).

3.3 Registration for the EGM

A Shareholder who wishes to participate in the EGM is required to register within the registration period (i) via ABN AMRO Bank N.V. (Corporate Broking & Issuer Services) ("**ABN AMRO**") at www.abnamro.com/evoting, (ii) via the intermediary in whose administration the Shareholder is registered as a shareholder of Pegasus Entrepreneurs, (iii) by sending an email for such purpose to ir@pegasuseurope.com, or (iv) for holders of Shares who are registered in the Shareholders Register (except for Pegasus Ordinary Shares held by Euroclear Nederland pursuant to the Shareholders Register), in the manner as communicated to them by Pegasus Entrepreneurs. Option (i) and (ii) only apply if the Shareholder concerned exercises its voting rights electronically in accordance with the procedure set out below (see section "3.4 Proxies with voting instructions") in which case the Shareholder shall automatically be registered for the EGM and receive a link to the webcast. The registration period starts on 27 May 2022 and ends on 16 June 2022 at 17:30 CEST.

Please note that, for verification and authentication purposes, certain information of the Shareholders

must be provided upon registration. A Shareholder must provide, or ensure that the intermediary can provide on its behalf, the full address details, email address, securities account number (if applicable) and mobile phone number of the relevant ultimate beneficial owner of the Shares. Such information must be provided to ABN AMRO in order for them to verify such Shareholder's interest at the Record Date and provide access to the EGM.

No later than 13:30 CEST on 17 June 2022, (for options (i) and (ii) above) the intermediaries must provide an electronic statement to ABN AMRO via www.abnamro.com/intermediary stating the number of Pegasus Ordinary Shares held through Euroclear Nederland at the Record Date by each relevant Shareholder and the number of such Pegasus Ordinary Shares which have been applied for registration or (for option (iii) above) the respective Shareholder must provide a confirmation of entitlement from the intermediary on the number of Pegasus Ordinary Shares held by the Shareholder on the record date as attachment to his registration email. ABN AMRO will send Shareholders a proof of registration directly or via the relevant intermediary.

3.4 Proxies with voting instructions

Once registered in accordance with the procedure set out above (see section "3.3 Registration for the EGM"), to the extent applicable, a Shareholder can exercise its voting rights electronically by giving a proxy with voting instructions via www.abnamro.com/evoting to civil law notary (*notaris*) Paul van der Bijl of NautaDutilh N.V. in Amsterdam and any candidate civil law notary acting under his supervision (the "**ND Notary**") no later than 16 June 2022 at 17:30 CEST.

To the extent a Shareholder has the right to vote at the EGM, such Shareholder can also give a proxy with voting instructions to the ND Notary by using a written proxy form including voting instructions, and sending such form to the ND Notary by email to ir@pegasuseurope.com, no later than 16 June 2022 at 17:30 CEST. Such a proxy form is available on <https://www.pegasuseurope.com/>. This proxy form can also be used if a Shareholder is unable to give its voting instruction through www.abnamro.com/evoting.

In respect of the Pegasus Ordinary Shares held through Euroclear Nederland, the number of Pegasus Ordinary Shares held by the relevant Shareholder on the Record Date must be confirmed, either by the intermediary issuing a statement via www.abnamro.com/intermediary or by the Shareholder by providing a confirmation of entitlement from the intermediary to such extent as an attachment to the proxy form.

Sections 3.2 through 3.4 apply *mutatis mutandis* to persons with meeting rights (*vergadergerechtigden*) who are not shareholders.

4 EXPLANATORY NOTES TO THE AGENDA FOR THE EXTRAORDINARY GENERAL MEETING

4.1 **Agenda item (2): Presentation of the proposed Business Combination and approval and adoption of the following matters relating to the Business Combination (voting item)**

As the below proposals are a part of the completion of the Business Combination, these agenda items will be considered one single voting item at the EGM.

Pegasus Entrepreneurs has two classes of shares, Class A Ordinary Shares and Founder Shares. To the extent any of these proposals require a resolution of the meeting of holders of shares of a particular class, such resolution is deemed to be adopted if the majority of the votes on shares of the relevant class have been casted in favour of the proposal.

These proposals include the proposals that the meeting of holders of shares of a particular class, approves the proposal in that capacity, to the extent required, by voting in favour of the proposal on the shares held by such Shareholders. By voting in favour of the proposals, these are considered to be voted in favour in a meeting of holders of such particular class as well.

a. **Agenda item (2)(i): Approval of the Business Combination, including the transactions contemplated by the Business Combination Agreement**

After careful consideration, the Pegasus Board has approved the Business Combination and unanimously recommends that the Shareholders, and therefore proposes to the Pegasus General Meeting, to vote "FOR" approval of the Business Combination, including the transactions contemplated by the Business Combination Agreement, and "FOR" all other proposals presented to the Shareholders in this Circular. Please see sections "5. Proposed Business Combination" and "6. Business Combination Agreement and Ancillary Agreements" for additional information. When you consider the Pegasus Board's recommendation of these proposals, you should keep in mind that the members of the Pegasus Board have interests in the Business Combination that may conflict with your interests as a shareholder. In addition, you should read section "10. Risk Factors" for a discussion of the risks you should consider in evaluating the proposed Business Combination and how it may affect you.

b. **Agenda item (2)(ii): Entering into and effectuating the Merger**

It has been agreed as part of the Business Combination that a legal merger (*juridische fusie*) will be effected, whereby Pegasus Entrepreneurs, as disappearing company, will merge with and into FL Entertainment, as acquiring company, pursuant to which the assets and liabilities of Pegasus Entrepreneurs will transfer under universal title to FL Entertainment and whereby FL Entertainment will allot shares in its capital to the Shareholders at the time of such merger in accordance with the merger proposal that will be deposited with the Dutch trade register and disclosed for public inspection and that has been reviewed by an auditor in accordance with section 2:328 of the Dutch Civil Code (*Burgerlijk Wetboek*) ("**DCC**") (the auditor being Grant Thornton Accountants en Adviseurs B.V.).

The Pegasus Board proposes to resolve to enter into the Merger in accordance with the merger proposal.

This resolution will not be effected if resolution 3 below is not adopted.

4.2 Agenda item (3): Cancellation (*intrekking*) of Pegasus Ordinary Shares (i) to be repurchased by Pegasus Entrepreneurs under the Redemption Arrangements on the Business Combination Date or (ii) directly if the repurchase under the Redemption Arrangements is not (expected) to be completed before the Merger becomes effective (*voting item*)

The Pegasus Board proposes that all Pegasus Ordinary Shares to be repurchased (*ingekocht*) by Pegasus Entrepreneurs under the Redemption Arrangements on the Business Combination Date, are cancelled (*ingetrokken*) with effect of the moment specified in a resolution by the Pegasus Board implementing the cancellation (which moment will, for the avoidance of doubt, be prior to the moment the Merger becomes effective).

To the extent necessary, and only to the extent the repurchase (*inkoop*) as described above is (expected) not to be fully effected ultimately one hour before the Merger becomes effective, for whatever reason, the Pegasus Board proposes to the Pegasus General Meeting to cancel (*intrekken*) the Pegasus Ordinary Shares submitted for repurchase under the Redemption Arrangements, as further specified in the resolution of the Pegasus Board implementing the cancellation (to be adopted after the EGM but before the Merger becoming effective). The relevant holders of those Pegasus Ordinary Shares are deemed to have consented to the cancellation of such Pegasus Ordinary Shares by submitting them for repurchase under the Redemption Arrangements.

The proposal included in this agenda item (3) is subject to the adoption by the Pegasus General Meeting of the proposals under agenda item (2).

4.3 Agenda item (4): Board report for the financial year 2021 (*discussion item*)

Dutch law requires the Pegasus Board to annually prepare a board report, which must give a true and fair view of the position on the balance sheet date of the annual accounts, the developments during the financial year and the results of Pegasus Entrepreneurs of which the financial information has been included in the annual accounts (the "**Board Report**"). Under Dutch law, the Board Report must also be discussed at the Pegasus General Meeting. The contents of the Board Report are subject to Dutch law and the Dutch corporate governance code, as amended, entered into force on, and applies to any Financial Year starting on or after, 1 January 2017 and finds its statutory basis in Book 2 of the DCC (the "**Dutch Corporate Governance Code**" or "**Code**").

4.4 Agenda item (5): Remuneration report for the financial year 2021 (*advisory voting item*)

In accordance with Sections 2:135b (1) and (2) DCC in conjunction with Section 2:187 DCC, the implementation of Pegasus Entrepreneurs' compensation policy in 2021 has been disclosed in the remuneration report as part of the Board Report and such remuneration report will be discussed and put to an advisory vote.

4.5 Agenda item (6): Reservation and dividend policy (*discussion item*)

Pegasus Entrepreneurs has not paid any dividends to date and will not pay dividends prior to the consummation of a business combination.

4.6 Agenda item (7): Adoption of the annual accounts for the financial year 2021 (*voting item*)

Dutch law requires the Pegasus Board to annually prepare annual accounts, consisting of a balance sheet and a profit and loss account with respect to the preceding financial year, as well as consolidated accounts and explanatory notes thereto. The Pegasus Board has drawn up the Annual Accounts, which were signed by all members of the Pegasus Board. Dutch law provides that the Pegasus

General Meeting is the corporate body authorised to formally adopt the Annual Accounts.

As indicated above, Pegasus Entrepreneurs has finalised the Annual Accounts, and therefore it is now proposed to the Pegasus General Meeting to adopt the Annual Accounts.

4.7 Agenda item (8): Discharge from liability for the members of the Pegasus Board with respect to the performance of their duties (voting item)

In accordance with Dutch law, if the Pegasus General Meeting adopts the Annual Accounts, such adoption does not automatically release the members of the Pegasus Board from liability with respect to the performance of their duties during the financial year 2021. Instead, such proposal should be made separate from the proposal to adopt the Annual Accounts. Consequently, it is now proposed to the Pegasus General Meeting to release the members of the Pegasus Board from liability with respect to the performance of their duties during the financial year 2021.

In principle, this proposed release from liability only extends to matters that are disclosed in the Annual Accounts or have otherwise been disclosed to the Pegasus General Meeting.

4.8 Agenda item (9): Instruction to Mazars Accountants N.V. for the external audit of Pegasus Entrepreneurs' annual accounts for the financial year 2022 (voting item)

Under Dutch law, the Pegasus General Meeting is, in principle, the corporate body authorised to annually appoint the external independent auditor for the audit of Pegasus Entrepreneurs' annual accounts. In a written resolution of the Pegasus General Meeting dated 7 December 2021, Mazars Accountants N.V. was appointed as the external independent auditor for the audit of the Annual Accounts.

In selecting the external independent accountant for the financial year 2022, the Pegasus Board has come to the conclusion that a renewal of the appointment of Mazars Accountants N.V. would best serve Pegasus Entrepreneurs, in view of their knowledge of Pegasus Entrepreneurs, continued focus on engagement performance and quality.

It is now proposed to appoint Mazars Accountants N.V. as the external independent auditor for the audit of Pegasus Entrepreneurs' annual accounts for the financial year 2022.

This resolution will not be effected if the Merger is completed.

5 PROPOSED BUSINESS COMBINATION

5.1 Background

a. General

On 10 May 2022, Pegasus Entrepreneurs, Financière Lov and FL Entertainment entered into the Business Combination Agreement. Pursuant to the Business Combination Agreement, the Business Combination is expected to be completed and Pegasus Entrepreneurs is expected to enter into the Deed of Merger on the Business Combination Date, subject to the timely satisfaction of the conditions to closing of the Business Combination (please see "6.1(f) Conditions to Closing of the Business Combination") The Merger is expected to become effective on 1 July 2022 and Pegasus Entrepreneurs will be the disappearing entity. As a result of the Merger becoming effective, Pegasus Entrepreneurs' shareholders will become shareholders of FL Entertainment.

For more information about the transactions contemplated in the Business Combination Agreement, please see "6. Business Combination Agreement and Ancillary Agreements".

b. Background to the Business Combination

On 16 June 2021 Pegasus Entrepreneurs, a special purpose acquisition company, was incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) for the purpose of entering into a business combination with an operating business in Europe. On 10 December 2021 Pegasus Entrepreneurs listed on Euronext Amsterdam, a regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**").

The Business Combination is the result of an extensive search for potential transactions utilising the global network of Pegasus Entrepreneurs' management team. The terms of the Business Combination Agreement are the result of extensive negotiations among the respective representatives of Pegasus Entrepreneurs and the FL Entertainment Group.

c. Pegasus IPO

On 10 December 2021, Pegasus Entrepreneurs completed an initial private placement of the Pegasus Ordinary Shares and Pegasus Public Warrants (the "**Pegasus IPO**") in which it offered 21,000,000 units (the "**Pegasus Units**" and each a "**Pegasus Unit**") at a price of €10.00 per Pegasus Unit. Each Pegasus Unit consisted of one Pegasus Ordinary Share that entitled its holder to receive an additional 1/3 of a Pegasus Public Warrant. The Sponsors, and their affiliates and/or directors, including Pierre Cuilleret as CEO, together subscribed for a total of 3,100,000 Pegasus Units in the Pegasus IPO.

In connection with the Pegasus IPO, the Sponsors and their affiliates and/or directors, including Pierre Cuilleret, Diego De Giorgi and Jean Pierre Mustier, have together purchased a total of 5,250,000 Pegasus Founder Shares at a subscription price of €1.50 per Pegasus Founder Share for an aggregate subscription price of €7,875,000. Of these 5,250,000 Pegasus Founder Shares, 100,000 Pegasus Founder Shares will be transferred to the independent non-executive directors of Pegasus Entrepreneurs and Baptiste Desplats, Pegasus Entrepreneurs' chief financial officer immediately before the completion of the Business Combination.

Also in connection with the Pegasus IPO, Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, as well as Pegasus Acquisition Partners Holding and/or their respective affiliates and/or directors, have agreed to subscribe for an aggregate of 5,250,000 warrants of Pegasus

Entrepreneurs (the "**Pegasus Founder Warrants**") and each such warrant a "**Pegasus Founder Warrant**") for an aggregate subscription price of €157,500. Each Pegasus Founder Warrant entitles the holder thereof to purchase one Pegasus Ordinary Share at a price of €11.50, subject to certain adjustments.

Furthermore Tikehau Capital, Poseidon Entrepreneurs Financial Sponsor SAS and Financière Agache have entered into the Forward Purchase Agreement as described above. Since the Merger is expected to complete on 1 July 2022 and Pegasus Entrepreneurs is the disappearing entity, each of Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS) will each subscribe for 2,500,000 FLE Ordinary Shares and 833,333 FLE Warrants (the 5,000,000 FLE Ordinary Shares and 1,666,666 FLE Warrants together the "**Forward Purchase Securities**"), for an amount of €25,000,000 each. Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS) are expected to receive the Forward Purchase Securities on 5 July 2022 (the "**Settlement Date**").

d. Business Combination process

Since the completion of the Pegasus IPO, Pegasus Entrepreneurs considered a number of potential target businesses with the objective of consummating a business combination. Representatives of Pegasus Entrepreneurs contacted, and were contacted by, a number of individuals and entities with respect to potential business combination opportunities. Pegasus Entrepreneurs primarily considered businesses that it believed could benefit from the substantial expertise, experience and network of its management team, that Pegasus Entrepreneurs determined have a competitive advantage in the markets in which they operate and that have attractive growth prospects.

On 16 December 2021, Pegasus Entrepreneurs and the FL Entertainment Group entered into a confidentiality agreement (the "**Confidentiality Agreement**") and started negotiations on the terms and conditions of a potential business combination.

Pursuant to the Confidentiality Agreement, Financière Lov provided the representatives of Pegasus Entrepreneurs with access to an online data room for purposes of Pegasus Entrepreneurs and its advisors conducting due diligence with respect to the FL Entertainment Group.

Between 12 January 2022 and the date of the execution of the Business Combination Agreement, Pegasus Entrepreneurs conducted business, financial, tax and legal due diligence with respect to the FL Entertainment Group.

On 12 January 2022, Pegasus Entrepreneurs and Financière Lov entered into, and executed, a letter of intent (the "**LoI**") with a non-binding term sheet. After the execution of the LoI, Pegasus Entrepreneurs and Financière Lov entered into exclusive negotiations relating to the Business Combination Agreement.

Under the LoI, Pegasus Entrepreneurs and Financière Lov agreed, without legally binding obligations and subject to due diligence, regulatory approvals and other closing conditions, among other things, (i) that the Business Combination would be implemented through FL Entertainment into which Pegasus Entrepreneurs would merge and whose FLE Ordinary Shares and FLE Warrants would be admitted to listing and trading on Euronext Amsterdam (the "**Listing**"); (ii) the consideration for Financière Lov's contribution of its shareholding in LDH (as defined below) and Betclic to FL Entertainment and (iii) that no FL Entertainment Group Company has any claim against the monies in the bank accounts opened by Stichting Pegasus Entrepreneurial Europe Escrow ("**Escrow Foundation**") and held with BNP Paribas and Caisse d'Épargne Côte d'Azur (the "**Escrow**").

Accounts") or distributions from the Escrow Accounts.

Under the LoI, Pegasus Entrepreneurs and Financière Lov also agreed to an exclusivity period of four months (the "**Exclusivity Period**"), starting 12 January 2022.

At the date of this Circular, Pegasus Entrepreneurs and FL Entertainment have entered into PIPE Financing Subscription Agreements with a number of PIPE Investors for an aggregate amount of €219,000,000. These investments come from high-quality long-term investors, including among others Exor, Vivendi, Fimalac, AXA Investment Managers (acting on behalf of the AXA Companies) and Arjo (the investment vehicle of Didier Le Menestrel). Pegasus Entrepreneurs and FL Entertainment and may enter into PIPE Financing Subscription Agreements with additional PIPE Investors whereby these PIPE Investors would undertake to subscribe to the PIPE Financing up to a certain amount, subject to the terms and conditions of the PIPE Financing Subscription Agreements. The targeted total aggregate amount of the PIPE Investors subscription undertakings amounts to €250,000,000, which is equal to the issuance of 25,000,000 FLE Ordinary Shares at an issue price of €10 per FLE Ordinary Share.

On 10 May 2022, Pegasus Entrepreneurs, Financière Lov and certain other parties entered into the Business Combination Agreement, the Investment Agreement (as defined and further described in paragraph "*a. Investment Agreement*" of "*6.2 Ancillary Agreements*") and certain ancillary agreements.

On 10 May 2022, Pegasus Entrepreneurs issued an ad hoc press release announcing the execution of the Business Combination Agreement, and Pegasus Entrepreneurs and FL Entertainment issued a joint press release announcing the same and provided information on the PIPE Financing.

On 12 May 2022, this Circular is distributed to the shareholders of Pegasus Entrepreneurs.

On 23 June 2022, an extraordinary shareholders' meeting of Pegasus Entrepreneurs (the EGM) shall be held in which the Shareholders may vote on the proposed Business Combination.

On 30 June 2022 (the Business Combination Date) the Lov Reorganisation is expected to complete, Pegasus Entrepreneurs expects to enter into the Deed of Merger and the redemptions by the Pegasus Ordinary Shareholders (if any) are expected to be settled in accordance with the Redemption Arrangements.

As from 1 July 2022 the Merger is expected to be effective and Pegasus Entrepreneurs is the disappearing entity. As a result of the Merger becoming effective, Pegasus Entrepreneurs' shareholders will become shareholders of FL Entertainment.

As from 1 July 2022 it is expected that the Listing will take place.

5.2 Reasons for the proposed Business Combination

a. Pegasus Entrepreneurs' reasons for the Business Combination

The Pegasus Board, in evaluating the Business Combination, consulted with its legal counsel, financial and accounting advisors and other advisors. In reaching its resolution (i) that the terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination are advisable, fair to and would materially benefit and be in the best corporate interest of Pegasus Entrepreneurs and its shareholders and (ii) to recommend that the Pegasus Ordinary Shareholders (as defined below) and the Sponsors adopt the Business Combination Agreement and approve the Business Combination, the Pegasus Board considered and evaluated a

number of factors, including, but not limited to, the factors discussed below. In light of the number and wide variety of factors considered in connection with its evaluation of the Business Combination, the Pegasus Board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that it considered in reaching its determination and supporting its decision. The Pegasus Board viewed its decision as being based on all of the information available and the factors presented to and considered by it. In addition, individual members of the Pegasus Board may have given different weight to different factors.

The Pegasus Board considered a number of factors pertaining to the Business Combination as generally supporting its decision to enter into the Business Combination Agreement and the transactions contemplated thereby, including but not limited to, the following material factors:

- *Experienced leadership team led by Stéphane Courbit.* The FL Entertainment Group's experienced management team, led by Stéphane Courbit, has demonstrated its capacity to develop and advance the FL Entertainment Group's business objectives.
- *Track record and business model.* Growth track record of the FL Entertainment Group's business with a resilient, asset light and cash generative business model.
- Financial analysis conducted by Pegasus Entrepreneurs' management team and its advisors.
- *Continued ownership by the FL Entertainment Group's existing shareholders.* The Pegasus Board considered that the FL Entertainment Group's existing shareholders would collectively remain the largest shareholders of FL Entertainment following the Business Combination. The Pegasus Board considered this a strong sign of the FL Entertainment Group's existing shareholders' confidence in the FL Entertainment Group and the benefits to be realised as a result of the Business Combination.
- *Other alternatives.* The Pegasus Board believes, after a thorough review of other business combination opportunities reasonably available to Pegasus Entrepreneurs, that the Business Combination represents the best potential business combination for Pegasus Entrepreneurs and the Shareholders based upon the process utilised to evaluate and assess other potential acquisition targets and the Pegasus Board's belief that such processes have not presented a better alternative.
- *Specific background of the Sponsors adds further value.* Pegasus Entrepreneurs believes that the specific background, network and know-how of its Sponsors and the Pegasus Board adds further value for the FL Entertainment Group. In addition to considering the factors described above, the Pegasus Board also considered that the Sponsors and their affiliates and/or directors have interests in the Business Combination as individuals that are in addition to, and that may be different from, the interests of the Pegasus Entrepreneurs' holders of Pegasus Ordinary Shares, other than the Sponsors and their affiliates and/or directors (the "**Pegasus Ordinary Shareholders**") (see "10.1(i) Combination").

The Pegasus Board concluded that the potential benefits that it expected Pegasus Entrepreneurs and its shareholders to achieve as a result of the Business Combination outweighed the potentially negative factors associated with the Business Combination. Accordingly, the Pegasus Board determined that the Business Combination Agreement and the Business Combination, were advisable, fair to and would materially benefit and be in the best corporate interest of Pegasus Entrepreneurs and its shareholders.

b. FL Entertainment's reasons for the Business Combination

The Business Combination enables the FL Entertainment Group to restructure and simplify its capital structure through the Lov Reorganisation (as defined in paragraph "G. Covenants of the Parties to the Business Combination Agreement" in "6.1 Business Combination Agreement"), which will increase control on, and economic exposure to, the Banijay Group and the Betclic Everest Group. This is expected to accelerate the implementation of the strategy of the FL Entertainment Group. See paragraph "C. Strategy and Key Strengths" in "7.1 General".

In addition, the FL Entertainment Group expects the Business Combination to create a new long-term shareholder base due to various lock-ups agreed in connection with the Business Combination as well as liquidity for its shareholders pursuant to the listing on Euronext Amsterdam. There is a strong incentive to commit to the long-term success of FL Entertainment for Financière Lov, FL Entertainment's largest shareholder as from Settlement, and Pegasus Entrepreneurs, augmented by lock-up arrangements and promote mechanisms (see paragraph "B. Ownership Structure of FL Entertainment after completion of the Business Combination" in "5.5 Legal structure of the proposed Business Combination"). The Listing will also provide additional financial flexibility and diversity of financing sources through access to a wider range of capital raising options. Furthermore, the Listing will create a market in the FLE Ordinary Shares and FLE Warrants for existing and future shareholders of FL Entertainment.

The Business Combination will also provide the FL Entertainment Group with additional capital. After deduction of the fees and expenses of the Business Combination (excluding expenses related to the Listing) which are estimated at approximately €35 million, the remainder of the proceeds are expected to amount to around €725 million, taking into account (i) €210 million which is the amount on the bank accounts opened by Stichting Pegasus Entrepreneurial Europe Escrow and held with BNP Paribas and Caisse d'Épargne Côte d'Azur at the Business Combination Date (assuming there will not be any amounts payable to Pegasus Entrepreneurs' shareholders pursuant to the Redemption Arrangements (as defined in "11.1 Repurchase of the Pegasus Ordinary Shares held by Pegasus Ordinary Shareholders at the time of the Business Combination"), (ii) approximately €250 million in PIPE Financing proceeds and (iii) €300 million investments from Financière Lov and the Sponsors. The FL Entertainment Group intends to use these proceeds to purchase part of SBM International's stake in Betclic in cash, repay debts, including the bridge credit facility entered into on 13 December 2021, by and among, *inter alios*, Betclic as borrower and Mangas Lov as guarantor and parent company, pursuant to which a €130.0 million term loan has been made available to Betclic and the bonds issued by Lov Banijay to SIG 116 (an affiliate of Vivendi) for an aggregate amount of approximately €170 million (including accrued interests) as well as general corporate purposes.

5.3 Business Combination criteria

The prospectus prepared in connection with the Pegasus IPO dated 10 December 2021 (the "**Pegasus IPO Prospectus**") sets out on page 53 certain non-binding general criteria and guidelines for evaluating prospective target businesses, which we refer to as the "target business profile". This section of this Circular explains how the proposed Business Combination aligns with the target business profile.

For ease of reference, an extract from page 53 of the Pegasus IPO Prospectus is set out below:

"Consistent with its strategy, the Company has identified the following general criteria and guidelines which it believes are important in evaluating prospective target businesses. the

Company will use these criteria and guidelines in evaluating acquisition opportunities, but it may decide to enter into an initial Business Combination with a target business that does not meet these criteria and guidelines. By utilising the Company's and the Sponsors' global networks of contacts, which may provide access to differentiated deal flow and deal-sourcing capabilities, the Company intends to enter into a Business Combination with a company or business that:

- is headquartered in Europe;
- has a high growth track record with a clear (organic or external) growth and value creation plan which can be further enhanced by additional capital and liquidity thanks to a listing;
- is led by an entrepreneur, founder-owned or controlled by a family or private equity fund;
- has clear, measurable path to increased profitability and sustainable value creation;
- has a strong and defensible market position in Europe and demonstrates competitive advantages, such as a strong customer base, differentiated approach, multi-channel distribution capabilities, or more, creating a strong moat against new competitors;
- is meeting environmental, social and governance ("ESG") criteria, and / or has a sustainability focus in its main business and operations, and / or is contributing to the objectives of one or more Sustainable Development Goals as defined by the United Nations Assembly in 2015 (UN SDGs);
- has strong management teams with a track record of driving growth and profitability, and can benefit from the vast network, experience and guidance of the Sponsors; and
- is ready to withstand public markets scrutiny.

These criteria and guidelines are not intended to be exhaustive. Any evaluation relating to the merits of a particular initial Business Combination may be based, to the extent relevant, on these criteria and guidelines as well as other considerations, factors and criteria that the management team may deem relevant. In the event that Pegasus Entrepreneurs decides to enter into an initial Business Combination with a target business that does not meet the above criteria and guidelines, Pegasus Entrepreneurs will disclose that the target business does not meet the above criteria and guidelines in the shareholder communications related to the initial Business Combination, which, as discussed in this Prospectus, would be in the form of proxy solicitation materials or tender offer documents that Pegasus Entrepreneurs would file with the relevant regulatory authorities."

As discussed further above, the Pegasus Board believes that the proposed Business Combination is a highly attractive opportunity for the Shareholders to become investors in FL Entertainment. In this context, the Pegasus Board also believes that FL Entertainment is a strong fit with the general criteria and guidelines set out in the Pegasus IPO Prospectus and as set out above.

5.4 Consideration and expenses

a. Consideration to certain shareholders in the Business Combination

The parties have agreed in the Business Combination Agreement that the Business Combination is based on an equity value, on a fully-diluted basis excluding the Earn-Out (as defined in "5.7.(c) Earn-Out Preference Shares"), of FL Entertainment of €3,635,259,281 immediately prior to the Merger becoming effective and before receipt of the proceeds from the issue of the PIPE Financing, the

Business Combination Escrow Amount (as defined in paragraph "6.1(f) Conditions to closing of the Business Combination") and the proceeds from the issue of the Forward Purchase Securities.

Consequently as part of the Business Combination:

- the holders of Pegasus Ordinary Shares will be allotted one FLE Ordinary Share for each Pegasus Ordinary Share, being an aggregate number of a maximum of 21,000,000 FLE Ordinary Shares¹;
- the holders of Pegasus Founder Shares will be allotted one FLE Founder Share for each Pegasus Founder Share, being an aggregate number of 5,250,000 FLE Founder Shares;
- each Pegasus Public Warrant will be assumed by FL Entertainment, being an aggregate number of 8,666,660 outstanding FLE Warrants and 5,250,000 FLE Warrants in treasury; and
- each Pegasus Founder Warrant will be assumed by FL Entertainment, being an aggregate number of 5,250,000 FLE Founder Warrants.

b. Sources and uses for the Business Combination

The following table summarises the sources and uses for funding the Business Combination:

Source	Amount	Use	Amount
Financière Lov's equity contribution	€1,670,010,000	Financière Lov's equity roll over	€1,670,009,970
Vivendi's equity contribution ¹	€788,296,109	Vivendi's equity roll over	€788,296,100
SBM International's equity contribution	€425,000,000	SBM International's equity roll over	€425,000,000
De Agostini's equity contribution	€206,568,990	De Agostini's equity roll over	€206,568,940
Fimalac's equity contribution ¹	€289,784,183	Fimalac's equity roll over	€289,784,160
Pegasus Entrepreneurs' Escrow Accounts ²	€210,000,000	SBM International cash consideration	€425,000,000
Financière Lov investment	€250,000,000	Transaction costs	€35,000,000
Pegasus Sponsors' investment ³	€50,000,000	Cash available and debt repayment ⁵	€300,000,000
PIPE Financing contributions ⁴	€250,000,000	Share fractions (non-repaid)	€112
Total	€4,139,659,282		€4,139,659,282

¹ This amount represents only the value of the assets contributed by Vivendi and Fimalac as part of the transaction. The amount does not include their respective PIPE Financing contributions, which are reflected in the PIPE Financing contributions line.

² This amount assumes there will not be any redemptions by the Pegasus Ordinary Shareholders.

³ Pursuant to the Forward Purchase Agreement, each of Tikehau Capital, Poseidon Entrepreneurs Financial Sponsor SAS and Financière Agache have agreed to purchase from Pegasus Entrepreneurs up to 2,500,000 Pegasus Ordinary Shares and up to 833,333 Pegasus Public Warrants, for an amount of up to €25,000,000 each (representing the number of Pegasus Ordinary Shares purchased under the Forward Purchase Agreement multiplied by €10.00), in a private placement that would occur simultaneously with the Business Combination.

¹ At the Pegasus IPO, 21,000,000 Pegasus Ordinary Shares have been issued. In connection with the Business Combination, holders of Pegasus Ordinary Shares will have the option to redeem their Pegasus Ordinary Shares. If Pegasus Ordinary Shares are being redeemed, the aggregate number of FLE Ordinary Shares received by the holders of Pegasus Ordinary Shares will be lower. At the date of this Circular, approximately 50% of the holders of Pegasus Ordinary Shares, representing in aggregate €102 million, have signed a letter in which they undertake not to redeem their Pegasus Ordinary Shares.

Since the Merger is expected to complete on 1 July 2022 and Pegasus Entrepreneurs is the disappearing entity, Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS) will subscribe for 2,500,000 FLE Ordinary Shares in FL Entertainment's capital and 833,333 FLE Warrants (together the Forward Purchase Securities), for an amount of €25,000,000 each. Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS) are expected to receive the Forward Purchase Securities on the Settlement Date.

⁴ the PIPE Financing (including Vivendi's PIPE Financing contribution and Fimalac's PIPE Financing contribution of €25,000,000 each) is assumed to amount €250,000,000. €219,000,000 has already been subscribed for by PIPE Investors and the PIPE Financing can be increased up to a maximum of €390,000,000.

⁵ Includes the repayment of all Vivendi bonds outstanding at Lov Banijay level for an aggregate amount of €170,475,416.84.

c. Expenses

The expenses related to the Business Combination (excluding expenses related to the Listing) are estimated at approximately €35 million and include, among other items, the fees due to financial advisors (including advisors that have assisted with the PIPE Financing) and legal and administrative expenses.

The expenses related to the Listing are estimated at approximately €2 million and correspond to the fees due to the AFM and Euronext Amsterdam N.V., as well as publication costs and applicable taxes, if any.

5.5 Legal structure of the proposed Business Combination

a. Effect of the Business Combination on Pegasus Entrepreneurs' shareholders

As a result of the completion of the Business Combination, Pegasus Entrepreneurs' shareholders will become shareholders of FL Entertainment. Pegasus Entrepreneurs' shareholders holding Pegasus Ordinary Shares are expected to receive FLE Ordinary Shares on the Settlement Date and will become FLE Ordinary Shareholders of FL Entertainment. Pursuant to the Merger, FL Entertainment will acquire the contractual arrangement of the Pegasus Public Warrants and Pegasus Founder Warrants and assumes the obligations thereunder under universal title upon completion of the Merger, and subsequently the Pegasus Public Warrant holders will become holders of FLE Warrants that entitle the holder to acquire FLE Ordinary Shares in FL Entertainment.

b. Ownership structure of FL Entertainment after completion of the Business Combination

As a result of the completion of the Lov Reorganisation and the Business Combination, as of the First Trading Date, FL Entertainment's share capital is expected to be as follows:

Shareholder	FL Entertainment's Share Capital						
	Number of FLE Ordinary Shares	Number of FLE Founder Shares	Number of Earn-Out Preference Shares	Number of Special Voting Shares	Percentage of share capital and voting rights ⁽³⁾	Percentage of effective economic rights ⁽⁴⁾	Percentage of effective voting rights ⁽⁵⁾
Financière Lov Former Banijay and Betclac Minority	192,000,997	0	20,000,000	191,999,997	73.68%	46.38%	72.18%
	170,964,920	0	0	0	19.81%	41.30%	21.43%

Shareholders (1)								
PIPE	25,000,000	0	0	0	2.90%	6.04%	3.13%	
Investors								
Pegasus	17,900,000	0	0	0	2.07%	4.32%	2.24%	
Ordinary								
Shareholders								
Sponsors ⁽²⁾	8,100,000	5,250,000	0	0	1.55%	1.96%	1.02%	
Total	413,965,917	5,250,000	20,000,000	191,999,997	100.00%	100.00%	100.00%	

- (1) The "**Former Banijay and Betclic Minority Shareholders**" are De Agostini, Fimalac, SBM International and Vivendi. With respect to Vivendi and Fimalac, this amount only incorporates the value of the assets contributed by Vivendi and Fimalac as part of the transaction. The amount does not include their respective PIPE Financing contributions, which are reflected in the PIPE Investors.
- (2) The Sponsors are Pegasus Acquisition Partners Holding, Tikehau Capital, Financière Agache, Diego De Giorgi and Jean Pierre Mustier.
- (3) The percentage of share capital and voting rights is calculated as follows: (the total number of shares (across all classes of shares) held by the relevant shareholder multiplied by the respective nominal value of each share) divided by (the total number of shares (across all classes of shares) held by all shareholders multiplied by the nominal value of each share).
- (4) The effective economic rights are calculated on the basis of FLE Ordinary Shares shown under "Number of FLE Ordinary Shares" and reflect the expected actual economic rights of the various parties following the completion of the Business Combination as of the First Trading Date. The calculation does not include FLE Founder Shares, Earn-Out Preference Shares or Special Voting Shares, as the Special Voting Shares, the FLE Founder Shares and the Earn-Out Preference Shares have a minimal economic entitlement (and any amount of profit allocated to the Special Voting Shares, Founder Shares and/or Earn-Out Preference Shares pursuant to such entitlement will not be distributed to the holders thereof but added to separate dividend reserves maintained by the Company in relation to (each class of the) Special Voting Shares, Founder Shares and Earn-Out Preference Shares).
- (5) The effective voting rights are calculated on the basis of the FLE Ordinary Shares shown under "Number of FLE Ordinary Shares" and Special Voting Shares shown under "Number of Special Voting Shares". The calculation reflects the expected actual voting rights of the various parties following the completion of the Business Combination as of the First Trading Date. The calculation does not include FLE Founder Shares and Earn-Out Preference Shares. Voting rights are attached to the FLE Founder Shares and the Earn-Out Preference Shares, but their holders have committed to not exercise any voting rights attached to these shares.

These levels of ownership assume that (i) on or before the First Trading Date none of the FLE Founder Shares (as defined in paragraph "*b. FLE Founder Shares*" in "*5.7 Share capital structure of the proposed Business Combination*") are converted to FLE Ordinary Shares, as such conversion will at the earliest take place on the Settlement Date, (ii) there will not be any redemptions by the Pegasus Ordinary Shareholders and (iii) 25,000,000 FLE Ordinary Shares will be issued in connection with the PIPE Financing.

Furthermore, following the completion of the Business Combination, as of the First Trading Date: (i) (the (former) Pegasus Ordinary Shareholders own (at such time, FLE Ordinary Shareholders) are expected to own 5,966,662 FLE Warrants and (ii) the Sponsors own 2,699,998 FLE Warrants and 5,250,000 Pegasus Founder Warrants assumed by FL Entertainment (the "**FLE Founder Warrants**" and each such founder warrant a "**FLE Founder Warrant**"). It is expected that the PIPE Investors, Financière Lov and the Former Banijay and Betclic Minority Shareholders will not own any FLE

Warrants or FLE Founder Warrants at the date of the Listing:

Shareholder	Number of FLE Warrants	Number of FLE Founder Warrants
Financière Lov	0	0
Former Banijay and Betclic Minority Shareholders ⁽¹⁾	0	0
PIPE Investors	0	0
Pegasus Ordinary Shareholders	5,966,662	0
Sponsors ⁽²⁾	2,699,998	5,250,000
Total	8,666,660	5,250,000

⁽¹⁾ The Former Banijay and Betclic Minority Shareholders are De Agostini, Fimalac, SBM International and Vivendi.

⁽²⁾ The Sponsors are Pegasus Acquisition Partners Holding, Tikehau Capital, Financière Agache, Diego De Giorgi and Jean Pierre Mustier.

For sake of completeness, following the completion of the Business Combination, FL Entertainment will also assume the 5,250,000 Pegasus Warrants held in treasury for the purpose of effecting the exchange of Pegasus Founder Warrants held by the Sponsors for listed FLE Warrants at the earliest thirty (30) days after the completion of a Business Combination.

FL Entertainment is controlled by Financière Lov and indirectly the Courbit Family. The below table provides an overview of the beneficial ownership of each person who is expected to own 3% or more of FL Entertainment's share capital, effective economic rights or voting rights as of the First Trading Date.

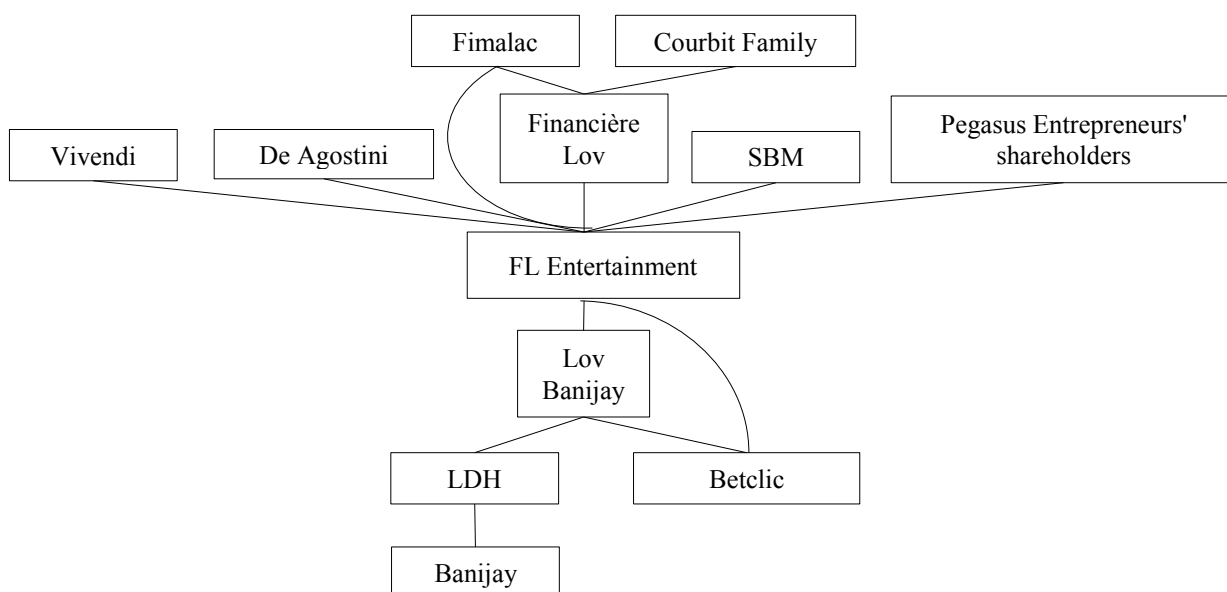
Shareholder	FL Entertainment's Major Shareholders						
	Number of FLE Ordinary Shares	Number of FLE Founder Shares	Number of Earn-Out Preference Shares	Number of Special Voting Shares	Percentage of share capital and voting rights⁽¹⁾	Percentage of effective economic rights⁽²⁾	Percentage of effective voting rights⁽³⁾
Financière Lov	192,000,997	0	20,000,000	191,999,997	73.68%	46.38%	72.18%
Vivendi ⁽⁴⁾	81,329,610	0	0	0	9.42%	19.65%	10.19%
Monte Carlo, SBM International S.à r.l. (" SBM International ")	42,500,000	0	0	0	4.92%	10.27%	5.33%
Fimalac ⁽⁴⁾⁽⁵⁾	31,478,416	0	0	0	3.65%	7.60%	3.94%
De Agostini	20,656,894	0	0	0	2.39%	4.99%	2.59%
Total⁽⁶⁾	367,965,917	0	20,000,000	191,999,997	94.06%	88.89%	94.24%

⁽¹⁾ The percentage of share capital and voting rights is calculated as follows: (the total number of shares (across all

classes of shares) held by the relevant shareholder multiplied by the respective nominal value of each share) divided by (the total number of shares (across all classes of shares) held by all shareholders multiplied by the nominal value of each share).

- (2) The effective economic rights are calculated on the basis of FLE Ordinary Shares shown under "Number of FLE Ordinary Shares" and reflect the expected actual economic rights of the various parties following the completion of the Business Combination as of the First Trading Date. The calculation does not include FLE Founder Shares, Earn-Out Preference Shares or Special Voting Shares, as the Special Voting Shares, the FLE Founder Shares and the Earn-Out Preference Shares have a minimal economic entitlement (and any amount of profit allocated to the Special Voting Shares, Founder Shares and/or Earn-Out Preference Shares pursuant to such entitlement will not be distributed to the holders thereof but added to separate dividend reserves maintained by the Company in relation to (each class of the) Special Voting Shares, Founder Shares and Earn-Out Preference Shares).
- (3) The effective voting rights are calculated on the basis of the FLE Ordinary Shares shown under "Number of FLE Ordinary Shares" and Special Voting Shares shown under "Number of Special Voting Shares". The calculation reflects the expected actual voting rights of the various parties following the completion of the Business Combination as of the First Trading Date. The calculation does not include FLE Founder Shares and Earn-Out Preference Shares. Voting rights are attached to the FLE Founder Shares and the Earn-Out Preference Shares, but their holders have committed to not exercise any voting rights attached to these shares.
- (4) Please note the respective shareholdings of Vivendi and Fimalac include their PIPE Financing contributions.
- (5) Fimalac also holds 8.34% of the shares in the capital of Financière Lov.
- (6) The total numbers show the number of each class of shares held in aggregate by major shareholders. It does not show the total number of each class of shares issued by FL Entertainment. Furthermore, the totals show the percentage of the share capital and voting rights, the effective economic rights and the effective voting rights held in aggregate by the major shareholders. The remainder (i.e. 5.94% of the share capital and voting rights, 11.11% of the effective economic rights and 5.76% of the effective voting rights) are held by the other shareholders of FL Entertainment.

The below structure chart shows an overview of the FL Entertainment Group's group structure from the level of the FL Entertainment's shareholders down to the levels of Banijay and Betclic after the Lov Reorganisation and the Merger:



5.6 PIPE investment and other investments

a. PIPE Investment

At the date of this Circular, Pegasus Entrepreneurs and FL Entertainment have entered into PIPE Financing Subscription Agreements with a number of PIPE Investors for an aggregate amount of €219,000,000 and may enter into PIPE Financing Subscription Agreements with additional PIPE Investors whereby these PIPE Investors would undertake to subscribe to the PIPE Financing up to a certain amount, subject to the terms and conditions of the PIPE Financing Subscription Agreements. The targeted total aggregate amount of the PIPE Investors subscription undertakings amounts to €250,000,000, which is equal to the issuance of 25,000,000 FLE Ordinary Shares at an issue price of €10 per FLE Ordinary Share. The total aggregate amount of the PIPE Investors subscription undertakings allowed under the Business Combination Agreement would amount to a maximum of €390,000,000, which is equal to the issuance of 39,000,000 FLE Ordinary Shares at an issue price of €10 per FLE Ordinary Share.

On 10 May 2022, Vivendi entered into the Investment Agreement and agreed to subscribe for 2,500,000 FLE Ordinary Shares for an aggregate amount of €25,000,000 as part of the PIPE Financing on the terms set out in the Investment Agreement.

b. Forward Purchase Agreement

On 10 December 2021 Pegasus Entrepreneurs entered into the Forward Purchase Agreement with Tikehau Capital, Poseidon Entrepreneurs Financial Sponsor SAS and Financière Agache. Pursuant to the Forward Purchase Agreement, each of Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS) have agreed to purchase from Pegasus Entrepreneurs up to 2,500,000 Pegasus Ordinary Shares and up to 833,333 Pegasus Public Warrants, for an amount of up to €25,000,000 each (representing the number of Pegasus Ordinary Shares purchased under the Forward Purchase Agreement multiplied by €10.00), in a private placement that would occur simultaneously with the Business Combination. Since the Merger is expected to complete on 1 July 2022 and Pegasus Entrepreneurs is the disappearing entity, Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS) will have each subscribed for the Forward Purchase Securities, for an amount of €25,000,000 each. Tikehau Capital and Poseidon Entrepreneurs Financial Sponsor SAS are expected to receive the Forward Purchase Securities on the First Trading Date.

c. Investment Agreement

On 10 May 2022, in addition, Financière Lov, De Agostini, Vivendi, SBM International and Fimalac entered into the Investment Agreement and took the undertakings below:

- (i) Financière Lov agreed to contribute all its 38,385,657 shares in Lov Banijay to FL Entertainment and shall receive in consideration 178,479,432 FLE Ordinary Shares and 178,479,432 Special Voting Shares A;
- (ii) Fimalac agreed to contribute all its 6,214,277 shares in Lov Banijay to FL Entertainment and shall receive in consideration 28,978,416 FLE Ordinary Shares;
- (iii) Vivendi agreed to contribute all its 16,904,617 shares in Lov Banijay to FL Entertainment and shall receive in consideration 78,829,610 FLE Ordinary Shares;
- (iv) De Agostini agreed to contribute or sell all its shares in Lov Banijay to FL Entertainment and shall receive in consideration FLE Ordinary Shares on the basis of a contribution value

- per Lov Banijay share equal to the contribution value per Lov Banijay share retained in the context of the contribution made by Financière Lov, Fimalac and Vivendi; and
- (v) SBM International agreed to contribute or sell all its shares in Betclic to FL Entertainment and shall receive in consideration a number of FLE Ordinary Shares equal to the product (rounded down to the next integer) of (i) the number of shares in Betclic contributed and (ii) a predetermined contribution parity.

Furthermore and as described under (a) (*PIPE Investment*) above, on 10 May 2022, Vivendi entered into the Investment Agreement and agreed to subscribe for 2,500,000 FLE Ordinary Shares for an aggregate amount of €25,000,000 as part of the PIPE Financing on the terms set out in the Investment Agreement.

The Investment Agreement stipulates that five members of the Courbit Family will each subscribe, at the latest on the Business Combination Date, to 10,000 FLE Ordinary Shares at a price per share of €10 for a total amount of €500,000. Such participation is envisaged to take place pursuant to the PIPE Financing. The Courbit Family members will subsequently enter into a shareholders agreement in respect of FL Entertainment and will be acting in concert (*handelend in onderling overleg*) and will be deemed to jointly have control (*overwegende zeggenschap*), as defined in article 1:1 of the Dutch Financial Supervision Act, over FL Entertainment as per the time of admission to trading of the FLE Ordinary Shares and FLE Warrants on Euronext Amsterdam.

5.7 Share capital structure of the proposed Business Combination

a. FLE Ordinary Shares

FL Entertainment was incorporated by Mangas Lov SAS on 10 March 2022, at which time 1,000 FLE Ordinary Shares were issued to Mangas Lov SAS. On 10 March 2022, all issued shares in the capital of FL Entertainment were transferred by Mangas Lov SAS to Financière Lov.

On the Business Combination Date, it is envisaged that Financière Lov, De Agostini, Vivendi, SBM and Fimalac, will in the aggregate acquire approximately 365,464,917 FLE Ordinary Shares, pursuant to the equity contributions in connection with the Lov Reorganisation and, in case of Financière Lov and Vivendi, additional cash contributions subject to the terms of the Investment Agreement. See "5.5(b.) Ownership Structure of FL Entertainment after completion of the Business Combination". On 10 December 2021, Pegasus Entrepreneurs completed the Pegasus IPO in which it offered 21,000,000 Pegasus Units at a price of €10.00 per Pegasus Unit. Each Pegasus Unit consisted of one Pegasus Ordinary Share that entitled its holder to receive an additional 1/3 of a Pegasus Public Warrant. The Sponsors, and their affiliates and/or directors, including Pierre Cuilleret as CEO, together subscribed for a total of 3,100,000 Pegasus Units in the Pegasus IPO.

On the Business Combination Date it is envisaged and at 0:01 CEST on the First Trading Date, all parties to the FLE Concert will have received FLE Ordinary Shares.

On 10 December 2021, Pegasus Entrepreneurs completed the Pegasus IPO in which it offered 21,000,000 Pegasus Units at a price of €10.00 per Pegasus Unit. Each Pegasus Unit consisted of one Pegasus Ordinary Share that entitled its holder to receive an additional 1/3 of a Pegasus Public Warrant. The Sponsors, and their affiliates and/or directors, including Pierre Cuilleret as CEO, together subscribed for a total of 3,100,000 Pegasus Units in the Pegasus IPO.

Two investors that in aggregate have been allocated a total of 7,000,000 Pegasus Units² in the Pegasus IPO (the "**Major IPO Shareholders**") have agreed with the Sponsors that they receive, at no cost, a number of Pegasus Ordinary Shares corresponding to 2% of the number of Pegasus Ordinary Shares (forming part of the Pegasus Units) such investor is allocated in the Pegasus IPO, or if less, the investors will hold upon the completion of the Business Combination; provided that such investor (i) has not redeemed any of its Pegasus Ordinary Shares subscribed for in the Pegasus IPO to the extent that such redemption would lead to such investor holding fewer than 2,500,000 Pegasus Ordinary Shares at any time and (ii) owns at least 2,500,000 Pegasus Ordinary Shares at the time of completion of the Business Combination.

The Pegasus Ordinary Shares and the Pegasus Public Warrants have traded as Pegasus Units on Euronext Amsterdam for the first 35 calendar days from their first listing and trading date under the symbol "PEACE" (same symbol as the Pegasus Ordinary Shares). On 14 January 2022, the Pegasus Public Warrants automatically commenced trading separately under the symbol "PEACW".

Following the completion of the Business Combination, the holders of Pegasus Ordinary Shares are expected to receive one FLE Ordinary Share for each Pegasus Ordinary Share, being an aggregate number of 21,000,000 FLE Ordinary Shares (assuming there will not be any redemptions by the Pegasus Ordinary Shareholders).

The FLE Ordinary Shares have a nominal value of €0.01 each. The holders of FLE Ordinary Shares are entitled to distributions in proportion to the aggregate nominal value of their FLE Ordinary Shares. The FLE Ordinary Shares rank *pari passu* with each other. Each FLE Ordinary Share entitles its holder to cast one vote in the general meeting (*algemene vergadering*) of shareholders of FL Entertainment (the "**FLE General Meeting**").

FLE Ordinary Shares, as well as FLE Founder Shares and Earn-Out Preference Shares, may be issued at the expense of the reserves or profits of FL Entertainment, and the corporate body authorised to resolve to issue Shares determines which reserve may be charged in this respect, provided that only a reserve related to a specific class of shares can be charged for the issuance of that specific class, all in accordance with the FLE Articles of Association.

b. FLE Founder Shares

In connection with the Pegasus IPO, the Sponsors and their affiliates and/or directors, including Pierre Cuilleret, Diego De Giorgi and Jean Pierre Mustier, have together purchased a total of 5,250,000 founder shares in Pegasus Entrepreneurs' capital with a nominal value of €0.01 per share (the "**Pegasus Founder Shares**" and each such founder share a "**Pegasus Founder Share**") at a subscription price of €1.50 per Pegasus Founder Share for an aggregate subscription price of €7,875,000. Immediately prior to the Merger becoming effective, Pegasus Acquisition Partners Holding, Tikehau Capital SCA (through Bellerophon Financial Sponsor 2 SAS), Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS), Diego De Giorgi and Jean Pierre Mustier hold respectively 875,000, 1,750,000, 1,750,000, 437,500 and 437,500 Pegasus Founder Shares. Of the total 5,250,000 Pegasus Founder Shares, 100,000 Pegasus Founder Shares (in aggregate) will be transferred to each of the independent non-executive directors of Pegasus Entrepreneurs and Baptiste Desplats, Pegasus Entrepreneurs' chief financial officer immediately before the completion of the Business Combination. Following the completion of the Business Combination, the holders of

² These two investors are (i) Ms De Raedt who owns 3,000,000 Pegasus Ordinary Shares through Straco B.V. and Cinco N.V. (which she jointly controls with her partner) and (ii) Mr. Lazard who owns 4,000,000 Pegasus Ordinary Shares through Lazard Group Real Estate.

Pegasus Founder Shares receive one founder share in FL Entertainment's capital for each Pegasus Founder Share, being an aggregate number of 5,250,000 founder shares in FL Entertainment's capital with a nominal value of € 0.01 per share (the "**FLE Founder Shares**" and each such founder share a "**FLE Founder Share**"). As soon as one or more FLE Founder Shares are issued and outstanding, on a specific occasion, no additional FLE Founder Shares can be issued thereafter. Though each FLE Founder Share entitles its holder to cast one vote in the FLE General Meeting, parties will have agreed in a shareholders agreement in relation to FL Entertainment to be entered into between Financière Lov, Vivendi Content, SBM International, Fimalac, De Agostini, Pegasus Entrepreneurs, Geysers Investments S.A., Spf, Pierre Cuilleret, Diego De Giorgi, Jean Pierre Mustier, Tikehau Capital, Bellerophon Financial Sponsor 2 Sas, Poseidon Entrepreneurs Financial Sponsor, Stéphane Courbit and FL Entertainment (the "**Shareholders Agreement**") that the Sponsors shall not exercise any voting rights attached to the FLE Founder Shares in any FLE General Meeting.

The FLE Founder Shares have a nominal value of €0.01 each. From any profits, as remaining after application of the provisions in the FL Entertainment articles of association as they will read as from the First Trading Date (the "**FLE Articles of Association**") regarding reservation and the profit entitlement of Earn-Out Preference Shares, an amount equal to 0.1% of the nominal value of each FLE Founder Share shall be added to the dividend reserve for FLE Founder Shares as described in the FLE Articles of Association. The FLE Founder Shares rank *pari passu* with each other.

Subject to the satisfaction of the conditions set out below (the "**Pegasus Promote Schedule**"), and subject to certain capital adjustment measures (as described in the FLE Articles of Association):

- all 100,000 FLE Founder Shares held by Pegasus Entrepreneurs' independent non-executive directors and its chief financial officer will be exchanged on a one-for-one basis for FLE Ordinary Shares on or around the Settlement Date (subject to the lock-up arrangements applicable to the Sponsors, including the Pegasus Lock-up Arrangements (as defined in paragraph "*h. Lock-up arrangements*" in "*5.7 Share capital structure of the proposed Business Combination*"));
- up to 50% of the FLE Founder Shares, held by each Sponsor and their affiliates and/or directors, in aggregate amounting to up to 2,575,000 FLE Founder Shares will be exchanged on a one-for-one basis for FLE Ordinary Shares on or around the Settlement Date (subject to the lock-up arrangements applicable to the Sponsors, including the Pegasus Lock-up Arrangements);
- up to 25% of the FLE Founder Shares, held by each Sponsor and their affiliates and/or directors, in aggregate amounting to up to 1,287,500 FLE Founder Shares will be exchanged on a one-for-one basis for FLE Ordinary Shares (subject to the lock-up arrangements applicable to the Sponsors, including the Pegasus Lock-up Arrangements), if, after the Business Combination Date, the closing price of the FLE Ordinary Shares equals or exceeds €11.50 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive-Trading Day period; and
- up to 25% of the FLE Founder Shares, held by each Sponsor and their affiliates and/or directors, in aggregate amounting to up to 1,287,500 FLE Founder Shares will be exchanged on a one-for-one basis for FLE Ordinary Shares (subject to the lock-up arrangements applicable to the Sponsors, including the Pegasus Lock-up Arrangements), if after the Business Combination Date the closing price of the FLE Ordinary Shares equals or exceeds

€13.00 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive-Trading Day period.

c. Earn-Out Preference Shares

Financière Lov will subscribe for a total of 13,000,000 earn-out preference shares A in FL Entertainment's capital with a nominal value of €0.03 per share (the "**Earn-Out Preference Shares A**"), 3,500,000 earn-out preference shares B in FL Entertainment's capital with a nominal value of €0.03 per share (the "**Earn-Out Preference Shares B**") and 3,500,000 earn-out preference shares C in FL Entertainment's capital with a nominal value of €0.03 per share (the "**Earn-Out Preference Shares C**", together with the Earn-Out Preference Shares A and Earn-Out Preference Shares B: the "**Earn-Out Preference Shares**" and each such share an "**Earn-Out Preference Share**"). Each Earn-Out Preference Share entitles its holder to cast three votes in the FLE General Meeting, but Financière Lov will commit not to exercise any voting rights attached to the Earn-Out Preference Shares.

From any profits, as remaining after application of the provisions in the FLE Articles of Association regarding reservation and the profit entitlement of Earn-Out Preference Shares, an amount equal to 0.1% of the nominal value of each Earn-Out Preference Share shall be added to the dividend reserve for Preference Shares A, B and C respectively as described in the FLE Articles of Association. The Earn-Out Preference Shares rank pari passu with each other. As soon as one or more Earn-Out Preference Shares are issued and outstanding, on a specific occasion, no additional Earn-Out Preference Shares can be issued thereafter.

Subject to the satisfaction of the conditions set out below (the "**FL Promote Schedule**"), and subject to certain capital adjustment measures (as described in the FLE Articles of Association):

- 13,000,000 Earn-Out Preference Shares A that will be held by Financière Lov will be converted into 13,000,000 FLE Ordinary Shares and 13,000,000 Special Voting Shares A (as defined below), if the closing price of the FLE Ordinary Shares equals or exceeds €13.00 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive Trading Day period before expiration of a 5-year period following the Business Combination Date.
- 3,500,000 Earn-Out Preference Shares B that will be held by Financière Lov will be converted into 3,500,000 FLE Ordinary Shares and 3,500,000 Special Voting Shares A, if the closing price of the FLE Ordinary Shares equals or exceeds €15.00 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive Trading Day period before expiration of a 6-year period following the Business Combination Date.
- 3,500,000 Earn-Out Preference Shares C that will be held by Financière Lov will be converted into 3,500,000 FLE Ordinary Shares and 3,500,000 Special Voting Shares A, if the closing price of the FLE Ordinary Shares equals or exceeds €17.00 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive Trading Day period before expiration of a 6-year period following the Business Combination Date,

provided that, in each of the above situations, if Financière Lov would convert any Earn-Out Preference Shares pursuant to such earn-outs at a time when it is a Non-Eligible SVS Holder, the SVS Terms will apply (the "**Earn-Out**").

If, after the expiry of a 5-year period following the Business Combination Date the Earn-Out Preference Shares A do not qualify for conversion into FLE Ordinary Shares in accordance with the FL Promote Schedule, the 13,000,000 Earn-Out Preference Shares A will: (i) first be combined into

one (1) Earn-Out Preference Share A (with a nominal value of €390,000), (ii) immediately after which the nominal value of such single Earn-Out Preference Share A will be reduced to €0.03 (subject to the completion by FL Entertainment of the capital reduction procedure described below); and (iii) immediately after which such Earn-Out Preference Share A will be converted into one (1) FLE Ordinary Share (with a nominal value of €0.01) and one (1) Special Voting Share A (with a nominal value of €0.02). As a result hereof, the 13,000,000 Earn-Out Preference Shares A, each such Earn-Out Preference Share with the right to cast three votes in the FLE General Meeting, are converted into, ultimately, one (1) Special Voting Share A with the right to cast two votes in the FLE General Meeting, and one (1) FLE Ordinary Share with the right to cast one vote in the FLE General Meeting.

If, after the expiry of a 6-year period following the Business Combination Date the Earn-Out Preference Shares B do not qualify for conversion into FLE Ordinary Shares in accordance with the FL Promote Schedule, the 3,500,000 Earn-Out Preference Shares B will: (i) first be combined into one (1) Earn-Out Preference Share B (with a nominal value of €105,000), (ii) immediately after which, the nominal value of such Earn-Out Preference Share B will be reduced to €0.03 (subject to the completion by FL Entertainment of the capital reduction procedure described below); and (iii) immediately after which, such Earn-Out Preference Share B will be converted into one (1) FLE Ordinary Share (with a nominal value of €0.01) and one (1) Special Voting Share A (with a nominal value of €0.02). As a result hereof, the 3,500,000 Earn-Out Preference Shares B, each such Earn-Out Preference Share with the right to cast three votes in the FLE General Meeting, are converted into, ultimately, one (1) Special Voting Share A with the right to cast two votes in the FLE General Meeting, and one (1) FLE Ordinary Share with the right to cast one vote in the FLE General Meeting.

If, after the expiry of a 6-year period following the Business Combination Date the Earn-Out Preference Shares C do not qualify for conversion into FLE Ordinary Shares in accordance with the FL Promote Schedule, the 3,500,000 Earn-Out Preference Shares C will: (i) first be combined into one (1) Earn-Out Preference Share C (with a nominal value of €105,000), (ii) immediately after which, the nominal value of such Earn-Out Preference Share C will be reduced to €0.03 (subject to the completion by FL Entertainment of the capital reduction procedure described below); and (iii) immediately after which, such Earn-Out Preference Share C will be converted into one (1) FLE Ordinary Share (with a nominal value of €0.01) and one (1) Special Voting Share A (with a nominal value of €0.02). As a result hereof, the 3,500,000 Earn-Out Preference Shares C, each such Earn-Out Preference Share with the right to cast three votes in the FLE General Meeting, are converted into, ultimately, one (1) Special Voting Share A with the right to cast two votes in the FLE General Meeting, and one (1) FLE Ordinary Share with the right to cast one vote in the FLE General Meeting.

In each case described above where the nominal value of an Earn-Out Preference Share A, Earn-Out Preference Share B or Earn-Out Preference C is lowered this shall be made without repayment, and FL Entertainment shall initiate a capital reduction procedure in accordance with Dutch law in order to effect such reduction of the nominal value of the relevant Earn-Out Preference Share.

For the avoidance of doubt, if a conversion as referred to above is effected at a time when a holder of the relevant Earn-Out Preference Shares is a Non-Eligible SVS Holder, then the FLE Board must forthwith (*onverwijld*) issue a Suspension Notice (as defined and described in FLE Articles of Association) to the relevant Shareholder in respect of the Special Voting Shares held by the Non-Eligible SVS Holder upon such conversion and the FLE Board shall require such Non-Eligible SVS Holder to transfer to FL Entertainment or an Eligible SVS Holder selected by the FLE Board all such

Special Voting Shares in accordance with the FLE Articles of Association and SVS Terms (as defined below).

d. Special Voting Shares

FL Entertainment will be implementing a special voting plan (the "**Special Voting Plan**") by creating special voting shares A in FL Entertainment's capital with a nominal value of €0.02 per share ("**Special Voting Shares A**" and each special voting share A a "**Special Voting Share A**"), that will allow the holder of such Special Voting Shares A to exercise two voting rights for each Special Voting Share A in the FLE General Meeting in addition to the one voting right for each FLE Ordinary Share held by it, in accordance with the FLE Articles of Association and the other terms and conditions that will be applicable to the holder(s) of Special Voting Shares (the "**SVS Terms**"). Special Voting Shares A will not be listed. Special Voting Shares A can be converted into Special Voting Shares B with a nominal value of €0.02 per share, as further described below ("**Special Voting Shares B**" together with Special Voting Shares A, the "**Special Voting Shares**" and each such share a "**Special Voting Share**"). Special Voting Shares B will not be issued and outstanding other than for a limited period of time and solely for the purpose of cancellation of these Special Voting Shares B (being converted Non-Eligible Special Voting Shares A) for no consideration as described below. Representing a nominal value of €0.02 per share, the Special Voting Shares B would in principle entitle the holder to exercise two voting rights each per Special Voting Share B, except that it is envisaged that the voting rights on Special Voting Shares B (if any are outstanding) will be suspended immediately upon the conversion of Special Voting Shares A to Special Voting Shares B.

Each shareholder must, when acquiring Special Voting Shares A, adhere to the SVS Terms and continue to meet the requirements of the SVS Terms in order to be able to qualify as an Eligible SVS Holder (without prejudice to the other requirements to qualify as Eligible SVS Holder, as further described below).

Financière Lov will be the sole initial participant in the Special Voting Plan and the sole initial holder of Special Voting Shares A. Furthermore, the Earn-Out Preference Shares that will be held by Financière Lov may convert into FLE Ordinary Shares and Special Voting Shares A pursuant to the FL Promote Schedule, all in accordance with the provisions of the FLE Articles of Association.

Pursuant to the Special Voting Plan any Eligible SVS Holder (as defined below), will be entitled to subscribe to one (1) Special Voting Share A for each one (1) FLE Ordinary Share to which it either subscribes or earns pursuant to the Earn-Out.

The profit rights attached to a Special Voting Share will be limited to 0.1% of the nominal value of such Special Voting Share. From any profits, as remaining after application of the provisions in the FLE Articles of Association regarding reservation and the profit entitlement of Earn-Out Preference Shares and FLE Founder Shares, an amount equal to 0.1% of the nominal value of each Special Voting Share shall be added to the dividend reserve of the respective Special Voting Shares as described in the FLE Articles of Association. The Special Voting Shares will rank *pari passu* with each other.

A. Eligible SVS Holder and Potential Eligible SVS Holder

Special Voting Shares may only be held by any party that (x) agrees to adhere to, and shall continue to meet the requirements of the SVS Terms and (y) acquires Special Voting Shares A together with a same number of FLE Ordinary Shares and (z) either:

- a. individually or together with its affiliates (as defined in the FLE Articles of Association), (i) holds (after the acquisition of FLE Ordinary Shares set out under (y) above) FLE Ordinary Shares representing 20% or more of the total number of FLE Ordinary Shares issued and outstanding at any time, and (ii) holds all of the issued and outstanding Special Voting Shares A at any time and (iii) except for Financière Lov and its affiliates (as defined in the FLE Articles of Association), shall have filed and actually launched³ a public offer (*openbaar bod*) in cash on FL Entertainment that is declared unconditional (for all outstanding shares and other equity-linked securities issued by FL Entertainment and with no conditions) at a price per FLE Ordinary Share of at least equal to the aggregate of (A) the price paid for one FLE Ordinary Share and (B) the price paid for one corresponding Special Voting Share A (the "**Offer Requirement**"); or
- b. is a beneficiary of a pledge over Special Voting Shares A held by Financière Lov (together with the affiliates, successors and assignees of such beneficiary) that has enforced such pledge over Special Voting Shares and a corresponding number of Ordinary Shares at the time of enforcement (a "**Pledge SVS Beneficiary**"), which (i) has become the owner of such Special Voting Shares A and FLE Ordinary Shares as a result of the enforcement of such pledge and (ii) holds Special Voting Shares A no longer than six months (provided such deadline shall be extended to a maximum of 18 months if the Pledge SVS Beneficiary envisages a transfer of Ordinary Shares with the corresponding Special Voting Shares A held by it to an Eligible SVS Holder as referred to in limbs (x), (y) and (z)(a) above, in a situation where such transfer cannot be completed without such transferee first obtaining the requisite regulatory authorizations) after the acquisition of such Special Voting Shares A,

an "**Eligible SVS Holder**".

A person who is not an Eligible SVS Holder, but who meets all requirements of an Eligible SVS Holder as described above, other than the Offer Requirement, provided that (a) prior to directly or indirectly acquiring Special Voting Shares such person has published by means of a press release the intention to launch a public offer in accordance with the Offer Requirement, and (b) such person intends to become an Eligible SVS Holder (including by complying with the Offer Requirement) within 6 months after directly or indirectly acquiring Special Voting Shares, qualifies as a "**Potential Eligible SVS Holder**", as defined in the SVS Terms.

The holder of Special Voting Shares shall not be authorised to (directly or indirectly) sell, encumber, dispose of or transfer any Special Voting Share to any party or otherwise grant any right or legal or beneficial interest therein, provided that (i) the holder of Special Voting Shares may transfer its Special Voting Shares to the Company, a Potential Eligible SVS Holder or an Eligible SVS Holder in accordance with the SVS Terms, and provided that (ii) Financière Lov shall have the right to grant a right of pledge over its Special Voting Shares A as set out above under b.

B. Non-Eligible SVS Holder and Non-Eligible Special Voting Shares

A shareholder who will hold Special Voting Shares A and/or Special Voting Shares B and who is not or ceases to be an Eligible SVS Holder (including, for the avoidance of doubt, a person who longer meets the requirements of the SVS Terms) shall qualify as a non-Eligible SVS Holder (the "**Non-Eligible SVS Holder**"), all as set out in the FLE Articles of Association and the SVS Terms.

³ This means that FL Entertainment's shareholders are actually able to sell their shares in FL Entertainment's capital.

As soon as the Special Voting Shares A held by an Eligible SVS Holder exceeds the number of FLE Ordinary Shares held by such Eligible SVS Holder, or the Special Voting Shares A are held by a shareholder who no longer qualifies as an Eligible SVS Holder such Special Voting Shares A qualify as non-eligible Special Voting Shares A (the "**Non-Eligible Special Voting Shares A**").

The FLE Board shall verify whether a shareholder holds Non-Eligible Special Voting Shares A and/or complies with the SVS Terms. The FLE Board may verify this on the basis of information and documentation provided to the FLE Board for that purpose in accordance with the provisions of the FLE Articles of Association and the SVS Terms.

When the Special Voting Shares A qualify as Non-Eligible Special Voting Shares A, and following the enforcement of the provisions and measures in the FLE Articles of Association and the SVS Terms relating to holders of Non-Eligible Special Voting Shares by the FLE Board:

- a. the right to attend and vote at FLE General Meetings with respect to such Non-Eligible Special Voting Shares A shall be suspended;
- b. the holder of such Special Voting Shares A shall be obliged to transfer the Non-Eligible Special Voting Shares A to an Eligible SVS Holder designated by the Board, or to FL Entertainment for no consideration (*om niet*); and
- c. if the Non-Eligible Special Voting Shares A are not transferred, as referred to under b. above, the FLE Articles of Association will allow for a conversion of the Non-Eligible Special Voting Shares A into an equal number of Special Voting Shares B, after which such Special Voting Shares B will be cancelled for no consideration, all in accordance with the provisions of the FLE Articles of Association and the SVS Terms. The right to attend and vote at FLE General Meetings with respect to such Special Voting Shares B will be suspended.

If Special Voting Shares are transferred to a Potential Eligible SVS Holder, the right to attend and vote at FLE General Meetings with respect to these Special Voting Shares A shall be suspended. For a period of up to 9 months (the "**Grace Period**", as defined in the SVS Terms), the Potential Eligible SVS Holder, even though such Potential Eligible SVS Holder does not (yet) qualify as an Eligible SVS Holder, shall not have the obligation to transfer the Special Voting Shares to an Eligible SVS Holder designated by the Board, or FL Entertainment for no consideration and the Board will not make use of its right to convert the Special Voting Shares held by such Potential Eligible SVS Holder into Special Voting Shares B. If the Potential Eligible SVS Holder does not comply with the Offer Requirement and does not become an Eligible SVS Holder within the Grace Period, then this Potential Eligible SVS Holder must transfer all its Special Voting Shares to FL Entertainment for no consideration promptly following the end of the Grace Period.

C. *Other key SVS Terms*

If an Eligible SVS Holder subscribes to additional FLE Ordinary Shares, it shall be entitled to subscribe for additional Special Voting Shares A equal to the number of FLE Ordinary Shares so received, provided that the Eligible SVS Holder qualifies as an Eligible SVS Holder and complies with the SVS Terms and provisions included in the FLE Articles of Association.

The FLE Board shall set the SVS Terms, applicable to the holders of Special Voting Shares, relating to the issuance, allocation, acquisition, holding, repurchase, cancellation and transfer of the Special Voting Shares. The SVS Terms may be amended pursuant to a resolution of the FLE Board, which resolution will be subject to respectively the approval of the meetings of holders of Special Voting

Shares A and Special Voting Shares B (to the extent Special Voting Shares A and Special Voting Shares B are outstanding) and the FLE General Meeting. Notwithstanding the foregoing, the parties to the Shareholder Agreement will agree that any amendment to the SVS Terms shall require (i), the prior approval of Financière Lov and (ii) either (x) the prior approval of the General Meeting by resolution adopted with an Absolute Majority of the votes cast, whereby Financière Lov or its subsequent Transferee shall abstain from voting or (y) the written approval of the parties to the Shareholders Agreement. The aforementioned approval resolutions are not required when such amendment is required to ensure compliance with applicable law or regulations in case of change of jurisdiction provided the overall structure remains equivalent, or the listing rules as prescribed by the relevant stock exchange where FLE Ordinary Shares are listed or such amendment is required

To the extent Special Voting Shares are held in the statutory giro system, the holder of Special Voting Shares A shall be required to hold at all times an equal number of FLE Ordinary Shares in a designated securities account opened in the books of a financial institution.

e. FLE Warrants

On 10 December 2021, Pegasus Entrepreneurs completed the Pegasus IPO in which it offered 21,000,000 Pegasus Units at a price of €10.00 per Pegasus Unit. Each Pegasus Unit consisted of one Pegasus Ordinary Share that entitled its holder to receive an additional 1/3 of a Pegasus Public Warrant. On 10 December 2021, 13,916,666 Pegasus Public Warrants were submitted to the book-entry facilities of Euroclear Nederland and on 14 January 2022 automatically commenced trading separately from the Pegasus Ordinary Shares. In addition a further 6,916,666 Pegasus Public Warrants were held in treasury by Pegasus Entrepreneurs and also admitted to listing and trading on Euronext Amsterdam on 10 December 2021.

Pursuant to the Merger, FL Entertainment will acquire the contractual arrangement of the Pegasus Public Warrants and will assume the obligations thereunder under universal title upon completion of the Merger, and subsequently the Pegasus Public Warrant holders will become holders of FLE Warrants that entitle the holder to acquire FLE Ordinary Shares in FL Entertainment. Furthermore, FL Entertainment will hold 5,250,000 Pegasus Public Warrants in treasury as of the First Trading Date.

A. Time of issuance, exercise and expiration

Each FLE Warrant entitles the FLE Warrant Holder to purchase one FLE Ordinary Share at a price of €11.50 per FLE Ordinary Share, subject to adjustments as set out in the Pegasus IPO Prospectus, at any time commencing five business days after the Business Combination Date. The FLE Warrants will expire at 18:00h CEST, on the date that is five years after the Business Combination Date, or earlier upon redemption of the FLE Warrants or liquidation of FL Entertainment. Settlement of FLE Ordinary Shares pursuant to the exercise of an FLE Warrant will take not more than ten Trading Days.

The exercise of FLE Warrants may result in dilution of FL Entertainment's share capital. See "5.8 (b.) Dilution as result of the exercise of FLE Founder Shares, Earn-Out Preference Shares, FLE Warrants and FLE Founder Warrants, and factoring voting rights attached to Special Voting Shares after completion of the Business Combination" for more information.

FLE Warrant Holders do not have any voting rights and are not entitled to any dividend, liquidation or other distributions.

The FLE Warrants are issued in registered form and will be entered into the collective deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Transactions Act. Application will be made for the FLE Warrants to be accepted for clearance through the book-entry facilities of Euroclear Nederland. The FLE Warrants will not have a fixed price or value. The price of the FLE Warrants will be determined by virtue of trading on Euronext Amsterdam.

FLE Warrant Holders may exercise their FLE Warrants through the relevant participant of Euroclear Nederland through which they hold their FLE Warrants, following applicable procedures for exercise and payment, including compliance with the applicable selling and transfer restrictions. No FLE Warrants will be exercisable unless the issuance and delivery of the FLE Ordinary Shares upon such exercise is permitted in the jurisdiction of the exercising FLE Warrant Holder and FL Entertainment will not be obligated to issue any FLE Ordinary Shares to FLE Warrant Holders seeking to exercise their FLE Warrants unless such exercise and delivery of FLE Ordinary Shares is permitted in the jurisdiction of the exercising FLE Warrant Holder. If such conditions are not satisfied with respect to an FLE Warrant, the FLE Warrant Holder will not be entitled to exercise such FLE Warrant and such FLE Warrant may have no value and expire worthless.

The date of exercise of the FLE Warrants shall be the date on which the last of the following conditions is met: (i) the FLE Warrants have been transferred by the accredited financial intermediary to ABN AMRO Bank N.V. as warrant agent (the "**Warrant Agent**"); (ii) the amount, if any, due to FL Entertainment as a result of the exercise of the FLE Warrants is received by the Warrant Agent; and (iii) completion of the form of notice of FLE Warrant exercise as will be attached as an annex to the prospectus which is being prepared in connection with the admission to listing and trading of all FLE Ordinary Shares on Euronext Amsterdam (the "**Listing Prospectus**"). Delivery of FLE Ordinary Shares upon exercise of the FLE Warrants shall take place no later than on the tenth Trading Day after their exercise date. Upon exercise, the relevant FLE Warrants will cease to exist and FL Entertainment will issue or transfer to the FLE Warrant Holder the number of FLE Ordinary Shares to which it is entitled. The FLE Warrant Holders will not be charged by FL Entertainment upon exercise of the FLE Warrants. The Warrant Agent will charge financial intermediaries a fee of €0.005 per FLE Warrant exercised with a minimum of €50.00 per exercise instruction. Financial intermediaries processing the exercise may charge costs to FLE Warrant Holders directly. Such charges will depend on the terms in effect between the FLE Warrant Holder and such financial intermediary.

The proceeds of a redemption of FLE Warrants, the proceeds of the repurchase of FLE Warrants or a full or partial cash or cashless settlement of FLE Warrants may be subject to Dutch dividend withholding tax at a rate of 15%. See also "5.9(c.) *Material Dutch Tax Considerations*".

The terms and conditions of the FLE Warrants (the "**FLE Warrant T&Cs**") will be made available on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>) and FL Entertainment's website (<https://www.fl-entertainment.com>).

B. Redemption

i. Redemption of FLE Warrants when the price per FLE Ordinary Share equals or exceeds €18.00

Once the FLE Warrants become exercisable, FL Entertainment may redeem all issued and outstanding FLE Warrants (other than the FLE Founder Warrants), in whole and not in part at a price of €0.01 per FLE Warrant upon not less than 30 days' prior written notice of redemption (a

"**Redemption Notice**"), if the closing price of the FLE Ordinary Shares for any 20 Trading Days within a 30 consecutive Trading Day period ending on the third Trading Day prior to the date on which FL Entertainment issues the Redemption Notice (the "**Reference Value**") equals or exceeds €18.00 per FLE Ordinary Share (as adjusted for adjustments to the number of shares issuable upon exercise or the Exercise Price of an FLE Warrant as described in paragraph "C. *Anti-dilution Adjustments*" below). Each FLE Warrant Holder will be entitled to exercise its FLE Warrant(s) prior to the scheduled redemption record date to be indicated in the Redemption Notice.

ii. *Redemption of FLE Warrants when the price per FLE Ordinary Share equals or exceeds €10.00 and is less than €18.00*

Once the FLE Warrants become exercisable, FL Entertainment may redeem all issued and outstanding FLE Warrants (other than the FLE Founder Warrants), in whole and not in part at a price of €0.01 per FLE Warrant upon not less than 30 days' prior Redemption Notice, if the Reference Value equals or exceeds €10.00 per FLE Ordinary Share and is less than €18.00 per FLE Ordinary Share (as adjusted for adjustments to the number of shares issuable upon exercise or the Exercise Price of an FLE Warrant as described in paragraph "C. *Anti-dilution Adjustments*" below). However, if (after adjustments) the Reference Value equals or exceeds €10.00 per FLE Ordinary Share and is less than €18.00 per FLE Ordinary Share, FLE Warrant Holders will be able to exercise their FLE Warrants on a cashless basis prior to redemption and receive that number of FLE Ordinary Shares determined by reference to the table set forth below and based on the redemption date and the Redemption Fair Market Value (as defined below) of the FLE Ordinary Shares, except as otherwise described below. The proceeds of a full or partial cash or cashless settlement of FLE Warrants may be subject to Dutch dividend withholding tax at a rate of 15%. See also "5.9(c.) *Material Dutch Tax Considerations*".

The "**Redemption Fair Market Value**" of the FLE Ordinary Shares shall mean the volume weighted average price of the FLE Ordinary Shares during the ten Trading Days immediately following the date on which the Redemption Notice is issued. In no event will the FLE Warrants be exercisable in connection with this redemption feature for more than 0.361 FLE Ordinary Shares per FLE Warrant (subject to adjustment).

Beginning on the date the Redemption Notice is issued until the FLE Warrants are redeemed or exercised, FLE Warrant Holders may elect to exercise their FLE Warrants on a cashless basis if the Reference Value equals or exceeds €10.00 per FLE Ordinary Share and is less than €18.00 per FLE Ordinary Share (as adjusted for adjustments to the number of shares issuable upon exercise or the Exercise Price of an FLE Warrant as described in paragraph "C. *Anti-dilution Adjustments*" below). The numbers in the table below represent the number of FLE Ordinary Shares that an FLE Warrant Holder will receive upon such cashless exercise in connection with a redemption by FL Entertainment pursuant to this redemption feature, based on the Redemption Fair Market Value of the FLE Ordinary Shares on the corresponding redemption date (assuming FLE Warrant Holders elect to exercise their FLE Warrants and such FLE Warrants are not redeemed for €0.01 per FLE Warrant), determined for these purposes based on volume weighted average price of the FLE Ordinary Shares during the 10 Trading Days immediately following the date on which the Redemption Notice is issued, and the number of months that the corresponding redemption date precedes the expiration date of the FLE Warrants, each as set forth in the table below. FL Entertainment will provide FLE Warrant Holders with the final Redemption Fair Market Value no later than one business day after the ten Trading Day period described above ends.

The prices set forth in the column headings of the table below will be adjusted as of any date on which the number of FLE Ordinary Shares issuable or deliverable upon exercise of an FLE Warrant or the exercise price of an FLE Warrant is adjusted as set forth in paragraph "C. *Anti-dilution Adjustments*" below. If the number of FLE Ordinary Shares issuable or deliverable upon exercise of an FLE Warrant is adjusted, the adjusted share prices in the column headings shall equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of FLE Ordinary Shares issuable or deliverable upon exercise of an FLE Warrant immediately prior to such adjustment and the denominator of which is the number of FLE Ordinary Shares issuable or deliverable upon exercise of an FLE Warrant as so adjusted. The number of FLE Ordinary Shares determined by reference to the table below shall be adjusted in the same manner and at the same time as the number of FLE Ordinary Shares issuable or deliverable upon exercise of an FLE Warrant. In no event will the number of FLE Ordinary Shares issued or delivered in connection with this redemption feature exceed 0.361 FLE Ordinary Shares per FLE Warrant (subject to adjustment).

Redemption Date (period to expiration of FLE Warrants)	Redemption Fair Market Value of FLE Ordinary Shares								
	≤€10.00	€11.00	€12.00	€13.00	€14.00	€15.00	€16.00	€17.00	≥€18.00
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact Redemption Fair Market Value and redemption date may not be set forth in the table above, if the Redemption Fair Market Value is between two values in the table or the redemption date is between two dates in the table. In that case, the number of FLE Ordinary Shares to be issued or delivered for each FLE Warrant exercised will be determined by a straight-line interpolation between the number of FLE Ordinary Shares set forth for the higher and lower Redemption Fair Market Values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. Finally, as reflected in the table above, if the FLE Warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by FL Entertainment pursuant to this redemption feature, since they will not be exercisable for any FLE Ordinary Shares.

For example, if the volume weighted average price of the FLE Ordinary Shares during the 10 Trading Days immediately following the date on which the Redemption Notice is issued is €11.00 per FLE Ordinary Share, and at such time there are 57 months until the expiration of the FLE Warrants, FLE

Warrant Holders may choose to, in connection with this redemption feature, exercise their FLE Warrants for 0.277 FLE Ordinary Shares for each whole FLE Warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of the FLE Ordinary Shares during the 10 Trading Days immediately following the date on which the Redemption Notice is issued is €13.50 per FLE Ordinary Share, and at such time there are 38 months until the expiration of the FLE Warrants, FLE Warrant Holders may choose to, in connection with this redemption feature, exercise their FLE Warrants for 0.298 FLE Ordinary Shares for each whole FLE Warrant.

This redemption feature differs from the typical warrant redemption features used in special purpose acquisition company offerings, which typically only provide for a redemption of warrants for cash (other than the FLE Founder Warrants) when the trading price for an FLE Ordinary Share exceeds €18.00 per FLE Ordinary Share for a specified period of time. This additional redemption feature is structured to allow for all of the outstanding FLE Warrants to be redeemed when the FLE Ordinary Shares are trading at or above €10.00 per FLE Ordinary Share, which may be at a time when the trading price of the FLE Ordinary Shares is below the exercise price of the FLE Warrants. FL Entertainment has established this redemption feature to provide the flexibility to redeem the FLE Warrants without the FLE Warrants having to reach the €18.00 threshold set forth above under "5.7(e)(B.)*(i) Redemption of FLE Warrants when the price per FLE Ordinary Share equals or exceeds €18.00.*" FLE Warrant Holders choosing to exercise their FLE Warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of FLE Ordinary Shares for their FLE Warrants based on an option pricing model with a fixed volatility input as at the Pegasus IPO. This redemption right provides FL Entertainment with an additional mechanism by which to redeem all of the outstanding FLE Warrants, and therefore have certainty as to its capital structure, as the FLE Warrants would no longer be outstanding and would have been exercised or redeemed, and FL Entertainment will be required to pay the Redemption Price to FLE Warrant Holders if it chooses to exercise this redemption right, and it will allow FL Entertainment to quickly proceed with a redemption of the FLE Warrants if it determines it is in its best interest to do so.

If FL Entertainment chooses to redeem the FLE Warrants when the FLE Ordinary Shares are trading at a price below the exercise price of the FLE Warrants, this could result in the FLE Warrant Holders receiving fewer FLE Ordinary Shares than they would have received if they had chosen to wait to exercise their FLE Warrants for FLE Ordinary Shares if and when such FLE Ordinary Shares were trading at a price higher than the exercise price of €11.50.

The FLE Warrant T&Cs provide that the terms of the FLE Warrants may be amended without the consent of any FLE Warrant Holder for the purpose of removing the terms of the FLE Warrant T&Cs that allow for the redemption of FLE Warrants for FLE Ordinary Shares if the Reference Value equals or exceeds €10.00 per FLE Ordinary Share and is less than €18.00 per FLE Ordinary Share and making any further amendments to the FLE Warrant T&Cs in connection with such removal, if this is necessary in the good faith determination of the FLE Board (taking into account then existing market precedents) to allow for the FLE Warrants to be classified as equity in FL Entertainment's financial statements.

iii. Redemption Notice

FL Entertainment will publish any Redemption Notice by issuing a press release. Any Redemption Notice published in this manner will be conclusively presumed to have been duly given whether or not the FLE Warrant Holder has seen such notice. FL Entertainment has established this redemption

criterion to prevent a redemption call unless there is at the time of the call a significant premium to the Exercise Price. If the foregoing conditions are satisfied and FL Entertainment issues a Redemption Notice for the FLE Warrants, each FLE Warrant Holder will be entitled to exercise its FLE Warrant(s) prior to the scheduled redemption record date to be indicated in the Redemption Notice. However, the price of the FLE Ordinary Shares may fall below the €10.00 or €18.00 redemption trigger price (as applicable and as adjusted for adjustments to the number of FLE Ordinary Shares issuable upon exercise or the Exercise Price of an FLE Warrant as described in paragraph "C. *Anti-dilution Adjustments*" below) as well as the €11.50 FLE Warrant exercise price after the Redemption Notice is issued.

C. *Anti-dilution adjustments*

If the number of issued and outstanding FLE Ordinary Shares is increased by a capitalisation or share dividend payable in FLE Ordinary Shares, or by a split-up of FLE Ordinary Shares or other similar event, then, on the effective date of such capitalisation or share dividend, split-up or similar event, the number of FLE Ordinary Shares issuable on exercise of each FLE Warrant will be increased in proportion to such increase in the issued and outstanding FLE Ordinary Shares. A rights offering to holders of FLE Ordinary Shares entitling FLE Warrant Holders to purchase FLE Ordinary Shares at a price less than the "historical fair market value" (as defined below) will be deemed a share dividend of a number of FLE Ordinary Shares equal to the product of (1) the number of FLE Ordinary Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for FLE Ordinary Shares) and (2) one minus the quotient of (x) the price per FLE Ordinary Share paid in such rights offering and (y) the historical fair market value. For these purposes, (1) if the rights offering is for securities convertible into or exercisable for FLE Ordinary Shares, in determining the price payable for FLE Ordinary Shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (2) "**historical fair market value**" means the volume weighted average price of FLE Ordinary Shares during the 10 Trading Day period ending on the Trading Day prior to the first date on which the FLE Ordinary Shares trade on the applicable exchange or in the applicable market without the right to receive such rights (the ex-rights trading date).

In addition, if FL Entertainment at any time while the FLE Warrants are outstanding and unexpired, pays to all or substantially all of the FLE Ordinary Shareholders a dividend or makes a distribution in cash, securities or other assets on account of such FLE Ordinary Shares (or other securities into which the FLE Warrants are convertible), other than (a) as described above or (b) Ordinary Cash Dividends (as defined below), then the Exercise Price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each FLE Ordinary Share in respect of such event. "**Ordinary Cash Dividends**" means any cash dividend or cash distribution which, when combined on a per share basis, with the per share amounts of all other cash dividends and cash distributions paid on the FLE Ordinary Shares during the 365-day period ending on the date of declaration of such dividend or distribution (as adjusted to appropriately reflect any of the events described in this paragraph and excluding cash dividends or cash distributions that resulted in an adjustment to the Exercise Price of the FLE Warrants or to the number of FLE Ordinary Shares issuable on exercise of each FLE Warrant) to the extent it does not exceed €0.50.

If the number of issued and outstanding FLE Ordinary Shares is decreased by a consolidation,

combination, or reclassification of FLE Ordinary Shares or other similar event, then, on the effective date of such consolidation, combination, reclassification or similar event, the number of FLE Ordinary Shares issuable on exercise of each FLE Warrant will be decreased in proportion to such decrease in issued and outstanding FLE Ordinary Shares.

Whenever the number of FLE Ordinary Shares purchasable upon the exercise of the FLE Warrants is adjusted, as described above, the Exercise Price of the FLE Warrants will be adjusted by multiplying the Exercise Price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number FLE Ordinary Shares purchasable upon the exercise of the FLE Warrants immediately prior to such adjustment and (y) the denominator of which will be the number of FLE Ordinary Shares so purchasable immediately thereafter.

In addition, if (x) FL Entertainment issues additional FLE Ordinary Shares or securities of FL Entertainment that are convertible into, exchangeable for or exercisable for FLE Ordinary Shares for capital raising purposes in connection with the Business Combination at an issue price or effective issue price of less than €9.20 per FLE Ordinary Share (with such issue price or effective issue price to be determined in good faith by the FLE Board or such person or persons granted a power of attorney by the FLE Board, and in the case of any such issuance to the Sponsors, the FLE Directors or their affiliates, without taking into account any FLE Ordinary Shares held by the Sponsors, the FLE Directors or their affiliates, as applicable, prior to such issuance) (the "**Newly Issued Price**"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the Business Combination on the Business Combination Date (net of redemptions), and (z) the volume weighted average trading price of the FLE Ordinary Shares during the twenty Trading Day period starting on the Trading Day prior to the day on which the Business Combination closes (such price, the "**Market Value**") is below €9.20 per FLE Ordinary Share, (i) the Exercise Price of the FLE Warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, (ii) the €18.00 per FLE Ordinary Share redemption trigger price described under "*5.7(e.)(B.)(i) Redemption of FLE Warrants when the price per FLE Ordinary Share equals or exceeds €18.00*" above and "*5.7(e.)(B.)(ii) Redemption of FLE Warrants when the price per FLE Ordinary Share equals or exceeds €10.00 and is less than €18.00*" above, will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

In case of any reclassification or reorganisation of the issued and outstanding FLE Ordinary Shares (other than those described above or that solely affects the nominal value of such FLE Ordinary Shares), or in the case of a merger or consolidation of FL Entertainment with or into another company (other than a merger or consolidation in which FL Entertainment is the surviving company and that does not result in any reclassification or reorganisation of FL Entertainment's issued and outstanding FLE Ordinary Shares), or in the case of any sale or conveyance to another company or entity of substantially all the assets or property of FL Entertainment in connection with which FL Entertainment will be dissolved, the FLE Warrant Holders will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the FLE Warrant T&Cs and in lieu of FLE Ordinary Shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares, stock or other equity securities or property (including cash) receivable upon such reclassification, reorganisation, merger or consolidation, or upon a dissolution following any such sale or transfer, that the FLE Warrant Holder would have received if they had exercised their FLE Warrants immediately prior to such event (the "**Alternative Issuance**"). However, if such FLE Warrant Holder were entitled to exercise

a right of election as to the kind or amount of securities, cash or other assets receivable upon such merger or consolidation, then the kind and amount of securities, cash or other assets constituting the Alternative Issuance for which each FLE Warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such FLE Warrant Holder in such merger or consolidation that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such FLE Warrant Holders (other than a tender, exchange or redemption offer made by FL Entertainment in connection with redemption rights held by shareholders of FL Entertainment as provided for in the FLE Articles of Association or as a result of the redemption of FLE Ordinary Shares by FL Entertainment if a proposed Business Combination is presented to the FLE General Meeting for approval) under circumstances in which, upon completion of such tender or exchange offer the party (and any person or persons acting in concert with such party under the Dutch FSA) instigating such tender or exchange offer owns more than 50% of the issued and outstanding FLE Ordinary Shares, the FLE Warrant Holder will be entitled to receive as the Alternative Issuance, the highest amount of cash, securities or other property to which such FLE Warrant Holder would actually have been entitled as a shareholder if such FLE Warrant Holder had exercised the FLE Warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the FLE Ordinary Shares held by such FLE Warrant Holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the FLE Warrant T&Cs. Additionally, if less than 70% of the consideration receivable by the FLE Ordinary Shareholders in such a transaction is payable in the form of ordinary shares in the successor entity that is listed and traded on a regulated market or multilateral trading facility in the European Economic Area or the United Kingdom immediately following such event, and if FLE Warrant Holder properly exercises the warrant within thirty days following public disclosure of such transaction, the Exercise Price of the FLE Warrants will be reduced as specified in the FLE Warrant T&Cs based on the per share consideration minus Black-Scholes Warrant Value (as defined in the FLE Warrant T&Cs) of the FLE Warrant.

D. FLE Warrant T&Cs

The FLE Warrant T&Cs will provide that (a) the terms of the FLE Warrants may be amended without the consent of any FLE Warrant Holder for the purpose of (i) curing any ambiguity or correcting any mistake or defective provision, including to conform the provisions of the FLE Warrant T&Cs to the description of the terms of the FLE Warrants set out in the Pegasus IPO Prospectus, (ii) adding or changing any provisions with respect to matters or questions arising under the FLE Warrant T&Cs as FL Entertainment may deem necessary or desirable and that it deems to not adversely affect the rights of the FLE Warrant Holders under the FLE Warrant T&Cs, or (iii) making any amendments that are necessary in the good faith determination of the FLE Board (taking into account then existing market precedents) to allow for the FLE Warrants to be classified as equity in FL Entertainment's financial statements, such as removing the Alternative Issuance terms or removing the terms that allow for the redemption of FLE Warrants for FLE Ordinary Shares if the Reference Value equals or exceeds €10.00 per FLE Ordinary Share and is less than €18.00 per FLE Ordinary Share, together with such other amendments as are necessary in connection therewith, provided that this shall not allow for any modification or amendment to the FLE Warrant T&Cs that would increase the FLE Warrant Price or shorten the period in which a holder can exercise its FLE Warrants, and (b) all other modifications or amendments require the vote or written consent of the holders of at least 50% of the then outstanding FLE Warrants and FLE Founder Warrants; provided that any amendment that solely

affects the terms of the FLE Founder Warrants will also require the vote or written consent of the holders of at least 50% of the then outstanding FLE Founder Warrants; and except that the removal of the terms of the FLE Warrant T&Cs that allow for the exercise of FLE Founder Warrants on a cashless basis only requires the vote or written consent of the holders of at least 50% of the then outstanding FLE Founder Warrants.

The FLE Warrant Holders will not have the rights or privileges of FLE Ordinary Shareholders and any voting rights until they exercise their FLE Warrants and receive FLE Ordinary Shares. After the issuance of FLE Ordinary Shares upon exercise of the FLE Warrants, each FLE Warrant Holder will be entitled to one vote for each share held of record on all matters to be voted on by FLE Ordinary Shareholders. No fractional Warrants will be issued or delivered and only whole FLE Warrants will trade. The financial intermediary will be charged a fee by the Warrant Agent for the exercise of the FLE Warrants (other than the FLE Founder Warrants). The fee is €0.005 per FLE Warrant with a minimum of €50.00 per instruction.

The FLE Warrant T&Cs will be governed by Dutch law. Any action, proceeding or claim against arising out of or relating in any way to the FLE Warrant T&Cs will be brought before the applicable court in Amsterdam, the Netherlands. FL Entertainment and the FLE Warrant Holders irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim.

f. FLE Founder Warrants

In a placement that closed 10 December 2021, simultaneously with the Pegasus IPO, *inter alia* Tikehau Capital, Financière Agache and one of its directors, Diego De Giorgi, Jean Pierre Mustier and Pegasus Acquisition Partners Holding (which is jointly controlled by Pierre Cuilleret, Diego De Giorgi and Jean Pierre Mustier) obtained 5,250,000 Pegasus Founder Warrants at a price of €0.03 for an aggregate subscription price of €157,500.

Pursuant to the Merger, FL Entertainment will acquire the contractual arrangement of the Pegasus Founder Warrants and will assume the obligations thereunder under universal title upon completion of the Merger, and subsequently these Pegasus Founder Warrant holders will become holders of FLE Founder Warrants that will entitle the holder to acquire FLE Ordinary Shares in FL Entertainment.

The FLE Founder Warrants will have substantially the same terms as the FLE Warrants, except as follows: the FLE Founder Warrants and the FLE Ordinary Shares issuable or deliverable upon the exercise of the FLE Founder Warrants will not be transferable, assignable or saleable until 30 days after 14 June 2023 (subject to a six-month extension period if approved by a shareholder vote (the "**Business Combination Deadline**"), subject to certain limited exceptions as described below. Additionally, the FLE Founder Warrants will be exercisable on a cashless basis and be non-redeemable, except as described herein, so long as they are held by Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, Pegasus Acquisition Partners Holding and/or their respective affiliates and/or directors or their Permitted Transferees (as defined in paragraph "*H. Lock-up Arrangements*" below). No voting rights attach to the FLE Founder Warrants. If the FLE Founder Warrants are held by someone other than Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, Pegasus Acquisition Partners Holding and/or their respective affiliates and/or directors or their Permitted Transferees, the FLE Founder Warrants will be redeemable by FL Entertainment and exercisable by such holders on the same basis as the FLE Warrants. The proceeds of a redemption of FLE Warrants, the proceeds of the repurchase of FLE Warrants or a full or partial

cash or cashless settlement of FLE Warrants may be subject to Dutch dividend withholding tax at a rate of 15%. See also "5.9.c. *Material Dutch Tax Considerations*".

Each FLE Founder Warrant will be exercisable to purchase one FLE Ordinary Share at a price of €11.50 per FLE Ordinary Share, subject to adjustment as set out above for the FLE Warrants. Founder Warrants may be exercised only for a whole number of FLE Ordinary Shares. The FLE Founder Warrants may be exercised by Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, Pegasus Acquisition Partners Holding and/or their respective affiliates and/or directors on either a cash or cashless basis. If the FLE Founder Warrants are exercised on a cashless basis, Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, Pegasus Acquisition Partners Holding and/or their respective affiliates and/or directors or their Permitted Transferees would surrender their FLE Founder Warrants for that number of FLE Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of FLE Ordinary Shares underlying the FLE Founder Warrants, multiplied by the excess of the "Sponsor fair market value" (defined below) over the Exercise Price by (y) the Sponsor fair market value.

Each of Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, as well as Pegasus Acquisition Partners Holding (which is jointly controlled by Pierre Cuilleret, Diego De Giorgi and Jean Pierre Mustier) and/or their respective affiliates and/or directors or their permitted transferees may elect to exchange their FLE Founder Warrants for newly issued and listed FLE Warrants at the earliest thirty (30) days after the completion of the Business Combination.

The "**Sponsor fair market value**" shall mean the volume-weighted average price of the FLE Ordinary Shares for the 10 Trading Days ending on the third Trading Day prior to the date on which the notice of warrant exercise is sent to the Warrant Agent.

If the Sponsors and Pierre Cuilleret remain affiliated with FL Entertainment, their ability to sell securities in the open market will be significantly limited. FL Entertainment expects to have policies in place that restrict insiders from selling FL Entertainment's securities except during specific periods of time. Even during such periods of time when insiders will be permitted to sell FL Entertainment's securities, an insider cannot trade in FL Entertainment's securities if he or she is in possession of inside information. Accordingly, unlike FLE Ordinary Shareholders who could exercise their FLE Warrants and sell the FLE Ordinary Shares received upon such exercise freely in the open market in order to recoup the cost of such exercise, the insiders could be significantly restricted from selling such securities. As a result, FL Entertainment believes that allowing the holders of FLE Founder Warrants to exercise such FLE Founder Warrants on a cashless basis is appropriate.

As further described in "*H. Lock-up Arrangements*" below the FLE Founder Warrants are subject to transfer restrictions pursuant to lock-up provisions in the Pegasus Letter Agreement (as defined below), until the period ending 30 calendar days from the Business Combination Date. The FLE Ordinary Shares issued or delivered upon exercise of the FLE Founder Warrants or FLE Warrants are not subject to transfer restrictions.

g. Lock-up arrangements

Upon completion of the Business Combination, there will be two cumulative lock-up arrangements in place:

A. Existing Pegasus Lock-up Arrangements

Each of the Sponsors and/or their respective affiliates and/or directors and the Pegasus Board have

agreed in a letter agreement dated 10 December 2021 (the "**Pegasus Letter Agreement**") not to sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Pegasus Ordinary Shares received as remuneration by the Pegasus Board, Pegasus Founder Shares or Pegasus Founder Warrants (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing without the prior written consent of the joint global coordinators that assisted in the Pegasus IPO during a certain period of time (the "**Pegasus Lock-up Arrangements**").

Following the completion of the Business Combination, the Sponsors and/or their respective affiliates and/or directors and certain Pegasus Board members will receive (i) FLE Ordinary Shares in return for their Pegasus Ordinary Shares, (ii) FLE Founder Shares in return for their Pegasus Founder Shares and (iii) FLE Founder Warrants in return for their Pegasus Founder Warrants.

Following the Pegasus Lock-up Arrangements, the Sponsors and/or their respective affiliates and/or directors and the Pegasus Board members will not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any FLE Ordinary Shares received as remuneration by certain Pegasus Board members, FLE Founder Shares or FLE Founder Warrants (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing without the prior written consent of the joint global coordinators that assisted in the Pegasus IPO: (i) in respect of the FLE Founder Warrants, until the period ending 30 calendar days from the Business Combination Date; and (ii) in respect of the FLE Founder Shares and FLE Ordinary Shares received upon the exchange of FLE Founder Shares during the period up to 365 calendar days from the Business Combination Date, save that, (x) the lock-up undertaking shall not apply to the Sponsors and Pegasus Board members to the extent required to pay or provide liquidity for any taxation that becomes due by them in connection with the Business Combination, (y), from the period commencing 150 calendar days from the Business Combination Date, any such FLE Ordinary Shares and FLE Founder Shares held by the Sponsors and the Pegasus Board members shall be released from the lock-up undertaking immediately after the Trading Day on which the closing price of the FLE Ordinary Shares for any 20 Trading Days out of a 30 consecutive Trading Day period equals or exceeds €12.00 and (z) the lock-up undertaking shall not apply to the transfer of FLE Ordinary Shares by the Sponsors to certain investors that have been allocated at least 2,500,000 units in the Pegasus IPO, provided that, on the date that is two Trading Days after the date set by the Pegasus Board for redemption of the Pegasus Ordinary Shares, such investor (a) has not redeemed any of its Pegasus Ordinary Shares subscribed for in the Pegasus IPO, to the extent that such redemption would lead to such investor holding fewer than 2,500,000 Pegasus Ordinary Shares at any time and (b) owns at least 2,500,000 Pegasus Ordinary Shares. Such number of Pegasus Ordinary Shares or FLE Ordinary Shares to be transferred by the Sponsors to these Major IPO Shareholders will not exceed 140,000.

The foregoing restrictions on transfer shall not apply to transfers made to permitted transferees (the "**Permitted Transferees**"): (a) the Pegasus Board members, any affiliates or family members of any of the Pegasus Board members, any members or directors of the Sponsors, or any affiliates of the Sponsors, (b) in the case of an individual, by gift to a member of the individual's immediate family or to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person, or to a charitable organisation; (c) in the case of an individual, by virtue of distribution upon death of the individual; (d) any transferee, by private sales or transfers made in connection with the consummation of a Business Combination at prices no greater than the price at which the Pegasus Founder Warrants were originally subscribed for; (e) any transferee, in the event of a liquidation of

FL Entertainment prior to completion of a Business Combination; (f) in the case of an entity, by virtue of the laws of its jurisdiction or its organisational documents or operating agreement; or (g) any transferee, in the event of completion of a liquidation, merger, share exchange, reorganisation or other similar transaction which results in all of the holders of the Pegasus Ordinary Shares having the right to exchange their Pegasus Ordinary Shares for cash, securities or other property subsequent to completion of a Business Combination; provided, however, that, subject to and in accordance with the terms of the Pegasus Letter Agreement, in the case of clauses (a) through (d) and (f) these Permitted Transferees must accede to and become a party to the Pegasus Letter Agreement.

In addition to the Pegasus Lock-up Arrangements, the Sponsors will commit to a new lock-up commitment pursuant to the Shareholders Agreement, as further described below.

B. FL Entertainment's Lock-up Arrangements

Subject to the terms and exceptions, including in respect of transfers to affiliates and other permitted transfers, set out in the Shareholders Agreement:

- Financière Lov will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, of any shares it holds in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for three calendar years from the Business Combination Date. This restriction (i) will not apply to a number of up to 25,000,000 FLE Ordinary Shares and Special Voting Shares obtained by Financière Lov in return as part of its contribution in cash made immediately before the Business Combination Date, and (ii) will not limit Financière Lov to to freely transfer its shares in FL Entertainment to financial institutions having exercised pledges on such shares as put in place to their benefit in the context the financing granted to Financière Lov for the purpose of the Business Combination or its refinancing (and, for the avoidance of doubt, Financière Lov shall be able to freely grant such pledges to those financial institutions), it being further specified that, in case of enforcement of the pledges, such financial institutions (including any of their transferees in accordance with the underlying finance documentation or successors) shall be free to either appropriate the shares in FL Entertainment or to sell the shares in FL Entertainment in one or several transactions (including by way of private sale, public or private auction, sale on the regulated market where the shares in FL Entertainment are listed, court order or otherwise) and further to such enforcement, the financial institutions and/or the third party assignees (and their subsequent assignees or transferees) shall be free to transfer the the shares in FL Entertainment to any third party or investor without any restriction or condition other than as provided for in the SVS Terms to the extent such transfer concerns Special Voting Shares, and (iii) any Earn out Preference Shares as well as any FLE Ordinary Shares and Special Voting Shares resulting from the conversion of the Earn Out Preference Shares may be freely pledged. For the sake of clarity, any FLE Ordinary Shares and Special Voting Shares to be received by Financière Lov as a result of the Earn-Out shall be subject to the lock-up period;
- The Sponsors will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, of any shares they hold in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for three calendar years from the Business Combination Date. This restriction will not apply to (i) FLE Ordinary Shares received following the exercise of FLE Warrants or FLE Founder Warrants and (ii) the transfer of FLE Ordinary Shares by the Sponsors to certain investors that have been

allocated at least 2,500,000 units in the Pegasus IPO, provided that, on the date that is two Trading Days after the date set by the Pegasus Board for redemption of the Pegasus Ordinary Shares, such investor (a) has not redeemed any of its Pegasus Ordinary Shares subscribed for in the Pegasus IPO, to the extent that such redemption would lead to such investor holding fewer than 2,500,000 Pegasus Ordinary Shares at any time and (b) owns at least 2,500,000 Pegasus Ordinary Shares. Such number of Pegasus Ordinary Shares or FLE Ordinary Shares to be transferred by the Sponsors to these Major IPO Shareholders will not exceed 140,000. For the avoidance of doubt, the Major IPO Shareholders shall not become a party to the Shareholders Agreement;

- Vivendi will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, of any shares it holds in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for eighteen calendar months from the Business Combination Date;
- Fimalac will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, of any shares it holds in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for twelve calendar months from the Business Combination Date;
- SBM International will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, of any shares it holds in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for twelve calendar months from the Business Combination Date; and
- De Agostini will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, of any shares it holds in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for six calendar months from the Business Combination Date.

Stéphane Courbit will agree in the Shareholders Agreement that during the abovementioned lock-up period applicable to Financière Lov and except in the event of death, incapacity or invalidity of Stéphane Courbit, (A) the Courbit Family will keep the control of Financière Lov (i.e. to hold, directly or indirectly, the majority of the share capital and voting rights of Financière Lov) and (B) Stéphane Courbit will remain, through LGI (whose share capital is owned by the Courbit Family), sole legal representative of Financière Lov (and therefore the sole legal representative of LGI).

Minority shareholders of Banijay Group SAS (which are key managers) and Banijay entered into a shareholders agreement in relation to Banijay Group SAS on 22 June 2017, pursuant to which such minority shareholders committed not to transfer any securities for a remaining period of approximately two years in general, subject to certain individual specific arrangements.

Mr. Nicolas Béraud has agreed to commit, as of the First Trading Date and pursuant to the amended shareholders agreement in relation to Betclie, not to transfer any shares of Betclie he owns for a remaining period of approximately seven years. This restriction does not apply to transfers of shares within the FL Entertainment Group and the implementation of customary put and call option mechanisms.

Notwithstanding the above, any transfer of FLE Ordinary Shares up to a number of Additional Purchased Shares (as defined in the Shareholders Agreement) by a party to the Shareholders Agreement that has acquired or subscribed for shall not be subject to any lock-up.

5.8 Dilutive impact of the proposed Business Combination

a. Dilution as result of the proposed Business Combination

The Business Combination will give rise to dilution, in terms of number and percentage of share ownership. The dilution depends among other things on the size of FL Entertainment relative to Pegasus Entrepreneurs. For the purpose of this analysis the PIPE Financing has been assumed to amount to €390,000,000 corresponding to the maximum amount of PIPE Financing provided for under the Business Combination Agreement in order to illustrate the maximum potential dilution arising from the Business Combination. The outcome of this analysis may vary depending on multiple circumstances and Pegasus Entrepreneurs can give no assurances that any of this illustrative analysis will materialise. For the table below Pegasus Entrepreneurs has assumed that there are no shares held in treasury and that no additional equity financing is raised.

The table below provides a simplified view on the potential maximum dilutive effects (in terms of number of FLE Ordinary Shares and percentage of economic rights) with the FL Entertainment's equity being valued in the Business Combination at €4,140 million.

Shareholder	Pre dilution		FLE Founder Shares ⁽¹⁾	FLE Warrants & FLE Founder Warrants ⁽²⁾	Earn-Out Preference Shares ⁽³⁾	Post dilution	
	Number of shares	% economic rights	Number of shares	Number of shares	Number of shares	Number of shares	% economic rights
Financière Lov	192,000,997	45.63%	0	0	20,000,000	212,000,997	47.10%
Former Banijay and Betclic Minority Shareholders ⁽⁴⁾	163,806,326	38.93	0	0	0	163,806,326	36.39%
PIPE Investors ⁽⁵⁾	39,000,000	9.27%	0	0	0	39,000,000	8.67%
Pegasus Ordinary Shareholders ⁽⁶⁾	17,900,000	4.25%	0	1,724,365	0	19,624,365	4.36%
Sponsors ⁽⁷⁾	8,100,000	1.92%	5,250,000	2,297,549	0	15,647,549	3.48%
Total	420,807,323	100.00%	5,250,000	4,021,914	20,000,000	450,079,237	100.00%

(1) Includes 100,000 FLE Founder Shares held by Pegasus Entrepreneurs' independent Non-Executive Directors and its Chief Financial Officer pursuant to the Merger becoming effective.

(2) Assumes all Public Warrants and Founder Warrants are exercised at an exercise price of €11.50 (redemption date of 60 months, executed on a cashless basis, 0.289 FLE Ordinary Shares for each whole warrant).

(3) Assumes all Earn-Out Preferences Shares are converted into FLE Ordinary Shares.

(4) The Former Banijay and Betclic Minority Shareholders are De Agostini, Fimalac, SBM and Vivendi. These amounts exclude the €25,000,000 investments of Fimalac and Vivendi each concurrently with the PIPE.

(5) Investors with which the Company has entered into PIPE Financing Subscription Agreements (excluding Financière Lov and including Vivendi and Fimalac for €25,000,000 each).

(6) Pegasus Entrepreneurs' holders of Pegasus Ordinary Shares as of the date of the Listing, other than the Sponsors and their affiliates and/or directors.

(7) The Sponsors are Pegasus Acquisition Partners Holding, Tikehau Capital, Financière Agache, Diego De Giorgi and Jean Pierre Mustier.

b. Dilution as result of the exercise of FLE Founder Shares, Earn-Out Preference Shares, FLE Warrants and FLE Founder Warrants, and factoring voting rights attached to Special Voting

Shares after completion of the Business Combination

The table below shows the maximum dilutive effect that would arise for 1.00% ownership of FLE Ordinary Shares if (i) all FLE Founder Shares and Earn-Out Preference Shares are converted into FLE Ordinary Shares, (ii) all FLE Warrants and FLE Founder Warrants are exercised at an exercise price of €11.50 (redemption date of 60 months, executed on a cashless basis, 0.289 FLE Ordinary Shares for each whole FLE Warrant), and (iii) factoring voting rights attached to Special Voting Shares.

	FLE Ordinary Share price				
	€10.00	€11.50	€13.00	€15.00	€17.00
Economic Rights	0.99%	0.98%	0.95%	0.94%	0.93%
<i>Relative dilution</i>	<i>(0.64%)</i>	<i>(1.89%)</i>	<i>(5.11%)</i>	<i>(5.86%)</i>	<i>(6.60%)</i>
Voting Rights	0.52%	0.51%	0.49%	0.48%	0.48%
<i>Relative dilution</i>	<i>(0.33%)</i>	<i>(0.99%)</i>	<i>(5.70%)</i>	<i>(6.86%)</i>	<i>(7.99%)</i>

In this instance, the maximum dilution effect of FLE Founder Shares, Earn-Out Preference Shares, FLE Warrants and FLE Founder Warrants, and voting rights attached to Special Voting Shares becomes effective as the Ordinary Share price successively crosses the thresholds of €10.00, €11.50, €13.00, €15.00 and €17.00, based on a PIPE Financing of €250,000,000.

€10.00 threshold

Subject to the satisfaction of the conditions set out in the Pegasus Promote Schedule, and subject to adjustment for share sub-divisions, share capitalisations, reorganisations, recapitalisations and the like:

- all 100,000 FLE Founder Shares held by Former Pegasus Directors and Officers will be exchanged on a one-for-one basis for FLE Ordinary Shares on or around the Settlement Date (subject to the lock-up arrangements applicable to the Sponsors, including the Pegasus Lock-up Arrangements); and
- up to 50% of the FLE Founder Shares, held by each Sponsor and their affiliates and/or directors, in aggregate amounting to up to 2,575,000 FLE Founder Shares will be exchanged on a one-for-one basis for FLE Ordinary Shares on or around the Settlement Date (subject to the lock-up arrangements applicable to the Sponsors, including the Pegasus Lock-up Arrangements).

€11.50 threshold

Subject to the satisfaction of the conditions set out in the Pegasus Promote Schedule, and subject to adjustment for share sub-divisions, share capitalisations, reorganisations, recapitalisations and the like up to 25% of the FLE Founder Shares, held by each Sponsor and their affiliates and/or directors, in aggregate amounting to up to 1,287,500 FLE Founder Shares will be exchanged on a one-for-one basis for FLE Ordinary Shares (subject to the lock-up arrangements applicable to the Sponsors,

including the Pegasus Lock-up Arrangements), if, after the Business Combination Date, the closing price of the FLE Ordinary Shares equals or exceeds €11.50 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive-Trading Day period.

Each FLE Warrant and FLE Founder Warrant entitles the relevant Warrant Holder to purchase one FLE Ordinary Share at a price of €11.50 per FLE Ordinary Share, subject to adjustments as set out in the Listing Prospectus, at any time commencing five business days after the Business Combination Date. In the analysis, it is assumed that all outstanding warrants are converted when the FLE Ordinary Shares trade at €11.50, at such time there are 60 months until the expiration of the warrants, and all warrant holders choose to exercise their warrants for 0.289 FLE Ordinary Shares for each whole warrant on a cashless basis (including FLE Founder Warrants which are economically treated as FLE Warrants for the analysis) (see "5.7(e.)(B.)(ii) *Redemption of Warrants when the price per Ordinary Share equals or exceeds €10.00 and is less than €18.00*").

€13.00 threshold

Subject to the satisfaction of the conditions set out in the Pegasus Promote Schedule, and subject to adjustment for certain capital adjustment measures (as described in the FLE Articles of Association) up to 25% of the FLE Founder Shares, held by each Sponsor and their affiliates and/or directors, in aggregate amounting to up to 1,287,500 FLE Founder Shares will be exchanged on a one-for-one basis for FLE Ordinary Shares (subject to the Pegasus Lock-up Arrangements), if after the Business Combination Date the closing price of the FLE Ordinary Shares equals or exceeds €13.00 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive-Trading Day period.

Subject to the satisfaction of the conditions set out in the FL Promote Schedule, and subject to adjustment for certain capital adjustment measures (as described in the FLE Articles of Association) 13,000,000 Earn-Out Preference Shares A held by Financière Lov will be converted into 13,000,000 FLE Ordinary Shares and 13,000,000 Special Voting Shares A, if the closing price of the FLE Ordinary Shares equals or exceeds €13.00 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive Trading Day period before expiration of a 5-year period following the Business Combination Date.

€15.00 threshold

Subject to the satisfaction of the conditions set out in the FL Promote Schedule, and subject to adjustment for certain capital adjustment measures (as described in the FLE Articles of Association) 3,500,000 Earn-Out Preference Shares B held by Financière Lov will be converted into 3,500,000 FLE Ordinary Shares and 3,500,000 Special Voting Shares A, if the closing price of the FLE Ordinary Shares equals or exceeds €15.00 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive Trading Day period before expiration of a 6-year period following the Business Combination Date.

€17.00 threshold

Subject to the satisfaction of the conditions set out in the FL Promote Schedule, and subject to adjustment for certain capital adjustment measures (as described in the FLE Articles of Association) 3,500,000 Earn-Out Preference Shares C held by Financière Lov will be converted into 3,500,000 FLE Ordinary Shares and 3,500,000 Special Voting Shares A, if the closing price of the FLE Ordinary Shares equals or exceeds €17.00 per FLE Ordinary Share for any 20 Trading Days within a 30 consecutive Trading Day period before expiration of a 6-year period following the Business Combination Date.

5.9 Certain tax consequences of the proposed Business Combination

For the period from Pegasus Entrepreneurs' incorporation to the day prior to the Merger becoming effective, Pegasus Entrepreneurs will be organised and will conduct its business such that it is solely a tax resident company in the Netherlands. As agreed in the Business Combination Agreement, Pegasus Entrepreneurs will merge into FL Entertainment and will cease to exist. As of FL Entertainment's incorporation, it intends to have established and to maintain its management structure and governance in such a manner that (i) its place of effective management is and remains in France and it should be regarded as a tax resident of France under French domestic tax laws, (ii) it should be considered to be exclusively tax resident in France for purposes of the 1973 Convention between the Kingdom of the Netherlands and the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital (the "**French-Dutch Tax Treaty**"), and (iii) it should not be regarded as a tax resident of any other jurisdiction either for purposes of the domestic tax laws of such jurisdiction or for purposes of any applicable tax treaty (as further described in "*10.6(i.) FL Entertainment intends to be treated exclusively as a resident of France for tax purposes, but FL Entertainment is also a resident of the Netherlands for certain Dutch tax purposes, and other tax authorities may seek to treat FL Entertainment as a tax resident of another jurisdiction, as a result of which FL Entertainment could be subject to increased and/or different taxes*").

For further information regarding the tax position of FL Entertainment and certain tax consequences of the acquisition, holding and disposal of the FLE Ordinary Shares and FLE Warrants, please see further below and "*10.5 Risks relating to Taxation*".

a. Tax Warning

Shareholders and potential investors and sellers of FLE Ordinary Shares and FLE Warrants should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the FLE Ordinary Shares and FLE Warrants are transferred or other jurisdictions. In addition, dividends distributed on the FLE Ordinary Shares, or income derived from the FLE Ordinary Shares and FLE Warrants, may be subject to taxation, including withholding taxes, in France and/or the Netherlands (reference is for example also made to "*10.5(j.) Dividends distributed by FL Entertainment may be subject to dividend withholding tax in both France and the Netherlands*"), in the jurisdiction of the holder of FLE Ordinary Shares or FLE Warrants, or in other jurisdictions in which the holder of FLE Ordinary Shares or FLE Warrants is required to pay taxes. Any such tax consequences may have an impact on the net income received from the FLE Ordinary Shares and FLE Warrants.

Shareholders should carefully consider the tax consequences of investing in the FLE Ordinary Shares and FLE Warrants and consult their own tax adviser about their own tax situation. Finally, Shareholders should be aware that tax regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

b. Material French Tax Considerations

A. Certain considerations relating to French tax resident individuals and corporate entities

The following is a summary of the material French income tax consequences of the purchase, ownership, redemption and disposition of FLE Ordinary Shares by a holder that is a resident of France for tax purposes and for the purposes of the statement of practice issued by the French tax

authorities. This summary assumes that FL Entertainment is organised and that its business will be conducted such that it is considered to be exclusively tax resident in France for purpose of the French-Dutch Tax Treaty, as amended by the MLI.

The attention of potential purchasers of FLE Ordinary Shares is drawn to the fact that the information contained in this Circular is intended only as a general guide not being exhaustive, based on an understanding of current law and published practice, to the tax regime applicable in France to FLE Ordinary Shares held by French tax residents and not as a substitute for detailed tax advice. Any person who is in doubt as to his or its taxation position, should consult a professional advisor immediately. This information is based on the French legal provisions in force as of the date of this Circular is therefore likely to be affected by changes in French tax rules, which could have a retroactive effect or apply to the current year or fiscal year, and by their interpretation from the French tax authorities.

This information does not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, pension funds, insurance companies or collective investment schemes, to whom special rules may apply.

i. Tax regime applicable to Shares

The tax regime described hereafter is applicable to individuals or legal entities that will hold FLE Ordinary Shares.

French tax resident individuals

Individuals holding FLE Ordinary Shares as part of their personal assets and who are not engaged in stock exchange transactions in conditions similar to those that characterise the activity exercised by a person carrying out such transactions on a professional basis.

Dividends - Personal income tax

Pursuant to Article 117 *quater* of the French Code *général des impôts*, dividends paid to individuals who are French tax resident individuals and who hold the Shares out of the scope of a *Plan d'Épargne en Actions* as defined by Article L. 221-30 of the French Code *Monétaire et Financier* are subject to a fixed withholding tax not discharging of income tax (*prélèvement forfaitaire non-libératoire de l'impôt sur le revenu*) at a rate of 12.8%, calculated on the basis of the gross amount of the income distributed, subject to certain exceptions.

This fixed and not discharging withholding tax is collected by the dividend paying agent if the latter is established in France. If the dividend paying agent is established outside France, the dividends paid by FL Entertainment are reported and the corresponding withholding tax is paid, within the first 15 days of the month following the month of payment of such dividends, either by (i) the taxpayer directly or (ii) the dividend paying agent if the latter is established in a Member State of the European Union, in Island, in Norway or in Liechtenstein and has been entrusted to that effect by the taxpayer.

This fixed and not discharging withholding tax is considered as an income tax prepayment (*acompte d'impôt sur le revenu*) and is set off against the income tax due in respect of the year during which it is collected, it being specified that any potential surplus is refunded.

The gross amount of dividends paid is, moreover, subject to social security contributions, at the global rate of 17.2% allocated as follows:

- 9.2% in respect of general social security contribution (contribution sociale généralisée);

- 0.5% in respect of social debt repayment contribution (contribution au remboursement de la dette sociale);
- 7.5% in respect of solidarity levy (*prélèvement de solidarité*).

Apart from the general social security contribution, which is deductible up to 6.8% from the total taxable income of the year during which it is paid if taxpayers opt for their dividends to be subject to income tax at progressive rates (see below), these social security contributions are not deductible from the taxable income. These social security contributions are collected in the same way as the above-mentioned withholding tax not discharging of income tax at the rate of 12.8%.

Finally, the amount of the dividends received shall be subject to a flat tax (*prélèvement forfaitaire unique, PFU*) for individual income tax purposes (*impôt sur le revenu des personnes physiques*). The flat tax is made up of a flat rate of individual income tax equal to 12.8% and a flat rate of social security contributions equal to 17.2%. The global rate is equal to 30%.

Taxpayers can however still opt for their dividends to be subject to the progressive scale of individual income tax (with a top marginal income tax rate of 45%) plus 17.2% of social security contributions. The election for taxation at progressive rates is subject to a formal election made in the income tax return filed in the year following the one when the dividends were derived. It is irrevocable and applies to all investment income received by the taxpayer during said year.

For the purposes of computing the recipient's income tax, if the option is chosen to be subject to income tax at progressive rates, the gross amount of dividends paid by FL Entertainment shall benefit from an uncapped general allowance equal to 40% of such amount.

As an exception to the aforementioned rules, the registered office, or status of the recipient, dividends paid by FL Entertainment outside France in a non-cooperative State or Territory (*Etat ou territoire non-coopératif*) within the meaning of Article 238-0 A of the French Code *général des impôts*, other than those mentioned in 2° of 2 *bis* of the same Article 238-0 A of the French Code *général des impôts*, will be subject to a withholding tax at a rate of 75%. The list of non-cooperative States or Territories is published by a ministerial decree that is in principle updated annually.

Other contributions

Article 223 *sexies* of the French Code *général des impôts* sets forth for taxpayers liable to pay income tax an exceptional contribution on high income applicable when the reference income for tax purposes of the concerned taxpayer exceeds certain limits.

This contribution is calculated by applying a rate of:

- 3% for the portion of the reference income which is comprised between €250,001 and €500,000 for those taxpayers who are single, widowed, separated or divorced, and for the portion comprised between €500,001 and €1,000,000 for the taxpayers who are subject to joint taxation;
- 4% for the portion of the reference tax income exceeding €500,001 for those taxpayers who are single, widowed, separated or divorced, and for the portion exceeding €1,000,000 for the taxpayers who are subject to joint taxation.

The reference income for tax purposes of a tax household is defined pursuant to the provisions of 1° of IV of Article 1417 of the French Code *général des impôts*, without application of the quotient rules defined in Article 163-0 A of the French Code *général des impôts*. The reference income

includes in particular the net capital gains resulting from the transfer of Shares realised by the concerned taxpayers, prior to the application of the allowance for ownership duration.

Transfers of Shares - Personal income tax

Net capital gains resulting from the transfer of Shares by individuals who are French tax resident individuals are subject to income tax at a 30% flat rate (*PFU*) including a total of 17.2% social security contributions allocated as mentioned in paragraph (a).

As described above under "*Dividends - Personal income tax*", individuals may still opt for their capital gains to be subject to the progressive individual income tax rates (with a top marginal income tax rate of 45%) plus 17.2% of social security contributions.

Taxpayers whose income exceeds certain amounts are also subject to exceptional contribution on high income described under "*Dividends - Personal income tax*" above.

Special treatment for Share Saving Plans (Plans d'épargne en actions, PEA) ("SSP")

The 2013 Supplementary Budget Act (*loi n°2013-1279 du 29 décembre 2013 de finances rectificative pour 2013*) prohibits the holding through a SSP of preference shares (*actions de préférence*) issued pursuant to provisions of Articles L. 228-11 et seq. of the French Code de commerce.

Subject to certain conditions, the SSP allows during the life-time of the SSP, an exemption of income and capital gains generated by the investment made within the SSP from income tax (excluding social security contributions) provided that the amounts invested in the SSP are held in the SSP for a minimum of 5 years.

Since 1 January 2019, withdrawal realised before five years are subject to the flat rate of individual income tax equal to 12.8% and a flat rate of social security contributions equal to 17.2%.

Withdrawal	Tax Rate	Social Contribution
Years 1 to 5	12.8%	17.2%
After 5 Years	Exemption	

Specific provisions, not described in this Circular, are applicable in case of realisation of capital losses, closing of the plan before the end of the fifth year following the opening of the SSP, or of exit from the SSP in the form of life annuity. The concerned Shareholders are invited to contact their usual tax advisor.

Inheritance and gift duties

Shares acquired by French tax resident individuals by way of inheritance or gift may be subject to estate or gift tax in France.

- ii. *Legal entities subject to corporate income tax under standard conditions*

Dividends

Dividends paid to French legal entities are in principle subject to corporate income tax at the standard rate of 25% for financial years beginning on or after 1 January 2022 increased by, if applicable, a social contribution amounting to 3.3% (Article 235 ter ZC of the French Code *général des impôts*) which is assessed on the amount of corporate income tax after deduction of an allowance that cannot exceed €763,000 per twelve-month period.

However, companies with turnover (net of tax) that is below €10,000,000 and with a fully paid-up capital of which 75% has been continuously held during the relevant tax year by natural or by legal

persons that comply with these conditions, benefit from a reduced corporate income tax rate of 15%, within the limit of a taxable profit of €38,120 over a 12-month period.

In addition, if the dividends are taken from a taxable income, they are included in the taxable income but may benefit, subject to certain conditions pertaining inter alia to the holding of at least 5% of FL Entertainment's share capital for a 2-year period, from the exemption provided for under Articles 145 and 216 of the French Code *général des impôts* (save for a 5% lump sum of charges and expenses that is subject to corporate income tax at the standard rate).

As an exception to the aforementioned rules, regardless of the place of the registered office, or status of the recipient, dividends paid by FL Entertainment outside France in a non-cooperative State or Territory (Etat ou territoire non-coopératif) within the meaning of Article 238-0 A of the French Code *général des impôts*, other than those mentioned in 2° of 2 bis of the same Article 238-0 A of the French Code *général des impôts*, will be subject to a withholding tax at a rate of 75%. The list of non-cooperative States or Territories is published by a ministerial decree that is in principle updated annually.

Transfers of Shares - Ordinary regime

Capital gains realised upon the transfer of Shares are, in principle, included in the taxable income subject to corporate income tax, calculated as described under "*Dividends*" above.

Capital losses incurred on the transfer of Shares are generally deductible from the taxable income of the legal entity.

Transfers of Shares - Specific regime applicable to long-term capital gains

Pursuant to Article 219 I-a *quinquies* of the French Code *général des impôts*, net capital gains realised upon the sale of shares qualifying as "*titres de participation*" within the meaning of this Article and which have been held for at least 2 years as of the date of transfer are tax exempt, save for the recapture of an amount equal to 12% of the gross capital gains realised.

For the purposes of Article 219 I-a *quinquies* of the French Code *général des impôts*, the term "*titres de participation*" means (i) shares qualifying as "*titres de participation*" for accounting purposes, (ii) shares acquired pursuant to a public tender offer or public exchange offer in respect of Pegasus Entrepreneurs which initiated such offer, as well as (iii) shares that are eligible for the parent-subsidiary tax regime (as defined in Articles 145 and 216 of the French Code *général des impôts*) if these shares are registered as "*titres de participation*" in the accounts or in a specific subdivision of another account corresponding to their accounting qualification, except for shares in a predominant real estate company.

The use and carry-forward of long-term capital losses follow certain specific rules and Shareholders are encouraged to contact their usual tax advisor in this regard.

Other situations

Holders of FLE Ordinary Shares subject to other tax regimes than those presented above are advised to consult their usual tax advisor with respect to their specific situation.

Registration duties

Pursuant to Article 726 of the French tax code (*Code général des impôts*), no registration tax (*droits d'enregistrement*) is payable in France on the sale of shares of a listed company that does not have its corporate seat (*siège social*) in France, unless the sale is recorded in a deed signed in France. In

the latter case, the sale of shares is subject to a transfer tax at the proportional rate of 0.1% based on the higher of the sale price or the fair market value of the shares, subject to certain exceptions provided for by Article 726, II of the French tax code as construed by the guidelines issued by the French tax authorities BOI-ENR-DMTOM-40-10-10 dated 12 September 2012. Pursuant to Article 1712 of the French tax code, the registration taxes that would be due if the sale were recorded in a deed without being subject to the French FTT will be borne by the transferee (unless otherwise contractually stipulated). However, by virtue of Articles 1705 *et seq.* of the French tax code, all parties to the deed will be jointly and severally liable to the tax authorities for the payment of the taxes.

Tax on financial transactions

Pursuant to Article 235 ter ZD of the French tax code, subject to certain exceptions, the 0.3% French FTT applies to any acquisition for consideration of an equity security or similar security, if (i) this security is listed on a regulated market, (ii) its acquisition gives rise to a transfer of ownership, and (iii) this security is issued by a company whose corporate seat (*siege social*) is located in France and whose market capitalisation exceeds €1 billion as of December 1 of the year preceding the taxation year. The French FTT is collected by the financial services provider, except where the acquisition is completed without the assistance of a financial services provider, in which case the tax is assessed and due by the entity acting as custodian (*teneur de comptes-conservateur*), within the meaning of 1 of Article L. 321-2 of the French Monetary and Financial Code. Acquisitions of equity or similar securities subject to the French FTT are exempt from registration taxes provided for by Article 726 of the French tax code. Acquisitions of equity or similar securities subject to this tax are exempt from registration duties provided for by Article 726 of the French tax code. A list of the companies falling within the scope of the French FTT is published every year. As the corporate seat (*siège social*) of FL Entertainment is located in the Netherlands, it is expected that the FTT should not be applicable to the acquisition of FL Entertainment's shares. However, prospective holders of FL Entertainment's shares and Shareholders should consult their own tax advisors as to the potential consequences of such French FTT in particular with respect to any further subscription, purchase, ownership or disposition of shares. Certain considerations relating to individuals and corporate entities (i) who are domiciled or resident for tax purposes outside France and (ii) who do not hold their FLE Ordinary Shares in connection with a fixed base or permanent establishment in France

This summary assumes that FL Entertainment is organised and that its business will be conducted such that it is considered to be tax resident in France for purpose of the French-Dutch Tax Treaty, as amended by the MLI.

The statements relating to French tax laws set forth below are based on the tax laws and regulations of France, the guidelines of the French tax authorities and the applicable double taxation conventions or treaties with France, all as currently in force as of the date hereof and all subject to change, possibly with retroactive effect.

The following generally summarises certain French tax consequences for non-French residents for tax purposes of acquiring, holding and disposing of FLE Ordinary Shares. The following general summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to the allocation, the detachment, the sale or exercise of rights and a decision to subscribe, purchase, own or dispose of FL Entertainment's shares and Shareholders should consult their own tax advisors in determining the tax consequences to them of acquiring, holding and disposing such FLE Ordinary Shares or rights to their particular situation.

The following summary does not address the treatment of shares or rights that are held by a resident of France or in connection with a permanent establishment or fixed base in France, or by a person that owns FLE Ordinary Shares through a foreign trust.

French law has enacted rules relating to trusts, in particular specific tax and filing requirements as well as modifications to wealth, estate and gift taxes as they apply to trusts. Given the complex nature of these rules and the fact that their application varies depending on the status of the trust, the grantor, the beneficiary and the assets held in the trust, the following summary does not address the tax treatment of the shares held in a trust. If the shares are held in trust, the grantor, trustee and beneficiary are urged to consult their own tax advisors regarding the specific tax consequences of acquiring, owning and disposing of the shares.

Non-residents of France for tax purposes will have to comply with applicable tax laws of their state of residence and, as the case may be, the applicable tax treaty entered into between France and such state.

Dividends

In France, dividends are paid out of after-tax income.

Subject to provisions of tax treaties which may apply and subject to the exceptions listed below, the dividends distributed by FL Entertainment are in principle subject to a withholding tax, withheld by the paying agent of those dividends, where the tax residence or registered office of the effective beneficiary is located outside France and where the shares are not held in connection with a permanent establishment or fixed base in France.

Individuals

Subject to what is stated below and more favourable provisions of international tax treaties, the withholding tax rate is set at a rate of (i) 12.8% if the beneficiary is an individual, (ii) 15% if the beneficiary is a non-profit organisation having its registered office in a European Union Member State or in another Member State of the European Economic Area having entered with France into a tax treaty providing for administrative assistance against tax fraud and evasion, to the extent that such organisation would be taxed according to the special treatment referred to in paragraph 5 of Article 206 of the French tax code if it had its registered office in France and as construed by the guidelines issued by the French tax authorities, BOI-IS-CHAMP-10-50-10-40 dated 25 March 2013, No 580 et seq., and relevant case law; and (iii) in all other cases, the standard corporate income tax rate set forth in the first sentence of the second paragraph of Article 219-I of the French tax code which is set at a rate of 25% as of 1 January 2022.

Furthermore, subject to the provisions of international tax treaties, regardless of the place of residence, the registered office, or the status of the beneficiary, dividends paid outside of France in a "non-cooperative State and territory" (État ou territoire non-coopératif) as defined in Article 238-0 A of the French tax code ("NCST"), other than those mentioned in paragraph 2 bis-2° of Article 238-0 A of the French tax code, are subject to French withholding tax at a rate of 75%, except if FL Entertainment proves that the distributions of such dividends have neither as their object nor as their effect to allow, for tax fraud purpose, their location in such State or territory. The list of the NCSTs is published by ministerial decree and may be updated at any time and at least, in principle, once a year. The provisions of the French tax code referring to Article 238-0 A of the French tax code shall apply to States or territories added on this list as from the first day of the third month following the publication of the ministerial decree.

Legal entities

Shareholders that are legal persons may benefit from a reduction or an exemption of withholding tax, provided that they are the beneficial owners of such dividends, subject to satisfying the conditions set forth in the following provisions:

- Article 119 *ter* of the French tax code applies under certain conditions to legal entities:
- having their effective place of management in a Member State of the European Union or in another Member State of the European Economic Area Agreement that has concluded with France a tax treaty providing for administrative assistance against tax fraud and evasion, which are not considered, under the terms of a tax treaty concluded with a third State, to have their tax residence outside the European Union or the European Economic Area Agreement;
- having one of the forms listed in Part A of Annex I to Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States or an equivalent form where Pegasus Entrepreneurs has its effective place of management in a Member State of the European Economic Area Agreement,
- being subject, in the Member State of the European Union or in the Member State of the European Economic Area Agreement where they have their effective place of management, to corporate income tax, without the possibility of an option and without being exempt from it;
- holding or commit to hold at least 10% of the capital of the French company distributing the dividends during two years and otherwise satisfying all the conditions of such Article as construed by the guidelines issued by the French tax authorities BOI-RPPM-RCM-30-30-20-10 –dated 3 July 2019, it being however specified that (i) the ownership threshold is reduced to 5% of the capital of the French distributing company where the legal person being the beneficial owner of the dividends meets the conditions to benefit from the French participation exemption regime set forth in Article 145 of the French tax code and has no possibility to offset the French withholding tax in its State of residence, and (ii) the ownership thresholds are assessed taking into account shares held both in full or bare ownership. It is specified that Article 119 *ter* of the French tax code does not apply to dividends distributed as part of an arrangement or series of arrangements which, having been set up to seek the grant of, as a main objective or as part of one of the main objectives, a tax advantage that is against the object or the purpose of Article 119 *ter* of the French tax code, is not genuine taking into account all the relevant facts and circumstances.
- Article 119 *quinquies* of the French tax code, as commented by the guidelines issued by the French tax authorities BOI-RPPM-RCM-30-30-20-80 -dated 6 April 2016, applies to legal entities who can demonstrate to the debtor or the person paying the dividends that they fulfil the following conditions for the financial year in which they receive the income :
- being in a loss making position (or where the permanent establishment to which the income is allocated is in a loss making position) based on the rules applicable in the jurisdiction in which it is established;
- having their effective place of management, or, where applicable, the permanent establishment to which the income is allocated (x) in a Member State of the European Union

or (y) in another Member State of the European Economic Area Agreement that is not a NCST and that has concluded with France a tax treaty providing for administrative assistance against tax fraud and evasion and a mutual assistance agreement on recovery with a similar scope to that provided for in Council Directive 2010/24/EU of 16 March 2010, or (z) in a State outside the European Union or the European Economic Area, that is not a NCST and that has concluded with France the administrative and mutual assistance agreements for recovery mentioned above, provided that the shareholding held in the distributing company does not allow the beneficiary to participate effectively in the management or control of this company or organisation; and

- provided that they are subject to a judicial liquidation procedure that is comparable to that mentioned in Article L. 640-1 of the French Commercial Code (or where there is no such procedure available, in a situation of cessation of payments with recovery being manifestly impossible) on the date the income is received.
- Moreover, dividend income distributed to collective investment undertakings incorporated under foreign law which (i) are located in a Member State of the European Union or in another State that has concluded with France a tax treaty providing for administrative assistance against tax fraud and evasion, (ii) raise capital from a certain number of investors with the purpose of investing it in a fiduciary capacity on behalf of such investors, pursuant to a defined investment policy and (iii) have characteristics similar to those required of collective undertakings fulfilling the conditions set forth in Article 119 -bis, 2-, 2 of the French tax code and the guidelines issued by the French tax authorities (BOI-RPPM-RCM-30-30-20-70 dated 6 October 2021), also benefit from a withholding tax exemption.
- Shareholders may benefit from a reduction or an exemption of withholding tax pursuant to the provisions of applicable tax treaties.

Shareholders should consult their tax advisors to determine whether and under which conditions they may qualify for one of these exemptions.

In addition, Article 235 quater of the French tax code provides for a mechanism enabling to obtain a refund of the withholding tax along with a tax deferral applicable to shareholders who are legal entities or organisations (a) whose result of the fiscal year during which the dividends distribution is received generates tax losses, (b) whose registered office or permanent establishment in the result of which the income and profits are included is located (x) in a Member State of the European Union, (y) in another Member State of the European Economic Area Agreement that is not a NCST and that has concluded with France a tax treaty providing for administrative assistance against tax fraud and evasion and a mutual assistance agreement on recovery with a scope similar to that provided for in Council Directive 2010/24/EU of 16 March 2010 or (z) in a State outside the European Union or the European Economic Area, that is not a NCST and that has concluded with France the above-mentioned conventions, provided that the shareholding held in the distributing company does not allow the beneficiary to participate effectively in the management or control of this company or organisation and (c) complying with the reporting obligations set forth in Article 235 quater of the French tax code. The tax deferral would terminate with respect to the fiscal year in which the concerned shareholder would become profitable as well as in cases set out in Article 235 quater of the French tax code.

Shareholders are urged to consult their usual tax advisors to determine whether they are likely to fall

within the scope of the legislation relating to NCST, or to qualify for a reduction to or exemption from the withholding tax by virtue of the provisions of international tax treaties, and/or to be subject to an anti-abuse measure and to determine the practical formalities to be complied with to benefit from these conventions, including those provided for by BOI-INT-DG-20-20-20-20 dated 12 September 2012 relating to the so-called "standard" or "simplified" procedure for the reduction of or exemption from the withholding tax (see below "*Procedures for claiming treaty benefits*").

Lastly, non-French tax residents must also comply with the tax laws in force in their State of residence, as may be modified by the tax treaties for the avoidance of double taxation signed between France and such jurisdiction.

Moreover, the Finance Law for 2019 No 2018-1317 published in the Official Journal on 30 December 2018, introduced an anti-abuse measure set forth in Article 119 bis A of the French tax code with effect from July 1, 2019, providing for the application by the paying agent of a withholding tax applicable of up to 25% in case of temporary sales of shares or similar transactions around the dividend payment date allowing non-resident shareholders of French companies to avoid the withholding tax normally applicable. In this case, the withholding tax would apply without the beneficiary being able to avail himself of the so-called simplified procedure in order to benefit from the more favourable provisions of the applicable international tax treaties (if any). However, this measure provides, under certain conditions, for a safe-harbor provision in order to obtain reimbursement of all or part of the withholding tax thus levied if the non-resident shareholder is able to demonstrate that this payment corresponds to a transaction which has mainly a purpose and effect other than to avoid the application of a withholding tax or to obtain the benefit of a tax advantage.

Shareholders who could be concerned are invited to consult their usual tax advisor in order to determine the consequences of this measure to their particular situation.

Procedures for claiming treaty benefits

Pursuant to the guidelines issued by the French tax authorities (BOI-INT-DG-20-20-20-20 dated 12 September 2012), shareholders who are entitled to treaty benefits under an applicable tax treaty with France (including the Treaty) can claim such benefits under a simplified procedure (provided that it is possible under the provisions of the tax treaty) or under the standard procedure. Specific requirements apply to certain investors, such as UCITS, pension funds, US persons, etc.

The procedure to be followed generally depends upon whether the application for treaty benefits is filed before or after the dividend payment.

Under the simplified procedure, in order to benefit from the lower rate of withholding tax applicable under the relevant treaty, the shareholder must complete and deliver to the bank or financial institution managing its account or to the paying agent, before the dividend payment, a certificate of residence (Form 5000) stamped by the tax authorities of the jurisdiction of residence of such shareholder stating in particular that the recipient of the dividend:

- is beneficially entitled to the income for which the treaty benefits are being claimed;
- is a resident of the other contracting State for the purposes of the relevant tax treaty;
- does not have any establishment or permanent base in France to which the dividend income is attached; and
- has reported or will report this dividend to the tax authorities of its State of residence.

The simplified procedure is applicable to collective investment schemes, subject to filing an additional form establishing the percentage of shares held by residents of the relevant jurisdiction.

If the Form 5000 is not filed prior to the dividend payment, the normal procedure is applicable. In such a case, a withholding tax is levied at the ordinary French withholding tax rate, and the shareholder has to claim a refund for the excess withholding tax by filing both Form 5000 and Form 5001, with the French tax authorities, no later than 31 December, of the second year following the year during which the dividend is paid or no later than the specific deadline possibly provided by the applicable tax treaty.

Copies of Form 5000 and Form 5001 are available on www.impots.gouv.fr. Information on such website is not a part of this Circular.

FL Entertainment's shareholders are urged to consult their usual tax advisors to determine whether they are likely to fall within the legislation relating to NCST, or to qualify for a reduction to or exemption from the withholding tax by virtue of the preceding principles or provisions of the applicable tax treaty, and to determine the practical formalities to be complied with to benefit from these provisions.

Capital gains

Subject to the provisions of applicable tax treaties, capital gains arising from the disposal of the shares or rights of a company whose seat (*siège*) is located in France by individuals who are not residents of France for tax purposes within the meaning of Article 4 B of the French tax code or by legal entities whose registered office is located outside France (and which do not own their shares in connection with a fixed base or a permanent establishment subject to tax in France and on the balance sheet of which the shares are recorded) are not subject to French tax under Articles 244 bis B and 244 bis C of the French tax code, provided that the seller has not held directly or indirectly, alone or together with family members in the case of individuals, (i) a stake representing more than 25% of the rights in the considered company's earnings (*droits aux bénéfices sociaux*) at any point in time during the five-years period preceding the disposal and that (ii) the seller is not domiciled, established or incorporated outside France in an NCST within the meaning of Article 238-0 A of the French tax code.

Regardless of the percentage of rights held in the earnings of a company whose shares are sold, when such gains are made by persons or organisations domiciled, established or incorporated outside France in an NCST other than those mentioned in paragraph 2 bis, 2° of Article 238-0 A of the French tax code, the capital gains are taxed at 75%, except if the persons or organisations considered prove that the transactions to which these profits relate and their location in such State or territory have neither as their object nor as their effect to allow for tax fraud.

For the purposes of the provisions provided for by Article 244 Bis B of the French Tax Code, it is not specified whether a company's "seat" is the place where it has its corporate seat (*siège social*), in which case these provisions would not apply to FL Entertainment, or where a company has its place of effective management (*siège de direction effective*), in which case these provisions would apply to the disposal of FL Entertainment's shares provided that the other conditions are met.

Shareholders who are not French tax residents are urged consult with their usual tax advisor in order to determine the tax regime applicable to their own situation both in France and in the jurisdiction where they reside for tax purposes.

Transfer taxes and French FTT

Pursuant to Article 726 of the French tax code, no registration tax (droits d'enregistrement) is payable in France on the sale of shares of a listed company that does not have its corporate seat (*siège social*) in France, unless the sale is recorded in a deed signed in France. In the latter case, the sale of shares is subject to a transfer tax at the proportional rate of 0.1% based on the higher of the sale price or the fair market value of the shares, subject to certain exceptions provided for by Article 726, II of the French tax code as construed by the guidelines issued by the French tax authorities BOI-ENR-DMTOM-40-10-10 dated 12 September 2012. Pursuant to Article 1712 of the French tax code, the registration taxes that would be due if the sale were recorded in a deed without being subject to the French FTT will be borne by the transferee (unless otherwise contractually stipulated). However, by virtue of Articles 1705 et seq. of the French tax code, all parties to the deed will be jointly and severally liable to the tax authorities for the payment of the taxes.

Pursuant to Article 235 ter ZD of the French tax code, subject to certain exceptions, the 0.3% French FTT applies to any acquisition for consideration of an equity security or similar security, if (i) this security is listed on a regulated market, (ii) its acquisition gives rise to a transfer of ownership, and (iii) this security is issued by a company whose corporate seat (*siège social*) is located in France and whose market capitalisation exceeds €1 billion as of December 1 of the year preceding the taxation year. The French FTT is collected by the financial services provider, except where the acquisition is completed without the assistance of a financial services provider, in which case the tax is assessed and due by the entity acting as custodian (teneur de comptes-conservateur), within the meaning of 1 of Article L. 321-2 of the French Monetary and Financial Code. Acquisitions of equity or similar securities subject to the French FTT are exempt from registration taxes provided for by Article 726 of the French tax code. A list of the companies falling within the scope of the French FTT is published every year. The corporate seat (*siège social*) of FL Entertainment is located in the Netherlands, therefore it is expected that the FTT should not be applicable to the acquisition of FL Entertainment's shares.

Shareholders and prospective holders of FL Entertainment's shares should consult their own tax advisors as to the potential consequences of such French FTT in particular with respect to any further subscription, purchase, ownership or disposition of shares.

Estate and gift duties

Under Article 750 ter of the French Tax Code, shares or rights issued by companies whose corporate seat (*siège social*) or place of effective management (*siège de direction effective*) is in France and acquired by way of inheritance or gift by an individual not residing in France for French tax purposes fall within the scope of French inheritance tax and gift duties, and where applicable are subject thereto. The tax applies without regard to the tax residence of the transferor. However France has entered into tax treaties with some jurisdictions so as to avoid double taxation on inheritance or gifts, which allow for persons residing in these jurisdictions to be exempted under certain conditions from inheritance or gift duties or to be granted a tax credit.

Shareholders are urged to consult their usual tax advisor regarding their obligations concerning inheritance or gift duties in respect of their interest in FL Entertainment, and the conditions for being exempted from duties on inheritance or gift duties pursuant to the applicable tax treaty, if any.

c. Material Dutch Tax Considerations

iii. *Scope of Discussion*

The following is a general summary of certain material Dutch tax consequences of the acquisition, holding and disposal of the FLE Ordinary Shares and FLE Warrants. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of FLE Ordinary Shares and/or FLE Warrants and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, this general summary should be treated with corresponding caution.

This summary assumes that FL Entertainment is organised and that its business will be conducted such that it is considered to be exclusively tax resident in France for purpose of the French-Dutch Tax Treaty, as amended by the MLI. This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date of this Circular, and all of which are subject to change, possibly with retroactive effect. This summary does therefore not take into account the amendments to the Dutch Withholding Tax Act introducing an additional conditional Dutch withholding tax for dividend distributions to low-tax jurisdictions and in abusive situations (*Wet invoering conditionele bronbelasting op dividenden*), as these amendments are not yet in effect as of the Settlement Date. Once these amendments become effective on 1 January 2024, as announced, dividends paid to certain entities considered related to FL Entertainment may be subject to an additional Dutch withholding tax equal to the highest corporate income tax rate at the time of the dividend payment.

Where the summary refers to the Netherlands or Dutch law it only refers to the part of the Kingdom of the Netherlands located in Europe and its law, respectively. The summary does not address the tax consequences arising in any jurisdiction other than the Netherlands.

This discussion is for general information purposes only and is not Dutch tax advice or a complete description of all Dutch tax consequences relating to the acquisition, holding and disposal of the FLE Ordinary Shares and FLE Warrants. Holders or prospective holders of FLE Ordinary Shares and/or FLE Warrants should consult their own tax advisors regarding the Dutch tax consequences relating to the acquisition, holding and disposal of the FLE Ordinary Shares and/or FLE Warrants in light of their particular circumstances.

Please note that this summary does not describe the Dutch tax consequences for:

- a. a holder of FLE Ordinary Shares and/or FLE Warrants if such holder has a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in FL Entertainment under the Dutch income tax act (*Wet inkomstenbelasting 2001*) (the "**Dutch Income Tax Act**"). Generally, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of an individual, together with such holder's partner for Dutch income tax purposes, directly or indirectly, holds (a) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company (such as the FLE Ordinary Shares), (b) rights (such as the FLE Warrants) to acquire, directly or indirectly, such interest, or (c) certain profit sharing rights in that company that relate to 5% or more of the company's annual profits or to 5% or more of the company's liquidation proceeds. A holder of securities in a company will also have a substantial interest if any relatives by blood or marriage in the direct line (including foster children) of that holder or of

his or her partner have a substantial interest in that company. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

- b. a holder of FLE Ordinary Shares and/or FLE Warrants that is an entity for which the income and/or capital gains derived in respect of the FLE Ordinary Shares or FLE Warrants are exempt under the participation exemption (*deelnemingsvrijstelling*) or are subject to the participation credit (*deelnemingsverrekening*) as set out in the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*) or for which the income and/or capital gains derived in respect of the FLE Ordinary Shares and/or FLE Warrants would have been subject to either the participation exemption or participation credit regime if such holder of FLE Ordinary Shares and/or FLE Warrants had been a taxpayer in the Netherlands. Generally, a holder's shareholding of 5% or more in a company's nominal paid-up share capital qualifies as a participation. A holder may also have a participation if (a) such holder does not have a shareholding of 5% or more but a related entity (statutorily defined term) has a participation, or (b) the company in which the shares are held is a related entity (statutorily defined term);
- c. pension funds, investment institutions (*fiscale beleggingsinstellingen*) and tax exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (each as defined in the Dutch Corporate Income Tax Act) and other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax as well as entities that are exempt from corporate income tax in their country of residence, such country of residence being another state of the European Union, Norway, Liechtenstein, Iceland or any other state with which the Netherlands has agreed to exchange information in line with international standards;
- d. a holder of FLE Ordinary Shares and/or FLE Warrants if such holder is an individual for whom the FLE Ordinary Shares and/or FLE Warrants, or any benefit derived from the FLE Ordinary Shares and/or FLE Warrants, is a remuneration or deemed to be a remuneration for (employment) activities performed by such holder or certain individuals related to such holder (as defined in the Dutch Income Tax Act); and
- e. a holder of FLE Ordinary Shares and/or FLE Warrants that is not considered the beneficial owner (*uiteindelijk gerechtigde*) for Dutch tax purposes of such FLE Ordinary Shares and/or FLE Warrants.

iv. Dutch withholding tax

FL Entertainment is incorporated under Dutch law. Companies incorporated under Dutch law are for Dutch dividend withholding tax purposes considered to be a tax resident of the Netherlands, irrespective of their place of effective management, and are, as such, in principle in scope of Dutch dividend withholding tax rules. As a result, dividends distributed by FL Entertainment are generally subject to Dutch dividend withholding tax at a rate of 15%. Generally, FL Entertainment is responsible for the withholding of such dividend withholding tax at source.

However, as long as FL Entertainment will for the purposes of the French-Dutch Tax Treaty be considered to be exclusively tax resident in France, and subject to FL Entertainment meeting the Principal Purpose Test, the French-Dutch Tax Treaty would, on the basis of case law of the Dutch Supreme Court, in principle preclude the Netherlands from imposing Dutch dividend withholding tax on dividends paid by FL Entertainment to a holder of FLE Ordinary Shares other than a Dutch Nexus Investor (the "**Withholding Tax Restriction**"). For purposes of this summary a "**Dutch**

Nexus Investor" is a holder of FLE Ordinary Shares that is resident in the Netherlands for tax purposes. However, it cannot be entirely excluded that the term Dutch Nexus Investors also extends to a holder of FLE Ordinary Shares that is not resident in the Netherlands for tax purposes but that has a permanent establishment in the Netherlands to which the FLE Ordinary Shares are fundamentally linked (*wezenlijk verbonden*).

Consequently, dividends paid by FL Entertainment on the FLE Ordinary Shares to a holder thereof who is not a Dutch Nexus Investor are in principle not subject to Dutch dividend withholding tax. As a result of the foregoing, upon a distribution of dividends, FL Entertainment is required to identify its shareholders in order to assess whether there are Dutch Nexus Investors among them, in respect of which Dutch dividend withholding tax then needs to be withheld. Such identification may be problematic and not always possible in practice. If the identity of FL Entertainment's shareholders cannot be timely determined, withholding of both French and Dutch dividend withholding tax may occur upon a dividend distribution. In light of the foregoing, FL Entertainment may, as a condition for not withholding Dutch dividend withholding tax, in its sole discretion decide to require holders of FLE Ordinary Shares to submit information, including information certifying their status as not being a Dutch Nexus Investor.

If and to the extent dividends are paid on the FLE Ordinary Shares to a holder who is a Dutch Nexus Investor, such dividends are generally subject to Dutch dividend withholding tax of 15% imposed by the Netherlands. If for any reason Dutch dividend withholding tax is withheld from a dividend distribution made by FL Entertainment to holders of FLE Ordinary Shares other than Dutch Nexus Investors, such holders may apply for a refund of such Dutch dividend withholding tax levied.

The expression "dividends distributed" includes, among other things:

- distributions in cash or in kind, deemed and constructive distributions and repayments of paid-in capital not recognised for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds from the redemption of the FLE Ordinary Shares, or proceeds from the repurchase of the FLE Ordinary Shares (other than as temporary portfolio investment (*tijdelijke belegging*)) by FL Entertainment or one of its subsidiaries or other affiliated entities, in each case to the extent such proceeds exceed the average paid-in capital of those FLE Ordinary Shares as recognised for Dutch dividend withholding tax purposes;
- an amount equal to the par value of the FLE Ordinary Shares issued or an increase of the par value of the FLE Ordinary Shares, to the extent that it does not appear that a contribution, recognised for Dutch dividend withholding tax purposes, has been made or will be made; and
- partial repayment of the paid-in capital recognised for Dutch dividend withholding tax purposes, if and to the extent that FL Entertainment has "net profits" (*zuivere winst*), unless (i) the FLE General Meeting has resolved in advance to make such repayment and (ii) the par value of the FLE Ordinary Shares concerned has been reduced by an equal amount by way of an amendment of FL Entertainment's articles of association. The term "net profits" includes anticipated profits that have yet to be realised.

In addition to the above, it cannot be excluded that any payments made by FL Entertainment to the holder of an FLE Warrant (including proceeds of a redemption of the FLE Warrants and proceeds of a repurchase of the FLE Warrants or a full or partial cash or cashless settlement of the FLE Warrants) fall within the scope of the expression "dividends distributed" and are therefore subject to Dutch

dividend withholding tax at a rate of 15%. However, to date no authoritative case law of the Dutch courts has been made publicly available in this respect. Nevertheless, the issuance of FLE Ordinary Shares upon the exercise of the FLE Warrants should not give rise to Dutch dividend withholding tax, provided that (i) the exercise price paid in cash is at least equal to the nominal value of the FLE Ordinary Share issuable upon the exercise of such FLE Warrant, or (ii) the nominal value of the FLE Ordinary Share issuable upon the exercise of such FLE Warrant is charged against FL Entertainment's share premium reserve recognised for Dutch dividend withholding tax purposes.

In case FL Entertainment takes the position that no Dutch dividend withholding tax need to be withheld in respect of certain payments or transactions, and subsequently the Dutch tax authorities would successfully argue that Dutch dividend withholding tax needed to be withheld and remitted, FL Entertainment could incur a grossed-up liability on account of Dutch dividend withholding tax, which would make it effectively a cost to FL Entertainment rather than the relevant FLE Ordinary Shareholders or FLE Warrant Holders.

If a holder of FLE Ordinary Shares and/or FLE Warrants is a Dutch Resident Individual (as defined below) or a Non-Dutch Resident individual for whom dividends distributed by FL Entertainment or income deemed to be derived from the FLE Ordinary Shares and/or FLE Warrants is subject to Dutch income tax under the Dutch Income Tax Act, such holder is generally entitled to a credit for any Dutch dividend withholding tax against his Dutch income tax liability and to a refund of any residual Dutch dividend withholding tax. A holder of FLE Ordinary Shares and/or FLE Warrants that is a Dutch Resident Entity or that is a Non-Dutch Resident entity for which dividends distributed by FL Entertainment are subject to Dutch corporate income tax under the Dutch Corporate Income Tax Act, can only credit Dutch dividend withholding tax against any Dutch corporate income tax payable in a relevant year before crediting Dutch dividend withholding tax and Dutch gaming tax (*kansspelbelasting*). To the extent the aggregate of the Dutch dividend withholding tax and gaming tax exceeds the aggregate Dutch corporate income tax liability due in respect of that relevant year, the excess is not refunded, but carried forward to future years subject to certain restrictions and conditions.

v. *Taxes on income and capital gains*

Dutch Resident Entities

Generally, if the holder of FLE Ordinary Shares and/or FLE Warrants is an entity resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes (a "**Dutch Resident Entity**"), any income derived or deemed to be derived from the FLE Ordinary Shares and/or FLE Warrants, or any capital gains realised on the disposal or deemed disposal of the FLE Ordinary Shares and/or FLE Warrants (which may include the exercise of the FLE Warrants), is subject to Dutch corporate income tax at a rate of 15% with respect to the taxable amount up to €395,000 and 25.8% with respect to the taxable amount in excess thereof (rates and brackets for 2022).

Dutch Resident Individuals

If the holder of FLE Ordinary Shares and/or FLE Warrants is an individual resident or deemed to be resident of the Netherlands for Dutch income tax purposes (a "**Dutch Resident Individual**"), any income derived or deemed to be derived from the FLE Ordinary Shares and/or FLE Warrants, or any capital gains realised on the disposal or deemed disposal of the FLE Ordinary Shares and/or FLE Warrants (which may include the exercise of the FLE Warrants), is subject to Dutch income tax at the progressive rates (with a maximum of 49.5% in 2022), if:

- a. the FLE Ordinary Shares and/or FLE Warrants are attributable to an enterprise from which the holder of FLE Ordinary Shares and/or FLE Warrants derives profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigde tot het vermogen*) of such enterprise without being a shareholder (as defined in the Dutch Income Tax Act); or
- b. the holder of FLE Ordinary Shares and/or FLE Warrants is considered to perform activities with respect to the FLE Ordinary Shares and/or FLE Warrants that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or otherwise derives benefits from the FLE Ordinary Shares and/or FLE Warrants that are taxable as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*).

If the above-mentioned conditions a. and b. do not apply to the Dutch Resident Individual, the FLE Ordinary Shares and FLE Warrants will generally be included in such Dutch Resident Individual's net investment asset base (*rendementsgrondslag*) for the year, which will be subject to an annual Dutch income tax on a deemed return under the regime for savings and investments (*inkomen uit sparen en beleggen*) insofar the Dutch Resident Individual's net investment asset base for the year exceeds a statutory threshold (*heffingvrij vermogen*). The deemed return applies irrespective of the actual income or capital gains realised. The net investment asset base for the year consists of the fair market value of the investment assets (including the FLE Ordinary Shares and FLE Warrants) less the allowable liabilities on 1 January of the relevant calendar year. For the net investment assets on 1 January 2022, the deemed return ranges from 1.82% up to 5.53% (depending on the amount of the net investment asset base of the Dutch Resident Individual on 1 January 2022). The deemed return will be adjusted annually on the basis of historic market yields.

The deemed return on the Dutch Resident Individual's net investment asset base for the year is taxed at a flat rate of 31% (rate for 2022). The actual income or capital gains realised in respect of the FLE Ordinary Shares and/or FLE Warrants are, as such, not subject to Dutch income tax under the regime for savings and investments.

However, on 24 December 2021, the Dutch Supreme Court ruled that, under specific circumstances, the Dutch income tax levy on savings and investments in 2017 and 2018 violates the European Convention on Human Rights and the First Protocol thereto. In a letter to the Dutch parliament of 15 April 2022, the Dutch government announced, among other things, that this decision of the Dutch Supreme Court will be taken into account when imposing Dutch income tax assessments for 2022. In addition, the Dutch government announced that emergency amendments will be proposed to the Dutch regime for savings and investments for the years 2023 and 2024. In the aforementioned letter of 15 April 2022, multiple variations of these emergency amendments are described. In a letter to the Dutch Parliament of 28 April 2022, the Dutch government also announced that a legislative proposal with the exact mechanics of the emergency amendments will be submitted to Dutch parliament on 20 September 2022 (i.e. Budget Day (*Prinsjesdag*) in the Netherlands).

Furthermore, the Dutch government had previously already expressed the intention to start calculating the taxation on income from savings and investments on actual returns (instead of on a deemed return) as of 2025. In the aforementioned letter of 15 April 2022, the Dutch government announced that it aims to achieve this by converting the regime for savings and investments into a tax on increases of value of an individual's net assets (*vermogensaanwasbelasting*). The Dutch government announced that it is currently envisaged that the revised regime will apply to all assets that are also in scope of the current regime (as set out above). Under the currently envisaged revised

regime, the income derived from such assets (such as interest and dividends) and increases or decreases of the value of such assets in a relevant year (whether actually realised or not) would become subject to Dutch income tax. However, as of the date of this Circular the exact features of the revised regime are yet to be published by the Dutch government.

Shareholders should therefore carefully consider the tax consequences of the abovementioned Supreme Court ruling and the potential implementation of a tax on the increase of an individual's net assets in their specific circumstances, and should consult their own tax adviser about their own tax situation.

Non-residents of the Netherlands

A holder of FLE Ordinary Shares and/or FLE Warrants that is neither a Dutch Resident Entity nor a Dutch Resident Individual (a "**Non-Dutch Resident**") will not be subject to Dutch income tax or corporate income tax in respect of income derived or deemed to be derived from the FLE Ordinary Shares and/or FLE Warrants, or in respect of capital gains realised on the disposal or deemed disposal of the FLE Ordinary Shares and/or FLE Warrants (which may include the exercise of the FLE Warrants), provided that:

- a. such holder does not derive profits from an enterprise or deemed enterprise (as defined in the Dutch Income Tax Act and the Dutch Corporate Income Tax Act) that, in whole or in part, is carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the FLE Ordinary Shares and/or FLE Warrants are attributable;
- b. in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the FLE Ordinary Shares and/or FLE Warrants that go beyond ordinary asset management (normaal vermogensbeheer) and does not otherwise derive benefits from the FLE Ordinary Shares and/or FLE Warrants that are taxable as benefits from miscellaneous activities in the Netherlands;
- c. in the event the holder is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment relationship, to which enterprise the FLE Ordinary Shares and/or FLE Warrants or payments in respect of the FLE Ordinary Shares and/or FLE Warrants are attributable; and
- d. in the event the holder is an entity (including for example an association, partnership and mutual fund, in each case to the extent taxable as a corporate entity), such entity is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities, to which enterprise the FLE Ordinary Shares and/or FLE Warrants or payments in respect of the FLE Ordinary Shares and/or FLE Warrants are attributable.

vi. Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the FLE Ordinary Shares and/or FLE Warrants by way of a gift by, or on the death of, a holder of FLE Ordinary Shares and/or FLE Warrants who is resident or deemed resident of the Netherlands at the time of the gift or such holder's death.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the FLE Ordinary Shares and/or FLE Warrants by way of a gift by, or on the death of, a holder of FLE Ordinary Shares and/or FLE Warrants who is neither resident nor deemed to be resident of the Netherlands, unless:

- a. in the case of a gift of FLE Ordinary Shares or FLE Warrants by an individual who at the date of the gift was neither resident nor deemed to be resident of the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident of the Netherlands; or
- b. in the case of a gift of FLE Ordinary Shares or FLE Warrants is made under a condition precedent, the holder of FLE Ordinary Shares and/or FLE Warrants is resident or is deemed to be resident of the Netherlands at the time the condition is fulfilled; or
- c. the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident of the Netherlands.

For purposes of Dutch gift and inheritance taxes, amongst others, a person who holds the Dutch nationality will be deemed to be resident of the Netherlands if such person has been a resident of the Netherlands at any time during the ten years preceding the date of the gift or such person's death. Additionally, for purposes of Dutch gift tax, amongst others, an individual, irrespective of nationality, will be deemed to be resident of the Netherlands if such person has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

vii. Value added tax (VAT)

No Dutch VAT will be payable by a holder of FLE Ordinary Shares and/or FLE Warrants in respect of any payment in consideration for the acquisition or disposal of the FLE Ordinary Shares and/or FLE Warrants.

viii. Other taxes and duties

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by a holder of FLE Ordinary Shares and/or FLE Warrants in connection with the acquisition, holding or disposal of the FLE Ordinary Shares and/or FLE Warrants.

5.10 Accounting treatment of the proposed Business Combination

The Business Combination transaction will first be accounted for as a capital reorganisation whereby FL Entertainment will receive contributions from existing shareholders of Financière Lov and subsidiaries. As a result of this, the existing shareholders of Financière Lov will continue to retain control through their majority ownership of FL Entertainment. The capital reorganisation will be immediately followed by the Merger, which is expected to be accounted for in accordance with IFRS 2, Share-based Payment. The shares issued by FL Entertainment as consideration for the acquisition of the public shell company, Pegasus Entrepreneurs, will be recognised at fair value. Under this method of accounting, there is no acquisition accounting and no recognition of goodwill, as Pegasus Entrepreneurs is not a "business" as defined by IFRS 3 ("Business Combinations") given it consists predominantly of cash in the Escrow Accounts. The difference between the fair value of the shares issued and the assets received will be recognised as a listing expense in the income statement of FL Entertainment. In addition, the following factors were also taken into consideration: (i) the business

of FL Entertainment will comprise the ongoing operations of FL Entertainment; (ii) FL Entertainment's senior management will comprise the senior management of Financière Lov and subsidiaries; (iii) the pre-Business Combination shareholders of Financière Lov will have the largest ownership of FL Entertainment and the right to appoint the highest number of board members relative to other shareholders; and (iv) the headquarter of Financière Lov will be that of FL Entertainment.

The Combined Financial Statements included in the Circular have not yet been audited by Ernst & Young et Autres, independent auditor. Ernst & Young et Autres is an independent registered accounting firm, with an address of 1-2, place des Saisons 92400 Courbevoie, Paris-La Défense 1, France. The audited Combined Financial Statements will be included in the Listing Prospectus.

The statutory auditor of FL Entertainment for the financial years 2022 and 2023 will be Ernst & Young Accountants LLP, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, the Netherlands. Ernst & Young Accountants LLP is registered with the Dutch trade register under number 24432944. The auditor signing the auditor's reports on behalf of Ernst & Young Accountants LLP is a member of the Royal Netherlands Institute of Chartered Accountants (Koninklijke Nederlandse Beroepsorganisatie van Accountants) ("**NBA**"). The NBA is the professional body for accountants in the Netherlands.

5.11 Dividend policy of the proposed Business Combination

a. General

Under Dutch corporate law, FL Entertainment may only make dividends and other distributions to its shareholders insofar as FL Entertainment's equity exceeds the sum of the paid-up and called-up share capital increased by the reserves as required to be maintained by Dutch law or by FL Entertainment's articles of association and (if it concerns a distribution of profits) after adoption of the annual accounts referred to in article 2:391 DCC (the "**Annual Accounts**") by the FLE General Meeting from which it appears that such dividend distribution is allowed. Because FL Entertainment is a holding company that conducts its business mainly through its subsidiaries, FL Entertainment's ability to pay dividends will depend directly on distributions made by the FL Entertainment Group Companies to FL Entertainment.

Subject to Dutch law and the FLE Articles of Association, if the adopted annual accounts show a profit the General Meeting shall determine which part of the profits shall be reserved. Of any profits remaining thereafter, (a) first, an amount equal to 0.1% of the nominal value of each Earn-Out Preference Share A, each Earn-Out Preference Share B and each Earn-Out Preference Share C then outstanding shall be added to each dividend reserve for Earn-Out Preference Shares A, B and C respectively, as described in the FLE Articles of Association; (b) secondly, an amount equal to 0.1% of the nominal value of each FLE Founder Share shall be added to the dividend reserve for FLE Founder Shares as described in the FLE Articles of Association; (c) thirdly, an amount equal to 0.1% of the nominal value of each Special Voting Share A and Special Voting Share B shall be added to the the Special Voting Shares A dividend reserve and the Special Voting Shares B dividend reserve, respectively, as described in the FLE articles of association; and (d) finally, any profits remaining thereafter shall be at the disposal of the FLE General Meeting for distribution to the holders of FLE Ordinary Shares in proportion to the aggregate nominal value of their FLE Ordinary Shares. For the avoidance of doubt, the Earn-Out Preference Shares, the Special Voting Shares and the FLE Founder Shares shall not carry any entitlement to profits other than as described in this paragraph.

Subject to Dutch law and the FLE Articles of Association, the FLE General Meeting and the FLE

Board may resolve to distribute an interim dividend insofar as FL Entertainment's equity exceeds the amount of the paid-up and called-up part of the capital increased with the reserves that should be maintained pursuant to the law or the FLE Articles of Association. For this purpose, the FLE Board must prepare an interim statement of assets and liabilities evidencing sufficient distributable equity.

Furthermore, FL Entertainment may not be able to make distributions if the covenants described under "9.5.j. *Liquidity and capital resources*" have not been complied with.

The tax legislation of the FLE Ordinary Shareholder's tax jurisdiction or other relevant jurisdictions, including but not limited to France and the Netherlands, may have an impact on the income received from the FLE Ordinary Shares. For more information, see "5.9 *Certain tax consequences of the proposed Business Combination*" and "10.5 *Risks relating to taxation*".

b. Dividend History

As FL Entertainment was incorporated on 10 March 2022, no dividends have been declared or distributed as of the date of this Circular.

c. Dividend Policy

In the medium term, FL Entertainment's objective is to distribute an amount of dividends representing at least 33% of the Adjusted Net Income, subject to (i) customary exceptions, including restrictions under applicable law; (ii) the results of operations, financial condition, contractual restrictions and capital requirements of FL Entertainment and (iii) approval by the annual general shareholders' meeting.

d. Manner of Dividend Payments

Payment of any dividend in cash will in principle be made in euro. According to the FLE Articles of Association, the FLE General Meeting and the FLE Board may determine that distributions on FLE Ordinary Shares will be made payable either in euro or in another currency. Any dividends that are paid to FLE Ordinary Shareholders through Euroclear Nederland, will be automatically credited to the relevant FLE Ordinary Shareholders' accounts without the need for the FLE Ordinary Shareholders to present documentation proving their ownership of the FLE Ordinary Shares. Payment of dividends on the FLE Ordinary Shares in registered form (not held through Euroclear Nederland, but directly) will be made directly to the relevant FLE Ordinary Shareholder using the information contained in FL Entertainment's shareholders' register (*aandeelhoudersregister*) (the "**Shareholders' Register**") and records.

e. Uncollected Dividends

A claim for any declared dividend and other distributions lapses five years to be calculated from the date following the date on which those dividends or distributions became payable. Any dividend or distribution that is not collected within this period will be considered to have been forfeited to FL Entertainment.

5.12 Corporate governance of the proposed Business Combination

a. General

This section gives an overview of the material information concerning the FLE Board, the FLE Senior Management Team (as defined below), the FL Entertainment Group's employees and FL Entertainment's corporate governance. It is based on the relevant provisions of Dutch law as in effect on the date of this Circular, the FLE Articles of Association, the FLE Board Rules (as defined below)

and the Shareholders Agreement, each of which as they will be in effect on the First Trading Date. This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to the relevant provisions of Dutch law in effect as of the date of this Circular as well as the FLE Articles of Association, the FLE Board Rules and the Shareholders Agreement, as these will be in effect on the First Trading Date. The full text of the FLE Articles of Association in Dutch (and an unofficial English translation thereof) will be made available on the First Trading Date free of charge on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>) and FL Entertainment's website (<https://www.fl-entertainment.com>). The full text of the FLE Board Rules, the charter for FL Entertainment's audit committee (the "**FLE Audit Committee**") and the charter for FL Entertainment's remuneration, selection and appointment committee (the "**FLE Remuneration, Selection and Appointment Committee**"), the FLE Board profile, Diversity Policy and certain other governance policies will be made available free of charge on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>) and FL Entertainment's website (<https://www.fl-entertainment.com>). The material terms of the Shareholders Agreement are described in "*8.3 Shareholders Agreement*".

b. Management Structure

FL Entertainment will have a one-tier board structure consisting of FLE Executive Directors and FLE Non-Executive Directors. The FLE Executive Directors, together with the senior managers of FL Entertainment listed under "*5.12(d.) FLE Senior Management*" form the senior management team of FL Entertainment (the "**FLE Senior Management Team**").

As at the First Trading Date, the provisions in the DCC that are commonly referred to as the "large company regime" (*structuurregime*) do not apply to FL Entertainment. FL Entertainment does not intend to voluntarily apply the large company regime. Note that FL Entertainment may meet the large company regime requirements in the future, which will have an impact on the governance described below.

c. FLE Board

A. FLE Board Rules

The FLE Board will adopt rules with respect to holding meetings and regulating its decision-making process (the "**FLE Board Rules**"), which will become effective as of the First Trading Date. The FLE Board Rules describe the duties, tasks, composition, procedures and decision-making of the FLE Board. The FLE Board Rules will be made available on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>) and FL Entertainment's website (<https://www.fl-entertainment.com>). The FLE Board may amend the FLE Board Rules from time to time.

B. Powers, responsibilities and functioning

The FLE Board is responsible for the management of FL Entertainment's operations, with the FLE Executive Directors being primarily charged with FL Entertainment's day-to-day operations and the FLE Non-Executive Directors being primarily charged with the supervision of the performance of the duties of the FLE Executive Directors. The responsibilities of the FLE Board as a whole include, among other things, defining and pursuing FL Entertainment's objectives and determining FL Entertainment's strategy and risk management. The FLE Board may perform all acts necessary or useful for pursuing FL Entertainment's objectives, with the exception of those acts that are prohibited or are expressly attributed to the FLE General Meeting by law or by the FLE Articles of Association. In performing their duties, the FLE Directors are required to be guided by the interests of FL

Entertainment and its business, taking into consideration the interests of FL Entertainment's stakeholders (which includes but is not limited to its customers, its suppliers, its employees and its shareholders).

The FLE Board is authorised to allocate its duties among the FLE Directors, provided that a resolution to that effect is passed with two-thirds of the votes cast in a meeting in which all FLE Directors in office are present or represented, and that such allocation is laid down in writing (in FLE Board Rules or otherwise) provided that the FLE Directors who are conflicted are not taken into account.

The resolution to adopt or to amend the internal FLE Board's regulations, or to allocate the FLE Board's duties, does not require the approval of the FLE General Meeting.

The FLE Board may determine in writing, pursuant to a resolution to that effect passed with two-thirds of the votes cast in a meeting in which all FLE Directors in office are present or represented, taking into account the provisions of the FLE Articles of Association, that one or more FLE Directors can validly pass resolutions in respect of matters which fall under his / their duties.

Subject to certain statutory exceptions, the FLE Board as a whole is authorised to represent FL Entertainment. In addition, (i) François Riahi as FLE Executive Director with the title CEO as well as (ii) Sophie Kurinckx, as FLE Executive Director with the title CFO, acting solely, each have the authority to represent FL Entertainment. The FLE Board is authorised to appoint proxy holders (*procuratiehouders*) who are authorised to represent FL Entertainment within the limits of the specific delegated powers provided to them in the proxy.

C. Composition, appointment and removal

The FLE Articles of Association will provide that the FLE Board shall determine the number of FLE Directors (provided such amount shall at all times be between nine and thirteen). The FLE Board will consist of one or more FLE Executive Directors and one or more FLE Non-Executive Directors. No person can simultaneously be appointed an FLE Executive Director and an FLE Non-Executive Director. As of the First Trading Date, FL Entertainment will have an FLE Board consisting of two FLE Executive Directors and nine FLE Non-Executive Directors, the majority of the FLE Directors consisting of French tax residents.

The FLE Directors will be appointed by the FLE General Meeting, in accordance with the FLE Articles of Association, Shareholders Agreement, diversity policy and profile of the FLE Board.

As of the First Trading Date, the FLE Board will consist of eleven FLE Directors and pursuant to the Shareholders Agreement:

- two FLE Executive Directors will have been appointed upon Financière Lov's proposal and professionally based in France;
- three FLE Non-Executive Directors (including the chairman) will have been appointed upon Financière Lov's proposal;
- one FLE Non-Executive Director fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below) will have been appointed upon Financière Lov's proposal;
- two FLE Non-Executive Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below) will have been appointed upon the Director

Designating Sponsors' proposal;

- two FLE Non-Executive Directors (of which one is fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below)) will have been appointed upon Vivendi's proposal;
- one FLE Non-Executive Director will have been appointed upon SBM International's proposal; and
- a vice-chairman will have been designated by the FLE Board among the FLE Non-Executive Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below).

In principle, at the First Trading Date, the majority of the FLE Non-Executive Directors shall be individuals professionally based in France and independent as referred to in the Dutch Corporate Governance Code. However, if SBM International as a result of the redemptions and the PIPE Financing acquires a stake larger than 10% in the issued share capital of in FL Entertainment following Settlement, the FLE Non-Executive Director they have nominated can no longer be considered independent within the meaning of the Dutch Corporate Governance Code. Consequently, the majority of the FLE Non-Executive Directors will no longer be independent within the meaning of the Dutch Corporate Governance Code.

The parties to the Shareholders Agreement shall agree to ensure that the FLE Board keeps (i) in case of an even number of FLE Directors, at least 50% of the seats available for FLE Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below) equally divided between women and men (whilst always complying with Dutch law); (ii) in case of an odd number of board members, the 50% and gender neutrality thresholds shall be reduced to the lower whole number. See "*8.3(a.) FLE Board composition*".

If at any time the FLE Board is composed of an even number of FLE Directors of at least four (4) FLE Directors, the chairman shall benefit from a casting vote in the event the votes are tied.

The parties to the Shareholders Agreement shall agree that in the event that Vivendi, the Director Designating Sponsors or SBM International will no longer be authorised to propose candidates for appointment by the FLE General Meeting in accordance with the Shareholders Agreement, the FLE Board shall be authorised to propose such candidates to the FLE General Meeting upon proposal of the FLE Remuneration, Selection and Appointment Committee without any casting vote of the chairman of that committee. Should the FLE Board have any objection against the candidate proposed by the FLE Remuneration, Selection and Appointment Committee to the FLE General Meeting, the FLE Board may either decide not to propose a new FLE Director for appointment or to request a new proposal from the FLE Remuneration, Selection and Appointment Committee. For the avoidance of doubt, this paragraph shall be without prejudice to the right of the FLE General Meeting to either appoint or, in the future, dismiss the candidate proposed by the FLE Board in accordance with the procedure set out in this paragraph.

The proposed candidate must be included in the notice of the FLE General Meeting at which the appointment will be considered. If no proposal or nomination for an appointment has been made in accordance with the Shareholders Agreement, this must be stated in the notice of the FLE General Meeting at which the appointment will be considered. A resolution of the FLE General Meeting to appoint an FLE Director can be adopted with at least an absolute majority of the votes cast, irrespective of the represented part of the issued capital.

The appointment of additional FLE Directors to fill one of the two board seats that, as at the First Trading Date, remain vacant (the "**Vacant Seats**"), shall not require any prior proposal from the FLE Remuneration, Selection and Appointment Committee. The parties to the Shareholders Agreement shall agree that:

- the first Vacant Seat is reserved for appointment by a *bona fide* third party (i.e. other than a party to the Shareholders Agreement or any affiliate thereof) or Fimalac (or any affiliate thereof), provided any such party or Fimalac, alone or with its affiliates, holds more than 8% of the economic interest in FL Entertainment;
- the second Vacant Seat can only be filled (i) after the first Vacant Seat has been filled; and (ii) with an FLE Director designated for appointment by FL which shall anyway remain bound by the aforementioned independence and gender neutrality requirements.

The parties to the Shareholders Agreement will agree to vote in the FLE General Meeting in favour of the appointment of the FLE Directors duly nominated in accordance with the Shareholders Agreement (as described in "*8.3 Shareholders Agreement*"). In case of breach by a party to the Shareholders Agreement, the other parties to the Shareholders Agreement shall be entitled in an FLE General Meeting to vote to dismiss any FLE Director proposed by the breaching party.

The parties to the Shareholders Agreement have further agreed that Financière Lov, Vivendi, the Director Designating Sponsors and SBM International, if they no longer meets the conditions set out in the Shareholders Agreement to nominate an FLE Director but still holds more than 5% of the percentage of FLE Ordinary Shares on a non-fully diluted basis in FL Entertainment, shall be entitled to appoint one FLE Board observer, which may be present at each FLE Board meeting, but will not be able to exercise any voting rights.

The FLE General Meeting may at any time suspend or dismiss an FLE Director with absolute majority. The FLE Board may at all times suspend an FLE Executive Director, by resolution adopted with two-third of the votes cast in a meeting where all FLE Directors in office are present or represented. A suspension may be extended one or more times but may not last longer than three months in aggregate. If at the end of that period, no decision has been taken on the termination of the suspension or on dismissal, the suspension shall end. A suspension can be terminated by the FLE General Meeting at any time.

D. Term of appointment

The FLE Directors are appointed for a term of up to four years unless otherwise specified in the appointment resolution and shall be eligible for reappointment in accordance with the FLE Articles of Association for a term of up to four years at a time, provided that, unless an FLE Director resigns earlier or otherwise ceases to serve as an FLE Director at an earlier date, his or her appointment period will end immediately after the annual FLE General Meeting that will be held in the financial year during which such term would end, unless specified otherwise in the resolution appointing such FLE Director. An FLE Director can be reappointed.

The FLE Board will prepare a rotation schedule for the FLE Non-Executive Directors, as will be made available on the First Trading Date on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>) and FL Entertainment's website (<https://www.fl-entertainment.com>).

E. FLE Board meetings and decisions

Pursuant to the FLE Articles of Association and the FLE Board Rules, resolutions of the FLE Board will be adopted by at least an absolute majority of the votes cast unless the FLE Articles of Association or FLE Board Rules will provide otherwise. Each FLE Director will have one vote. If at any time the FLE Board is composed of an even number of FLE Directors of at least four (4) Directors, the chairman shall benefit from a casting vote in the event the votes are tied. Pursuant to the FLE Board Rules, the FLE Board may only adopt resolutions at a meeting where more than half of the FLE Directors in office are present or represented. When determining the number of FLE Directors who are present or represented at a meeting of the FLE Board, the seats in the FLE Board that are vacant and the FLE Directors who have a conflict of interests as referred to in the FLE Articles of Association are not taken into account. An FLE Director may not participate in the deliberations and the decision-making process of the FLE Board (i) concerning any subject in which he has a direct or indirect personal interest which conflicts with the interest of FL Entertainment and the business enterprise it operates or, (ii) concerning a transaction with a related party in which transaction the relevant FLE Director is involved unless section 2:169 paragraph 5 of the DCC applies. If, as a result thereof, no resolution can be passed by the FLE Board, the resolution may nevertheless be passed by the FLE Board as if none of the FLE Directors has a conflict of interests as described in the previous sentence.

In addition, the FLE Board Rules will provide that the following decisions shall require the prior approval from (i) the majority of the FLE Directors present or represented and (ii) the majority of the FLE Directors present or represented excluding the FLE Directors and whom have been proposed for appointment by Financière Lov (other than the FLE Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below)):

- contribution in kind to any entity of the FL Entertainment Group by Financière Lov, the Courbit Family or any of their affiliates;
- execution or amendment of any agreement (including services or president fee arrangements) between (i) LGI or Financière Lov or the Courbit Family (or any affiliates thereof, except for FL Entertainment or any FL Entertainment Group Company) on the one hand and (ii) any FL Entertainment Group Company on the other, except for the renewal of the existing transactions described in this Circular at the same terms and conditions;
- issuance of instrument/rights giving (i) to LGI or Financière Lov or the Courbit Family (or any affiliates thereof) more rights than the other shareholders of FL Entertainment or (ii) a third-party more rights than the other shareholders if Financière Lov (or any affiliate thereof) is not similarly impacted with other shareholders (or if Financière Lov (or any affiliate thereof) is otherwise advantaged versus the minority shareholders), unless it concerns the issuance of instruments to a person exercising a previously acquired right to acquire such instruments;
- proposals to amendment of FL Entertainment's FLE Articles of Association that would change the majority and quorum rules applicable to resolutions of the FLE General Meeting.

The FLE Board Rules may provide for a list of decisions that can be lawfully adopted by the FLE Executive Directors (further to the basis therefor in the FLE Articles of Association), which may be amended by the FLE Board from time to time.

The FLE Board will need to obtain the approval of the FLE General Meeting for resolutions entailing a significant change in the identity or nature of FL Entertainment or its business. This includes in

any event: (i) the transfer of the business enterprise, or practically the entire business enterprise, to a third-party; (ii) concluding or cancelling a long-lasting cooperation of FL Entertainment or a subsidiary with another legal person or company or as a fully liable general partner in a partnership, provided that the cooperation or cancellation is of material significance to FL Entertainment; and (iii) acquiring or disposing of a participating interest in the share capital of a company with a value of at least one third of FL Entertainment's assets, as shown in the statement of financial position with explanatory notes according to the last adopted annual accounts by FL Entertainment or a subsidiary of FL Entertainment. In each of the abovementioned situations, the lack of approval from the FLE General Meeting does not affect the authority of the FLE Board or the FLE Executive Directors to represent FL Entertainment.

FLE Board meetings shall be held in accordance with the FLE Articles of Association and the FLE Board Rules. FLE Board meetings shall be held physically at the offices of FL Entertainment in France or in any other place in France indicated in the convocation notice (except if not authorised considering surrounding circumstances of such meeting). The place of effective management of FL Entertainment shall be in France, unless another place is designated as the place of effective management by resolution of the FLE Board adopted in a meeting in which all FLE Directors in office are present or represented.

The FLE Board shall meet at least once a quarter, according to a scheduled time table prepared on a yearly basis by the chairman of the FLE Board. FLE Board Meetings may be convened by the chairman of the FLE Board and at least three FLE Directors may request the chairman of the FLE Board to convene a meeting (in which case the chairman is obliged to convene such meeting). FLE Directors that cannot be present in person at an FLE Board meeting may incidentally participate via telephone, video or electronic conference or other appropriate communications equipment provided that (i) all members can hear, and be heard by, each other, (ii) FLE Directors should not participate in a meeting from the Netherlands and (iii) at least the majority of the FLE Directors participating in the meeting is physically present in France.

Pursuant to the FLE Articles of Association and the FLE Board Rules, resolutions can also be adopted without holding a meeting, provided that (i) the proposals have been brought to the attention of all of the FLE Directors, (ii) none of the FLE Directors entitled to vote has objected to this form of decision making, (iii) at least the majority of the FLE Directors should adopt resolutions while physically present in France and (iv) and the resolutions are adopted in writing. FLE Directors should not adopt resolutions while physically present in the Netherlands.

The chairperson of the FLE Board may decide that one or more other persons may be present during one or more FLE Board meetings (or part thereof), including persons who are invited to attend the meeting as an observer without voting rights.

F. Conflict of interest

Dutch law provides that a director of a Dutch public limited liability company, such as FL Entertainment, may not participate in the adoption of resolutions (including deliberations in respect of these) if he or she has a direct or indirect personal interest conflicting with the interests of the company. Such a conflict of interest only exists if in the situation at hand the FLE Director is deemed to be unable to serve the best interests of FL Entertainment and the business connected with it with the required level of integrity and objectivity. Pursuant to the FLE Articles, an FLE Director may not participate in the deliberations and the decision-making process of the FLE Board (i) concerning any

subject in which he has a direct or indirect personal interest which conflicts with the interest of FL Entertainment and the business enterprise it operates or, (ii) concerning a transaction with a related party in which transaction the relevant FLE Director is involved unless section 2:169 paragraph 5 of the DCC applies. Pursuant to the FLE Board Rules, the FLE Directors shall try to avoid all conflicts of interest between (i) themselves (either personally or representing another (legal) person); and (ii) FL Entertainment. Each FLE Director shall immediately report any (potential) personal conflict of interest concerning an FLE Director to the chairman of the FLE Board. If the chairman of the FLE Board has an actual or potential conflict of interest, he or she should report this to the vice-chairman and if there is no vice-chairman to the other FLE Directors without delay and provide all relevant information. If as a result of such a personal conflict of interest all FLE Directors are unable to participate in the deliberations and the decision-making process and no resolution of the FLE Board can be adopted, the resolution may nevertheless be passed by the FLE Board as if none of the FLE Directors has a conflict of interests.

The existence of a (potential) personal conflict of interest does not affect the authority to represent FL Entertainment, as described under "*B. Powers, responsibilities and functioning*" above.

G. FLE Directors

At the First Trading Date, the FLE Board will be composed of the following FLE Directors:

Name	Age	Position	Member as of	Current Term of Appointment
François Riahi	49	FLE Executive Director (CEO)	2022	2024
Sophie Kurinckx	43	FLE Executive Director (CFO)	2022	2026
Stéphane Courbit	57	FLE Non-Executive Director (Chairman)	2022	2026
Pierre Cuilleret	55	FLE Non-Executive Director	2022	2026
Susana Gallardo	57	FLE Non-Executive Director	2022	2025
Eléonore Ladreit de Lacharrière	42	FLE Non-Executive Director	2022	2025
Cécile Lévi	56	FLE Non-Executive Director	2022	2026

Alain Minc	72	FLE Non-Executive Director	2022	2024
Hervé Philippe	64	FLE Non-Executive Director	2022	2026
Yves de Toytot	61	FLE Non-Executive Director	2022	2024
Marella Moretti	56	FLE Non-Executive Director	2022	2026

A vice-chairman will be appointed from the FLE Non-Executive Directors as of the First Trading Date.

FL Entertainment's address of its place of effective management, 5 rue François Ier, 75008 Paris, France, serves as the business address for all FLE Directors from where they shall perform their duties.

H. CVs FLE Directors

i. François Riahi

A graduate of the École Centrale de Paris school of engineering, Sciences Po, the French National School of Administration and the Stanford Executive Program, François Riahi began his career as an auditor in the French government's Inspection Générale des Finances from 2001 to 2005, before joining the government's Budget Department.

In 2007 he was appointed Advisor on the Reform of State Institutions and Public Finances to the President of the French Republic. François Riahi spent eleven years of his career within the BPCE banking group where he held various positions. In particular, he is the former Chief Executive Officer of Natixis and Chairman of the Board of Directors of Coface. He joined Financière Lov in December 2020, becoming its Chief Executive Officer.

ii. Sophie Kurinckx

Sophie Kurinckx has held the position of Chief Financial Officer of Banijay Group SAS since 2013. From 2011 to 2012, Ms. Kurinckx was the Head of Financial Control for Banijay Group SAS. Before joining Banijay Group SAS, she was an auditor for KPMG and later the Deputy Head of Group Consolidation and Group IFRS Specialist for JCDecaux. Ms. Kurinckx holds a Masters of Science degree in Management from the ESSEC Business School in France.

iii. Stéphane Courbit

Stéphane Courbit is the founder and president of Lov Group, a group primarily oriented towards entertainment (audiovisual production and sports betting), luxury hotels and food.

He began his career working in TV Production industry.

In 1994, he teamed up with TV producer and anchorman Arthur and created ASP (Arthur Stéphane Production).

In 1998, Endemol acquired a stake in ASP, which subsequently changed its name to Endemol France, becoming France's leading audiovisual production company in just a few years. Stéphane Courbit sold his stake in 2006 and left Endemol France in 2007.

The same year, he founded LGI, a holding company that invested notably in audiovisual production, luxury hotels, the Internet and food.

In 2008, Lov Group invested in Betclie. In 2008, Lov Group launched Banijay (the Video Content Producer arm of the group). The merger between Banijay and Zodiak in 2016 and the acquisition of Endemol Shine Group in 2020 made of Banijay the world's leading audiovisual production group.

Lov Group also became the majority shareholder of Airelle's hotels, Ladurée and Chateau d'Estoublon.

iv. Pierre Cuilleret

Pierre Cuilleret is the executive director and chief executive officer of Pegasus Entrepreneurs. Pierre has 30 years of professional experience growing companies and creating value for shareholders as a serial entrepreneur, investor and board member. After studying in France, Sweden and California (US), Pierre started his career in strategy and change management/business transformation consulting. Advising companies such as Disney and Orange, his focus was on value creation, growth acceleration, digitalisation, organisation, improving customer experience, brand building and corporate culture. Pierre then created and successfully ran two fast-growing specialist retailers who quickly became market leaders: The Phone House in mobile phones, and Micromania in video games. Surrounded by executive teams, he turned both companies into disruptive leading retail and e-tail brands. As a chief executive officer, Pierre experienced a full range of financing phases, from selling his car in 1996 to start up The Phone House, all the way to the IPO of The Carphone Warehouse Group on the London Stock Exchange in 2000, and subsequently from minority to majority LBO of Micromania with L-Catterton in 2005 to refinancing in 2007, then selling to GameStop in 2008. As a shareholder, Pierre has also been an early investor in innovative platforms like Facebook (FB), Uber (UBER), Royalty Pharma (RPRX) and Moderna (MRNA). As a non-executive board member, Pierre served on listed and private companies from 2011 to 2021 including DIA and Desigual in Spain and Boohoo Group Plc in the UK.

v. Susana Gallardo

Susana Gallardo has a BSc degree in Economics and Politics from Oxford Polytechnic and graduated from IESE Business School (Advance Management Program). She also studied at City of London Polytechnic. She began her career in finance at Banco de Europa as a money market trader.

Susana Gallardo is Chair of the family council of Landon Grupo Corporativo, which is active in real estate, private equity and other financial investments, in addition to its controlling interests in Almirall and Goodgrower.

She is a Director Goodgrower SA (Spain), of the Fundacion Aurea (Spain), of Corporación Genbad SL (Spain), and of Unibail-Rodamco-Westfield Group (France). She is also Chairman of Susinvest Inversiones 2030 SA (Spain), of Susrocks Invest SA (Spain) and of Fundacion Privada Infantil Bienvenido (Spain).

vi. Éléonore Ladreit de Lacharrière

After graduating from Dauphine and ESSEC MBA, Éléonore Ladreit de Lacharrière joined a

microcredit NGO in India. After this first experience, she has been appointed as executive director of Fimalac group's corporate foundation (*Fondation d'entreprise Culture & Diversité*). Éléonore Ladreit de Lacharrière has subsequently joined Fimalac's group as a member of the executive committee and board member. She is also a member of the board of directors of the Louvre Museum, as well as Chairman of the board of directors of the Beaux-Arts de Paris. She was previously Chairman of Rodin Museum.

vii. *Cécile Lévi*

Cécile Lévi is a non-independent non-executive director of Pegasus Entrepreneurs. Cécile Lévi is employed by Tikehau Investment Management, a wholly owned subsidiary of Tikehau Capital. She will be appointed as FLE Director to represent both Financière Agache and Tikehau Capital. Cécile Lévi serves as Head of Private Debt activity of Tikehau since 2013. Previously, Cécile was head of Private Debt at Ardian (previously AXA Private Equity) that she joined in 2005. Cécile began her career in 1988 in Corporate Finance and M&A at Merrill Lynch in Paris and New York. In 1991, she joined Elig, a pioneer private equity fund in France. She has originated and led the execution of numerous complex financing transactions across Europe.

viii. *Alain Minc*

Alain Minc (Paris, 1949) has been a member of CaixaBank's board of directors since 2007. He is chairman and CEO of his own consultancy firm, AM Conseil, and is a graduate from the *École des Mines de Paris* and the *École Nationale d'Administration* (ENA) in Paris. In 1991, he founded his own consultancy firm, AM Conseil. He has been chairman of the supervisory board of French newspaper Le Monde, deputy chairman of *Compagnie Industrielle Riunite Internationale* and general manager of Cerus (*Compagnies Européennes Réunies*). He was also finance inspector and CFO at French industrial group Saint-Gobain. He is currently Chairman of Sanef. He has been named *Commandeur de la Légion d'Honneur* and Commander of the British Empire and was awarded Gran Cruz de la Orden del Mérito Civil. He has written more than 30 books since 1978, many of them best-sellers.

ix. *Marella Moretti*

Marella Moretti is a graduate of the "Amministrazione Aziendale" Business School of the University of Turin, where she specialised in Finance.

Since September 2020 she has been Director Global Investor Relations at Fiat Chrysler Automobiles (Stellantis since January 2021).

She started her career in 1988 as International Corporate Finance Analyst at Fiat SpA headquarter in Turin, Italy. From 1991 to 1996, she worked as head of Financial Planning and Control at Fiat France, in Paris. Ms. Moretti then went on to hold several successive positions at Fiat France: Head of Corporate Finance (1996-1998); Deputy Chief Financial Officer (1998- 1999) and Chief Financial Officer (2000-2005). Since 2005, she has been Chief Financial Officer of Fiat Chrysler Finance et Services in Paris.

She also currently holds the following other positions within Stellantis, CNH Industrial and Iveco groups.

Since 2009, she has been Managing Director (Directeur General Delegué) and Board member of IC Financial Services, the captive finance company for Iveco and CNH Industrial in Europe region, regulated and supervised by the European Central Bank and the French Central Bank Authority

ACPR.

Since 2011, she has been Chief Executive Officer and Board member of CNH Industrial Finance France.

From 2011 to 2019 she has served as a member of the Board of Directors of Fiat Chrysler Finance Europe. Since November 2019 she is Executive Director of Fiat Chrysler Finance Luxembourg.

From 2011 to 2014, she also served as an independent member of the Supervisory Board, as well as member of the Audit Committee, of Unibail-Rodamco, Europe's leading commercial property company, listed on Euronext Paris.

Since 2017, Ms. Moretti has been serving as an independent Non Executive Director of Telecom Italia SpA, where she also serves as member of the Control and Risk Committee, as well as the Related Parties Committee.

She has been a member of MEDEF Europe commission (French employers' confederation), of the NGO Care France and of the Women Corporate Directors organization (international chapter).

x. Hervé Philippe

Hervé Philippe is a graduate of the Institut d'Études Politiques de Paris and holds a degree in Economic Sciences. He began his career with Crédit National in 1982 as account manager for business financing in the Île-de-France region. In 1989, he joined the French market authority, the Commission des opérations de Bourse (COB) as manager for the sector of the French listed company sector.

From 1992 to 1998, he served as Head of the Transactions and Financial Information Department.

In 1998, he joined the Sagem group, where he held the positions of Director of Legal and Administrative Affairs, then Chief Administrative and Financial Officer (from 2001). He became a member of the Sagem SA Management Board in 2003.

Hervé Philippe was appointed Chief Financial Officer of the Havas Group in November 2005 and, in May 2010, was named Deputy Chief Executive Officer (*Directeur Général Délégué*) until 31 December 2013.

He has served as Vivendi's Chief Financial Officer since 1 January 2014 and as a member of its management board since 24 June 2014.

xi. Yves de Toytot

After graduating from SKEMA Business School (Nice Sophia-Antipolis), Yves de Toytot started his career in 1983 at the pharmaceutical group Sanofi as an internal auditor and consolidation manager.

In 1987, he joined the Danone group where he worked in several subsidiaries (Evian, Générale Traiteur, Maternelle, Evian Resort) managing accounting teams, management control and then the finance division.

In 1997, he joined Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco ("**SBM Monaco**") as Chief Financial Officer and was appointed Deputy Chief Executive Officer-Finance in November 2011.

Yves de Toytot is a member of the Board of Directors of Société des Bains de Mer USA Inc. and a member of the Board of Directors of Monte-Carlo S.B.M. Singapore Pte. Ltd.

He is also serves as Manager (*Gérant*) of SBM International and Permanent Representative of SBM Monaco Deputy Chairman of S.A.M.E.S.

I. Remuneration of the FLE Directors

The amount of the remuneration and other terms and benefits of each individual FLE Executive Director shall be determined by the FLE Board, with due observance of the remuneration policy, taking into account the provisions of the FLE Articles of Association.

The amount of the remuneration and other terms and benefits of each individual FLE Non-Executive Director shall be determined by the FLE Board, taking into account the provisions of the FLE Articles of Association, and with due observance of the remuneration policy. FLE Board resolutions to grant compensation to FLE Directors in the form of shares or rights to acquire shares, must be approved by the General Meeting.

The remuneration policy of FL Entertainment will be determined and afterwards amended upon a proposal of the FLE Board by way of a resolution adopted by the General Meeting for that purpose with at least an absolute majority of the votes cast, irrespective of the represented part of the issued capital.

J. Remuneration of FLE Executive Directors

The remuneration policy aims to provide a remuneration structure that allows the FL Entertainment to attract, reward and retain highly qualified FLE Executive Directors and provide and motivate them with a balanced and competitive remuneration that is focused on sustainable results and is aligned with the long-term strategy of FL Entertainment.

Pursuant to the remuneration policy, the gross remuneration (which will be subject to social security contributions in France) of the FLE Executive Directors may consist of:

- fixed annual base salary;
- long-term incentive plan; and
- termination arrangements.

FLE Executive Directors will not benefit from any compensation with respect to their directorships of the subsidiaries of FL Entertainment. The compensation of the FLE Executive Directors will be solely related to their duties of chief executive officer and chief financial officer of FL Entertainment.

The individual remuneration per annum of each FLE Executive Director will be as follows:

Name	Base salary	Post-employment benefits
François Riahi	€525,000 ⁽¹⁾	€450,000
Sophie Kurinckx	€475,000	€237,500 increased by €40,000 per year (with a cap to €475,000)

⁽¹⁾ As from November 2022, François Riahi's base salary will be increased to €750,000.

For the year ending 31 December 2022 both FLE Executive Directors will be paid for the period that they have been in office.

Furthermore, following the Business Combination Date, FL Entertainment intends to implement a long-term incentive plan, which is aimed at aligning the interests of the FLE Senior Management Team and certain employees with the interests of the long-term shareholders, and which provides an

incentive for longer term commitment and retention of the FLE Executive Directors and certain employees. Under the articles of association, the FLE Board is designated to issue FLE Ordinary Shares or grant rights to subscribe for FLE Ordinary Shares up to three per cent (3%) of the issued Shares at the time of issuance, in connection with any long term incentive plan(s).

Before becoming the chief financial officer of FL Entertainment, Sophie Kurinckx was the chief financial officer of the Banijay Group. As such, for the first six months of 2022, she will also receive remuneration from the Banijay Group. Her remuneration as chief financial officer of the Banijay Group for the year 2022 was agreed as follows:

Name	Base salary	Bonus	Allowance
Sophie Kurinckx	€280,500	€140,250	€23,256

In July 2020, Sophie Kurinckx received free Banijay Group SAS shares. These shares are not yet vested but the benefit of them will be maintained under the current conditions. Furthermore, Sophie Kurinckx benefits at the level of Banijay Group from a long-term cash incentive. The amount depends on the valuation of Banijay Group SAS at the time of payment. To date, the vested part is valued at €706.202.

Finally, in 2022, Sophie Kurinckx will get a lump sum payment in the context of her leaving Banijay. The amount is not known to date.

K. Remuneration policy components

Fixed annual base salary

The annual base salary of the FLE Executive Directors is a fixed compensation and is set by the Board at a level to attract and retain the calibre of the FLE Executive Directors required to devise and execute the FLE's strategy. The base salary will be evaluated periodically taking into account the FLE's and individual performance, experience, capability and marketability of the FLE Board as well as general market developments.

Long-term incentive plan

The purpose of the long-term incentive plan is to align the interests of FL Entertainment, its Shareholders and the FLE Executive Directors for the medium- and long-term, to foster and reward sustainable performance and to provide an incentive for longer term commitment and retention of the FLE Executive Directors. The FLE Executive Directors may be eligible to a conditional right to receive performance shares in FL Entertainment.

Termination arrangements

François Riahi shall benefit upon termination of employment of a €450,000 lump-sum severance payment in the event of (i) dismissal other than for serious misconduct or gross negligence, (ii) death or (iii) incapacity. These benefits will not be payable in the event of resignation (or refusal to renew the term of office), dismissal for gross negligence or misconduct or breach of the relevant services agreement.

L. Remuneration of FLE Non-Executive Directors

The remuneration policy with respect to the FLE Non-Executive Directors has been designed to ensure that the FL Entertainment Group attracts, retains and appropriately compensates a diverse and highly experienced group of FLE Non-Executive Directors. The remuneration of the FLE Non-

Executive Directors reflects the time spent and responsibilities of the roles.

For 2022, the FLE Non-Executive Directors will each receive an annual fee of €50,000 for their services as of the date of their appointment. In addition, the chairman of the FLE Board will receive an additional annual fee of €20,000 and the vice-chairman will receive an additional annual fee of €10,000. The chairperson of each of the Committees will receive an additional annual fee of €15,000. The members of each of the Committees (other than the chairman) will receive an additional annual fee of €10,000.

M. General Information about the FLE Directors

The table below sets out the names of all companies and partnerships of which an FLE Director has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner, as of the date of this Circular, other than FL Entertainment or a Group Company.

Name	Company	Active/Resigned
François Riahi	Financière Lov	Active
	BPCE	Resigned
	Natixis Investment Managers	Resigned
	Natixis Assurances	Resigned
	Coface S.A.	Resigned
	Natixis Payment Solutions	Resigned
	Peter J. Solomon GP Company LLC	Resigned
	Peter J. Solomon Securities Company LLC	Resigned
	SNC TEA and EMMA	Active
Stéphane Courbit	Lov Group Invest	Active
	Carrefour	Active
	5 Thézillat	Active
	SCI ZUST	Active
	SCI Les Zudistes	Active
	SCI 607	Active
	SCI 611	Active
	SCI Minos & C	Active
	SCI Roux Milly	Active
SCI Courvalios	Active	

	SCI Néva-Thézillat	Active
	SCI Jaysal II	Active
	Lov T	Active
	SCI Parking La Garonne	Active
	SCI James & Co	Active
	SCI Gordita	Active
	SCI Blancs Mills	Active
	Zust	Resigned
	Les Zudistes	Resigned
	SCI ST Le Phare	Resigned
Pierre Cuilleret	Geyser Investments S.A. SPF	Active
	Geyser Advisory Ltd	Active
	Alpima Ltd	Active
	Boohoo Group Plc	Resigned
	Desigual	Resigned
	Diana capital II	Active
	Antwort Capital	Active
Susana Gallardo	Landon Grupo Corporativo SL (Spain)	Active
	Goodgrower SA (Spain)	Active
	Fundacion Privada Infantil Bienvenido (Spain)	Active
	Fundacion Aurea (Spain)	Active
	Corporación Genbad SL (Spain)	Active
	Percibil SL (Spain)	Active
	Susanvest SA (Spain)	Active
	Susinvest Inversiones 2030 SA (Spain)	Active
	Susrocks Invest SA (Spain)	Active
	Unibail-Rodamco-Westfield Group (France)	Active
	Abertis (Spain)	Resigned
	Saba Infraestructuras (Spain)	Resigned

	Landon Investments SCR SA (Spain)	Resigned	
Eléonore Ladreit de Lacharrière	Fimalac Participations Coop SA	Active	
	Fimalac Développement SA	Active	
	Groupe Marc de Lacharrière SE	Active	
	Fimalac SE	Active	
	Fimalac Entertainment SAS	Active	
	ID Logistics SA	Active	
	Ecole Nationale supérieure des Beaux-Arts de Paris	Active	
	Louvre Museum	Active	
	French National Commission for UNESCO	Resigned	
	Rodin Museum	Resigned	
	Diversity Observatory	Resigned	
Cécile Lévi	Tikehau General Partner Sarl	Active	
	TSO Investment Sarl	Active	
	Tikehau General Partner II Sarl	Active	
	TDL IV Sarl	Active	
	TDL 1st Lien Investment Sarl	Active	
	TDL 4L Sarl	Active	
	MTDL Investment Sarl	Active	
	Tikehau General Partner V Sarl	Active	
	Tikehau Direct Lending 5 Sarl	Active	
	Tikehau PDS GP Sarl	Active	
	TikeCruise Sarl	Active	
	Titan GP Sarl	Active	
	TKO PD LUX SPONSORSHIP	Active	
	Alain Minc	AM Conseil	Active
		Sanef	Active
Logista		Active	
Financière Lov		Active	

	CaixaBank	Resigned
	Prisa	Resigned
Hervé Philippe	Vivendi	Active
	Canal+ Group	Active
	Compagnie Financière du 42, avenue de Friedland (SAS)	Active
	Dailymotion	Active
	Editis Holding	Active
	Havas	Active
	Banijay Group Holding	Active
	Prisma Media	Active
	Sifraba 2	Active
	CA Brive club professionnel de rugby (CABCL)	Active
	Antinea 6	Resigned
	Sifraba	Resigned
	Jean Bal	Resigned
	Hrvest	Resigned
	Universal Music France (SAS)	Resigned
	Telecom Italia SpA	Resigned
Yves de Toytot	Société des Bains de Mer USA Inc.	Active
	Monte-Carlo S.B.M. Singapore Pte. Ltd	Active
	Monte-Carlo SBM International S.à r.l. (Luxembourg)	Active
Marella Moretti	Telecom Italia SpA	Active
	IC Financial Services	Active
	CNH Industrial Finance France	Active
	Fiat Chrysler Finance Luxembourg	Active
	Fiat Chrysler Automobiles	Active
	Fiat Chrysler Finance et Services	Resigned
	Fiat Chrysler Finance Europe	Resigned

N. FLE Board Committees

The FLE Board will have two committees: an FLE Audit Committee and an FLE Remuneration, Selection and Appointment Committee. Both committees will have a preparatory and advisory role only, the decision-making power and ultimately responsibility vests in the FLE Board. In accordance with the FLE Board Rules, the FLE Board will draw up rules on each committee's duties and internal proceedings. The committees will consist of FLE Non-Executive Directors who will be appointed for such committees by the FLE Board. The committees will report their findings to the FLE Board, which is ultimately responsible for all decision-making.

Meetings of the FLE Board committees shall be held physically at the offices of FL Entertainment in France or in any other place in France indicated in the convocation notice (except if not authorised considering surrounding circumstances of such meeting). In addition, members of the committees (and other persons invited to committee meetings) that cannot be present in person may incidentally participate in a meeting by means of telephone, video or electronic conference or other appropriate communications equipment, provided that, (i) all members can hear, and be heard by, each other; (ii) at least the majority of the members participating in the meeting is physically present in France; and (iii) members should not participate in such meeting from the Netherlands.

i. FLE Audit Committee

The FLE Audit Committee will prepare the FLE Board's decision-making regarding the integrity and quality of FL Entertainment's financial reporting and the effectiveness of FL Entertainment's internal risk management and control systems and assists and advises the FLE Board in this respect.

The FLE Audit Committee will focus on monitoring the FLE Board in matters regarding relations with the internal and external auditors, FL Entertainment's funding, the application of information and communication technology, including risks related to cybersecurity and FL Entertainment's tax policy.

In addition, the FLE Audit Committee will have duties related to the functioning of the internal audit function and the external auditor, FL Entertainment's financial reporting and risk management and setting materiality thresholds and guidelines for and overseeing all material related-party transactions.

The FLE Audit Committee will meet as often as required to ensure proper functioning of the FLE Audit Committee, but in any event at least four times a year.

The members of the FLE Audit Committee will be appointed by the FLE Board. As from the First Trading Date, the FLE Audit Committee will consist of Cécile Lévi (chairperson of the FLE Audit Committee), Marella Moretti and Alain Minc. See also "8.3(b.) *FLE Board committees*". In addition, Yves de Toytot as the Director designated by SBM International shall be invited to attend all Audit Committee meetings as a permanent guest (without any voting right), it being agreed that the Director designated by SBM shall become a voting member of the Audit Committee, if and when such Director qualifies as an Independent Director as a result of SBM International holding less than 10% of the FLE Ordinary Shares.

The charter for the FLE Audit Committee will be made available on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>) and FL Entertainment's website (<https://www.fl-entertainment.com>).

ii. FLE Remuneration, Selection and Appointment Committee

The FLE Remuneration, Selection and Appointment Committee will prepare the FLE Board's decision making regarding the proposed remuneration policy and the determination of the remuneration of individual FLE Directors within the framework of the remuneration policy, including severance payments, and will assist and advise the FLE Board in this respect. The responsibilities of the FLE Remuneration, Selection and Appointment Committee will include preparing a proposal for the FLE Board concerning the remuneration policy for the FLE Directors to be adopted by the FLE General Meeting, and on the remuneration of the individual FLE Directors. The FLE Remuneration, Selection and Appointment Committee will advise the FLE Board on the contractual terms for the management services agreements with FLE Executive Directors. Furthermore, the committee will prepare a proposal for the FLE Board concerning the long-term incentive plan regarding the granting of FLE Ordinary Shares and/or options to the FLE Executive Directors and other senior management of the FL Entertainment Group, including the terms and conditions governing this and approving the grants under this plan on behalf of the FLE Board. In addition, the FLE Remuneration, Selection and Appointment Committee will prepare a remuneration report setting out how this policy has been implemented in the past financial year, for discussion at the FLE General Meeting.

The FLE Remuneration, Selection and Appointment Committee furthermore will prepare the FLE Board's decision making regarding the appointment and reappointment of FLE Directors. The FLE Remuneration, Selection and Appointment Committee focuses on preparing the selection criteria and appointment procedures for FLE Directors, and proposing the composition profile of the FLE Board. It also periodically assesses the size and composition of the FLE Board, and the functioning of the individual FLE Directors. The FLE Remuneration, Selection and Appointment Committee also prepares proposals for appointment and reappointment of FLE Directors. It supervises the FLE Board's policy on selection criteria and appointment procedures for senior management. The FLE Remuneration, Selection and Appointment Committee will meet as often as required to ensure proper functioning of the FLE Remuneration, Selection and Appointment Committee, but in any event at least two times a year.

The members of the FLE Remuneration, Selection and Appointment Committee are appointed by the FLE Board. As from the First Trading Date, the FLE Remuneration, Selection and Appointment Committee consists of Susana Gallardo (chairperson of the FLE Remuneration, Selection and Appointment Committee), Alain Minc, Pierre Cuilleret and Hervé Philippe. See also "8.3(b.) *FLE Board committees*".

The charter for the FLE Remuneration, Selection and Appointment Committee will be made available on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>) and FL Entertainment's website (<https://www.fl-entertainment.com>).

d. FLE Senior Management

The FLE Senior Management Team will be composed of the FLE Executive Directors and the following persons (the "**FLE Senior Management Members**"):

- Marco Bassetti, also acting as chief executive officer of Banijay Group SAS
- Nicolas Beraud, also acting as chief executive officer of Betelic

The FLE Senior Management Members will be invited to attend all FLE Board meetings in or from France as permanent guests (without any voting rights).

A. General Information about the FLE Senior Management Members

The table below sets out the names of all companies and partnerships of which the FLE Senior Management Members have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner, as of the date of this Circular, other than FL Entertainment or a FL Entertainment Group Company.

Name	Company	Active/Resigned
Marco Bassetti	Camas Energy srl	Resigned
	Green Arrow Capital Asset Management 1 srl	Resigned
	Green Arrow Capital Asset Management 2 srl	Resigned
Nicolas Beraud	Kostogri SAS	Active
	Foofoot SAS	Active
	Datchadufferet SARL	Active
	Comité consultatif de Capza Growth Tech	Active

e. Appointment restrictions

Under certain circumstances in bankruptcy proceedings, a person may be prohibited by a Dutch court from being appointed as executive or non-executive director. Such a prohibition can be imposed for up to five years and would be registered with the Dutch Trade Registry.

f. Diversity

In accordance with Dutch law and the Code, the FLE Board will adopt a diversity policy with respect to the composition of the FLE Board that will be effective ultimately on the First Trading Date. The policy addresses objectives relating to diversity and the diversity aspects relevant to FL Entertainment (e.g. age, gender, education and background). FL Entertainment will disclose its diversity policy on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>) and FL Entertainment's website (<https://www.fl-entertainment.com>) and will report on the objectives, implementation and results of such policy in its annual report.

On 1 January 2022, a bill introducing stricter gender diversity measures (*Wet inzake evenwichtige man vrouw verhouding in de top van het bedrijfsleven*) entered into force. Pursuant to the bill, Dutch listed companies with a relevant listing, such as FL Entertainment, will have to comply with a quota of at least one-third for both women and men on supervisory boards. In a one-tier board, this one-third quota shall be applicable to non-executive directors. The quota will apply to new appointments, i.e., companies can reappoint a supervisory or non-executive director without complying with the one-third quota in respect of such re-appointment, but only where this happens within eight years after the year of the supervisory or non-executive director's first appointment. A new appointment not in accordance with the one-third quota will in principle be regarded as null and void (*nietig*). As a result, the person in question will not become a supervisory or non-executive director of the company.

The FLE Board and the FLE General Meeting shall take the above-mentioned diversity requirements into account when making nominations for the appointment of an FLE Non-Executive Director.

g. Related Party Transaction Policy

Certain rules apply under the DCC with respect to transactions with a "related party" (as defined in those rules) and, under those rules, "material transactions" (as defined in those rules) with related parties that are (a) not entered into in the ordinary course of business of FL Entertainment or (b) that are not concluded on normal market terms, require approval of the FLE Board. In addition, the FLE Board Rules will provide that certain decisions of the FLE Board further described under "5.12(c.) FLE Board" require the prior approval from (i) the majority of the FLE Directors present or represented, and (ii) the majority of the FLE Directors present or represented excluding the FLE Directors who have been proposed for appointment by Financière Lov (other than the FLE Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below)).

The FLE Board Rules will include a policy on related party transactions. According to this policy, no material related party transactions outside the ordinary course of business or on terms that are not customary for arm's-length transactions in the relevant branch of business shall be undertaken without the approval of the FLE Board. A FLE Director involved in such an extraordinary material related party transaction shall not participate in the decision-making related to such extraordinary material related party transaction. A related party transaction includes transactions between FL Entertainment and its subsidiary on the one hand and certain related parties, including parties holding at least 10% of the FLE Ordinary Shares, on the other hand. The related party transactions policy will provide for certain procedures for members of the FLE Board to notify a potential material related party transaction. The FLE Board shall decide whether a transaction qualifies as an extraordinary material related party transaction. Potential material related party transactions shall be subject to review by the FLE Board. The FLE Board may approve the material related party transaction only if it determines in good faith that the material related party transaction is fair as to FL Entertainment. The policy on related party transactions is included in the FLE Board Rules and will as such be made available on Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>) and FL Entertainment's website (<https://www.fl-entertainment.com/>).

h. Dutch Corporate Governance Code

The Dutch corporate governance code, as amended, entered into force on, and applies to any Financial Year starting on or after, 1 January 2017 and finds its statutory basis in Book 2 of the DCC (the "**Dutch Corporate Governance Code**" or "**Code**"). The Dutch Corporate Governance Code will apply to FL Entertainment as it has its statutory seat in the Netherlands and its FLE Ordinary Shares and FLE Warrants will be listed on Euronext Amsterdam as from the First Trading Date. The Dutch Corporate Governance Code contains a number of principles and best practice provisions in respect of managing boards, supervisory boards, shareholders and the general meeting, financial reporting, auditors, disclosure, compliance and enforcement standards.

The Dutch Corporate Governance Code is based on a "comply or explain" (*pas toe of leg uit*) principle. Accordingly, companies are required to disclose in their Management Report whether or not they are complying with the various best practice principles of the Dutch Corporate Governance Code that are addressed to the FLE Board. If a company deviates from a best practice principle in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in

its Management Report.

FL Entertainment acknowledges the importance of good governance and is committed to adhering to the best practices of the Code as much as possible. As of the First Trading Date, FL Entertainment expects to be fully compliant with the Code, with the exception of the following provisions:

Best practice provision 2.1.7 (*Independence of the board*): If SBM International as a result of the redemptions and the PIPE Financing acquires a stake larger than 10% in the issued share capital of FL Entertainment following Settlement, the FLE Non-Executive Director they have nominated can no longer be considered independent within the meaning of the Dutch Corporate Governance Code. Consequently, the majority of the FLE Non-Executive Directors will no longer be independent within the meaning of the Dutch Corporate Governance Code and FL Entertainment will deviate from this best practice provision.

Best practice provision 2.1.9 (*Independence of the chairman of the board*): FL Entertainment will deviate from this best practice provision, as the chairman of the FLE Board shall be Stéphane Courbit, who is not independent within the meaning of the Dutch Corporate Governance Code. Stéphane Courbit and his family are the ultimate and majority shareholders and Stéphane Courbit is the founder of FL Entertainment.

Best practice provision 2.3.2 (*Committees*)

FL Entertainment will not comply with best practice provision 2.3.2, which provides that if there are more than four FLE Non-Executive Directors, the FLE Board shall appoint an audit committee, a remuneration committee and a selection and appointment committee. FL Entertainment will deviate from this best practice provision as it will only have an FLE Audit Committee and an FLE Remuneration, Selection and Appointment Committee. FL Entertainment believes that it would be more efficient to have two committees and combine the functions and the responsibilities of the remuneration committee and the selection and appointment committee in one committee, the FLE Remuneration, Selection and Appointment Committee.

Best practice provision 2.3.4 (*Composition of the committees*):

FL Entertainment will deviate from the principle that the composition of the FLE Remuneration, Selection and Appointment Committee should be as such that the majority of its members is considered independent. If SBM International, as a result of the redemptions and the PIPE Financing, acquires a stake larger than 10% in the issued share capital of FL Entertainment following Settlement, the FLE Non-Executive Director they have nominated can no longer be considered independent within the meaning of the Dutch Corporate Governance Code. Consequently, the majority of the members of the FLE Remuneration, Selection and Appointment Committee will not be independent.

Best practice provision 2.7 (*Preventing conflicts of interest*): FL Entertainment will deviate from this best practice provision, as the CEO of the FLE Board is François Riahi, who is also the chief executive director of Financière Lov, the majority shareholder of FL Entertainment. François Riahi has acted as the chief executive officer of Financière Lov since December 2020, prior to the incorporation of FL Entertainment and the Lov Reorganisation. Hence, François Riahi was and remains in charge of (i) the activities that have transferred to FL Entertainment and the FL Entertainment Group pursuant to the Lov Reorganisation, as chief executive officer of FL Entertainment; as well as (ii) the activities of Financière Lov other than those relating to FL Entertainment and the FL Entertainment Group, as chief executive officer of Financière Lov.

Best practice provision 4.3.4 (Voting right on financing preference shares): Please refer to "5.7(d.) *Special Voting Shares*") for the description of the Special Voting Shares and Earn-Out Preference Shares issued to Financière Lov. FL Entertainment believes it to be in its long term interest for Stéphane Courbit, who is the founder of Lov Group and who has been instrumental for its success, and his family to continue to control a majority of the voting power of the outstanding share capital of FL Entertainment via Financière Lov.

5.13 Potential conflicts of interest

There are no conflicts of interests between any duties to FL Entertainment, of FLE Directors or other FLE Senior Management Members, and their private interests and or other duties. Furthermore, there are no potential conflicts of interests between any duties to FL Entertainment, of FLE Directors or other FLE Senior Management Members, and their private interests and or other duties, except for (i) François Riahi, acting as chief executive officer of Financière Lov and FL Entertainment, and (ii) Hervé Philippe, acting as CFO of Vivendi and Non-Executive Director of FL Entertainment only with respect to existing business contractual relationships between Banijay Group and Vivendi's subsidiaries. For the avoidance of doubt, FL Entertainment is not aware of any conflict between the private interests of Mr. Riahi himself and the interests of FL Entertainment, but FL Entertainment cannot exclude that in the future a potential conflict of duties may arise due to Mr. Riahi's dual role as chief executive officer of Financière Lov and his role as chief executive officer of FL Entertainment. In this context, as of the Merger becoming effective, François Riahi shall not be entitled to vote on any decisions involving transactions with Financière Lov including in particular on decisions further described under "5.12(c.) *FLE Board*" above. François Riahi, in its capacity as chief executive officer of Financière Lov is in charge of the activities of Financière Lov other than those relating to FL Entertainment and the FL Entertainment Group.

In addition, the FLE Board Rules shall provide that certain decisions of the FLE further described under "5.12(c.) *FLE Board*" require the prior approval from (i) the majority of the FLE Directors present or represented, (ii) the majority of the FLE Directors present or represented excluding the FLE Directors whom have been proposed for appointment by Financière Lov (other than the FLE Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below)). During the last five years, none of the FLE Directors or other FLE Senior Management Members has: (i) been convicted of fraudulent offenses; (ii) served as a director or officer of any entity subject to bankruptcy proceedings, receivership, liquidation or companies put into administration; or (iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any company.

Other than the Shareholders Agreement, FL Entertainment is not aware of any arrangements or understandings with major shareholders, suppliers, customers or others pursuant to which any FLE Director or other FLE Senior Management Member was selected as a member of the FLE Board or the FLE Senior Management Team.

6 BUSINESS COMBINATION AGREEMENT AND ANCILLARY AGREEMENTS

6.1 Business Combination Agreement

a. General Description

On 10 May 2022, Pegasus Entrepreneurs, Financière Lov and FL Entertainment entered into the Business Combination Agreement and certain ancillary agreements, pursuant to which, among other things, Pegasus Entrepreneurs agreed to merge with FL Entertainment, whereby Pegasus Entrepreneurs is the disappearing entity. As a result of the Merger, Pegasus Entrepreneurs' shareholders and warrant holders receive FLE Ordinary Shares, FLE Warrants, FLE Founder Shares and FLE Founder Warrants in proportion to their original shareholdings and warrant holdings in Pegasus Entrepreneurs. As a result of the Business Combination, FL Entertainment and its subsidiaries become wholly owned by (i) FL Entertainment's existing shareholders prior to the Business Combination and (ii) Pegasus Entrepreneurs' shareholders.

b. Consideration to certain shareholders in the Business Combination

The parties have agreed in the Business Combination Agreement that the Business Combination is based on an equity value, on a fully-diluted basis excluding Earn-Out (as defined below), of FL Entertainment of €3,635,259,281 immediately prior to the Merger becoming effective and before receipt of the proceeds of the PIPE Financing, the Business Combination Escrow Amount (as defined in paragraph "6.1(f) Conditions to closing of the Business Combination") and the proceeds from the issue of the Forward Purchase Securities.

Consequently as part of the Business Combination:

- the holders of Pegasus Ordinary Shares will be allotted one FLE Ordinary Share for each Pegasus Ordinary Share, being an aggregate number of a maximum of 21,000,000 FLE Ordinary Shares⁴;
- the holders of Pegasus Founder Shares will be allotted one FLE Founder Share for each Pegasus Founder Share, being an aggregate number of 5,250,000 FLE Founder Shares;
- each Pegasus Public Warrants will be assumed by FL Entertainment, being an aggregate number of 8,666,660 FLE Warrants and 5,250,000 FLE Warrants in treasury; and
- each Pegasus Founder Warrants will be assumed by FL Entertainment, being an aggregate number of 5,250,000 FLE Founder Warrants.

In addition, the parties to the Business Combination have agreed that Financière Lov will subscribe to the Earn-Out Preference Shares in accordance with the Earn-Out, see "5.7(c.) *Earn-Out Preference Shares*".

c. Representation and Warranties

Under the Business Combination Agreement, FL Entertainment made customary warranties to Pegasus Entrepreneurs relating to authority and capacity, no insolvency, no conflicts, title, corporate standing and ownership and information supplied.

⁴ At the Pegasus IPO, 21,000,000 Pegasus Ordinary Shares have been issued. In connection with the Business Combination, holders of Pegasus Ordinary Shares will have the option to redeem their Pegasus Ordinary Shares. If Pegasus Ordinary Shares are being redeemed, the aggregate number of FLE Ordinary Shares received by the holders of Pegasus Ordinary Shares will be lower. At the date of this Circular, approximately 50% of the holders of Pegasus Ordinary Shares, representing in aggregate €102 million, have signed a letter in which they undertake not to redeem their Pegasus Ordinary Shares.

Financière Lov made customary warranties to Pegasus Entrepreneurs relating to authority and capacity, no insolvency, no conflicts and title.

Pegasus Entrepreneurs made customary warranties to FL Entertainment and Financière Lov relating to authority and capacity, no insolvency, capitalisation and material liabilities, no conflicts and AFM filings and Euronext Amsterdam listing.

d. Lock-Up Undertakings

See "5.7(g.) *Lock-up arrangements*".

e. Material Adverse Effect

Under the Business Combination Agreement, certain conditions to closing are qualified in whole or in part by a material adverse effect standard for purposes of determining whether a breach of such condition has occurred. Pursuant to the Business Combination Agreement, material adverse effect means, with respect to any specified person, any state of facts, development, change, circumstance, occurrence, event or effect, that, individually or in the aggregate,

- a. has had a material adverse effect on the business, assets, liabilities, condition (financial or otherwise), results or operations of such person and its subsidiaries taken as a whole; or
- b. would reasonably be expected to prevent or materially delay or materially impede the ability of such person or any of its subsidiaries to consummate the Business Combination,

provided, however, that in no event will any of the following (or the effect of any of the following), alone or in combination, be deemed to constitute or be taken into account in determining whether a material adverse effect has occurred:

- i. war (whether or not declared), acts of war, military actions, sabotage, cyberterrorism, cyberattacks, civil unrest or terrorism, or any escalation or worsening of any such acts of war, sabotage, civil unrest or terrorism, or changes in global, national, regional, state or local political or social conditions;
- ii. earthquakes, hurricanes, tornados, volcanos, tsunamis, pandemics (including COVID-19 or any mutation or variation thereof, or any COVID-19 Measures or any change in such COVID-19 Measures or interpretations following the date of this Agreement) or other natural or man-made disasters;
- iii. changes attributable to the public announcement, pendency, performance or completion of the Business Combination (including the impact thereof on relationships with customers, suppliers, employees, licensors, licensees or other business relations);
- iv. changes, promulgation, repeal, modification or proposed changes in applicable law, regulations or interpretations thereof or decisions by any governmental authority after the date of the Business Combination Agreement;
- v. changes or proposed changes in IFRS or other accounting principles or requirements (or any interpretation thereof);
- vi. general, global, national, regional, state or local economic, regulatory, political or social changes or conditions or changes or conditions generally affecting the economy or the financial, banking, currency, capital markets, credit, debt, securities or financial markets (including changes in interest, foreign exchanges, exchange rates or disruption or suspension

of financial markets);

- vii. events or conditions generally affecting the industries, geographic area and markets in which the person or any of its subsidiaries operates;
- viii. any failure to meet any projections, forecasts, guidance, estimates, milestones, budgets, or internal or published financial or operating predictions of revenue, earnings, cash flow, cash position or other financial or performance measures or operating statistics for any period, provided that this paragraph viii. shall not prevent a determination that the underlying facts and circumstances resulting in such failure has resulted in a material adverse effect (to the extent such change or effect is not otherwise excluded from the definition of material adverse effect as included in the Business Combination Agreement);
- ix. the timing of any clearance, authorisation or other approvals from a governmental authority required to complete the Business Combination;
- x. any material adverse effect, matter or risk disclosed to, or any material adverse effect deriving from any material adverse effect, matter or risk disclosed to, Pegasus Entrepreneurs (in the dataroom or otherwise) unless the evolution of the materiality thereof as from the date of such disclosure was not reasonably predictable and qualifies itself as a material adverse effect; or
- xi. any actions or the failure to take any actions (A) required to be taken, or required not to be taken, as applicable, pursuant to the terms of the Business Combination Agreement, or (B) taken with the prior written consent of or at the prior written request of Pegasus Entrepreneurs,

provided, however, that if any state of facts, developments, changes, circumstances, occurrences, events or effects related to i., ii., iv., v., vi. or vii. above materially and disproportionately adversely affect the business, assets, financial condition or results of operations of such person and its subsidiaries taken as a whole relative to similarly situated persons in the industries or markets in which such person or any of its subsidiaries conducts its operations, then such impact may be taken into account in determining whether a material adverse effect has occurred (in which case only the incremental disproportionate impact or impacts in comparison to similarly situated persons may be taken into account in determining whether there has been a material adverse effect).

f. Conditions to Closing of the Business Combination

The obligations of each party to complete the transactions under the Business Combination Agreement are in all respects subject to the satisfaction or written waiver (where permissible) by FL Entertainment, Financière Lov and Pegasus Entrepreneurs of the following conditions:

- a. the antitrust clearances have been obtained, and are in full force and effect;
- b. the regulatory clearances have been obtained, and are in full force and effect;
- c. the banks waivers as listed in schedule 7.1(a)(iii) to the Business Combination Agreement have been obtained, and are in full force and effect;
- d. the Lov Reorganisation (as defined below) has been completed in accordance with the provisions of the Business Combination Agreement, including in particular as listed in schedule (C) to the Business Combination Agreement;
- e. the Pegasus Ordinary Shareholder Resolutions (as defined below) and other corporate

resolution required for the Business Combination have been adopted, and are in full force and effect;

- f. at the closing of the merger of Mangas Lov into Lov Banijay, Lov Banijay being the absorbing company, no order or law issued by any court of competent jurisdiction or other governmental authority or other legal restraint or prohibition, whether temporary, preliminary or permanent in nature preventing the completion of the Business Combination is in effect and no oppositions (*verzet*) were filed against the Merger following the filings of the merger proposal and during the period of at least one month as determined by the laws of the Netherlands or such oppositions have been withdrawn or settled;
- g. no material adverse effect has occurred in respect of Financière Lov or FL Entertainment since the date of the Business Combination Agreement until the merger of Mangas Lov into Lov Banijay, Lov Banijay being the absorbing company;
- h. no material adverse effect has occurred in respect of Pegasus Entrepreneurs since the date of the Business Combination Agreement until the merger of Mangas Lov into Lov Banijay, Lov Banijay being the absorbing company;
- i. Financière Lov and FL Entertainment have, in all material respects, performed or complied with their respective covenants under the Business Combination Agreement (as described below under "g. *Covenants of the Parties to the Business Combination Agreement*");
- j. Pegasus Entrepreneurs has, in all material respects, performed or complied with its obligations under the Business Combination Agreement;
- k. (A) certain representations and warranties of Financière Lov and FL Entertainment set forth in the Business Combination Agreement (other than in respect of (i) the FL Entertainment Group's organisation chart, (ii) the confirmation that each FL Entertainment Group Company is duly organised, validly existing, and is in good standing under the laws of the jurisdiction of its organization, with full corporate power and authority to conduct its business as it is now being conducted and (iii) the confirmation that none of the FL Entertain Group Companies is insolvent or unable to pay its debt as they fall due) are true and accurate (without giving effect to any limitation as to "materiality" or material adverse effect or any similar limitation set forth herein) in all respects, as of the date of the Business Combination Agreement and as of the date of the merger of Mangas Lov into Lov Banijay, Lov Banijay being the absorbing company and (B) other representations and warranties of Financière Lov and FL Entertainment set forth in the Business Combination Agreement are true and accurate in all material respects on the date of the Business Combination Agreement and as of the date of the merger of Mangas Lov into Lov Banijay, Lov Banijay being the absorbing company, it being specified that for the purposes of determining whether a representation or warranty is true and accurate in "all material respects" pursuant to this provision, only the effects on the FL Entertainment Group Companies part of the Betclic Everest Group taken as a whole or, as the case may be, the FL Entertainment Group Companies part of the Banijay Group taken as a whole, shall be considered. This condition shall be validly deemed satisfied in case any of the other representations and warranties under (B) above is not true and accurate on the date of the Business Combination Agreement and as of the date of the merger of Mangas Lov into Lov Banijay, Lov Banijay being the absorbing company, due to any fact, matter of information "fairly disclosed" and provided in good faith to Pegasus Entrepreneurs

or its professional advisors in the data room or otherwise. A fact, information or matter is considered as "fairly disclosed" where it is disclosed in such a manner that the nature, scope and underlying risks (to the extent quantified, quantifiable or assessable, as the case may be, provided such a risk can be quantified, quantifiable or assessable if possible) of the relevant fact or matter is reasonably apparent from the disclosures for a professional active in the same business assisted by professional advisers;

- l. the representations and warranties of Pegasus Entrepreneurs set forth in the Business Combination Agreement shall be true and accurate (without giving effect to any limitation as to "materiality" or material adverse effect or any similar limitation set forth herein) in all respects, as of the date of the Business Combination Agreement and as of the date of the merger of Mangas Lov into Lov Banijay, Lov Banijay being the absorbing company;
- m. an amount equal to the amount on the Escrow Accounts at the Business Combination Date minus the amounts payable to Pegasus Entrepreneurs' shareholders pursuant to Redemption Arrangements ("**Business Combination Escrow Amount**"), the aggregate proceeds from the PIPE Financing, Financière Lov's €250,000,000 investment and the €50,000,000 proceeds from the Forward Purchase Securities equal or exceed €760,000,000, it being specified that (A) such condition may be waived by Financière Lov and FL Entertainment provided that such amount is above €645,000,000 and (B) if the aggregate amount would be less than €760,000,000. Financière Lov shall use its best efforts to obtain a waiver from the banks that are a party to the bridge credit facility entered into on 13 December 2021, by and among, inter alios, Betclic as borrower and Mangas Lov as guarantor and parent company, pursuant to which a €130.0 million term loan has been made available to Betclic, failing which Financière Lov shall use its best efforts to find an alternative solution to complete the Business Combination. The parties to the Business Combination Agreement have explicitly agreed that none of the FL Entertainment Group Companies and Financière Lov shall have any obligation to compromise any right, asset or benefit or to pay any amount, incur any liability or grant or give up any right, asset or benefit or to pay any amount, incur any liability or grant or give up any right in seeking such waiver or in finding such an alternative, other than to the extent reasonable;
- n. ABN AMRO Bank N.V. (acting as centralising agent through Euroclear Netherlands) has confirmed receipt of the amount required to pay the Redeeming Shareholders (as defined in paragraph "*11.1 Repurchase of the Pegasus Ordinary Shares held by Pegasus Ordinary Shareholders at the time of the Business Combination*"); and
- o. the AFM has confirmed by email it has no further comments on the draft prospectus relating to the listing of the FLE Ordinary Shares and FLE Warrants.

Time limit

If any of the conditions to closing (other than g. above) is not satisfied or waived at the latest on 31 August 2022 (the "**Longstop Date**") the Business Combination Agreement will be terminated with immediate effect.

Frustration of Closing Conditions

Neither FL Entertainment or Financière Lov nor Pegasus Entrepreneurs may rely on the failure of any condition to be satisfied if such failure was caused by such party's failure to comply with or perform any of its covenants or obligations under the Business Combination Agreement.

g. Covenants of the Parties to the Business Combination Agreement

Lov Reorganisation

As soon as practicable following the date of the Business Combination Agreement (and in any event prior to the First Trading Date), subject to the terms and exceptions set out in the Business Combination Agreement, Financière Lov shall and shall cause FL Entertainment and any FL Entertainment Group Company, as applicable, to take all actions necessary to authorise, decide and implement the following reorganisation steps (as further described in the Investment Agreement (as defined below) (the "**Lov Reorganisation**")):

- a. the merger of Mangas Lov, a French joint stock company (société par actions simplifiée) and a subsidiary of Financière Lov, duly organised and existing under the laws of France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 510 815 020 R.C.S Paris ("**Mangas Lov**") into Lov Banijay, Lov Banijay being the surviving entity;
- b. the distribution by Lov Banijay of part of its share premium to Financière Lov, its sole shareholder;
- c. the contribution of all shares of LDH, a French joint stock company (société par actions simplifiée) duly organised and existing under the laws of France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 817 471 402 R.C.S Paris ("**LDH**") held by Financière Lov to Lov Banijay;
- d. the contribution and sale of all LDH shares held by DEA Communications SA, a Luxembourg société anonyme, having its business address at 31, rue Philippe II, Luxembourg, Grand Duchy of Luxembourg, registered under number B116877 ("**De Agostini**") to Lov Banijay. The sale will be paid by a vendor loan;
- e. the contribution of all LDH shares held by F. Marc de Lacharrière (Fimalac), a French société européenne, having its business address at 97, rue de Lille, 75007 Paris, France, registered under number 542 044 136 ("**Fimalac**") to Lov Banijay;
- f. the contribution of all Banijay shares, held by Vivendi Content, a French société par actions simplifiée, having its business address at 1, place du Spectacle, 92130 Issy-les-Moulineaux, registered under number 789 568 797 ("**Vivendi Content**" and hereafter jointly with (i) Société d'Investissements et de Gestion – SIG 116, a French société par actions simplifiée, having its business address at 59 bis, avenue Hoche, 75008 Paris, registered under number 808 946 305 ("**SIG 116**") and (ii) Vivendi SE, a French société européenne, having its business address at 42, avenue de Friedland, 75008 Paris, registered under number 343 134 763, "**Vivendi SE**", together with Vivendi Content and SIG 116 "**Vivendi**") to LDH in exchange for shares in LDH, resulting in LDH holding the entire share capital of Banijay;
- g. the contribution of all LDH shares held by Vivendi Content to Lov Banijay in exchange for shares in Lov Banijay, resulting in Lov Banijay holding the entire share capital of LDH;
- h. an amendment of the FLE Articles of Association to cater, inter alia, for the Special Voting Shares and Earn-Out Preference Shares;
- i. the contribution of all Lov Banijay shares held by Financière Lov to FL Entertainment in exchange for FLE Ordinary Shares and Special Voting Shares;

- j. the contribution and sale of all Lov Banijay shares held by De Agostini's to FL Entertainment, in exchange for FLE Ordinary Shares;
- k. the contribution of all Lov Banijay shares held by Fimalac to FL Entertainment in exchange for FLE Ordinary Shares;
- l. the contribution of all Lov Banijay shares held by Vivendi Content to FL Entertainment in exchange for FLE Ordinary Shares;
- m. the contribution and sale of all Betclic shares held by SBM International to FL Entertainment in exchange for, *inter alia*, FLE Ordinary Shares; and
- n. the contribution by Financière Lov to FL Entertainment of €250,000,000, in exchange for FLE Ordinary Shares, Special Voting Shares and Earn-Out Preference Shares;
- o. the redemption of the ORAN (as defined below and the New Bonds (as defined below)); and
- p. the contribution by Vivendi to FL Entertainment of €25,000,000, in exchange for FLE Ordinary Shares,

it being specified that such actions shall at any time before the First Trading Date remain subject to the conditions to closing of the Business Combination (as set out above in paragraph 6.1.(f)) being satisfied, deemed satisfied or waived and any other steps to be completed ahead of completion of the Business Combination. Parties have furthermore agreed that, subject to the same caveat, Financière Lov shall, and cause its respective affiliates, from time to time, to do or procure the doing of all such reasonable formalities as may be reasonably necessary to perform, enforce and give full effect to the Lov Reorganisation, it being specified that notwithstanding this undertaking, neither FL Entertainment nor Financière Lov shall be liable if any third party (other than Financière Lov or any FL Entertainment Group Company) eventually breach in any way and for any reason whatsoever any agreement entered into for the purpose of the Lov Reorganisation.

Voting undertakings of Financière Lov

Financière Lov undertakes, as sole shareholder of FL Entertainment, to approve, effected as of completion of the Business Combination:

- a. the PIPE Financing and share capital increase pursuant to and in accordance with the Forward Purchase Agreement;
- b. the Merger;
- c. amendment of FL Entertainment's articles of association and conversion of FL Entertainment into a N.V., in a form that reflects the terms set forth in the Business Combination Agreement, to be finalised before completion of the Business Combination once all relevant information on FL Entertainment's capital is final;
- d. appointment of the Directors set out in paragraph "5.12(c)(g) FLE Directors" in the FLE Board; and
- e. any other matter required to give effect to the Business Combination as contemplated in the Business Combination Agreement

Conduct of business of the FL Entertainment Group

During the period from the date of the Business Combination Agreement until the date of completion

of the Business Combination or the date of termination of the Business Combination Agreement, Financière Lov shall cause the FL Entertainment Group Companies to operate and conduct their activities in the ordinary course of business and consistent with past practices in all material respects, provided that no action by any of the material FL Entertainment Group Companies with regards to the matters specifically addressed under a.i. to a.vii. below and of the FL Entertainment Group Companies with regards to the matters specifically addressed under b.i to b.ix shall be deemed a breach of this sentence unless such action would constitute a breach of paragraphs a.i. to a.vii. or b.i to b.ix (as applicable) below.

Without prejudice to the generality of the previous paragraph, during the period from the date of the Business Combination Agreement until the date of completion of the Business Combination and except as may be required in order to implement the Lov Reorganisation and purely intragroup reorganisations within the FL Entertainment Group Companies:

- a. Financière Lov shall procure that none of the material FL Entertainment Group Companies will implement or agree to implement, any of the following actions:
 - i. decrease, redeem or amortise its share capital, (A) issue or agree to issue any share capital or other securities or options giving access to its share capital, except pursuant to free shares plans, share warrants plans and arrangements in place at the date of the Business Combination Agreement which have been fairly disclosed to Pegasus Entrepreneurs or (B) materially amend or change its by-laws or other organisational documents other than as may be required by applicable law;
 - ii. distribute any dividend, interim dividend, share premium, reserve or other net equity amount to its shareholder(s) (other than to another material FL Entertainment Group Company) except for (A) intragroup distribution of dividends (except for the avoidance of doubt any dividend paid to FL Entertainment) or (B) pursuant to arrangements in place as of date of the Business Combination Agreement with the other shareholders in the FL Entertainment Group Companies which have been fairly disclosed to Pegasus Entrepreneurs within a limit of €15,000,000;
 - iii. except as set forth in the Business Combination Agreement, make any change in its tax or accounting procedures, practices or principles, unless mandated by law, seek, amend or revoke any advance pricing agreement involving the material FL Entertainment Group Companies, change the residence of any material FL Entertainment Group Company for tax purposes or create any permanent establishment or other place of business in any jurisdiction;
 - iv. make any general increase of the compensation (including variable bonus and other advantages) payable to the workers, save for any annual increase of workers' compensation in the ordinary course of business in accordance with past practices, or enter into, or materially amend, any material collective agreement with its employees or employees representatives;
 - v. enter into any material joint venture, similar partnership or profit-sharing arrangement, other than (A) in the ordinary course of business consistent with past practice or (B) representing in aggregate less than €15,000,000 investment;
 - vi. make or commit any investment or capital expenditures in the aggregate in excess of the relevant material FL Entertainment Group Company's annual budget except within

the limit of €75,000,000; and

- vii. commit to take any of the actions applicable to it as set forth in the foregoing paragraphs i. through vi. above.
- b. Financière Lov shall cause that none of the FL Entertainment Group Companies will implement or agree to implement, any of the following actions:
- i. acquire or dispose of any shareholding or securities in, or merge with another entity or acquire or dispose of any business or going concern where the amount of such acquisition or disposal exceeds in aggregate €75,000,000 of upfront payment in enterprise value), except pursuant to arrangements (including put and call mechanisms) in place as of the date of the Business Combination Agreement or a subsidiary thereof or as may be required at the level of Banijay Group for the purpose of remitting free shares to the beneficiaries of free shares allocations;
 - ii. approve any winding-up, dissolution, liquidation, merger, split-up or contribution as a whole that exceeds €5,000,000;
 - iii. incur external new financial indebtedness (excluding drawdowns pursuant to financial arrangements (including revolving credit facilities and factoring financing arrangements) in force within the FL Entertainment Group at the date of the Business Combination Agreement which have been fairly disclosed to Pegasus Entrepreneurs) or provide guarantees securing the obligations of any person other than a FL Entertainment Group Company or any co-production partner exceeding an amount of €30,000,000 in aggregate, except in connection with new financing entered into from time to time by companies that are local production companies to fund the production costs of programmes in the ordinary course of business, or grant any new encumbrances over its properties or assets, subject to payments made by any FL Entertainment Group Company pursuant to the cash-pooling agreement in force on the date hereof;
 - iv. except as set forth in the Business Combination Agreement, settle any material litigation or cancel, compromise or waive, any dispute where the amount claimed exceeds €2,000,000;
 - v. terminate or materially amend any significant business relationship or material contract (provided that Pegasus Entrepreneurs shall be informed before any new business relationship or material contract exceeding €5,000,000 is entered into) other than renewals or adjustments to such relationships or contracts with talents or to business agreements, to the extent not materially or adversely affecting the position of the FL Entertainment Group Companies part of the Betcliv Everest Group taken as a whole, or the FL Entertainment Group Companies part of the Banijay Group taken as a whole (as applicable);
 - vi. enter into, terminate or amend any agreement, arrangement or any undertaking with Financière Lov or any affiliates thereof (other than the FL Entertainment Group Companies) except if (A) in the ordinary course of business and/or consistent with past practice, to the extent in each case, for non-significant amounts or (B) referred to in the Business Combination Agreement;

- vii. except as set forth in the Business Combination agreement, open any material business in a new country exceeding €5,000,000;
- viii. make or commit any investment or capital expenditures in the aggregate in excess of the relevant FL Entertainment Group Company's annual budget exceeding €5,000,000, except if a higher threshold is authorised in the Business Combination Agreement; and
- ix. commit to take any of the actions applicable to it as set forth in the foregoing subsections i. through vii. above.

The above limitations shall not operate so as to restrict or prevent any matter or action (i) undertaken at the express written request or with the express written consent of Pegasus Entrepreneurs, (ii) required under the Financière Lov's organisational documents in order to implement the Business Combination in accordance with the Business Combination Agreement, (iii) expressly permitted pursuant to or contemplated under the Business Combination Agreement, the Deed of Merger, the deeds of issuance of shares in the capital of FL Entertainment and the Investment Agreement (the "**Business Combination Transaction Documents**"), notably in order to implement the Lov Reorganisation, (iv) required by applicable law or COVID-19 measures, provided that Pegasus Entrepreneurs shall be promptly informed of the implementation of such measures or actions, (v) required in order to (further) establish or preserve the place of effective management of FL Entertainment in France, and (vi) expressly permitted as set forth in the Business Combination Agreement.

Third-Party Consents

The parties to the Business Combination Agreement acknowledged that certain third-party notifications, waivers, consents and approvals will be required in connection with the Business Combination under the material contracts listed in the Business Combination Agreement. Financière Lov shall procure that the FL Entertainment Group shall use its best efforts with a view to obtain the third-party consents, as soon as practicable and prior to completion of the Business Combination. Financière Lov shall cooperate fully in such efforts where necessary. The obtaining of such third-party consents is not a condition to completion of the Business Combination, unless such third-party consent is expressly stated in the conditions to closing in paragraph 6.1(f) above.

The parties to the Business Combination Agreement also expressly agreed that, notwithstanding the previous paragraph, none of the Lov Group Companies are under any obligation to compromise any right, asset or benefit or to pay any amount or incur any liability in seeking such third-party consents except if otherwise agreed upon between Financière Lov and Pegasus Entrepreneurs.

Efforts to Complete

Subject to the terms and conditions in the Business Combination Agreement, each of the parties to the Business Combination Agreement shall use reasonable best efforts, and shall cooperate fully with the other parties, to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary or advisable to complete and make effective as promptly as practicable the transactions contemplated by the Business Combination Agreement (including but not limited to (i) the satisfaction of the conditions to closing as set out in paragraph 6.1(f) above, (ii) using reasonable best efforts to obtain the PIPE Financing on the terms and subject to the conditions of the PIPE Financing Subscription Agreements and (iii) making all such filings with any governmental authority and obtaining all approvals to permit the FLE Ordinary Shares and FLE Warrants to be issued in

accordance with the Business Combination Agreement to be listed on Euronext Amsterdam. Without limiting the generality of the foregoing, each of the parties to the Business Combination Agreement shall use reasonable best efforts to obtain, file with or deliver to, as applicable, any consents of any governmental authority or other persons necessary, proper or advisable to consummate the transactions contemplated by the Business Combination Agreement. Pegasus Entrepreneurs shall promptly inform Financière Lov of any communication between Pegasus Entrepreneurs, on the one hand, and any governmental authority, on the other hand, and Financière Lov shall promptly inform Pegasus Entrepreneurs of any communication between Financière Lov or FL Entertainment, on the one hand, and any governmental authority, on the other hand, in either case, regarding any of the transactions contemplated by the Business Combination Agreement

Subject to the terms and conditions in the Business Combination Agreement, Pegasus Entrepreneurs (or after the Merger, FL Entertainment as Pegasus Entrepreneurs' successor by universal title) shall comply with its obligation under the Forward Purchase Agreement.

From and after the date of the Business Combination Agreement until the earlier of the date of completion of the Business Combination or termination of the Business Combination Agreement in accordance with its terms, Pegasus Entrepreneurs, on the one hand, and Financière Lov and FL Entertainment, on the other hand, shall give the counsel for Financière Lov (in the case of Pegasus Entrepreneurs) or Pegasus Entrepreneurs (in the case of Financière Lov or FL Entertainment) a reasonable opportunity to review in advance, and consider in good faith the reasonable views expressed in good faith of the other in connection with, any proposed written communication to any governmental authority relating to any consent of any governmental authority contemplated by the Business Combination Agreement. Each of the parties to the Business Combination Agreement agreed not to participate in any substantive meeting or discussion, either in person, videoconference, or by telephone with any governmental authority in connection with any consent of any governmental authority contemplated by the Business Combination Agreement unless it consults with, in the case of Pegasus Entrepreneurs, Financière Lov, or, in the case of Financière Lov and/or FL Entertainment, Pegasus Entrepreneurs in advance and, to the extent not prohibited by such governmental authority, gives, in the case of Pegasus Entrepreneurs, Financière Lov, or, in the case of Financière Lov and/or FL Entertainment, Pegasus Entrepreneurs, the opportunity to attend and participate in such meeting or discussion.

Notwithstanding anything to the contrary in the Business Combinatino Agreement, in the event that any of the above paragraphs under "*Efforts to Complete*" conflicts with any other covenant or agreement in paragraph "*6.1(g) covenants of the Parties to the Business Combination Agreement*" that is specifically intended to specifically address any subject matter, then such other covenant or agreement shall govern and control solely to the extent of such conflict.

Access to Records and Management

Financière Lov shall allow and shall cause the FL Entertainment Group Companies to allow, Pegasus Entrepreneurs and its representatives and advisors, subject to suitable confidentiality undertakings, to have reasonable access, during normal business hours and upon reasonable prior notice, to certain managers and to the records of the FL Entertainment Group Companies, as is reasonably required to facilitate the completion of the Business Combination; in each case, to the extent that such access or delivery of information complies with applicable law and does not unreasonably interfere with the operations of the FL Entertainment Group Companies.

Exclusive Dealing

From and after the date of the Business Combination Agreement until the earlier of the date of completion of the Business Combination or termination of the Business Combination Agreement in accordance with its terms, with the exception of transaction conducted in the ordinary course of business and for which the thresholds set out under a.v., a.vi, b.i b.vii and b.viii as set out above under "*Conduct of business of the FL Entertainment Group*" are not reached, Financière Lov and FL Entertainment agreed to not, and shall cause its or their directors, senior employees or other representatives not to, directly or indirectly:

- a. solicit, initiate, encourage (including by means of furnishing or disclosing non-public information), facilitate, discuss with any third party or negotiate, directly or indirectly, any inquiry, proposal or offer (written or oral) to (A) acquire, in one transaction or a series of transactions, all or a substantial portion of (i) any of the assets of any FL Entertainment Group Company, (ii) the securities of any FL Entertainment Group Company or (iii) the businesses of any FL Entertainment Group Company (whether by merger, consolidation, recapitalisation, purchase or issuance of equity securities, purchase of assets, tender offer or otherwise), or (B) make an equity or similar investment in any FL Entertainment Group company or their respective affiliates (together a "**Lov Acquisition Proposal**"), provided that, for the avoidance of doubt, neither the Business Combination Agreement, nor the Lov Reorganisation or any of the transactions contemplated by the Business Combination Agreement or any operation conductin in accordance with the conduct of business of the FL Entertainment Group as set out above under "*Conduct of business of the FL Entertainment Group*" shall constitute a Lov Acquisition Proposal;
- b. furnish or disclose any non-public information to any person in connection with, or that would reasonably be expected to lead to, a Lov Acquisition Proposal;
- c. enter into any agreement regarding a Lov Acquisition Proposal;
- d. prepare or take any steps in connection with a public offering of any securities of any FL Entertainment Group Company (or any successor to or parent company of any FL Entertainment Group Company); or
- e. otherwise cooperate in any way with, or assist or participate in, or facilitate or encourage any effort or attempt by any person to do or seek to do any of the foregoing or seek to circumvent these arrangements.

Furthermore, from the date of the Business Combination Agreement until the earlier of the date of completion of the Business Combination or termination of the Business Combination Agreement in accordance with its terms, Pegasus Entrepreneurs shall not, and shall cause its directors, senior employees or other representatives not to, directly or indirectly:

- a. solicit, initiate, encourage (including by means of furnishing or disclosing non-public information), facilitate, discuss with any third party or negotiate, directly or indirectly, any inquiry, proposal or offer (written or oral) with respect to a Pegasus Acquisition Proposal;
- b. furnish or disclose any non-public information to any person in connection with, or that would reasonably be expected to lead to, a Pegasus Acquisition Proposal;
- c. enter into any agreement or other arrangement or understanding regarding a Pegasus Acquisition Proposal; or

- d. otherwise cooperate in any way with, or assist or participate in, or facilitate or encourage any effort or attempt by any person to do or seek to do any of the foregoing or seek to circumvent the arrangements as set out in this paragraph "*Exclusive Dealing*".

Confidentiality - Public Announcements

Prior to the execution of the Business Combination Agreement, Financière Lov and Pegasus Entrepreneurs have agreed in good faith on the press release announcing the execution of the Business Combination Agreement and (ii) Business Combination Date Financière Lov and Pegasus Entrepreneurs shall, and shall exercise their rights under the Investment Agreement (as defined and further described in paragraph "*a. Investment Agreement*" of "*6.2 Ancillary Agreements*") to cause the parties to the Investment Agreement to, agree in good faith on the press release announcing the completion of the Business Combination.

Save as provided in the Business Combination Agreement, no party thereto shall disclose any information concerning the Business Combination Agreement, exchanged pursuant to it or relating to the Business Combination (the "**Confidential Information**") or use the Confidential Information for any purpose except in connection with the completion of the Business Combination, performing its obligations hereunder or enforcing its rights hereunder or thereunder. Notwithstanding the foregoing, Confidential Information may be disclosed:

- a. by each of the parties to the Business Combination Agreement (or their respective affiliates) to its affiliates, to its or its affiliates' legal and financial advisers or auditors (in each case, subject to a duty of confidentiality and on a need-to-know basis) or to its or its affiliates' employees, auditors or actual or potential financiers on a need-to-know basis and provided that such employees or actual or potential financiers undertake to comply with the provisions of the Business Combination Agreement in respect of such Confidential Information as if they were a party to the Business Combination Agreement;
- b. to the extent the disclosure or use is required to vest the full benefit of the Business Combination Agreement or the Business Combination in a party to the Business Combination Agreement;
- c. to the extent the disclosure or use is required for the purpose of any arbitral or judicial proceedings arising out of the Business Combination Agreement or any other agreement entered into under or pursuant to the Business Combination Agreement;
- d. to the extent the Confidential Information becomes publicly available (other than by breach of the provisions of the Business Combination Agreement or through any other unlawful disclosure);
- e. otherwise by any party to the Business Combination if required by any applicable law, any applicable accounting requirements, any governmental authority (including any stock exchange or securities regulator) with jurisdiction over such party (or over any other company within its group) or stock exchange rules or any binding judgment, order or requirement of any competent governmental authority; or
- f. to the extent the other parties to the Business Combination Agreement have given their prior written approval to the disclosure or use,

provided that prior to disclosure or use of any information pursuant to b., c. or e. above, to the extent legally possible, the parties to the Business Combination Agreement shall co-operate, in good faith,

in order to agree the timing and content of any such disclosure or use, so far as practicable.

Business Combination EGM

Pegasus Entrepreneurs has agreed to convene the EGM on 23 June 2022 as referred to in this Circular. The EGM is to be held for, in any case, the adoption of resolutions (A) to approve the Business Combination Agreement and to enter into the Merger pursuant to a resolution in a form as attached to the Business Combination Agreement, (B) to resolve to (i) cancel the Pegasus Ordinary Shares that are repurchased under the Redemption Arrangements (as defined in paragraph "11.1 Repurchase of the Pegasus Ordinary Shares held by Pegasus Ordinary Shareholders at the time of the Business Combination") or (ii) in case the repurchase of the Pegasus Ordinary Shares tendered for repurchase under the Redemption Arrangements is not completed before the Merger becomes effective, cancel the Pegasus Ordinary Shares that are tendered for repurchase under the Redemption Arrangements directly prior to the Merger becoming effective and (C) in respect of such other matters as Pegasus Entrepreneurs and FL Entertainment have mutually determined, acting reasonably, to be necessary or appropriate in order to effect the Business Combination (collectively, the "**Pegasus Shareholder Resolutions**"), see paragraphs "3. Convocation and agenda for the extraordinary general meeting" and "4. Explanatory notes to the agenda for the extraordinary general meeting".

Pegasus Entrepreneurs agreed to (i) prepare this Circular and the accompanying required meeting materials as soon as reasonably practicable following the date of the Business Combination Agreement and in any event sufficiently in advance of the convening of the EGM, (ii) circulate the Circular to Financière Lov sufficiently in advance of the convening of the EGM to allow Financière Lov to review the Circular and provide reasonable comments to Pegasus Entrepreneurs (iii) take into account all reasonable comments of Financière Lov and its outside legal advisors in the finalisation of the Circular, (iv) transmit to Financière Lov any written or oral question received from a shareholder of Pegasus Entrepreneurs ahead of the EGM and (v) more generally, transmit sufficiently in advance any document intended to be disclosed or otherwise made available to the shareholders of Pegasus Entrepreneurs in the context of the EGM, in each case to the fullest possible extent given the timing of the Business Combination.

Pegasus Entrepreneurs agreed to include, in the Circular, the unanimous recommendation of Pegasus Board that Pegasus Entrepreneurs' shareholders vote in favour of the Pegasus Shareholder Resolutions at the EGM (the "**Board Recommendation**"). Pegasus Entrepreneurs agreed that neither the Pegasus Board nor any of its committees shall withhold, withdraw or modify, or propose publicly to withhold, withdraw or modify, the Board Recommendation. However, nothing in the Business Combination Agreement, other than the confidentiality covenant as set out above, shall prohibit the Pegasus Board from making any disclosure to the Shareholders where the Pegasus Board determines in good faith, after prior consultation with its outside legal counsel and subject to any applicable law, Financière Lov and its advisors, that the failure to make such disclosure would be inconsistent with applicable law.

If, on the date for which the EGM is scheduled, Pegasus Entrepreneurs has not received voting proxies and votes sufficient for the adoption of the Pegasus Shareholder Resolutions, Pegasus Entrepreneurs may, after consultation with Financière Lov, make one or more successive postponements of the EGM, provided, that the EGM, without the prior written consent of Financière Lov, and except as otherwise provided by applicable law, (A) may not be adjourned to a date that is more than fifty (50) calendar days after the date for which the EGM was originally scheduled and (B) is held no later than four business days prior to 31 August 2022 (the Longstop Date).

Financière Lov shall, and shall cause FL Entertainment, the FL Entertainment Group Companies and its (other) affiliates to provide their best efforts to, (i) cooperate with Pegasus Entrepreneurs in the preparation of the Circular, (ii) provide such information as Pegasus Entrepreneurs may reasonably request in connection with the preparation of the Circular or otherwise in connection with the EGM, (iii) promptly notify Pegasus Entrepreneurs to correct any information provided by it for use in the Circular if and to the extent that Financière Lov becomes aware that such information has become false or misleading, and (iv) if reasonably requested by Pegasus Entrepreneurs, make its directors, officers and employees, upon reasonable advance notice, available to Pegasus Entrepreneurs in connection with the preparation of the Circular or otherwise in connection with the EGM.

Pegasus Redemptions

Pegasus Entrepreneurs has agreed to procure that as soon as reasonably possible after the Pegasus Shareholder Resolution and other corporate resolutions required for completion of the Merger have been adopted, and are in full force and effect, (A) no later than two business days prior to the First Trading Date, the amount payable by Pegasus Entrepreneurs to the Redeeming Shareholders (as defined in paragraph "11.1 Repurchase of the Pegasus Ordinary Shares held by Pegasus Ordinary Shareholders at the time of the Business Combination") is transferred to a bank account (*tussenrekening*) operated by ABN AMRO Bank N.V., (B) immediately after the execution of the Deed of Merger on the day prior to the First Trading Date, all corporate resolutions required to effect the redemptions in accordance with the Redemption Arrangements (as defined in paragraph "11.1 Repurchase of the Pegasus Ordinary Shares held by Pegasus Ordinary Shareholders at the time of the Business Combination") will go in effect and (C) ABN AMRO Bank N.V. is instructed to settle the redemptions on the Business Combination Date, which shall be the day prior to the First Trading Date, and Pegasus Entrepreneurs shall provide ABN AMRO Bank N.V. with a power of attorney for this purpose.

Preparation and approval of the Listing Prospectus

Pegasus Entrepreneurs and Financière Lov agreed to jointly prepare the Listing Prospectus for the admission to listing and trading on Euronext Amsterdam of the FLE Ordinary Shares and FLE Warrants. They agreed a first draft of the Listing Prospectus would be submitted by FL Entertainment to the AFM on or around 20 March 2022. Pegasus Entrepreneurs agreed to lead the preparation of the Listing Prospectus and the process of having that Listing Prospectus approved by the AFM. At Pegasus Entrepreneurs' and Financière Lov's joint instruction, FL Entertainment shall immediately file subsequent drafts and the final version of the Listing Prospectus with the AFM.

Financière Lov, Pegasus Entrepreneurs and FL Entertainment shall, and Financière Lov shall cause the FL Entertainment Group to, (i) cooperate in the preparation of the Listing Prospectus (including, for the avoidance of doubt, the preparation of (pro forma) financial statements required to be included in the Listing Prospectus or the Circular), (ii) promptly provide such information as Financière Lov or Pegasus Entrepreneurs may reasonably request in connection with the preparation of the Listing Prospectus (including, for the avoidance of doubt, the provision of any financial or other information relating to Pegasus Entrepreneurs, FL Entertainment, Financière Lov or the FL Entertainment Group reasonably requested for the preparation of the (pro forma) financial statements required to be included in the Listing Prospectus or the Circular) or to respond promptly to any comments or questions raised by the AFM in connection with the Listing Prospectus, and (iii) if reasonably requested by Financière Lov or Pegasus Entrepreneurs, make its directors, officers and employees, upon reasonable advance notice, available in connection with the preparation of the Listing

Prospectus or to respond promptly to any comments or questions raised by the AFM in connection with the approval of the Listing Prospectus.

Each party to the Business Combination Agreement agreed to promptly correct any information provided by it for use in the Listing Prospectus if and to the extent that such information has become false or misleading in any material respect or as otherwise required by applicable laws. To the extent required, Pegasus Entrepreneurs and Financière Lov shall jointly amend or supplement the Listing Prospectus and FL Entertainment shall file the Listing Prospectus, as so amended or supplemented, with the AFM.

FL Entertainment has agreed to notify Pegasus Entrepreneurs' legal advisor upon receipt of any comments or questions, or other correspondence or communications, from the AFM in connection with the Listing Prospectus. Financière Lov, Pegasus Entrepreneurs and FL Entertainment shall cooperate to respond promptly to any comments or questions raised by the AFM in connection with the Listing Prospectus, and shall otherwise use best efforts to cause the Listing Prospectus to elicit "no comments" from the AFM and have the Listing Prospectus approved by the AFM.

PIPE Financing

On or prior to the date of the Business Combination Agreement Pegasus Entrepreneurs and FL Entertainment have entered into PIPE Financing Subscription Agreements with PIPE Investors for an aggregate amount of €219,000,000 (including €25,000,000 by Vivendi contributed in cash and €25,000,000 by Fimalac contributed in cash) and may enter into PIPE Financing Subscription Agreements with additional PIPE Investors whereby these PIPE Investors would undertake to subscribe to the PIPE Financing up to a certain amount, subject to the terms and conditions of the PIPE Financing Subscription Agreements. The targeted total aggregate amount of the PIPE Investors subscription undertakings amounts to €250,000,000, which is equal to the issuance of 25,000,000 FLE Ordinary Shares at an issue price of €10 per FLE Ordinary Share.

Pegasus Entrepreneurs and FL Entertainment agreed, to the extent within their respective powers to do so, to undertake to implement the PIPE Financing on the First Trading Date in accordance with the PIPE Financing Subscription Agreements and to promptly take all corporate decisions required to acknowledge completion of the PIPE Financing in accordance with the PIPE Financing Subscription Agreements, it being specified that notwithstanding this covenant, neither Pegasus Entrepreneurs nor FL Entertainment shall be liable if some PIPE Investors would eventually refuse to subscribe to the PIPE Financing for any reason whatsoever in breach of their respective PIPE Financing Subscription Agreement.

Post-Completion FLE Directors and Officers

Each party to the Business Combination Agreement has agreed to take all such action within its power as may be necessary or appropriate such that (A) effective immediately upon the completion of the Business Combination, (i) the FLE Board shall consist of the Directors set out in paragraph "5.12(c)(g) FLE Directors" and (ii) the FLE Articles of Association shall be amended in accordance with the Business Combination Agreement, subject to such amendments, changes and other terms and conditions that may be mutually agreed between Pegasus Entrepreneurs and Financière Lov, and each of Pegasus Entrepreneurs, Financière Lov and FL Entertainment shall reasonably cooperate and work in good faith with each other in order to finalise and agree to other terms and conditions of the FLE Articles of Association.

Success payment Major IPO Shareholders Capital Increase

At the time of the Pegasus IPO, the Sponsors have offered at no cost each Pegasus Ordinary Shareholder that is allocated at least 2,500,000 Units in the Pegasus IPO (a "**Major IPO Shareholder**") a number of Pegasus Ordinary Shares corresponding to 2% of the number of Pegasus Ordinary Shares (forming part of the Pegasus Units) such Major IPO Shareholder is allocated in the Pegasus IPO, or if less, that such Major IPO Shareholder will hold upon the completion of the Business Combination; provided that, on the date that is two Trading Days after the Redemption Date, such Major IPO Shareholder (i) has not redeemed any of its Pegasus Ordinary Shares subscribed for in the Pegasus IPO to the extent that such redemption would lead to such Major IPO Shareholder holding fewer than 2,500,000 Pegasus Ordinary Shares at any time and (ii) owns at least 2,500,000 Pegasus Ordinary Shares.

In order to maximise the non-redemption of Pegasus Ordinary Shares subscribed for in the Pegasus IPO, FL Entertainment has agreed to pay, and Financière Lov shall procure payment of, a success fee (capped in the aggregate to the cash balance on Pegasus Entrepreneurs' bank account freely available as at the First Trading Date (net of any payment still due by Pegasus Entrepreneurs at that date and for the avoidance of doubt excluding the cash in the Pegasus Escrow Accounts) to Tikehau Capital, Poseidon Entrepreneurs Financial Sponsor SAS and Pegasus Acquisition Partners Holding B.V. of an amount of up to €1,400,000 (excluding VAT) (to be allocated equally between them) if and to the extent any of the Major IPO Shareholders meet the above conditions. The success fee shall be calculated on a pro rata basis based on the number of Pegasus Ordinary Shares transferred to the Major IPO Shareholders by the Sponsors and would amount to €1,400,000 (excluding VAT) if all the 2% of number of Pegasus Ordinary Shares are transferred to them (with such amount decreased based on the actual percentage rate of transfer).

Listing of FLE Ordinary Shares and FLE Warrants

FL Entertainment agreed to use its best efforts to (A) cause the FLE Ordinary Shares and the FLE Warrants to be approved and submitted for listing on Euronext Amsterdam on the First Trading Date, subject to official notice of issuance thereof, and (B) to satisfy any applicable initial and continuing listing requirements of Euronext Amsterdam, in each case as promptly reasonably practicable after the date of the Business Combination Agreement and in any event prior to the First Trading Date. Pegasus Entrepreneurs and Financière Lov agreed to, and Financière Lov agreed to cause the FL Entertainment Group Companies, to cooperate with FL Entertainment in connection with the foregoing.

FL Entertainment agreed to notify Pegasus Entrepreneurs and Financière Lov of any communications or correspondence received from Euronext Amsterdam with respect to the (A) listing of the FLE Ordinary Shares and the FLE Warrants on the First Trading Date and (B) compliance by Pegasus Entrepreneurs and FL Entertainment with the rules and regulations of Euronext Amsterdam.

Payments out of escrow accounts

The parties to the Business Combination Agreement agreed that, upon satisfaction or, to the extent permitted by applicable law, waiver of the conditions for closing (other than the condition to have the Pegasus Shareholder Resolutions adopted, and to be in full force and effect):

- a. as soon as reasonably possible after the completion of the Merger, FL Entertainment (as successor by universal title of Pegasus Entrepreneurs) shall request Intertrust Escrow and Settlements B.V. with corporate seat in Amsterdam and having its address at Basisweg 10, 1043 AP Amsterdam, the Netherlands (the "**Escrow Agent**") to instruct the Escrow

Foundation to pay (i) an amount equal to the Business Combination Escrow Amount to FL Entertainment or, at FL Entertainment's instruction, to Vivendi, SBM International and/or the lenders under the betclie bridge facility, and (ii) the applicable Deferred Commissions (as defined in the Pegasus IPO Prospectus) to the respective beneficiaries on the Settlement Date; and

- b. as soon as reasonably possible after the payment from the Escrow Foundation under a. above, FL Entertainment would request the Escrow Agent to instruct the Escrow Foundation to terminate the Escrow Accounts, except as otherwise provided in the Business Combination Agreement.

The parties to the Business Combination Agreement further agreed that:

- a. the aggregate proceeds of the PIPE Financing will be transferred to a transaction escrow account pursuant to PIPE Subscription Agreements, and will only be paid out of the relevant transaction escrow account (A) to FL Entertainment - or at FL Entertainment's and Financière Lov's joint instruction, to Vivendi, SBM International and/or the lenders under the Betclie Bridge Facility - upon issuance of the shares to be issued pursuant to the PIPE Finance Subscription Agreements and the listing of the FLE Ordinary Shares and FLE Warrants or (b) to the relevant PIPE Investors in case the corresponding subscription agreements have been validly terminated in accordance with the terms thereof.
- b. the aggregate proceeds of Financière Lov's investment will be transferred to a transaction escrow account pursuant to the Investment Agreement (as defined and further described in paragraph "*a. Investment Agreement*" of "*6.2 Ancillary Agreements*"), and will only be paid out of the relevant transaction escrow account (A) to FL Entertainment - or at FL Entertainment's and Financière Lov's joint instruction, to Vivendi, SBM International and/or the lenders under the Betclie Bridge Facility - upon issuance of the shares to be issued to Financière Lov pursuant to the Investment Agreement and in accordance with Financière Lov's investment and the listing of the FLE Ordinary Shares and FLE Warrants or (b) to Financière Lov in case the Investment Agreement has been validly terminated in accordance with the terms thereof or the Lov Reorganisation has not completed at such time.
- c. the aggregate proceeds of the Forward Purchase Agreement will be transferred to a transaction escrow account and will only be paid out of the relevant transaction escrow account (A) to FL Entertainment - or at FL Entertainment's and Financière Lov's joint instruction, to Vivendi, SBM International and/or the lenders under the Betclie Bridge Facility - upon delivery of the shares and warrant issued pursuant to the Forward Purchase Agreement to Tikehau Capital and Financière Agache and the listing of the FLE Ordinary Shares and FLE Warrants or (b) to Tikehau Capital and Financière Agache in case the Forward Purchase Agreement has been validly terminated in accordance with the terms thereof and the Business Combination has not completed at such time.
- d. the contribution by certain financial counterparties of Financière Lov for the purposes of the refinancing of certain existing indebtedness of Financière Lov and other general corporate purposes will be transferred to a transaction escrow account and will only be paid out of the relevant transaction escrow account (A) to Financière Lov - or at FL Entertainment's and Financière Lov's joint instruction, to FL Entertainment, Vivendi, SBM International and/or the lenders under the Betclie Bridge Facility - upon the shares being held in four securities

accounts opened in the name of Financière Lov at CACEIS and these four securities accounts have been pledged in favor of each relevant financial counterparty and the listing of the Topco Ordinary Shares and Topco Warrants or (b) to Financière Lov's financial counterparties in case the Transaction has not completed at such time.

- e. the proceeds from Vivendi's subscription proceeds will be transferred to a transaction escrow account pursuant to the Investment Agreement and will only be paid out of the relevant transaction escrow account (A) to FL Entertainment - or at FL Entertainment's and Financière Lov's joint instruction, to Vivendi, SBM International and/or the lenders under the Betclic Bridge Facility - upon issuance of the shares corresponding to Vivendi's subscription proceeds pursuant to the Investment Agreement to Vivendi and the listing of the FLE Ordinary Shares and FLE Warrants or (B) to Vivendi in case the Investment Agreement has been validly terminated in accordance with the terms thereof or the Business Combination has not completed at such time.

Conduct of business by Pegasus Entrepreneurs

During the period from the date of the Business Combination Agreement until the date of completion of the Business Combination, Pegasus Entrepreneurs shall undertake to operate and conduct its activities in the ordinary course of business, consistent with past practices and in the interest of the Business Combination. In particular, Pegasus Entrepreneurs agreed to not implement or agree to implement any of the actions listed under b. and the final paragraph as set out above under "*Conduct of business of the FL Entertainment Group*", which shall apply mutatis mutandis to Pegasus Entrepreneurs, provided that (i) the overall amount of liabilities that to be incurred by Pegasus Entrepreneurs shall not exceed €12,000,000 (before VAT) and (ii) notwithstanding anything to the contrary, Pegasus Entrepreneur shall not be authorised to distribute any dividend or carry out a transaction having the same effect. However, the parties to the Business Combination Agreement have agreed that these limitations shall not operate so as to restrict or prevent any matter or action (i) undertaken at the written request or with the written consent of Financière Lov, (ii) required under Pegasus Entrepreneurs' organisational documents in order to implement the Business Combination, (iii) expressly permitted pursuant to or contemplated under the Business Combination Transaction Documents or (iv) required by applicable law, provided that Financière Lov shall be promptly informed of the implementation of such measures or actions.

h. Consequences of a breach

If a party to the Business Combination Agreement would fail to perform its obligations under the agreement, the other parties shall be entitled, by written notice to that party served on the day before the First Trading Date (and in addition to and without prejudice to all other rights or remedies available to it, including the right to claim damages and/or pursue the specific performance of the Business Combination Agreement (*exécution force*)):

- a. to effect completion of the Business Combination, so far as practicable having regard to the defaults which would have occurred; or
- b. to set a new date for completion of the Business Combination (not being more than three business days following the initial date agreed upon for completion), it being understood that such deferral may only occur once.

If on the new date for completion of the Business Combination the same party to the Business Combination Agreement would again fail to perform its obligations under the Business Combination

Agreement, the other parties will be entitled to, by written notice to that party served on the new date set for completion of the Business Combination (and in addition to and without prejudice to all other rights or remedies available to it, including the right to claim damages and/or pursue the specific performance of the Business Combination Agreement (*exécution force*)):

- a. to effect completion of the Business Combination, so far as practicable having regard to the defaults which have occurred; or
- b. to terminate the Business Combination Agreement (except for the surviving provisions as contained therein, which shall survive termination), without liability on their part and without prejudice to their rights for damages.

The parties to the Business Combination Agreement agreed that the exercise of the foregoing termination right would be effected without the need to serve a prior written notice (*sans mise en demeure préalable*).

i. Expenses

Except as otherwise expressly agreed to the contrary among the parties to the Business Combination Agreement, each party to the Business Combination Agreement agreed to bear its own expenses, costs and fees (including, without limitation, attorneys' and auditors' fees) in connection with the Business Combination, including the preparation and execution of the Business Combination Agreement and compliance with its terms, whether or not the Business Combination would be completed.

At the date hereof, the parties to the Business Combination Agreement's good faith estimate of the costs to be incurred by FL Entertainment in the context of the Business Combination amounts to EUR 35 million (excluding (i) VAT and (ii) excluding the costs related to the admission to listing and trading on Euronext Amsterdam of the FLE Ordinary Shares and FLE Warrants). In this respect, the parties to the Business Combination Agreement agree that, if completion of the Business Combination takes place, FL Entertainment will bear the costs relating to the Business Combination (excluding the costs related to (i) the steps of the Lov Reorganisation that did not directly involve FL Entertainment and (ii) the Shareholders Agreement) incurred by the parties to the Business Combination Agreement (other than internal costs and related parties' costs but including costs supported by Financière Lov before incorporation of FL Entertainment) subject to (a) a maximum amount of EUR 38.5 million (plus applicable VAT but excluding the costs related to the admission to listing and trading on Euronext Amsterdam of the FLE Ordinary Shares and FLE Warrants) and (b) a maximum amount of EUR 12 million (plus applicable VAT) with respect to the transaction fees and commitments incurred by Pegasus Entrepreneurs (other than fees in the context of the PIPE Financing).

FL Entertainment has agreed to bear the PIPE Financing fees to be paid to the banks in accordance with the banks' engagement letter, a copy of which is attached to the Business Combination Agreement.

Financière Lov will bear the cost (including all related social security contributions and employment charges) of any transaction bonus or management package that may be due to employees, officers, directors or contractors of the FL Entertainment Group Companies in connection with the Business Combination.

For the avoidance of doubt, the parties to the Business Combination Agreement agreed that if

completion of the Business Combination would not take place for any reason and the Business Combination Agreement is terminated, each party would bear its own expenses, costs and fees in connection with the Business Combination.

j. Governing Law and Dispute Resolution

The Business Combination Agreement is governed by, and construed in accordance with, the laws of France.

The Paris Commercial Court (*Tribunal de Commerce de Paris*) has exclusive jurisdiction, in first instance, over any dispute that may arise in connection with or resulting from the validity, construction or performance of the Business Combination Agreement.

k. Amendments

The Business Combination Agreement may be altered, modified, amended, supplemented or terminated only by a written instrument duly signed by all parties to the Business Combination Agreement.

6.2 Ancillary Agreements

This section describes the material provisions of certain of the additional agreements that were entered into concurrently with the Business Combination Agreement, which are referred to herein as the "ancillary documents", but does not purport to describe all of the terms thereof.

a. Investment Agreement

On 10 May 2022, an investment agreement was entered into among Stéphane Courbit, Lov Group Invest S.A.S, Financière Lov, SBM International, Dea Communications Sa, F. Marc De Lacharrière (Fimalac), Pegasus Acquisition Partners Holding B.V., Pegasus Entrepreneurs, Tikehau Capital, Bellerophon Financial Sponsor 2 Sas, Poseidon Entrepreneurs Financial Sponsor, Financière Agache, Vivendi Content, Société D'investissements Et De Gestion 116 – Sig 116, Vivendi Se and FL Entertainment, in the presence of Lov Banijay, Mangas Lov, LDH, Banijay Group Holding and Betclic Everest Group (the "**Investment Agreement**"), to set out the terms and conditions of, inter alia, the Lov Reorganisation.

The obligations of the parties to the Investment Agreement and the Lov Reorganisation are subject to satisfaction or to the extent permitted by applicable law, waiver, of the following conditions precedent (the "**Lov Reorganisation Conditions Precedent**"):

- a. the required antitrust clearance has been obtained, and is in full force and effect;
- b. to the extent required, the regulatory clearance has been obtained, and is in full force and effect;
- c. the conditions for closing as set out in the Business Combination Agreement (other than the ones relating to the Lov Reorganisation) have been satisfied or, subject to the prior approval of the parties to the Investment Agreement if adversely affected by such waiver, waived in accordance with the Business Combination Agreement (it being specified, for the avoidance of doubt, that only the prior approval of the parties to the Investment Agreement individually adversely affected by such waiver shall be obtained);
- d. the forward closing conditions as set out in clause 4 of the Forward Purchase Agreement have been satisfied or, subject to the prior approval of the parties to the Investment

Agreement if adversely affected by such waiver, waived in accordance with the Forward Purchase Agreement (it being specified, for the avoidance of doubt, that only the prior approval of the parties to the Investment Agreement individually adversely affected by such waiver shall be obtained);

- e. the Business Combination Escrow Amount held in the Escrow Accounts (increased by the Deferred Commissions (as defined in the Pegasus IPO Prospectus)) together with the aggregate PIPE Financing proceeds, the aggregate proceeds of Financière Lov's investment and the proceeds of the Forward Purchase Securities held in the transaction escrow accounts, is equal to or exceeds €760,000,000 (i.e. to allow FL Entertainment, among others, to purchase the difference between the 270,312 Betclac shares actually held by SBM International and the sum of 111,305 Betclac shares and the additional SBM International contributed shares, to pay the fees in the context of the Business Combination and to repay the ORAN (as defined below) as well as the New Bonds (as defined below) which will be fully redeemed to SIG 116 (an affiliate of Vivendi) in accordance with the transaction escrow agreement as well as with the sources and uses of the Business Combination as set out in paragraph "5.4(b) Sources and uses for the Business Combination". It being specified that (A) such condition may be waived by Financière Lov and FL Entertainment provided that such amount is above EUR 645 million and (B) if the aggregate amount would be less than €760,000,000, Financière Lov shall use its best efforts to obtain a waiver from the banks that are a party to the bridge credit facility entered into on 13 December 2021, by and among, inter alios, Betclac as borrower and Mangas Lov as guarantor and parent company, pursuant to which a €130.0 million term loan has been made available to Betclac, failing which Financière Lov shall use its best efforts to find an alternative solution to complete the Business Combination. For the avoidance of doubt, the contribution by certain financial counterparties of Financière Lov for the purposes of the refinancing of certain existing indebtedness of Financière Lov and other general corporate purposes as will be held in a transaction escrow account shall not be taken into account for the purposes of the calculation of the €760,000,000 threshold;
- f. ABN AMRO (acting as centralizing agent through Euroclear Nederland) has confirmed receipt of the amount required for the payment of the Redeeming Shareholders;
- g. the AFM has confirmed by e-mail it has no further comments on the draft Listing Prospectus;
- h. absence of applicable law, order permanent injunction or action by any governmental authority of competent jurisdiction prohibiting consummation of the Business Combination.

Subject to the terms and conditions of the Investment Agreement (in particular the satisfaction or waiver of the Lov Reorganisation Conditions Precedent), the completion of the Lov Reorganisation is expected to take place on the day preceding the completion date of the Business Combination Agreement and at the latest on the Long Stop Date (the "**Lov Reorganisation Completion Date**").

Pursuant to the Investment Agreement, and subject to the satisfaction or waiver of the Lov Reorganisation Conditions Precedent, the parties have undertaken, among other things, to respectively (i) take all necessary actions to execute and complete the transactions contemplated in the Lov Reorganisation on the Lov Reorganisation Completion Date, (ii) approve and execute the Shareholders Agreement at the latest on the Lov Reorganisation Completion Date and (iii) vote any decisions, sign any document required to be signed under the Investment Agreement and convene

any meeting of the relevant corporate bodies required to be held under the Investment Agreement prior to or on the Lov Reorganisation Completion Date.

The Investment Agreement is governed by and construed in accordance with the laws of France, excluding its conflict of laws principles. The Paris Commercial Court (*Tribunal de Commerce de Paris*) has exclusive jurisdiction, in first instance, over any dispute that may arise in connection with or resulting from the validity, construction or performance of the Investment Agreement.

b. PIPE Financing Subscription Agreements

This section does not apply to Vivendi's subscription undertaking which is documented under the terms of the Investment Agreement.

At the date of this Circular, Pegasus Entrepreneurs and FL Entertainment have entered into PIPE Financing Subscription Agreements with a number of PIPE Investors for an aggregate amount of €219,000,000 and may enter into PIPE Financing Subscription Agreements with additional PIPE Investors whereby these PIPE Investors would undertake to subscribe to the PIPE Financing up to a certain amount, subject to the terms and conditions of the PIPE Financing Subscription Agreements. The targeted aggregate amount of the PIPE Investors subscription undertakings is €250,000,000, which is equal to the issuance of up to 25,000,000 FLE Ordinary Shares at an issue price of €10 per FLE Ordinary Share.

The PIPE Financing Subscription Agreements contain customary representations, warranties and agreements of the parties thereto.

The closings under the PIPE Financing Subscription Agreements will occur substantially concurrently with the completion of the Business Combination upon the Merger becoming effective (or such other date as the parties to the Business Combination Agreement may agree in accordance therewith) and are conditioned on such completion of the Business Combination and on other customary closing conditions as set out below:

The obligations of the parties to the PIPE Financing Subscription Agreements are subject to following conditions precedent: (A) all conditions precedent to the completion of the Merger set forth in the Business Combination Agreement shall have been satisfied (as determined by the parties to the Business Combination Agreement) or waived in writing by the person(s) with the authority to make such waiver (other than those conditions which, by their nature, are to be satisfied at the completion of the Merger pursuant to the Business Combination Agreement), (B) no governmental authority shall have enacted, issued, promulgated, enforced or entered any judgment, order, law, rule or regulation which is then in effect and has the effect of making the consummation of the transactions contemplated hereby illegal or otherwise restraining or prohibiting consummation of the transactions contemplated hereby, (C) the FLE Ordinary Shares shall be admitted to trading and listing on Euronext Amsterdam and trading in the FLE Ordinary Shares on an 'as-if-and-when-delivered' basis can commence on Euronext Amsterdam from 9:00 Amsterdam time on the First Trading Date and (D) no 'Material Adverse Effect' (as defined in the Business Combination Agreement), has occurred in respect of FL Entertainment.

The obligation of FL Entertainment to issue the FLE Ordinary Shares pursuant to the PIPE Financing Subscription Agreements is subject to the satisfaction or waiver of the conditions that (A) all representations and warranties of the PIPE Investor contained in the Subscription Agreement are true and correct in all material respects; (B) a subscription form for the FLE Ordinary Shares has been provided by the PIPE Investor to FL Entertainment; (C) receipt of the subscription amount by FL

Entertainment no later than two business days prior to the closing date specified in the closing notice sent to each PIPE Investor and (D) the PIPE Investor has performed and complied in all material respects with all other covenants and agreements required by the Subscription Agreement to be performed or complied with by it at or prior to the completion of the Business Combination.

The obligation of the PIPE Investor to consummate the subscription of the FLE Ordinary Shares pursuant to the Subscription Agreement is subject to (A) the satisfaction or waiver of the condition that all representations and warranties of FL Entertainment contained in the Subscription Agreement are true and correct in all material respects, (B) FL Entertainment has performed and complied in all material respects with all covenants and agreements required by the Subscription Agreement to be performed or complied with by it at or prior to the completion of the Business Combination and (C) the Business Combination Agreement (as in effect on the date hereof) shall not have been amended, modified or waived by FL Entertainment or Pegasus Entrepreneurs in a manner that would reasonably be expected to materially adversely affect the economic benefits a PIPE Investor would reasonably expect to receive under the PIPE Financing Subscription Agreement.

The PIPE Financing Subscription Agreements will be terminated, and be of no further force and effect, upon the earlier to occur of (A) the termination of the Business Combination Agreement in accordance with its terms, (B) the mutual written agreement of the parties thereto, (C) if any of the conditions to closing set forth in the PIPE Financing Subscription Agreement are not satisfied or waived, and are not capable of being satisfied on or prior to the completion of the Business Combination and (D) 31 August 2022, if Settlement has not occurred by such date.

7 FL ENTERTAINMENT'S BUSINESS

7.1 General

a. Overview

The FL Entertainment Group is a global group, operating across a variety of platforms and geographies. The FL Entertainment Group operates the world's leading independent production and television programme distribution company based on revenues for the year ended 31 December 2021 and believes it is the fastest growing online sports betting platform in Europe in terms of Gross Gaming Revenue growth over the year ended 31 December 2015 to the year ended 31 December 2021 (see "7.2 Content production and distribution business" and "7.3 Online sports betting and gaming business" below). The FL Entertainment Group's business is divided between the content production and distribution segment (of which the revenues represented approximately 78.8% of the total revenues of the FL Entertainment Group for the year ended 31 December 2021) and the online sports betting and gaming segment (of which the revenues represented approximately 21.1% of the total revenues of the FL Entertainment Group for the year ended 31 December 2021), each of which is described in separate chapters below.

The FL Entertainment Group operates its business associated with content production and distribution through the Banijay Group, in which the FL Entertainment Group will hold 89.5% as from the First Trading Date. The remaining 10% will be held by senior managers of the Banijay Group.

The FL Entertainment Group operates its business associated with online sports betting and gaming through Betcltic Group, in which the FL Entertainment Group will hold 94.6% as from the Business Combination Date. The remaining 5.4% will be held by Nicolas Béraud, founder and CEO of Betcltic. In addition, Betcltic Everest Group SAS holds 53.9% of the shares in Bet-at-home, which is a German company also operating in the field of online sports betting and gaming. Bet-at-home is listed on the Frankfurt Stock Exchange and operates independently (Betcltic Everest Group SAS together with its subsidiaries, including Bet-at-home, the "Betcltic Everest Group"). There is no agreement in place between Betcltic and Bet-at-home.

b. History

Lov Group was founded in 2007 by Stéphane Courbit and in May 2008 he made an initial investment of €220 million in Betcltic. In 2008, Stéphane Courbit founded the Banijay Group, with co-investments from Groupe Arnault, Exor, De Agostini and AMS Industries. See "7.2(b.) History" and "7.3(b.) History" for a detailed description of the history of the Banijay Group and the Betcltic Everest Group respectively. After the date of the Business Combination Agreement and before completion of the Business Combination a reorganisation of the FL Entertainment Group will take place. See "5.5(b.) Ownership Structure of FL Entertainment after completion of the Business Combination" and "6.1(g.) Covenants of the Parties to the Business Combination Agreement".

c. Strategy and Key Strengths

A. *A transformative transaction to accelerate the FL Entertainment Group's strategy*

The FL Entertainment Group's strategy is to pursue the growth of its content production and distribution and online sports betting and gaming businesses and to rely on its strong intellectual

property and know-how to further increase its leadership positions in both markets.

The FL Entertainment Group intends to continue achieving organic growth across its activities by leveraging on specific identified levers:

- The Banijay Group's objective is to capitalise on (i) scale in content production (ii) intellectual property monetisation (iii) ability to attract talents.
- The Betclac Everest Group's objective is to leverage on (i) player centricity (ii) product innovation (iii) new markets expansion (iv) sustainability and ESG.

See also "7.2(p.) *Environment, Health and Safety and ESG efforts*" and "7.3(q.) *Environment, Health and Safety*".

As a result of reorganisation of the FL Entertainment Group in connection with the Business Combination, the FL Entertainment Group will also increase both control over, and economic exposure to, the Banijay Group and the Betclac Everest Group. The FL Entertainment Group's intention is to benefit from the resulting reduced leverage and simplified capital structure to gain strategic room of manoeuvre to pursue bolt-on acquisitions as well as transformative transactions. Reinforced governance and triple voting rights structure will create additional flexibility for these acquisitions.

The FL Entertainment Group will also be advantaged by the know-how and track-record of its founder and experienced leadership team in the sector to complete its combined growth strategy, both organic and inorganic. The FL Entertainment Group would also remain open to explore any opportunity in the entertainment space that could complement its existing businesses of content production and distribution, and online sports betting and gaming, with a focus on shareholder value creation. In its growth journey, the FL Entertainment Group has set goals it is committed to achieve by setting standards linked to ESG initiatives in the conduct of its business in all its markets. The FL Entertainment Group strongly believes that social and societal performances are linked, and all subjects are tackled without taboo, be that gender equality, disability, inclusion, diversity, well-being at work, and a commitment to solidarity. Through the Banijay Group, the FL Entertainment Group aims to achieve this by (i) creation of global employees' groups (e.g. pride, disability, women-led) to foster inclusion and promote diversity, (ii) having a sustainability-led mind-set to reduce carbon footprint and overall impact on environment and (iii) reaffirmed focus on creating a safe working environment for all employees. Examples of environmental initiatives are the implementation of 'green protocols' in all big brand format bibles, such as MasterChef and BigBrother. Examples of social initiatives are diversification of talent pools, both on and off-screen, implementing a diversity and inclusion board that is designated to sharing best practices, knowledge and drives education and change globally, and providing the FL Entertainment Group's workforce with unconscious bias trainings. Through the Betclac Everest Group, the FL Entertainment Group aims to achieve this by (i) product positioning focused on the mass recreational market (limiting risk for players) and (ii) developing and maintaining data-driven algorithms to pro-actively detect excessive gaming. The Betclac Everest Group has 70 people dedicated to prevent excessive and underage gaming and such detection is supported by artificial intelligence.

B. The FL Entertainment Group is an entrepreneur-led entertainment group with exposure to two market segments offering high growth potential

The FL Entertainment Group operates two businesses, the Banijay Group, which is the number one independent production company in the world based on revenues for the year ended 31 December

2021, and the Betclac Everest Group, which the FL Entertainment Group believes is the fastest growing online sports betting platform in Europe in terms of Gross Gaming Revenue growth over the year ended 31 December 2015 to the year ended 31 December 2021. The Banijay Group has the world's largest content catalogue in the independent production sector (which excludes major US studios dominating the licensing sector) and has a deep portfolio of intellectual property rights, which offers strategic value for major SVOD platforms and linear TV networks (source: FL Entertainment Data). The Banijay Group has many recognised brands and has grown to critical scale. It has a growing and secured business model and a strong ability to attract and retain key talents. The Betclac Everest Group has a proven record of operating in a highly regulated and controlled environment and is expected to generate about 97% of its revenues over the year 31 December 2022 from regulated activities, i.e. activities for which a local license is required. The Betclac Everest Group has leading positions in various local online sports betting and gaming markets and is well-positioned to capitalise on the booming sport entertainment trend. The Betclac Everest Group has a proprietary technology platform that offers award-winning user experience and products.

Through its two entertainment businesses, the FL Entertainment Group is exposed to two market segments that offer high development potential: the global content production market and the global online sports betting and gaming market. The global content production and distribution market is a structurally growing market. The content creation spend is expected to grow at a compound annual growth rate of more than 11% from 2019 to 2024 (source: Ampere Analysis Analytics) alongside a continued growth of 'over-the-top' subscribers, which is expected to grow from around 350 million in 2019 to around 1,070 million in 2024, therefore growing at a compound annual growth rate of more than 25% (source: SNL, Wall Street Research). Market fragmentation creates natural consolidation opportunities in the market.

The global online sports betting and gaming market has deep addressable markets, with opportunities for the Betclac Everest Group to duplicate know-how in new territories. The Betclac Everest Group operates in regulated markets where regulation brings stability, even though regulation can change. The global online sports betting and gaming market is expected to increase from around €55 billion in 2020 to an estimate of around €115 billion in 2027, therefore growing at a compound annual growth rate of more than 11% (source: Grand View Research). The Betclac Everest Group currently operates in France, Portugal, Malta, Poland, Italy, Germany and the United Kingdom with significant opportunities arising from development in new countries.

C. *The FL Entertainment Group was founded by entertainment industry pioneer - Stéphane Courbit - with a proven track record of building businesses and creating shareholder value*

The FL Entertainment Group was founded by Stéphane Courbit, who is an entertainment industry pioneer. He has a track-record of almost 30 years of growing businesses and creating value for shareholders. In 1994, he founded ASP/Case Production in partnership with TV producer and host Arthur. In 1998 he was appointed as the CEO of Endemol France after its merger with ASP Production. In 2007, he expanded into the online sports betting and gaming business as he founded Lov Group, which made an initial investment of €220 million in the Betclac Everest Group, which is now Europe's fastest-growing sports betting platform in terms of Gross Gaming Revenue growth over the year ended 31 December 2015 to the year ended 31 December 2021. In 2008, Mr. Courbit founded the Banijay Group, with co-investments from Groupe Arnault, Exor, De Agostini and AMS Industries. The Banijay Group is now the world's largest independent production company in terms

of revenues for the year ended 31 December 2021. In 2009, he partnered with SBM International as a new equity partner in the Betclac Everest Group. In 2016 he acquired Zodiak Media through its merger with the Banijay Group. As a result of that merger, Vivendi became a 26% shareholder in the combined Banijay entity. In 2019, he partnered with Fimalac as a new equity investor in the FL Entertainment Group and in 2020 he led the acquisition of Endemol Shine. This shows his track record of successful M&A execution and integration. His experience in building businesses and creating value is further evidenced by the growth in revenue of both businesses: Banijay Group's revenue grew at a factor of 8 from approximately € 0.4 billion in the year ended 31 December 2015 to approximately €2.8 billion in the year ended 31 December 2021 and Betclac Everest Group's Gross Gaming Revenue grew at a factor of almost 3 from approximately €270 million in the year ended 31 December 2015 to approximately €835 million in the year ended 31 December 2021. Betclac Everest Group's revenue grew at a factor of 3 from approximately €234 million in the year ended 31 December 2015 to €741 million in the year ended 31 December 2021.

D. The FL Entertainment Group has the ability to source, execute and integrate M&A, and expand into new markets

The FL Entertainment Group has proven its ability to execute M&A transactions, both bolt-on acquisitions and more transformative transactions, such as the Zodiak Media merger and the acquisition of the Endemol Shine group. Over the past years, the FL Entertainment Group has realised significant M&A integration capabilities and know-how with sizeable synergies. The Banijay Group has made approximately 25 bolt-on acquisitions since 2008. See also "7.2(c.) Key Strengths". The FL Entertainment Group sees extensive consolidation opportunities for both the Banijay Group as well as the Betclac Everest Group. Both the content production and distribution market and the sports betting & online gambling market are quite fragmented and have seen recent consolidation transactions.

E. The FL Entertainment Group sees strong alignment between all investors: core shareholders, sponsors, new investors and managers

The FL Entertainment Group's major shareholders have made sizeable investments and reinvestments. They have also agreed to extensive lock-ups, with FL Entertainment Group, Financière Agache, Pegasus Entrepreneurs sponsors and Tikehau Capital committing to a 36-month lock-up, Vivendi committing to an 18-month lock-up, Fimalac and SBM International committing to a 12-month lock-up and De Agostini committing to a 6-month lock-up. Furthermore, the FL Entertainment Group and Pegasus Entrepreneurs both have a strong incentive to grow the business, augmented by the staggered promote for the FL Entertainment Group and Pegasus Entrepreneurs, see "5.7(c.) Earn-Out Preference Shares". The FL Entertainment Group has an experienced leadership team which is similarly incentivised to achieve long-term success. Marco Bassetti is the CEO of the Banijay Group and founded Endemol Italy. He has over 30 years of experience in the media and entertainment industry and has the possibility option to obtain 5% of the shares in Banijay Group S.A.S. Nicolas Béraud is the CEO and founder of Betclac. He has over 20 years of experience in online gaming. He owns 5.4% of the shares in Betclac Everest Group. Furthermore, both the Banijay Group and the Betclac Everest Group have implemented long-term incentive plans in order to align the interest of senior managers and other key employees (around 200 employees of the Banijay Group, and 50 employees of the Betclac Everest Group) with the interests of the FL Entertainment Group.

d. Material Contracts

In addition to the agreements referred to in "*6.1 Business Combination Agreement and Ancillary Agreements*", "*8.4 Related party transactions*" and "*9.5(j.) Liquidity and Capital Resources*", the FL Entertainment Group has entered into the following material agreements in the two years immediately preceding the First Trading Date that are not in the ordinary course of business and into the following agreements that are not in the ordinary course of business and contain provisions under which the FL Entertainment Group has an obligation or entitlement that is material to it as of the First Trading Date.

A. Shareholders agreements within the FL Entertainment Group

Please see "*8.3 Shareholders agreement*".

B. Lock-up undertakings within the FL Entertainment Group

Minority shareholders of Banijay (which are key managers) and Banijay Group Holding have entered into a shareholders agreement in relation to Banijay on 22 June 2017, pursuant to which such minority shareholders committed not to transfer any securities for a remaining period of approximately two years in general. As of the First Trading Date, Mr. Nicolas Béraud has committed, pursuant to the amended shareholders agreement in relation to Betclie Everest Group SAS as described above, not to transfer any shares of Betclie Everest Group SAS he owns for a remaining period of approximately seven years. This restriction does not apply to transfers of shares within the FL Entertainment Group and the implementation of customary put and call option mechanisms.

e. Legal Proceedings

Other than described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the FL Entertainment Group is aware), nor is the FL Entertainment Group or any of the group companies of the FL Entertainment Group aware of any such proceedings that may have, or have had, significant effects on the FL Entertainment Group or its financial position or profitability in the 12 months before the date of this Circular.

A summary of the most relevant current legal proceedings is provided below:

A. Dropped

Dropped is a format where two teams of athletes or former athletes are dropped in a remote location by helicopter and have to make their way back to civilisation without a map or a compass as quickly as possible. The Banijay Group developed this format into a successful programme in Sweden and Norway where it aired in 2014 and 2015. At the end of 2014, the Banijay Group began to develop the format for a programme in France through the Banijay Group's subsidiary, Adventure Line Productions, with Argentina chosen as the location for the first series. Adventure Line Productions had subcontracted the logistics of the show to a specialised company, SAX Logistica ("**SAX**"). On 9 March 2015, two helicopters took off from Villa Catelli (La Rioja province) in Argentina carrying three contestants (renowned yachtswoman Florence Arthaud, Olympic champion swimmer Camille Muffat and Olympic boxer Alexis Vastine) and five employees of Adventure Line Productions. The helicopters collided with each other shortly after take-off causing the deaths of all the passengers aboard each helicopter and the two pilots.

Following the crash, two investigations were initiated: (i) an investigation under the direction of an

Argentinean federal court (whereby Adventure Line Productions is not a suspect but witness) and (ii) a judicial inquiry in France investigating whether the offence can be qualified as "involuntary manslaughter by manifestly deliberate violation of an obligation of safety and prudence". Following a hearing in February 2021 the French investigation judges decided to place Adventure Line Productions under investigation (in French *mis en examen* whereas Adventure Line Production's status was up to this decision assisted witness (*témoign assisté*). The criminal investigations in Argentina and France are ongoing. Adventure Line Productions has not been indicted as of the date of this Circular.

The families of the five deceased employees of Adventure Line Productions have initiated separate civil actions against Adventure Line Productions and are requesting aggregate damages of approximately €3.8 million. One case is suspended until completion of the criminal investigation. In the other four cases, Adventure Line Productions was held liable in the first instance. Adventure Line Productions has appealed these decisions. In May 2021, the Court of appeal confirmed in one of the cases the decision of first instance that had held Adventure Line Productions liable. A final appeal before the French supreme court (Cour de cassation), was lodged as a conservatory measure on 4 August 2021. In another case, the local CPAM (insurance health public authority) determined that Adventure Line Productions must make increased pension payments in the amount of €1.4 million Adventure Line Productions has requested explanations on the calculation of the amount and is challenging the decision. It cannot be ruled out that the other local CPAMs might request the same increased pension payments in the other cases. In addition, the families of two of the three athletes who died in the crash have filed civil claims against Adventure Line Productions for damages, with one claim amounting to €4.2 million and with the other family still estimating the damages incurred. Both cases have been deferred until the outcome of the criminal proceedings or until further actions from the plaintiffs.

The Banijay Group's production risks insurer, Liberty Syndicates Management Ltd. ("**LSM**"), paid €2.1 million to Adventure Line Productions in connection with this event. LSM then filed a civil claim against SAX, which was rejected by the Commercial Court of Paris. LSM appealed this decision in July 2019. In September 2021 the Paris Court of Appeal reversed the first instance judgment and ordered Sax to pay LSM €2.1 million, dismissed Sax' claims against Adventure Line Productions and ordered Sax to pay LSM and Adventure Line Productions court costs of €5,000. Sax has submitted an application (*pourvoi*) against the decision.

Separately, Adventure Line Productions has filed a lawsuit against AXA based on the Banijay Group's professional liability insurance for any potential damages (subject to insurance limitations and exclusions) awarded to the families of the victims in connection with the pending civil actions. In September 2019, this case was deferred, as the criminal proceedings are still ongoing. A hearing on this deferral procedural aspect will take place in June 2022.

B. Endemol Shine India

The acquisition of the EndemolShine Group by the Banijay Group triggered, under the shareholders agreement of Endemol Private India Limited ("**ES India**"), a change of control put option to the benefit of CA Media Mauritius Holding ("**CA Media**"), the minority shareholder of ES India for the acquisition by Endemol Shine Opco Holding of CA Media' stake (49% of the share capital in ES India) at fair market value. CA Media is seeking specific performance by Endemol Shine Opco Holding of its obligations under this put option (acquisition of the shares by Endemol Shine Opco Holding together with the payment of late interest). The main dispute concerns the valuation of CA

Media' shares in ES India. Endemol Opco (now merged into Banijay Benelux Holding B.V.) is disputing the fair market value computed by a third-party valuer in accordance with the shareholders agreement (i.e. INR 9,937.6 million, approximately €117 million as of the Settlement Date, for 100% of the shares and INR 4,869.4 million, approximately €58 million as of the Settlement Date, for 49% of the shares). Arbitration hearings took place in October 2021, and an additional and final hearing took place on 28 January 2022. The arbitral decision is expected in the first half of 2022.

C. *Koh Lanta*

In 2013, a participant in *Koh Lanta* (the French version of *Survivor*), a reality programme the Banijay Group produces in France through Adventure Line Productions, died as a result of a heart attack during the filming of the programme. Following his death, a French court opened a criminal investigation into whether anyone had caused the involuntary manslaughter of the participant. It has since been established that the participant suffered from a pre-existing heart condition. While the family and heirs of the participant have not initiated any civil proceedings, the criminal investigation is still pending. The Banijay Group expects the court to drop the case but is not a party to the investigation and therefore does not have access to court documents. Based on the information received to date, the Banijay Group will continue to argue that the death of the participant was the result of natural causes and that its production company was not in any way responsible.

D. *Zodiak Belgium*

In 2019, Zodiak Belgium N.V. ("**Zodiak Belgium**") initiated criminal proceedings against, among others, its former CFO and former CEO and Managing Director, on the basis of unlawful practices within Zodiak Belgium. Such practices involved the creation of fraudulent invoices to companies owned by, or otherwise related to, the former CFO, cash withdrawals, cash payments to employees and certain third parties, fictitious expense notes and fictitious invoices to foreign companies, amounting to approximately €11 million over the course of eight years. In March 2019, Zodiak Belgium terminated its agreements with the former CFO and former CEO, which the CFO has challenged before a commercial court. The former CEO has repaid €140,000 as compensation for cash he received. Zodiak Belgium is also seeking, as part of its criminal claim, the reimbursement by its former CFO of all amounts improperly disbursed by him or certain related parties. Following the results of this investigation, the Banijay Group has also focused on improving its internal compliance and control mechanisms at its production companies. Zodiak Belgium anticipates that the matter would be brought before the criminal court in the second half of 2022.

E. *Endemol Shine Turkey*

In 2017, external advisors of Endemol Shine concluded that Endemol Medya Produksiyon Tic. Ltd. Şti. ("**Endemol Shine Turkey**") was insolvent as its liabilities exceeded its assets and it was no longer able to pay its debts as they fell due. It was also determined that management at Endemol Shine Turkey obtained unauthorised loans and issued several checks in contravention of Endemol Shine's governance policies.

In May and June of 2017, two members of the local management team implicated in the aforementioned mismanagement were dismissed. On 30 June 2017, the shareholders of Endemol Shine Turkey filed for bankruptcy with the Turkish court. In addition, creditors have filed various claims against Endemol Shine Turkey. The debts vis-à-vis third-party creditors are as of the date of this Circular estimated to be approximately €2.5 million. There are currently 28 related pending cases but other creditors might make additional claims. At the hearing on 9 January 2020, the court

announced the dismissal of the bankruptcy application of Endemol Shine Turkey. Such determination was subject to two expert financial reports produced by a panel of financial and sectoral experts delivered to the court in 2019. At the January 2020 hearing, the court also decided that the court-appointed managing administrations who are authorised to carry out "urgent and financial" matters on behalf of Endemol Shine Turkey will remain in charge until the decision becomes definite. The managing administrators were originally appointed by the court back in October 2017 as "audit administrators" whose role was to independently audit any payments, expenses, money transfers and assignments made by Endemol Shine Turkey. Endemol Shine Turkey filed an appeal in June 2020 against the decision rejecting the insolvency. In June 2021, the court rejected Endemol Shine Turkey's appeal, which Endemol Shine Turkey has appealed with the highest court in July 2021. If the Court of Appeal upholds the decision and therefore rejects the bankruptcy claim, the managing administrators will no longer be in charge of Endemol Turkey and the company will need to appoint a new management. This appeal is still pending.

Further, Endemol Shine Turkey has entered into three settlement agreements with tax authorities: two for unpaid tax debts (taxes arising from two different laws) and one for the unpaid social security premium payments. There are no written agreements for these settlements, as the arrangements are made through the online system of the authorities.

The implicated members of management have initiated labour lawsuits against Endemol Shine Turkey alleging wrongful termination of their employment contracts. These labour lawsuits are still pending. Endemol Shine has initiated separate criminal and civil proceedings against former management, which proceedings are continuing. In addition, a number of third-party criminal proceedings have been brought against Endemol Shine Turkey's representatives in connection with post-dated checks issued by former managers during such former managers' employment, all of which have been dismissed to date with one remaining subject to an appeal.

Finally, the creative team (directors, screenwriters and musicians) of Broken Pieces series and movies formerly produced by Endemol Shine Turkey has initiated two lawsuits seeking the suspension of the sales of Broken Pieces and compensation from the former sales based on their alleged receivables (currently, the only source of income of Endemol Shine Turkey is the licensing revenues generated from the sales of Broken Pieces).

F. Wipeout

In November 2020, a contestant on Wipe Out passed away after participating in the show. After running the obstacle course, the contestant received medical aid and was transported to the hospital, after which he passed away. On 2 December 2020, a letter was delivered to Endemol Shine North America notifying it of an upcoming wrongful death action by the contestant's family and demanding the preservation of evidence.

G. Harassment Endemol USA Holdings, Inc.

Two persons have filed claims that they have been sexually harassed and threatened with retaliation in 2016 and 2017 by a former employee of Endemol Shine Beyond (a former division of Endemol Shine North America). The claimants have proposed a settlement in February 2021. Parties agreed to a mediation, which took place on 14 June 2021. No settlement was reached, after which the plaintiffs filed the complaint, with no specific amount claimed.

H. Proceedings regarding compensation related to PMU's anticompetitive practices between 2010 and 2015

In February 2013, the French Competition Authority issued a decision that accepted and made binding the commitments made by Pari Mutuel Urbain ("PMU"), a French horse racing betting company, in order to cease practices that raised competition concerns on the online horserace betting market. Following this decision, PMU committed to separate its online and offline stakes. On 18 June 2015, the Betclac Group filed a lawsuit against PMU to seek compensation for the damage suffered as a result of PMU's abuse of its dominant position from 2010 to the end of 2015, which consisted in the pooling of online stakes and stakes in physical outlets. The Paris Commercial Court and the Paris Court of Appeal held PMU liable for having abused its dominant position and ordered an expert report to assess the damages suffered by Betclac. This procedure is still pending.

I. Proposal for rectification by French tax authorities

On 20 December 2021, the Betclac Group received a 'proposal for rectification' from the French Tax authorities regarding the payment of VAT on sports betting for the years 2018 and 2019, for an amount of €35,925,925 in principal, €2,122,007 for late interest payments and €14,370,370 for willful misconduct. The first attempt to contest this decision has taken place on 17 February 2022. The Betclac Group has engaged lawyers to contest this VAT rectification.

The legality of the application of VAT on sportbetting has been challenged since 2015 by the gaming sector through the French Association of Online Games (*Association Française des jeux en Ligne*) (the "AFJEL"). The French tax authority confirmed its interpretation of the law in March 2019. The association AFJEL has launched a complaint before the European Commission. No accruals have been booked in respect of VAT (for a discussion thereof, please see "10.5(a.) *The Betclac Everest Group has been subject to a VAT reassessment with respect to its activities of sports betting in France*").

J. Claims from customers for reimbursement of losses on casino in Austria

Bet-at-home is involved in legal proceedings with Austrian players who have claimed reimbursement for their gaming losses that they incurred with unlicensed operators in Austria. As stated in a press-release that was published by Bet-at-home.com on 18 October 2021, Bet-at-home decided to discontinue its online casino offering in Austria, due to a ruling by the Austrian Supreme Court confirming the actual monopoly of the Austrian gambling regulation and its compliance with European law. While Bet-at-home still considers the online casino monopoly of the national Austrian gambling regulation to be contrary to European Law and, accordingly, considers itself to be a lawful online casino provider in Austria, following the Austrian Supreme Court ruling, it has recognised further provisions for the customer lawsuits for reimbursement of player losses that have been pending in Austria to date. For the full year 2021, losses in connection with the Austrian customer lawsuits are expected to amount to €27.1 million (including legal fees), subsequently leading to and an adjustment of Bet-at-home.com's guidance for the financial year 2021 and the cost related to those claims may increase further in future years depending on their outcome.

In February 2022, two separate actions were filed before the Austrian courts by two Austrian gamblers against the Betclac Everest Group for €50,000 and €37,837.40. Claimants allege that Bet-at-home Entertainment has violated the Austrian gambling monopoly and that in turn, Bet-at-home AG and Betclac Everest Group in their capacity as direct and indirect majority shareholders of Bet-at-home Entertainment, have violated this so-called "protection law". Betclac Everest Group filed its answers on 2 and 9 March 2022. These two proceedings are still pending.

f. Financial Guidance and Objectives

The FL Entertainment Group has established certain operational and financial objectives as measures of its performance as set out below, which are based on its estimates and a number of assumptions that the FL Entertainment Group's management believes are appropriate, but which may turn out to be incorrect or different from expected. The FL Entertainment Group's ability to realise these estimates or to meet these objectives is based upon the assumption that it will be successful in executing its strategy and it depends, in addition, on the accuracy of a number of assumptions, involving factors that are significantly or entirely beyond its control and no assurance can be given that the FL Entertainment Group will be able to realise these estimates or to meet these objectives or that its financial position or results of operations will not be materially different from these estimates or objectives. The estimates and objectives are also subject to known and unknown risks, uncertainties, and other factors that may result in the FL Entertainment Group being unable to achieve them. See "*10.2(c.) The FL Entertainment Group may fail to successfully implement its business strategy or achieve any or all of the financial objectives included in this Circular, and if it does its financial performance and growth could be materially and adversely affected*" as well as the other matters discussed in "*10. Risk Factors*". These estimates and objectives constitute forward-looking statements and are not guarantees of future financial performance. As a result, the FL Entertainment Group's actual results may vary from the short-term estimates and medium-term estimates and objectives established herein and those variations may be material. See also "*12.2 Forward-Looking Statements*" for further information.

Except as specifically set out below, the FL Entertainment Group has not defined, and does not intend to define by reference to specific periods the term "medium-term". The estimates and objectives set out below should not be read as forecasts, projections or expected results and should not be read as indicating that the FL Entertainment Group is targeting such metrics for any particular year. They are merely estimates and objectives that result from the pursuit of its strategy. The FL Entertainment Group does not undertake to publish updates as to its progress towards achieving any of the estimates or objectives, including as it may be impacted by events or circumstances existing or arising after the Settlement Date date or the reflect the occurrence of unanticipated events or circumstances. Shareholders should independently assess whether or not they believe the estimates and objectives to be reasonable or achievable and should carefully evaluate whether investing in the FLE Ordinary Shares and/or the FLE Warrants is appropriate, bearing in mind personal circumstances and the information included in this Circular, particularly considering the information described in "*10. Risk Factors*".

Assuming normal macro-economic conditions, market circumstances and no material changes to the current regulatory a tax framework of the FL Entertainment Group's business or the markets in which the FL Entertainment Group is active, the FL Entertainment Group aims to achieve the following guidance for 2022 and medium-term objectives.

A. Guidance 2022

The FL Entertainment Group has established the following financial guidance in respect of the year ending 31 December 2022:

- In respect of the Banijay Group, a revenue of approximately €3.0 billion and an Adjusted EBITDA* of approximately €450 million;
- In respect of the Betclac Everest Group, a revenue of approximately €800 million and an

Adjusted EBITDA* of approximately €200 million; and

- In respect of the FL Entertainment Group:
- a revenue of approximately €3.8 billion;
- an Adjusted EBITDA* of approximately €645 million;
- a Adjusted Cash Conversion rate of approximately 80%; and
- a Leverage between 3.0x and 3.5x.

* See "*C. Adjusted EBITDA Forecast for the year ending 31 December 2022*" below for the basis of preparation and underlying assumptions of the Adjusted EBITDA forecast for 2022E for Banijay Group, Betclac Everest Group and the FL Entertainment Group (together, the "**Adjusted EBITDA Forecasts**").

B. Medium-Term Objectives

The FL Entertainment Group has established the following medium-term financial performance objectives:

- In the medium-term, the Banijay Group's Adjusted EBITDA Margin is expected to remain stable and its Annual Organic Revenue Growth is expected to be in the mid-single digits;
- In the medium-term, the Betclac Everest Group's Adjusted EBITDA Margin is expected to remain stable and its Annual Organic Revenue Growth is expected to be in the low teens; and
- In the medium term, the FL Entertainment Group's Adjusted Cash Conversion rate is expected to be approximately 80%, the FL Entertainment Group's Dividend Pay-Out Ratio is expected to be at least 33.3% of the FL Entertainment Group's Adjusted Net Income, and the FL Entertainment Group's Leverage is expected to be below 3x.

See "*9.1(c.) Non-IFRS Financial Measures*" for a description of how the FL Entertainment Group defines and calculates these metrics (other than revenue) and "*9.4(e.) Non-IFRS Financial Information*" for the reconciliation of these metrics (other than revenue).

C. Adjusted EBITDA Forecast for the year ending 31 December 2022

i. Basis of Preparation

See "*9.1(c.) Non-IFRS Financial Measures*" for a description of how the FL Entertainment Group defines and calculates Adjusted EBITDA and "*9.4(e.) Non-IFRS Financial Information*" for the reconciliation of Adjusted EBITDA. The Adjusted EBITDA Forecasts in this section of the Circular have been prepared on a basis which is: (i) comparable with the historical financial information of the FL Entertainment Group included in the Combined Financial Statements; and (ii) consistent with the accounting policies applied by the FL Entertainment Group for the preparation of the Combined Financial Statements.

The Adjusted EBITDA Forecast for the FL Entertainment Group is the aggregate of the Adjusted EBITDA Forecast for the Banijay Group and the Adjusted EBITDA Forecast for the Betclac Everest Group, after taking into account some holding costs.

The Adjusted EBITDA Forecasts are mainly provided on the basis of the FLE Board's and management's monitoring evaluation of the FL Entertainment Group's operations up to the date of

the Circular and, subject to the factors set out below, the FLE Board's expectations regarding the trajectory and progress of the FL Entertainment Group's operations for the remainder of the financial year up to 31 December 2022.

ii. Factors and Assumptions

The Adjusted EBITDA Forecasts for 2022 are influenced by the factors listed below and are based on current assumptions, expectations and plans made by the FL Entertainment Group's management related to these factors. These assumptions relate to factors that can, even if only to a limited extent, or cannot be influenced by the FL Entertainment Group. Even if the FL Entertainment Group believes that these assumptions have been made to the best of the FL Entertainment Group's management's knowledge as of the date of this Circular, they may prove erroneous or unfounded. If one or more of these assumptions proves to be erroneous or unfounded, the actual Adjusted EBITDA of the Banijay Group, the Betclic Everest Group and/or the FL Entertainment Group could deviate materially from the Adjusted EBITDA Forecasts.

Factors outside the FL Entertainment Group's influence

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

Factor: unforeseen events such as force majeure

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

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

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

Factor: growing demand

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

Factor: no COVID-19

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

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

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

Factor: timing and performance of acquisitions and disposals

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

iii. In respect of the Banijay Group:

Factor: the Banijay Group will pursue its strategy

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

Factor: new blockbuster in the Banijay Group's catalog

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

iv. In respect of the Betclic Everest Group:

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

The Betclic Everest Group will be able to attract new players by innovation in the offers made to players and improvement of its user experience, as well as to invest in customer relation management to retain players and improve their loyalty, and make the player database grow by 17% in the year ending 31 December 2022 compared to the year ended 31 December 2021, from 893,000 monthly average players in the year ended 31 December 2021 to 1,047,000 monthly average players in the year ended 31 December 2022.

D. Other explanatory notes

The Adjusted EBITDA Forecasts do not include material extraordinary results or results from non-recurring activities.

As the Adjusted EBITDA Forecasts for 2022 relate to a period not yet completed and have been prepared on the basis of assumptions about future uncertain events and actions, it naturally entails substantial uncertainties. Because of these uncertainties, it is possible that the actual Adjusted EBITDA of the Banijay Group, the Betclic Everest Group and/or the FL Entertainment Group for 2022 may differ materially from the Adjusted EBITDA Forecasts.

7.2 Content production and distribution business

a. Overview

The Banijay Group is the world's leading independent producer and distributor of television programmes based on revenues for the year ended 31 December 2021. It creates, develops, sells, produces and distributes television formats and programmes, and digital content for a wide range of customers. The Banijay Group operates over 120 production companies, across 22 countries. It has a multi-genre catalogue boasting over 120,000 hours of original standout programming. The Banijay Group produces both scripted and non-scripted content across all genres, including reality shows,

entertainment and talk shows, game shows, factual entertainment, documentary, drama, animation (or kids) and comedy. It has produced successful long-running programmes such as *Survivor*, *Temptation Island*, *Peaky Blinders*, *Big Brother*, *MasterChef*, *SAS Rogue Heroes*, *Hunted*, *Black Mirror*, *LEGO Masters*, *Drag Me Out*, *Deal or No Deal*, *Grantchester*, *Don't Forget The Lyrics!*, *Fort Boyard*, *Versailles*, *Mr. Bean*, *the Wall* and *Good Karma Hospital*.

The Banijay Group generates revenues from (i) producing programmes, (ii) distribution of formats and programmes that it has produced and formats and programmes that have been produced by third parties and (iii) secondary revenues resulting from commercial activities related to the Banijay Group's brands, such as merchandising, sponsorships, licensing, games, digital partnerships, DVD sales, music and events. The Banijay Group classifies its programmes in two main genres: non-scripted and scripted. Non-scripted content includes programmes that do not follow a written storyline (for example, entertainment, game shows or reality shows) and are the majority of the programmes it develops; while scripted content includes programmes that follow a written scenario, mainly drama and comedy.

The Banijay Group owns intellectual property rights to a broad and diversified portfolio of formats and programmes. It distributes and licenses the content it owns and controls through its subsidiary Banijay Rights Limited to a customer base of approximately 595 clients in 2021 including linear broadcasters and digital platforms worldwide. These broadcasters include France Télévisions, TF1, RTL Group, Mediaset, the BBC, Channel 4 Television, FOX, Discovery, ABC and ViacomCBS, and the digital platforms include Netflix, Amazon Prime Video, Disney+, HBO Max, Peacock, Discovery+, Viaplay, YouTube and Facebook. The Banijay Group retains the intellectual property rights to most of its formats and programmes which it distributes worldwide, when possible, to continue to generate revenues through various channels, in addition to initial sales to broadcasters and digital platforms. It employs creative talents in the countries in which it operates, in order to develop original formats and produce television programmes based on its analysis of trends in the industry and the demands of its customers.

b. History

The Banijay Group was established in 2008 by a team of experienced professionals led by Stéphane Courbit, the founder and former CEO of Endemol France. Mr. Courbit initially invested in Banijay Holding through his family holding company, Lov Group Invest S.A.S., and subsequently added other private investors such as the Agnelli Family through Exor N.V., the Drago and Boroli families through De Agostini S.p.A., Jean-Paul Bize through AMS Industries and Bernard Arnault through Groupe Arnault S.E.

Mr. Courbit created the Banijay Group in order to build it into a worldwide brand in the production of television and digital content, mostly through acquisitions of key local television and digital content producers. The Banijay Group has acquired several television production companies since 2008, attracting leading managers in the television and entertainment industries. The year 2016 was a turning point for the Banijay Group following the completion of the merger of the Banijay Group and Zodiak Media Group. The Banijay-Zodiak merger significantly reinforced the Banijay Group's library in both non-scripted and scripted content. Zodiak also had a complementary customer base (for example in France and in the Nordics, where they focused on scripted content) and a complementary geographical reach (for example with Zodiak's presence in the United Kingdom). Upon the completion of the Banijay-Zodiak merger, the Courbit Family increased its indirect shareholding in the Banijay Group and Vivendi acquired a strategic stake in the Banijay Group.

Endemol Shine was incorporated as a 50/50 joint venture in December 2014, by Apollo Global Management, LLC ("Apollo") and Twenty-First Century Fox Inc. ("Fox"). Fox contributed its interests in Shine Group to the joint venture partnership and Apollo contributed (i) its interests in Endemol, which it had acquired in August 2014, and (ii) its interests in the CORE Media Group to the joint venture. Endemol Shine, together with its subsidiaries, became a global multi-platform content provider known as the Endemol Shine Group.

On 2 July 2020, the Banijay Group acquired the Endemol Shine Group. The combination of the Banijay Group and Endemol Shine presented a unique opportunity to create the largest independent content producer in an industry where size is important to address the strong global appetite for scripted and non-scripted content. After the acquisition, the Endemol Shine Group has been fully integrated into the Banijay Group, which has led to structure simplification (in terms of corporate, IT and other central functions), commercial synergies, IT integration, footprint optimisation and rationalisation of the use of third-party service providers.

The Banijay Group also established several joint ventures in the United Kingdom and the United States, the most active markets for international scripted shows. The following timeline shows the other bolt-on acquisitions made during the development of its business:



c. Key Strengths

A. *The Banijay Group is the global independent leader with the world's largest content catalogue, a proven business model and strong franchises*

The Banijay Group is the global independent leader in content production and distribution, both in terms of revenue, which was €2.8 billion over the year ended 31 December 2021, and in terms of hours of content in its content library in the independent production sector, which was over 120,000 hours as at the year ended 31 December 2021. Its production model provides the right level of independence at the local level to produce regionally relevant content for global audiences. The Banijay Group has produced great franchises (both scripted and non-scripted) across all genres, geographies and customers. Its access to a 280+ territory platform provides ample upside to launch in additional new countries. Examples of unscripted formats are *MasterChef*, which is the most travelled food format globally with over 500 series to date, produced in over 60 territories worldwide and broadcasted in over 200 territories and *Survivor*, which has been adapted in more than 40 countries since its creation. In addition, the content library of the Banijay Group includes approximately 6,700 titles available for distribution worldwide in the US only, which rivals with some of the global streaming giants such as Netflix, with a SVOD content library of approximately

6,900 titles in the US only.

The eight biggest customers of the Banijay Group contributed to 37% of our revenue for the year ended 31 December 2021, with none of its customers contributing to more than 8% of its revenue for the year ended 31 December 2021 on an individual basis. Similarly, the top 20 shows of the Banijay Group together contributed to 20% of its production revenue for the year ended 31 December 2021, with none of its shows contributing to more than 2% of its revenue for the year ended 31 December 2021 on an individual basis. This proves that the revenue base of the Banijay Group is highly diversified. In addition, the Banijay Group has a recurring revenue base, with 38% of its revenue deriving from shows that have been running for over 5 seasons, 29% of its revenue deriving from shows that have been running from 2 to 5 seasons and 34% of its revenue from shows that have been running for less than 2 seasons.

The Banijay Group has a proven business model. Based on the 2021 revenue breakdown, 82% of its revenue is generated by production, 12% by distribution and 6% by secondary business (such as branded content & licensing, video games and music and secondary rights).

Production: Of the 82% revenue of the Banijay Group that has been generated by production, 82% is derived from non-scripted and 16% is derived from scripted formats, the remaining 2% is derived from sports in the Netherlands. With respect to non-scripted content production, the customers of the Banijay Group usually wholly finance the production of a programme (cost-plus pricing). In addition, non-scripted genres generally have a lower production cost with a shorter development period. The combination of both factors proves the Banijay Group's low-risk business model and results in successful formats that can travel to new geographies and have longevity. For scripted content, customers finance the majority of the production, whilst the production of a show only starts once the financing of that show has been fully arranged. Additionally, the Banijay Group enjoys a longer-term upside from successful scripted shows, which can be continuously monetised in their distribution.

Distribution: With respect to non-scripted content, the Banijay Group enjoys revenues from the licensing of existing formats to third parties for international adaptations. For example, *Temptation Island* was relaunched in the United States in 2018, and is airing in 2021 in 10 territories. The Banijay Group also generates revenues through the sale of finished tapes. For scripted content, there are significant upsides from the global sales of the finished tapes, or ready-mades, to broadcasters and OTT customers. Examples of this are *Versailles*, which has been distributed into 238 territories and *Peaky Blinders*, which has been distributed into over 180 territories. OTT platforms refer to OTT platforms, a media service that allows viewers to watch content directly via the internet, without needing a cable or satellite connection.

Secondary: a smaller part of the revenues of the Banijay Group is generated by secondary commercial activities, such as branded content and licensing, video games, gaming and gambling as well as music and secondary rights in respect of, for example, *All Against One*, *The Crystal Maze*, *Deal or No Deal*, *Peaky Blinders* or *Mr. Bean*.

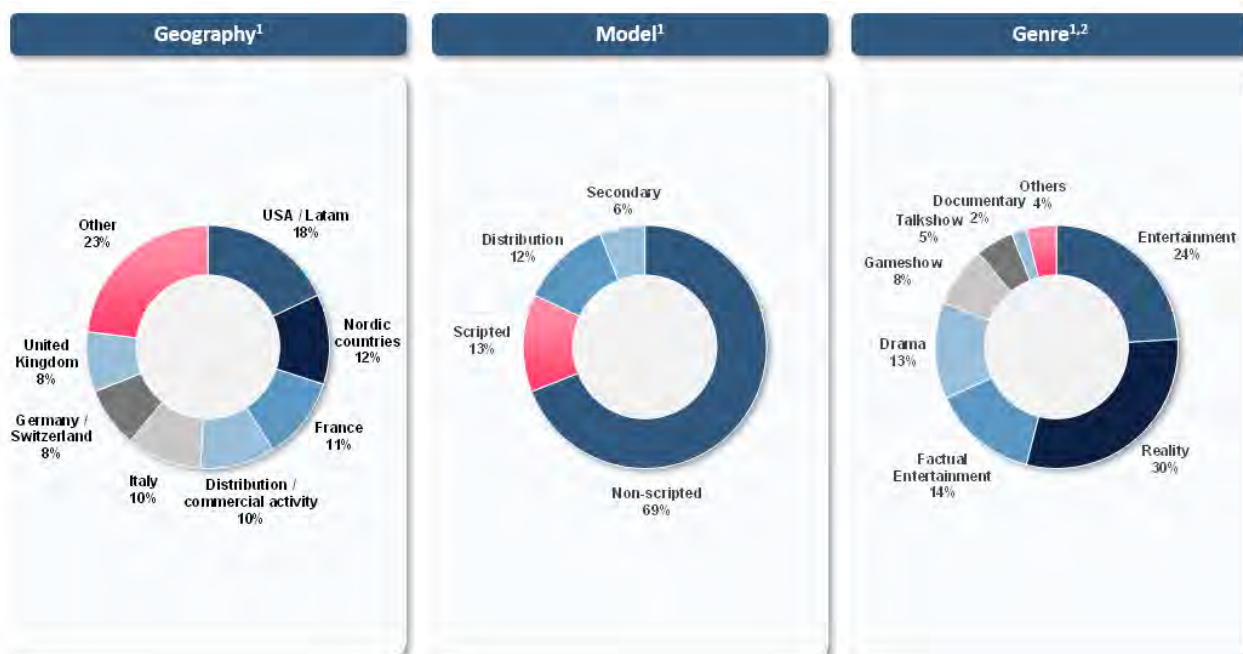
B. There is a growing demand for content, driven by SVOD's growing spend on both scripted and non-scripted production

The growth in the amount spent on content production is significantly driven by the surging demand from SVOD platforms for new content, which is partly due to the regulatory environment favouring EU based providers as at least 30% of streaming content must be sourced from production within the

EU. In addition, the amount of global OTT subscribers of major SVOD players, such as *Netflix*, *Disney+*, *Amazon Prime Video*, *Paramount+ HBO Max* and *Apple TV+* is expected to grow at a CAGR of 11% from approximately 350 million in 2019 to approximately 1,070 million in 2024 (sources: FL Entertainment Data, SNL, Wall Street Research, The WIT). SVOD platforms refer to a media service allowing users to consume as much content as they desire at a flat subscription rate per month. In terms of spend on content production, SVOD platforms are traditionally mainly focused on scripted content, but increasingly acquire non-scripted content as well to complement their offering and drive audiences. The amount of non-scripted titles exclusively launched on SVOD platforms in 2019 has more than doubled in comparison to the amount launched in 2019. Non-scripted content has become especially important to attract and retain generation Z viewers. Consequently, the number of hours of non-scripted UK reality content of both *Amazon Prime Video*, and *Netflix* has grown drastically over the previous years (sources: FL Entertainment Data, SNL, Wall Street Research, The WIT).

C. *The Banijay Group's diversified revenue streams are underpinned by its best-in-class content and a demonstrable ability to attract, retain and grow talent*

The Banijay Group has a 'Platform agnostic' business model with a diverse customer base of global players, local broadcasters and digital platforms and own the intellectual property rights of broad and diversified portfolio of 120,000 hours of content. The graphs below illustrates the diversified and recurring revenue base of the Banijay Group. The graph on the left shows the distribution in the revenue of the Banijay Group for the year ended 31 December 2021 in terms of geography. The graph on the right shows the production revenue generated by genre of the Banijay Group for the year ended 31 December 2021.



(1) For the year ended 31 December 2021.

(2) Based on production revenues.

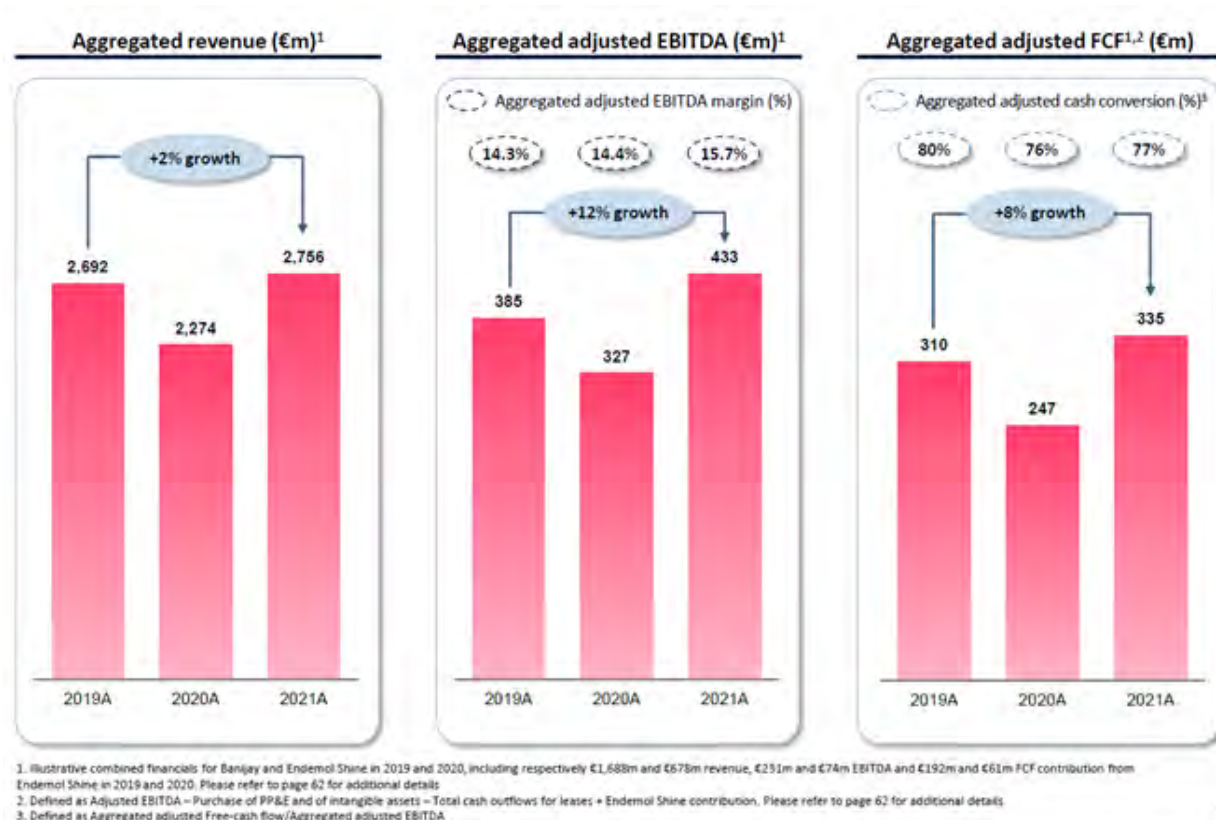
Additionally, the Banijay Group has proven the ability to develop long-lasting and travelling content. It has the most adapted unscripted formats globally, such as *Deal or No Deal* (year of origin: 2002, adapted in over 80 countries), *Big Brother* (year of origin: 1999, adapted in over 70 countries),

Master Chef (year of origin: 1990, adapted in over 60 countries) and *Minute to Win It* (year of origin: 2010, adapted in over 50 countries). Moreover, its top travelling formats in 2021 are *Master Chef* (active in 33 territories), *Big Brother* (active in 25 territories), *Survivor* (active in 21 territories) and *Your Face Sounds Familiar* (active in 14 territories).

The Banijay Group has an excellent track record of attracting, retaining and growing top talents, producers, screenwriters and directors. It has a worldwide network of more than 120 production entities across 22 countries and 19 languages. The management of the Banijay Group is fully aligned via direct ownership in the Banijay Group. The Banijay Group stimulates retention by granting its key talents earn-out arrangements and long-term incentive programmes. Consequently, approximately 200 persons within the Banijay Group are included in long term incentive plans that cover periods of up to eight years. In addition, the organisational set-up of the Banijay Group is designed to foster creative freedom, collaborative entrepreneurialism and commercial acumen.

D. The Banijay Group's strong and resilient financial performance is supported by cash flow visibility and a flexible cost structure

The Banijay Group has a well-diversified and recurring revenue model with no dependence on a specific show or broadcaster, which leads to a highly cash generative, recurring and resilient financial profile and a flexible cost structure. This is illustrated by the below graph, which shows the adjusted revenue, adjusted EBITDA and adjusted free cash flow, for the years ended 31 December 2019, 2020 and 2021.



E. The Banijay Group has an outstanding track-record of driving growth through successful acquisitions and integrations in a fragmented market

The Banijay Group has a proven ability to integrate and create value through large transactions, which is shown by the synergies realised after large M&A transactions as the acquisition of Zodiak

and the Endemol Shine Group, as well as smaller, value accretive bolt-on acquisitions such as in the periods under review *Monello* (kids programming), *DMLS TV* in France and *Southfields* (sports) in the Netherlands. The Banijay Group has also set up collaborations through acquisitions or joint-ventures with on screen talents such as Good Humour with comedian Stefan Denzer in Germany, the Natural Studios with adventurer Bear Grylls or with off-screen scripted talents such as Double Dutch in the United Kingdom. With the Zodiak acquisition the Banijay Group realised approximately €17 million of cost synergies in the period from the year ended 31 December 2016 to the year 31 December 2021. The synergies primarily followed from group structure simplification, central costs optimisation, maximisation of the content library and format circulation. The integration was implemented very quickly, in a period of about 10 months. With the Endemol Shine acquisition the Banijay Group realised cost synergies of approximately €62 million in 2021 and it expects to realise run-rate synergies of €67 million in 2022. These cost synergies primarily followed from simplification of central functions of central functions such as corporate and IT, the integration of the finance and the distribution departments. Furthermore, the Banijay Group achieved costs synergies through the rationalisation of the use of third-party service providers and it was able to leverage a strong IP catalogue. The integration of Endemol Shine was also implemented quite quickly, in a period of about 18 months.

d. The Banijay Group's Strategy

The Banijay Group is the global independent leader in content production and distribution in terms of revenues over the year ended 31 December 2021, ideally positioned for future growth leveraging on its four key enablers: (i) scale in content production (ii) IP monetisation (iii) ability to attract talents and (iv) M&A track record.

A. Scaled business

The Banijay Group is the world's largest independent content production and distribution company, both in terms of revenues over the year ended 31 December 2021 and catalogue depth in the independent production sector (unmatched content library of more than 120,000 hours). The Banijay Group looks forward to further grow organically thanks to the development of its non-scripted and scripted content catalogue, taking full advantage of current market tailwinds. The Banijay Group will continue to enhance the diversification and recurring nature of its revenue base.

B. IP monetisation

The Banijay Group has a proven ability to monetise and leverage on its IP and catalogue through the successful development of long-lasting and travelling contents. Thanks to its distribution capabilities it will further monetise its IP through the licensing of existing formats to third parties and international adoptions. Global sales of scripted contents to broadcasters and OTT customers should constitute a significant upside going forward with limited costs associated.

C. Talents

The Banijay Group's current and future success relies on its demonstrated ability to attract, retain and grow talents. Its organisational set-up is designed to foster creative freedom, collaborative entrepreneurialism and commercial acumen. Historically the company has experienced high employee and talent retention rate notably thanks to long-term incentive programmes and earn-outs.

D. M&A track record

The Banijay Group has a proven ability to integrate and create value through large transactions as

well as smaller, value accretive bolt-ons. The company is a scalable platform set to further seize M&A opportunities while leveraging its track record of approximately 25 bolt-ons acquisitions executed since 2008.

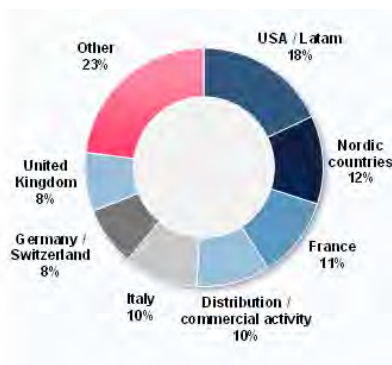
e. The Banijay Group's Operations

The Banijay Group creates and produces television formats, programmes, and digital content in 22 countries, and sells and distributes these globally. The Banijay Group considers the operations of all of its subsidiaries to be similar and thus classifies its operations into the following two main businesses:

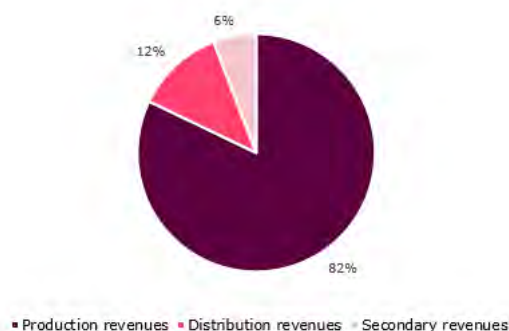
- *Production Business:* The Banijay Group's production business consists of creating and developing original formats and television programmes (scripted and non-scripted) through its production companies based on its analysis of trends in the industry and the needs of linear broadcasters, global streaming platforms such as Netflix, Amazon Prime Video, HBO Max and other digital platforms. The Banijay Group benefits from the creativity and expertise of all its talents. These talents are necessary in order to maintain its policy to exclusively adapt its formats' catalogue through the Banijay Group's local production companies in markets where it is present. In addition, the Banijay Group also acquires licenses for formats owned by third parties in order to produce and license the programme based on such formats to a broadcaster or a digital platform.
- *Distribution and Secondary Business:* The Banijay Group generates revenues from the international distribution and licensing of intellectual property rights and merchandizing of successful formats and programmes. Its distribution business consists of licensing and distributing its portfolio of formats and programmes owned and/or controlled by the Banijay Group to linear television channels, local producers and OTT digital platforms. The Banijay Group operates its distribution business primarily through its subsidiary in the United Kingdom, Banijay Rights Limited.

The following graphs show the revenues the Banijay Group for the year ended 31 December 2021 by (i) geography, (ii) business, comprising production, distribution and other revenues (excluding intercompany revenues between the production, distribution and secondary operating segments) and (iii) subgenre, as well as production revenues for the year ended 31 December 2021 by genre, comprising scripted, non-scripted and other.

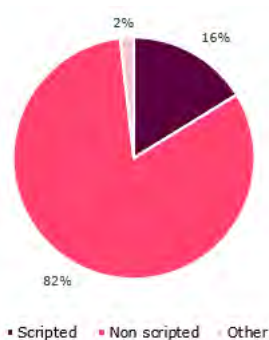
Revenues by Geography⁵



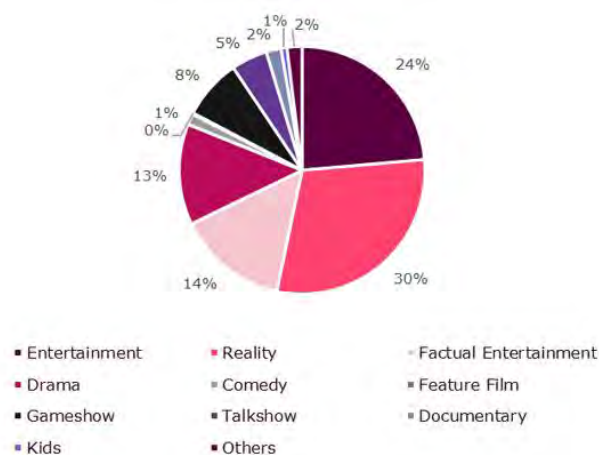
Revenues by Business⁶



Production Revenues by Genre⁷



Production Revenues by Subgenre⁸



A. Production

The Banijay Group develops television programmes both based on formats created in-house or by licensing formats from third parties in order to meet the demands of broadcasters.

i. Development of Formats

The first step in the Banijay Group's production process is to develop new concepts for television programming. Once these concepts are developed and formalised, they are referred to as "formats" and the Banijay Group maintains intellectual property rights over such formats, when possible. A successful track record and creative reputation are key to continuing to develop original formats. From time to time, the Banijay Group also licenses the right to produce formats that are owned by third parties, rather than developed in-house, in order to address popular consumer trends and broadcasters' needs. The Banijay Group either continues to develop these formats in-house or pitch them to broadcasters and digital platforms. The Banijay Group develops a wide variety of formats in

⁵ Unaudited. Source: FL Entertainment Data.

⁶ Unaudited. Source: FL Entertainment Data.

⁷ Unaudited. Source: FL Entertainment Data.

⁸ Unaudited. Source: FL Entertainment Data.

order to limit its exposure to a limited number of blockbusters and to keep a diversified portfolio of formats.

The following graphic shows the main steps from developing a format to distribution and secondary rights:



The Banijay Group historically focuses on developing non-scripted formats, which is the core business implemented by its founder and Chairman, Stéphane Courbit as well as the DNA of the Endemol Shine Group. Non-scripted formats benefit from lower production costs, a shorter development period and more advantageous financing arrangements, because the broadcaster who purchases the non-scripted format typically funds the full production costs. Non-scripted formats can generate significant secondary revenues because they can be licensed and produced in several countries under different names. For example, a game show or a reality show can be adapted in many countries, sometimes under different names but with an identical concept. Several large production groups, such as ITV Studios or Fremantle, have grown by exporting successful non-scripted formats in all countries where they maintain operations. For the year ended 31 December 2021, non-scripted contents generated €1,855 million in total, or 82%, of the Banijay Group's production revenues. On the other hand, scripted programmes require higher upfront development costs and often need to be co-produced by several parties. The Banijay Group has significantly expanded its scripted activity to meet its customers' and the market's increasing demand for scripted content. The Banijay Group currently has companies producing scripted programming in all the 22 countries where it is present. Scripted programmes can also generate significant secondary revenues, especially if such programmes are in English because they can be sold worldwide as finished tapes to broadcasters and to local or global digital platforms.

The Banijay Group develops new formats in each of its geographic markets. The Banijay Group's local subsidiaries have their own creative teams that work together with a central content team at the Banijay Group-level. Its "Creative Network" coordinates the local teams, keeps them informed of market trends outside their own territories and contributes to the creation of formats that address both local markets needs and global trends. If successful, these formats may be licensed and used in different markets and via different platforms.

The Banijay Group develops original formats and programmes in four principal genres in respect of non-scripted content:

Non-scripted:

- *Entertainment and Talk Shows*: Entertainment and talk shows mainly encompass entertainment formats and programmes that are studio-based. The Banijay Group believes its most successful entertainment programmes include *It's Only TV!*, *MasterChef*, *All Together Now*, *Go*, *Beat the Star*, *Your Face Sounds Familiar*, *All Against 1*, *Fort Boyard*, *LEGO Masters* and *Starstruck*. Entertainment titles have significant potential for format sales because they are easily adaptable to different local markets. For the year ended 31 December 2021, the Banijay Group's entertainment content and talk shows generated €642 million in production revenues.
- *Reality*: Reality includes television programmes in which ordinary people are continuously

filmed outside their usual environment, designed to be entertaining rather than informative. The Banijay Group believes its most successful reality programmes include: *Big Brother*, *Big Brother VIP*, *The Challenge*, *Paradise Hotel*, *Survivor*, *Temptation Island*, *Hunted*, *SAS Who Dares Wins*, *The Biggest Loser*, *Beauty and the Geek*, *Joe Millionaire* and *Party Workers* For the year ended 31 December 2021, the Banijay Group's reality content programmes generated €672 million in production revenues.

- *Factual Entertainment*: Factual entertainment is a combination of factual/documentary and entertainment programmes, focusing on social experiments and popular topics. The Banijay Group believes its most successful factual entertainment programmes include *The Secret Life of 4 Year Olds*, *Real Housewives*, *Location, Location, Location*, *Below Deck*, *Wife Swap*, *The Island*, *Ambulance*, *One Born Every Minute*, *Home of the Year*, *Your Home Made Perfect* and *How to Look Good Naked* For the year ended 31 December 2021, the Banijay Group's factual entertainment content programmes generated €329 million in production revenues.
- *Game Shows*: Game shows are predominantly programmes in which contestants compete for prizes during games of knowledge, physical challenges or by luck. The Banijay Group believes its most successful game shows include *Don't Forget the Lyrics!*, *Limitless Win*, *Identity*, *Minute to Win It*, *Tipping Point*, *Deal or No Deal*, *Pointless*, *The Money Drop*, *The Wall* and *The Legacy*. Game shows have significant potential for format sales because they are easily adaptable to different local markets. For the year ended 31 December 2021, the Banijay Group's game show content programmes generated €178 million in production revenues.

For the year ended 31 December 2021, other genres of non-scripted content programmes generated €33 million in production revenues.

The following table shows information on the Banijay Group's top five travelling non-scripted formats in 2021:

Top 5 Shows	Year of launch	Number of countries airing in 2021	Country of origin	Total number of territories since launch	Selected customers
<i>MasterChef</i>	1990	33	United Kingdom	+60	BBC, FOX, Telefe, TVE, Network 10, TV4
<i>Big Brother</i>	1999	25	The Netherlands	+70	CBS, RTL, SAT.1, Noovo, Seven, TV Globo, TVI, TV4, Nelonen
<i>Survivor</i>	1997	21	United Kingdom	+40	CBS, TF1, Mediaset, TV3, TV Globo, RTL, Azteca 1, Skaï

<i>Your Face Sounds Familiar</i>	2011	14	Spain	+40	Antena 3, Univision, Rai Uno, Nova, TV2
<i>LEGO Masters</i>	2018	11	United Kingdom	18	FOX, Nine Network, RTL, Shenzhen Television, TV2

Scripted:

Scripted includes drama, docu-drama and scripted comedy. The Banijay Group believes its most successful drama programmes include international premium drama such as *Versailles*, *Peaky Blinders*, *Black Mirror*, *The Bridge (Bron)*, *Wallander*, *Occupied*, *Millennium*, *Grantchester*, *Good Karma Hospital*, *Screw*, *Queens*, *Royal Doctor Flying Service* and *Saint Tropez (Sous le soleil)* but also local daily drama such as *Family*, *Good Times Bad Times* and *Ladies' Paradise*. For the year ended 31 December 2021, the Banijay Group's scripted content programmes (excluding kid's programming) generated €349 million in production revenues and other genres of programmes (including kid's programming) generated an additional €18 million in production revenues.

The Banijay Group aired more than 150 scripted titles in 2021, spread over 19 different countries, approximately half of which were new launches and three quarters of which were non-English titles. Its network of scripted producers work with local writers and directors to develop ideas and packages to pitch to local broadcasters.

Once a concept has been selected, the Banijay Group's teams develop the format itself, through the creation of mechanics, game play, casting, set and music. For scripted shows, the development usually includes a part of script writing that is lengthier. Producers then work with broadcasters to ensure that they attach the right cast for local and international audiences. Once a show is formally approved, it enters into pre-production and preparation begins. Once filming ends, the producer will work with the editor until the programme is delivered to the broadcaster.

ii. Sales and Commissioning to Broadcasters

Once the Banijay Group has developed original formats in-house or acquired option rights to third-party formats, it organises various presentations to pitch these formats to broadcasters and digital platforms. The Banijay Group usually approaches broadcasters and digital platforms with a detailed presentation and/or a trailer for non-scripted formats, but when it presents a scripted format, the pitch consists of a logline, a synopsis and a treatment. A logline is a one-sentence description of the show. A "synopsis" is a brief summary of the show that includes information about the main characters and the theme of the show. A "treatment" is the more detailed, in that it includes detailed descriptions of the characters and the show's plot. The Banijay Group also develops, in some instances, a trailer or a full pilot for a television show.

The Banijay Group provides broadcasters with detailed project timelines and budget plans for production and negotiates with them to agree on the terms of their acquisition of rights to its programmes, particularly with respect to pricing and retaining intellectual property rights that will enable it to generate secondary sales across various platforms and distribute the programme in other regions. Key negotiation points include: (i) the duration of the license; (ii) the scope of rights granted

to digital platforms and broadcasters, such as free VOD (Video On Demand) services (as discussed below) and ancillary rights; and (iii) holdbacks and options for renewal. The Banijay Group uses its combined resources across other production projects and its expertise to propose competitive and lean production plans to broadcasters.

iii. Production Process

Once a format has been developed and sold to a broadcaster or digital platform, the Banijay Group begins the production process and produces a programme based on such format. The process consists of producing and filming the show, editing the content as well as choosing and, when possible, publishing and producing the soundtrack. The Banijay Group operates a fully funded production model for the majority of its programmes whereby broadcasters commit upfront to fund the full cost of the production in exchange for their right to use the programme within the scope agreed with them. If broadcasters pay the Banijay Group after it incurs production costs, the Banijay Group may fund this shortfall through financing arrangements or through its working capital. If the Banijay Group has longer cash flow shortfalls, in particular for scripted projects, it aims for broadcasters to cover its financing costs. Broadcasters also often receive a portion of the secondary revenues and, subject to market trends and the Banijay Group's bargaining power, a portion of the intellectual property rights to the format or the programme. The FL Entertainment Group assesses its bargaining power by the strength of a particular format. Strong formats generally have high ratings, generate significant advertising revenues or provide for additional subscriptions to the platforms of the FL Entertainment Group's clients.

The Banijay Group aims to keep intellectual property rights to its programmes. Rights to a programme are easier to protect than rights to a format, because a programme is a finished product that has already aired, compared to a formalised concept. However, customers of the Banijay Group with an international footprint through distribution or broadcasting (such as large broadcasters or SVOD platforms) have increasingly asked to retain a portion or all of the intellectual property rights of the Banijay Group's programmes, in order to exploit such rights for globally. See "*10.3(a.) Customers may request to obtain intellectual property rights to the formats the Banijay Group creates and programmes the Banijay Group produces, which may have a negative impact on the Banijay Group's revenues.*"

The Banijay Group has implemented cost-efficient, flexible and scalable production processes throughout its group. For example, the Banijay Group uses freelancers and lease production facilities in order to limit its investment in fixed assets. The Banijay Group has also implemented strict cost control, in order to deliver final programmes on time and respect customers' budgets. Cost control is especially important for scripted programmes that require higher costs and longer production processes than non-scripted programmes.

iv. Internal Circulation of the Banijay Group's Formats

As an independent production group, one of the Banijay Group's major strengths is its network of producers who have exclusive access to its catalogue of formats in their respective geographic markets. This internal feed of formats is key for the Banijay Group's local companies. The Banijay Group prioritises the production of successful formats in the markets in which it operates. The Banijay Group's central content team called "Creative Network" builds and centralises all the relevant information and material on formats – new promising titles and existing IP – that are circulated among the Banijay Group's production companies. For example, *Temptation Island*, *Big Brother*,

Your Face Sounds Familiar, All together Now or Hunted are successful formats developed by one of the Banijay Group's production companies in a given market and then produced by several of its production companies in their respective markets.

v. *Distribution and Secondary Revenues*

The Banijay Group's policy is to aim to retain intellectual property rights to its formats and programmes. These formats and programmes are assets that continue to generate secondary revenues through various channels, other than the initial sale to a broadcaster or digital platform. The Banijay FL Entertainment Group owns all or part of the intellectual property rights to a broad and diversified portfolio of existing formats and programmes, for which distribution rights are granted to Banijay Rights Limited. The Banijay Group distributes both formats and programmes that it has produced and formats and programmes that have been produced by a third-party production company but for which the Banijay Group controls the distribution. Through its distribution business, the Banijay Group has, for example, distributed *Versailles* to 238 territories. As of January 2022, approximately 14% of the catalogue, in terms of hours of programmes, of the Banijay Group's distribution business consists of third-party programming from independent producers without their own distribution business and networks from around the globe. The Banijay Group distributes the content it owns and licenses through Banijay Rights Limited to a traditional customer base of broadcasters and producers as well as VOD platforms. In the countries in which the Banijay Group does not operate, it licenses its portfolio of formats to producers, broadcasters and digital platforms, who can acquire from Banijay Rights Limited an option to pitch the Banijay Group's formats to broadcasters. Once the format is commissioned by such broadcaster, such licensee acquires a license of the format through a format license agreement in order to produce a programme based on such format and allow the broadcaster or digital platform to air the programme as per the terms of the format license agreement. The licensees pay the Banijay Group an option fee to be granted the right to pitch the format and a format fee upon signing of the format license agreement once a commission is confirmed. In consideration of such format fee, they are allowed to produce a programme based on the Banijay Group's format and to air it in their local territory for a certain period of time.

vi. *Distribution of Programmes to Broadcasters*

The Banijay Group distributes its portfolio of television programmes directly to linear broadcasters, basic and premium cable networks, and international pay-television distributors. For the year ended 31 December 2021, sales of programmes to customers represented 79% of the Banijay Group's distribution revenues. The broadcasters pay the Banijay Group a license fee in return for the right to air a programme across a given period of time and for a given number of runs. Banijay Rights Limited receives a commission on that license fee for its distribution activity, and the remainder of the license fee is paid to the owner of the programme (i.e., either the Banijay Group's local production company owning the intellectual property rights or the third-party owner of the intellectual property rights).

vii. *Distribution of Programmes to Digital Platforms*

The Banijay Group distributes its portfolio of television programme titles to digital platforms, including SVOD providers such as Netflix, Amazon Prime Video, Disney+, Discovery+, HBO Max, Paramount+, Peacock, and AVOD platforms such as Facebook Watch, Globo, Pluto, IMDB. For the year ended 2021, 30% of the gross revenues of the Banijay Group was generated through the revenues from the sales of its portfolio of programmes licensed to VOD platforms such as Facebook Watch, Apple TV+, Amazon Prime Video and Netflix and other revenues allocated to other digital

platforms (mainly SVOD rights).

In the United States and, to a lesser extent, in Europe, consumers, particularly younger consumers, are viewing more content on more devices and through SVOD or AVOD platforms, such as Netflix, Hulu, Amazon Prime Video and Roku. SVOD requires consumers to enter into a subscription contract giving the consumer access to content, including exclusive content, from the digital platform. In the United States, SVOD services have increased the value of the Banijay Group's catalogue series and movies due to increased viewership by consumers and the correlating demand and spending by digital platforms. Netflix, for example, reported that it had spent \$17 billion in acquiring content in 2021 and Disney+ had spent \$25 billion. If these investments are primarily made in the United States and in English-speaking content, the European market is getting more and more traction for the US based streaming platforms that are expanding globally.

As of 31 December 2021, the Banijay Group has license agreements with most of the main digital platforms and aims to further expand its agreements with them. These customers, such as Amazon Prime Video, Netflix, Discovery+, Paramount+ and HBO Max use the Banijay Group's content on their platforms. These partnerships allow subscribers of the relevant networks to access its programmes across a variety of devices. In 2019, the number OTT subscribers amounted to approximately 350 million, most of which have access to the Banijay Group's content through its partnerships with customers like Amazon Prime Video, Netflix, Discovery+, Paramount+, Apple TV+ and HBO Max (sources: FL Entertainment Data, SNL, Wall Street Research).

viii. Other Secondary Revenues

Other secondary revenues include revenues from commercial activities related to the Banijay Group's formats, such as merchandizing, sponsorships, licensing, games, DVD sales, music and events. Other secondary revenues complement revenues from the initial sale to broadcasters and digital platforms and the Banijay Group's distribution revenues.

f. The Banijay Group's Markets and Production Companies

The Banijay Group derives revenues from its operations in 22 countries (the footprint territories), including North and South America, France, the Nordic countries ((Denmark, Finland, Norway and Sweden), Italy, the United Kingdom, Germany, Iberia, Australia, New Zealand, Belgium, the Netherlands, Russia, Israel and India. The Banijay Group manages its production companies in these countries through a decentralised structure. This structure incentivises the Banijay Group's local managers and partners to grow their respective brand in their respective markets.

A. France

The Banijay Group is the largest independent television content producer in France. It generated 10% of its revenues in France for the year ended 31 December 2021. The Banijay Group has fifteen main operating subsidiaries in France as of 31 December 2021:

- *Adventure Line Productions:* Having been founded in 1972, Adventure Line Productions ("ALP") has grown substantially, exploiting the legacy of Jacques Antoine (*Fort Boyard*, *Treasure Hunt*). Today, the label is one of France's leading production companies, known for its creativity and its production expertise in Adventure: Fort Boyard, which is still on air and rating well after over 30 years; Survivor, which is a huge success even after more than 20 seasons; and Treasure Map, which had a strong re-launch in 2018. ALP is also well-known for its adaptations of international hit formats (*Are You The One?*, *Wife Swap*,

Undressed). ALP produces content for all French terrestrial broadcasters, including DTT, cable and satellite channels.

- *Banijay Production Media*: Banijay Production Media, previously known as Air Productions, was founded in 1993 by Nagui, one of France's most popular hosts and a frequent winner of viewers' choice awards. The company got off to a great start with the production of long-running live music show, *Taratata*, which continues to be broadcast over 30 years later. Building on its strong foothold in music-based programming, over almost three decades, the company has expanded its repertoire and it now stands as a premium producer of game and entertainment programming. In recent years, Banijay Production Media has also developed a number of successful in-house formats for its primary broadcast partner, France 2. These include *Hands Off*, *Chef!*, *The Exception* and *Let's All Play*. Nagui can be seen daily on access prime time television as the face of *Don't Forget the Lyrics*. Banijay Production Media has also diversified into fiction.
- *Banijay Productions France*: Led by Florence Fayard, Banijay Productions France specialises in reality programming and factual entertainment. It created formats including the successful reality franchise, *Les Ch'tis/Les Marseillais*, known internationally as *Party Workers*, which has over almost 20 seasons and a number of spin-offs. Other hits include: *A season at the Zoo* and its various spinoffs for France 4, and the adventure competition, *Good Luck Guys*, another successful brand for W9.
- *Banijay Studios France*: Specialised in high-quality fiction, Banijay Studios France has strengthened its reputation through top brands including Versailles (Canal+), *Mouche* (Canal+), based on UK hit series *Fleabag* (created by Phoebe Waller-Bridge and produced by Two Brother Pictures), and recently announced upcoming coproduction *Marie Antoinette*. Banijay Studios France relies on a team of renowned producers which develop and produce content for both French and International audiences. In 2021 alone, the teams will devise and deliver a range of shows including: *Germinal* and *Walkyries*.
- *Banijay Talent*: Banijay Talent is a French influencer marketing company operating across different labels. It combines reality TV specialist Shauna Events; adventure sports agency Upper Talent, digital influencer and marketing agency, Daze MGMT, and Miss France agency, Talent Lab. The agency designs specific campaigns, maximising potential for its customers. On top of its digital know-how, these subsidiaries have established over 170 million followers and relationships with 200 influencers from the television, fashion, beauty, luxury, entertainment, and sport sectors, making Banijay Talent an ideal partner for those wanting to elevate their brand.
- *DMLS TV*: Led by duo Anne Marcassus and Mathieu Vergne, DMLS TV was set up some 20 years ago. DMLS TV is now a go to production business with access to the great French and international artists. It is renowned for its expertise on big musical shows, live events and concert recordings. DMLS TV is also known for its documentaries focusing on French musical icons and programmes centred around comedy and theatre. DMLS TV is behind successful and creative formats such as *La lettre*, *Chanson Secrète*, and also *Duos Mystères*. In addition, the organisation voluntarily executive produces the annual charity event, *Les Enfoirés*, which has on-screen talent and achieves great ratings.
- *Endemol France*: Endemol France plays a great role in the creation and production of

audiovisual and digital content, of all genres and for all screens. Endemol France produces various programmes, such as the daily game show *Les 12 coups de midi*, the French adaptation of the format *El Legado* or *LEGO masters* and *Celebrity Hunted* and *LOL* for *Amazon Prime Video*.

- *Gétévé Productions*: Specialised in fiction, Gétévé Productions has strengthened its reputation thanks to great productions, including the first season of the series *Occupied*, coproduced with Yellow Bird, and more recently *The Red Shadows*, C8's first scripted original series and *Skam France* for France TV Slash web platform, one of the first adaptations of the critically-acclaimed Norwegian format. In 2021 alone, the teams will devise and deliver a range of shows including: *L'école de la vie* (6 x 52' based on the original series written and created by Fabienne Larouche) and *Police de Caractères*.
- *H2O Productions*: H2O Productions ("**H2O**") was founded by media personality Cyril Hanouna, well-known in France as a comedian, TV and radio host. H2O's flagship production is the daily live hit *Touche pas à mon poste*, known internationally as *It's Only TV*, a popular panel show in France. H2O also produces studio-based entertainment shows, with a long list in daily and prime time slots as well as a wide range of creations (*Very Bad Luck*, *The Big Wishaway* and *Ultimate Star Quiz*) with some of them being adapted worldwide (*Battle Zik*).
- *KM Production*: Founded in 1994 by Renaud Le Van Kim, KM Production is specialised in various content productions: current affairs programming, documentaries and large-scale live promotional events. KM Production was established as an expert in news and talk shows via long-running title, *28 Minutes*, a daily success on Arte.
- *Marathon Studio*: Founded in 2021, Marathon Studio is a joint venture with Banijay France, led by Malika Abdellaoui. The company's focus is on creating original scripted content with both local and global appeal. The ambition is to tell stories that draw in the audience, featuring strong emotional characters, while highlighting a valuable message.
- *Montmartre Films and Pitchipoi*: Led by Alain Goldman, Montmartre Films and Pitchipoi are producing scripted series and feature films. Goldman, whose production company was previously named *Legende Films*, had been working with many French film studios, notably Gaumont, and has also been collaborating with streamers such as Netflix with *The Spy*, starring Sacha Baron Cohen, and Amazon Prime with Caroline Vigneaux's *Flashback* and Mélanie Laurent's *The Mad Women's Ball*. Besides *La Vie en Rose*, which earned Marion Cotillard an Oscar, Goldman has also produced *An Officer and a Spy* (2019), *The Connection* (2014) and *The Crimson Rivers* (2000).
- *Non Stop People France*: Non Stop People is the first 24/7 news channel entirely dedicated to stars and celebrity news. Launched in 2012 in France on CANALSAT (DTH), Non Stop People completely renewed the celebrity news theme, producing continuous celebrity news updates and covering international and local stars. With an editorial team of more than 40 journalists, the channel broadcasts from a television studio in the centre of Paris. Aimed at a 25-49 female audience, Non Stop People is populated with content including hard news around the clock, exclusive shows and glamorous events coverage. Constantly innovating; the brand has adapted the traditional television format(s) to all new media environments, producing content for linear television, as well as nonlinear platforms such as web, mobile,

tablet and OTT.

- *Shine Fiction*: Shine Fiction is a subsidiary dedicated to the creation, development, production and distribution of fiction for the French market, with international potential. Led by the famous French actor, director and producer Dominique Farrugia, it relies on different producers and labels, creating content with various editorial and artistic angles. Shine Fiction has signed a deal with talent agent Camille Trumer, giving Shine Fiction the rights to adapt bestselling novels by Pierre Lemaitre. In 2021, Shine Fiction produced *L'homme de nos vies* for M6 and *Mental* for the web platform, *French.tv slash*.
- *Terence Films*: Led by Director and former International Reporter, Stéphane Meunier and Author/Producer, Bertrand Cohen, Terence Films is a scripted production business focused on creating television, feature films and branded content. Established in 2005, the business is behind over 400 hours of scripted programming. To date, Terence Films has produced *Les Innocents* for TF1 and now Amazon Prime; award-winning *Foudre*, a 5 seasons co-production with Banijay Studios France and Adventure Line Productions for France Televisions; *Brother and Brother* for Canal+ and multi award winning *Fortunes* for Arte and France 2. Most recently, the company has launched production of 4 season *OPJ*, *South Pacific* (20×52'), a cop series for France Televisions and *Magnificat*, a feature film (Orange cinema – theatrical release in 2022).

B. *Americas*

The Banijay Group is a large independent television content producer in North and South America, with the United States as the world's largest market for the consumption of television programmes and digital entertainment content. It generated 18% of its revenues in the Americas for the year ended 31 December 2021. The Banijay Group has 11 subsidiaries in North and South America as of 31 December 2021

- *Endemol Shine North America*: Endemol Shine North America delivers content and compelling storytelling to multiple platforms in the US and across the globe. Endemol Shine North America is behind hit series such as *Big Brother* (CBS), *MasterChef* (FOX), *MasterChef Junior* (FOX), *LEGO Masters* (FOX) and recently *Foodtastic* (Disney+) and soon *The Courtship* (NBC and Peacock).
- *Endemol Shine Brasil*: Founded in 2007, Endemol Shine Brasil has become a large independent production house in the country with global hits, high quality standards and creative potential. Endemol Shine Brasil has business agreements with many top broadcasters and streaming platforms in the country. *Big Brother Brasil*, Globo's hit since 2002, is licensed by Endemol Shine and *MasterChef Brasil*'s successful linear and digital windowing strategy has become a model for producers around the world. Endemol Shine Brasil is also behind many of the region's top unscripted and scripted series including: *The Wall* (Globo, Telefe, Chilevisión, Canal 10, Caracol Televisión), *All Together Now* (Record TV and Caracol Televisión), *Deal or No Deal* (SBT), *Family Food Fight* (SBT and Amazon Prime), *The Four* (Record TV), *Dancing With The Stars* (Record TV).
- *Endemol Shine Boomdog*: Endemol Shine Boomdog develops and produces content for the US Hispanic and Mexican TV markets. Key franchises include *Master Chef Mexico* and *Master Chef Latino*, *Cambiame el Look* and *Mira Quien Baila*.
- *51 Minds Entertainment*: 51 Minds Entertainment is the traditionally non-scripted

production powerhouse behind shows like *Below Deck* (Bravo), *Below Deck: Mediterranean* (Bravo), *Below Deck Sailing Yacht* (Bravo), *Build Me Up* (HGTV), *The Grand Hustle* (BET) and *T.I. & Tiny: Friends & Family Hustle* (VH1).

- *Banijay Studios North America*: Banijay Studios North America opened its Los Angeles-based headquarters in April 2014, and creates original network, syndicated, and cable programming, as well as developing Banijay Group's format hits for the US market. Led by David Goldberg, Banijay Studios North America develops original content across multiple genres and is a well-capitalised, creative company that further expands the Banijay Group's footprint in the US. To date, Banijay Studios North America has been responsible for *Temptation Island* for USA Network, *Child Support* for ABC, the reboot of *Wife Swap* for Paramount and *Don't* for ABC.
- *Banijay Mexico and US Hispanic*: Banijay Mexico and US Hispanic, led by Marie Leguizamo, launched in 2021. It will focus on creating original content in both English and Spanish for broadcast, cable, and streamers in the Mexican and US Hispanic markets. Banijay Mexico and US Hispanic is based in both Mexico City and at Banijay Studios North America's Los Angeles office.
- *Bunim/Murray Productions*: Bunim/Murray Productions was co-founded in 1987 by Mary-Ellis Bunim, a soap opera producer, and Jonathan Murray, who had built his career in news and documentaries. The Emmy Award-winning Bunim/Murray Productions is widely credited with creating the reality television genre with its hit series *The Real World* (31 seasons for MTV). Bunim/Murray Productions continued to innovate with the first reality game show, *Road Rules* (MTV), in 1995; the first reality sitcom, *The Simple Life* (E!), in 2003; and the first reality soap opera, *Starting Over*, in 2003. It produced hit series *Keeping Up with the Kardashians* for 20 seasons for E!. Recent successes include *Family or Fiancé* and *Challenge*, still on MTV after 37 seasons.
- *Stephen David Entertainment*: Stephen David Entertainment was formed by Stephen David in 2010, who brought his vast experience across many disciplines in film, scripted and non-scripted television. Located in the heart of Manhattan, Stephen David Entertainment specialises in television production, such as docudrama, documentary and non-fiction, as well as selected scripted series.
- *Truly Original*: Creating a broad range of unscripted and scripted programming for television, streaming and digital platforms, Truly Original is run by Emmy Award-winning producers Glenda Hersh and Steven Weinstock, who serve as the company's co-presidents and co-chief executive officers. Truly Original's numerous series include *The Real Housewives of Atlanta*, *The Real Housewives of Potomac*, *Don't Be Tardy*, *Shahs of Sunset*, *Summer House*, *Family Karma*, *Swamp People*, *Swamp People: Serpent Invasion*, *The Last Cowboy*, *Ink Master*, *Basketball Wives* and others.

C. *Nordic Countries*

The Banijay Group is the leading content producer in the Nordic countries (Denmark, Finland, Norway and Sweden). It generated 12% of its revenues in the Nordic countries for the year ended 31 December 2021. The Banijay Group has sixteen main operating subsidiaries in the Nordic countries as of 31 December 2021:

i. *Denmark*

- *Mastiff Denmark*: Mastiff Denmark is one of the leading production companies in Denmark. Each year it produces more than 200 hours of entertainment across reality, entertainment, lifestyle, factual entertainment, reportage, crime, kids and scripted comedy, and is behind a host of the nation's successful original formats. Mastiff Denmark also handles the local third-party production of global titles: *Strictly Come Dancing*, *Paradise Hotel*, *Secret Dealers*, *Versus*, *Location Location Location*, *Survivor* and *Eat Well for Less*.
- *Metronome*: Metronome was established in 1950 and has a strong portfolio across all genres including entertainment, comedy, kids, reality, lifestyle and factual entertainment. Metronome has produced successful versions of various formats, such as *The Island*, *MasterChef*, *Taskmaster*, *Pointless* and *Ex on the Beach*. Metronome also produces several local series running for more than fifteen seasons, such as *The Family on Bryggen* and *Police Hunt*. Metronome continues to develop new formats such as *Too Hot for Love* and *Stripped* –sold in to 10 territories.
- *Nordisk Film TV Denmark*: Nordisk Film TV dates all the way back to 1906 and today stands as Denmark's leading production company. Each year, the business produces more than 1,500 hours of premium entertainment content for the major broadcasters in its region. Producing across a range of genres including scripted (drama, comedy and comedy sketches), non-scripted (reality, factual entertainment, current affairs, game shows and talent shows) and digital and new media (branded content and AFP), the company's successes include *All Against 1*, *GO*, *The Luxury Trap* and *Sold or Broken*.
- *Pineapple Entertainment*: Pineapple Entertainment was established in the summer of 2013 and has since cemented itself as a well-known production company in Denmark. Comedy talk show and entertainment serve as Pineapple Entertainment's DNA, alongside other factual entertainment formats with a focus on lifestyle with a sprinkling of humour – such as *We Love Cars*. Heading the company are two TV executives and friends, Ricco Wichmann and Anders Breinholt.
- *Respirator*: Respirator is a satire-based comedy production company. Since 2007, it has been its mission to combine satire and entertainment on all visual platforms. It concentrates almost exclusively on self-developed ideas and the development of new comic talents.

ii. *Finland*

- *Banijay Finland*: Banijay Finland has established its spot within the country's top three non-scripted production companies by producing numerous hit prime-time shows including *The Voice of Finland*, *Temptation Island*, *Dancing With The Stars*, *Paradise Hotel* and *Have I Got News For You?*. In addition to producing local versions of some of the world's biggest titles, Banijay Finland has also bought a number of its own hit formats to-air, such as *Chefs Around The World*, *Idiomatic* and *the Heikki Paasonen Show*.
- *Endemol Shine Finland*: Endemol Shine Finland Oy is one of country's largest production companies and has been producing entertainment since 2000. It produces a wide range of award winning non-scripted and scripted content, supplying TV channels, streamers and brands. Its best known programmes include *Big Brother*, *MasterChef*, *Married at First Sight*, *The Wall*, *Gogglebox*, *The Biggest Loser*, *Ready Steady Cook*, *Ex on The Beach* and *All Together Now*.
- *Jarowskij Finland*: Since being founded in 2000, Jarowskij Finland has widely been

considered one of the leading independent television production companies in the country. Jarowskij Finland has a long tradition of producing drama and is behind big hits including: *Cuckoo's Nest*, *Frozen Hearts* and *Brothers* and in 2013, the company produced its first feature film, *Jill and Joy*. It has successfully produced three other feature films: *Jill and Joy's Winter*, *Look of a Killer* and *Jill and Joy and Mysterious Stranger*.

Norway

- *Mastiff Norway*: Mastiff Norway is one of the largest production companies in Norway, having had great success with productions like *Paradise Hotel*, *Crime Scene Norway*, *TV 2 Helps You* and numerous other factual programmes.
- Nordisk Film & TV Norway: Nordisk Film & TV Norway is one of the longest running production companies in Norway. Its most famous brands include 71 degrees North, The Voice, Power of the spirits, Psychic challenge, Hands off, Chef and All against 1.
- *Rubicon TV*: Rubicon TV is one of the largest production companies in Norway. Rubicon TV produces scripted and entertainment for all the big Norwegian media houses, as well as Netflix. Rubicon is behind series like *Lilyhammer*, *Eternal Glory*, *Luxury Trap*, *The Amazing Race Norway*, *Golden Goal* and *MasterChef*.

iii. Sweden

- *Filmlance*: Founded in 1988, Filmlance has produced several feature films for cinema, TV and streaming services as well as producing TV series and children's films. An example of producing high quality drama for a wide Nordic and international audience is the international success *Bron*, sold over 180 countries. Other productions include the Swedish streaming hit *Beck* and *The Sandhamn Murder* films and upcoming productions such as *Top Dog* by Jens Lapidus, *Beartown* by Fredrik Backman as well as a remake of the 90's cult film *Vinterviken 2021*, based on the book by Mats Wahl. Filmlance produces for several major distributors such as Sweden's Television, TV4, Netflix and HBO.
- *Jarowskij*: Born in 1986, Jarowskij is internationally known as Sweden's oldest and most innovative production company, with over 20,000 hours of content produced for customers such as Swedish public broadcaster SVT, NBC, TV4, Channel 5, TV3, and Viaplay. Jarowskij has won an Emmy, as well as many national awards for its original work. Today, Jarowskij is considered one of the most successful producers in Sweden, and is responsible for over 100 hours of moving images a year across feature film, drama, current affairs, reality, entertainment and comedy. Jarowskij's credits include *Welcome to Sweden* (NBC/eOne) with Greg and Amy Poehler, a Swedish version of *The Office* for TV4, *Solsidan*, Sweden's most popular scripted series ever, *The Laser Man* (SVT) and period drama, *The Restaurant*, SVT's biggest and most successful scripted production to date.
- *Mastiff Sweden*: Mastiff Sweden is well-respected for developing and producing its own ambitious, large-scale entertainment shows, as well as producing international and third-party formats for all major channels in Sweden, such as *Strictly Come Dancing*, *Paradise Hotel* and *Survivor*.
- *Meter*: Since 1990, Meter have been one of the largest production companies in Sweden. Meter produces almost 30 TV productions annually and its shows are broadcasted on all the major TV channels in Sweden. It is most well-established in the genre of light entertainment

programmes screened both on traditional linear channels as well as via new and innovative media. It also produces a wide scale of factual programmes and galas.

- *Yellow Bird*: Yellow Bird established itself in the Swedish, as well as the international markets in 2003, when it released a series of television films based on Swedish author, Henning Mankell's, renowned fictional detective, Kurt Wallander. The success of the *Wallander* franchise was quickly followed by Stieg Larsson's worldwide phenomenon, *The Millennium Trilogy*, Jo Nesbø's *Headhunters*, Liza Marklund's *Annika Bengtzon* series, the British version of *Wallander* with Kenneth Branagh, and more recently, Norwegian TV-series, *Occupied*, based on an original idea by Jo Nesbø. Yellow Bird's specific mission is to produce high-quality drama for the Scandinavian and International markets, with a Nordic anchoring.

D. Italy

The Banijay Group is the main independent television content producer in Italy. It generated 10% of its revenues in Italy for the year ended 31 December 2021. After giving effect to the acquisition of ITV Movie, the Banijay Group has nine main operating subsidiaries in Italy as of 31 December 2021:

- *4Friends Film*: 4Friends Film, founded in 2011, is a video production company which specialises in shooting, editing and live streaming fashion shows for key international players. Its main goal is to produce top quality videos. This has led to 4Friends Film establishing key relationships with top Italian and foreign brands include Gucci, Prada, Louis Vuitton, Ermenegildo Zegna and Moschino. 4Friends Film offers expressive and innovative direction and 4Friends Music is a music-dedicated unit which adds personality and distinctiveness to the creative project.
- *Atlantis Film & Video*: Atlantis Film & Video ("**Atlantis**") was founded in 1997 by Emilia Ponti in Milan, Italy. Right after, Atlantis gained a contract for the technical production of some major Italian TV shows like *Vivere* and *Centovetrine* and was renewed for 10 years until the end of these shows. Meanwhile, in addition to TV productions Atlantis specialises in fashion show video production and to-date has worked with brands such as Prada, Bottega Veneta, Moncler and many others during fashion weeks around the world. Atlantis was one of the very first companies to live stream on both websites and social media platforms and has become a high-quality reference point within the fashion, luxury and beauty sectors. Recently for big projects it also started to offer VR/AR/360 and CGI to its top clients. In the advertising sector, Sky Italy has been entrusting Atlantis with the production of channel commercials for over 10 years.
- *Aurora TV*: In 2013, Giannandrea Pecorelli founded Aurora TV, a production company specialised in TV series. It hit the market back in 2015 with *Il Paradiso delle Signore* (*Ladies Paradise*), a co-production with RAI Fiction, and *Matrimoni e altre follie* (*Marriages and other Follies*) for Canale 5. Since 2016, Aurora TV has started to co-produce docufictions with RAI Fiction about the stories behind Italian personalities.
- *Banijay Italia*: Banijay Italia is an Italian production company created by the merger of DryMedia and Magnolia. Its aim is to maintain a high quality of product while developing new projects characterised by an original approach to creativity that suits both Italian and international audiences. The production label has produced a number of titles which include reality favourites: *L'Isola dei Famosi* (*Survivor*), *Il Collegio* (*That'll teach them*) and *Pechino*

Express; game shows: *L'Eredità (El Legado)*, *Guess my age* and *Conto alla Rovescia*; leading cooking shows: *4 Ristoranti*, *Pizza Hero* and *Cuochi d'Italia*; and popular talent shows.

- *Banijay Studios Italy*: Banijay Studios Italy is led by chairman and chief executive officer of Banijay Italia, Paolo Bassetti, and head of drama, Massimo Del Frate. As a scripted player in the Italian content market, Banijay Studios Italy is developing original IP for local broadcasters Rai, Mediaset, Sky and OTT platforms. Collaborating with high-profile talents, authors and screenwriters, the company creates innovative, high-quality domestic TV drama and international co-production projects.
- *Endemol Shine Italy*: Formed in 1986 Endemol Shine Italy's activities range from the creation of entertainment and scripted programmes of all kinds to the creation and adaptation of formats for the main Italian networks, satellite platforms and interactive media. Among its entertainment titles are *Big Brother*, *MasterChef*, *Soliti Ignoti*. Endemol Shine Italy has over the years designed products that have become content for the various technological platforms, thus inaugurating the trend of multi-platform programmes.
- *Funwood Media*: Funwood Media, founded by Aldo Spagnoli, acts as a distributor, producer and agent representing a host of brands as well as creating original IP. Operating primarily in Italy and Spain through Funwood Media Italia and Funwood Media Iberica, the business works with the likes of M6, Rai, Sky, Discovery, Paramount, Turner, TVE, Mediaset, A3 Media, and MGM and across Europe, as well as several regional outfits.
- *ITV Movie*: ITV Movie is a television and events production company founded in May 2010 following a meeting between different professionals. The know-how of its founders, combined with the professionalism of its collaborators, has allowed ITV Movie to establish itself in just a few years as one of the most solid producers in the television business. It produces television programmes, fiction and commercials for the most important networks (RAI, Mediaset, Sky, Discovery Italia and La7). ITV Movie has also specialised in events since it partnered with Red Bull Italia in 2015. The originality of this team has been rewarded, in recent years, by the success of productions such as: *Fratelli di Crozza*– a weekly one man show, *DiMartedì*– a weekly political talk show.
- *L'Officina*: In 2016, Fabio Fazio – a leading Italian anchor and TV writer – founded the production company L'Officina together with Magnolia. Originated from the idea of optimising Fabio Fazio's talent and experience, L'Officina offers new TV concepts. Young TV writers and collaborators are carefully selected to create a synergetic team focused on sharing projects as well as stories based on current affairs and contemporary trends. Main production: *Che Temp Che Fa*. Now in its eighteenth year, it is a prime time show in Italy featuring one-to-one interviews and discussions on current affairs as well as interviews with experts, celebrities and the public.

E. *United Kingdom*

The Banijay Group is among the top three key independent television content producer in the United Kingdom. It generated 8% of its revenues in the United Kingdom for the year ended 31 December 2021.

The United Kingdom television and digital content market is large for the size of the country, partially due to the international premium on English-language content, which means that

productions in the United Kingdom have greater export potential than many other countries. The Banijay Group has twenty-five main operating subsidiaries in the United Kingdom as of 31 December 2021:

- *BlackLight*: BlackLight was formed in 2017 by Ben Bickerton and Phil Trethowan. The pair met when making the critically-acclaimed film *Ellen* together. Bickerton and Trethowan both have over 20-years' experience making award-winning popular television drama and film such as *Being Human*, *The Curse of Steptoe* and *North Square*.
- *Definitely*: Definitely is a brand new production company launched to devise and produce fact and entertainment formats for the British and International market. Definitely was launched by creative director Rachel Arnold (*Junior Doctors*, *Hell's Kitchen*, *Love Island* and *I'm A Celebrity*) and head of development Jon Green (*Joanna and Jennifer: Absolutely Changers*, *Home Away From Home* and *Dads in The Delivery Room*). Definitely is currently in production with three new formats.
- *Douglas Road Productions*: Douglas Road Productions are a bespoke, boutique and diverse production company. Chief executive officer, Sir Lenny Henry, British Broadcasting legend, founder of Comic Relief and leading programme maker. Douglas Road Productions are a team of award-winning comedy, drama, documentary, music and event producers. Its services include television and live event production, digital broadcasts, live streaming, production and event development. The creative team of executives have decades of high profile experience, with stand-out reputations for delivering high rating hit television programming and social media campaigns. Douglas Road Productions works with leading talent, agents and management.
- *Dragonfly*: Founded in 2004, Dragonfly's innovative programmes have thrilled audiences, won awards, and been seen in more than 130 countries worldwide. Key programmes include *Teen Mum High* and *The Ambulance*.
- *Darlow Smithson Productions*: Darlow Smithson Productions ("**DSP**") is one of the world's leading television production companies. DSP has achieved widespread recognition for producing films and television programmes for UK, US and international broadcasters. Landmark productions include drama ratings-hit *The Mill*, feature-length drama-documentaries such as *Hawking* and *Touching the Void* and documentaries like *Richard III: The King in the Car Park*. From London, DSP produce more than 100 hours of programmes every year for many of the world's leading broadcasters, including Discovery, C4, BBC, National Geographic, PBS, Five and Smithsonian Channel. DSP has been the proud recipient of more than 30 industry awards.
- *Electric Robin*: Founded in 2012 by Kevin Batchelor and Ross Brandon, Electric Robin work across ideation, development, production, distribution and multiplatform content. Its 'audience first' ethos makes for content that resonates with viewers and it delivers new ideas for major global brands and the UK's biggest TV and online shows.
- *RDF Television*: RDF Television is one of the largest production companies in the UK. With offices in West London and Bristol, RDF Television was founded in 1993 and it has since established an outstanding reputation for producing popular and innovative programmes across entertainment, factual entertainment, comedy, documentaries, daytime and features. RDF Television has enjoyed success across all the network broadcasters, with hits including

the critically-acclaimed *The Secret Life of 4, 5 and 6 Year Olds* for Channel 4, *Eat Well For Less?* and *Shop Well for Less* for BBC One, *6 Puppies And Us* for BBC Two and *100 Year Old Drivers* for ITV.

- *Fizz*: RDF Television's entertainment label Fizz was created in 2015 and has enjoyed commissions with UKTV (*Humble Pie*), Discovery (*Undressed*) and most recently Channel 4 with the return of *The Crystal Maze* and *Shipwrecked*. The team also produces the daytime quiz show, *Tipping Point*, for ITV.
- *Initial*: Initial is one of the UK's leading entertainment content creators and producers. Initial is behind productions such as *Big Brother*, *Total Wipeout*, *Tenable*, *The Almost Impossible Gameshow*, *Big Box Little Box* and *Soccer Aid*, which has so far raised over £17 million for UNICEF.
- *IWC Media*: IWC was formed in 2004, and it has been making a range of hit TV programmes out of its Glasgow and London offices ever since. The business is driven by a passion for great ideas, vivid storytelling, and working with the best teams to deliver its vision to the screen. IWC brands include *Location*, *Loaction*, *Location*, *Scotland's Home of the Year*, *Secret Scotland* with Susan Calman, *The Big Scottish Book Club*, *Britain's Most Historic Towns*, and many more shows that demonstrate the breadth and depth of its output.
- *Kudos*: Specialised in scripted content, Kudos works with global talent to create, develop and produce popular, innovative, award-winning drama and comedy series. Recent work includes *Deadwater Fell* (Channel 4), *Grantchester* (ITV), *Responsible Child* (BBC2), *Deep Water* (ITV), *Tin Star* (Sky Atlantic/Amazon) and *Humans* (Channel 4/AMC). *The Tunnel* (Sky Atlantic), *Two Weeks to Live* (Sky) and *SAS Rogue Heroes*.
- *OP Talent*: OP Talent creates and manages business opportunities and career development across entertainment platforms for their talent. Founded in October 2012 by Liam Chivers, OP Talent has pioneered YouTube and online influencer management in the UK. The first dedicated management company initially set up for top YouTube gaming channels.
- *Remarkable Television*: Remarkable Television is a global leader in unscripted programming, specialising in entertainment, factual entertainment and popular factual formats. Formed in 2009 as part of the Endemol Shine Group, Remarkable Television shows include award-winning global hits such as *Pointless*, *All Together Now* and *Your Home Made Perfect* and long-running returning formats such as *Animal Park*, *Richard Osman's House of Games* and *Sunday Brunch*. As well as successful returning brands, recent commissions also include big entertainment *Starstruck* and hit gameshow *The Wall* for BBC One.
- *Sharp Jack*: Sharp Jack TV is a production company founded by format creators Elliot Johnson and Amanda Wilson. The company specialises in original ideas, sharply produced for the UK and international market.
- *Shine TV*: Shine TV has grown to become one of the UK's most successful production companies. Shine TV makes popular television in all forms: from single documentaries to global factual entertainment. The company works hard to make sure that everything is surprising, challenging, entertaining, witty and warm – and always is supported by the highest production values.
- *Sidney Street*: Sidney Street was launched by Karen Ross in 2016 to make high quality,

formatted factual entertainment with an emphasis on story telling. Gathering some of the best talent in the business both on and off camera, Sidney Street delivers high production values and programmes that always place character at their core.

- *Simon's Cat*: Simon's Cat is a cat that lives with his owner Simon. He made his first appearance online, in a film called *Cat Man Do*, made by animator and illustrator, Simon Tofield. Since then he has appeared in books, games and comic strips.
- *The Comedy Unit*: Based in Glasgow and founded in 1996, the multi award-winning The Comedy Unit consistently delivers scripted programmes, while simultaneously developing new performing and writing talent. It is the largest comedy company in Scotland and annually achieves audience shares in excess of 50% of all viewers in its target market. The Comedy Unit has won at BAFTA Scotland six times, in addition to winning multiple RTS Scotland awards and receiving several Rose D'Or nominations.
- *The Natural Studios*: The Natural Studios is a multi-BAFTA-winning production house for the world's greatest adventure programming. A joint venture with Banijay Group, it is run by co-chief executives officers Bear Grylls and Delbert Shoopman. The Natural Studios shows have been watched by over 2 billion people worldwide, with an aggregated audience of over 120 million for *Running Wild* (US) alone. Most recently, 3.6 billion online impressions were secured when Grylls embarked on an adventure with Prime Minister of India, Narendra Modi.
- *Tiger Aspect Productions*: Tiger Aspect Productions is internationally recognised as one of the UK's most successful and prolific independent television producers. Tiger Aspect Productions' portfolio includes comedy, drama, entertainment and factual/features genres. Tiger Aspect Productions creates a wide range of critically acclaimed and award-winning programming for all the UK's major terrestrial and non-terrestrial broadcasters. Tiger Aspect Productions produces long running hit drame *Good Karma Hospital* and *Hitmen*.
- *Wild Mercury*: Wild Mercury was established in 2016 by Derek Wax to develop and produce bold, irreverent, imaginative stories for UK and US broadcasters, working in creative collaboration with original writers working in drama and comedy. The team at Wild Mercury are drawn to writers with strong authorial voices, and to dramas which take creative risks, bringing exciting, unfamiliar worlds to audiences. Wild Mercury's recent projects include *Troy: Fall of a City* for BBC and Netflix and *Humans* series 3 (in association with Kudos) for Channel 4 and soon drama *The Rig* for Amazon Prime Video.
- *Wonder*: Wonder was formed in 2014 and since then has produced a wide range of factual television across all unscripted genres and for all the major UK terrestrial channels. In 2017, Wonder was named the second fastest-growing independent television production companies after securing a raft of commissions including Billy Connolly: *Tracks Across America*, Tate Britain's *Great Art Walks* and the UK adaptation of the Australian competitive cooking format, *My Kitchen Rules*. Wonder has production offices in London and Birmingham, where it produces the BBC2 series, *Back to the Land* with Kate Humble and the Cbeebies series *Do You Know?* amongst others. In just a short period of time, Wonder has cemented its reputation in the industry for producing quality content across a range of different disciplines that include documentary, children's, daytime, reality, features and specialist factual.

- *Workerbee*: A factual broadcast TV company based in Manchester and Leeds, specialising in gripping and globally reaching stories that fascinate and entertain. Credits include successful adaptation of Spanish format *The Bridge* for HBO.
- *Yellow Bird UK*: Yellow Bird UK was launched in October 2017 and is led by creative director, Berna Levin. It is the UK sister company of Banijay Group's high-end Swedish drama production company, Yellow Bird. Working with established and emerging British writers, Yellow Bird UK is focused primarily on developing and producing premium, English-language drama series for UK broadcasters, streaming and digital platforms. Drawing on an extensive literary heritage (Henning Mankell's *Wallander*, Stieg Larsson's *Millennium Trilogy*), Yellow Bird UK brings high profile book adaptations to the screen, as well as original, authored series. It is currently in production on *Young Wallander* for Netflix.
- *Zeppotron*: Formed in 2000 from a core of the writing and production team behind *The 11 O'Clock Show*, Zeppotron has always had comedy at its heart, and a name that people find difficult to spell. Over the years it went from passing the time by pretending to run a van hire business to winning some actual commissions. Charlie Brooker's cult website *TV Go Home* became a TV series as did the Innovations catalogue parody, *Unnovations*. More commissions soon followed and Zeppotron now finds itself with a portfolio of non-scripted and scripted comedy hits including *Would I Lie to You?* (BBC One), *8 Out of 10 Cats* (C4), *8 Out of 10 Cats Does Countdown* (C4), Channel 4's *Alternative Election Night* (C4), *The Mash Report* (BBC Two), *Frankie Boyle's New World Order* (BBC Two) and *The Rack Pack* (BBC iPlayer original feature film). Along the way it has made *Charlie Brooker's Screenwipe* (BBC Four), *The Law of the Playground* (C4), *Space Cadets* (C4), *Spoons* (C4), *A Touch of Cloth* (Sky 1), *You Have Been Watching* (C4), *John Cooper Clarke presents Clarkie's Christmas Crackers* (BBC Arts) and the first series of *Black Mirror* (C4).

Germany

The Banijay Group is one of the largest independent television content producers in Germany. It generated 8% of its revenues in Germany for the year ended 31 December 2021. The Banijay Group has seven main operating subsidiaries in Germany as of 31 December 2021:

- *Banijay Productions Germany*: Banijay Productions Germany was launched in February 2018. Award-winning industry veteran, Arno Schneppenheim is running the company from its headquarters in Köln. The organisation also incorporates Doc.Banijay, which is specialised in sports documentary making. Credits include: *Temptation Island*, *Battle of the Reality Stars* and *Cream of the Crop*.
- *Banijay Live Artist Brand*: Banijay Live Artist Brand focuses on the strategic promotion of established artists and young talent, the development of live formats, and the creation and production of digital entertainment content. The business builds on years of know-how to develop content with all of Banijay Productions Germany's companies, in addition to operating its own comedy digital distribution channel, MySpaas, which has amassed more than 14.5 million followers.
- *Brainpool*: One of Germany's successful TV production companies in the comedy and entertainment space, Brainpool was founded in 1994. Brainpool works closely with many German comedy talents and has a slate of successful, award-winning productions which have included *TV total*, *Beat the Star*, *Our Star for Oslo*, *Eurovision Song Contest 2011*, *Pastewka*,

Lady Cracker, *Stromberg*, *Dr. Psycho* and *Merry Christmas!*. They are among the longest running and most popular in the country, as well as being successful international formats produced in dozens of countries. Brainpool has a strong digital agenda and is behind MySpaas.de, a digital comedy portal featuring a wealth of new and back catalogue content. It has also delved into feature film production with the crowd-funding big screen version of *Stromberg*. Most recently, Brainpool has been behind *All Against 1*, *Beat the Star/Beat Your Host for Pro7* and *Catch!* for Sat.1.

- *Endemol Shine Germany*: From comedy to quizzes, from documentaries to light entertainment, from reality to show: Endemol Shine Germany is a leading TV production and entertainment company headquartered in Cologne. Endemol Shine Germany was created in May 2015 from the merger of the two producers Endemol Deutschland and Shine Germany.
- *Good Humor*: Based in Cologne, Good Humor is a comedy fiction label headed by Stephan Denzer. The company focuses on producing a wide range of scripted entities from comedy series to sitcoms, and sketch shows for the German market.
- *Good Times*: Good Times was founded in Berlin in 1998 by Sylvia Fahrenkrog-Petersen and has been based in Cologne since 2000. Offering a plethora of genres, the company produces docu-soaps, reports, coaching formats, scripted reality, and fiction for various television stations across Germany, Austria and Switzerland. Since the company's creation over 20 years ago, various successful formats and series have been developed and produced. Producing 600 minutes monthly, Good Times' credits include *Mein Lokal*, *Dein Lokal – Der Profi kommt* (Kabel Eins), *Der Trödeltrupp – Der Late Night Talk* (Sat 1), *Armes Deutschland* (RTL 2), *Unser Kiosk – Trost and Prost im Viertel* (Kabel Eins).
- *MadeFor Films*: Based in Berlin, MadeFor Films launched in February 2020 and is led by producer Nanni Erben along with Gunnar Juncken who serve as Joint chief executive officers. The company is responsible for creating and producing scripted series and films for the local and international market, and they actively pursue opportunities for co-productions within Endemol Shine Germany and with other platforms and partners. MadeFor Films has a number of series in production including *Teacher on Withdrawal*, a new short form web comedy series for ZDFneo, the younger skewing channel for ZDF, a long-running series *Tatort*, which follows investigators Lessing (Christian Ulmen) and Dorn (Nora Tschirner), along with *Frau Jordan Stellt Gleich* for Joyn and *Marie Catches Fire* for ZDF.

F. Iberia

The Banijay Group is the largest independent television content producer in Iberia (Spain and Portugal). It generated 6% of its revenues in Iberia for the year ended 31 December 2021. The Banijay Group has eight main operating subsidiaries in Iberia as of 31 December 2021:

- *Cuarzo Producciones*: Since its founding in 2000, it has transformed into one of the most important independent Spanish production companies, both in terms of the number of broadcasting hours, as well as the production of successful formats on all national networks such as *Temptation Island*. Cuarzo Producciones is creative and experienced in many genres: entertainment, fiction, drama, factual television, talk shows, investigation, docu-reality, current affairs, etc.
- *Diagonal TV*: Diagonal TV is an independent production company which has worked

primarily in fiction since its creation in 1997, producing series and TV movies, as well as feature films. It is the leading producer of historical and period dramas in Spain, with world-travelling hit series' *Isabel and La Catedral del Mar* to its credit. Diagonal TV has also proven its skill with other genres, such as thrillers and dark comedy, producing high-rates such as *Matadero or El Nudo*.

- *DLO/Magnolia*: DLO (Day Light On) was set up in 2011 by José Manuel Lorenzo and joined the Banijay Group in September 2013. In 2017, DLO merged with the Banijay Group's Magnolia, forming DLO/Magnolia. Its standout scripted hits have included critically-acclaimed psychological thriller *La Caza. Monteperdido* (TVE), and comedy movie, *Señor Dame Paciencia* (Atresmedia, Warner Pictures), a box office leader in summer 2017. Most recently, the business has been behind *Dime Quién Soy* (Movistar+), based on one of the most successful Spanish novels of this century.
- *Endemol Portugal*: Endemol Portugal has been producing TV content for more than 25 years. Specialising in reality programming, Endemol Portugal has created, developed and adapted several formats leading to it being one of the most successful and well known producers in the country. Formats like *Big Brother*, *Secret Story*, *Dancing With The Stars*, *Your Face Sounds Familiar*, *Love on Top*, *Rising Star*, *The Brain*, *Operação Triunfo*, *The Farm*, *Let's Dance*, and many other hits, have contributed to Endemol Portugal being recognised by audiences and the industry as the country's key content producer.
- *Gestmusic*: For over 33 years, Gestmusic has been Spain's leading producer of big music shows, entertainment and game shows. Gestmusic has produced over 100 formats in Spain and has created successful international hits such as *Your Face Sounds Familiar*, *Your Big day*, *Martian Chronicles* and *National Parody*.
- *IMA*: A creative agency within the Banijay Group focused on Iberia, IMA works alongside the territory's production labels to enhance the visual identity of both its existing portfolio, and upcoming original IP. The label also creates and produces on-air promotions, working with broadcasters and platforms, to deliver boutique creative solutions and services to clients.
- *Shine Iberia*: Since 2012, the producer Shine Iberia has created television hits in Spain and Portugal, formats like multi award winning *MasterChef*, *MasterChef Junior* and *MasterChef Celebrity* alongside *Sewing Bee*, *The Island*, *Anything Goes*, *Hunted*, *Prodigies*, *MasterChef Portugal*, *D'Improviso*, *The Voice Portugal*, *The Voice Kids*, *Kitchen Nightmares*, *I love Portugal* or *Sabe ou Nao Sabe*.
- *Zeppelin Television*: Zeppelin Television is a company dedicated to the creation and production of entertainment programmes and fiction series in Spain, developing content since 1992. It is responsible for the introduction of reality programming in Spain with major brands such as *Big Brother*, *Big Brother VIP* and *Big Brother Dúo* (for Telecinco) or *FAMA a bailar* (Movistar+). In addition, thanks to its constant commitment to innovation, Zeppelin Television is also the creator of programmes such as *The Bridge* (Movistar+).

G. *Australia and New Zealand*

The Banijay Group is the largest independent television content producer in Australia and New Zealand. It generated 7% of its revenues in Australia and New Zealand for the year ended 31 December 2021. It has three main operating subsidiaries in Australia and New Zealand as of 31 December 2021:

- Endemol Shine Australia: Based in Sydney, Endemol Shine Australia's team comprises proven leaders in television and digital production. Endemol Shine Australia's slate represents popular programming on Australian free-to-air networks and pay TV channels – shows such as MasterChef, Australian Survivor, LEGO Masters, Australian Ninja Warrior, Married at First Sight, Gogglebox Australia and Ambulance Australia.
- Screentime Australia: Screentime Australia, a Banijay Group company, is a specialist television production company with a long list of productions. Its award-winning dramas include six series of Underbelly, the mini series' Janet King, Fat Tony & Co and ANZAC Girls. Screentime Australia has produced the first original drama for Netflix in Australia, Pine Gap.
- Screentime New Zealand: Screentime New Zealand is headed up by chief executive officer Philly de Lacey and includes talented directors, writers, producers, editors, graphic designers, animators, set designers, wardrobe and make-up artists, visual and special effects experts, location managers and casting directors. Screentime New Zealand's slate of productions includes The Gulf, Wife Swap New Zealand, Police Ten 7, First Responders, Eat Well for Less New Zealand and Cold Case.

H. *Benelux*

The Banijay Group is the largest independent television content producer in the Netherlands and a key player in Belgium and Luxembourg (Belgium, the Netherlands and Luxembourg together the "**Benelux**"). It generated 5% of its revenues in the Benelux for the year ended 31 December 2021. The Banijay Group has seven main operating subsidiaries in the Benelux as of 31 December 2021:

- *Banijay Belgium*: Over 25 years, Banijay Belgium has produced high-quality television programmes in nearly every genre: documentary, factual, reality, entertainment, drama, comedy, branded content and feature films. Many of its productions have been instant classics in Belgium: *Temptation Island*, *Familie*, *Survivor*, *The Block*, *My Restaurant Rules*, *De Buurtpolitie* and *GR5*.
- *Endemol Shine Nederland*: Endemol Shine Netherlands develops content for every platform, in every genre and for everyone. Endemol Shine Netherlands is behind some of the most famous shows worldwide, including *Big Brother*, *Fear Factor* and *Deal or No Deal*.
- *NL Film & TV*: Since its foundation, NL Film & TV has built up an oeuvre of short and feature-length films, youth drama and television series. Its television drama portfolio ranges from (public broadcaster) NPO series *Penzoza*, *SpangaS*, *The Body Collector* and *Floor Rules* to drama series *Black Tulip*, *Bluff* and *Aaf* for the commercial broadcasters. NL Film & TV also produces content for YouTube, such as web series *Meet the Stockers*. Thanks to a diverse range of feature films, including *The Resistance Banker*, *Tonio*, *Men In the City 1&2*, *Love over Distance* and *Penzoza: The Final Chapter*, NL Film & TV is one of the most active, contemporary Dutch film producers.
- *SimpelZodiak*: SimpelZodiak is a Dutch production company formed by the merge of Simpel Media and Zodiak Netherlands. SimpelZodiak focuses on the development and production of content-driven factual entertainment, reality adventure and true crime shows. The business has a passion for storytelling; developing and producing high-quality content in a cost-effective manner, for both linear television broadcasters, streamers and online platforms. The award-winning programme makers' credits include *Expeditie Robinson (Survivor)*, *Hunted*,

Temptation Island VIPS, Nation's Brightest, Your Home Made Perfect, and Ik Vertrek.

- *Southfields*: Southfields, founded in 2002, stands as the largest sports production company in the Netherlands. From football, cycling and Formula 1, to hockey, volleyball and basketball, Southfields delivers coverage, registrations, talk shows and documentaries across a wide-spanning client base. Productions include football and Formula 1 broadcasts for Ziggo Sport, Dutch Eredivisie match registrations and programmes, the Pure Energie Eredivisie Women and Keuken Kampioen Divisie for ESPN, PSV TV, Ajax TV, the Bellator mixed martial arts programmes for Spike TV and Orange Summer for Talpa. Southfields produces 15-20 special and award-winning sports documentaries annually, including *No Guts No Glory FC Utrecht 50 Years* for Videoland, *Wout van Aert inside Team Jumbo-Visma* for VTM and *Young Orange Opens the Doors* for Insight TV and ESPN.
- *Totem Media*: Totem Media is a joint venture between multiple Emmy-award winning production company, NL Film & TV and commercial producers, Fonk Film. NL Film & TV bring both a wealth of experience, and a huge network to the table, whilst Fonk Film provides their pool of young talent, fresh ideas, and original perspectives. Together they form a production house with a focus on television formats, documentaries and branded content.
- *TVBV*: TVBV was founded by Jeroen Pauw and Peter Adrichem. Since the start, in 2000, it has been making programmes for public broadcasters and commercial channels, focusing on the genres of current affairs, human interest and infotainment. Well-known TVBV titles include *5 Years Later, Pauw, Feyenoord op 1, Rik over de Grens* and *New Year's Eve under Fire*. Talent plays an important role at TVBV. It actively invests in collaboration with presenters and programme makers who fit the profile of TVBV. TVBV produces formats for, among others, Jeroen Pauw, Rutger Castricum and Rik van de Westelaken.

I. *India*

The Banijay Group is a large independent television content producer in India. It generated 3% of its revenues in India for the year ended 31 December 2021. The Banijay Group has two main operating subsidiaries in India as of 31 December 2021:

- *Banijay Asia*: Banijay Asia creates content for television, films and OTT platforms, and has expertise across many genres, including entertainment, factual, scripted and reality. Launched in early 2018 as a joint venture between Banijay and Deepak Dhar, Banijay Asia aims to expand the Banijay Group's presence in India and South East Asia. Chief executive officer and founder Deepak Dhar leads the new business, content strategies, partnerships and alliances across the region starting with India. Within a short span, the company has built a strong slate which includes *ARRived* (the first YouTube India web series), *DIVIDED*, *Dating in the Dark*, *Fashion Superstar* and *Hostages*, to name a few. Most recently, the company produced *Into the Wild* with fellow Banijay Group company, The Natural Studios and drama adaptation of *Call my Agent*. Banijay Asia is currently producing across all regions of India.
- *Endemol Shine India*: Endemol Shine India was formed in 2015 and is based in Mumbai. Endemol Shine India's team comprises some of the leaders in television and digital production. Endemol Shine India's slate represents exciting and popular programming on TV channels – shows such as *MasterChef*, *Bigg Boss*, *Khatron KE Khiladi*, with many other projects in development.

J. *Israel*

The Banijay Group is a large independent television content producer in Israel. It generated 1% of its revenues in Israel for the year ended 31 December 2021. The Banijay Group has one main operating subsidiary in Israel as of 31 December 2021:

- *Endemol Shine Israel*: Twice International Emmy Award-winner, Endemol Shine Israel is one of the country's premier TV production companies, telling compelling stories for the local and international market. Endemol Shine Israel creates and produces critically-acclaimed, popular series in all genres. In 2020, this included *Valley of Tears*, one of the biggest and most successful dramas to come from Israel, which launched on IPBC and sold to HBO Max. Other key shows include *Queens*, which is in development in the US with Gal Gadot's production company Pilot Wave and Endemol Shine North America; and *Fifty*, which received an International Emmy nomination for Best Comedy in 2020. Endemol Shine Israel prides itself on attracting the industry's top talent and serves as a bridge between Israel's TV industry and the rest of the world. High-profile names working with the company include Nir Bergman (*Just for Today*), Ron Leshem and Amit Cohen (*Valley of Tears*), Yael Hedaya (*Fifty*), Eran Kolirin, Etgar Keret (future projects in development) and more. Endemol Shine Israel is behind various non-scripted productions including Israel's greatest hit reality show *Big Brother*, which has been airing annually since 2008, *Game of Chefs*, *Stripped* and more.

K. *Poland*

The Banijay Group is a large independent television content producer in Poland. It generated 1% of its revenues in Poland for the year ended 31 December 2021. The Banijay Group has one main operating subsidiary in Poland as of 31 December 2021:

- *Endemol Shine Poland*: Endemol Shine Poland is one of the most prominent TV production companies in the Polish market operating since 1997. In over 20 years of experience, it has produced thousands of hours of TV content both on local and international commissions. Apart from creation and production service, Endemol Shine Poland is also known for developing innovative technology and software for productions.

L. *Russia*

The Banijay Group is an independent television content producer in Russia. It generated 1% of its revenues in Russia for the year ended 31 December 2021. The Banijay Group has two main operating subsidiaries in Russia as of 31 December 2021:

- *Mastiff Russia*: Mastiff Russia was launched in 2010 with an objective to enhance Zodiak's, now part of the Banijay Group, presence in the Russian market across entertainment, reality and comedy. Focused on creating brand new formats, as well as producing hit shows from the Banijay catalogue, for the Russian market. Moscow-based Mastiff Russia works closely with the top creative talent in the industry and is led by managing director, Anton Goreslavsky (*Wipeout*, *Survivor*, *Russia's Got Talent*). The business' key productions include *Survivor*, *Just the Kitchen*, *Extra Mile* and *Paradise Hotel*.
- *WeiT Media*: Founded in 2009 by the famous Russian producer Timur Weinstein, WeiT Media is a developing production company in Russia. In autumn of 2010, WeiT Media gained the status of being the first ever Russian production company to produce projects for Central and Eastern Europe markets.

g. The Banijay Group's Competition

The Banijay Group's businesses operate in highly competitive industries and different competitive factors apply in each segment of its operations.

A. Production

The television programme production market is fragmented both in Europe and in the United States.

Recent acquisitions of independent producers by large media companies seeking vertical integration or by larger independent production groups illustrate the strategic importance of geographical presence and access to content. Acquisitions enable market players to increase their content library and distribution capabilities and expand to different countries and distribution channels. Ongoing market consolidation has led to the creation of a few large international television production and distribution groups, including the Banijay Group's biggest competitors, Lionsgate, Fremantle, Red Arrow Studios, All3Media, BBC Studios, ITV Studios and Mediawan, each of which provide their local production companies with exclusive access to their catalogues.

The Banijay Group's competitive position is greatly affected by the quality of, and public response to, its content. It also competes with other production companies and studios for the services of creative talents, producers, directors, writers, actors and others and for the acquisition of intellectual property.

B. Distribution

The Banijay Group also faces competition for the licensing and distribution of its formats and programmes. As a distributor of programmes, the Banijay Group competes with other studios, television production groups and independent producers.

New opportunities in the production and distribution business have emerged due to the growing demand for new programmes. Audience fragmentation has increased due to digital platforms, both global, such as Netflix, Amazon Prime Video, Disney+, Discovery+ or HBO Max, and regional and local, such as Viaplay in the Nordics, Britbox in the United Kingdom and Hulu or Peacock in the United States. The portfolio of potential customers is increasing as are the opportunities for production and distribution and for secondary rights revenue generation. Besides competition with similar content as the content the Banijay Group produces and distributes, it also competes with other forms of entertainment and leisure, including other television networks, premium pay-television services, local over-the-air television stations, OTT services, motion pictures, home entertainment products and services, video games, print media, live events, radio broadcasts and other forms of news, information and entertainment, as well as pirated content.

h. Marketing and Sales

Each of the Banijay Group's production companies develops its marketing and sales strategies independently to address the local needs of broadcasters. The Banijay Group's central content team, the "Creative Network", focuses on increasing the international appeal of the Banijay Group's formats and programmes and how to market programmes in other countries in order to export successful formats into new markets. Local production teams work in close relationships with the Banijay Group's central content team to provide all the marketing material needed (for example, sales video trailers or presentations) to promote the show internationally. The Banijay Group's distribution business promotes its formats and programmes in various international and regional markets at events such as MIPCOM, MIPTV, NATPE, RealScreen and DISCOP, London Screenings, C21 Content

London and Series Mania.

i. The Banijay Group's Customers

The Banijay Group works with a broad network of customers and partners, including broadcasters, television channels, producers and digital platforms active in the markets in which it operates as well as with licensees and retailers of consumer products from around the world. The Banijay Group sold its content to approximately 595 licensees worldwide in 2021

The Banijay Group's main customers for its production business include broadcasters, such as France Télévisions, TF1 Group, ITV, the BBC, Channel 4 Television, FOX, CBS, Bravo, Antena 3, TVE, Channel 5, RTL Group, TV2 Denmark, NENT, DR Denmark, TV4 Sweden, SKY, Mediaset, Rai Uno, Canal Plus Group, ABC Network, NBC, Discovery and MTV, and also global OTT players, such as Netflix, Amazon Prime Video, Discovery+, Disney+, Paramount+, Peacock and HBO Max. For the year ended 31 December 2021, the top ten broadcasters of the Banijay Group's production business accounted for 42% of the production revenues of this business and no single broadcaster accounted for more than 8% of the production revenues of this business. The Banijay Group's main customers for its distribution business include Netflix, Foxtel, Discovery, the BBC and Amazon Prime Video. For the year ended 31 December 2021, the top ten customers of the Banijay Group's distribution business accounted for 33% of the gross revenues of this business and no single customer generated more than 6%.

j. Employees

The following table sets forth the full time employees of permanent staff in the Banijay Group by region:

Region	On 31 December 2021	On 31 December 2020	On 31 December 2019
United Kingdom	442	493	120
Nordic countries (Denmark, Finland, Norway and Sweden)	393	381	269
United States	237	247	69
France	311	268	134
Benelux	308	332	100
Spain	252	312	48
Germany	270	501	187
Italy	174	176	134
Australia and New Zealand	104	117	10
Other Markets	300	298	158
Total	2,791	3,125	1,229

The Banijay Group also uses the services of a significant number of freelance production artists and technicians. This number varies from time to time depending, in part, on the level of television production activity in which the Banijay Group is engaged. In 2021, the Banijay Group had, on average, 2,938 temporary employees, amounting to 51% of its employees.

In connection with the acquisition of production companies in various jurisdictions, the Banijay

Group has entered into, and continues to enter into, earn-out or put option agreements with certain managers and creative talents of these companies in order to incentivise them to continue to work with the Banijay Group following the relevant acquisition. See "9.5(d.) Key Factors Affecting the FL Entertainment Group's Business and Results of Operations". In addition, the Banijay Group's management has implemented a long-term incentive plan to ensure the commitment of local management teams by rewarding key personnel based on their respective contribution to the value creation of their entity and that of the Banijay Group.

In France, Italy, Denmark and Sweden employees (including writers, producers and technical and production personnel, as well as some of its on-air and creative talents) are subject to the industry-wide collective bargaining agreements. There are no company-wide collective bargaining agreements.

In the United States, all these agreements have expired. The Banijay Group signs agreements on a case-by-case basis for specific shows. The Banijay Group is not obligated to produce under these agreements, as it is at its discretion. Within Endemol Shine Boomdog, the Banijay Group has have two open-ended company-wide bargaining agreements which concern 80 FTEs (i.e 2.9% of the Banijay Group's full-time or part-time employees). In the other countries, only legislation applies.

In the years ended 31 December 2020 and 2021, there were no active strikes or work stoppages, and the Banijay Group believes that its relations with its union and non-union employees are good.

The Banijay Group contributes to pension plans and other post-employment benefits as required by local law or on a non-mandatory basis.

k. Intellectual Property

The Banijay Group's intellectual property assets principally include copyrights in its formats and programmes, filmed entertainment and other content; trademarks and service marks in brand names; trade names and logos and domain names, as well as licenses to use other intellectual property rights and licenses of its intellectual property to others.

The Banijay Group's proprietary content constitutes a significant part of the Banijay Group's value, and the protection of its brands and content is important. To protect its intellectual property rights, the Banijay Group relies upon a combination of copyright, trademark, unfair competition, trade secret and domain name laws, as well as nondisclosure agreements. Approximately 52% and 53% of the Banijay Group's production revenue for the years ended 31 December 2021 and 2020, respectively, come from its owned intellectual property (this includes the impact of the Banijay-Zodiak Merger and the acquisition of the Endemol Shine Group for the full period).

The Banijay Group seeks to limit challenges to its intellectual property rights, especially with respect to rights to its formats which are more difficult to protect and which may lead to significant legal fees if a dispute becomes transnational. The Banijay Group monitors trademark registrations and relevant third-party productions to ensure that there is no copyright infringement of its proprietary content. By involving the Banijay Group's legal team in all material intellectual property litigation across the Banijay Group, it is able to ensure consistency in its claims and defenses.

l. Information Technology

The Banijay Group's business depends on the successful operation of information systems and other standard technology. It has two creative platforms in place; Blink and Core. Blink is the Banijay Group's internal content platform that has information and links to assets on its library of formats

(wholly owned and third-party acquired formats), news on the Banijay Group and gives access to some internal documents such as trends presentations, policies and internal Comms on events held by the Banijay Group. Core is the online platform for tracking development, production and on-air activity. Next to these creative platforms the Banijay Group uses a platform called MetaCompliance for group training (for example on cyber security and compliance training) and policy management.

m. Property

In general, in order to limit its fixed costs, the Banijay Group prefers to lease properties and production facilities that it uses for its production business. However, in Spain, the Endemol Shine Group owns four properties, two that it uses as office space, one that it uses for parking and one that it uses as a recording studio. Further, Endemol Shine Italy owns an apartment and ITV Italy owns a warehouse for sets/props. In certain countries, such as the United States and Germany, the Banijay Group's subsidiaries own production equipment and lease it to other entities either within the Banijay Group or third parties.

n. Quality Management

The Banijay Group maintains a stringent quality assurance programme to ensure the quality of its formats and programmes. To this end, the Banijay Group conducts regular training of its employees and it performs regular audits at each of its subsidiaries, employing several professionals active in auditing and improving the quality assurance of its operations.

o. Insurance

The Banijay Group has property, directors' and officers', key man, workers' compensation, crime and fraud, business travel and other specific production insurance coverage in place to the extent that it is legally required and that it believes to be appropriate for operating its business. The Banijay Group cannot guarantee, however, that it will not incur losses beyond the limits or outside the coverage of its insurance policies. In addition, longer interruptions of business at one or more of its studios can, even if insured, result in the loss of sales, profit, customers and market share.

p. Environment, Health and Safety and ESG efforts

The Banijay Group seeks to achieve and maintain compliance with all applicable environmental, health and safety laws and regulations, and believes that it is currently in compliance with all such applicable laws and regulations.

The Banijay Group also believes in providing a safe environment for everyone, and is committed to ensuring it has a truly representative and inclusive workforce that thrives on diverse perspectives. It believes in offering a respectful and inclusive setting for its talent in front of, and behind the camera. The Banijay Group has set up a Global Diversity & Inclusion Board, which focuses on driving change and impact across the industry and making the Banijay Group an accessible employer of choice. Aligned with these goals, the Banijay Group has launched various Employee Resource Groups, such as Banijay Embrace, Banijay Pride, Banijay Elle, Banijay Green and Banijay Disability. Furthermore, it has set up (i) the Baniday, a day each year on which all employees of the Banijay Group put down their professional tools for a day to help local charities and non-profit organisations, (ii) Banijay Education, Banijay Lab and Banijay Academy, aimed at learning and development training and schemes to attract and retain the leaders of tomorrow and (iii) Banijay Well, aimed at ensuring that the Banijay Group provides a positive physical and mental health environment to enable its people to thrive. In addition, the planet is very important to the Banijay Group and as such, it is

taking various steps to reduce its carbon footprint and its overall impact on the environment. The Banijay Group believes in striving towards a carbon-neutral production and has implemented numerous initiatives to achieve this goal, such as activating a global water bottle ban in 2018, implementing cycle programmes in the Nordics, Germany and the UK, promoting printer reduction and waste reduction across offices, running plastic-free offices across the majority of its footprint and enlisting renewable energy providers across most of its offices. In addition, environmental change is promoted across many of its shows, such as Thin Ice, Surviving the Wilderness, Shop Well for the Planet, My Recycled Home, Weekend with the Green Family and Grow, Harvest, Eat.

q. Material Contracts

In addition to the agreements described in "9.5(j.) *Liquidity and Capital Resources*", the Banijay Group has entered into the following material contracts in the two years immediately prior to the date of this Circular that are not in the ordinary course of business and into the following agreements that are not in the ordinary course of business and contain provisions under which it has an obligation or entitlement that is material to the Banijay Group as of the date of this Circular.

A. Employee benefits Long-Term Incentive Plans

Around 200 employees of Banijay Group benefit from long-term incentive plans which are implemented among almost all companies of the Banijay Group, whose goal is to share the created value by the Banijay Group or one of its subsidiaries. For the majority of the employees, these long-term incentive plans are a cash bonus and do not grant any share capital instruments. For certain key managers, beneficiaries are entitled to free shares, the number of which being calculated based on a formula depending on the performance of the company in which they operate over 10 years or share purchase warrants. 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 addition, the Banijay Group has issued 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.

On 5 March 2021 Banijay granted and issued share purchase warrants to the Italian holding company owned by Banijay's Chief Executive Officer, Mr. Marco Bassetti, to be exercised over five instalments until 31 December 2025. Each share purchase warrant entitles its holder to subscribe one share in the capital of Banijay. The acquisition issuance price of a share purchase warrant and its exercise price have been determined in accordance with a valuation report issued by an independent appraiser.

The expense for the 2021 period related to the long-term incentive plans amounts to €63 million, including €5 million related to equity-settled plans.

The Banijay Group has recorded liabilities connected to long-term incentive plans of €114 million, €83 million and €85 million in 2021, 2020 and 2019. The Banijay Group recorded total expenses connected to long-term incentive plans of €63 million, €27 million and €31 million in 2021, 2020 and 2019, respectively. The variation is mainly explained by the issuance of new long-term incentive plans.

B. Shareholders agreements Banijay Group

A shareholders agreement in relation to Banijay Group SAS was entered into between minority shareholders (which are key managers) and Banijay on 22 June 2017 (as amended from time to time), pursuant to which such minority shareholders benefit from customary put and call options provisions,

which will remain into force upon completion of the Business Combination.

In addition, at the First Trading Date, the articles of association of Lov Banijay and Betclic will have been amended to reflect the post-Lov Reorganisation situation.

C. *Share Purchase Agreement Endemol Shine*

On 25 October 2019, Banijay Group SAS as purchaser and AP NMT Coöperatief U.A. and 21CF Empire Holdco Coöperatief U.A. as sellers entered into agreement for the sale and purchase of the entire share capital of AP NMT JV Newco B.V., which operates the Endemol Shine business.

r. **Regulations**

The main specific regulation applicable to the Banijay Group's business in Europe is Directive 2010/13/EU (as amended by Directive 2018/1808/EU, the "**Audiovisual Media Services Directive**"), which requires that a certain portion of the programmes broadcasters air (excluding sports, news, events, games, advertising, teletext services and teleshopping) are created in Europe and that at least 10% of their broadcasting time or 10% of their programming budget are for programmes created in Europe by independent producers. Based on the definition of independent producer in each Member State, the Banijay Group is independent with respect to all major broadcasters worldwide except for Canal Plus in France. There are no similar regulations in the countries outside Europe in which the Banijay Group operates. Directive 2018/1808/EU extended the scope of the Audiovisual Media Services Directive with specific measures for video sharing platforms and social networks, as well as livestreaming platforms. The Audiovisual Media Services Directive also requires that 30% of the catalogues of audiovisual on demand media services are created in Europe and the application of Member States' rules to financial contributions from broadcasters and OTT platforms. Member States had until 19 September 2020 to implement Directive 2018/1808/EU.

- The UK government transposed the Audiovisual Media Services Directive with the Audiovisual Media Services Regulations 2020 (SI 2020/1062), which was signed into law on 30 September 2020. The UK government said that a number of requirements in the Audiovisual Media Services Directive were already in place in the United Kingdom. However, the measure introduced some new requirements. One of these was to align rules for on-demand programme services with those for linear TV. Another was to introduce rules for video-sharing platforms to take appropriate measures to protect users from specified harmful content.

In France, the Audiovisual Media Services Directive was transposed into law via an ordinance 2020-1642 of 21 December 2020 and especially an implementing decree 2021-793 of 22 June 2021. This decree sets out the rules applicable to VOD services in terms of (i) contribution to the development of audiovisual production and (ii) promotion of European and original French-language audiovisual works, subject to the provisions set out in the agreements concluded between certain VOD services and the French regulatory authority.

The transposition of the Audiovisual Media Services Directive in other countries (such as Spain, Italy, or Portugal) also imposes quotas upon the streamers with the obligation to secure a minimum of European projects and such obligation to be fulfilled in majority from independent producers. As of the date of this Circular, no transposition has taken place yet in certain jurisdictions, such as Spain, which is one of the jurisdictions where the Banijay Group is active.

In addition to transposing the Audiovisual Media Services Directive, certain Member States such as the United Kingdom and France impose additional requirements on broadcasters in relation to the broadcasting of certain types of programmes produced by independent producers.

- In the United Kingdom, a new regulation introduced under the Communications Act 2003 sets out two key provisions to develop independent production of television content. Public service broadcasters in the United Kingdom have to secure a minimum of 25% of their qualifying programming in each year for independent producers in order to receive a license to broadcast from the competent authority of the United Kingdom, the Office of Communications, the government-approved regulatory and competition authority for the broadcasting and telecommunications industries of the United Kingdom. In addition, certain broadcasters in the United Kingdom can only produce in-house content within a limited framework or, in some instances, not at all. For example, C4 is not permitted to produce any of its programmes in-house.
- In France, broadcasters are subject to (i) quotas of production whereby broadcasters must contribute to specific independent audiovisual works, with a certain percentage of the broadcasters' revenues to be invested in such specific independent audiovisual works, and (ii) quotas of programmes aired whereby broadcasters must air specific independent audiovisual works. These quotas vary from one broadcaster to another. The quotas for each broadcaster are negotiated with professional unions of independent producers. They are included in each broadcaster's license agreement with governmental authority Acrom (formerly *Conseil supérieur de l'audiovisuel* or the CSA).

The other specific regulations applicable to the Banijay Group's business are employment-related regulations, including regulations governing unions and guilds that can materially impact the production cost of programmes and the secondary revenues generated by such programmes (for example, minimum wages, limitations on number of working days/hours and payment of residuals). Specific regulations may also apply to certain productions (for example, children or animals participating in programmes, health and safety rules, product placement rules and rules governing the use of monuments or art).

7.3 Online sports betting and gaming business

a. Overview

The Betclik Everest Group believes it is the fastest growing online sports gaming platform in Europe in terms of Gross Gaming Revenue growth over the year ended 31 December 2020 to the year ended 31 December 2021, compared to its main competitors. Based on the publications of main listed competitors on their Gross Gaming Revenue for the year ended 31 December 2021, the FL Entertainment Group concludes that it is the fastest growing online sports gaming platform in terms of Gross Gaming Revenue. The FL Entertainment Group operates its business associated with online sports betting and gaming through Betclik, in which FL Entertainment holds 94.6% of its capital as from the First Trading Date. The remaining 5.4% of the shares in Betclik's capital is held by Nicolas Béraud. In addition, Betclik has a controlling interest of 53.9% in Bet-at-home.com AG, a company listed on the Frankfurt Stock Exchange that operates independently. For the avoidance of doubt, "Betclik Everest Group" contains of Betclik and its subsidiaries, including Bet-at-home. There is no agreement in place between Betclik and Bet-at-home. Revenues of Bet-at-home represent 12% of the revenues of the Betclik Everest Group over the year ended 31 December 2021. The Betclik Group's

revenues represent 88% of the revenues of the Betclac Everest Group over the year ended 31 December 2021. As a result of consolidation, financial information and results of the Betclac Everest Group include those of Bet-at-home. Otherwise, in this business section information predominantly relates to the Betclac Group, except where expressly indicated otherwise.

The Betclac Group is a sports betting group that aims to enrich the sports experience for its users, while also offering poker and casino games. The Betclac Group aims to offer the most entertaining gambling experience on the market thanks to its easy-to-use, interactive and innovative interface. It offers online sports betting, online casino, online poker and online horse racing betting.

In the online sports betting segment, customers can find betting offers on more than 55 sports, covering sports competitions globally. For example, the Betclac Group covers 48 different football competitions. Over the year ended 31 December 2021, the Betclac Group offered 380,000 betting events and offered 3,500 different types of betting opportunities. The Betclac Group offers various types of bets, including live bets, pre-match bets and multiple bets, and offer cash-out options. The Betclac Group has been continuously expanding the wide range of bets in the rapidly growing product segment. In addition, to the sports betting, the Betclac Group offers its players casino games such as blackjack, roulette, slot machines, bet on horse races and poker cash games and tournaments.

The Betclac Group focuses its development on regulated markets, i.e. those where a national license is required to operate an online gaming or gambling platform. The Betclac Group estimates that 99.7% of its revenue in 2022 will be generated on regulated markets under national licence. The Betclac Everest Group estimates that 97% of its revenue in 2022 will be generated on regulated markets under national licence. Its offering can be accessed through its websites or through its mobile apps. The Betclac Group offers a simple and intuitive betting interface; it is possible to place bets in only five clicks. Its extensive offer is enhanced by entertaining features, such as live streaming of games in its apps, live game statistics and information on historical performances of the teams. The Betclac Group also offers its players challenges with free bets and leader board tournaments.

In its online sports betting, the Betclac Everest Group generates revenue by betting against its players. Its turnover consists of the bets made by the players and its gross gaming revenue consists of the bets made minus the gains paid to the players. In its online casino, the principle is to provide players with online games of chance, the draws of which are based on an audited random number generator, which is configured to offer a return rate to the player of between 80% and 98%. In online poker, the Betclac Everest Group generates revenue by charging a commission (rake) on the players' bets or collects an entry fee in case of a poker tournament. Finally, in online horse racing, only operated by the Betclac Group within the Betclac Everest Group, it generates a revenue by the commission charged on the bets.

b. History

Betclac was established in London in 2005 by Nicolas Béraud. The Betclac Everest Group (named Mangas Gaming at that time) was founded by Lov Group and established on 12 December 2007. In May 2009 SBM International acquired 50% of the capital of Mangas Gaming. The Betclac Everest Group was formed by successive acquisitions, firstly the acquisition of 100% of the Betclac brand in May 2008 (by Lov Group), 100% of the Expekt Group in July 2009 and 100% of the Betclac Everest brand in April 2010. The Betclac Everest Group acquired 50% of Bet-at-home in May 2009. The Betclac Everest Group now owns 53.9% of Bet-at-home. Furthermore, Triple Fun was contributed to Betclac Everest Group on 30 September 2018.

The various acquisitions made by the Betclac Everest Group between 2008 and 2010 enabled it to acquire and consolidate a portfolio of diversified brands, which are present in markets spread throughout Europe, and enable it to offer players all the flagship products of online games, sports betting, casino, poker and horse racing.

As of 2017, the Betclac Everest Group changed its focus to markets on which it had or could obtain a leading market position. As a result, Betclac stopped operating its brands Everest Poker and Everest Casino, and sold its Expekt brand. Between years ended 31 December 2017 and 2021, Betclac has exited 20 countries it operated in. As a consequence, the Betclac Everest Group operates currently 2 brands, Betclac and bet-at-home.

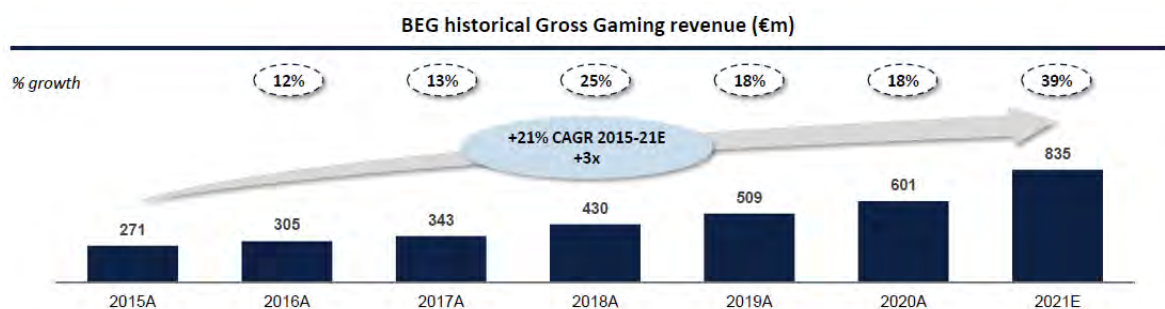
Betclac has two main offices, one in France (Bordeaux) and one in Malta (Sliema) with some smaller offices across Europe, in particular in Portugal and Italy. Bet-at-home has two main offices, one in Austria (Linz) and one in Malta.

c. Key Strengths

A. The Betclac Everest Group operates the fastest growing sports betting platform in Europe

The Betclac Everest Group believes it operates one of the market-leading online sports betting platforms in Europe, that covers all major sports and events. Its key offering consists of online sports betting, casino, poker and horseracing products. 80% of the Gross Gaming Revenue of the Betclac Everest Group for the year ended 31 December 2021 was generated through online sports betting, while 13% was generated through casino products, 7% was generated through poker products and 1% was generated through betting on horseracing. The Betclac Everest Group intends to reach over 1 million active users on a monthly basis for the year ending 31 December 2022, making it to be one of the leading betting companies in its core geographical markets, France, Portugal, Italy and Poland. Additionally, there is further upside to expand the offering in Betclac Everest Group's developing markets, as the Betclac Everest Group believes it is placed in the top ten players in the sports betting market in Germany and in the top five players in the sports betting market in Austria. The Betclac Everest Group is managed by a founder-led management team and its operations are supported by a data-driven technology platform, which enables it to provide the best user experience to its players. The Betclac Everest Group also advocates responsible gaming, through a proactive detection strategy and proactive support of players detected.

In addition to being one of the leading online sports betting platforms in its core geographical markets, the Betclac Everest Group is the fastest growing online sport betting platform in Europe in terms of Gross Gaming Revenue over the year ended 31 December 2015 to the year ended 31 December 2021, reflected in the below graph.



The table below shows the distribution in the revenue of the Betclac Everest Group for the periods indicated in terms of geography.

	Year ended 31 December		
	2021	2020	2019
		(in € millions)	
Europe	737.6	527.6	446.4
Rest of the World.....	3.5	5.0	5.0
Total Revenue	741.1	532.6	451.4

Over the year ended 31 December 2021, the Betcltic Everest Group realised a revenue growth of 39%, thereby outperforming all other players in the European online sports betting and gaming industry, such as *FDJ*, with a 18% revenue growth, *Flutter*, with a 15% revenue growth, *888 Holdings*, with a 14% revenue growth, and *Kindred*, with a 11% revenue growth (sources: FL Entertainment Data).

B. The Betcltic Everest Group has a unique understanding of the regulated markets it operates in and benefits from structural changes in consumer habits

Sports betting has become a mainstream form of entertainment and, as a result, the global online gambling market is expected to grow at a CAGR of 11% from €55 billion in the year ended 31 December 2020 to €115 billion in the year ending 31 December 2027 (source: Grand View Research). This growth is supported by the following key trends in consumer habits: (i) a strong growth in sport entertainment, due to growing sport events audiences and the development of fan communities; (ii) the democratisation of sports betting, especially amongst younger audiences; and (iii) increasing digitisation and mobile phone habits.

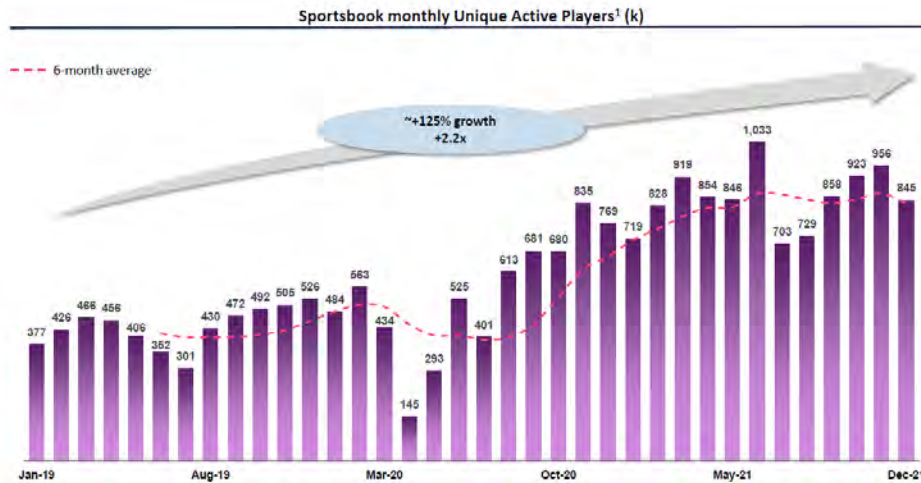
The Betcltic Everest Group primarily operates in regulated markets, as 97% of its Gross Gaming Revenue for the year ending 31 December 2022 is estimated to be generated in regulated markets that provide regulatory stability and a clearly-defined playing field with high barriers to entry. The solid and mature regulatory environments are also expected to support the growth of the global online gambling market. The most important geographic markets in which the Betcltic Everest Group operates include France, Portugal, Poland, Italy and Germany. France has one of the strictest online sports betting regulatory environments in Europe, as online sports betting has been regulated since 2010 and a new regulatory body and tax regime has been introduced in 2020. Portugal broke the state monopoly and thereby opened up the online gambling market in 2015, in addition, it has introduced a new tax regime in March 2020. As the regulation in Portugal is particularly restrictive regarding the delivery process for new licenses, the barriers to entry the Portuguese online sports betting market are high. In Poland, online gambling has been regulated since 2011, which includes a state monopoly on online casino and restrictive regulation on the delivery of licenses and taxation. In 2017, there was a major overhaul in the law relating to online sports betting, which introduced restrictions to the access of websites of unlicensed online gaming operators. The Italian regulator has imposed a ban on advertising. The German regulatory environment is in force since 1 July 2021 and includes restrictive sports betting regulation, including limits for players and a toleration period for certain online casino products, such as slot machines. In addition, the German online sports betting regulator delivers temporary licenses for sportsbook.

C. The Betcltic Everest Group's proprietary platform is focused on product and user experience excellence

Betcltic's tech platform provides a fast, fluid and stable user experience across both iOS and Android operating systems, and as of January 2022, is highly ranked in the Apple App Store in for example France (4.7/5 rating), Portugal (4.7/5 rating) and Poland (4.8/5 rating) (source: Similarweb). The regular product rollouts of the Betcltic Group continuously set new market standards and open

development opportunities on other markets. Examples of such product rollouts are *freebets*, in-app Customer Relationship Management tools and improved customer support. Bet-at-home currently has its own tech platform and its own product and user experience, independent from Betclie's one.

The increasing number of Unique Active Players ("UAPs"), which are players that bet at least once over a period of time, illustrated by the below graph, fuels the continuous growth of the Betclie Everest Group. The increase in UAPs has been the driver for the growth in Gross Gaming Revenue over the historical period.



D. *Betclie Everest Group's strong growth is driven by a growing number of players and its high cash generation is derived from its asset-light business model*

The strong top-line growth of the Betclie Everest Group has continued to accelerate in the year ended 31 December 2021. The Betclie Everest Group has a track record of double-digit organic growth since 2018 and experienced an acceleration of organic growth since 2019, despite the COVID-19 crisis. In 2021, it has seen strong revenue growth of over 39%, with a strong recovery from the COVID-19 crisis. For the year ended 31 December 2019 to the year ended 31 December 2021, the Betclie Everest Group has increased its cash flow generation, with high double-digit growth of its EBITDA, illustrated by a CAGR of 43% between the year ended 31 December 2019 and the year ended 31 December 2021) along an improved adjusted EBITDA margin of 19.1% for the year ended 31 December 2019, 24.3% for the year ended 31 December 2020 and 23.8% for the year ended 31 December 2021. Additionally, the Betclie Everest Group has generated an adjusted free cash flow that grew at a CAGR of 51% from €71 million in the year ended 31 December 2019 to €162 million for the year ended 31 December 2021, and an adjusted cash conversion of 83% for the year ended 31 December 2019, 90% for the year ended 31 December 2020 and 92% for the year ended 31 December 2021.

d. The Betclie Everest Group's Strategy

The Betclie Everest Group aims to continue its profitable growth and has identified four clear growth levers: (i) player centricity; (ii) product innovation; (iii) expansion into new markets; and (iv) sustainability & ESG. It also sees potential in Central Europe, in particular in Germany and Austria, through its strategic investment in Bet-at-Home.

A. *Player centricity*

The Betcltic Group has a recognised brand and an effective data driven marketing approach. The Betcltic Group aims to continue to increase the number of player by its effective, personalised marketing efforts, leveraging the significant amount of data that it collects in connection with its operation. Furthermore, The Betcltic Group has top-notch in-app customer management, with account managers for key players, an extensive FAQ section and a dedicated customer support team that is available 7 days a week. The Betcltic Group envisages to build on this customer support, to even further increase the user experience and attract more players.

B. Product Innovation

The Betcltic Group aims to further improve its products, supported by its strong know how. It has an agile management system and a margin/ROI driven approach to all projects and decisions.

C. Expansion into new markets

There is high growth potential in existing markets, but the Betcltic Group also intends to expand its operations in new geographies, such as Spain, Romania, South America and Africa. It is able to leverage its existing platform into these countries.

D. Sustainability & ESG

The Betcltic Group is aware of its social responsibility and create sustainable framework conditions in order to deal responsibly with the entertainment services offered and to protect customers in the best possible way from the negative consequences in the event of a risk of gambling addiction. In order to meet the high standards and assume the related responsibility, the Betcltic Group regularly undergoes extensive and voluntary product tests. It has implemented several features to help players detect potential addiction and provide assistance for sustainable gambling. In the set-up of a profile, the player has the possibility to define its profile based on gambling and sport expertise and its risk aversion. Then the player can set-up gabling limitations on stakes and deposits and there is an option for an automatic withdrawal threshold. The Betcltic Group's FAQ section contains information on sustainable gambling, it includes a collection of advice to detect or avoid a gambling addiction and offers multiple solutions to find help and assistance. The Betcltic Group aims to further expand these initiatives in order to be an attractive player-safe platform. Offering safe conditions to play is one of the four pillars of the Betcltic Group's strategic plan.

E. Bet-at-home

The Betcltic Everest Group also sees upside potential in Central Europe through its strategic investment in Bet-at-Home, an established Central European sports betting platform, with local brand awareness and strong potential development on German and Austrian markets. A disconnect between brand awareness of Bet-at-home but a relatively low market share in the German and Austrian markets creates market opportunity.

e. The Betcltic Everest Group's Operations

The primary focus of the Betcltic Everest Group is online sports betting, which represents 80% of its revenue on the year ended 31 December 2021. Online casino represents 13% of its revenue on the year ended 31 December 2021, online poker represents 7% of its revenue on the year ended 31 December 2021 and online horse racing represents 1% of its revenue on the year ended 31 December 2021.

Betcltic's operations are only operated online. It offers a full range of online gaming products and

services, covering sports betting, casino games, poker and horse racing betting. Betcltic's operations are only operated online. As at December 2021, the Betcltic Group offers (i) a sports betting activity covering more than 55 sports, including sports such as football, tennis and basketball, (ii) a casino activity covering a wide variety of games, including games such as slot machines, table games and live casino, (iii) a poker activity in the form of cash games and tournaments, and (iv) a horse racing betting activity only in France. This product offering is enhanced by combining the products and services developed by the Betcltic Group with related value-added services, such as gaming platforms, pre-live betting and live betting, payment services, cloud services or mobile applications. The Betcltic Group is an international online game and gambling provider. The Betcltic Group has operations in France and certain other key countries, such as Portugal, Poland, Italy and Malta.

A. Online sports betting

Sports betting has always been the Betcltic Group's historical business. When France regulated its gambling market in 2010 by banning the casino, the Betcltic Group mainly continued to invest in its sports betting business. Over the years, the Betcltic Group has worked to enrich its offer, to increase the number of events and live events, to promote betting on multiples and to customise and localise its offer by country.

In the Betcltic Group's sports betting operations, players can place bets on future or current sporting events. Bets can be placed on the outcome of a sporting event, on individual events or result details, against certain odds. An odd is a numerical value which represents the gross gain paid to a player if the sporting event underlying his bet occurs. Implicitly, it therefore also represents the probability of occurrence of this event. To present its odds, the Betcltic Group mainly uses the European model called 'decimal odds'. In this format, the odds indicate how many units can be won for a bet of one unit. These odds are usually presented with two decimal places.

The Betcltic Group offers fixed odds betting, which means that the odds presented are final, and once the bet is placed the odds will not move. The player's winnings will be calculated from this odds. On the other hand, since the odds represent the probability of an event occurring at a given time, they fluctuate over time and as new information becomes available. For example, if a key sports player would be injured during a game, the odds would be increased, to reflect the lower probability of victory of its team.

The Betcltic Group offers different types of bets on sports events, such as single and multiple bets and pre-event and live betting.

i. Single and multiple betting

Players have the option to place a single bet, with which they bet on a specific outcome or on a specific event. Additionally, players have the option to make a combination of bets where the player bets on the occurrence of several events at the same time, for example on which teams will win, lose or draw in two different games. These bets are so-called combined or multiple bets, because the bets are combined and the odds of each individual bet are multiplied to obtain a higher potential gain. A combined bet only wins if all individual bets win, except in case one of the bets making up the multiple is cancelled (it is then considered to be a winner at odds of 1.00). The Betcltic Group has sought and continues to seek to further develop multiple betting, to increase its margin.

ii. Pre-event and live betting

The pre-event bets represented 64% of total wagering in the year ended 31 December 2021 versus

58% in the year ended 31 December 2018. The pre-event bets represented 61% of Gross Gaming Revenue in the year ended 31 December 2021. The live bets represented 36% of total wagering in the year ended 31 December 2021 versus 42% in the year ended 31 December 2018. The live bets represented 39% of Gross Gaming Revenue in the year ended 31 December 2021.

iii. Number of sport events

The Betclac Group operates in countries in which the number of sport events suitable for sport gambling is limited by regulation. Betclac's aim is to increase its offer within the limits offer of sport events. In 2021, the Betclac Group's offer generated 382 million unique placed bets.

The activity of sports betting operators is guided by the sport events, such the Football World Championship and the European Championship, the Champions' League, Europa League, Ligue 1, Premier League, Roland Garros, Wimbledon, La Liga, the US Open and the NBA. There are three main sports on which bets are placed with the Betclac Group, football represents about 60% of the bets over the year 31 December 2021, Tennis 20% and Basketball 10%, which is mostly driven by the NBA. Under the Betclac Group's sportsbooks licences there are constraints on which bets it can offer. There are lists of sport events on which may be betted. Furthermore, the Betclac Group can only offer bets on sporting events, and not for example on elections.

There are various factors that determine the success of the Betclac Group's sports betting operations: (i) width and depth of the offer; (ii) risk and margin management; (iii) odds attractiveness; and (iv) commercial policies (including bonuses) and animation of the customer base.

B. Online Casino

The Betclac Group offers online casino and chance games. The Betclac Group's offering includes table games such as blackjack and roulette, virtual slot machines, but also live casino games, which are table games where the croupiers are real persons that are being filmed. The outcome of the game is independent of the profit interests of those involved in the game, in particular the commercial interests of the Betclac Group. This is ensured by the use of software that generates random results and is configured to offer a return rate to the player of between 80% and 98%. The return rate refers to the percentage of the stake put in by the player that is returned to the player. The software used is regularly checked and certified by a recognised testing company for online sports betting and gaming systems.

The Betclac Group uses gaming software from specialist third-party providers on its platform. The Betclac Group has 20 third-party providers directly integrated on its proprietary casino platform. The difference between the players' stakes and the return to such player is shared by Betclac and the casino providers in accordance with commercial agreements. The Betclac Group offers 3200 games. The third-party services providers organise jackpot mechanisms which are offered across multiple platforms, which makes it possible to offer big wins.

In 2020, the Betclac Group's proprietary casino platform was updated in order to be able to launch new games on one of the Betclac Group's casino sites significantly faster. Following the update of its platform, the Betclac Group can integrate a new game and publish it on the casino sites ten times faster than before. In addition, the new platform enables the Betclac Group to differentiate its offer for countries and brands in order to provide a more relevant and personalised offer to the customers.

There are various factors that determine the success of the Betclac Group's online casino operations: (i) width and depth of the offer; (ii) attachments to the brand; (iii) jackpots and big wins; and (iv)

commercial policies and animation of the customer base.

C. Online Poker

In France the Betcltic Group offers online poker. In the online poker segment, the Betcltic Group arranges games between several players at online poker tables, with random card draws. There are two main formats, cash games and tournaments. The players play against each other and the Betcltic Group takes a commission on the players' bets (which is called a 'rake') if it is a cash game, and the Betcltic Group collects an entry fee if it is a tournament. The rake amounts to 6.67% of the sums bet on average in the French market. The Betcltic Group operates its online poker offering on Playtech's ipoker network and platform.

In cash games, the amount of chips that players place on the poker table (called the "buy-in") represents real money. The amount of buy-in to participate generally corresponds to an amount of 100 blinds, a big blind being the minimum to bet to participate in a hand on the table. There are tables with different limits from €0.02 to €10 per big blind. On the same table, the amount of blinds never increases. Players can enter and exit tables at their convenience with their remaining chips.

In tournaments, players pay an entry fee corresponding to approximately 10% of the bet. They play until they are eliminated by another player, whether the place corresponds to a gain or not. Tournaments are based on a principle of elimination and progressive increase of the blinds, the last participant winning the tournament. There are multi-table (called 'MTT') or single-table (called 'Sit n Go') tournaments. The multi-table tournaments start at a fixed time regardless of the number of participants and the Betcltic Group offers guaranteed minimum winnings. The short 3-player Sit n Go formats in which the winner wins, in addition to the losers' bets, a random jackpot fed by a fraction of the entry fees for each tournament, called 'Twister' at the Betcltic Group.

There are various factors that determine the success of the Betcltic Group online poker operations: (i) increased liquidity through the acquisition of new players; (ii) balance between regular and recreational players; (iii) jackpots and big wins; (iv) commercial policy: wide range of tables and tournaments, frequent and varied bonuses; (v) products and user experiences and (vi) simple and fast formats adapted to mobile.

Tournaments represent the main part of the Betcltic Group's poker business.

D. Online Horse Racing

In France, the Betcltic Group offers betting on online horse racing to its players. It operates an online mass mutual betting offer with ZETOTE system Ltd, which manages and operates the aggregation of horse racing bets in France.

Mutual horse betting means that, unlike fixed odds betting, players play against each other, and the operator takes a commission on the bets, rather than the losses of the players. Separate pools are created for each race and for each type of bet. After deduction of the commission of the Betcltic Group, all stakes bet are redistributed to the winners in proportion to their bets. The amount of winnings is therefore dependent on the mass of stakes. The size of the pool is critical supply factor, the more players there are, the more stable the ratios and the wider the betting offer can be. Significant liquidity makes it possible to offer combination bets, where bets can be placed on multiple horses, with several ranks of winnings. In France, there are 40 to 45 daily races and there are 4 to 8 types of bets offered per race depending on the number of horses at the start and the level of the race.

Within 15 minutes after the finish of each race a report is put online which indicates the amount of

the payment for each bet and for each winning combination that a player received for one euro bet when the player is a winner. The payout is calculated by dividing the total bets on all horses, by the number of bets on the winning horse, after deduction of the commission. Prior to each race a 'likeliness' report is offered, which sets out for each of the horses the breakdown of the already betted stakes. This report gives an idea of the value of the horse according to the stakes of the players. As it depends on the stakes placed, the report will be subject to change until the closing of the bets.

There are various factors that determine the success of the Betcltic Group's online horse racing operations: (i) liquidity and (ii) commercial policy and animation of the database.

f. The Betcltic Everest Group's Markets

The Betcltic Group generates revenues from its operations in 10 countries. Its five main geographies are France, Portugal, Poland, Germany and Italy, which together represent 91% of its revenue in the year ended 31 December 2021. The Betcltic Group also operates in certain unregulated markets through a Maltese license, which activities represent less than 1% of the revenues generated by the Betcltic Group for the year ended 31 December 2021 and it is expected that this will amount to an even smaller percentage of the Betcltic Group's revenue for the year ending 31 December 2022.

The Betcltic Group manages its operations in the main countries it operates in through a centralised structure. All its functions are centralised with the exception of marketing, which is partly localised in each of the main countries it operates.

A. France

The French market is the first historical market in which the Betcltic Group operates since regulations were introduced in the online gambling market in 2010. The French market is regulated by the ANJ. The Betcltic Group owns the licences based on which it operates through Betcltic Enterprises Limited, a Maltese entity. The Betcltic Group holds three licences in France, a sportsbook licence (for sports betting), a poker licence and a horse racing licence. The licences are obtained for a period of 5 years. The Betcltic Group renewed its licences for sportsbook, poker and horse racing in September 2021. Consequently, these licences will have to be renewed in September 2026. Due to a monopoly on online casino, private operators such as the Betcltic Group are not licensed to operate an online casino in France. The websites under which the Betcltic Group operates in France are 'Betcltic.fr' and 'm.betcltic.fr'.

Based on French online gambling regulations, the Betcltic Group is required to apply a maximum return rate of 85% of all stakes invested by players of sports betting over a calendar year to its players on sports stakes. The French market is the only market in Europe with a maximum return rate rule. This rule was introduced in 2010 by the French regulator in support of responsible gambling.

The French online gambling regulation is one of the most restrictive frameworks compared to other European online gambling regulation frameworks and consequently forms a high barrier to enter the online gambling market in France. To become a market participant on the online gambling market an operating license is required. In addition, new market participants need to obtain deep knowledge of the French regulatory landscape to be compliant and profitable.

In France, 15 sports betting licenses, 6 poker licences and 6 horse racing licenses have been granted (source: ANJ website). In addition, PMU and FDJ hold exclusive rights with a monopoly in one or more sectors: the FDJ has the monopoly for physical and online lottery games and on physical sports betting; and PMU has the monopoly for physical horse betting (excluding independent racetracks)

(source: ANJ website).

The Betcltic Group has seen a stable increase in its market share in the sports betting market in France over the period of 2015 to 2021, due to new management, implementing a new strategy and increasing focus on mobile user experience. The Betcltic Group believes that its main competitors in the sports betting market in France are Winamax, Unibet and Française des Jeux.

In the Betcltic Group's view, the French online poker market is highly concentrated with the three largest operators, Winamax, Pokerstars and the Betcltic Group, in aggregate accounting for approximately 80-90% of the market. The Betcltic Group believes that the cross-selling of its poker offering within its sports betting apps has enabled it to grow its market share in the French online poker market over the past years.

The Betcltic Group offers online horse betting as a complementary product to be able to offer a full range of products to its players in France.

B. Portugal

In Portugal, the Betcltic Group's offering comprises sports betting and online casino, for each of which it holds a license. The Betcltic Group has operated in the Portuguese market since the start of the regulation of the Portuguese online gambling market in 2015, and it was the first operator in Portugal to obtain a licence for sports betting in May 2016. The Betcltic Group owns its licences through BEM Operations Limited, a Maltese entity. The Betcltic Group's website in Portugal is 'Betcltic.pt'. Licences in Portugal are obtained for three years. The Betcltic Group obtained the current licences in 2019 and will apply for renewal of its licences in 2022.

Online gambling is regulated in Portugal. The regulator is the Serviço de Regulação Inspeção de Jogos (SRIJ). The application process for a license to operate on the Portuguese online gambling market is restrictive, which makes it hard for parties to enter the market, compared to the Betcltic Group who has the historic experience and knowledge from the French market to operate in a highly regulated market. In addition, the Portuguese taxation scheme in respect of online sportsbook gambling market is considered restrictive as its rates are high and apply on stakes.

In Portugal, 14 sports betting licenses and 2 poker licenses (source: SRIJ website) and 16 casino licenses have been granted. The Betcltic Group believes that it is one of the market leaders in each of the sports betting market and online casino market in Portugal, which it believes is mainly due to it being one of the first operators in Portugal to obtain a licence for sports betting in May 2016. The Betcltic Group believes that its main competitors in the sports betting market in Portugal are Betano, Bet.pt/Bwin and Placard. The Betcltic Group believes that its main competitors in the online casino market in Portugal are ESC Online and Pokerstars.

C. Poland

In Poland, the Betcltic Group's offering comprises sports betting. The Betcltic Group operates in the Polish market since it operates its sportsbook license (for sports betting) in 2019. The Betcltic Group owns its licence through BEM Operations Limited, a Maltese entity. The license was obtained for six years and will be renewed in 2024. The Betcltic Group's website in Poland is 'Betcltic.pl'.

Online gambling is highly regulated in Poland. The regulator is the Polish Ministry of Finance. The application process for a license to operate on the Polish online gambling market is restrictive, which makes it hard for parties to enter the market, compared to the Betcltic Group who has the historic experience and knowledge from the French market to operate in a highly regulated market. In

addition, the Polish taxation scheme in respect of online gambling market is considered restrictive. Poland has a state monopoly on online casino, and private operators such as the Betcltic Group are not licensed to operate an online casino.

In Poland, 23 sports betting licenses have been granted (source: <https://www.podatki.gov.pl/pozostale-podatki/gry-hazardowe/zaklady-wzajemne-i-gry-hazardowe-przez-internet/>). The Betcltic Group believes that its main competitors in the sports betting market in Poland are STS (a Polish operator) and Fortuna (a Czech operator).

D. Italy

In Italy, the Betcltic Group's offering comprises sports betting and casino. The Betcltic Group obtained its sportsbook license (for sports betting) and casino in 2008, which was renewed in 2018 for 4 years and which needs to be renewed in December 2022. The Betcltic Group owns its licences through Betcltic Limited, a Maltese entity. Betcltic's website in Italy is 'Betcltic.it'.

The Italian market is regulated by the *Agenzia delle Dogane e dei Monopoli* (ADM).

E. Other Markets

The Betcltic Group also operates in certain other markets under a Maltese license. This concerns countries where online sports betting and gaming is not regulated locally, or in countries where the Betcltic Group has chosen not to apply for a licence and in some cases where the Betcltic Group, as other operators, is blacklisted, but still operates as it considers local law to be non-compliant with European regulations. See "10.4(a.) *Activities related to online sports betting and gaming are subject to an uncertain and rapidly evolving regulatory regime which varies significantly among countries.*". These activities represent less than 1% of the revenues generated by the Betcltic Everest Group for the year ended 31 December 2021 and it is expected that this will amount to an even smaller percentage of the Betcltic Group's revenue for the year ending 31 December 2022 (a percentage of 0.3% is expected for 2022). Betcltic obtained its two Maltese .com licenses for sports betting and casino in 2018 from the Malta Gaming Authority, which licenses need to be renewed in 2028. Betcltic owns its licences through Mangas Gaming Malta Limited, a Maltese entity. Furthermore it has recently obtained a license to operate in Ivory Coast and intends to obtain a license to operate in Senegal.

F. Bet-at-home Markets

In addition, Bet-at-home, which is a company in which the Betcltic Everest Group has a controlling interest of 53.9% and which is listed on the Frankfurt Stock Exchange and operates independently, is active in, among other things, the sports betting and casino markets in Germany and the sports betting market in Austria. Bet-at-home holds different licences in Europe, including in Germany, in the United Kingdom, Ireland and Malta.

g. The Betcltic Everest Group's Competition

The Betcltic Everest Group believes that, as the online sports betting and gaming market continues to be liberalised, the social acceptance of online gambling will increase. Online sports betting and gaming will continue to increase, which in turn should have a positive impact on player numbers. Some new markets could be regulated, in particular online casino in countries where such is not permitted today. Conversely, it is possible that individual or several countries in which the Betcltic Everest Group offers its services could restrict or completely prohibit the offering of online sports betting and gaming, which could lead to a decline in the overall market in the respective countries; however, the Betcltic Everest Group has no indications of such political processes in economically

significant markets. The Betclie Group believes that its main competitors in the sports betting market are Winamax, Unibet, Française des Jeux, Betano Bet.pt/Bwin, Placard, ESC Online, Pokerstars, STS and Fortuna.

Based on its market position to date, the development of its name and brand, as well as its successful product, user experience and marketing strategies to date, the Betclie Everest Group believes that it will be able to expand its business. The aim is to be in a position to participate in this positive market development in the future. Another key aspect is its positioning as a premium provider, which in its opinion enjoys a high level of respectability among existing and potential customers.

The competitive situation in the individual European countries depends heavily on the regulatory conditions there, including the activities of state (still) monopolists. See "7.3(f.) *The Betclie Everest Group's Markets*" for a description of what the Betclie Everest Group believes are its main competitors in the markets in which it operates.

h. Trading and Bookmaking

Bookmaking is a crucial aspect of the Betclie Everest Group's business. It combines sports knowledge with mathematics. Betclie in particular has three in-house bookmaking capabilities: (i) odds compiling; (ii) odds evolution; and (iii) live management. The initial odds are based on past statistics, the competition benchmark, specificities of a country and the liabilities of the Betclie Group. The initial odds analysis is supported by statistic tools. The initial odds can be revised ('odds evolution') based on external events that effect the probability. It is key that the Betclie Group's traders become aware of such events, before its customers, in order to adapt the odds in time. The Betclie Group manages turnover in real time, to ensure a balance between wins and losses, while always offering the correct odds. The Betclie Group focuses on activities that differentiate it from its competitors, in particular odds trading and compiling of mainstream and niche markets. On pre-match bets there is limited potential for differentiation. This is different for live bets and niche games, as know-how is required on how to balance between profitability and risk management, for which the Betclie Group has internal expertise. The odds will vary depending on the evolution of the game, and unexpected developments such as injuries. The Betclie Group has developed an in-house trading platform that allows real-time monitoring of odds and risks.

i. Marketing and Sales

In its core geographies (France, Portugal, Poland and Italy), the Betclie Group relies on visible and efficient communication campaigns adapted to sports' fans. For example, during the European Football Championships in 2021 it had a TV campaign in France, it had a TV and social network campaign in Portugal linked to the popular TV show *Casa de Papel* and in Poland it had a Youtube campaign together with Polish artists. In Italy, there is a ban on advertising for online sports betting and gaming.

The Betclie Group has diversified its marketing efforts across different channels, with an increasing focus on digital channels. This has increased brand awareness and creates a virtuous cycle driving organic player acquisition. Its marketing efforts are sports and entertainment oriented. It has strong advertising campaigns during sports events, and has worked together with athletes and celebrity ambassadors such as Marcel Desailly, Sony Anderson and Thomas Ngijol in France. In France, the taglines for brand campaigns "*Bascule dans le Game*" ("No Bet No Game"). In Portugal, the image is sports entertainment and creativity. The taglines for brand campaigns "never miss a good bet". In Poland, the image is Sports passionate, customer-centric and international historical players. The

taglines for brand campaigns "Betting since forever".

In terms of strategic partnerships, the Betcltic Group, through the Betcltic brand, is for example main partner of the French national football team for 5 years, from July 2021 to July 2026, official partner of the *Ligue de football professionnel* in France, for French Ligue 1 and French Ligue 2, for 3 years, from June 2020 to June 2023, main partner of *Ligue Nationale de Rugby* in France for French Top 14, for 3 years, from March 2021 to end of the season 2023/2024, main partner and naming for *French Ligue Nationale de Basket*, for 3 years, from July 2021. In France, the basketball league is called Betcltic Élite.

In Portugal, the Betcltic Group is name sponsor of the men's basketball league *Liga Betcltic*, for 3 years from July 2021. In Poland, the Betcltic Group is sponsor of the national volleyball team, for 3 years, from May 2019, sponsor of the Fame MMA and Hype MMA, and shirt sponsor of Piast Gliwice football team for 2 years, from July 2021.

The Betcltic Group is also sponsor of an e-sport team & athletes (on FIFA Games) Apogee Gaming under the brand Betcltic Apogee.

The Betcltic Group has an effective data driven marketing approach to attract new customers. It offers players a welcome bonus and bonuses when they have made a certain number of bets. The Betcltic Group aims to have efficient and user adapted marketing campaigns.

j. Players

Players are at the heart of the Betcltic Group's strategy. Given that a significant portion of bets are placed through Betcltic's apps, the Betcltic Group has a lot of young and middle-aged players; in the year 2020, the main part its players were aged between 18 and 45. Most of the Betcltic Group's players are men, but the percentage of players that was female has increased over the past years, from 10% in 2016 to 13% in 2020.

The Betcltic Group has developed a model which enhances the player relationship and customer journey to create value, which are optimised by knowledge of the players and guarantee integrity and a responsible approach. The Betcltic Group aims to offer its players a simple and user friendly experience. It has replicated its best-in-class player's practice to ensure a seamless customer journey for registration on its websites or apps, document authentication, money deposits and basket composition. Furthermore, The Betcltic Group offers its players an extensive catalogue and a superior live betting experience, such as its live streaming options, live gaming statistics and information on historical performance.

Furthermore, The Betcltic Group's customer service department provides a seamless and value-added customer experience across various channels. The Betcltic Group's customer service is organised in three channels:

- Frequently asked questions that are included in its app. The FAQs are presented in a helpful overview together with a search tool and address key subjects that its customers may have questions on. The Betcltic Group believes it has been able to reduce its incoming calls significantly as a result of implementing the FAQ.
- The Betcltic Group's customer service department. The department consists of 70 persons, and it is available from 8am to 1am seven days a week (opening hours can be adjusted depending on events). Channels available for customer service are email, live chat, outbound calls and a chatbot on The Betcltic Group's social network. At the end of each player's

interaction with customer service, the NPS (Net Promotor Score) and CSAT (Customer Satisfaction) are measured with scores 1 to 5.

- Key account managers. For its key players the Betcltic Group has dedicated account managers. The account managers are available to solve problems immediately. They focus on ensuring player satisfaction.

k. Compliance

The Betcltic Group focuses on regulated activities and has various national licenses to operate its business. In its main operating countries, the Betcltic Group has licenses for sports betting, poker and horseracing in France, it has licenses for sports betting and casino in Portugal and it has a license for sports betting in Poland and it has licenses for sports betting and casino in Italy. There are various conditions attached to these licenses and compliance is therefore key for the Betcltic Group for operating its business. Compliance is embedded in various areas of its organisation, in particular in its legal and operation teams. The Betcltic Group's compliance officers, its domain managers and its project managers share a joint responsibility for compliance. The compliance officers are the main point of contact for regulators and supervisory authorities and they are responsible for obtaining licenses, developing compliance programmes and implementing and reviewing company policies. The domain managers act as a point of contact for the compliance officers. They define priorities and lead projects for compliance in their particular domain and ensure that compliance rules and guidelines are developed into specific features. Finally the project managers are responsible for the management of complex cross-team compliance projects and assist compliance officers where necessary.

The Betcltic Group has developed multiple processes to ensure compliance across its organisation. These processes consist of:

- *Compliance audits*: both internal and external audits are performed regularly.
- *Standards and policies*: All compliance policies are verified and updated to reflect changes in regulations.
- *Internal trainings*: trainings are provided to the departments for which compliance is relevant in particular. The trainings are adapted to align to the various departments or specific events.
- *Project scoring*: the compliance impact of various project is assess during workshops.
- Finally, as there is an increased focus on responsible gambling, the Betcltic Group has various and continuous efforts to prevent gambling addiction. Beyond its regulatory obligations, the Betcltic Group is aware of its social responsibility. It makes sure to do everything it can to reduce the negative impact that the game can sometimes have on the family, social and professional life of some of our players. The protection of gamblers and the prevention of excessive or pathological gambling is therefore one of the pillar of the Betcltic Group's strategy. The Betcltic Group's responsible gaming plan is built around two strategic priorities:
- *Education and prevention*: the objective is to develop a comprehensive prevention plan and clearly applying the right level of interventions to educate about the risks and provide tools for players to protect themselves. The Betcltic Group's prevention plan consists of a combination of programmes and activities:
- universal measures for the benefit of all gaming audiences.

- selective measures for groups potentially more at risk.
- individualised measures for the players most at risk.
- *Detection and Support*: the objective of which is to ensure that anyone with need for help can be detected and an appropriate response can be obtained at the appropriate time. The detection plan revolves around a combination of responses:
 - implementation of automated detection devices.
 - development of an associated targeted prevention approach.
 - development of a face-to-face relationship approach including calls outgoing to understand each situation and provide appropriate responses.

l. Employees and Contractors

The Betclik Group has 646 employees as of 31 December 2021, compared to approximately 509 employees as of 31 December 2020 and 420 as of 31 December 2019. The following table sets forth the employees working full time at the Betclik Group by department:


Department	On 31 December 2021	On 31 December 2020	On 31 December 2019
Marketing and Trading	156	120	105
Customer Service, Fraud, AML and Responsible Gaming	169	142	116
IT and Data	241	181	140
Corporate and HR	80	66	59
Total	646	509	420

In addition, the Betclik Group works with independent contractors. At the end of the year 2019 it had 71 independent contractors, 64 at the end of 2020 and 127 at the end of 2021.

m. Intellectual Property

The Betclik Group has a portfolio of intellectual property and industrial rights including brands and domain names. The filing of intellectual property rights is primarily done in France, Portugal and the European Union. In addition, occasionally, trademarks are also filed in other countries for certain specific items regarding the Betclik Group's international activities.

A. Brands and trademark licenses

The primary brands carried by the Betclik Group are "Betclik" and the graphics mark . The Betclik Group's brands are highly visible brands and are therefore essential to its communication and name recognition. The Betclik Group is careful selecting brands for its games. The names and graphics for all new games developed by the Betclik Group require in-depth joint work by online sports betting and gaming teams (depending on the case) responsible for the creation and development of the games operated by the Betclik Group, as well as its marketing department and

legal department. Brands carried by the Betclie Group are usually developed in-house by the gaming and sports betting teams. Certain names for brands are proposed on a one-off basis by the marketing agencies with which the Betclie Group has agreements for the registration of brands. In addition, the Betclie Group continuously monitors brands registered by third parties, in order to timely react if a trademark is damaging to Betclie.

B. Trademarks registered by Betclie

The Betclie Group has registered over 14 brands in France, 21 in the European Union and 33 with the World Intellectual Property Organisation ("WIPO") or in other countries with the national offices of those countries. Most of the trademarks are registered in classes 9 (game software), 28 (games), 38 (communication on internet), and 41 (entertainment, sports and cultural activities, and gaming services). The games marketed by the Betclie Group are usually registered as a logo.

C. Betclie's trademarks supervision and defence

The Betclie Group actively defends its trademarks. Betclie's main trademarks are closely monitored by service providers that regularly check if trademarks are being registered that are similar to those owned by the Betclie Group. These checks are reported to the Betclie Group on a monthly basis. This enables the identification of trademark registrations by third parties which are similar to the trademarks of the Betclie Group. For example, this enabled the identification of approximately 20 registrations owned by third parties that were similar to those of the Betclie Group in 2021. Out of these filings for trademarks, the Betclie Group took action against the mark "Betklix", as it presented a potential threat to its business. The other trademarks were not directly related to the Betclie Group's sector of interest. The legal actions taken by the Betclie Group can result in, among others, letters of undertaking or co-existence agreements, trademark limitations, withdrawal of a trademark or a legal decision.

D. Domain names

The Betclie Group has an extensive portfolio of over 450 domain names. The most important domain names registered by the Betclie Group, are registered with the extensions relevant to the Betclie Group's business across Europe. The Betclie Group's domain names are all reserved and hosted by the same service provider. They renew automatically from year to year, unless otherwise requested by the Betclie Group within 30 days before their expiration date. The Betclie Group also monitors the domain names registered by third parties containing the Betclie Group's brands. Legal actions are undertaken on a regular basis against the disputed domain names identified.

n. Information Technology

The Betclie Group has a proprietary IT platform for its sports betting and casino operations. It has made significant efforts in order to enhance the platform and avoid interruptions on its platform that could affect player experience. In the functioning of its IT platform, the Betclie Group focusses on availability and robustness as well as speed and security. As the Betclie Group processes a significant amount of data in its operations, protection of such personal data has been a key factor in the development of the IT platform.

The Betclie Group aims to develop the tools for its core activities, such as sportsbetting and casino, in house. For trading, the Betclie Group has developed tools for the monitoring of odds, the monitoring and control of different betting flows, the monitoring of risks metrics and a tool that builds its offering, with a fast manual creation for various matches, markets and selections. For

players' engagement, the Betcltic Group has developed a tool for the creation of marketing campaigns, which focus on the audience, the offer, the experience and the schedule, a tool that monitors player behaviour, a tool for communication and content for players. These tools improve the in-app player experience. Betcltic uses a/b testing to track the performance of these player focused tools.

For its non-core activities, such as poker and horse racing, the Betcltic Group uses the external IT service provides playtech and zetote. For example, for customer service the Betcltic Group uses external tools which answers the questions of customers and works to solve their issues.

o. Property

The Betcltic Group does not own any significant property, plant and equipment and does not plan to acquire any such assets. The following table provides an overview of material properties leased by us as at the date of this Circular:

Location	Owned/leased	Principal Use
117 quai de Bacalan, 33300, Bordeaux, France	Leased	Office
Level 3, Tagliaferro Business Centre, Gaiety Lane, Sliema SLM1551, Malta	Leased	Office
Av. Defensores de Chaves, 4, 8.º piso, 1000-117, Lisbon, Portugal	Leased	Office
Via Leone XIII, 95, 00146, Roma, Italy	Leased	Office

p. Insurance

The Betcltic Group has property insurance, directors' and officers' insurance, professional indemnity & general liability insurance and other specific insurances coverage in place, all to the extent that it believes is appropriate for operating its business. The Betcltic Group cannot guarantee, however, that it will not incur losses beyond the limits or outside the coverage of its insurance policies.

q. Environment, Health and Safety

Environment, Health and Safety factors are an essential part of the business model of the Betcltic Group and the industry it operates in. The Betcltic Group aims to make gambling enjoyable for all players and transform gambling to a trusted source of entertainment that contributes positively to society. The Betcltic Group operates under a code of conduct, which expresses that it strives to do business ethically, and with integrity and honesty. The Betcltic Group works to develop efficient tools, supported by technology, data and artificial intelligence, that can help it to achieve this goal, for example by the pro-active detection of problematic gambling behaviour. By offering its players a safe and secure environment to play, the Betcltic Group can create healthy and long-lasting relationships with its players, as well as operate a sustainable business.

r. Material Contracts

In addition to the agreements described in "9.5(j.)(B.)(iv.) *Betcltic Group Senior Credit Facility Agreement*", Betcltic has entered into the following material contracts in the two years immediately prior to the date of this Circular that are not in the ordinary course of business and into the following agreements that are not in the ordinary course of business and contain provisions under which it has an obligation or entitlement that is material to Betcltic as of the date of this Circular.

A. Shareholders agreements Betcltic Everest Group

A shareholders agreement in relation to Betcltic was entered into between (i) Mr. Nicolas Béraud, (ii)

Mangas Lov and (iii) Monte-Carlo SBM International S.à r.l. on 17 November 2021 and was amended upon the completion of the Business Combination, to take into account the fact that (i) Monte-Carlo SBM International S.à.r.l will no longer hold any stake in Betcltic and (ii) FL Entertainment and Mr. Nicolas Béraud will hold the capital of Betcltic pursuant to the Lov Reorganisation. Specifically, current customary put and call options provisions with regards to Mr. Nicolas Béraud's stake in Betcltic will remain into force pursuant to this amended shareholders agreement.

s. Regulations

The Betcltic Everest Group's activities include sports betting, casino games, poker and horse racing betting. Due to their nature and the risks associated with them, these activities are subject to a restrictive regulatory framework. In most European countries, and with the development of internet, the gambling sector has evolved from historic state monopolies to regulation allowing these activities online and under local licenses. Therefore, the Betcltic Group operates in its core markets under licenses granted by national authorities and held by Maltese entities.

At the international level, online sports betting and gaming activities are not subject to any standardised regulation, which creates uncertainty as to the conditions under which these activities can be carried out. In the absence of a standardised regulatory framework, each country is free to regulate online sports betting and gaming. Some countries have banned gambling and betting altogether, whether it is conducted physically or online. Some countries prohibit all forms of gambling in principle. Other countries have restricted the conditions under which gambling can be conducted. Following Portugal in 2015 and the Netherlands in 2021, regulation for online gambling entered into force in these jurisdictions, introducing a license requirement for offering online sports betting and gaming. Finally, certain activities may be prohibited online. For example, in France, online casino activities are prohibited, while poker is allowed. In contrast, other countries have allowed online gambling activities. In this case, the activities that can be carried out may be subject to limitations. For example, in Belgium or Switzerland, only physical casinos can obtain a license to offer online betting or casino games. In Germany, regulations do not prohibit the operation of an online (odds) sports betting offer and temporary licences have been issued to operators and, while online table games are still prohibited, operators can now obtain a license to operate online slot machines.

Activities may also be regulated and, thus, be subject to licensing by the relevant authorities. The countries in which the Betcltic Everest Group operates the majority of its online sports betting and gaming business, including France, Italy, Malta, Poland, Portugal, Germany, the UK and Ireland require a license for online sports betting and gaming.

A. France

In France, the market had been regulated since 2010, paving the way for other national regulation to follow. Application of a license is subject to compliance with a set of specifications approved by the Minister of the Interior, the Minister of the Budget, the Minister of Agriculture and the Minister of Sports, on the recommendation of the ANJ. In particular, the applicant must describe, for each game offered, the process for handling game data and the means by which such data is made available to the ANJ, in real or delayed time, and must provide evidence of the existence of a security interest, trust, insurance, escrow account or any other instrument or mechanism guaranteeing, in all circumstances, the repayment of all assets due to players. The Betcltic Group applied in 2010 for the

licenses available respectively for the 3 products allowed under this new law: sports betting, horse racing and poker. Despite extensive discussion, online casino is still forbidden for online operators. The number of licenses granted, delivered for 5 years, and went up to 26 before the competition actually slowly reduced the companies operating on the market. Regarding the condition of the licenses as such, there had been limited changes over the years except recently with few noticeable amendments: (i) the tax regime (change from turn over to Gross Gaming Revenue, although the rate had been adjusted resulting to limited financial impact), (ii) scope of the authority (ARJEL became ANJ in context of the privatisation of Française des Jeux) and (iii) increase of the obligation related to responsible gaming and more recently on the commercial communication. In France, the legal framework of advertising has been defined in the «Cadre de référence» (*Art. 34-IV. loi n° 2010-476 du 12 mai 2010 / Arrêté du 9 avril 2021*), extending the power and scope of the national authority, which now can prohibit a communication campaign encouraging, directly or indirectly, minors to play, people prohibited from gambling, involving an excessive incentive to play. Each year operators shall submit their promotional strategy to the ANJ for approval. Any modification to this strategy shall be presented to ANJ at least 2 months before its implementation.

B. Portugal

In Portugal, the trend has been similar to France as the local regulator closely monitors legislation in France. However, from the beginning the scope of the regulation has been broader allowing all products, except for lottery (which is still operated in most of the markets by the former state monopoly). The regulation is strictly enforced by the regulator who controls, monitors and challenges gambling operators almost on a daily basis. Portuguese licenses are granted for a period of 3 years. The main change since 2016 is the change of the sports betting tax that used to be progressive depending on the annual stakes. This had been challenged and has been amended in April 2020. In May 2020, the regulator in Portugal published a Code of good practises that complements Advertising Code Law. These good practises are applicable to all communication supports and are mandatory, forbidding notably encouragement messages and commercial communications and advertising must not take place between 7 am and 10 pm on television and on the radio nor 30 minutes before or after a programme specially dedicated to children and young audience.

C. Poland

In Poland, regulation is more recent and restricted to betting only (including betting on sport events and potentially other type of bets). The regulator is not as active as in France or Portugal but a trend is noticeable and some amendments might also slowly shape the market.

D. Italy

Italy has a mature market, as it was one of the first to offer specific licenses for online gambling in 2008. It's perceived as a very liberal market, as the full scope of products is allowed and the number of private operators is high.

E. Maltese licenses

The Maltese licenses, used historically to offer gambling services in jurisdictions where regulation was inexistent or not in line with EU law, are slowly losing consistency as most of the countries have adopted local regulation and a licensing system, allowing them to collect taxes as well as monitoring the market and limiting the illegal market.

F. Germany

Germany has had temporary regulations in advance of the new Gaming Act 2021 that came into force on 1 July 2021. The 'Regierungspräsidium Darmstadt' will be responsible for the supervision of sportsbetting in Germany, at least until the end of 2022.

G. EU Regulations

With regard to the sector specific legislation, the European Commission confirmed that it is not currently considering harmonising the regulatory framework for gaming in the EU. There are no indications that this may change in a near future. The European Commission continues to monitor how member states are progressively modernising the legislation applicable to the sector to adapt to the digital challenges, to protect vulnerable groups (for instance, strict regulations on advertising).

Finally, some online trade associations and companies which operate across different markets in Europe and for which the regulatory fragmentation represents both high costs and a heavy administrative burden, clearly push for the standardisation of product categories and definitions, codes of conduct and best practices on how regulations should be complied with. It is therefore expected that the trend of harmonised soft legislation will continue and may even further develop with the progressive consolidation of the online sports betting and gaming market.

8 CURRENT SHAREHOLDING STRUCTURE OF FL ENTERTAINMENT

8.1 Issued share capital

As of the date of this Circular, the issued and outstanding share capital of FL Entertainment amounts to €10 and will consist of 1,000 ordinary shares with a nominal value of €0.01 each.

As of the First Trading Date, the authorised share capital of FL Entertainment will amount to €14,652,500.02 and will consist of:

- 800,000,000 FLE Ordinary Shares with a nominal value of €0.01 each.
- 5,250,000 FLE Founder Shares with a nominal value of €0.01 each. The profit rights attached to such shares shall be limited to 0.1% of the nominal value of such shares.
- 13,000,000 Earn-Out Preference Shares A, with a nominal value of €0.03 each. The profit rights attached to such shares shall be limited to 0.1% of the nominal value of such shares.
- 3,500,000 Earn-Out Preference Shares B, with a nominal value of €0.03 each. The profit rights attached to such shares shall be limited to 0.1% of the nominal value of such shares.
- 3,500,000 Earn-Out Preference Shares C, with a nominal value of €0.03 each. The profit rights attached to such shares shall be limited to 0.1% of the nominal value of such shares.
- 300,000,000 Special Voting Shares A with a nominal value of €0.02 each. The profit rights attached to such shares shall be limited to 0.1% of the nominal value of such shares.
- 1 Special Voting Shares B with a nominal value of €0.02 each. The profit rights attached to such shares shall be limited to 0.1% of the nominal value of such shares.

Immediately prior to the Settlement Date, all of the issued shares will have been fully paid up and there will be no convertible securities, exchangeable securities or securities with warrants in FL Entertainment, other than the FLE Founder Shares, Earn-Out Preference Shares and the Special Voting Shares A, the FLE Warrants and the FLE Founder Warrants. Other than in respect of the FLE Warrants and the FLE Founder Warrants, there will be no acquisition rights and/or obligations over unissued share capital of FL Entertainment (or any undertaking to increase the share capital of FL Entertainment). All of the shares as set out above will represent capital in FL Entertainment. Except as provided under "8.4. Related party transactions", "10. Risk Factors" and "9.3 Indebtedness", no share capital of any member of the FL Entertainment Group is under option or agreed, conditionally or unconditionally, to be put under option.

8.2 Current shareholders

As at the date of this Circular, the sole shareholder of FL Entertainment is Financière Lov.

The below table provides an overview of the beneficial ownership of each shareholder who owns 3% or more of FL Entertainment's share capital, effective economic rights or voting rights as of the First Trading Date.

Shareholder	FL Entertainment's Major Shareholders						
	Number of FLE Ordinary Shares	Number of FLE Founder Shares	Number of Earn-Out Preference Shares	Number of Special Voting Shares	Percentage of share capital and voting rights ⁽¹⁾	Percentage of effective economic rights ⁽²⁾	Percentage of effective voting rights ⁽³⁾
Financière Lov	192,000,997	0	20,000,000	191,999,997	73.68%	46.38%	72.18%
Vivendi ⁽⁴⁾	81,329,610	0	0	0	9.42%	19.65%	10.19%

Monte Carlo, SBM International S.à r.l. (" SBM International ")	42,500,000	0	0	0	4.92%	10.27%	5.33%
Fimalac ⁽⁴⁾⁽⁵⁾	31,478,416	0	0	0	3.65%	7.60%	3.94%
De Agostini	20,656,894	0	0	0	2.39%	4.99%	2.59%
Total⁽⁶⁾	367,965,917	0	20,000,000	191,999,997	94.06%	88.89%	94.24%

- (1) The percentage of share capital and voting rights is calculated as follows: (the total number of shares (across all classes of shares) held by the relevant shareholder multiplied by the respective nominal value of each share) divided by (the total number of shares (across all classes of shares) held by all shareholders multiplied by the nominal value of each share).
- (2) The effective economic rights are calculated on the basis of FLE Ordinary Shares shown under "Number of FLE Ordinary Shares" and reflect the expected actual economic rights of the various parties following the completion of the Business Combination as of the First Trading Date. The calculation does not include FLE Founder Shares, Earn-Out Preference Shares or Special Voting Shares, as the Special Voting Shares, the FLE Founder Shares and the Earn-Out Preference Shares have a minimal economic entitlement (and any amount of profit allocated to the Special Voting Shares, Founder Shares and/or Earn-Out Preference Shares pursuant to such entitlement will not be distributed to the holders thereof but added to separate dividend reserves maintained by the Company in relation to (each class of the) Special Voting Shares, Founder Shares and Earn-Out Preference Shares).
- (3) The effective voting rights are calculated on the basis of the FLE Ordinary Shares shown under "Number of FLE Ordinary Shares" and Special Voting Shares shown under "Number of Special Voting Shares". The calculation reflects the expected actual voting rights of the various parties following the completion of the Business Combination as of the First Trading Date. The calculation does not include FLE Founder Shares and Earn-Out Preference Shares. Voting rights are attached to the FLE Founder Shares and the Earn-Out Preference Shares, but their holders have committed to not exercise any voting rights attached to these shares.
- (4) Please note the respective shareholdings of Vivendi and Fimalac include their PIPE Financing contributions.
- (5) Fimalac also holds 8.34% of the shares in the capital of Financière Lov.
- (6) The total numbers show the number of each class of shares held in aggregate by major shareholders. It does not show the total number of each class of shares issued by FL Entertainment. Furthermore, the totals show the percentage of the share capital and voting rights, the effective economic rights and the effective voting rights held in aggregate by the major shareholders. The remainder (i.e. 5.94% of the share capital and voting rights, 11.11% of the effective economic rights and 5.76% of the effective voting rights) are held by the other shareholders of FL Entertainment.

The net asset value per FLE Ordinary Share as of the date of the latest balance sheet before the Listing is €10.

8.3 Shareholders agreement

The Shareholders Agreement will be entered into on the Business Combination Date and the parties thereto will agree to consult each other prior to any FLE General Meeting on the published draft resolutions to be submitted to the shareholders, it being specified that (i) such consultation will take place to discuss and align, where possible, the parties' view on relevant voting items and (ii) each party maintains the discretion to vote its shares as it deems fit (without prejudice to the FLE Board composition as described below).

A. *FLE Board composition*

In the Shareholders Agreement the parties thereto will agree that the FLE Board would be comprised of nine to thirteen FLE Directors. On the First Trading Date, the FLE Board will be composed of eleven FLE Directors, including two FLE Executive Directors (including the chief executive officer of FL Entertainment) and nine FLE Non-Executive Directors. The composition of the FLE Board as of the First Trading Date is set out in "5.12(c)(G) FLE Directors" and:

- the two FLE Executive Directors (including the CEO) will have been nominated by Financière Lov. Financière Lov may nominate two FLE Executive Directors (including the CEO), which nomination shall be proposed by the FLE Board for appointment by the FLE General Meeting, as long as Financière Lov holds more than 20% of the economic interests in FL Entertainment;
- three FLE Non-Executive Directors will have been nominated by Financière Lov (including the chairman). Financière Lov may nominate three FLE Non-Executive Directors (including the chairman), which nomination shall be proposed by the FLE Board for appointment by the FLE General Meeting, as long as Financière Lov holds more than 20% of the economic interests in FL Entertainment;
- one FLE Non-Executive Director fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below) will have been nominated by Financière Lov. Financière Lov may nominate one independent FLE Non-Executive Director, which nomination shall be proposed by the FLE Board for appointment by the FLE General Meeting, as long as Financière Lov holds more than 20% of the economic interests in FL Entertainment;
- two FLE Non-Executive Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below) will have been nominated by the Director Designating Sponsors. Until the date that is four calendar years after the Business Combination Date, the Director Designating Sponsors may nominate two independent FLE Non-Executive Directors, which nomination shall be proposed by the FLE Board for appointment by the FLE General Meeting;
- two FLE Non-Executive Directors (of which one is fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below)) will have been nominated by Vivendi. Vivendi may nominate two FLE Non-Executive Directors (of which one is independent), which nomination shall be proposed by the FLE Board for appointment by the FLE General Meeting, as long as Vivendi (individually or together with its affiliates) holds at least 13% of the economic interests in FL Entertainment it being specified that Vivendi shall designate for appointment an equal number of women and men. Vivendi may nominate one FLE Non-Executive Director, which does not have to fulfill the independence criteria provided by the Dutch Corporate Governance Code or to be a particular gender, as long as Vivendi (individually or together with its affiliates) holds between 8% and 13% of the economic interests on a non-fully diluted basis in FL Entertainment. In all events, Vivendi shall retain its right to appoint one or two FLE Non-Executive Directors for the duration of its lock-up undertaking;
- one FLE Non-Executive Director fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below) will have been nominated by SBM

International. However, if SBM International as a result of the redemptions and the PIPE Financing acquires a stake larger than 10% in the issued share capital of in FL Entertainment following Settlement, the FLE Non-Executive Director they have nominated can no longer be considered independent within the meaning of the Dutch Corporate Governance Code. SBM International may nominate one FLE Non-Executive Director, which nomination shall be proposed by the FLE Board for appointment by the FLE General Meeting, as long as SBM International (individually or together with its affiliates) holds more than 8% of the economic interests in FL Entertainment, it being specified that, in all events, SBM International shall retain its right to appoint one FLE Non-Executive Director at least for the duration of its lock up undertaking; and

- a vice-chairman will have been designated by the FLE Board among the FLE Non-Executive Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below), it being specified that the Vice-Chairman shall not have any casting vote or any other special rights.

Subject to certain exceptions as set out in the Shareholders Agreement, the parties to the Shareholders Agreement have agreed to ensure that (i) in case of an even number of FLE Directors, the FLE Board keeps at least 50% of the seats available for FLE Directors fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below) and the seats available for FLE Directors will be equally divided between women and men (whilst always complying with Dutch law); and (ii) in case of an odd number of board members, the 50% and gender neutrality thresholds shall be reduced to the lower whole number.

The parties to the Shareholders Agreement will further agree that if any of Financière Lov, Vivendi, the Director Designating Sponsors and SBM International no longer meets the above conditions to nominate an FLE Director, such party shall be entitled to appoint, respectively, no longer meets the conditions set forth in the Shareholders Agreement to designate one or more candidates for appointments as FLE Directors by the general meeting, each of Financière Lov, Vivendi, the Director Designating Sponsors or SBM International, as the case may be, shall respectively be entitled, for as long as they individually (or together with their respective affiliates) hold more than 5% of the economic interest in FL Entertainment, to designate one FLE Board observer (without any voting rights), for as long as it holds more than 5% of the percentage of FLE Ordinary Shares on a non-fully diluted basis in FL Entertainment, which will be allowed to be present at each meeting of the FLE Board, but will not have any voting rights.

B. FLE Board committees

In the Shareholders Agreement the parties thereto will also agree to the implementation of two board committees comprised of FLE Non-Executive Directors only:

- the FLE Audit Committee; and
- the FLE Remuneration, Selection and Appointment Committee.

C. Material provisions

The Shareholders Agreement will also contain the following provisions regarding the transfer of the FLE Ordinary Shares:

- Lock-up: The lock up undertakings are described in "5.7(h.) Lock-up arrangements".

- Prohibition to sell to competitors or activists: (i) Vivendi, Fimalac, SBM International, the Sponsors and De Agostini will undertake not to sell the shares they hold in FL Entertainment's capital to a competitor group (including its significant shareholder or affiliates, it being specified that financial player (including but not limited to investment funds) not directly involved in the management of such competitor group is excluded) of FL Entertainment (or its businesses) according to an overview of competitors that will be included in the Shareholders Agreement and which may be updated periodically to include possible new players or (ii) all parties to the Shareholders Agreement will undertake not to sell the shares they hold in FL Entertainment's capital to an activist according to an overview of activists that is included in the Shareholders Agreement or if the activist is an investment fund, such fund as well as any other funds advised by the same management company or any management company which is under the same control as the management company advising or managing such activist.
- Prohibition to transfer FL Entertainment's registered office: The parties to the Shareholders Agreement will agree that FL Entertainment's registered office or statutory seat cannot be transferred to a country other than the United States, the United Kingdom or a Member State (as defined below), unless otherwise unanimously agreed between the parties to the Shareholders Agreement.
- Orderly sale: For the first eighteen (18) months following the Business Combination Date, each party to the Shareholders Agreement will commit to carry out any sale of shares issued by FL Entertainment on the market in an orderly manner and only after having informed FL Entertainment of such potential sale, to limit any negative impact on FL Entertainment share price. This arrangement is subject to the lock-up undertakings and will only apply if the relevant party holds more than 1% of the economic interest in FL Entertainment's capital, except for a transfer by a party to the Shareholders Agreements of a number of FLE Ordinary Shares up to the number of Additional Purchased Shares (as defined in the Shareholders Agreement) such party has acquired or subscribed for.
- Right of first offer for the benefit of Financière Lov: Financière Lov will benefit from a right of first offer in case of a transfer (i) to an identified party (*cession de gré à gré* or through an application) by any of the parties to the Shareholders Agreement, except if such transfer (i) is carried out by any of the Sponsors or (ii) represents in aggregate less than 1% of the economic interest in FL Entertainment over the last twelve (12) months.
- Right of priority for the benefit of Financière Lov: Financière Lov will benefit from a priority right to purchase all or part of the FLE shares that a party to the Shareholders Agreement holding more than 2% of the economic interests in FL Entertainment contemplates to transfer directly on the market or through an accelerated book-build or a fully marketed offering, except if such transfer represents in aggregate less than 0.5% of the FLE Ordinary Shares over the last twelve (12) months.
- Proportional tag along right on Financière Lov: Subject to the exception as set out in the Shareholders Agreement, each party to the Shareholders Agreement holding more than 5% of the economic interest in FL Entertainment will benefit from a proportional tag along right in case of a transfer by Financière Lov of its FL Entertainment's shares, such transfer resulting in Financière Lov holding less than the majority of the voting interests in FL Entertainment, to an identified third-party (*cession de gré à gré* or through an application)

or through an accelerated book-build or a fully marketed offer, as well as any subsequent similar transfer.

- Non-compete: customary non-compete undertaking applicable to Stéphane Courbit and Financière Lov.
- Tender offer: the parties to the Shareholders will agree not to – and will cause their respective affiliates not to – carry out, approve, direct or cause any transaction, perform any act or enter into any agreement that may result in an obligation for any one or more of the Parties or their respective Affiliates to jointly or individually make a mandatory tender offer (*openbaar bod*) on FL Entertainment as long as the FLE Concert (as defined below) exists. In case of a breach of this prohibition by any party to the Shareholders Agreement, the breaching party will (i) assume all consequences of such mandatory tender offer to the extent allowed under applicable law, and (ii) hold harmless the other parties to the Shareholders Agreement and each non-breaching party will have the right to terminate the FLE Concert with respect to itself with immediate effect.

In addition, the parties to the Shareholders Agreement will agree to not tender their shares in FL Entertainment to a tender offer not recommended by the FLE Board as long as Financière Lov holds more than 20% of the economic interests in FL Entertainment. Should Fimalac or Vivendi subscribe in cash for FLE Ordinary Shares on the Business Combination Date as well as any FLE Ordinary Shares subscribed for or purchased after such date (the "**Additional Purchased Shares**"), such Additional Purchased Shares shall be fully excluded of the scope of the Shareholders Agreement, including not taken into account for the purpose of determining whether Fimalac or Vivendi shall benefit from any governance rights under the Shareholders Agreement, save for Fimalac or Vivendi to elect that the provisions of the Shareholders Agreement shall apply to these Additional Purchased Shares in.

D. Termination

The Shareholders Agreement, which will constitute a concerted action within the meaning of Dutch law (the "**FLE Concert**"), co-existing with the Courbit Family concert, will terminate (i) after 20 calendar years from the date of the Shareholders Agreement or (ii) if all parties thereto in aggregate hold less than 30% of the voting rights in the FLE General Meeting of FL Entertainment. Furthermore, any party (other than a Sponsor) will be free to terminate the Shareholders Agreement (and the FLE Concert) should it hold less than 1% of the economic interest in FL Entertainment.

E. Governing law and jurisdiction

The Shareholders Agreement will be governed by and construed in accordance with the laws of Netherlands, excluding its conflict of laws principles. The competent court in Amsterdam, the Netherlands shall have exclusive jurisdiction, in first instance, over any dispute that may arise in connection with or resulting from the validity, construction or performance of the Shareholders Agreement, whether contractual or non-contractual.

8.4 Related party transactions

a. LGI Compensation

LGI (whose share capital is owned by the Courbit Family) serves as president of Banijay Group SAS and of Betclic, and receives compensation in such capacity:

- annual compensation (excluding VAT, if any) as president of Banijay Group SAS is set at the average of (i) 0.38% of the consolidated turnover of the previous fiscal year of Banijay Group SAS and (ii) 2% of the consolidated EBITDA of Banijay Group SAS of the previous fiscal year. Such compensation shall be paid in four instalments, on the 15th day of each quarter.
- annual compensation (exclusive of VAT if any) as president of Betclie is set at 2% of the gross margin of Betclie realised during the relevant fiscal year, it being specified that the gross profit of Bet-at-Home will be taken into account to the extent of the percentage of participation on January 1st of the said fiscal year, as such gross margin is defined in the audited consolidated financial statements of Betclie as at 31 December 2021. Such compensation shall be paid (i) in three instalments within one month of the interim financial statements, (ii) the balance being paid no later than one month following the closing of the audited consolidated financial statements of Betclie.

LGI's annual compensation includes the strategic, financial, legal functions performed by LGI (directly or with the support of its affiliates), it being specified that no services provided by LGI (or any of its affiliates other than a Group company) will be re-invoiced to FL Entertainment ((i) with the exception of direct expenses (e.g. leases, IT, reception) and (ii) without prejudice to the compensation and LTIP to be paid by FL Entertainment to its CEO.

In 2021, the annual compensation of LGI as president of Banijay Group SAS and as president of Betclie was equal to €14,000,000.

b. PIPE Financing

Pursuant to the Investment Agreement, five members of the Courbit Family will subscribe for a number of FL Topco shares and will subsequently enter into a shareholders agreement in respect of FL Entertainment. The Courbit Family will be acting in concert (*handelend in onderling overleg*) and will be deemed to jointly have control (*overwegende zeggenschap*), over FL Entertainment as per the time of admission to trading of the FLE Ordinary Shares and FLE Warrants on Euronext Amsterdam. See also "5.6(c) Investment Agreement".

9 FINANCIAL INFORMATION OF FL ENTERTAINMENT

9.1 Presentation of financial and other information

a. General

FL Entertainment was incorporated on 10 March 2022 to act as the parent company of the FL Entertainment Group in connection with the Business Combination and will not have any operational activities before the Business Combination Date. Financière Lov was the parent company of the FL Entertainment Group during the financial periods presented in this Circular.

b. Historical Financial Information

This Circular includes combined financial statements of FL Entertainment for the years ended 31 December 2021 (the "**Financial Year 2021**"), 31 December 2020 and 31 December 2019 (together, the "**Combined Financial Statements**").

The Combined Financial Statements for the years ended 31 December 2021, 2020 and 2019 have been prepared by using reporting packages prepared locally by subsidiaries' management for the purpose of Financière Lov's consolidated financial statements and in accordance with IFRS. The FL Entertainment Group historically did not exist and therefore was not a reporting group. Consequently, previously no separate (statutory) consolidated financial statements were prepared. Although the Combined Financial Statements reflect all the historical assets, liabilities, revenue, expenses, and cash flows of the FL Entertainment Group, they may not necessarily be indicative of the FL Entertainment Group's future financial position, results of operations, or cash flows had the FL Entertainment Group operated as a separate entity during the periods presented as certain costs at the holding level are not reflected in the Combined Financial Statements. The Combined Financial Statements represent a combination of financial statements of the entities under the control of Financière Lov and not a carve-out of the current scope of consolidation in Financière Lov.

c. Non-IFRS Financial Measures

This Circular contains non-IFRS financial measures and related ratios, such as Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Cash Conversion, Leverage, Gross Gaming Revenue, Adjusted Net Income and Net Debt, which are not recognised measures of financial performance, liquidity or financial position under IFRS. The FL Entertainment Group uses these non-IFRS financial measures to manage and monitor the underlying performance of the FL Entertainment Group's business and operations and financial position. Although certain of this data has been extracted or derived from the Combined Financial Statements in this Circular, this data, nor assumptions underlying this data, have been audited or reviewed. Further, they may not be indicative of the FL Entertainment Group's historical operating results or the FL Entertainment Group's historical financial position, nor are such measures meant to be predictive of the FL Entertainment Group's future results or financial position. These non-IFRS measures are presented in this Circular because FL Entertainment considers them an important supplemental measure of the FL Entertainment Group's performance and believes that they and similar measures are widely used in the industry in which the FL Entertainment Group operates as a means of evaluating a company's operating performance, liquidity and financial position. By providing additional insight into non-IFRS based measures and non-financial operating data, FL Entertainment believes that the users of this information may be better able to understand the FL Entertainment Group's operational

performance and trend development.

The non-IFRS financial measures presented are not measures of financial performance or financial position under IFRS, but measures derived from management estimates used by management to monitor the underlying performance of the FL Entertainment Group's business and operations, and accordingly have not been audited or otherwise reviewed by external auditors, consultants or experts. Further, they may not be indicative of the FL Entertainment Group's historical operating results or the FL Entertainment Group's historical financial position, nor are such measures meant to be predictive of the FL Entertainment Group's future results or financial position. However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Circular and they should not be considered in isolation or as a substitute for operating profit, profit for the year, cash flow, loans and other borrowings or other financial measures computed in accordance with IFRS.

The presentation of the non-IFRS measures in this Circular should not be construed as an implication that the FL Entertainment Group's future results will be unaffected by exceptional or non-recurring items.

The non-IFRS financial measures have limitations as analytical tools. Shareholders are encouraged to evaluate any adjustments to IFRS measures and the reasons the management considers them appropriate for supplemental analysis. Because of these limitations, as well as further limitations discussed above, the non-IFRS financial measures presented should not be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS. Each of the non-IFRS financial measures is described below.

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

The FL Entertainment 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 Margin"** for a period is defined as Adjusted EBITDA for that period as a percentage of revenue for that period.

The FL Entertainment Group considers Adjusted EBITDA Margin to be a useful measure to evaluate its operating performance in general and it believes that Adjusted EBITDA Margin is useful for analysts and investors to understand how management assesses its ongoing operating performance on a consistent basis as its business grows.

- **"Adjusted Free Cash Flow"** is defined as Adjusted EBITDA adjusted for purchase and disposal of property plant and equipment and of intangible assets and cash outflows for leases

that are not recognised as rental expenses.

The FL Entertainment 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 relevant and useful information about FL Entertainment Group's cash generation capacity and performance.

- **"Adjusted Cash Conversion"** is defined as Adjusted Free Cash Flow divided by Adjusted EBITDA.

The FL Entertainment Group presents its Adjusted Cash Conversion 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. Its purpose is to provide both management and investors relevant and useful information about the FL Entertainment Group's cash generation capacity and performance.

- **"Adjusted Net Income"** is defined as net income (loss) adjusted for restructuring costs and other non-recurring items, costs associated with the LTIP and employment related earn-out and option expenses and other financial income.

The FL Entertainment Group considers Adjusted Net Income to be a useful metric for evaluating its operating performance as it facilitates a comparison of its operating results per segment from period to period by removing the impact of certain non-recurring costs.

- **"Aggregated Revenues"** is defined as the aggregation of the revenue reported in the audited Endemol Shine Group financial statements for the year ended 31 December 2019, the unaudited management accounts for the six months ended 30 June 2020 of the Endemol Shine Group and the Combined Financial Statements for the respective period.

The FL Entertainment Group believes that the Aggregated Revenues provide a more meaningful comparison in respect of the entire business undertakings of the FL Entertainment Group for the year ended 31 December 2020 and 2019.

- **"Aggregated Adjusted EBITDA"** is defined as the aggregation of Adjusted EBITDA reported in the audited Endemol Shine Group financial statements for the year ended 31 December 2019, the unaudited management accounts for the six months ended 30 June 2020 of the Endemol Shine Group and the Combined Financial Statements for the respective period.

The FL Entertainment Group believes that the Aggregated Adjusted EBITDA provides a more meaningful comparison of the entire business undertakings of the FL Entertainment Group for the year ended 31 December 2020 and 2019.

- **"Aggregated Adjusted Free Cash Flow"** is defined as the aggregation of Adjusted Free Cash Flow reported in the audited Endemol Shine Group financial statements for the year ended 31 December 2019, the unaudited management accounts for the six months ended 30 June 2020 of the Endemol Shine Group and the Combined Financial Statements for the respective period.

The FL Entertainment Group believes that the Aggregated Adjusted Free Cash Flow

provides a more meaningful comparison of the entire business undertakings of the FL Entertainment Group for the year ended 31 December 2020 and 2019.

- **"Gross Gaming Revenue"** for a period is defined as the 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 for that period.

The FL Entertainment Group believes that the Gross Gaming Revenue is a useful metric for comparing its operating performance to its competitors as this is a key metric used by gambling and betting companies.

- **"Leverage"** is defined as Net Debt divided by Adjusted EBITDA.

The FL Entertainment Group monitors its Leverage because the FL Entertainment Group believes this measure provides indicators of the overall strength of its balance sheet and can be used to assess the impact of the FL Entertainment Group's cash position and its earnings as compared to its indebtedness.

- **"Net Debt"** is defined as the sum of bonds, bank borrowings, bank overdrafts and accrued interests on bonds and bank borrowings minus cash and cash equivalents, trade receivables on providers and cash in trusts, plus players liabilities plus (or minus) the fair value of net derivatives liabilities (or assets) for that period.

The FL Entertainment Group monitors its Leverage because the FL Entertainment Group believes this measure provides indicators of the overall strength of its balance sheet.

In addition to the non-IFRS measures listed above, this Circular contains certain unaudited aggregated selected financial information, including the aggregation of the unaudited management accounts of the Endemol Shine Group for the six months ended 30 June 2020 and the Combined Financial Statements for the year ended 31 December 2020 (the "**Aggregated FY 2020**") and the aggregation of the audited Endemol Shine Group financial statements for the year ended 31 December 2019 and the Combined Financial Statements for the year ended 31 December 2019 (the "**Aggregated FY 2019**" and together with the Aggregated FY 2020, the "**Aggregated Financial Information**"), which the FL Entertainment Group believes provides a more meaningful comparison of selected financial information in respect of the entire business undertakings of the FL Entertainment Group. The Aggregated FY 2020 and Aggregated FY 2019 financial information have been compiled by aggregating information derived from the audited Endemol Shine Group financial statements for the year ended 31 December 2019, the unaudited management accounts for the six months ended 30 June 2020 of the Endemol Shine Group and the Combined Financial Statements. For further details regarding the basis of preparation of the Aggregated Financial Information, see the notes to the Aggregated Financial Information included elsewhere in this Circular.

See "*9.4(e) Non-IFRS Financial Information*" for the reconciliations of the Non-IFRS financial measures discussed herein, to the extent such measures can be reconciled to an IFRS line item.

d. Non-Financial Operating Data

The key performance indicators and other non-financial operating data included in this Circular are derived from management estimates, are not part of the FL Entertainment Group's financial statements or financial accounting records, and have not been audited or otherwise reviewed by outside auditors, consultants or experts.

The FL Entertainment Group's use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS. For a description of these terms, see section "9. *Financial Information of FL Entertainment*".

e. Rounding and Negative Amounts

Certain figures in this Circular, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals may not be an exact arithmetic aggregation of the figures which precede them.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts may also be shown by "-" or "negative" before the amount. Amounts greater than 0, but less than 0.05 million are shown as 0.0.

f. Currency

All references in this Circular to "euro", "EUR" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Community, as amended from time to time.

g. Market and Industry Information

All references to market share, market data, industry statistics and industry forecasts in this Circular consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of the FL Entertainment Group's own assessment of its sales and markets. Statements based on FL Entertainment's own proprietary information, insights, opinions or estimates contain words such as the FL Entertainment Group or FL Entertainment 'believes', 'expects', 'sees', 'considers', 'aims', 'estimates' and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read.

This Circular contains statistics, data and other information relating to markets, market size, market shares, market positions and other industry data pertaining to the FL Entertainment Group's business and markets. Unless otherwise indicated, such information is based on the FL Entertainment Group's analysis of multiple sources and information obtained from Press, Companies publications, The WIT, Ampere Analysis, FactSet, Grand View Research, Moody's, Similarweb, SNL and Wall Street Research. Such information has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as FL Entertainment is aware and able to ascertain from the information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Industry publications generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions.

Shareholders are, nevertheless, advised to consider these data with caution. For example, market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. The fact that information from the aforementioned third-party sources has been included in this Circular should not be considered as a recommendation by the relevant third parties to invest in, purchase or take any other action with respect to, shares or other financial instruments in FL Entertainment.

The Circular contains statements regarding the characteristics of the multi-platform and cross-genre content production and sports betting industries as well as the FL Entertainment Group's competitive and market position. FL Entertainment believes these statements to be true, based on market data and industry statistics, but has not independently verified the information. FL Entertainment cannot guarantee that a third-party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the FL Entertainment Group and FL Entertainment's competitors may define their markets and their own relative positions in these markets differently than the FL Entertainment Group or FL Entertainment does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the FL Entertainment Group's or FL Entertainment's.

9.2 Capitalisation

The table below set forth the FL Entertainment Group's combined capitalisation as of 31 March 2022 on an actual basis. All information has been derived from the Combined Financial Statements of the FL Entertainment Group, except as otherwise noted. This table should be read in conjunction with the Combined Financial Statements and the notes thereto included elsewhere in this Circular and section "9. Financial Information of FL Entertainment". For more information concerning FL Entertainment's share capital, see for instance "8.1 Issued share capital".

	<u>As of 31 March 2022</u> (Euros millions) unaudited
Total current debt (including current portion of non-current debt)	455.82
Guaranteed ⁽¹⁾	7.14
Secured ⁽²⁾	446.51
Unguaranteed/unsecured	2.17
Total non-current debt (excluding current portion of non-current debt)	2,439.48
Guaranteed ⁽¹⁾	22.87
Secured ⁽²⁾	2,027.73
Unguaranteed/unsecured	388.87
Net Investment of the owner ⁽³⁾	30.60
Combined retained earnings	30.60
Net loss attributable to the owner	n/a
Total	2,925.90

⁽¹⁾ The Banijay Group was granted a state guaranteed loan in the context of the COVID-19 outbreak ("PGE").

⁽²⁾ The Banijay Group has pledged shares of its subsidiaries for the benefit of its noteholders and its bank

pooling pursuant to the financing subscribed for on 11 February 2020 for Senior Secured Notes of €575 million and \$403 million, and TLB (EUR) of €453 million and TLB (USD) \$450 million. Betclac Everest Group has pledged the shares it holds into its subsidiary Betclac and Bet-at-Home to the profits of the lending banks of the €165 million loan contracted by Betclac on 23 June 2020.

⁽³⁾ Net investment of the owner has not been updated as of 31 March 2022 as the Group has not prepared any income statement for the quarter ended 31 March 2021. Therefore the amount shown in the table is as of 31 December 2021.

9.3 Indebtedness

The table below set forth the FL Entertainment Group's combined indebtedness as of 31 March 2022 on an actual basis. All information has been derived from the Combined Financial Statements of the FL Entertainment Group, except as otherwise noted. This table should be read in conjunction with the Combined Financial Statements and the notes thereto included elsewhere in this Circular and "9. Financial Information of FL Entertainment". For more information concerning FL Entertainment's share capital, see "8.1 Issued share capital".

	As of 31 March 2022 (unless indicated otherwise)
	<i>(Euros millions)</i>
A Cash	457.47
B Cash equivalents	-
C Other current financial assets	8.32
D Liquidity (A + B + C)	465.79
E Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	306.57
F Current portion of non-current financial debt ⁽¹⁾	149.25
G Current financial indebtedness (E + F)	455.82
H Net current financial indebtedness (G – D)	- 9.97
I Non-current financial debt (excluding current portion and debt instruments) ⁽¹⁾	1,122.11
J Debt instruments (Notes)	1,317.13
K Non-current trade and other payables	-
L Non-current financial indebtedness (I + J + K)	2,439.24
M Total financial indebtedness (H + L)	2,429.27

⁽¹⁾ Including lease liabilities for a total amount of €183.4 million of which €40.2 million is current and €143.2

million is non-current.

There has been no material change in the FL Entertainment Group's net indebtedness since 31 December 2021.

The Combined Group's indirect and contingent indebtedness as of 31 December 2021 includes provisions for a total amount of €61.1 million as detailed in note 21.1 to the Combined Financial Statements and a contingent liability of €52.4 million in relation to a VAT notice from the French tax administration as further detailed in note 22.1 to the Combined Financial Statements.

9.4 Selected Financial Information

The selected combined financial information of the FL Entertainment Group as of and for the years ended 31 December 2021, 2020 and 2019 set forth below has been derived from and based on the Combined Financial Statements. The FL Entertainment Group historically did not exist as a reporting group and therefore previously no separate (statutory) consolidated financial statements were prepared. Although the Combined Financial Statements reflect all the historical assets, liabilities, revenue, expenses, and cash flows of the FL Entertainment Group, they may not necessarily be indicative of the FL Entertainment Group's financial position, results of operations, or cash flows had the FL Entertainment Group operated as a separate entity during the periods presented. The Combined Financial Statements represent a combination of financial statements of the entities under the control of Financière Lov and not a carve-out of the current scope of consolidation in Financière Lov. Consequently, certain costs at the holding level are not reflected in the Combined Financial Statements. The Combined Financial Statements of the FL Entertainment Group have been prepared in accordance with IFRS, as adopted by the European Union. These Combined Financial Statements have been prepared using reporting packages prepared locally by subsidiaries' management for the purpose of Financière Lov's consolidated financial statements.

The Endemol Shine Group acquisition was completed in July 2020 and consolidated in the FL Entertainment Group's consolidated financial information as of that date. As a result of this intra-year consolidation, the FL Entertainment Group's historical consolidated financial information does not comprise the results of operations of the entire business undertaking of the FL Entertainment Group as it exists at the date of this Circular and comparability over the periods presented is therefore limited. Consequently, certain unaudited aggregated selected financial information have been included in this Circular, which the FL Entertainment Group believes provides more meaningful comparisons. This section contains unaudited aggregated selected financial information for the year ended 31 December 2020 (or: Aggregated FY 2020) and for the year ended 31 December 2019 (or: Aggregated FY 2019). The Aggregated FY 2020 and Aggregated FY 2019 financial information have been compiled by aggregating information derived from the audited Endemol Shine Group financial statements for the year ended 31 December 2019, the unaudited management accounts for the six months ended 30 June 2020 of the Endemol Shine Group and the Combined Financial Statements.

The following information should be read in conjunction with the "*12. Other Important Information*", "*9.2 Capitalisation*", "*9.3 Indebtedness*" and "*9.5 Operating and financial Review of FL Entertainment*" sections of this Circular and the Combined Financial Statements, including the notes thereto.

The following tables present the FL Entertainment Group's combined statement of income, the FL Entertainment Group's combined statement of financial position and the FL Entertainment Group's

combined statement of cash flows for the periods or as of the dates indicated and certain Non-IFRS Measures for the periods or as of the dates indicated. Non-IFRS Measures are not recognised measures of financial performance under IFRS and have not been audited or reviewed. These Non-IFRS Measures are presented because they are used by the FL Entertainment Group to monitor the performance of the business and operations. These measures also provide additional information to Shareholders to enhance their understanding of its results.

a. Combined Statement of Income

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Revenues.....	3,497.0	2,128.5	1,455.5
External expenses	(1,774.1)	(1,140.7)	(757.3)
Staff costs	(1,403.4)	(650.4)	(512.9)
Other operating income	0.0	0.2	0.3
Other operating expenses.....	(67.5)	(63.6)	(14.0)
Depreciation and amortisation expenses.....	(141.7)	(87.7)	(81.5)
Impairment losses and provisions, net of reversals	-	-	-
Operating profit/(loss)	110.4	186.2	90.1
Financial income.....	0.8	0.0	0.0
Interest expense	(136.1)	(116.0)	(27.8)
Cost of net debt	(135.3)	(116.0)	(27.8)
Other financial income.....	1.9	6.2	(45.4)
Net financial income/(expenses)	(133.4)	(109.8)	(73.1)
Share of net income from associates and joint ventures.....	(1.2)	(4.3)	(5.5)
Earnings before income tax expenses	(24.2)	72.1	11.5
Income tax expenses	(49.2)	(24.6)	(23.8)
Profit from continuing operations	(73.4)	47.5	(12.3)
Profit/(loss) from discontinued operations.....	-	-	-
Net income/(loss) for the period	(73.4)	47.5	(12.3)
Attributable to:			
- Non-controlling interests	(30.4)	41.7	5.3
- Owner	(43.0)	5.8	(17.6)

b. Combined Statement of Financial Position

	2021	As at 31 December		
		2020	2019	1 January 2019
	(in € millions, unless indicated otherwise)			
Goodwill.....	2,493.9	2,450.9	730.8	692.5
Intangible assets.....	236.7	256.6	68.7	91.8
Right-of-use assets.....	171.1	191.7	71.6	73.6
Property, plant and equipment	55.3	59.7	28.5	23.4
Investments in associates and joint ventures	11.1	2.7	6.0	12.2
Non-current financial assets	83.0	73.8	89.4	98.8
Other non-current assets	29.6	9.3	16.0	17.0
Deferred tax assets.....	47.6	51.3	29.0	22.6
Non-current assets	3,128.3	3,096.1	1,040.1	1,031.8
Inventories and work in progress	676.7	427.4	131.4	91.6
Trade receivables	463.6	445.4	174.0	193.9
Other current assets.....	264.2	211.3	173.8	120.0
Current financial assets.....	75.2	68.5	94.0	82.0
Cash and cash equivalent.....	434.1	399.0	181.3	184.7
Assets classified as held for sale	-	-	-	-
Current assets	1,913.7	1,551.6	754.5	672.2
Assets	5,042.0	4,647.7	1,794.6	1,704.0
Combined retained earning.....	73.6	88.9	137.2	143.4
Net income (loss) attributable to the Owner	(43.0)	5.8	(17.6)	-

Net investment of the Owner⁽¹⁾	30.6	94.7	119.7	143.4
Non-controlling interests	(36.7)	43.5	(3.2)	43.3
Net loss attributable to the owner	-	-	-	-
Total invested equity	(6.2)	138.1	116.4	186.7
Long-term borrowings and other financial liabilities	2,457.8	2,470.8	577.8	594.7
Long-term lease liabilities	143.2	165.3	59.2	62.1
Non-current provisions	22.0	14.9	17.5	19.2
Other non-current liabilities	291.7	267.9	235.7	199.4
Deferred tax liabilities	3.2	7.1	3.0	9.6
Non-current liabilities	2,917.9	2,925.9	893.1	884.9
Short-term borrowings and bank overdrafts	306.2	150.9	88.5	111.6
Short-term lease liabilities	40.2	38.0	17.1	14.4
Trade payables	511.2	435.4	208.6	145.1
Current provisions	39.1	25.2	5.7	7.5
Customer contract liabilities	776.9	552.3	222.0	189.1
Other current liabilities	456.8	381.8	243.2	164.7
Liabilities classified as held for sale	-	-	-	-
Current liabilities	2,130.3	1,583.6	785.1	632.4
Equity and liabilities	5,042.0	4,647.7	1,794.6	1,704.0

c. Combined Statement of Cash Flows

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Net cash flows provided by operating activities	403.5	306.8	211.8
Net cash flows provided by/(used for) investing activities	(97.1)	(1,905.6)	(78.0)
Net cash flows from (used in) financing activities	(258.0)	1,804.2	(135.9)
Impact of changes in foreign exchange rates	(4.4)	4.9	0.6
Net increase (decrease) of cash and cash equivalents	43.9	210.3	(1.5)
Net cash and cash equivalents at the beginning of the period	388.5	178.2	179.7
Net cash and cash equivalents at the end of the period	432.4	388.5	178.2

d. Certain Geographical Information

The following table sets forth revenue per geographic area for the periods indicated.

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Europe	2,895.2	1,862.5	1,282.5
United States of America	450.2	199.2	151.3
Rest of the world	151.6	66.8	21.8
Total Revenue	3,497.1	2,128.5	1,455.5

e. Non-IFRS Financial Information

The following table sets out a reconciliation of the FL Entertainment Group's Operating profit / loss to Adjusted EBITDA and Adjusted EBITDA Margin for the periods indicated.

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Operating profit / loss	110.4	186.2	90.1
Restructuring costs & other non-recurring items	49.8	52.4	13.4
LTIP and employment-related earn-out and option expenses	308.0 ⁽¹⁾	57.6	80.6
Depreciation and amortisation (excluding D&A fiction ⁽²⁾)	141.1	86.5	56.4

Adjusted EBITDA	609.3	382.7	240.5
/ Revenue	3,497.0	2,128.5	1,455.5
Adjusted EBITDA Margin	17.4%	18.0%	16.5%

(1) This number includes one-off costs in connection with an agreement in relation to accelerated vesting between a manager, the Betclie Everest Group and certain other shareholders which was signed on 17 November 2021. To reflect this agreement in accordance with IFRS 2, the Betclie Everest Group recognised an expense of €208.9 million in the year ended 31 December 2021.

(2) D&A fiction are costs related to the amortisation of fiction production amounting to €4.2 million in the year ended 31 December 2020 and €23.8 million in the year ended 31 December 2019 (nil in 2021), which the FL Entertainment Group considers to be operating costs. As a result of the D&A fiction, the depreciation and amortisation line item in the FL Entertainment Group's combined statement of income deviates from the depreciation and amortisation costs in this line item.

The following table sets out a reconciliation of the FL Entertainment Group's Operating profit / loss to Adjusted Free Cash Flow and Adjusted Cash Conversion for the periods indicated.

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Operating profit / loss	110.4	186.2	90.1
Restructuring costs & other non-recurring items	49.8	52.4	13.4
LTIP and employment-related earn-out and option expenses..	308.0 ⁽¹⁾	57.6	80.6
Depreciation and amortisation (excluding D&A fiction ⁽²⁾).....	141.1	86.5	56.4
Adjusted EBITDA	609.3	382.7	240.5
Purchase of property, plant and equipment and of intangible assets	(66.5)	(40.7)	(29.6)
Total cash outflows for leases that are not recognised as rental expenses	(45.2)	(31.9)	(18.7)
Adjusted Free Cash Flow	497.6	310.2	192.3
/ Adjusted EBITDA	609.3	382.7	240.5
Adjusted Cash Conversion	81.7%	81.0%	79.9%

(1) This number includes one-off costs in connection with an agreement in relation to accelerated vesting between a manager, the Betclie Everest Group and certain other shareholders which was signed on 17 November 2021. To reflect this agreement in accordance with IFRS 2, the Betclie Everest Group recognised an expense of €208.9 million in the year ended 31 December 2021.

(2) The D&A fiction are costs related to the amortisation of fiction production amounting to €4.2 million in the year ended 31 December 2020 and €23.8 million in the year ended 31 December 2019 (nil in 2021), which the FL Entertainment Group considers to be operating costs. As a result of the D&A fiction, the depreciation and amortisation line item in the FL Entertainment Group's combined statement of income deviates from the depreciation and amortisation costs in this line item.

The following table sets out a reconciliation of the FL Entertainment Group's Net income / loss for the period to Adjusted Net Income for the periods indicated.

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Net income / loss for the period	(73.4)	47.5	(12.3)
Restructuring costs & other non-recurring items	49.8	52.4	13.4
LTIP and employment-related earn-out and option expenses..	308.0 ⁽¹⁾	57.6	80.6
Other financial income	(1.9)	(6.2)	45.4
Adjusted Net Income	282.5	151.2	127.1

(1) This number includes one-off costs in connection with an agreement in relation to accelerated vesting between a manager, the Betclie Everest Group and certain other shareholders which was signed on 17 November 2021. To reflect this agreement in accordance with IFRS 2, the Betclie Everest Group recognised an expense of €208.9 million in the year ended 31 December 2021.

The following table sets out a reconciliation of the FL Entertainment Group's Revenue in the Online Gaming and Gambling segment to Gross Gaming Revenue for the periods indicated.

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		

Online Gaming and Gambling segment revenue	741.1	532.6	451.4
Winning payouts paid to players	93.4	68.1	57.4
Gross Gaming Revenue.....	834.4	600.7	508.7

The following table sets out a reconciliation of Net Debt and Leverage to line items from the statement of financial position of the FL Entertainment Group as of the dates indicated.

	As at 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Bonds	1,841.8	1,831.0	511.2
Bank borrowings	852.2	698.4	105.0
Bank overdrafts	1.7	10.5	3.1
Accrued interests on bonds and bank borrowings	32.7	33.4	12.4
Total bank indebtedness	2,728.4	2,573.3	631.6
Cash and cash equivalents	(434.1)	(399.0)	(181.3)
Trade receivables on providers	(24.8)	(21.8)	(23.1)
Players liabilities	41.7	38.1	32.5
Cash in trusts	(22.4)	(20.3)	(14.0)
Net cash and cash equivalents	(439.5)	(403.0)	(185.8)
Net debt – before derivatives effects	2,288.8	2,170.3	445.8
Derivatives - liabilities	6.1	20.5	4.4
Derivatives - assets	(26.2)	(26.7)	(44.4)
Net Debt.....	2,268.8	2,164.1	402.0
/ Adjusted EBITDA	609.3	382.7	240.5
Leverage	3.7x	5.7x	1.7x

The tables below present certain unaudited aggregated selected financial information for each of the years ended 31 December 2020 and 2019. On 2 July 2020, the Banijay Group acquired the Endemol Shine Group. The Aggregated FY 2020 and Aggregated FY 2019 financial information have been compiled by aggregating information derived from the audited Endemol Shine Group financial statements for the year ended 31 December 2019, the unaudited management accounts for the six months ended 30 June 2020 of the Endemol Shine Group and the Combined Financial Statements. This unaudited aggregated selected financial information is provided for certain limited income statement items only and accordingly does not include all the information that would usually be included in a statement of income or any information that would usually be included in a statement of other comprehensive income, statement of financial position or statement of changes in equity, in each case prepared in accordance with IFRS. The unaudited aggregated selected financial information has been prepared only for the years ended 31 December 2020 and 2019 and no similar financial information has been prepared for any other periods. See "9.1 Presentation of financial and other information".

f. Unaudited Aggregated Financial Information for 2020

The FL Entertainment	Endemol Shine Group	Aggregated FY 2020 ⁽³⁾
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	Group's financial information for the year ended 31 December 2020⁽¹⁾	financial information for the six months ended 30 June 2020⁽²⁾	
	(in € millions)		
Aggregated Revenues	2,128.5	677.7	2.806.2
Aggregated Adjusted EBITDA ⁽⁴⁾	382.7	73.7	456.4
Aggregated Adjusted Free Cash Flow ⁽⁴⁾	310.2	54.2	364.3

⁽¹⁾ Derived from the Combined Financial Statements.

⁽²⁾ Derived from the unaudited management accounts for the six months ended 30 June 2020 of the Endemol Shine Group.

⁽³⁾ Derived by adding the corresponding line items in the previous columns. This column represents the unaudited aggregated selected financial information for the year ended 31 December 2020. See "9.4(e.) Non-IFRS Financial Information".

⁽⁴⁾ Non-IFRS financial measures are used to track the performance of our business. None of these non-IFRS financial measures is a measure of financial performance under IFRS. Nevertheless, The FL Entertainment Group believes that these measures provide an important indication of trends in its financial performance. Aggregated Adjusted EBITDA and Aggregated Adjusted Free Cash Flow have been calculated similarly as Adjusted EBITDA and Adjusted Free Cash Flow. See "9.4(e.) Non-IFRS Financial Information".

g. Unaudited Aggregated Financial Information for the Year Ended 31 December 2019

	The FL Entertainment Group's financial information for the year ended 31 December 2019⁽¹⁾	Endemol Shine Group financial information for the year ended 31 December 2019⁽²⁾	Aggregated FY 2019⁽³⁾
	(in € millions)		
Aggregated Revenues	1,455.5	1,687.7	3,143.3
Aggregated Adjusted EBITDA ⁽⁴⁾	240.5	230.8	471.3
Aggregated Adjusted Free Cash Flow ⁽⁴⁾	192.3	188.8	381.1

⁽¹⁾ Derived from the Combined Financial Statements

⁽²⁾ Derived from the audited Endemol Shine Group financial statements for the year ended 31 December 2019.

⁽³⁾ Derived by adding the corresponding line items in the previous columns. This column represents the unaudited illustrative aggregated selected financial information for the year ended 31 December 2019. See "9.4(e.) Non-IFRS Financial Information".

⁽⁴⁾ Non-IFRS financial measures are used to track the performance of our business. None of these non-IFRS financial measures is a measure of financial performance under IFRS. Nevertheless, The FL Entertainment Group believes that these measures provide an important indication of trends in its financial performance. Aggregated Adjusted EBITDA and Aggregated Adjusted Free Cash Flow have been calculated similarly as Adjusted EBITDA and Adjusted Free Cash Flow. See "9.4(e.) Non-IFRS Financial Information".

9.5 Operating and financial review of FL Entertainment

The following is a discussion of the results of operations and financial condition of FL Entertainment as at and for the years ended 31 December 2021, 2020 and 2019 (collectively, the "periods under review"). This discussion should be read in conjunction with the selected historical financial information included in "Selected Consolidated Financial Information" as well as with the Combined

Financial Statements included elsewhere in this Circular. The following discussion of the results of operations and financial condition of FL Entertainment should be read in conjunction with "9.1 Presentation of financial and other information", "7. FL Entertainment's Business", "7.2 Content production and distribution business" and "7.3 Online sports betting and gaming business". Shareholders should read the entire Circular and not just rely on the information set out below.

The following discussion of FL Entertainment's financial condition, results of operations and cash flows contains forward-looking statements that involve risks and uncertainties. FL Entertainment's actual results could differ materially from those discussed in these forward-looking statements. Shareholders should read "12.2 Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements. Shareholders should also read "10. Risk Factors" for a discussion of certain factors that may affect FL Entertainment's business, financial condition, results of operations and cash flows.

a. Overview

The FL Entertainment Group is a global group, operating across a variety of platforms and geographies. The FL Entertainment Group operates the world's leading independent production and television programme distribution company based on revenues for the year ended 31 December 2021 and believes it is the fastest growing online sports betting platform in Europe in terms of Gross Gaming Revenue growth over the year ended 31 December 2015 to the year ended 31 December 2021 (see "7.2 Content production and distribution business" and "7.3 Online sports betting and gaming business" above). The FL Entertainment Group's business is divided between the content production and distribution segment (of which the revenues represented approximately 78.8% of the total revenues of the FL Entertainment Group for the year ended 31 December 2021) and the online sports betting and gaming segment (of which the revenues represented approximately 21.2% of the total revenues of the FL Entertainment Group for the year ended 31 December 2021), each of which is described in separate chapters below.

The FL Entertainment Group operates its business associated with content production and distribution through the Banijay Group, in which the FL Entertainment Group will hold 89.5% as from the First Trading Date. The remaining 10.5% will be held by senior managers of the Banijay Group.

The FL Entertainment Group operates its business associated with online sports betting and gaming through the Betclac Group, in which the FL Entertainment Group will hold 94.6% as from the Business Combination Date. The remaining 5.4% will be held by Nicolas Béraud, founder and CEO of Betclac. In addition, Betclac holds 53.9% of the shares in Bet-at-home, which is a German company also operating in the field of online sports betting and gaming. Bet-at-home is listed on the Frankfurt Stock Exchange and operates independently. There is no agreement in place between Betclac and Bet-at-home.

b. Basis of Presentation

FL Entertainment was incorporated on 10 March 2022 to act as the parent company of the FL Entertainment Group in connection with the Business Combination and will not have any operational activities before the Business Combination Date.

Financière Lov has been the parent company of the FL Entertainment Group during the periods under review. Historically, the FL Entertainment Group did not exist as a reporting group and therefore previously no separate (statutory) consolidated financial statements were prepared. The FL

Entertainment Group has not reported their financial statements on a consolidated basis during the periods under review. The two main subsidiaries of the FL Entertainment Group, Banijay and Betclie, have reported their financial statements separately on a stand-alone basis during the periods under review.

For the year ending 31 December 2022 and going forward, FL Entertainment will publish consolidated financial statements for the FL Entertainment Group. For the purpose of the envisaged listing of the shares in the capital of FL Entertainment on Euronext Amsterdam and several upfront internal corporate restructuring steps, special purpose Combined Financial Statements have been prepared under the responsibility of Financière Lov as at and for the years ended 31 December 2021, 2020 and 2019. These Combined Financial Statements include the results of the FL Entertainment Group for the periods under review. For further information on the preparation of the financial information included in this Circular, see "9.1 Presentation of financial and other information" and the notes to the Combined Financial Statements.

c. Segmentation

FL Entertainment's internal reporting is split into two reportable segments:

- content production and distribution, represented by the Banijay Group; and
- online sports betting and gaming, represented by the Betclie Everest Group.

The segments are based on the structure of internal organisation and management reporting of the FL Entertainment Group to facilitate decision-making with respect to the allocation of resources and to assess the performance of FL Entertainment's operations. The performance of the segments is measured and assessed on the basis of Revenue, Adjusted EBITDA and Net Debt.

d. Key Factors Affecting the FL Entertainment Group's Business and Results of Operations

The following factors have contributed significantly to the development of the FL Entertainment Group's business and results of operations during the periods under review and are reasonably likely to have a material effect on the FL Entertainment Group's business and results of operations in the future.

A. General

i. General Economic Conditions in the Markets the FL Entertainment Group operates in

Macroeconomic factors in the geographic markets in which the FL Entertainment Group operates affect its results of operations. For the FL Entertainment Group's content production business, the number of purchases by broadcasters of licenses for the FL Entertainment Group's formats have increased through various economic cycles because viewers continue to watch visual content and demand new content throughout such cycles. However, broadcasters generate lower advertisement revenues during economic downturns and therefore may reduce their budgets allocated to the purchase or production of new formats. For the FL Entertainment Group's online sports betting and gaming business, the impact of economic developments, and the effect on players' habits, may be difficult to anticipate, as economic and financial crises may lead players to reduce their activity due to a decrease in their financial capacity, or to increase such activity due to the expectation of winning as an alternative source of income. In addition, economic difficulties may lead governments to adopt stricter regulations on the gambling industry in order to protect at-risk populations. During these

periods, broadcasters become more risk averse and are more reluctant to finance the production of untested, new formats. The FL Entertainment Group has been resilient to economic downturns in the past because it was able to rely on revenues from successful, long-running formats but a new downturn may affect the FL Entertainment Group's future results of operations.

ii. Foreign Currency Exchange Rates

The FL Entertainment Group's reported results of operations and financial conditions are affected by exchange rate fluctuations. The FL Entertainment Group is exposed to both transactional and translational risk due to these fluctuations. Transactional risk arises when the FL Entertainment Group's subsidiaries execute transactions in a currency other than their functional currency. For the content production and distribution business, the FL Entertainment Group currently operates through 120 production companies in 22 countries with content in 58 languages. For the online sports betting and gaming business, the FL Entertainment Group primarily operates in France, Portugal, Italy, Germany and Poland. As a result, the FL Entertainment Group generates a significant portion of its revenues and incurs a significant portion of its expenses in currencies other than Euro, which is the FL Entertainment Group's reporting currency. The primary currencies in which the FL Entertainment Group generated revenues in the year ended 31 December 2021, were the Euro, the USD and the GBP. Where the FL Entertainment Group is unable to match revenues received in foreign currencies with costs paid in the same currency, the FL Entertainment Group's results of operations is affected by currency exchange rate fluctuations. For example, a stronger Euro will increase the cost of Euro-denominated supplies for the FL Entertainment Group's non-Euro businesses and conversely decrease the cost of non-Euro supplies for its Euro businesses. For the FL Entertainment Group's content production business, its subsidiaries generally execute their sales to broadcasters and digital platforms and incur most of their materials costs in the same currency. The FL Entertainment Group currently reduces the effect of exchange rate fluctuations for part of the FL Entertainment Group level USD financing through the use of derivative financial instruments. During the year ended 31 December 2021, 16.3% of the FL Entertainment Group's revenues in its content production and distribution segment were generated in USD and 18.6% of its revenues in its content production and distribution segment were generated in GBP. For the FL Entertainment Group's online sports betting and gaming business, 6% of its revenue on the year ended 31 December 2021 was generated in Polish Zloty.

The FL Entertainment Group also faces translational currency exchange risk. The FL Entertainment Group presents its consolidated financial statements in Euro. As a result, the FL Entertainment Group must translate the assets, liabilities, income and expenses of all of its operations with a functional currency other than Euro into Euro at then-applicable exchange rates. Consequently, increases or decreases in the value of these currencies against the Euro may affect the value of the FL Entertainment Group's assets, liabilities, income and expenses with respect to its non-Euro businesses in its consolidated financial statements, even if their value has not changed in their original currency, which creates translation risk. These translations could significantly affect the comparability of the FL Entertainment Group's results between financial periods and result in significant changes to the carrying value of its assets, liabilities and shareholders' equity.

iii. Fluctuation and volatility in Revenues from Period to Period

In both its segments, the FL Entertainment Group experiences certain fluctuations in revenue from

period to period. In the content production and distribution segment, the Banijay Group recognises revenues from the sale of a show to a broadcaster or digital platform at the time of the delivery of such show. This can result in a difference between the moment that the Banijay Group actually receives (part of) the purchase price for a sale and the moment that the Banijay Group recognises the revenue generated with such sale in its financial statements. For example, the Banijay Group occasionally receives production advances from broadcasters before the production of a show is completed and these advances are not recognised in the FL Entertainment Group's revenue until the delivery of the show. For the year ended 31 December 2021, the FL Entertainment Group received production advances in the amount of €699 million relating to shows delivered or to be delivered in 2022. In addition, broadcasters can decide to alter a show during its production process, which may cause delays in the delivery of the show and therefore impact the FL Entertainment Group's revenue. Moreover, the FL Entertainment Group offers its customers a notice period, during which they can reject or return a show. Until the expiration of such period, the FL Entertainment Group does not recognise the revenues attributable to a show. Accordingly, the FL Entertainment Group's revenues and results of operations may fluctuate over time and the results of one period may not be representative of the results of any future period. Further, as a result of the broadcasting schedules of television networks and the fact that broadcasters typically premiere shows in the second half of the calendar year, the FL Entertainment Group generally reports higher sales in the fourth quarter of the calendar year.

The FL Entertainment Group's business in its online sports betting and gaming segment is subject to predictable seasonality, which may cause variances in revenue and profitability over the course of the year. The Betclie Everest Group creates a significant part of its revenue with the sports betting activities, which represented 80% of the Betclie Everest Group's revenue in the year ended 31 December 2021. Therefore, the sports competition calendar has an impact on the FL Entertainment Group's results of operations and the FL Entertainment Group is dependent on the demand for and development of these activities. Years in which major sporting events take place see more activity. As 60% of the revenues generated by the FL Entertainment Group's online sports betting and gaming business are linked to football competitions, the distribution of its results of operations over the year are primarily impacted by the calendars for the major football competitions. Furthermore, even-numbered years see more activity with the organisation of the World Cup or the European Football Championship (with the exception of the European Football Championship 2020, which took place in 2021). Because the Betclie Everest FL Entertainment Group's business is dependent on the sports calendar, revenues are lower during the period from May to August, when there are fewer sporting events. In casino games and in online poker, business volumes are generally stable over a calendar year, with a slight upturn in activity in winter, and are impacted by the activity of the largest players. As a result of these seasonal fluctuations, the Betclie Everest Group typically generates a substantial part of its revenue in the fourth quarter of the calendar year. As a consequence, events or circumstances that adversely affect the Betclie Everest Group's business during the winter period or during the period from September to April are likely to have a disproportionately adverse effect on the Betclie Everest Group's results of operations for the full year.

In the online sports betting and gaming segment, the Betclie Everest Group experiences unpredictability as a result of the outcome of sports matches. The Betclie Everest Group's players bet on the outcome of, or events taking place during, sports matches. The FL Entertainment Group's Gross Gaming Revenue is the difference between bets and winnings paid to players. As the outcome of the matches or events that take place during sports matches are unpredictable, the FL

Entertainment Group's revenues in its online sports betting and gaming segment can vary significantly between periods and can be highly volatile. For example, if the favourites win, the Betclie Everest Group loses bets to the players and its margin falls. Conversely, in the event of unexpected results, the Betclie Everest Group will win more bets from players and its margin will increase. This effect is aggravated by the taxation applicable to online sports betting and gaming, particularly in Poland and Portugal where gambling taxes are levied on wagers.

iv. COVID-19

The COVID-19 pandemic has impacted worldwide economic activity. Government authorities and businesses throughout the world have implemented numerous measures intended to contain and limit the spread of COVID-19, including travel bans and restrictions, quarantines, self-isolation, lockdown orders and business restrictions. The COVID-19 pandemic and responses thereto have led to a material deterioration in both the global economy and the national economies of the countries where the FL Entertainment Group operates. As a result, the COVID-19 pandemic has affected the FL Entertainment Group's results. The Banijay Group's productions were delayed because it was not able to film any of its programmes in many countries in which the Banijay Group operates from March 2020 to May 2020. Filming of a limited number of programmes was also postponed in the following months up until the date of this Circular, mainly due to travel restrictions and constraints in casting of actors, candidates and hosts for its productions. Once it was able to resume the filming of these productions, the government restrictions led to an increase in the Banijay Group's production costs (for example by having to increase sanitary precautions). Although these costs were mainly covered by the Banijay Group's customers, they were not included in the basis of calculation of its production fees and reduced its margin rates. The COVID-19 pandemic also has had an impact on the results of operations of the FL Entertainment Group's online sports betting and gaming business. During the first lockdowns in Europe in the second quarter of 2020, government restrictions led to the suspension or cancellation of substantially all racing and sporting events. As a significant part of Betclie's betting business relates to sports betting, Betclie experienced a decrease of around 70% in number of placed bets in its sports betting business. Since the costs of the FL Entertainment Group's businesses in its online sports betting and gaming segment are to a significant extent driven by its revenues (i.e. variable costs), the impact of the decrease in the number of bets on profitability was limited. The FL Entertainment Group's largest variable costs are its gaming taxes, which are generally calculated as a percentage of the wager or a percentage of the Gross Gaming Revenue. In the six months ended 31 December 2020, the Betclie Everest Group actually experienced an increase in players, as a result of the various measures that were implemented to try to contain the virus, including travel bans and restrictions, lockdowns, quarantines and shutdowns of businesses. The FL Entertainment Group expects that the number of the Betclie's players will not increase at the same rate in the future given that the factors that caused the increase are beginning to subside. In addition, the FL Entertainment Group experienced a significant increase in the number of bets placed in the various countries in which the FL Entertainment Group operate its sports betting activities in the year ended 31 December 2021. Consequently, the FL Entertainment Group's online sports betting and gaming segment revenue grew with 39% in the year ended 31 December 2021. The FL Entertainment Group believes that the growth in revenue will somewhat stabilise, but will continue to increase after the COVID-19 pandemic with an expected annual growth percentage around low teens.

B. Content production and distribution segment

i. Success of New Formats and New Programmes

The FL Entertainment Group produces both scripted and non-scripted content across all genres, including reality shows, entertainment and talk shows, game shows, factual entertainment, documentary, drama and comedy. The FL Entertainment Group's creative talents are a key element of its success and are constantly working to address customers' demands or to anticipate trends in the industry. The FL Entertainment Group works with its customers to develop original scripted formats that may become long-running shows if they receive good ratings, making them a success. Periods in which the FL Entertainment Group and its customers have successfully anticipated trends produce more favourable results. Usually a successful format will run until viewers' preferences change or until broadcasters decide to replace the format, in which case they may ask the FL Entertainment Group to develop a new format. If a new format is successful, this will have a positive effect on the profitability of the local production company that produced the programme, since broadcasters will typically renew the programme for several seasons. In addition, it will have a positive impact on the FL Entertainment Group's revenues, since a popular programme in one country will often be successful in other countries with a similar audience, either by the production in such country by one of the FL Entertainment Group's production companies or by licensing the format to third-party production companies in the countries where the FL Entertainment Group is not present. For the year ended 31 December 2021, new shows accounted for 34% of the FL Entertainment Group's content production and distribution segment production revenues and it generated 29% of the FL Entertainment Group's content production and distribution segment production revenues from formats that have aired for a period between two and five seasons and 38% of the FL Entertainment Group's content production and distribution segment production revenues from formats that have aired for more than five seasons. Non-scripted formats benefit from lower production costs, a shorter development period and more advantageous financing arrangements, because the broadcaster who purchases the non-scripted format fully funds production costs. For the year ended 31 December 2021, the FL Entertainment Group's content production and distribution generated 82% of its revenue via the production of shows, of which 84% were non-scripted shows. The FL Entertainment Group's ability to accurately anticipate new trends and/or changes in consumer preferences and needs, as well as focus the FL Entertainment Group's development efforts towards that goal, gives the FL Entertainment Group the opportunity to potentially create the next television blockbuster and accordingly will positively impact the FL Entertainment Group's revenues. However, the FL Entertainment Group's revenues from broadcaster sales will not be negatively impacted if a new format is not successful because the initial price for the sale of the format is not determined based on its success. Different factors are taken into account when determining the price of a format. The budget that the broadcaster wishes to allocate for the relevant time slot is a key element (since budgets are lower for day time slots than they are for access prime-time or prime-time slots). The pricing also takes into account production costs based on the type of format and the format fee payable for the format rights. The average format fee differs from one country to another but, is usually between 5% and 7% of the production budget. In addition, the format fee will be higher if the format is successful and/or has already been successfully aired in certain markets. The price of a format is also based on the FL Entertainment Group's bargaining power with broadcasters. Popular or successful formats will provide the FL Entertainment Group with more bargaining power vis-à-vis broadcasters. Even if a format is not successful in a specific market, the FL Entertainment Group will try to produce the format in another market where the FL Entertainment Group is present or license it to another producer in markets where the FL Entertainment Group does not operate. The FL Entertainment

Group can also distribute the format through its Banijay Rights Limited subsidiary and continue to derive distribution and secondary revenues from the format.

ii. Development of the Production of Scripted Programmes

Scripted programmes generally require a longer and more extensive development and production process, incurring higher costs than non-scripted shows. Because of these higher production costs, scripted programmes also tend to generate lower margins than non-scripted shows, but scripted programmes can generate higher revenues, in particular through the licensing or sale of finished tapes if the FL Entertainment Group is successful in retaining part of the intellectual property rights (see "10.3(a.) Customers may request to obtain intellectual property rights to the formats the Banijay Group creates and programmes the Banijay Group produces, which may have a negative impact on the Banijay Group's revenues"). The FL Entertainment Group believes the split in its content portfolio between scripted and non-scripted content is generally well-suited to its operations. For the year ended 31 December 2021, the Banijay Group generated 16% of its production revenue from scripted content and 84% of its production revenue from non-scripted content. The financing of scripted programmes requires financing commitments from broadcasters and co-producers but also from distributors which may be the FL Entertainment Group's distribution subsidiary, Banijay Rights Limited. The FL Entertainment Group may therefore be required to prefund development costs for a scripted programme. The timing of the upfront payments and final payments, as well as the participation of Banijay Rights Limited in the financing of scripted programmes impact the FL Entertainment Group's working capital requirements. In addition, the FL Entertainment Group relies on tax credits in certain jurisdictions, such as Italy, Spain or the United Kingdom, as part of the financing of a scripted programmes. However, The FL Entertainment Group may only be able to claim such tax credits after having finalised the production of the show, which may require the FL Entertainment Group to prefund a larger share of the upfront production costs and capital expenditures.

Changes in working capital are impacted by the timing of a production, programme delivery and by the production of scripted and non-scripted programmes. Since non-scripted programmes are generally produced in less than a year, working capital requirements related to the production of non-scripted programmes are mainly impacted by fluctuations in the numbers of non-scripted shows the FL Entertainment Group produces. The FL Entertainment Group may record cut-off impacts related to the production of non-scripted programmes at the end of each financial year if some large-scale programmes are still under production. These cut-off impacts are the result of that revenue is recognised at the delivery of each episode of a show. If some large-scale programmes are still under production at the year-end and have not been delivered, no revenue is recognised for these programmes while the production costs for such programmes will be recognised. On the other hand, scripted production programs have a longer production cycle, usually covering a period of over two years, and higher working capital requirements. The FL Entertainment Group's working capital related to the production of scripted shows can be impacted significantly by cut-off issues at the end of the financial year.

iii. Acquisitions and Joint Ventures

To grow the FL Entertainment Group's business, the FL Entertainment Group continuously monitors the markets it operates in for opportunities for favourable acquisitions of businesses and assets within the FL Entertainment Group's industry. For example in the year ended 31 December 2019, the FL Entertainment Group acquired Good Times in Germany, ITV Movie in Italy and Funwood Media in

Spain and Italy, in 2020 the FL Entertainment Group acquired the Endemol Shine Group, and in 2021 the FL Entertainment Group acquired Monello in Italy, DMLS TV in France and Southfields in the Netherlands. The FL Entertainment Group generally focuses on acquiring companies or assets with specific creative talents, such as a popular host or successful producer, and structures its acquisitions to leverage such talents and/or to ensure they continue to work for the FL Entertainment Group and create further value. To that effect, the FL Entertainment Group enters into various arrangements, such as earn-outs or put option agreements with certain of these talents, who are often the sellers of the targets. Payments pursuant to such arrangements are generally contingent and calculated based on the performance of the acquired company over a specified time period following the acquisition. This period generally corresponds to an exclusivity period during which the key managers and creative talents agree to work exclusively for the FL Entertainment Group. The key commercial discussion items of such arrangements include, for example, the performance metrics underlying the contingent payments, the earn-out or put option period (usually in an eight-year range), and the timing and the structure of the contingent payment. For significant acquisitions and joint ventures, the FL Entertainment Group negotiates put option deals with selling shareholders to obtain 100% of the company after a certain period of time. Consequently, the FL Entertainment Group includes 100% of the net assets of these joint ventures on its statement of financial position and the put option as a financial liability on its statement of financial position. For the joint ventures for which the FL Entertainment Group did not negotiate a put option, it considers they will not have a significant effect on the financials of the FL Entertainment Group. The FL Entertainment Group accounts for these earn-outs and put options as a financial liability on its statement of financial position rather than financial debt, because the amounts owed under these incentive agreements vary depending on the performance of the business and because they do not bear interest. If the opportunity arises, the FL Entertainment Group may also decide to acquire companies in order to own the intellectual property rights to their catalogue of formats. For example, since the acquisition of Castaway Television Productions Limited in 2017, the FL Entertainment Group owns the intellectual property rights to the Survivor format. Following the completion of the acquisition of the Endemol Shine business, the FL Entertainment Group has further expanded its catalogue of formats. By completing the Endemol Shine acquisition, the FL Entertainment Group expanded the number of hours of content in its catalogue from 20,000 hours to more than 120,000 hours. The FL Entertainment Group may also acquire intellectual property rights without acquiring a company. For example, in October 2016 the FL Entertainment Group acquired the intellectual property rights and contracts associated with the popular game show The Legacy (known as *Les 12 Coups de Midi* in France and *L'Eredità* in Italy). In addition, in December 2018, the FL Entertainment Group acquired the intellectual property rights to the *Intervilles* format and its derivatives (including *Jeux sans frontières*), which has been relaunched in Italy, Spain and Greece.

The FL Entertainment Group also establishes joint ventures with popular local producers and talents to develop new production companies in certain markets. Examples of such joint ventures are Good Humour with comedian Stefan Denzer in Germany or collaborations with off-screen scripted talents such as Double Dutch in the United Kingdom. If a joint venture is successful, the FL Entertainment Group may acquire the remaining share capital in the production company based on a pre-agreed price calculation formula. In the event that a joint venture is not successful and incurs significant losses, the FL Entertainment Group tries to negotiate clauses in the related agreement with the other party to limit any potential losses the FL Entertainment Group may incur in connection with such joint venture.

Acquisitions affect the FL Entertainment Group's results of operations in several ways. First, the FL Entertainment Group's results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired entity into its consolidated results. Second, the results of the acquired businesses after their acquisition may be positively affected by synergies. Additionally, the FL Entertainment Group may experience an increase in operating expenses, such as staff costs, as the FL Entertainment Group integrates the acquired business into the FL Entertainment Group. Finally, because acquired entities are consolidated from their date of acquisition, the full impact of an acquisition or disposal is only reflected in the FL Entertainment Group's financial statements in the subsequent period.

iv. Diversification of Customers

The FL Entertainment Group's customers primarily consist of broadcasters and digital platforms. The number of customers has increased in recent years, which in turn has increased the number of customers that are willing to purchase the FL Entertainment Group's formats and therefore impacts its revenue. At the same time, broadcasters are faced with increasing competition from companies that distribute video content via the internet, commonly referred to as over-the-top or "OTT" programming. With the increase in OTT programming, viewers' video content consumption preferences may shift away from broadcasters and diverge from existing viewing habits. Younger viewers have already started to shift toward using mobile devices or computers rather than televisions. As a result, many of the FL Entertainment Group's existing customers and potential customers are compelled to find new original formats to provide content to viewers via the internet. The FL Entertainment Group expects this pressure to increase as digital platforms such as Netflix and Amazon Prime Video continue to grow and/or enter into new markets. The FL Entertainment Group expects to benefit from the customer diversification that results from these developments, as the FL Entertainment Group has historical relationships with many broadcasters and has already developed strong commercial relationships with digital platforms. In addition, the FL Entertainment Group expects this diversification to continue as OTT companies increasingly focus on non-scripted content, a genre in which the FL Entertainment Group has strong production know-how. In addition, the FL Entertainment Group is increasingly focusing on formats which, once produced for a local market, can be sold or licensed to customers in other markets, such as broadcasters or digital platforms. Such increased diversification in customers and the opportunities for distribution revenues that arise as a result have historically and will likely continue to impact the FL Entertainment Group's results of operations.

v. Distribution and Secondary Revenues

The FL Entertainment Group has developed its business around the sales of formats to broadcasters and digital platforms and the distribution of its content through its subsidiary, Banijay Rights Limited. The FL Entertainment Group owns intellectual property rights to a broad and diversified portfolio of formats representing approximately 120,000 hours of visual content. The FL Entertainment Group distributes and licenses the content that it owns through Banijay Rights Limited to television broadcasters and digital platforms. The FL Entertainment Group's distribution business generates revenues with high margins, as the FL Entertainment Group has limited costs relating to managing its portfolio of existing formats. For the year ended 31 December 2021, the FL Entertainment Group's distribution and secondary business in its content production and distribution segment represented 12% of its total revenues. The FL Entertainment Group intends to further develop its distribution business and develop other sources of secondary revenue, such as revenues

from licensing, merchandise, live entertainment branded content or music. The FL Entertainment Group expects this trend to have a positive impact on its revenues, Adjusted EBITDA and Adjusted EBITDA margin.

vi. Growth in Key Markets

The size of the global television production market continues to grow but is experiencing a shift in key revenue components. According to a PricewaterhouseCoopers study "Global Entertainment & Media Outlook 2020 – 2024", the global television industry was valued at approximately €429 billion in 2020 (with an estimated 5% decrease due to Covid-19 worldwide economic crisis) and revenues are projected to reach approximately €446 billion in 2021. The industry's key revenue streams which include pay TV subscriptions, advertising and licensing fees from SVOD, are all expected to continue growing from 2020 to 2024 at a CAGR of approximately 2.9%. The global content production industry was valued at approximately €200 billion in 2021, representing approximately 41% of global television industry revenues. Content production revenues have grown in recent years and are projected to continue growing at a CAGR of approximately 4.7% on the period between 2020 to 2025. The FL Entertainment Group expects growth in the television production market in terms of revenues to continue to be influenced by viewership levels and customers' demand for new formats in order to reach as many viewers as possible, particularly via digital platforms that are available on mobile devices as video consumption continues to increase, partially due to a shift from viewings on television to mobile devices. The FL Entertainment Group also expects customers' demand for original formats in emerging markets to continue to be driven by a growing middle class. The FL Entertainment Group's revenues will be impacted from period to period by its ability to penetrate, and the continued growth in, these emerging markets.

C. Online sports betting and gaming segment

i. Regulatory environment and gaming tax

The FL Entertainment Group operates with its online sports betting and gaming segment in this sector, which is highly regulated and monitored in the markets the FL Entertainment Group operates in (see "7.3(s.) Regulations"). The FL Entertainment Group primarily operates its business based on licenses issued by the governments of the countries in which the FL Entertainment Group is active, which provides the FL Entertainment Group with the rights to its online sports betting and gaming activities. Systematically, the FL Entertainment Group pays gambling taxes in the countries it operates in exchange for these rights.

The online sports betting and gaming industry is highly regulated in the countries in which the FL Entertainment Group operates and is closely monitored by respective government authorities. Many of the factors that affect the Betclik Everest Group's business and results of operations are prescribed by applicable regulation. Since there is no standardised regulation for online sports betting and gaming activities at an international level, the results of operation of the FL Entertainment Group depend on the specific regulatory environments in the various countries in which the Betclik Everest Group operates its online sports betting and gaming business. For example, in France, online casino activities are prohibited, while poker is allowed. In Poland, only online betting is permitted. In addition, French law prescribes a maximum pay-out ratio of stakes that can be allocated to winners in the sportsbook segment. Based on French online gaming regulations, the Betclik Everest Group is required to apply a maximum return rate of 85% of all stakes invested by players of sports betting over a calendar year to its players on sports stakes. Changes to the regulatory framework in the

countries the FL Entertainment Group operates in may have a direct effect on the FL Entertainment Group's results of operations if the changes restrict the ability of online gaming operators to operate or strengthen the constraints on online gaming operators. If these restrictions were to be applied in one or more of the markets in which the Betclie Everest Group operates, it may have to cease some of its activities or operate them under less favourable conditions. On the other hand, changes to the regulatory framework that ease the regulatory restrictions for the Betclie Everest Group could also open up new opportunities for the FL Entertainment Group.

The revenues in the FL Entertainment Group's online sports betting and gaming segment partially depend on its ability to attract new gamblers and retain its gamblers and, therefore, on the FL Entertainment Group's ability to conduct marketing activities and the results of such activities. Some countries prohibit all or to a certain extent marketing activities in relation to online gaming or betting. The FL Entertainment Group's revenues in the online sports betting and gaming segment therefore in part relies on the ability under local regulatory rules to conduct marketing activities. Also see "10.4(c.) *The Betclie Everest Group's success depends on its ability to attract and retain new users, and the loss of its users, failure to attract new users in a cost-effective manner, or failure to effectively manage the FL Entertainment Group's growth could adversely affect its business, financial condition, results of operations and prospects*".

In addition to corporate income taxes, the FL Entertainment Group's online sports betting and gaming business is subject to taxes on individual games. The amount of tax paid by the FL Entertainment Group can vary by jurisdiction and type of game. The FL Entertainment Group's online sports betting and gaming business is subject to taxes which are calculated based on, and vary depending on the type of licence, game and amount of revenues generated by the game. In the Combined Financial Statements, tax payments are accounted for under the line item "other operating expenses". Changes in tax legislation in the jurisdictions where the FL Entertainment Group's operate may have an effect on its results of operations.

e. Factors Affecting Comparability of the FL Entertainment Group's Results of Operations

A. M&A impact

Since 1 January 2019, the FL Entertainment Group has expanded its business by acquiring and integrating the following companies and/or assets:

- Good Times, a German production company, on 7 June 2019;
- ITV Movie, an Italian production company, on 19 July 2019;
- Bear Grylls (Natural Studios), a Bear Grylls production company, on 1 October 2019;
- Funwood Media, a distribution, production and agency company, on 1 October 2019;
- Endemol Shine Group, a Dutch production and distribution company, on 2 July 2020;
- Monello Productions, a French animation studio, on 1 January 2021;
- Southfields, a Dutch sport production company, on 20 July 2021; and
- DMLS TV, a French music and entertainment company, on 6 July 2021.

The 2019 acquisitions together amounted to €29.9 million in equity value (excluding any deferred payments). The 2020 acquisitions amounted to €266.4 million in equity value (excluding any deferred payments). The 2021 acquisitions together amounted to €5.7 million in equity value

(excluding any deferred payments).

Since 1 January 2019, the FL Entertainment Group has divested the following companies:

- Human Factor, on 31 December 2020; and
- Expekt in May 2021.

Acquisitions and divestments affect the results of operations of the FL Entertainment Group in a variety of ways. The FL Entertainment Group's results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired business in its consolidated results. In addition, the results of the acquired businesses after their acquisition may be impacted positively by synergies. Additionally, the FL Entertainment Group may experience an increase in operating expenses, including staff costs, as the FL Entertainment Group integrates the acquired business into its network. Acquisitions may also result in higher levels of depreciation and amortisation expense. Also, because acquired entities are consolidated from the date of their acquisition, the full impact of an acquisition is only reflected in the FL Entertainment Group's financial statements in the subsequent period. As a result, the historical results of operations for the periods under review may not be comparable with each other. See "9.5(d.)*(B.)*(iii.) *Acquisitions and Joint Ventures*" above for a discussion of these acquisitions.

For more detailed information on the impact of the Endemol Shine Group acquisition on the Lov's Group results of operation see "9.4 *Selected financial information*".

B. Taxation in Portugal

In the FL Entertainment Group's online sports betting and gaming segment, an amendment to the Portuguese gambling tax regime in April 2020 has positively affected the results of operations of the FL Entertainment Group. In Portugal, the gambling taxation was previously levied on a progressive basis, based on the final annual sportsbook turnover (with a minimum of 8%). Before the change to the Portuguese gambling tax regime, the Betclie Everest Group paid on average a 15% tax on its sportsbook stakes. Since April 2020, the Portuguese government have applies a flat tax rate of 8% on sportsbook stakes. As a result, the historical results of operations for the periods under review may not be comparable with each other.

f. Key Performance Indicators

The FL Entertainment Group uses several financial key performance indicators (Revenue, Gross Gaming Revenue, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted Free Cash Flow, Adjusted Cash Conversion and Leverage) to track the performance of its business. Except for Revenue, none of these key performance indicators is a measure of financial performance or cash flow under IFRS. The FL Entertainment Group's management nonetheless believes that these performance indicators provide important information of trends in its financial or operational performance that is also useful to investors.

In analysing the FL Entertainment Group's future performance, investors should consider these non-IFRS key performance indicators together with the presentation of the financial condition, results of operations and cash flow of FL Entertainment under IFRS, rather than as an alternative to IFRS financial measures. See "9.1(c.) *Non-IFRS Financial Measures*" and "9.4(e.) *Non-IFRS Financial Measures*".

Although certain of the data below has been extracted or derived from the FL Entertainment Group's

Combined Financial Statements contained in this Circular, this data, and the assumptions underlying this data, have not been audited or reviewed by the independent statutory auditors. The information used to calculate these measures is partly derived from FL Entertainment's management accounts and the Combined Financial Statements. As these terms are defined by FL Entertainment's management, they may not be comparable to similar terms used by other companies. Also see "9.1(c.) *Non-IFRS Financial Measures*".

The following table presents the FL Entertainment Group's key performance indicators for each of the periods indicated.

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Revenue.....	3,497	2,128	1,455
	.0	.5	.5
Gross Gaming Revenue.....		600.7	508.7
	834.4		
Adjusted EBITDA.....		382.7	240.5
	609.3		
Adjusted EBITDA margin.....	17.4	18.0	16.5
	%	%	%
Adjusted Net Income.....	282.5	151.3	127.1
Adjusted Free Cash Flow.....	497.6	310.2	192.3
Adjusted Cash Conversion.....	81.7	81.0	79.9
	%	%	%
Leverage.....	3.7x	5.7x	1.7x

See "9.5(i.) *Results of Operations*".

g. Description of Key Income Statement Line Items

The following descriptions of key line items pertains to the FL Entertainment Group's consolidated financial statements that have been prepared in accordance with IFRS for the years ended 31 December 2021, 2020 and 2019.

A. Revenue

The FL Entertainment Group measures revenue based on the consideration to which the FL Entertainment Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Combined FL Entertainment Group recognises revenue when it transfers control of a product or service to a customer. For a more detailed description of the FL Entertainment Group's revenue recognition, see the notes to the Combined Financial Statements included elsewhere in this Circular.

B. External expenses

External expenses includes external costs incurred for content production, gambling tax, short-term lease charges and marketing costs.

C. Staff costs

Staff costs includes employee remuneration and social security costs, post-employment benefits, employee benefits for the FL Entertainment Group's long-term incentive plan, employee benefits resulting from a business acquisition arrangement and other employee benefits.

D. Other operating expenses

Other operating expenses mainly include restructuring charges and other non-recurring items, tax and duties, president and management fees, other operating expenses and other operating income.

E. Depreciation and amortisation expenses

Depreciation and amortisation expenses includes depreciation of the following category of assets: (i) software and other intangible assets; (ii) property, plant and equipment, own property and right-of-use; (iii) amortisation of intangible assets acquired in business combinations; and (iv) other.

F. Impairment losses and provisions, net of reversals

Impairment losses and provisions, net of reversals mainly include impairment losses of goodwill.

G. Financial income

Financial income includes interests received on cash and cash equivalents.

H. Interest expense

Interest expense includes interests paid on bank borrowings and bonds.

I. Cost of net debt

Cost of net debt is the sum of the line items "financial income" and "interest expense".

J. Other financial income

Other financial income mainly includes interests paid on current accounts liabilities, interests received on current accounts receivables, interests paid on lease liabilities, change in fair value of financial instruments, currency gains and losses, and other financial gains and losses.

K. Net financial income/(expenses)

Net financial income/(expenses) is the sum of the line items Financial income, Interest expense and Other financial income.

L. Share of net income from associates and joint ventures

Share of net income from associates and joint ventures includes the results of the period of investments in entities accounted for under the equity method.

M. Income tax expenses

Income tax expense includes current tax charges as well as changes in deferred tax assets and liabilities.

h. Current Trading and Recent Developments

Overall trading to date since 31 December 2021 is in line with the FL Entertainment Group's expectations. There have been no significant changes in the financial performance or the financial position of the FL Entertainment Group since 31 December 2021, and there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect

on FL Entertainment's prospects for at least the current financial year.

i. Results of Operations

The following table sets out the FL Entertainment Group's financial performance and certain operating results on the basis of the FL Entertainment Group's consolidated financial information for the periods indicated.

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Revenues.....	3,497	2,128	1,455
	.0	.5	.5
External expenses	(1,77	(1,14	(757.
	4.1)	0.7)	3)
Staff costs	(1,40	(650.	(512.
	3.4)	4)	9)
Other operating income	-	0.2	0.3
Other operating expenses.....	(67.5)	(63.3)	(14.0)
Depreciation and amortisation expenses.....	(141.	(87.7)	(81.5)
	7)		
Impairment losses and provisions, net of reversals.....	-	-	-
Operating profit/(loss)	110.4	186.2	90.1
Financial income.....	0.8	-	-
Interest expense	(136.	(116.	(27.8)
	1)	0)	
Cost of net debt	(135.	(116.	(27.8)
	3)	0)	
Other financial income.....	1.9	6.2	(45.4)
Net financial income/(expenses)	(133.	(109.	(73.1)
	4)	8)	
Share of net income from associates and joint ventures	(1.2)	(4.3)	(5.5)
Earnings before income tax expenses	(24.2)	72.1	11.5
Income tax expenses	(49.2)	(24.6)	(23.8)
Profit from continuing operations	(73.4)	47.5	(12.3)
Profit/(loss) from discontinued operations.....	-	-	-
Net income/(loss) for the period.....	(73.4)	47.5	(12.3)

A. Adjusted EBITDA

The following table sets out a reconciliation of the FL Entertainment Group's Operating profit/loss to Adjusted EBITDA for the periods indicated.

Year ended 31 December		
2021	2020	2019

	(in € millions, unless indicated otherwise)		
Operating profit/(loss)	110.4	186.2	90.1
Restructuring costs & other non-recurring items	49.8	52.4	13.4
LTIP and employment-related earn-out and option expenses	308.0 ⁽¹⁾	57.6	80.6
Depreciation and amortisation ⁽²⁾ (excluding D&A fiction ⁽³⁾)	141.1	86.5	56.4
Adjusted EBITDA	609.3	382.7	240.5

⁽¹⁾ This number includes one-off costs in connection with an agreement in relation to accelerated vesting between a manager, the Betclie Everest Group and certain other shareholders which was signed on 17 November 2021. To reflect this agreement in accordance with IFRS 2, the Betclie Everest Group recognized an expense of €208.9 million in the year ended 31 December 2021.

⁽²⁾ Depreciation and amortisation of software and intangible assets, PPE own property, right-of-use and intangible assets acquired in business combinations.

⁽³⁾ D&A fiction are costs related to the amortisation of fiction production amounting to €4.2 million in the year ended 31 December 2020 and €23.8 million in the year ended 31 December 2019 (nil in 2021), which the FL Entertainment Group considers to be operating costs. As a result of the D&A fiction, the depreciation and amortisation line item in the FL Entertainment Group's combined statement of income deviates from the depreciation and amortisation costs in this line item.

B. *Certain Segmental information*

The following table sets forth certain key metrics per segment and for the holding level for the periods indicated.

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Content production and distribution segment			
Revenues	2,756	1,595	1,004
	.0	.9	.2
Operating profit/loss	213.8	100.3	59.9
Adjusted EBITDA	432.7	253.4	154.5
Consolidated net income	71.1	0.5	(4.6)
Online sports betting and gaming segment			
Revenues	741.1	532.6	451.4
Operating profit/loss	(103.2)	86.0	30.3
Adjusted EBITDA	176.6	129.3	86.0
Consolidated net income	(132.1)	72.2	6.7
Holding			
Revenues	-	-	-
Operating profit/loss	(0.2)	(0.1)	(0.1)
Adjusted EBITDA	(0.1)	-	-
Consolidated net income	(12.4)	(25.2)	(14.5)

The following table sets out a reconciliation of the FL Entertainment Group's segmental Operating profit/loss to Adjusted EBITDA for the periods indicated.

	Year ended 31 December		
	2021	2020	2019
	(in € millions, unless indicated otherwise)		
Content production and distribution segment			
Operating profit/(loss)	213.8	100.3	59.9
Restructuring costs & other non-recurring items	27.2	52.8	18.1
LTIP and employment-related earn-out and option expenses	62.6	26.4	31.4
Depreciation and amortisation ⁽¹⁾ (excluding D&A fiction ⁽²⁾)	129.2	73.9	45.2
Adjusted EBITDA	432.7	253.4	154.5
Online sports betting and gaming segment			
Operating profit/(loss)	(103.2)	86.0	30.3
Restructuring costs & other non-recurring items	22.5	(0.5)	(4.7)
LTIP and employment-related earn-out and option expenses	245.4	31.2	49.2
Depreciation and amortisation ⁽¹⁾ (excluding D&A fiction ⁽²⁾)	11.9	12.5	11.2
Adjusted EBITDA	176.6	129.3	86.0

⁽¹⁾ Depreciation and amortisation of software and intangible assets, PPE own property, right-of-use and intangible assets acquired in business combinations.

⁽²⁾ D&A fiction are costs related to the amortisation of fiction production amounting to €4.2 million in the year ended 31 December 2020 and €23.8 million in the year ended 31 December 2019 (nil in 2021), which the FL Entertainment Group considers to be operating costs. As a result of the D&A fiction, the depreciation and amortisation line item in the FL Entertainment Group's combined statement of income deviates from the depreciation and amortisation costs in this line item.

C. *Comparison of Results of Operations for the Years Ended 31 December 2021 and 2020*

The following discussion sets out the FL Entertainment Group's financial performance and certain operating results on the basis of its financial information for the years ended 31 December 2021 and 2020.

Revenue

Revenue increased by €1,368.5 million, or 64.3%, to €3,497.0 million for the year ended 31 December 2021, from €2,128.5 million for the year ended 31 December 2020. This increase was mainly driven by the full-year consolidated of the acquisition of the Endemol Shine Group in the year ended 31 December 2021 compared to the six months consolidation in the year ended 31 December 2020, as well as by the organic growth of the FL Entertainment Group's businesses mainly consisting of the creating and producing of new shows in the content production and distribution segment.

Revenue per segment

Content production and distribution segment

Revenue increased by €1,160.1 million, or 72.7%, to €2,756.0 million for the year ended 31 December 2021, from €1,595.9 million for the year ended 31 December 2020. This increase was due to the increase in the production and sale of audio-visual programme in the year ended 31 December 2021, which increased by €1,047 million or 73.5%, as well as by an increase in the sale of distribution of audio-visual rights and catalogues, which increased by €113.0 million or 65.7%. This increase

was mainly driven by the full-year consolidation of the Endemol Shine Group acquisition in the year ended 31 December 2021, compared to the six months consolidation in the year ended 31 December 2020. Furthermore, this increase in revenue is also caused by catch-up effects of the COVID-19 pandemic in the year ended 31 December 2021. The production business has been able to produce all year long despite some restrictive measures and new lockdowns imposed in the year ended 31 December 2021 as compared to the year ended 31 December 2020 where the production was shut down part of the year.

Online sports betting and gaming segment

Revenue increased by €208.5 million, or 39.1%, to €741.1 million for the year ended 31 December 2021, from €532.6 million for the year ended 31 December 2020. This increase was due to the increased revenues in the sportsbook and poker division of the FL Entertainment Group's online sports betting and gaming segment. Revenues generated with the sportsbook business increased by €197.1 million or 50.3% and with the poker business by €11.9 million or 40.0%. The revenue generated with the FL Entertainment Group's online casino business remained relatively stable (€102.0 million for the year ended 31 December 2021 and €102.3 million for the year ended 31 December 2020).

External expenses

External expenses increased by €633.4 million, or 55.5%, to €1,774.1 million for the year ended 31 December 2021, from €1,140.7 million for the year ended 31 December 2020. This increase was mainly due to the full-year consolidation effect of the acquisition of Endemol Shine Group in the year ended 31 December 2021, compared to the six month consolidation of the Endemol Shine Group financial results in the year ended 31 December 2020. The main expenses in this line item that have increased are external costs incurred for content production, which increased by €107.3 million, or 25.3%, to €531.7 million in the year ended 31 December 2021 from €424.4 million in the year ended 31 December 2020, and gambling tax, which increased by €114.3 million, or 49.5%, to €345.1 million in the year ended 31 December 2021 from €230.8 million in the year ended 31 December 2020. The increase of gambling taxes was the result of higher revenue in the online sports betting and gaming segment in the year ended 31 December 2021. External expenses also increased as a result of increased marketing costs to support revenue growth in the FL Entertainment Group's online sports betting and gaming segment.

Staff costs

Staff costs increased by €753.0 million, or 115.8%, to €1,403.4 million for the year ended 31 December 2021, from €650.4 million for the year ended 31 December 2020. This increase was mainly due to the full-year consolidation effect of the acquisition of Endemol Shine Group in the year ended 31 December 2021, compared to the six month consolidation of the Endemol Shine Group financial results in the year ended 31 December 2020. In addition, the increase in staff costs is the result of an increase in costs related to earn-outs and long-term incentive plans of the FL Entertainment Group which is mainly due to the implementation of a new long-term incentive plans following the acquisition of Endemol Shine Group, as well as one-off costs in the Betclac Group due to a new protocol for share-based payment. The increase in costs related to earn-outs and long-term incentive plans of the FL Entertainment Group was €250.4 million, to €308 million in the year ended 31 December 2021 from €57.6 million in the year ended 31 December 2020. This increase was mainly driven by costs with a one-off nature due to the implementation of a new long-term incentive

plan. The FL Entertainment Group generally targets to spend between 8 and 10% of its Adjusted EBITDA to incentivise employees. This increase in staff costs was partially set-off by a decrease in the number of fulltime employees in the year ended 31 December 2021 compared to the year ended 31 December 2020. As of 31 December 2021, approximately 3,503 employees worked for the FL Entertainment Group (2,857 for the Banijay Group and 646 for the Betclac Group, excluding Bet-at-Home), compared to approximately 3,634 (3,125 for the Banijay Group and 509 for the Betclac Group, excluding Bet-at-Home) as of 31 December 2020. As a percentage of revenue, staff costs increased from 30.6% in the year ended 31 December 2020 to 40.1% in the year ended 31 December 2021 as a result of the set-up of a new long-term incentive plan within the FL Entertainment Group.

Other operating income

Other operating income remained relatively stable between the years ended 31 December 2021 and 2020. The decrease was €0.2 million to €0 for the year ended 31 December 2021, from €0.2 million for the year ended 31 December 2020.

Other operating expenses

Other operating expenses increased by €3.9 million, or 6.1%, to €67.5 million for the year ended 31 December 2021, from €63.6 million for the year ended 31 December 2020. This increase was mainly driven by the €27.1 million provision that was recognised by the Bet-at-home sub-group for customer disputes in Austria. In addition, the global reorganisation plan as part of Endemol Shine Group's integration process launched in July 2020 and was still in progress in the year ended 31 December 2021. Therefore, the associated Endemol Shine Group restructuring costs still impacted the other operating expenses line item in the year ended 31 December 2021. The increase was partly set-off by a €4.1 million gain following the disposal of Expekt in the FL Entertainment Group's online sports betting and gaming segment as well as lower restructuring costs on FL Entertainment Group's content production and distribution segment in 2021 compared to 2020 related to the implementation of cost synergies following the acquisition of Endemol Shine Group.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by €54.0 million, or 61.6%, to €141.7 million for the year ended 31 December 2021, from €87.6 million for the year ended 31 December 2020. This increase was mainly due to an increase in depreciation of intangible assets, related to the Endemol Shine Group acquisition in the year ended 31 December 2020.

Operating profit

Operating profit decreased by €75.8 million, or 40.7%, to €110.4 million for the year ended 31 December 2021, from €186.2 million for the year ended 31 December 2020, as a result of increased costs as described in the factors above due to the full-year consolidation effect of the acquisition of the Endemol Shine Group in the year ended 31 December 2021 compared to the six months consolidation in the year ended 31 December 2020, as well as one-off costs related to the integration of the Endemol Shine Group.

Operating profit per segment

Content production and distribution segment

Operating profit increased by €113.5 million, or 113.1%, to €213.8 million for the year ended 31 December 2021, from €100.3 million for the year ended 31 December 2020. This increase was the

result of the full-year consolidation of the acquisition of the Endemol Shine Group in the year ended 31 December 2021 compared to the six months consolidation in the year ended 31 December 2020, as well as by the organic growth of this business.

Online sports betting and gaming segment

Operating profit decreased by €189.2 million, or 220.0%, to a loss of €103.2 million for the year ended 31 December 2021, from a profit of €86.0 million for the year ended 31 December 2020. This decrease was due to an increase in the staff costs in this segment, which increased from €85.3 million in the year ended 31 December 2020 to €308.8 million in the year ended 31 December 2021 as a result of an one-off costs related to long-term incentive plans and employment-related earn-out and option expenses as explained above.

Adjusted EBITDA

Adjusted EBITDA increased by €226.6 million, or 59.2%, to €609.3 million for the year ended 31 December 2021, from €382.7 million for the year ended 31 December 2020. This increase was driven by an increase in revenue.

Adjusted EBITDA per segment

Content production and distribution segment

Adjusted EBITDA increased by €179.3 million, or 70.8%, to €432.7 million for the year ended 31 December 2021, from €253.4 million for the year ended 31 December 2020. This increase was mainly the result of increased operating profit in this segment on the back of the full-year consolidation of the financial results of the Endemol Shine Group. In addition, this increase is caused by catch-up effects of the COVID-19 pandemic in the year ended 31 December 2021 as new shows have been produced all year round in the year ended 31 December 2021, compared to the year ended 31 December 2020 with temporary production stops due to the pandemic in various jurisdictions the FL Entertainment Group operates in.

Online sports betting and gaming segment

Adjusted EBITDA increased by €47.3 million, or 36.6%, to €176.6 million for the year ended 31 December 2021, from €129.3 million for the year ended 31 December 2020. This increase was mainly due to the increased revenue in the sportsbook and poker division in the year ended 31 December 2021.

Financial income

Financial income increased by €0.8 million, to €0.8 million for the year ended 31 December 2021, from €no income in the year ended 31 December 2020. This increase was due to an increase in the interests that were received by the FL Entertainment Group on cash and cash equivalents.

Interest expense

Interest expense increased by €20.1 million, or 17.4%, to €136.1 million for the year ended 31 December 2021, from €116.0 million for the year ended 31 December 2020. This increase was driven by the additional debt that was taken out in the context of the acquisition of the Endemol Shine Group and a refinancing in the FL Entertainment Group's online sports betting and gaming segment that was completed in the years ended 31 December 2021 and 2020.

Cost of net debt

Cost of net debt increased by €19.3 million, or 16.6%, to €135.3 million for the year ended 31 December 2021, from €116.0 million for the year ended 31 December 2020, as a result of the two factors described above.

Other financial income

Other financial income decreased by €4.3 million, or 69.4%, to €1.9 million for the year ended 31 December 2021, from €6.2 million for the year ended 31 December 2020. This decrease was driven by a positive change in the fair value of certain financial instruments the FL Entertainment Group holds, which was more than set-off by a decrease in currency exchange gains as a result of the implementation of hedging the USD in the year ended 31 December 2021, compared to the year ended 31 December 2020 in which the FL Entertainment Group had a positive result with USD exchanges.

Net financial income/(expenses)

Net financial expenses increased by €23.6 million, or 21.5%, to €133.4 million for the year ended 31 December 2021, from €109.8 million for the year ended 31 December 2020, as a result of the financial income, interest expense and other financial income line items described above.

Share of net income from associates and joint ventures

Share of net income from associates and joint ventures improved by €3.1 million to a loss of €1.2 million for the year ended 31 December 2021, from a loss of €4.3 million for the year ended 31 December 2020. This increase was due to better results in associates and joint ventures of the FL Entertainment Group.

Earnings before income tax expenses

Earnings before income tax expenses decreased by €96.3 million, or 133.6%, to a loss of €24.2 million for the year ended 31 December 2021, from a profit of €72.1 million for the year ended 31 December 2020, as a result of the factors described above, but mainly caused by the effects of the net financial income/(expenses) line item.

Income tax expenses

Income tax expenses increased by €24.6 million, or 100%, to €49.2 million for the year ended 31 December 2021, from €24.6 million for the year ended 31 December 2020. This increase is consistent with the growth of the business in the year ended 31 December 2021 compared to in the year ended 31 December 2020 as the one-off cost related to employment-related earn-out and option expenses in the online sports betting and gaming business is not tax deductible.

Net income/(loss) for the period

Net income/(loss) for the period decreased by €120.9 million to a loss of €73.4 million for the year ended 31 December 2021, from a profit of €47.5 million for the year ended 31 December 2020, as a result of the earnings before income tax expenses and income tax expenses line items described above.

Net income/(loss) for the period per segment

Content production and distribution segment

Net income/(loss) for the period increased by €70.6 million to €71.1 million for the year ended 31 December 2021, from €0.5 million for the year ended 31 December 2020. This increase was mainly

the result of increased operating profit in this segment on the back of the full-year consolidation of the financial results of the Endemol Shine Group, as well as the implementation of cost synergies.

Online sports betting and gaming segment

Net income/(loss) for the period decreased by €204.3 million, to a loss of €132.1 million for the year ended 31 December 2021, from a profit of €72.2 million for the year ended 31 December 2020. This decrease was mainly due to one-off costs related to long-term incentive plans and employment-related earn-out and option expenses in the FL Entertainment Group's online sports betting and gaming segment that offset the impact of the growth of the business.

D. Comparison of Results of Operations for the Years Ended 31 December 2020 and 2019

The following discussion sets out the FL Entertainment Group's financial performance and certain operating results on the basis of its financial information for the years ended 31 December 2020 and 2019.

Revenue

Revenue increased by €673.0 million, or 46.2%, to €2,128.5 million for the year ended 31 December 2020, from €1,455.5 million for the year ended 31 December 2019. This increase was mainly driven by the organic growth of the FL Entertainment Group's business as well as by the Endemol acquisition that was completed as of 2 July 2020. The increase was partly set-off by the effects of the production stop in the content production and distribution segment due to the government restrictions imposed as a result of the COVID-19 pandemic in the year ended 31 December 2020.

Revenue per segment

Content production and distribution segment

Revenue increased by €591.7 million, or 58.9%, to €1,595.9 million for the year ended 31 December 2020, from €1,004.2 million for the year ended 31 December 2019. This increase was mainly driven by an increase in the production and sale of audio-visual programmes boosted by the acquisition of the Endemol Shine Group. The financial information for the year ended 31 December 2020 consolidates the revenues generated by the Endemol Shine Group from July 2020. The increase was partly set-off by the effects of the production stop due to the government restrictions imposed as a result of the COVID-19 pandemic in the year ended 31 December 2020.

Online sports betting and gaming segment

Revenue increased by €81.2 million, or 18.0%, to €532.6 million for the year ended 31 December 2020, from €451.4 million for the year ended 31 December 2019. This increase is the result of an increase in players mainly in the second half of the year ended 31 December 2020 as a result of governmental lockdown measures that were implemented in an attempt to contain the COVID-19 pandemic. Travel bans and restrictions, lockdowns, quarantines and shutdowns of businesses caused an overall increase in the average time spent online. This resulted in a substantial increase in online gamers. This increase is partly set-off by the cancellation of sports competitions in the first half of the year ended 31 December 2020, which had an impact on the FL Entertainment Group's online sports betting and gaming business. After the sports competitions resumed, online betting on these sports competitions increased as a result of the lockdown measures.

External expenses

External expenses increased by €383.4 million, or 50.6%, to €1,140.7 million for the year ended 31

December 2020, from €757.3 million for the year ended 31 December 2019. This increase was mainly the result of the consolidation of the external expenses of the Endemol Shine Group, following its acquisition in the year ended 31 December 2020, as well as the result of an increase in the external costs incurred for content production, short-term lease charges, marketing costs and gambling tax. On 31 March 2020, the Portuguese government formalised new taxation rules on sports betting and casino activities, resulting in the end of progressive taxes on the gross proceeds of sports betting and casino games. As a result of the new tax regime in Portugal, sports betting was taxed at a fixed rate of 8% on stakes. The casino tax rate in Portugal increased to 25% of gross gaming revenue.

Staff costs

Staff costs increased by €137.5 million, or 26.8%, to €650.4 million for the year ended 31 December 2020, from €512.9 million for the year ended 31 December 2019. This increase was mainly the result of the consolidation of the staff costs of the Endemol Shine Group, following its acquisition in the year ended 31 December 2020.

As a percentage of revenue, staff costs declined from 35.3% in the year ended 31 December 2019 to 30.6% in the year ended 31 December 2020, reflecting an improvement in operating leverage as the business of the FL Entertainment Group grew both organically and inorganically as a result of the acquisition of the Endemol Shine Group as well as a decrease of the costs related to long-term incentive plans and employment-related earn-out and option expenses.

Other operating income

Other operating income remained relatively stable between the years ended 31 December 2020 and 2019 with a decline of €0.1 million to €0.2 million for the year ended 31 December 2020, from €0.3 million for the year ended 31 December 2019.

Other operating expenses

Other operating expenses increased by €49.6 million, or 354.3%, to €63.6 million for the year ended 31 December 2020, from €14.0 million for the year ended 31 December 2019. This increase was driven by an increase in restructuring costs in the year ended 31 December 2020, compared to the year ended 31 December 2019, mainly related to the implementation of cost synergies following the acquisition of Endemol Shine Group. Other operating expenses in the year ended 31 December 2020 includes €12 million costs for the acquisition of the Endemol Shine Group, €37 million costs related to the integration of Endemol Shine Group and €11 million costs related to the COVID-19 pandemic.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by €6.2 million, or 7.6%, to €87.7 million for the year ended 31 December 2020, from €81.5 million for the year ended 31 December 2019. This increase was partly due to an increase in the depreciation expenses relating to the intangible assets related to the Endemol Shine Group acquisition in the year ended 31 December 2020. This increase has been partly offset by less depreciation expenses on distribution advances as some scripted productions have been delayed due to COVID-19.

Operating profit

Operating profit increased by €96.1 million, or 106.7%, to €186.2 million for the year ended 31 December 2020, from €90.1 million for the year ended 31 December 2019, as a result of the Endemol

Shine Group acquisition that was completed in July 2020 and the organic growth in the online sports betting and gaming segment as the number of players increased in the year ended 31 December 2020 compared to the year ended 31 December 2019.

Operating profit per segment

Content production and distribution segment

Operating profit increased by €40.4 million, or 67.4%, to €100.3 million for the year ended 31 December 2020, from €59.9 million for the year ended 31 December 2019. This increase was mainly driven by the Endemol Shine Group acquisition that was completed in July 2020.

Online sports betting and gaming segment

Operating profit increased by €55.7 million, or 183.8%, to €86.0 million for the year ended 31 December 2020, from €30.3 million for the year ended 31 December 2019. This increase was driven by the organic growth of the FL Entertainment Group's business in this segment as the number of players increased in the year ended 31 December 2020 compared to the year ended 31 December 2019 and the introduction of a more favourable tax gambling regime in Portugal in the year ended 31 December 2020.

Adjusted EBITDA

Adjusted EBITDA increased by €142.2 million, or 59.1%, to €382.7 million for the year ended 31 December 2020, from €240.5 million for the year ended 31 December 2019. This increase was mainly the result of increased operating profit in the year ended 31 December 2020 on the back of the Endemol Shine Group acquisition that was completed in July 2020.

Adjusted EBITDA per segment

Content production and distribution segment

Adjusted EBITDA increased by €98.9 million, or 64.0%, to €253.4 million for the year ended 31 December 2020, from €154.5 million for the year ended 31 December 2019. This increase was mainly driven by the Endemol Shine Group acquisition that was completed in July 2020.

Online sports betting and gaming segment

Adjusted EBITDA increased by €43.3 million, or 50.3%, to €129.3 million for the year ended 31 December 2020, from €86.0 million for the year ended 31 December 2019. This increase was driven by the organic growth of the FL Entertainment Group's business in this segment and the introduction of a more favourable tax gambling regime in Portugal.

Interest expense

Interest expense increased by €88.2 million, or 317.3%, to €116.0 million for the year ended 31 December 2020, from €27.8 million for the year ended 31 December 2019. This increase was the result of an increase in financial costs following the refinancing completed in the context of the Endemol acquisition and the refinancing conducted in the online sports betting and gaming segment in the year ended 31 December 2020.

Cost of net debt

Cost of net debt increased by €88.2 million, or 317.3%, to €116.0 million for the year ended 31 December 2020, from €27.8.3 million for the year ended 31 December 2019, as a result of the

changes in the line item above and no change in the financial income line item.

Other financial income

Other financial income increased by €51.6 million, to a positive result of €6.2 million for the year ended 31 December 2020, from negative result of €45.4 million for the year ended 31 December 2019. This increase was primarily driven by favourable foreign currency exchange rates on USD in the year ended 31 December 2020 compared to the year ended 31 December 2019.

Net financial income/(expenses)

Net financial expenses increased by €36.7 million, or 50.2%, to €109.8 million for the year ended 31 December 2020, from €73.1 million for the year ended 31 December 2019, as a result of the two line items above.

Share of net income from associates and joint ventures

Share of net income from associates and joint ventures improved by €1.2 million to a loss of €4.3 million for the year ended 31 December 2020, from €5.5 million for the year ended 31 December 2019. This increase was due to better results in associates and joint ventures of the FL Entertainment Group.

Earnings before income tax expenses

Earnings before income tax expenses increased by €60.6 million, or 527.0%, to €72.1 million for the year ended 31 December 2020, from €11.5 million for the year ended 31 December 2019, as a result of the factors described above, but mainly caused by the effects of the net financial income/(expenses) line item.

Income tax expenses

Income tax expenses remained relatively stable between the years ended 31 December 2020 and 2019. The change was €0.8 million to €24.6 million for the year ended 31 December 2020, from €23.8 million for the year ended 31 December 2019. Following a tax audit carried out by the Austrian tax authority administration, one of the companies of the Bet-at-Home sub-group, bet-at-home.com Entertainment GmbH, recorded an overall one-off charge in the year ended 31 December 2019 of €11.7 million for tax arrears for the fiscal years 2013 to 2018, in connection with the transfer pricing policy. The income tax expenses are stable despite the increase in the earnings before income tax expenses line item due to the use of tax loss carry-forwards not previously recognised in the FL Entertainment Group.

Net income/(loss) for the period

Net income/(loss) for the period increased by €59.8 million to a profit of €47.5 million for the year ended 31 December 2020, from a loss of €12.3 million for the year ended 31 December 2019, as a result of the earnings before income tax expenses and income tax expenses line items described above.

Net income/(loss) for the period per segment

Content production and distribution segment

Net income/(loss) for the period increased by €5.1 million to a profit of €0.5 million for the year ended 31 December 2020, from a loss of €4.6 million for the year ended 31 December 2019. The significant increase in Adjusted EBITDA has been offset by some exceptional costs linked to the

acquisition of Endemol Shine Group and to COVID-19 pandemic as well as higher interest expenses related to the issuance of a new financing in the year ended 31 December 2020.

Online sports betting and gaming segment

Net income/(loss) for the period increased by €65.5 million to a profit of €72.2 million for the year ended 31 December 2020, from a profit of €6.7 million for the year ended 31 December 2019. This increase was driven by the organic growth of the FL Entertainment Group's business in this segment and the introduction of a more favourable tax gambling regime in Portugal.

j. Liquidity and Capital Resources

The FL Entertainment Group's principal sources of liquidity have been cash flow from operating activities and proceeds from loans and borrowings. The FL Entertainment Group's primary liquidity and capital resource needs are to finance working capital and investments.

A. Cash Flow

The table below summarises the FL Entertainment Group's consolidated cash flow for the periods indicated. This table should be read in conjunction with the accompanying notes in the Combined Financial Statements included elsewhere in this Circular.

	Year ended 31 December		
	2021	2020	2019
	(in € millions)		
Net cash flows provided by operating activities	403.5	306.8	211.8
Net cash provided by/(used for) investing activities	(97.1)	(1,90 5.6)	(78.0)
Net cash flows from/(used in) financing activities	(258. 0)	1,804 .2	(135. 9)

i. Net cash flows provided by operating activities

Cash generated from operating activities was an inflow of €403.5 million in the year ended 31 December 2021, an increase of €96.7 million compared to a cash inflow from operating activities of €306.8 million in the year ended 31 December 2020. This increase was driven by the change in consolidation scope with 12 months of Endemol Shine Group financial results in the year ended 31 December 2021, compared to only 6 months in the year ended 31 December 2020.

Cash generated from operating activities was an inflow of €306.8 million in the year ended 31 December 2020, an increase of €95.0 million compared to a cash inflow from operating activities of €211.8 million in the year ended 31 December 2019. This increase was primarily due to the change in consolidation scope with the addition of 6 months of Endemol Shine Group in the year ended 31 December 2020.

ii. Net cash provided by/(used for) investing activities

Cash used for investing activities was an outflow of €97.1 million in the year ended 31 December 2021, a decrease of €1,808.5 million compared to a cash outflow from investing activities of €1,905.6 million in the year ended 31 December 2020. This decrease was driven by the payment for the acquisition of Endemol Shine Group in the year ended 31 December 2020.

Cash used for investing activities was an outflow of €1,905.6 million in the year ended 31 December 2020, an increase of €1,827.6 million compared to a cash outflow from investing activities of €78.0

million in the year ended 31 December 2019. This increase was primarily due to the payment for the acquisition of Endemol Shine Group in the year ended 31 December 2020.

iii. Net cash flows from (used in) financing activities

Cash used in financing activities was an outflow of €258.0 million in the year ended 31 December 2021, a decrease of €2,062.2 million compared to a cash inflow from financing activities of €1,804.2 million in the year ended 31 December 2020. This cash inflow in 2020 was mainly due to the issuance of an additional debt to finance the Endemol Shine Group acquisition in the year ended 31 December 2020, as well as a financing issued in the online sports betting and gaming segment. In the year ended 31 December 2021, the net cash flows used in financing activities are mainly related to dividends paid to non-controlling interests for €115.8 million and interests paid for €125.9 million.

Cash used in financing activities was an inflow of €1,804.2 million in the year ended 31 December 2020, an increase of €1,940.1 million compared to a cash outflow used in financing activities of €135.9 million in the year ended 31 December 2019. This difference was due to the issuance of an additional debt to finance the Endemol Shine Group acquisition as well as a financing issued in the online sports betting and gaming segment in the year ended 31 December 2020.

B. Indebtedness

The following table provides an overview of the FL Entertainment Group's borrowings and net debt as at the end of the periods indicated.

	As at 31 December		
	2021	2020	2019
	(in € millions)		
Non-current financial liabilities			
Bonds and term loans	1,841.8	1,831.0	511.2
Bank borrowings	611.5	620.0	62.7
Accrued interests on bonds and bank borrowings	-	-	-
Current accounts	-	-	3.8
Accrued interests on current accounts	-	-	-
Bank overdrafts	-	-	-
Derivatives – Liabilities	4.5	19.8	0.0
Total non-current financial liabilities	2,457.8	2,470.8	577.8
Current financial liabilities			
Bonds and term loans	0	-	-
Bank borrowings	240.7	78.4	42.2
Accrued interests on bonds and bank borrowings	32.7	33.4	12.4
Current accounts	29.1	27.4	25.8
Accrued interests on current accounts	0.4	0.4	0.6
Bank overdrafts	1.7	10.5	3.1
Derivatives – Liabilities	1.6	0.7	4.4
Total current financial liabilities	306.2	150.9	88.5

i. Senior Notes and Senior Secured Notes

Overview

The Senior Secured Notes and the Senior Notes have been issued by Banijay Entertainment and

Banijay Group S.A.S. respectively on 11 February 2020.

The €575.0 million Euro Senior Secured Notes accrue interest at 3.5% per annum, the \$403.0 million Dollar Senior Secured Notes accrue interest at 5.375% per annum and the €400.0 million Senior Notes accrue interest at 6.5% per annum.

Interests on the Notes are payable semi-annually in arrears on 1 March and 1 September of each year, commencing on 1 September 2020.

The Senior Secured Notes mature on 1 March 2025 and the Senior Notes mature on 1 March 2026.

The Senior Secured Notes are guaranteed on a senior secured basis, and the Senior Notes are guaranteed on a senior subordinated and unsecured basis by certain entities of the Banijay Group, including, *inter alia*, 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 Production Inc., Bunim-Murray Productions LLC, RDF Television Limited, Castaway Television Productions Limited, Endemol Shine IP 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, Endemol Shine France, Screentime Pty Limited, Shine Australia Holdings Pty Limited, Endemol Shine Australia Pty Ltd, Mastiff A/S, Nordisk Film TV A/S, Metronome Productions A/S, Zeppelin Television SAU, Gestmusic Endemol SAU, Banijay Benelux Holding B.V., AP NMT JV Newco and in the case of the Senior Secured Notes, Banijay Group S.A.S or, in the case of the Senior Notes, Banijay Entertainment (each a "**Guarantor**", and collectively, the "**Guarantors**").

The Senior Secured Notes, the Guarantees in respect thereof, and the Senior Notes are secured by pledges and other security interests.

Ranking of the Senior Secured Notes and the Senior Notes

The Senior Notes:

- are general senior obligations of Banijay Group S.A.S.,
- rank pari passu in right of payment with all existing and future senior indebtedness of Banijay Group S.A.S.;
- rank senior in right of payment to all of Banijay Group S.A.S.'s existing and future indebtedness that is expressly subordinated in right of payment to the Senior Notes,
- are effectively subordinated to all of Banijay Group S.A.S.'s existing and future indebtedness that is secured by property or assets that do not secure the Senior Notes, or that is secured on a first-ranking basis by property or assets that secure the Senior Notes on a second-ranking basis, to the extent of the value of the property or assets securing such indebtedness, and
- are structurally subordinated to any existing and future debt of Banijay Group S.A.S.'s existing and future subsidiaries that do not guarantee the Senior Notes, including their obligations to trade creditors.
- The Senior Secured Notes:
- are general senior secured obligations of Banijay Entertainment,

- rank *pari passu* in right of payment with all existing and future senior indebtedness of Banijay Entertainment, including indebtedness outstanding under the Banijay Senior Credit Facilities,
- rank senior in right of payment to all of the Banijay Entertainment's existing and future indebtedness that is expressly subordinated in right of payment to the Senior Secured Notes,
- are effectively subordinated to all of the Banijay Entertainment's existing and future indebtedness that is secured by property or assets that do not secure the Senior Secured Notes to the extent of the value of the property or assets securing such indebtedness, and
- are structurally subordinated to any existing and future debt of Banijay Entertainment's existing and future subsidiaries that do not guarantee the Senior Secured Notes, including their obligations to trade creditors.

The Senior Secured Notes are guaranteed on a senior secured basis (whereas the Senior Notes are guaranteed on a senior subordinated and unsecured basis by certain entities of the Banijay Group) and mature on 1 March 2025 before the maturity date of the Senior Notes (maturing on 1 March 2026). The liabilities owed under the Senior Secured Notes rank in priority to the liabilities owed under the Senior Notes.

Optional Redemption

Senior Notes

At any time prior to 1 September 2022, Banijay Group S.A.S. may redeem all or a part of the Senior Notes at a redemption price equal to 100% of the principal amount thereof, plus a "make-whole" premium and accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption.

At any time and from time to time prior to 1 September 2022, Banijay Group S.A.S. may redeem up to 40% of the aggregate principal amount of the Senior Notes with the proceeds from specified equity offerings at a redemption price of 106.500% plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption, provided that at least 60% of the original principal amount of the Senior Notes (including any additional Senior Notes) issued under the Senior Notes Indenture remain outstanding.

At any time and from time to time on or after 1 September 2022, Banijay Group S.A.S. may redeem the Senior Notes in whole or in part, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption, if redeemed during the twelve month period beginning on 1 September of the years indicated below:

Year	Redemption Price
2022	103.25000%
2023	101.62500%
2024 and thereafter	100.00000%

Euro Senior Secured Notes

At any time and from time to time, Banijay Entertainment may redeem the Euro Senior Secured Notes in whole or in part, at the following redemption prices (expressed as a percentage of principal

amount) plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption, if redeemed during the twelve month period beginning on 1 March of the years indicated below:

Year	Redemption Price
2022	101.75000%
2023	100.87500%
2024 and thereafter	100.00000%

Dollar Senior Secured Notes

At any time and from time to time, Banijay Entertainment may redeem the Dollar Senior Secured Notes in whole or in part, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of redemption, if redeemed during the twelve month period beginning on 1 March of the years indicated below:

Year	Redemption Price
2022	102.68750%
2023	101.34375%
2024 and thereafter	100.00000%

Change of Control

Upon the occurrence of certain change of control events, Banijay Group S.A.S. and Banijay Entertainment will be required to offer to repurchase all outstanding Senior Notes and Senior Secured Notes, as applicable, at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of the purchase. The definition of change of control includes, among other things, a transaction in which a single person or group, other than certain permitted holders, acquires beneficial ownership, directly or indirectly, of more than 50% of the total voting power of the voting stock of Banijay Group S.A.S. or Banijay Entertainment, as applicable, or a disposition of all or substantially all of the property and assets of Banijay Group S.A.S. or Banijay Entertainment, as applicable, and their restricted subsidiaries taken as a whole.

Certain Covenants

The Banijay Indentures limit, among other things, the ability of Banijay Group S.A.S. and Banijay Entertainment and their restricted subsidiaries to: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) pay dividends, redeem share capital and make certain investments; (iii) make certain other restricted payments; (iv) create or permit to exist certain liens; (v) impose restrictions on the ability of the restricted subsidiaries to pay dividends; (vi) transfer or sell certain assets, (vii) merge or consolidate with other entities; (viii) enter into certain transactions with affiliates; and (ix) impair the security interests for the benefit of the holders of the Notes, in each case subject to significant exceptions and qualifications. In addition, certain of the covenants will be suspended if and for as long as the Notes achieve investment-grade ratings. As at the date of this Circular, Banijay Group S.A.S. and Banijay Entertainment have no current or expected difficulties in satisfying their obligations under these covenants (and benefit from sufficient headroom in this respect).

ii. Banijay Senior Secured Credit Facilities Agreement

On 7 February 2020, Banijay Group S.A.S. and Banijay Entertainment entered into the Banijay Senior Secured Credit Facilities Agreement. The Banijay Senior Secured Credit Facilities Agreement was amended and restated on 29 December 2021, and may be further amended from time to time in accordance with its terms.

The Banijay Senior Secured Credit Facilities Agreement, as at the date of this Circular, provides for a revolving credit facility in a principal amount of €170.0 million (equivalent) (the "**Revolving Credit Facility**") and senior term loan facilities in principal amounts of €453.0 million (the TLB (EUR)) and \$460.0 million denominated in US dollars (the TLB (USD) and the TLB (EUR), the "**Banijay Facility B**").

The main purposes of the Banijay Facility B is to (i) finance or refinance the consideration paid or payable for the acquisition of Endemol Shine and the acquisition of Bear Grylls; (ii) refinance or otherwise discharge certain existing indebtedness of Endemol Shine; and (iii) pay certain costs, fees and expenses incurred in connection with these transactions. Banijay Facility B has been fully utilised as at the date of this Circular.

The Revolving Credit Facility may, subject to satisfaction of the applicable conditions precedent for each applicable drawing, be used for, among other uses, financing or refinancing the general corporate purposes and/or working capital requirements of Banijay Entertainment and its restricted subsidiaries.

The Revolving Credit Facility and Banijay Facility B, the Banijay Senior Secured Credit Facilities Agreement includes (in addition to other permissions under the limitation on indebtedness covenant) the ability (without double counting against the limitation on indebtedness covenant) to incur additional senior secured indebtedness by way of one or more uncommitted additional facilities within the Banijay Senior Secured Credit Facilities Agreement up to an aggregate amount of the sum of (i) €953 million (which is currently utilised by Banijay Facility B) plus (ii) the greater of €175 million and 38% of Consolidated EBITDA (of which €170 million is designated for the Revolving Credit Facility) plus the greater of €350 million and 75% of Consolidated EBITDA plus an unlimited amount, provided that, pro forma for the incurrence of such additional facilities, the consolidated senior secured net leverage ratio does not exceed 3.65:1, and in each case, subject to certain other conditions being met.

Interest and Fees

Loans under the Banijay Senior Secured Credit Facilities Agreement bear interest at rates per annum equal to EURIBOR or, for loans denominated in Sterling or Swiss francs, SONIA (including an applicable credit adjustment spread) or, for loans denominated in a currency other than in Euro, Sterling or Swiss francs, LIBOR, plus an applicable margin, which in each case are subject to a decreasing margin ratchet based on the ratio of consolidated senior secured net debt to consolidated pro forma EBITDA (each as defined in the Banijay Senior Secured Credit Facilities Agreement) (the "**Banijay Senior Secured Net Leverage Ratio**").

If EURIBOR is less than zero, EURIBOR shall be deemed to be zero in respect of loans made under TLB (EUR) or the Revolving Credit Facility (as applicable). If LIBOR is less than zero, LIBOR shall be deemed to be zero in respect of loans made under the Revolving Credit Facility or TLB (USD) (as applicable). If "Daily Rate" (as defined in the Banijay Senior Secured Credit Facilities Agreement) for SONIA and the applicable credit adjustment spread is less than zero, the "Daily Rate"

shall be deemed to be such rate that the aggregate of the "Daily Rate" and the applicable credit adjustment spread is zero in respect of loans made under the Revolving Credit Facility.

A commitment fee is payable on the aggregate undrawn and uncanceled amount of the Revolving Credit Facility until the end of the availability period applicable to the Revolving Credit Facility at a rate of 35% of the applicable margin for the Revolving Credit Facility. Commitment fees are payable quarterly in arrears and on the date the Revolving Credit Facility is cancelled in full or on the date on which the relevant lender cancels its commitment.

Repayments

The loans made under TLB (EUR) will be repaid in full on 1 March 2025. In respect of the loans made under TLB (USD), an amount of 1% per annum of the original principal amount of TLB (USD) will be repaid in equal quarterly instalments from the date on which the first utilisation of Banijay Facility B occurred (being, 2 July 2020), with the remainder being repaid in full 1 March 2025.

In respect of the Revolving Credit Facility, each advance will be repaid on the last day of the interest period relating thereto, subject to an ability to roll over cash drawings. All outstanding amounts under the Revolving Credit Facility will be repaid on 1 September 2024. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be re-borrowed, subject to certain conditions.

Mandatory Prepayment

The Banijay Senior Secured Credit Facilities Agreement permits voluntary prepayments to be made (subject to de minimis amounts) and will require mandatory prepayment in full or in part in certain circumstances, including:

- on an initial public offering which does not constitute a change of control (with the percentage of proceeds to be prepaid subject to the Banijay Senior Secured Net Leverage Ratio);
- from certain net cash proceeds received by certain members of the Banijay Group from certain asset disposals, insurance and recovery claims, to the extent not otherwise applied for a permitted purpose and required to be applied in prepayment of the Banijay Senior Credit Facilities and subject to a de minimis amount;
- for each financial year (commencing with the financial year ending 31 December 2020), a percentage of excess cash flow in the event that excess cash flow exceeds a minimum threshold amount, which percentage decreases as the Banijay Senior Secured Net Leverage Ratio decreases; and
- Upon the occurrence of a change of control (as defined in the Banijay Senior Secured Credit Facilities Agreement), each lender shall be entitled to require prepayment of its commitments within a prescribed time period. A change of control shall include:
 - any person or group becoming the beneficial owner of more than 50% of the voting power of Banijay Entertainment other than in connection with a transaction or series of transactions in which Banijay Entertainment shall become the wholly owned subsidiary of a parent entity (as defined in the Banijay Senior Secured Credit Facilities Agreement) subject to certain conditions;
 - Banijay Group S.A.S. ceasing to directly own and control 100% of the issued voting share capital of Banijay Entertainment; and

- on a disposal of substantially all the business of Banijay Group S.A.S. and its restricted subsidiaries.

Guarantees and Security

Subject to certain agreed security principles and guarantee limitations and the terms of the Banijay Senior Secured Credit Facilities Agreement, the Banijay Senior Credit Facilities is guaranteed by the Guarantors.

Subject to certain agreed security principles and Banijay Senior Secured Credit Facilities Agreement and the Intercreditor Agreement, the Banijay Senior Credit Facilities is secured by certain pledges over shares, material bank accounts, structural intra-group receivables and other assets of Banijay Group S.A.S. and its restricted subsidiaries.

Subject to certain agreed security principles and the provisions of the Banijay Senior Secured Credit Facilities Agreement and certain adjustments permitted under the Banijay Senior Secured Credit Facilities Agreement, Banijay Entertainment is required to ensure that Banijay Entertainment and its restricted subsidiaries which generate at least 75% of Consolidated EBITDA are guarantors under the Banijay Senior Secured Credit Facilities Agreement and grant certain security.

The provision and the terms of the security and guarantees set forth above will in all cases be subject to certain limitations and agreed security principles and are at all times and in all cases subject to the requirements of applicable law and the other matters set forth in the Banijay Senior Secured Credit Facilities Agreement.

Representations and Warranties

The Banijay Senior Secured Credit Facilities Agreement contains certain representations and warranties (subject to certain agreed qualifications and with certain representations being repeated), including: (i) status, binding obligations, non-conflict with other obligations, power and authority, validity and admissibility in evidence, governing law and enforcement, consents, filings and laws applicable to operations and pari passu ranking; (ii) no insolvency, no litigation, environmental laws, taxation, and filing and stamp taxes; (iii) no default, financial statements, group structure, and no misleading information in relation to the information memorandum, the financial model relating to the FL Entertainment Group and certain diligence reports provided; (iv) no liens, guarantees or indebtedness, except as permitted; (v) legal ownership and holding company activities; (vi) intellectual property and pension schemes; (vii) acquisition documents, investment companies, borrowing limits, compliance with ERISA; and (viii) centre of main interests and compliance with sanctions and anti-corruption laws.

Covenants

The Banijay Senior Secured Credit Facilities Agreement contains certain of the incurrence covenants, information undertakings and related definitions (with, in each case, certain adjustments), including, but not limited to, (i) limitations on indebtedness; (ii) limitations on restricted payments; (iii) limitations on liens; (iv) limitation on restrictions on distributions from restricted subsidiaries; (v) limitations on sale of assets and subsidiary stock; (vi) limitations on affiliate transactions; (vii) merger and consolidation; (viii) suspension of covenants on achievement of investment grade status; (ix) additional guarantees and intercreditor agreements; (x) no impairment of security interests; and (xi) designation of restricted and unrestricted subsidiaries.

In addition, the Banijay Senior Secured Credit Facilities Agreement also requires Banijay

Entertainment and certain of its restricted subsidiaries to observe certain other customary positive and negative covenants, subject to certain exceptions and grace periods, including, but not limited to, covenants relating to:

(i) authorisations and consents; (ii) compliance with laws; (iii) pari passu ranking; (iv) insurances; (v) payment of taxes; (vi) pension schemes; (vii) compliance with certain environmental laws; (viii) acquisition documents; (ix) maintenance of centre of main interests; (x) provision of guarantees and security, further assurance and accession to the Intercreditor Agreement; (xi) compliance with sanctions and anti-corruption laws; (xii) maintenance of ratings; (xiii) preservation of assets; (xiv) holding company; (xv) annual and quarterly financial statements; (xvi) compliance certificates; and (xvii) annual budget.

As at the date of this Circular, Banijay Group S.A.S. and Banijay Entertainment have no current or expected difficulties in satisfying their obligations under these covenants (and benefit from sufficient headroom in this respect).

Events of Default

The Banijay Senior Secured Credit Facilities Agreement provides for substantially the same events of default as under the Notes. In addition, the Banijay Senior Secured Credit Facilities Agreement provides for additional events of default, subject to customary materiality qualifications and grace periods, including (i) breach of the financial covenant, provided that, in the event of such breach, only a majority of the Lenders under the Revolving Credit Facility shall initially be entitled to take enforcement action; (ii) inaccuracy of a representation or statement when made; (iii) invalidity and unlawfulness of the Banijay Senior Credit Facilities financing documents; and (iv) material failure to comply with the Intercreditor Agreement.

iii. Banijay Intercreditor Agreement

To establish the relative rights of certain of their creditors under their financing arrangements, Banijay Group S.A.S., Banijay Entertainment and the Guarantors are party to an intercreditor agreement dated 11 February 2020 (as amended from time to time) between, among others, the notes trustee, the agent, arrangers and lenders under the Banijay Senior Secured Credit Facilities Agreement and the security agent (the "**Banijay Intercreditor Agreement**").

By accepting a Note, holders of the Notes will be deemed to have agreed to, and accepted the terms and conditions of, the Banijay Intercreditor Agreement.

The Banijay Intercreditor Agreement is governed by English law and sets out various matters governing the relationship of the creditors to the Banijay Group including the relative ranking of certain debt of Banijay Group S.A.S., Banijay Entertainment, the Guarantors and any other person that becomes party to the Intercreditor Agreement as a debtor or third-party security provider, when payments can be made in respect of debt of the debtors or third-party security providers, when enforcement action can be taken in respect of that debt, the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events and turnover provisions and provisions related to the enforcement of shared security.

Other Indebtedness and Financing Arrangements of the Banijay Group

From time to time, Banijay Group S.A.S. and its subsidiaries, enter into various credit facilities (including by way of factoring or assignment of receivables, overdraft facility agreements, local and bilateral facilities or future receivables) to finance the development, production and operation of a

specific programme or audio-visual or digital content. The Banijay Group also enters into loan agreements to finance specific programmes, such as loan agreements to fund Dickinson's Real Deal series 16 and Tipping Point series 10. As of 31 December 2021, the Banijay Group had €132 million (as recorded at Banijay level) outstanding under these credit facilities. As of 31 December 2021, the Banijay Group had €209 million (as recorded at Banijay level) of other long-term and other current liabilities recorded on their balance sheet to reflect earn-outs and put option agreements that remain outstanding.

iv. *Betcllic Group Senior Credit Facility Agreement*

Overview and Structure

On 23 June 2020, Betcllic Group S.A.S. as borrower, Betcllic as parent and guarantor, Mangas Lov as guarantor, BNP Paribas, Natixis and Société Générale as mandated lead arrangers and Société Générale as agent and security agent and Natixis as documentation agent entered into a senior credit facility agreement (the "**Betcllic Group Senior Credit Facility Agreement**"). The Betcllic Group Senior Credit Facility Agreement provides for a senior term loan facility in principal amount of €165.0 million.

The main purposes of the Betcllic Group Senior Credit Facility is (i) to finance a capital decrease of Betcllic Group S.A.S. (including the related fees) and (ii) the general corporate purposes of Betcllic Group S.A.S.

On 19 November 2021, the lenders under the Betcllic Group Senior Credit Facility have consented to the merger of Betcllic Group S.A.S. into Betcllic and to the related changes into the Betcllic Group Senior Credit Facility Agreement.

Interest and Fees

The Betcllic Group Senior Credit Facility bears interest at rates per annum equal to EURIBOR, plus an applicable margin.

If EURIBOR is less than zero, EURIBOR shall be deemed to be zero in respect of the Betcllic Group Senior Credit Facility.

Repayments

The Betcllic Group Senior Credit Facility is repayable in half-yearly instalments (starting from 23 December 2020), with the remainder being repaid in full 23 June 2025.

Mandatory Prepayment

The Betcllic Group Senior Credit Facility Agreement permits voluntary prepayments to be made (subject to de minimis amounts) and will require mandatory prepayment in full or in part in certain circumstances, including:

- upon the occurrence of a change of control;
- an initial public offering of Betcllic Group S.A.S. or any member of the Betcllic Everest Group;
- the sale, in one or more transactions, of all or a substantial part of the Betcllic Everest Group's tangible, intangible or financial fixed assets to a third-party; and
- from certain net cash proceeds received by certain members of the Betcllic Everest Group

from certain asset disposals, insurance and recovery claims, to the extent not otherwise applied for a permitted purpose and required to be applied in prepayment of the Betcllic Group Senior Credit Facility and subject to applicable de minimis amount.

Guarantees and Security

The Betcllic Group Senior Credit Facility was originally guaranteed *inter alia* by Betcllic and Mangas Lov and was originally secured by first ranking pledges over Betcllic Group S.A.S. shares and Bet-at-home shares. A release of the pledge of Betcllic Group S.A.S shares has been obtained as a result of the universal transmission of assets of Betcllic Group S.A.S in Betcllic, on 31 December 2021.

Representations and Warranties

The Betcllic Group Senior Credit Facility Agreement contains certain representations and warranties (subject to certain agreed qualifications and with certain representations being repeated), including: (i) status, binding obligations, non-conflict with other obligations, power and authority, validity and admissibility in evidence, governing law and enforcement, consents, filings and pari passu ranking; (ii) no insolvency, no litigation, taxation, and filing and stamp taxes, except as permitted; (iii) no default, financial statements and no misleading information; (iv) no liens, guarantees or indebtedness, except as permitted; (v) intellectual property; and (vi) centre of main interests and compliance with sanctions and anti-corruption laws.

Covenants

The Betcllic Group Senior Credit Facility Agreement contains certain of the covenants, information undertakings and related definitions (with, in each case, certain adjustments), including, but not limited to, (i) limitations on indebtedness; (ii) limitations on loans; (iii) limitations on liens; (iv) limitations on sale of assets; (v) merger and consolidation; and (vi) compliance with a leverage ratio and interest ratio covenant.

In addition, the Betcllic Group Senior Credit Facility Agreement also requires Betcllic Group S.A.S. and certain of its subsidiaries to observe certain other customary positive and negative covenants, subject to certain exceptions and grace periods, including, but not limited to, covenants relating to: (i) authorisations and consents; (ii) compliance with laws; (iii) pari passu ranking; (iv) insurances; (v) payment of taxes; (vi) maintenance of centre of main interests; (vii) compliance with sanctions and anti-corruption laws; and (viii) preservation of assets. As the date of this Circular, Betcllic has no current or expected difficulties in satisfying its obligations under these covenants (and benefits from sufficient headroom in this respect).

Events of Default

The Betcllic Group Senior Credit Facility Agreement provides for events of default, subject to customary materiality qualifications and grace periods, including (i) breach of the financial covenant; (ii) inaccuracy of a representation or statement when made; (iii) cross-default; and (iv) insolvency and insolvency proceedings.

Betcllic Everest Group Bridge Credit Facility Agreement

On 13 December 2021, Betcllic as borrower, Mangas Lov as guarantor, BNP Paribas, Natixis and Société Générale as mandated lead arrangers and Société Générale as agent and security agent entered into a bridge credit facility agreement. This agreement provides for a bridge loan facility in principal amount of €130.0 million and will be repaid in full out of the proceeds of the Business

Combination.

Lov Banijay Convertible Bonds

On 23 February 2016, Lov Banijay issued bonds redeemable in cash or in ordinary shares in Lov Banijay (*obligations remboursables en actions ou en numéraire*) for a principal amount of €90.0 million governed by terms and conditions amended from time to time and subscribed by SIG 116 (an affiliate of Vivendi) (the "**ORAN**").

On 14 October 2016, Lov Banijay issued bonds redeemable in cash or in ordinary shares in Lov Banijay (*obligations remboursables en actions ou en numéraire*) for a principal amount of €50.0 million governed by terms and conditions amended from time to time subscribed by SIG 116 (an affiliate of Vivendi) (the "**New Bonds**").

Both the New Bonds and the ORAN have a 7-year maturity period and are maturing on 23 February 2023 (subject to extension periods).

Upon maturity of the ORAN, Lov Banijay would have the option of either redeeming the bond in cash or converting it into a number of shares that would give Vivendi a 25% interest in Lov Banijay.

The main purpose of the ORAN is to refinance vendor loan made available in January 2016 to Lov Banijay whereas the proceeds of the New Bonds shall be applied in or towards the financing of the general corporate needs of Lov Banijay.

Capitalised interest shall accrue on each of the New Bonds and the ORAN, each capitalised interest period has a duration of twelve months.

The provisions of the ORAN and the New Bonds provide for mandatory redemption in full in certain circumstances, including upon the occurrence of a change of control or a listing event.

The ORAN and the New Bonds contain customary representations and warranties, covenants and events of default, subject to customary materiality qualifications and grace periods.

The ORAN and the New Bonds are mainly secured by first ranking pledges over LDH shares.

In the context of the Business Combination, the ORAN as well as the New Bonds will be fully redeemed to SIG 116 (an affiliate of Vivendi) and will be repaid in full out of the proceeds of the Business Combination.

k. Working Capital Statement

Management of FL Entertainment believes that the working capital available to FL Entertainment is sufficient for its present requirements, which is for at least the next twelve months following the date of this Circular. For the avoidance of doubt, this assessment does not take into account any additional capital that will be received by FL Entertainment in connection with the Business Combination.

l. Contractual Obligations and Commitments

The London based distribution business of the content production and distribution segment commits from time to time to pay some minimum guarantees to third-party producers all over the world to obtain the distribution right on their shows. These commitments are financed with the FL Entertainment Group's own resources and represented an amount of €7 million at 31 December 2021. For an overview of the Group's contractual obligations and commitments, see note 26 of the Combined Financial Statements.

m. Material investments

The following table summarises the FL Entertainment Group's material investments for the periods under review.

	Year ended 31 December		
	2021	2020	2019
	(in € millions)		
Purchase of property, plant and equipment and of intangible assets	66.5	40.7	29.6
Purchases of consolidated companies	26.6	1,875.6	39.6

During the year ended 31 December 2021, the FL Entertainment Group invested €66.5 million mostly in intangible assets in connection with distribution advances made to third-party producers to acquire the distribution rights on their shows. The FL Entertainment Group also made some IT investments and capitalised some development costs mainly relating to its online sports betting and gaming business. For the years ended 31 December 2020 and 2019, the FL Entertainment Group also mostly invested in intangible assets in connection with distribution advances made to third-party producers to acquire the distribution rights on their shows.

For a description of the investments in acquired companies, see "9.5(e.) (A.) M&A impact" above.

Also see the combined statement of cash flows in the Combined Financial Statements.

n. Contingent and other Off-Balance Sheet Liabilities

The FL Entertainment Group's contingent liabilities and off-balance sheet commitments are included in notes 21.2 and 26 of the Combined Financial Statements. See below an overview of the FL Entertainment Group's main contingent liabilities, provisions and off-balance sheet liabilities.

Bet-at-home is involved in legal proceedings with Austrian players who have claimed reimbursement for their gaming losses that they incurred with unlicensed operators in Austria. As stated in a press-release that was published by Bet-at-home.com on 18 October 2021, Bet-at-home decided to discontinue its online casino offering in Austria, due to a ruling by the Austrian Supreme Court confirming the actual monopoly of the Austrian gambling regulation and its compliance with European law, dated 1 September 2021, triggered players to file legal claims to obtain the reimbursement of their gaming losses incurred with unlicensed operators in Austria. While Bet-at-home still considers the online casino monopoly of the national Austrian gambling regulation to be contrary to European law and, accordingly, considers itself to be a lawful online casino provider in Austria, following the Austrian Supreme Court ruling, it has recognised further provisions for the customer lawsuits for reimbursement of player losses that have been pending in Austria to date. As of 31 December 2021, the provisions thus constituted, which also include legal fees related to these disputes, amounted to €27.1 million and were recognised as non-current expenses. The decision taken by Bet-at home related to the continuation of its casino activity had no effect on the going concern assumption used for the FL Entertainment Group's operations as of 31 December 2021.

In December 2021, a subsidiary of the FL Entertainment Group within the online sports betting and gaming segment received a notice of adjustment from the French tax authorities for an 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. The Betclie Everest Group, like many other local operators, considers that its activities of sports betting in France are not subject to value added tax (VAT). This is based on the VAT

exemption provided for in article 261E of the French tax code. On 9 April 2015, the association AFJEL requested a ruling from the French tax authorities regarding the VAT regime for sports betting services provided to French players. On 13 March 2019, the French tax authorities issued the VAT Tax Ruling, in which the French tax authorities came to the conclusion that the organisation of betting at odds should be subject to VAT and cannot benefit from the exemption in article 261E of the French tax code. On 11 January 2021, the association AFJEL filed a complaint with the EU Commission, considering the VAT Tax Ruling as being non-compliant with EU legislation.

The Betclac Everest Group, with the support of its legal and tax advisers, considers that there are arguments to establish that the bases for adjustment are erroneous and that the position of the tax authorities is not in conformity with Community law and 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 Betclac Everest Group will challenge this adjustment in France, with the tax authorities and, if necessary, with the French courts, but also with the Court of Justice of the European Union, if a French Court decides to make a request for a preliminary ruling. Consequently, no provision relating to this litigation has been recorded in the Combined Financial Statements.

In connection with some of its credit facilities, the FL Entertainment Group has pledged the shares of certain subsidiaries within the FL Entertainment Group. For more detailed information, see the notes to the Combined Financial Statements included elsewhere in this Circular and "9.5 (j)(iii)(B.) *Indebtedness*" above.

o. Financial Risk Management

An overview of the financial risk management objectives of the FL Entertainment Group are presented in note 24 of the Combined Financial Statements.

p. Critical Accounting Policies

Unless otherwise indicated, the financial information included in this Circular is derived from the Combined Financial Statements which have been prepared in accordance with IFRS. See "9.1 *Presentation of financial and other information*" and the notes to the Combined Financial Statements included elsewhere in this Circular.

An overview of the main accounting policies applied in the preparation of the Combined Financial Statements is presented in note 4 of the Combined Financial Statements.

9.6 Financial guidance 2022

Please see "7.1(f) *Financial Guidance and Objectives*" for the financial guidance the FL Entertainment Group has established in respect of the year ending 31 December 2022

10 RISK FACTORS

Shareholders should carefully consider the risks described below, together with the other information contained in this Circular. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, could have a material adverse effect on the business, results of operations, financial condition and prospects of Pegasus Entrepreneurs, FL Entertainment and the FL Entertainment Group. In that event, the value of the Pegasus Ordinary Shares, the Pegasus Public Warrants, the FLE Ordinary Shares and the FLE Warrants could decline, and an investor might lose part or all of its investment.

All of these risk factors and events are contingencies, which may or may not occur. Pegasus Entrepreneurs, FL Entertainment or the FL Entertainment Group may face a number of these risks described below simultaneously, and one or more risks described below may be interdependent. The most material risk factors have to be presented first in each category.

In selecting and ordering the risk factors, Pegasus Entrepreneurs has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on Pegasus Entrepreneurs', FL Entertainment's and the FL Entertainment Group's business, financial condition, results of operations and prospects, and the attention that management of Pegasus Entrepreneurs, FL Entertainment and the FL Entertainment Group would, on the basis of current expectations, have to devote to these risks if they were to materialise.

Furthermore, although Pegasus Entrepreneurs believes that the risks described below are the material risks concerning Pegasus Entrepreneurs', FL Entertainment's and the FL Entertainment Group's business, the Pegasus Ordinary Shares, the Pegasus Public Warrants, the FLE Ordinary Shares and the FLE Warrants, they are not the only risks relating to Pegasus Entrepreneurs, FL Entertainment and the FL Entertainment Group, the Pegasus Ordinary Shares, the Pegasus Public Warrants, the FLE Ordinary Shares and the FLE Warrants. Other risks, facts or circumstances not presently known to Pegasus Entrepreneurs, or that Pegasus Entrepreneurs currently deems to be immaterial, could, individually or cumulatively, prove to be important and could have a material adverse effect on Pegasus Entrepreneurs', FL Entertainment's and the FL Entertainment Group's business, results of operations, financial condition and prospects. The value of the Pegasus Ordinary Shares, the Pegasus Public Warrants, the FLE Ordinary Shares and the FLE Warrants could decline as a result of the occurrence of any such risks, facts or circumstances, or as a result of the events or circumstances described in these risk factors, and investors could lose part or all of their investment.

Shareholders should carefully read the entire Circular and should reach their own views before making an investment decision with respect to any FLE Ordinary Shares and/or FLE Warrants. Furthermore, before making an investment decision with respect to any FLE Ordinary Shares and/or FLE Warrants, Shareholders should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers, and carefully review the risks associated with an investment in the FLE Ordinary Shares and/or FLE Warrants and consider such an investment decision in light of their personal circumstances and having regard to the possibility of changing conditions.

10.1 Risks relating to the Business Combination

- a. Any due diligence by Pegasus Entrepreneurs in connection with the proposed Business Combination may not have revealed all relevant considerations or liabilities of FL**

Entertainment or the FL Entertainment Group, which could have a material adverse effect on Pegasus Entrepreneurs' financial condition or results of operations or prospects

For Pegasus Entrepreneurs to estimate the value of FL Entertainment or the FL Entertainment Group and inform its decision as to whether to proceed with the proposed Business Combination, it has conducted a due diligence investigation. Pegasus Entrepreneurs has conducted such due diligence as it deemed appropriate and reasonably practicable and based on the facts, circumstances and nature of the process through which the proposed Business Combination is reached. The objective of the due diligence process has been to identify material issues that might affect the decision to proceed with the proposed Business Combination or the consideration payable for the proposed Business Combination. Pegasus Entrepreneurs has also used information revealed during the due diligence process to formulate its business and operational planning for, and its valuation of, FL Entertainment and the FL Entertainment Group. Whilst conducting due diligence and assessing the proposed Business Combination, Pegasus Entrepreneurs has relied on publicly available information, information provided by the FL Entertainment Group, and, in some circumstances, third party investigations. However, very little public information exists about the FL Entertainment Group, and Pegasus Entrepreneurs had to rely on the ability of the Pegasus Board and outside professionals to obtain adequate information to evaluate the potential returns from investing in FL Entertainment and the FL Entertainment Group.

The due diligence undertaken with respect to the proposed Business Combination may not have revealed all relevant facts that might have been necessary to evaluate the proposed Business Combination including the determination of the price Pegasus Entrepreneurs contributes to FL Entertainment and to formulate a business strategy. Furthermore, the information that has been provided during due diligence might have been incomplete, inadequate or inaccurate. As part of the due diligence process, Pegasus Entrepreneurs has also made subjective judgments regarding the results of operations, financial condition and prospects of a potential opportunity. If the due diligence investigation has failed to correctly identify material issues and liabilities that may be present in the FL Entertainment Group, or if Pegasus Entrepreneurs considers such material risks to be commercially acceptable relative to the opportunity and does not receive adequate recourse post-Business Combination with respect such risks, and Pegasus Entrepreneurs proceeds with a Business Combination, FL Entertainment may subsequently incur substantial impairment charges or other losses, any of which could contribute to negative market perceptions about FL Entertainment. In addition, following the Business Combination, the Shareholders may be subject to significant, previously undisclosed liabilities of FL Entertainment or the FL Entertainment Group that were not identified during due diligence and which could contribute to poor operational performance, undermine any attempt to restructure FL Entertainment or the FL Entertainment Group in line with Pegasus Entrepreneurs' business plan and have a material adverse effect on FL Entertainment's or the FL Entertainment Group's financial condition and results of operations.

b. Pegasus Entrepreneurs could be constrained by the need to finance redemptions of Pegasus Ordinary Shares from any Pegasus Ordinary Shareholders that decide to redeem their Pegasus Ordinary Shares in advance of a Business Combination

Pegasus Entrepreneurs may only be able to proceed with a Business Combination if it has sufficient financial resources to satisfy the minimum cash conditions under the Business Combination Agreement and pay all amounts due to the Pegasus Ordinary Shareholders who elect to redeem their Pegasus Ordinary Shares in advance of the Business Combination ("**Redeeming Shareholders**"). In

the event that there are a significant number of Redeeming Shareholders, financing the redemption of Pegasus Ordinary Shares held by Redeeming Shareholders could reduce the funds available to Pegasus Entrepreneurs and, as such, Pegasus Entrepreneurs may not have sufficient funds available to satisfy the minimum cash conditions under the Business Combination Agreement and complete the Business Combination.

Though at the date of this Circular, approximately 50% of the holders of Pegasus Ordinary Shares, representing in aggregate €102 million, have signed a letter in which they undertake not to redeem their Pegasus Ordinary Shares, in the event that the aggregate cash consideration Pegasus Entrepreneurs would be required to pay for all Pegasus Ordinary Shares that are validly submitted for redemption plus the amount required to satisfy the cash conditions under the Business Combination Agreement, exceed the aggregate funds available to Pegasus Entrepreneurs, Pegasus Entrepreneurs will not complete the Business Combination or redeem any Pegasus Ordinary Shares, and all Pegasus Ordinary Shares submitted for redemption will be returned to the applicable Redeeming Shareholders, and Pegasus Entrepreneurs instead may search for an alternate Business Combination. As a result, Pegasus Entrepreneurs may decide to raise additional equity and/or debt, which could increase its overall financing costs and dilute the interests of non-Redeeming Shareholders, or not to complete the Business Combination, which each may adversely affect any return for Shareholders.

- c. Pegasus Entrepreneurs does not have a specified maximum redemption threshold. The absence of such a redemption threshold may make it possible for Pegasus Entrepreneurs to complete a Business Combination with which a substantial majority of the Pegasus Ordinary Shareholders do not agree**

Pegasus Entrepreneurs' articles of association do not provide a specified maximum redemption threshold. As a result, Pegasus Entrepreneurs may be able to complete a Business Combination even though a substantial majority of the Pegasus Ordinary Shareholders do not agree with the Business Combination and have their Pegasus Ordinary Shares redeemed. See also "*10.1(e.) The Sponsors have agreed with the Company that if the Company seeks shareholder approval of the Business Combination, the Sponsors shall vote in favour of such Business Combination, regardless of how the other Shareholders vote*". If a Pegasus Ordinary Shareholder or Pegasus Ordinary Shareholders acting in concert are deemed to hold in excess of 15% of the Pegasus Ordinary Shares, such shareholders will lose the ability to redeem all such Pegasus Ordinary Shares in excess of 15% of the Pegasus Ordinary Shares for a description of how Pegasus Ordinary Shareholders will lose the ability to redeem Pegasus Ordinary Shares above a certain threshold.

In the event the aggregate cash consideration Pegasus Entrepreneurs would be required to pay for all Pegasus Ordinary Shares that are validly submitted for redemption plus the amount required to satisfy the cash conditions under the Business Combination Agreement exceed the aggregate amount of cash available to Pegasus Entrepreneurs, Pegasus Entrepreneurs will not complete the Business Combination or redeem any Pegasus Ordinary Shares, and all Pegasus Ordinary Shares submitted for redemption will be returned to the holders thereof, and Pegasus Entrepreneurs may instead search for an alternative Business Combination. Pegasus Entrepreneurs may have already made substantial costs pursuing the initially proposed Business Combination and there can be no guarantee Pegasus Entrepreneurs would have sufficient funds or time to be able to find an alternative Business Combination before the Business Combination Deadline. Therefore not having a maximum specified redemption threshold could have a negative impact on Pegasus Entrepreneurs' ability to successfully

complete a Business Combination at all. See also "10.1(b.) The Company could be constrained by the need to finance redemptions of Pegasus Ordinary Shares from any Pegasus Ordinary Shareholders that decide to redeem their Pegasus Ordinary Shares in advance of a Business Combination" for a description of how the need to finance redemptions of Pegasus Ordinary Shares could constrain Pegasus Entrepreneurs in its search for an alternative Business Combination and "10.1(d.) If a Pegasus Ordinary Shareholder or Pegasus Ordinary Shareholders acting in concert are deemed to hold in excess of 15% of the Pegasus Ordinary Shares, such shareholders will lose the ability to redeem all such Pegasus Ordinary Shares in excess of 15% of the Pegasus Ordinary Shares" for a description of how Pegasus Ordinary Shareholders will lose the ability to redeem Pegasus Ordinary Shares above a certain threshold.

d. If a Pegasus Ordinary Shareholder or Pegasus Ordinary Shareholders acting in concert are deemed to hold in excess of 15% of the Pegasus Ordinary Shares, such shareholders will lose the ability to redeem all such Pegasus Ordinary Shares in excess of 15% of the Pegasus Ordinary Shares

Pegasus Entrepreneurs' articles of association provide that a Pegasus Ordinary Shareholder, together with any affiliate of such Pegasus Ordinary Shareholder or any other person with whom such Pegasus Ordinary Shareholder is acting in concert, will be restricted from redeeming its Pegasus Ordinary Shares with respect to more than an aggregate of 15% of the Pegasus Ordinary Shares ("**Excess Shares**") without the prior consent of the Pegasus Board. However, Pegasus Entrepreneurs does not restrict Pegasus Ordinary Shareholders' ability to vote all of their Pegasus Ordinary Shares (including Excess Shares) for or against a Business Combination. A Pegasus Ordinary Shareholder's inability to redeem the Excess Shares will reduce the ability of a small group of Pegasus Ordinary Shareholders to block Pegasus Entrepreneurs' ability to complete the proposed Business Combination, particularly since the FL Entertainment Group requires as a closing condition that Pegasus Entrepreneurs has a minimum amount of cash at the time of the proposed Business Combination. Pegasus Ordinary Shareholders could suffer a material loss on their investment if they sell Excess Shares in open market transactions. Additionally, Pegasus Ordinary Shareholders will not receive redemption distributions with respect to the Excess Shares if Pegasus Entrepreneurs completes a Business Combination. And as a result, Pegasus Ordinary Shareholders will continue to hold Excess Shares, being that number of Pegasus Ordinary Shares exceeding 15% and, in order to dispose of such Excess Shares, would be required to sell in open market transactions, potentially at a loss.

e. Redemptions of the cash available in the Escrow Accounts might lead to lower float and increased volatility of securities after the Business Combination

In recent months, inflationary pressures, increases in interest rates and other adverse economic and market forces have contributed to overall drops in the market value of listed securities. Given this market context, securities of both Pegasus Entrepreneurs and, after the Business Combination, FL Entertainment, are subject to potential downward pressures, which may result in high redemptions of the cash available from the Escrow Accounts. Although Pegasus Entrepreneurs has secured commitments of non-redemption from Shareholders representing approximately 50% of the outstanding Pegasus Ordinary Shares, if there are substantial redemptions, there will be a lower float of FLE Ordinary Shares outstanding, which may cause further volatility in the price of the securities of FL Entertainment following the closing of the Business Combination and adversely impact the ability to secure future financing for the business.

- f. The Sponsors and certain other Shareholders have agreed with Pegasus Entrepreneurs that if Pegasus Entrepreneurs seeks shareholder approval of the Business Combination, the Sponsors and these Shareholders shall vote in favour of such Business Combination, regardless of how the other Shareholders vote**

The Sponsors and their affiliates and/or directors have agreed (and any of their Permitted Transferees (as defined in "5.7(h)(A.) Lock-up Arrangements") will agree, to vote all Pegasus Founder Shares and Pegasus Ordinary Shares held by them in favour of a Business Combination. Furthermore, at the date of this Circular, certain Shareholders have agreed with Pegasus Entrepreneurs, to vote all Pegasus Ordinary Shares held by them in favour of a Business Combination (the "**Approving Shareholders**").

As a result, Pegasus Entrepreneurs does not need any other Pegasus Ordinary Shares to be voted in favour of a Business Combination in order to have such Business Combination approved by a simple majority. The Sponsors and their affiliates and/or directors, including Pierre Cuilleret, Diego De Giorgi and Jean Pierre Mustier, will in aggregate own 31.55% of the voting rights in Pegasus Entrepreneurs at the time of the Business Combination EGM and the Approving Shareholders will in aggregate own 27,24% of the voting rights in Pegasus Entrepreneurs at the time of the Business Combination EGM. Accordingly, it is more likely that the necessary Shareholder approval will be received than would otherwise have been the case if the Sponsors, and their affiliates and/or directors and the Approving Shareholders, agreed to vote the Pegasus Ordinary Shares owned by them in accordance with the majority of the votes cast by the other Shareholders. Therefore Pegasus Entrepreneurs may enter into a Business Combination that is not supported by a majority of the other Pegasus Ordinary Shareholders.

- g. Each of the Major IPO Shareholders may individually control a substantial interest in Pegasus Entrepreneurs, and thus may individually exert a substantial influence on actions requiring a shareholder vote and/or on the market price of the Pegasus Ordinary Shares and Warrants through a future sale of (parts of) their substantial interest**

Each of the Major IPO Shareholders has individually subscribed for at least 5% of the Units sold in the Pegasus IPO. Even though none of the Major IPO Shareholders are, or have an intention to be, "acting in concert" (*tezamen met personen met wie in onderling overleg wordt gehandeld*) with any other party in connection with the Business Combination, they may be able to individually exert a substantial influence on actions requiring a shareholder vote, potentially in a manner that other Shareholders do not support. Furthermore, one of the Major IPO Shareholders has agreed with Pegasus Entrepreneurs to vote in favour of any Business Combination proposed to the Business Combination EGM.

If all of the Major IPO Shareholders were to individually vote the Pegasus Ordinary Shares for which they have subscribed in favour of the proposed Business Combination, only 6,077,616 or 23.24% of the other issued and outstanding 19,150,000 Pegasus Ordinary Shares would need to vote in favour of any Business Combination proposed to the Business Combination EGM in order to have such proposed Business Combination approved (assuming all issued and outstanding Shares at such time are voted).

The Sponsors have offered at no cost each Pegasus Ordinary Shareholder that is allocated at least 2,500,000 Units in the Pegasus IPO (a Major IPO Shareholder) a number of Pegasus Ordinary Shares corresponding to 2% of the number of Pegasus Ordinary Shares (forming part of the Pegasus Units)

such Major IPO Shareholder is allocated in the Pegasus IPO, or if less, that such Major IPO Shareholder will hold upon the completion of the Business Combination; provided that, on the date that is two Trading Days after the Redemption Date, such Major IPO Shareholder (i) has not redeemed any of its Pegasus Ordinary Shares subscribed for in the Pegasus IPO to the extent that such redemption would lead to such Major IPO Shareholder holding fewer than 2,500,000 Pegasus Ordinary Shares at any time and (ii) owns at least 2,500,000 Pegasus Ordinary Shares.

h. In evaluating the proposed Business Combination, Pegasus Entrepreneurs has relied on the availability of funds from the sale of the Forward Purchase Securities to be used to meet the cash conditions under the Business Combination Agreement. If the sale of the Forward Purchase Securities does not close, Pegasus Entrepreneurs may lack sufficient funds to consummate the Business Combination

Pegasus Entrepreneurs has entered into the Forward Purchase Agreement with Tikehau Capital, Poseidon Entrepreneurs Financial Sponsor SAS and Financière Agache, pursuant to which each of Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS) has unconditionally committed to purchase from Pegasus Entrepreneurs up to 2,500,000 Pegasus Ordinary Shares and up to 833,333 Warrants, for an aggregate amount of up to €25,000,000 each (representing the number of Pegasus Ordinary Shares purchased under the Forward Purchase Agreement multiplied by €10.00), in a private placement that would occur simultaneously with the closing of the Business Combination. The proceeds from the sale of the Forward Purchase Securities, together with the amounts available to Pegasus Entrepreneurs from the Escrow Accounts (after giving effect to any redemptions of Pegasus Ordinary Shares, the payment of any pro rata interest on any amounts deposited in the Escrow Accounts and the payment of the Deferred Commissions (as defined in the Pegasus IPO Prospectus), will be used to meet the cash conditions under the Business Combination Agreement. If the sale of the Forward Purchase Securities does not close for any reason, including by reason of the failure by Tikehau Capital and Poseidon Entrepreneurs Financial Sponsor SAS to fund the purchase price for its Forward Purchase Securities, Pegasus Entrepreneurs may lack sufficient funds to consummate the Business Combination. In such case it would potentially need to seek third party funding which may be more expensive or may not be able to consummate the Business Combination. If the Business combination is not consummated, Class A Shareholders will not be able to redeem their Shares in connection with the Business Combination EGM and Pegasus Entrepreneurs will either need to seek a new Business Combination which it can consummate or may have to go into liquidation if it cannot find such Business Combination. If Pegasus Entrepreneurs goes into liquidation Shareholders may not receive back their total investment.

i. The fact that resources have been used in preparing an offer for the FL Entertainment Group while such preparation did not lead to the completion of the Business Combination could materially and adversely affect subsequent attempts to complete a business combination and as such could have a material adverse effect on Pegasus Entrepreneurs' financial condition, results of operations and prospects.

The investigation of the FL Entertainment Group and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments require substantial management time and attention and substantial costs (including adviser fees). If a decision is made not to pursue or complete the proposed Business Combination, the costs incurred up to that point for the proposed Business Combination would not be recoverable. Furthermore, even though a Business Combination Agreement has been entered into, Pegasus Entrepreneurs may fail to complete the Business

Combination for a number of reasons including reasons beyond its control, including as a result of Pegasus Ordinary Shareholders voting against the Business Combination, Pegasus Entrepreneurs not receiving the necessary third party consents in relation to the Business Combination or Pegasus Entrepreneurs being unable to meet any minimum cash conditions as a result of redemptions by Redeeming Shareholders.

Any such event would result in a loss to Pegasus Entrepreneurs of the related costs incurred. While the Sponsors have agreed to finance a costs cover and the Deferred Commissions (as defined in the Pegasus IPO Prospectus) and may subsequently elect to finance up to €2,000,000 in excess costs via the issuance of loans or debt instruments to Pegasus Entrepreneurs, such as promissory notes, which at the option of the Sponsors, may be repaid in cash or settled for one Pegasus Ordinary Share and one-third (1/3) of a Pegasus Founder Warrant for each €10.00 loaned, the Sponsors are under no obligation to finance such excess costs and may choose not to commit any further capital, at such point; Pegasus Entrepreneurs would not have the capital available to it to cover any costs to pursue an alternative business combination. In addition, any failed business combination could be time consuming and as a result reduce the period of time which Pegasus Entrepreneurs has to complete a business combination as it approaches the Business Combination Deadline. As a result, if the proposed Business Combination should fail, this could materially adversely affect Pegasus Entrepreneurs' prospects of successfully completing a business combination.

- j. Since the Sponsors, and their affiliates and/or directors, and certain members of the Pegasus Board will lose their entire investments in Pegasus Founder Shares and Pegasus Founder Warrants if the proposed Business Combination is not completed, a conflict of interests may arise when determining whether FL Entertainment is appropriate for a business combination**

The Sponsors, and their affiliates and/or directors, including Pierre Cuilleret, Diego De Giorgi and Jean Pierre Mustier, have, in aggregate, an interest in 3,100,000 Pegasus Ordinary Shares, 5,150,000 Pegasus Founder Shares and 5,250,000 Pegasus Founder Warrants and therefore own 31.55% of the voting rights of Pegasus Entrepreneurs. Charles-Eduard van Rossum as Pegasus Board member has 25,000 Pegasus Ordinary Shares and an additional 100,000 Pegasus Founder Shares have been issued by Pegasus Entrepreneurs to the Sponsors and subsequently repurchased by Pegasus Entrepreneurs at their nominal value and held in treasury for the purposes of allocating them to each of the independent non-executive directors on the Pegasus Board and Baptiste Desplats as the CFO immediately before the Business Combination Date. The aggregate proceeds of the Pegasus Founder Shares and Pegasus Founder Warrants will represent an amount of €8,032,500 and have been used to finance a costs cover and the Deferred Commissions (as defined in the Pegasus IPO Prospectus).

Pegasus Entrepreneurs' articles of association state that the Pegasus Founder Shares will not receive any distributions, liquidation or other from the Escrow Accounts and the Warrant T&Cs state that the Pegasus Founder Warrants will expire if Pegasus Entrepreneurs fails to complete a business combination. Accordingly, the Pegasus Founder Shares and Pegasus Founder Warrants will be worthless if Pegasus Entrepreneurs does not complete a Business Combination. The Sponsors and Pierre Cuilleret as Pegasus Entrepreneurs' operating partner will lose their entire investments in the Pegasus Founder Shares and Pegasus Founder Warrants if a business combination is not completed. In addition, because these parties have acquired the Pegasus Founder Shares and the Pegasus Founder Warrants at a substantially lower price than other Shareholders have paid for Pegasus Units in the Pegasus IPO, the benefit to these parties of a successful business combination is substantially greater than the benefit to other Shareholders. The Pegasus Board members will be similarly situated to the

Sponsors and Pierre Cuilleret as Pegasus Entrepreneurs' operating partner with respect to their investments.

As such, each of these parties' incentive to complete a successful business combination is greater than that of the other Shareholders and these parties, in their capacity as Shareholders participating in the Business Combination EGM, may have an incentive to vote in favour of the proposed Business Combination that would result in Pegasus Ordinary Shareholders receiving a lower return for their investment than they would have, if this conflict of interest did not exist.

Moreover, the personal and financial interests of the Sponsors and the Pegasus Board members may influence their motivation in identifying and selecting FL Entertainment and the FL Entertainment Group as a target company and business, completing the proposed Business Combination and influencing the operation of FL Entertainment after completion of the Business Combination. The Sponsors and Pegasus Board members may have caused Pegasus Entrepreneurs to propose the Business Combination to mitigate their own potential financial losses but cause the investment of other Shareholders to (initially) be worth less than they would get in the event of a (potential) liquidation (such Shareholders could of course redeem their Pegasus Ordinary Shares if they believed any of the foregoing was the case; Pegasus Public Warrant Holders however cannot redeem their securities in connection with a Business Combination EGM).

Therefore, a conflict of interests may have arisen for the Sponsor, Pierre Cuilleret as Pegasus Entrepreneurs' operating partner and Pegasus Board members in determining whether FL Entertainment and the FL Entertainment Group is appropriate for a Business Combination.

k. Shareholders and the Pegasus Board members will not be able to exert any material influence over FL Entertainment or the FL Entertainment Group after completion of a Business Combination

Pegasus Entrepreneurs is structuring the Business Combination such that FL Entertainment will be the listed entity (and Pegasus Entrepreneurs will be the disappearing entity following the Business Combination) and that the Shareholders will own a minority interest in FL Entertainment. FL Entertainment's majority shareholder will be FL Entertainment's current shareholder, while Pegasus Entrepreneurs' shareholders will own a minority interest in FL Entertainment. As such, the Shareholders and Pegasus Board members may not be able to exert any material influence over FL Entertainment or the FL Entertainment Group following completion of the Business Combination.

l. Most Pegasus Board members will not remain on FL Entertainment's board after completion of the Business Combination and Pegasus Entrepreneurs may have limited ability to evaluate FL Entertainment's management team who will play a significant part in operating FL Entertainment and the FL Entertainment Group.

Although Pegasus Entrepreneurs has closely scrutinised the management of FL Entertainment and the FL Entertainment Group when evaluating the desirability of effecting the proposed Business Combination, Pegasus Entrepreneurs' assessment of the management of FL Entertainment and the FL Entertainment Group may not prove to be accurate. In addition, FL Entertainment's or the FL Entertainment Group's management may not have the necessary skills, qualifications or abilities to manage a public company. While certain members of Pegasus Entrepreneurs' management team will become an FLE Director following a Business Combination, it is unlikely that they will devote their full efforts to FL Entertainment's affairs subsequent to a Business Combination.

m. The obligations associated with being a public company will involve significant expenses and

will require significant resources and management attention, which may divert from FL Entertainment's business operations.

As a public company FL Entertainment will continue to be subject to various laws and regulations, including the Dutch laws and regulations applicable to listed companies, European securities laws and the rules of Euronext Amsterdam. As a result, FL Entertainment will continue to incur significant legal, accounting and other expenses that the FL Entertainment Group did not previously incur as a result of increased regulatory requirements. FL Entertainment's entire management team and many of its other employees will need to devote substantial time to compliance, and may not effectively or efficiently manage its transition into a public company.

These rules and regulations will result in FL Entertainment incurring substantial and ongoing legal and financial compliance costs and will make some activities more time-consuming and costly. For example, these rules and regulations will likely make it more difficult and more expensive for FL Entertainment to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be difficult for FL Entertainment to attract and retain qualified people to serve on its board and its committees. Overall, the costs, resources and attention of management required to operate as a public company may hinder or delay the growth of FL Entertainment's business and have a negative impact on FL Entertainment's financial position, results of operations and/or prospects, as well as the price of the FLE Ordinary Shares and FLE Warrants.

n. Pegasus Entrepreneurs and the Shareholders may suffer adverse tax consequences in connection with the Business Combination and the resulting group structure

The execution of the various transactions contemplated in the context of the Business Combination and the resulting group structure may have adverse tax consequences for Pegasus Entrepreneurs and/or the Shareholders. For instance, Shareholders may become liable to tax in their jurisdiction of tax residence as a result of the allotment of FLE Ordinary Shares or FL Entertainment assuming Pegasus' rights and obligations under the Pegasus Public Warrants in the context of the Merger. Those tax consequences may differ for individual Shareholders depending on their individual status and residence, and may reduce the net returns to the Pegasus Ordinary Shareholders and/or Pegasus Public Warrant Holders. In addition, any changes in laws or tax authority practices, as well as costs incurred by Pegasus Entrepreneurs to mitigate such tax consequences, could also adversely affect such returns to the Pegasus Ordinary Shareholders and/or the Pegasus Public Warrant Holders. Pegasus Entrepreneurs does not (and, following the proposed Merger, nor does FL Entertainment) intend to make any cash distributions to compensate Shareholders for any adverse taxes or costs.

o. Securities of companies formed through SPAC mergers such as the Business Combination may experience a material decline in price relative to the share price of the SPAC prior to the merger

As with most SPAC initial public offerings in recent years, Pegasus Entrepreneurs issued shares for €10.00 per share upon the closing of its initial public offering. As with other SPACs, the €10.00 per share price of Pegasus Entrepreneurs reflected each share having a one-time right to redeem such share for a pro rata portion of the proceeds held in the Escrow Accounts equal to approximately €10.00 per ordinary share prior to the closing of the Business Combination. Following completion of the Business Combination, no shares outstanding will have any such redemption right and will be solely dependent upon the fundamental value of the FL Entertainment Group, which, like the

securities of other companies formed through SPAC mergers in recent years, may be significantly less than €10.00 per ordinary share.

- p. BNP Paribas and Citigroup Global Markets Limited have acted as Joint Global Coordinator and Joint Bookrunner with respect to the Pegasus IPO, and will also as a placement agent in the PIPE Financing (with BNP Paribas as financial advisor to Pegasus Entrepreneurs) in connection with the Business Combination. A conflict of interest might be perceived as a result of such relationships.**

BNP Paribas and Citigroup Global Markets Limited have acted as Joint Global Coordinator and Joint Bookrunner with respect to the Pegasus IPO, and will also act as a placement agent in the PIPE Financing, with BNP Paribas as financial advisor to Pegasus Entrepreneurs in connection with the Business Combination. A conflict of interest might be perceived as a result of such relationships. They have both been granted fees in connection with the Pegasus IPO and will be granted fees for their services as placement agent and they may receive fees for their financial advisory services. In addition, BNP Paribas is also financing some of FL Entertainment's shareholders. A potential conflict of interest may arise as a result of such relationships, which could negatively influence the price of the Pegasus Ordinary Shares, the Pegasus Public Warrants, FLE Ordinary Shares and FLE Warrants. In addition, even if an actual conflict of interest does not exist, a perception thereof by investors could negatively impact Pegasus Entrepreneurs' and FL Entertainment's outlook or investors' views on the Business Combination, as well as the price of the Pegasus Ordinary Shares, the Pegasus Public Warrants, the FLE Ordinary Shares and the FLE Warrants.

10.2 Risks relating to the Business of the FL Entertainment Group in General

- a. The FL Entertainment Group may not be able to retain key personnel or creative talents or to attract new talent, and it may not be able to maintain stable relationships with its consultants in certain strategic domains.**

The FL Entertainment Group's business and its success have depended and will continue to depend on its creative talents, its management team and other key employees or partners, such as hosts, producers and local managers in its production companies. The loss of these managers, creative talents and key employees or partners, in particular to competitors, could result in a loss of skills and expertise as well as technical deficiencies, and thus affect the FL Entertainment Group's activities and its development. This may, in turn, prevent the FL Entertainment Group from successfully implementing its strategy.

The FL Entertainment Group operates its content production and distribution business through Banijay Group SAS (together with its subsidiaries also referred to as the "**Banijay Group**"). In particular, the Banijay Group's hosts, producers, creative talents, writers, senior management or other key employees possess unique skills that are critical to the creation and production of new formats and programmes as well as the operation of the Banijay Group's business. For example, the Banijay Group relies on the knowledge of the sector and the experience of its manager, Mr. Marco Bassetti, as he spent more than 30 years in this business. The loss or an extended interruption in the services of one or more of these individuals could have a material adverse effect on its business, results of operations or financial condition, as demonstrated by the departure of Charlie Brooker and Annabel Jones, the producers and writers of the series Black Mirror, from the Banijay Group in 2020, which forced the Banijay Group to conclude a long-term license with Netflix pursuant to which the Banijay Group licensed to Netflix, on an exclusive basis, the format rights to develop, produce and exhibit

new Black Mirror productions. The departure of Charlie Brooker and Annabel Jones implied that this production was not produced anymore by the Banijay Group, even though it kept the intellectual property rights, and it lost the profits generated by that Black Mirror. Additionally, a limited number of the Banijay Group's contracts with broadcasters contain "key man" provisions that would allow the counterparties to terminate agreements early or to take over the production of the programmes in case of the departure of a specific host or talent or key people, and any such departure may depend on factors beyond the Banijay Group's control.

The Banijay Group also benefited from the investments and the expertise of Stéphane Courbit, its chairman, since he founded Banijay in 2007. Mr. Courbit and his family beneficially own Financière Lov, which after the Listing will hold a substantial number of FLE Ordinary Shares, and is involved in the development and the business strategy of the FL Entertainment Group. Additionally, two of the Banijay Group's key managers and creative talents have a right to terminate their agreements with the FL Entertainment Group in the event Mr. Courbit leaves the FL Entertainment Group. The departure of Mr. Courbit or any of these key managers and creative talents could have a material adverse effect on the Banijay Group's business, results of operations or financial condition.

Considerable expertise could be lost or access thereto gained by competitors in the event of the departure of the Banijay Group's creative talents. The Banijay Group aims to retain its key managers, hosts, producers and creative talents through various incentive plans based on their contribution to the success of the production company, non-compete clauses and exclusivity clauses. However, due to intense competition within the content production and distribution industry, there is a risk of losing creative talents or qualified employees to competitors or being unable to find a sufficient number of appropriate new talents or employees. If any famous host were to leave the Banijay Group's production companies, it could have a material adverse effect on the Banijay Group's business, results of operations or financial condition. In addition, certain of the Banijay Group's scripted programmes may be dependent on the availability and performances of certain actors, actresses, directors and other creative talents. If the Banijay Group cannot retain these talents or if they cannot continue to work on the programmes for any reason, it could have a material adverse effect on the production and distribution revenues from such scripted programmes.

Betclac together with its subsidiaries but excluding Bet-at-home AG (the "**Betclac Group**"), through which the FL Entertainment Group operates its online sports betting and gaming business, relies on the knowledge of the sector and the experience of the founder and manager of Betclac, Mr. Nicolas Béraud, the management team and certain personnel working in key areas such as information systems, digital marketing or trading. In addition, there is significant competition for employees in the Betclac Everest Group's business, particularly because of the specific expertise sought and the lack of qualified personnel. Several of the Betclac Everest Group's subsidiaries are based in Malta, where a large number of companies in the sector also operate. Consequently, the Betclac Everest Group cannot guarantee that it will be able to recruit new employees and retain current employees.

In addition to retaining talents, the FL Entertainment Group's future success depends in significant part on its ability to attract new managers and creative talents as well as contractors and skilled and distinguished freelancers. Competition for highly qualified management executives and creative talents such as writers and producers is intense. The FL Entertainment Group may experience difficulties in attracting new personnel, it may not be able to hire the necessary personnel to implement its business strategy or it may need to pay higher compensation for employees or other partners than it currently expects. A shortage in the availability of qualified personnel and creative

talents could limit the FL Entertainment Group's ability to grow. It cannot assure that it will succeed in attracting and retaining the personnel it needs to develop its business, which could have a material adverse effect on its future growth and profitability. The FL Entertainment Group's inability to recruit and retain certain key personnel may have a material adverse effect on its business, results of operations or financial condition.

- b. The revenues generated by the FL Entertainment Group depend on positive reception by audiences, consumer preferences and trends in popular culture, media and technology, which can be difficult to predict and can be impacted by various factors that the FL Entertainment Group does not control.**

The FL Entertainment Group is active in the media and entertainment industry, with the Banijay Group's core business being the development and production of programmes and formats that the Banijay Group licenses to broadcasters and to digital platforms, and the Betclie Everest Group's key offering consisting of online sports betting, casino, poker and horseracing betting. As such, the revenue generated by the FL Entertainment Group depends on positive reception by audiences of its products, consumer preferences and general trends in popular culture, media and technology which may impact viewer behaviour (for the Banijay Group) and player engagement (for the Betclie Everest Group), which are factors that the FL Entertainment Group does not control.

The Banijay Group's core business is the development and production of programmes that the Banijay Group licenses to broadcasters and to digital platforms. The Banijay Group generates revenues not only from producing and licensing these programmes, but also from further development of the programme (such as producing future seasons) and from secondary revenues such as the distribution in other countries or the licensing of related intellectual property rights. Therefore, revenues from a programme, other than the initial license to a broadcaster or digital platform, depend on a programme's audience and its ratings which are synonymous with the success of a programme. A significant portion of the Banijay Group's revenue, for example, is dependent on the continued success and relevance of key formats such as the non-scripted formats MasterChef and Big Brother. Any change in viewer behaviour impacting the continued viability of these formats globally may materially impact the Banijay Group's revenue and profitability.

Once the Banijay Group has produced a programme for a broadcaster, its success can be impacted by certain factors that it does not control. Decisions from broadcasters to terminate or not to renew a programme, for example because it does not reach a sufficient audience, are discretionary. The success of the Banijay Group's programmes and formats depends, in part, on unpredictable and volatile factors beyond its control including consumer preferences, changing trends in popular culture and media, the popularity and availability of other programmes, new technologies and the availability of other entertainment experiences. If the Banijay Group inaccurately anticipates trends in popular culture and media, its current content may become less attractive to audiences and the ratings of its current programmes may decrease, which could lead to reduced demand for its programmes and formats from its customers. Trends in the television and digital content sector change quickly, so the ultimate appeal and popularity of content and products targeted to viewers can be volatile and the Banijay Group may not be able to anticipate and react quickly enough to shifts in tastes and interests within its local markets. Any change in viewer and consumer preferences could cause the Banijay Group's programming and its local brands to decline in popularity. Such changes in viewer preferences and habits could decrease the Banijay Group's revenues and jeopardise the renewal of its contracts with broadcasters, distributors and other customers. Even if the Banijay Group accurately

anticipates new trends in the television and digital content sector, it may incur significant costs in adjusting to these new trends. For example, scripted programmes are increasingly popular but are also significantly more expensive to produce than non-scripted programmes, the Banijay Group's core business. Adapting the Banijay Group's business model to such new expensive trends may have a material adverse effect on its business, results of operations or financial condition.

Viewers may also object to the content the Banijay Group produces or distributes based on their religious, political or ideological positions. Although the Banijay Group's customers are in the end responsible for offering its viewers contents that are in line with the positions of their targeted viewers, public objections may result in the programme being cancelled, which could affect the Banijay Group's business and results of operations. Viewers, interest groups, political and religious parties or other organisations may assert legal claims against the Banijay Group's customers broadcasting its programmes, seek to ban the exhibition of the Banijay Group's media content, protest against its programmes and products or object in a variety of other ways. Any of the foregoing may require the Banijay Group to expend substantial resources and/or to discontinue certain offerings, which could harm the Banijay Group's reputation and have a material adverse effect on its business, results of operations or financial condition. For example, in March 2021 the National Commission for Protection of Child Rights in India asked Netflix to stop streaming the Banijay Group's programme *Bombay Begums* after complaints that the programme normalises minors indulging in casual sex and drug abuse.

For the year ended 31 December 2021, the Banijay Group's top ten formats generated 27% of production revenues and no single format of the Banijay Group accounted for more than 6% of production revenues. While the Banijay Group tries to reduce its exposure to any particular programmes' success, its business may be negatively impacted if any of its key programmes are no longer successful. Any of these factors could have a material adverse effect on the Banijay Group's business, results of operations or financial condition.

The Betclac Everest Group depends on the appeal of its online sports betting and gaming offerings to its customers and players. The Betclac Everest Group's financial performance has been and will continue to be significantly determined by the success of its businesses in adding, retaining, engaging, and monetising active customers of their product offerings. If customers do not perceive the Betclac Everest Group's product offerings as enjoyable, relevant, and trustworthy, the Betclac Everest Group will be unable to attract or retain customers or otherwise maintain or increase the frequency and duration of their engagement. While the Betclac Everest Group's strategy is to increase engagement and retention of customers, in the future, the Betclac Everest Group's businesses could experience an erosion of its active customer base or engagement level among such customers. The customer engagement patterns of the Betclac Everest Group's businesses have changed over time, and customer engagement can be difficult to measure, particularly as businesses introduce new and different product offerings. If the Betclac Everest Group is not able to anticipate and react to changes in consumer preferences, this could have a material adverse effect on the Group's business, results of operations and financial position.

Furthermore, the Betclac Everest Group's future success is dependent, in part, on the success of the gaming industry as a whole in attracting and retaining players while facing competition in the entertainment market. Online sports betting and gaming may lose popularity as new leisure activities arise or as other leisure activities become more popular. Alternatively, changes in social customs and demographics could result in reduced acceptance of online sports betting and gaming as a leisure

activity. If for any reason the popularity of online sports betting and gaming declines, it could have a material adverse effect on the Group's business, results of operations, and financial condition.

c. The FL Entertainment Group may fail to successfully implement its business strategy or achieve any or all of the financial objectives included in this Circular, and if it does its financial performance and growth could be materially and adversely affected

The FL Entertainment Group's future financial performance and success are dependent in large part upon its ability to implement its business strategy. Its business strategy involves several initiatives, including organic growth across its activities with a focus on maintaining high standards from an environmental, social and governance ("ESG") perspective by leveraging several identified levers for the Banijay Group (such as the scale of its content production and distribution business, the monetisation of its IP portfolio and its ability to attract creative talents) and the Betclac Everest Group (such as growing its player base, product innovation, expansion into new markets and expanding on sustainability and ESG initiatives), inorganic growth through bolt-on acquisitions and transformative transactions and capitalising on vast entertainment industry experience of its founder and the high development potential markets in which it operates. See "*C. Strategy and Key Strengths*" in "*7.1 General*".

The FL Entertainment Group has set a number of financial objectives, including with respect to Adjusted EBITDA (as defined below) and revenue which are described in "*7.1(f.) Financial Guidance and Objectives*". Its ability to achieve these financial objectives depends on its ability to successfully execute its strategy and on the accuracy of a number of assumptions upon which they are based. These assumptions involve factors that are substantially or entirely beyond the FL Entertainment Group's control and are subject to known and unknown risks, including the risks described in this section "*Risk Factors*", uncertainties and other factors that may result in the FL Entertainment Group's inability to achieve its financial objectives. If one or more of the assumptions that the FL Entertainment Group has made in determining its strategy or setting its financial objectives is inaccurate, or if one or more of the risks described in this section "*Risk Factors*" were to occur, the FL Entertainment Group may be unable to implement its strategy or achieve one or more of its financial objectives.

Implementation of the FL Entertainment Group's initial or revised business strategy could also be affected by a number of factors beyond its control, such as increased competition, increased competition for talent and intellectual properties, legal developments, government regulation (including government restrictions relating to COVID-19), general economic conditions, or increased operating costs or expenses. In addition, to the extent the FL Entertainment Group has misjudged consumer trends as well as the nature of its competition, it may have difficulty in achieving its strategic objectives. Any failure to successfully implement its business strategy may adversely affect its business, results of operations or financial condition.

d. The FL Entertainment Group faces substantial competition and if it is unable to compete effectively with existing or new competitors, its market share and sales could decline or not grow as rapidly as expected.

The FL Entertainment Group operates in the content production and distribution market and in the online sports betting and gaming market, which are both highly competitive.

The Banijay Group's results of operations in the content production and distribution business are sensitive to, and may be adversely affected by, competitive pricing, promotional pressures, additional

competitor offerings and other factors such as flexibility in the Banijay Group's production costs, many of which are beyond the Banijay Group's control. The Banijay Group's key markets are mature and competition is significant, resulting in continued price pressure. The Banijay Group's primary competition comes from competitors such as BBC, ITV Studios Global Entertainment, Fremantle and Mediawan, the in-house production units of large broadcasters and a large number of local production companies. Broadcasters may choose to produce their own content in-house rather than licensing the Banijay Group's programmes or commissioning a producer. For example, the Banijay Group's competition in the United Kingdom may increase if Channel 4 becomes authorised to produce its content in-house following its envisaged privatisation. The production market also recently experienced consolidation among the Banijay Group's customers, following announced or potential mergers between broadcasters in France, the Netherlands and Belgium, which may also lead to vertical integration with in-house production and may put pressure on prices. Potential competitors may also have developed innovative formats or blockbusters and have greater name recognition, industry contacts and more extensive customer bases that could be leveraged to accelerate their competitive activity. Moreover, potential competitors may establish future cooperative relationships among themselves and with third parties, such as investment funds, recent examples including KKR backing Mediawan and Blackstone backing Candle Media. Potential competitors may also merge into or acquire one another, to enhance their programmes in the television and digital marketplace. In recent years, the production market has experienced consolidation among its major competitors, such as Fremantle, Mediawan and Sony, through a series of acquisitions, which allow for growth in international sales and distribution divisions through the growing of content libraries over which they have acquired ownership and control. Consequently, competitors or alliances may emerge and rapidly acquire significant market share. In addition, if public funds available for public broadcasters were to decrease in one or more markets where Banijay is active, this could put additional pressure on their budget to externally licence programmes or commission a producer, which could increase competition for the business of these public broadcasters and result in Banijay experiencing a decrease or loss of such public broadcasters as a customer. The Banijay Group cannot assure that it will be able to compete effectively with any competitor for market share or for acquisition opportunities or that the competitive pressures faced by it will not adversely affect its business. Such intense competition could limit the Banijay Group's opportunities to gain new customers and could have a material adverse effect on the FL Entertainment Group's business, results of operations or financial condition.

The Betclac Everest Group is active in the online sports betting and gaming market, which is highly competitive, both globally and in certain geographical areas or countries. The Betclac Everest Group faces competition from major global operators such as B365 (which reported a net gaming revenue of GBP 2,788 million for the year ended 31 December 2021), Unibet (part of the Kindred Group which reported a net gaming revenue of €1,079 million for the year ended 31 December 2021), Flutter (which reported a net gaming revenue of GBP 1,890 million for the year ended 31 December 2021) and 888 (which reported a net gaming revenue of €821 million for the year ended 31 December 2021). These operators are active in several geographical areas and have resources that are greater than the Betclac Everest Group's resources. In addition, these operators have experience in the market and have the technology and resources to rapidly launch competitive products. These operators, who are already present in some of the countries in which the Betclac Everest Group operates, could, in the future, extend their operations to other countries in which the Betclac Everest Group operates. The Betclac Everest Group also competes with local operators, such as Winamax in France or Fortuna

and STS in Poland. These operators can benefit from a better exposure to the local market and thus present a more attractive offer to players. Finally, new operators may enter the market and compete with the Betclie Everest Group. In addition, in all geographic markets, the Betclie Everest Group competes with a large number of companies that operate without prior authorisation or license. It is difficult for regulators to block these operators or their activities or to sanction them. The Betclie Everest Group may not be able to anticipate the strategies of its competitors or have the necessary resources to deal with the development of its competitors. In addition, the Betclie Everest Group may not be able to maintain a significant presence in its strategic markets or may lose market share to its existing competitors or to new entrants. In addition, due to consolidation of the online sports betting and gaming sector is becoming increasingly concentrated and if the Betclie Everest Group is unable to compete with, or participate in, this consolidation, it may impact its ability to attract new players and it may lose market share. In addition, certain geographic markets have high barriers to entry, in particular due to applicable regulations or taxation. Finally, in certain markets, the Betclie Everest Group faces competition from certain national monopolies, in particular in France from Française de Jeux (FDJ) and Pari Mutuel Urbain (as defined in "(7.1)(e)(H.) Proceedings regarding compensation related to PMU's anticompetitive practices between 2010 and 2015"), in Portugal from Placard and in Poland from the national monopoly on online casino. It is possible that national regulatory authorities could take measures to encourage national monopolies. This competition could limit the Betclie Everest Group's market share and its growth prospects and could have a material adverse effect on the FL Entertainment Group's business, results of operations or financial condition.

e. The FL Entertainment Group is subject to risks associated with acquisitions, joint ventures and the presence of minority shareholders.

The FL Entertainment Group has made or entered into, and will continue to pursue, various acquisitions, business combinations and joint ventures intended to complement or expand its business, both larger, transformative acquisitions such as the acquisition of AP NMT JV Newco B.V and its subsidiaries (the "**Endemol Shine Group**") in 2020 and smaller, bolt-on transactions such as the acquisition by the Banijay Group of Bear Grylls, Southfields, DMLS TV, Monello and the recently announced acquisition by the Banijay Group of Montmartre Films and Pichipoi. Given that discussions or activities relating to potential acquisitions range from private negotiations to participation in open bid processes, the timing of any such acquisition is uncertain. Although the FL Entertainment Group actively and regularly engages in discussions and activities with respect to possible acquisitions and investments, it has no present agreements or understandings to enter into any material transaction. Any indebtedness incurred or assumed in connection with an acquisition may increase the FL Entertainment Group's leverage relative to its EBITDA or to its equity capitalisation, which may make it difficult for the FL Entertainment Group to operate its business. See also "*10.6 The FL Entertainment Group's significant leverage may make it difficult for the FL Entertainment Group to operate its businesses*" below.

In addition, the Group may encounter difficulties integrating acquired assets into its existing operations, may not be able to achieve the anticipated synergies and may not realise the expected benefits at the time it enters into agreements for these types of transactions.

For example, the Banijay Group acquires production companies to, among other things, expand into new markets or genres in a particular market, access talents and acquire intellectual property rights of formats and programmes developed by such companies and to benefit from the expertise of creative talents or producers at such companies. If, for example, broadcasters are no longer interested

in the programmes or formats resulting from these acquisitions, or if certain talents may be less in demand and decide to leave, the Banijay Group may not be able to realise the expected revenues and it may fail to recoup its investments. For example, if broadcasters were to decide not to acquire adventure programmes with Bear Grylls in certain countries, this could have a material impact on the expected revenues and synergies derived from the Bear Grylls acquisition, and consequently, on the Banijay Group's cash flow generation.

In addition, the Banijay Group does not wholly own some of the entities that operate its businesses, in particular NL Films, 4 Friends and ES Boomdog Mexico. The Banijay Group might have interests and views on certain issues that differ from those of the other shareholders in these entities, for example, relating to business strategy and financial policy, including regarding payment of dividends. In some cases the Banijay Group's indirect interest is less than a majority. In some cases the Banijay Group is party to agreements with the other shareholders prescribing governance rights and other matters which may limit its ability to control such entities. The Banijay Group may not be able to implement certain of its strategies if it fails to obtain consent from other shareholders as may be necessary. Although the Banijay Group is the largest shareholder (directly or indirectly) in most of its operating subsidiaries, minority shareholders usually get certain standard protections aiming at ensuring the protection of their investment. Any protective provisions in favour of the FL Entertainment Group's partners or dependency on its partners could have a material adverse effect on the Group's business, results of operation and financial condition.

Similarly, the Betclie Everest Group holds only 53.9% of the shares in Bet-at-home, which is a German company also operating in the field of online sports betting and gaming. Bet-at-home is listed on the Frankfurt Stock Exchange and operates independently. There is no control agreement or other similar agreement in place between Betclie and Bet-at-home or any of Bet-at-home's other shareholders. However, due to the controlling stake, the Betclie Everest Group consolidates Bet-at-home into its financial statements. The Betclie Everest Group may have interests and views on certain issues that differ from those of the other shareholders in Bet-at-home, which could have a material adverse effect on the FL Entertainment Group's business, results of operations and financial condition.

The FL Entertainment Group's acquisition strategy also exposes it to other risks, including that it may fail to identify suitable acquisition or joint venture opportunities, it may face competition (which competition is expected to increase as the markets in which it operates undergo continuing consolidation) from its direct competitors for certain acquisitions or joint venture opportunities that it may consider beneficial, it may incur costs associated with developing appropriate risk management and internal control structures for acquisitions in a new market, or understanding and complying with a new regulatory scheme and it may have a reduced ability to predict its performance or expenditures in the event it has less experience in the market of the acquired business than in the markets in which it previously operated.

Any of the foregoing could have a material adverse effect on the FL Entertainment Group's business, results of operations or financial condition.

f. Increased employment costs may have a material adverse effect on the FL Entertainment Group's business, results of operations or financial condition.

The FL Entertainment Group's labour costs (including payments to freelancers or writers in case of the Banijay Group) represent a significant part of the Group's expenses and may rise faster than

expected in the future as a result of a larger workforce, salary increases and headcount increases. Over the year ended 31 December 2021 the FL Entertainment Group's staff costs represented 40.1% of its revenue. Further, an increase in spending in the sector has resulted in inflation of costs relating to talent acquisition and retention. The intense competition for talent in the FL Entertainment Group's industries together with the recent rise in inflation levels in the countries in which the FL Entertainment Group operates may also lead to an increase in the FL Entertainment Group's labour costs. The FL Entertainment Group may be unable to offset the increase in labour costs through its revenues.

The Banijay Group incurs costs for its creative talents, including format creators, hosts, writers, show-runners and producers, who create its original programming. Some of the Banijay Group's original programming and its creative talents have achieved significant popularity and critical acclaim, which has increased and could continue to increase the costs of such programming in the future. In addition, from time to time, the Banijay Group has disputes with writers, actors and other creative talents over the amount of royalty and other payments to be made. Freelancers may seek to have their relationship with the Banijay Group reclassified as an employment relationship, which could lead to an increase of costs related to, among others, minimum wage, holiday pay or pensions costs and could have a financial impact on the Banijay Group. The Banijay Group believes that disputes of this type are endemic to its business and similar disputes may arise from time to time in the future.

Staff costs form a significant part of the Betclie Everest Group's total expenses, as it operates in a sector where specific expertise and experience of employees is relatively scarce, compared to other sectors. A large part of the Betclie Everest Group's workforce are IT related (mainly developers), digital marketing resources and sports betting traders, which are all very competitive markets for employees. In the past years, it has become more difficult for the Betclie Everest Group to attract new qualified personnel and to retain them, as the markets for skilled employees are getting increasingly more competitive, especially in Malta and France. As a result, the employee benefit packages in the Betclie Everest Group's sector have been and are still growing, which result in an increase in staff costs for the Betclie Everest Group. In order to cope with the lack of qualified personnel, the Betclie Everest Group may use external independent service providers to perform certain tasks, particularly in the area of IT or trading. The cost of these external service providers may be higher than the cost of an employee, which increases the Betclie Everest Group's costs. In addition, the Betclie Everest Group's inability to maintain long-term relationships with these service providers could affect its ability to conduct and develop its activities and, thus, achieve its strategy. Finally, service providers could seek to have their relationship with the Betclie Everest Group reclassified as an employment relationship, which could lead to an increase of costs related to, among others, minimum wage, holiday pay or pensions costs and could have a financial impact on the Betclie Everest Group. If any of these risks were to materialise, this could have a material adverse effect on the Betclie Everest Group's business, results of operations and financial condition.

If labour costs increase further, the FL Entertainment Group's operating costs will also increase, which could, if the FL Entertainment Group is unable to recover these cost increases from its customers and players through increased prices or offset such cost increases through labour productivity gains or other measures, have a material adverse effect on its business, results of operations or financial condition.

g. Negative events may affect the FL Entertainment Group's reputation, which could have an

adverse effect on the FL Entertainment Group's business and the market price of the FLE Ordinary Shares and FLE Warrants.

The FL Entertainment Group's business and operations have depended in the past, and will continue to depend in the future, on the reputation of the businesses operated by the Banijay Group and the Betclie Everest Group, and on the reputation of the FL Entertainment Group as a whole.

In recent years, the Banijay Group's production companies have been subject to scrutiny as to the well-being of the participants in the Banijay Group's non-scripted programmes, and its reality programmes in particular, and the effect of its programmes on the public. More specifically, some of its customers have come to sets of its non-scripted programmes or have sent auditors to inspect the processes in place to ensure the wellbeing of the customers is ensured. The Banijay Group offers training and aims to assist participants in its non-scripted programmes through the production process and after the production is complete, but if it is unable to address these issues appropriately, this could result in litigation claims, reputational damage and otherwise have a material adverse effect on its business, results of operations or financial condition.

In addition, in the entertainment industry, there have been cases of sexual harassment and other forms of misconduct, which could result in significant reputational damage. For a more elaborate description hereon, see "*10.3(c.) The Banijay Group's business may be impacted by misconduct of management, employees, performers or other persons acting in connection with its productions*".

The Betclie Everest Group's reputation is critical to the presentation of its products and services offering and to its strategy of attracting new customers and retaining existing ones. The gaming industry receives a lot of media exposure and suffers from a poor reputation, particularly because of the addiction it can create among players and the exploitation of a vulnerable clientele, the risks associated with gaming by minors and the historical links it has with the criminal underworld, particularly in terms of fraud, corruption and money laundering. The Betclie Everest Group has procedures in place and is subject to various regulations which aim at controlling these risks. However, by operating in this sector of activity, the Betclie Everest Group is exposed to mistrust and criticism resulting from this bad reputation. Any accusations against the Betclie Everest Group, its employees or its contractors, whether publicly or in the context of administrative, legal or arbitration proceedings, whether founded or not, could affect the Betclie Everest Group 's reputation, lead to increased scrutiny of its activities by the relevant authorities and could dissuade its potential and existing clients from using the products and services it offers, which could have a material adverse effect on the Betclie Everest Group 's business, results of operations and financial condition.

The Betclie Everest Group's core activity is based on sporting competitions through sports betting. These sporting events often involve certain sports ethics that must be observed during sports betting, for example that professional athletes or their entourage are prohibited from engaging in betting activities in their own discipline. If such sports ethics terms are breached in the sports betting offerings of the Betclie Everest Group, the image and reputation of the Betclie Everest Group could be affected. The Betclie Everest Group has also invested in some sport sponsorships in the different countries where it operates. If the Betclie Everest Group's partners do not observe the terms of sports ethics, for example when matches are fixed, athletes or teams are found to have used doping or leaders of sporting federations are suspected of corruption, the image and reputation of the Betclie Everest Group could also be affected. One or more events in which the ethics of the sports sector are negatively implicated could undermine the image and reputation of the Betclie Everest Group and cause a drop in its revenue, which could lead to a decline in its results and prospects.

Negative events or negative media coverage on the FL Entertainment Group or on the markets the Banijay Group and the Betclic Everest Group operate in, could affect the FL Entertainment Group's reputation and thus have a material adverse effect on its business, results of operations, and financial condition. In addition, the market price of the FLE Ordinary Shares and FLE Warrants could decline if, following such negative events or negative media coverage, the FL Entertainment Group's reputation deteriorates.

h. Litigation and liability issues may have a material adverse effect on the FL Entertainment Group's business, results of operations and financial condition.

Substantial, complex or extended litigation could cause the FL Entertainment Group to incur large expenditures. For example, lawsuits by broadcasters, licensors or other customers, consumers, players, employees, competitors, partners/shareholders or the social or tax authorities could be very costly and disrupt business. The provisions recorded by the FL Entertainment Group in its Combined Financial Statements (as defined below) in this respect could prove to be insufficient, which could have a material adverse effect on the FL Entertainment Group's business, results, financial condition, liquidity and prospects, regardless of whether or not the underlying claim is well-founded. In addition, the FL Entertainment Group may incur significant litigation costs with respect to international disputes, particularly if disputes occur in jurisdictions in which the FL Entertainment Group does not operate or if disputes result in arbitration. While disputes from time to time are not uncommon, the FL Entertainment Group may not be able to resolve such disputes on terms favourable to it. As a result, the FL Entertainment Group may face substantial expenses and monetary damages, damage to its reputation and brands, and decreased demand for its content, all of which could also have a material adverse effect on the FL Entertainment Group's business. In the event of an unfavourable decision, these proceedings could have a material adverse effect on the FL Entertainment Group's activities, financial situation, results and prospects.

For example, legal proceedings in connection with accidents, incidents or misbehaviour during the production process of the Banijay Group's programmes and formats may disrupt its business. Certain of the Banijay Group's programmes are adventure-based shows, reality shows and physical game shows and may be produced outdoors and in remote locations. While the Banijay Group takes its duty of care owed to participants seriously and always aim to implement all the necessary security measures, the Banijay Group may not be able to prevent accidents, casualties, unexpected incidents or misbehaviour that may be costly and may significantly impact its business in terms of image and reputation but may also affect the success of the Banijay Group's key formats and may result in the loss of production of its programmes. For example, in March 2015, two helicopters carrying show participants and employees of the Banijay Group for the production of the format *Dropped* collided in Argentina, causing the death of all the passengers. Criminal investigations and civil proceedings have been initiated in Argentina and in France. Some civil cases have been deferred until the outcome of the ongoing criminal investigations. In other civil cases the FL Entertainment Group was held liable. Appeals to these decisions are still ongoing.

In addition, as a producer and distributor of original and third-party media content, the Banijay Group faces potential liability based on a variety of causes of action, including defamation, libel, invasion of privacy, negligence, copyright or trademark infringement and other claims based on the nature, content, creation or distribution of such content. These types of claims have been brought against the Banijay Group and other producers and/or distributors of media content. The Banijay Group's insurance may not be adequate to cover any such liability that results from any of the foregoing

claims. Irrespective of the validity or the successful assertion of such claims, investigating and defending these types of claims are expensive and could subject the Banijay Group to significant monetary costs or cause a change in business practices or reputation that could negatively impact its ability to compete and grow its business.

The Betclac Everest Group is also involved in a number of administrative, legal or arbitration proceedings related to its online sports betting and gaming business. For example, in December 2021 the Betclac Everest Group received a proposal for rectification from the French Tax authorities regarding the payment of VAT on sports betting for the years 2018 and 2019, which the Betclac Everest Group is currently contesting. Please see "*10.5(a.) The Betclac Everest Group has been subject to a VAT reassessment with respect to its activities of sports betting in France*". Please see "*10.4 (o.) The Betclac Everest Group's Bet-at-home.com business is subject to additional risks*" for a description of the legal proceedings in which Bet-at-home.com, a company listed on the Frankfurt Stock Exchange in which the Betclac Everest Group has a controlling interest of 53.9%, is involved.

For a more elaborate description of certain key ongoing material litigation, see "*7.1(e.) Legal Proceedings*". The ultimate outcome of such proceedings or claims could have a material adverse effect on the FL Entertainment Group's business, results of operations or financial condition in the period in which the impact of such matters is determined or paid.

It cannot be excluded that in the future new proceedings, whether related to those currently in progress or not, may be initiated against the FL Entertainment Group. Such proceedings could represent a significant cost and require the involvement of management. In addition, in the event of an unfavourable decision, these proceedings could have a material adverse effect on the FL Entertainment Group's business, financial condition, results and prospects.

i. Changes in global or regional economic and political conditions could adversely affect the FL Entertainment Group's business, results of operations or financial condition.

Changes in the economic, financial and political environment of the content production and distribution and online sports betting and gaming industry as well as in the different geographies or segments in which the FL Entertainment Group operates may have an impact on its business.

The war in Ukraine has resulted in a humanitarian disaster and a significant economic disturbance in Europe. In response to the war, a large number of countries have imposed sanctions on Russia. The Banijay Group has two production companies operating in Russia and Banijay Rights may from time to time distribute the contents owned or licensed by the Banijay Group to customers located in Russia. The sanctions currently imposed on Russia affect the FL Entertainment Group's results of operations, for example because the observance by the Banijay Group of these sanctions limits its ability to sell its formats internationally. For the year ended 31 December 2021, the Banijay Group generated 1% of its revenues in Russia. The reputation of the Banijay Group could be impacted as a result of its continuation of the operations in Russia. Furthermore, it is not possible to predict the broader implications of the conflict in Ukraine, but it could lead to the imposition of further sanctions and embargos, more regional instability, geopolitical shifts, more increases in prices, lead to significantly higher inflation, cause significant fluctuations in currency exchange rates and lead to dislocations in global financial markets, which may prevent the FL Entertainment Group from operating in Russia or possibly in other countries and thus could negatively affect its business, financial condition and results of operations.

More in general, the political environment in the countries in which the FL Entertainment Group

operates may have an impact on the formats and programmes it can produce and distribute and its online sports betting and gaming services in certain countries. The presence of corruption or the absence of good diplomatic relations between the countries in which the FL Entertainment Group operates, may restrict the FL Entertainment Group's operations or investments in certain countries, as for example the FL Entertainment Group may not be able to obtain licenses or permits it requires to operate in such country. Certain countries may restrict the ability of foreign companies to conduct business, impose restrictions on expatriating cash or other assets, or (for the Banijay Group) may impose content-related limitations or restrictions (such as government censorship). In addition, for the Banijay Group, in certain countries in which the Banijay Group operates including France and Italy, production quotas apply which oblige broadcasters or streamers to secure a minimum of European projects and they must fulfil such obligation in majority from independent producers. See "7.2(r.) *Regulations*". These quotas typically have a favourable impact on the operations of the Banijay Group and if these quotas are reduced, this may negatively impact the Banijay Group's business.

The FL Entertainment Group may also be adversely impacted by domestic and/or international economic downturns in the global markets in which it operates. Depressed economic conditions can impair the ability of the FL Entertainment Group's business partners to satisfy their financial obligations. There can be no assurance that the FL Entertainment Group will be capable of executing or furthering, to any meaningful degree, its business plans during economic downturns and it may not be able to recoup investments it has made. Any such failure could have a material adverse effect on the FL Entertainment Group's business, results of operations or financial condition.

Recently, multiple countries, including the countries in which the FL Entertainment Group operates, have experienced significant inflation and costs increases. These inflation levels may reduce the demand for the television and digital content products the FL Entertainment Group offers and the FL Entertainment Group's online sports betting and gaming services. For the Banijay Group in particular, an increase in price levels could reduce the amount consumers are willing to spend on premium television show offerings and digital content and increase its costs of production. For the Betclie Everest Group, player's disposable income may reduce and marketing costs have increased significantly and may continue to increase as a result of inflationary pressures. The FL Entertainment Group's costs have been, and may continue to be, adversely affected by the rise in inflation levels, and the FL Entertainment Group may be unable to pass these increased costs on to customers or to players by increasing its pricing levels.

In addition, for the Banijay Group, changes in global or regional economic and political conditions may also have a negative impact on the public financing of state-owned broadcasters, such as France Télévisions in France and BBC in the United Kingdom, which could reduce demand for the Banijay Group's programmes and cause such broadcasters to decide to not renew certain programmes, result in postponements or the cancellation of projects and production orders, or lead to unfavourable renegotiations of production budgets, all of which could result in a reduction in the Banijay Group's revenues.

For the Betclie Everest Group, the impact of economic developments, and the effect on players' habits, may be difficult to anticipate, as economic and financial crises may lead players to reduce their activity due to a decrease in their financial capacity, or to increase such activity due to the expectation of winning. In addition, economic difficulties may lead governments to adopt stricter regulations on the gaming industry in order to protect at-risk populations.

The FL Entertainment Group cannot guarantee that the markets in which it operates will continue to grow in the future, either globally or in the various countries in which it operates. Further inflation, a decline in demand in any of the FL Entertainment Group's markets or a decline in economic conditions in general could have a material adverse effect on its business, results of operations or financial condition.

j. The ongoing COVID-19 pandemic and the global efforts to contain it may harm the FL Entertainment Group's business and results of operations and its ability to operate in any respect may be interrupted by the current COVID-19 pandemic.

The COVID-19 pandemic has impacted worldwide economic activity since early 2020. Government authorities and businesses throughout the world have implemented numerous measures intended to contain and limit the spread of COVID-19, including travel bans and restrictions, quarantines, self-isolation, lock-down orders and business restrictions. The COVID-19 pandemic and responses thereto have led to a material deterioration in both the global economy and the national economies of the countries where the FL Entertainment Group operates.

As a result of the COVID-19 pandemic and government restrictions several of the Banijay Group's productions were delayed because it was not able to film any of its programmes from March 2020 to May 2020 in many countries in which the Banijay Group operates. Filming of a limited number of programmes was also postponed in the following months up until the date of this Circular, mainly due to travel restrictions and constraints in casting of actors, candidates or hosts for its productions. Once it was able to resume the filming of these productions, the government restrictions led to an increase in the Banijay Group's production costs (for example by having to increase sanitary precautions). Although these costs were mainly covered by the Banijay Group's customers, they were not included in the basis of calculation of its production fees and reduced its margin rates.

Government restrictions led to the suspension or cancellation of substantially all racing and sporting events during some periods of time, which has negatively affected sales in the Betclie Everest Group's sports betting operations in six months ended 30 June 2020. A significant majority of the Betclie Everest Group's betting business relates to sports betting, and in the three months following the cancellation of sporting events, the Betclie Everest Group noticed a decrease of around 70% in number of placed bets. In the six months ended 31 December 2020, the Betclie Everest Group actually noticed an increase in players, as a result of the various measures that were implemented to try to contain the virus, including travel bans and restrictions, lockdowns, quarantines and shutdowns of businesses. It is not likely that the number of the Betclie Everest Group's players will increase at the same rate, or at all, given that these factors are beginning to subside. The Betclie Everest Group's results of operations for the periods under review may therefore not be indicative of future results, in particular if pandemic-driven changes to player behaviour do not continue in the transition to a post-COVID-19 environment. Furthermore, while many events, leagues, and sporting events have now resumed, further suspensions and cancellations could take place in the future, for example if new COVID-19 variants would develop, which could have a significant impact on the betting and gaming revenues.

The extent to which the COVID-19 pandemic impacts the FL Entertainment Group's businesses will depend on future developments, which are highly uncertain, including the scope and duration of the COVID-19 pandemic and actions taken by governmental authorities and other third parties in response to the COVID-19 pandemic. The COVID-19 pandemic has been further complicated by the emergence of new and more contagious strains of the virus and there are concerns that vaccines may

not work quite as well against these new strains. As a result, governments may respond by reintroducing relevant restrictions which may further adversely affect the Group's businesses.

Any of the above factors could result in a material adverse effect on the FL Entertainment Group's business, results of operations, and financial condition.

k. A substantial amount of the FL Entertainment Group's assets represents goodwill and other intangible assets, and its earnings will be reduced if its goodwill becomes impaired and its ability to recover deferred taxes may be limited.

The FL Entertainment Group generates goodwill in acquisitions where the cost of an acquisition exceeds the fair value of the net tangible and identifiable intangible assets it acquires. Goodwill is subject to an impairment analysis at least annually based on a comparison of the recoverable value of the cash generating unit or group of cash generating units to which the goodwill relates and the carrying value of that cash generating unit(s). For the last three years, the recoverable amount from the impairment tests represented more than 150% of the carrying value of each cash generating unit. In addition, as part of the FL Entertainment Group's business activities, it develops, acquires and holds certain intangible assets related to, among other things, broadcast rights, distribution advances that it has to pay to obtain distribution rights on third-party scripted shows, trademarks and other content-related assets, which are also subject to impairment. For example, if the Banijay Group is not able to recover any advances made in connection with its distribution business, these distribution advances will be subject to impairment. As of 31 December 2021, goodwill represented €2.5 billion, or 49% of the FL Entertainment Group's total assets. The FL Entertainment Group could be required to recognise expenses in its consolidated income statement caused by the impairment of goodwill or other intangible assets, which if significantly impaired, could materially and adversely affect its results of operations. Any future impairment of goodwill or other intangible assets, or the depreciation of receivables, may result in material reductions of the FL Entertainment Group's income and equity under IFRS. Due to the amount of intangible assets and goodwill on the FL Entertainment Group's balance sheet, any significant impairment could have a material adverse effect on its business, financial condition or results of operations in the year in which such charges are recorded.

In addition, as of 31 December 2021 net deferred tax assets in the FL Entertainment Group's combined statement of financial position amounted to €47.6 million. These deferred tax assets are recognised in the statement of financial position in an amount that the FL Entertainment Group believes it will be able to recover within a reasonable period of time and, in any event, prior to the possible expiration of the losses for the portion of the deferred tax assets related to tax loss carryforwards. Nevertheless, the FL Entertainment Group may be unable to realise the expected amount of deferred taxes if its future taxable income and related taxes are lower than expected. The FL Entertainment Group also bases its estimates of the use of deferred taxes on its understanding of the application of tax regulations, which could be challenged, however, either by changes in tax and accounting regulations or different interpretation of these regulations by courts or further by tax audits or tax litigation that could affect the amount of its deferred taxes. The FL Entertainment Group may not be able to realise its deferred tax assets in future years which could have a material adverse effect on its business, results of operations and financial condition.

l. The FL Entertainment Group's success is dependent, in part, upon the integrity of its management and employees, and its risk management and internal controls may not prevent or detect violations of law.

The FL Entertainment Group's business operations involve risks associated with theft, fraud, bribery and corruption, or allegations thereof, including with respect to its own employees as well as its customers. See also "7.1(e)(D.) *Zodiak Belgium*" for a description of a fraud case that involved the former CEO and former CFO of one of the FL Entertainment Group's subsidiaries. Although, to the best of its knowledge, FL Entertainment is not currently faced with any other theft, fraud, bribery or corruption incident, the FL Entertainment Group could be faced with such incidents in the future. The FL Entertainment Group has compliance processes and controls in place, but these may not be sufficient to prevent or detect inadequate practices, theft, fraud and violations of law by its management, employees or agents, or its customers, as applicable. Compliance and controls systems in certain countries in which the FL Entertainment Group operates may be incomplete, unreliable, or inaccurately transmit data due either to technical shortcomings which may or may not be in the FL Entertainment Group's control, or malicious efforts of internal staff and third parties. Such malicious efforts may include false invoices to shell entities that do not provide any services to the FL Entertainment Group or inappropriate use of petty cash in the context of productions. Therefore, the FL Entertainment Group may be unable to detect or prevent every instance of theft, fraud, bribery and corruption involving its employees, management, directors, agents or other third parties in the future. To the extent the FL Entertainment Group is not successful in protecting itself from such activities, the FL Entertainment Group may be subject to civil and criminal penalties and to reputational damage as a result of such occurrences. Allegations, proceedings and convictions of certain crimes including, among others, theft, fraud, bribery and corruption may make it more difficult for the FL Entertainment Group to obtain or acquire new customers, to obtain necessary approvals and licenses for the operation of its business or render the FL Entertainment Group ineligible to participate in public tenders. The involvement or association of the FL Entertainment Group's employees, management, directors or agents with theft, fraud, bribery or corruption and other crimes committed in relation to its activities, or allegations or rumours relating thereto, could have a material adverse effect on its reputation, business, results of operations and financial condition.

m. The FL Entertainment Group's revenues and results of operations are subject to volatility and periodical and seasonal fluctuations.

The revenues generated by the content production and distribution business and the online sports betting and gaming business of the FL Entertainment Group are subject to periodical and seasonal fluctuations.

The revenues and results of operations from the content production and distribution business of the Banijay Group may fluctuate from period to period. As a result of the broadcasting schedules of television networks and the fact that broadcasters typically premiere shows in the second half of the calendar year, the Banijay Group generally reports higher sales in the fourth quarter of the calendar year. Furthermore, revenues from the sale of a programme to a broadcaster are generally recognised at the time of the programmes' delivery, which creates a mismatch between the moment the Banijay Group actually receives revenues in connection with such sale and the moment that the FL Entertainment Group recognises such revenue in its financial statements. See "9.5(d.) *Key Factors Affecting the FL Entertainment Group's Business and Results of Operations*". Any delays in the production of a programme can delay the Banijay Group's distribution revenues since the Banijay Group is unable to distribute a programme until it has been finalised. For example, government restrictions imposed in connection with the COVID-19 pandemic have impacted, and may in the future impact, the Banijay Group's production organisation, timing and costs and cause delays in the delivery of its programmes.

A significant part of the revenue of the online sports betting and gaming business of the Betclac Everest Group is generated by the sports betting activities, which represented 80% of the Betclac Everest Group's revenue in the year ended 31 December 2021. As a result, the Betclac Everest Group is dependent on the demand for and development of these activities. Sports betting is subject to significant seasonality related to the occurrence of major sporting events and the identity of the participants in these events. Years in which major sporting events take place see more activity. Even-numbered years see more activity with the organisation of the World Cup or the European Football Championship, with the exception of the European Football Championship 2020, which took place in 2021. In addition, because the Betclac Everest Group's business is dependent on the sports calendar, revenues are lower during the period from May to August, when there are fewer sporting events. In casino games and in online poker, business volumes are generally stable over a calendar year, with a slight upturn in activity in winter, and are impacted by the activity of the largest players. As a result of these seasonal fluctuations, the Betclac Everest Group typically generates a substantial part of its revenue in the fourth quarter of the calendar year. As a consequence, events or circumstances that adversely affect the Betclac Everest Group's business during the winter period or during the period from September to April are likely to have a disproportionately adverse effect on the Betclac Everest Group's results of operations for the full year.

In addition, the sports betting margin (i.e., the difference between bets and winnings) is highly volatile, as it is affected by sports results: if all the favourites win, the Betclac Everest Group loses bets to the players and its margin falls. Conversely, in the event of unexpected results, the Betclac Everest Group will win more bets from players and its margin will increase. This effect is aggravated by the taxation applicable to online sports betting and gaming, particularly in Poland and Portugal: betting taxes are applied to wagers. As a result, in the event of high stakes but unfavourable results for the Betclac Everest Group, the margin rate will be low and the Betclac Everest Group's profitability will be affected accordingly, which could have a material adverse effect on its business, results of operations and business.

Due to these seasonal and periodical fluctuations and volatility, annualising the results of any single quarter may not be a reliable proxy for the FL Entertainment Group's full year results and any quarterly fluctuations that the FL Entertainment Group reports in the future may not match the expectations of market analysts and investors. In addition, events or circumstances that adversely affect the FL Entertainment Group's business during the period from September to April, and specifically also the fourth quarter of the calendar year, are likely to have a disproportionately negative impact on the FL Entertainment Group's financial performance, cash flows and results of operations for the full year due to these seasonal and periodical fluctuations and volatility.

10.3 Risks relating to the FL Entertainment Group's Content Production and Distribution Business

- a. Customers may request to obtain intellectual property rights to the formats the Banijay Group creates and programmes the Banijay Group produces, which may have a negative impact on the Banijay Group's revenues.**

Broadcasters have increasingly requested intellectual property rights to the formats and programmes for which they fully fund the production. This trend is particularly strong in the United States where broadcasters tend to impose a "producer for hire" approach (i.e., the producer is an independent contractor managing the production process, without any intellectual property rights to the programme) and where it has become increasingly difficult for producers to retain any intellectual property rights or a share of revenues from future licensing or sale, even when the producer has

originally developed the format or the programme. In the United States, producers may be required to finance at least part of the programme even for non-scripted business to ensure that they are able to retain intellectual property rights to the format, which is contrary to the market standard of fully funded non-scripted business. In Europe, broadcasters have also started to ask for a share of ownership of the formats or programmes when they fully fund the production, whereas in certain countries, such as the Nordic countries (Denmark, Finland, Norway and Sweden) and Italy, according to market practice, broadcasters generally co-own the content. For example, in markets such as Germany, where broadcasters traditionally fully fund the production of programmes, the Banijay Group may not be able to retain intellectual property rights over the formats such broadcasters have produced, as such rights would be required by the broadcasters as a condition to funding.

In addition, broadcasters may ask for longer license periods in many territories or they may require unlimited runs to air the programmes. Broadcasters have become reluctant to share revenues generated by intellectual property rights that they used to share in the past. For example, unlimited video on demand rights are now considered to be "primary rights" in many markets and are granted to broadcasters for the entire license period without sharing any additional revenues with the producer. Broadcasters may also require extensive holdbacks to ensure that certain formats will not be used in the market in which they operate for a certain period of time, even after they stop to commission new programmes, and may require that none of their local competitors be allowed to capitalise on these formats. When the Banijay Group is not able to retain sufficient ownership of the intellectual property rights of the formats it creates and programmes it produces, it may lose control over its formats and programmes and a portion of the distribution and secondary revenues. While the Banijay Group strives to retain maximum intellectual property rights when negotiating with broadcasters, it may not be able to do so and, if this trend further develops, it could have a material adverse effect on its business, results of operations or financial condition. In particular, in the United States clients ask for the rights to the formats of the shows the Banijay Group is developing for them ("producer for hire" model), and the Banijay Group has observed a similar trend in other territories like Germany and Australia. The trend towards a "producer for hire" model is also the general approach of Facebook Watch, Apple TV, Amazon Prime Video, Netflix and Google (which operates Android TV), both in the United States and in Europe, which generally try to impose such model and require the transfer of ownership over all rights to the formats and programmes that they finance, at least for original productions (i.e. programmes based on new formats or ideas developed for such clients). By taking worldwide rights, including distribution, these streaming video on demand ("SVOD") platforms generally prevent the circulation of the formats and of the programmes, therefore adversely impacting the ability of the Banijay Group to sell them across the globe and to produce programmes in other territories based on these formats. In addition, the Banijay Group is not always able to secure the right to produce further seasons of a successful show in a territory or to produce spinoffs or local versions if these clients decide to launch versions in other territories. Furthermore, especially for scripted programmes, global SVOD platforms (as well as SVOD platforms being across several territories), might not be willing to commission local versions of a successful show since their model is to make the original version available to all their viewers across their territories and platform, thereby limiting the ability of the Banijay Group to produce other local versions based on the format and to derive revenues thereof.

b. Some of the formats produced by the Banijay Group are owned by third parties and the Banijay Group's access to these formats depends on the terms of the licenses for these formats.

For certain formats that are produced by the Banijay Group, the Banijay Group is dependent on the

licenses that it obtains for these formats and distribute such formats and/or produce programmes based on them. The formats are owned by third parties and the ability of the Banijay Group to access these formats depends on the terms of the license. This includes several key formats of the Banijay Group, such as *MasterChef*, *Lego Masters* and the production in Australia of *Ninja Warriors*. If the Banijay Group were to lose access to these key licenses, this would affect its ability to distribute the corresponding format and/or produce programmes based on the related format and therefore adversely impact its revenues. Third parties could also decide to grant or renew licenses on terms more onerous to the Banijay Group compared to the current license terms, which could also adversely impact its revenues, results of operations and business.

c. The Banijay Group's business may be impacted by misconduct of management, employees, performers or other persons acting in connection with its productions.

In the entertainment industry, instances of sexual harassment and other forms of harassment and bullying are increasingly brought to light. As a matter of example, in the Netherlands there has recently been a lot of media coverage after the programme of a competitor of the Banijay Group received allegations of sexual misconduct and abuse of power in January 2022. The programme was suspended and an independent investigation was initiated into the allegations. The Banijay Group and its productions may also become subject to allegations of the misconduct of its management, employees, performers (including actors and/or actresses and participants) or other persons acting in connection with its productions (including producers and hosts) or with third parties' productions financed by the Banijay Group, which may lead to the suspension or cancellation of the Banijay Group's programmes, litigation and reputational damage.

In the past, several productions of the Banijay Group have been involved in (alleged) instances of misconduct. For example, in 2019 a contestant on *Big Brother* in Spain claimed that she had been sexually assaulted by another contestant while she was unconscious during the show two years before and that she had then been forced to watch the attack, which had a negative impact on the reputation of the production and image of the show. Any allegations of sexual harassment and other forms of harassment and bullying or misconduct of any form of the Banijay Group's management, employees, performers (including actors and/or actresses and participants) or other persons acting in connection with its productions (including producers and hosts) or with third parties' productions financed by the Banijay Group may result in substantial costs and may have a material adverse effect on its business, results of operations or financial condition or on the reputation of the Banijay Group or of its formats and programmes.

In addition, although Banijay Group strives to have appropriate insurances in place covering its productions and other activities (including at corporate level), these insurance policies might not adequately cover all types of misconducts. In particular, Banijay Group does not currently have any death and disgrace insurance policy in place. Although the Banijay Group is currently looking for such policy in the insurance market, such policy might not be available to it given the nature of its activities, or the coverage might not adequately cover all its activities, or the insurance premium might be very expensive or the policy might provide for other onerous terms (including high deductible), therefore inadequately covering all misconducts events.

The Banijay Group has several measures in place to prevent sexual harassment and other forms of harassment and bullying and misconduct in general. For example, it has a code of conduct detailing the Banijay Group's policy on harassment and bullying including instructions on how to deal with and report these issues. Several Banijay Group companies have appointed an internal or external

confidential representative who is specifically trained to provide confidential support and advice. There is also a third-party hotline which is accessible 24 hours a day, 365 days a year, where reports can also be submitted anonymously. Each format of the Banijay Group has a 'bible' setting out the rules for working on these formats (each tailored to the respective format). The Banijay Group also has safety protocols (including participant welfare guidelines), internal groups to share experience and best practices (including participant welfare training sessions) across all of the Banijay Group's productions, an escalation protocol and provides assistance on set. However, the Banijay Group cannot control the actual behaviour of employees, performers and persons, in particular not outside of the set. Any misbehaviour outside of the set could also have an impact on Banijay's reputation and consequently on its business, results of operations or financial condition or on the reputation of the Banijay Group or of its formats and programmes.

d. The Banijay Group may need additional capital to fund its growing operations, especially for the production of scripted programmes. If the Banijay Group is not able to obtain sufficient capital, it may be forced to limit the scope of its operations.

The production, completion and distribution of television and digital programmes, particularly scripted programmes, are subject to a number of uncertainties, including delays and increased expenditures due to disruptions or events beyond the Banijay Group's control. Risks such as the death or disability of star performers, technical complications with special effects or other aspects of production, shortages of necessary equipment, damage to film negatives, master tapes and recordings, misbehaviour of performers (including actors and/or actresses), employees, participants or other persons acting in connection with the Banijay Group's programmes, adverse weather conditions, the COVID-19 pandemic and the political situation in the regions in which the Banijay Group operates may cause cost overruns and delay or frustrate the completion or funding of a production or its return on investments. While the Banijay Group endeavours to respect its broadcaster customers' budgets and has a strong reputation for achieving this goal, if a television production incurs budget overruns, it may have to use its own cash reserves or seek additional financing from outside sources to complete production. With respect to distribution, if the Banijay Group is unable to accurately predict consumer preferences toward its programmes or third-party programmes for which it has the distribution rights, it may lose its investments, especially for scripted programmes for which it typically makes upfront investments and relies on distribution revenues to recoup this investment. Instances of sexual harassment or other forms of serious misconduct, even if not relating to or occurring during the filming of programmes, may result in the cancellation by the Banijay Group's customers of sales or undermine the ability to sell the programme internationally, notably if such misconducts are from key on-screen talents.

While the Banijay Group believes that it will be able to fund its business through operating cash flow generated through its business model, if the generation of its cash flow is lower than anticipated or they do not come to fruition in the anticipated time frame, it could require additional debt financing to sustain the Banijay Group's operations. If the Banijay Group is unable to obtain adequate additional debt financing on reasonable terms or at all, it may not be able to continue to develop its business, especially the production of scripted programmes which requires larger investments, especially in the development phase, and it would have to modify its business plan and projections accordingly. If adequate financing is not available, or unavailable on acceptable terms, the Banijay Group may find that it is unable to fund expansion or finance its scripted programmes through distribution advances, continue to offer products and services, take advantage of acquisition opportunities, develop or enhance the Banijay Group's products or services, or respond to competitive

pressures in the industry, all of which may jeopardise its ability to continue operations successfully and profitably.

- e. **As an audiovisual production company, the Banijay Group benefits from various subsidies and tax incentives in European and non-European countries which support its productions, and changes in tax laws, regulations or other conditions underlying these subsidies could have a material impact on the Banijay Group's results of operations.**

As an audiovisual production company, the Banijay Group benefits from different sets of subsidies and tax incentives in France, other European countries (such as the United Kingdom, Belgium, Spain and Italy) and non-European countries (such as Canada, Australia and the United States) for a total amount of approximately €90 million in fiscal year 2021, which support its productions. For example, in France, the Banijay Group benefits from government subsidies and other financial incentives to support the production of documentaries, fiction, live entertainment, magazines of cultural interest and animation movies. The French audiovisual fund (*Fonds de soutien audiovisuel*) automatically allocates funding to the production, development and writing of pilots under several conditions linked to the producer acting as the executive producer, the length and cost of the production, language shooting requirements (whether authors, actors and crews are EU nationals and/or residents in a Member State) or shooting location. They are capped at a certain percentage of the production budget and the Banijay Group must obtain prior approval from the National Center of Cinema (*Centre National du Cinéma*). The Banijay Group may also benefit from foreign audio visual tax credits which follow similar principles, when it acts as a producer or as a producer for hire for foreign executive producers. The Banijay Group also relies on tax laws and regulations to benefit from tax credits and it monetises those tax credits in some of the countries in which it operates in accordance with local laws. Any difficulty in collecting tax incentives from the competent authorities could have a material impact on the Banijay Group's results of operations. Changes in tax laws and regulations or other conditions underlying subsidies in these countries may prevent the Banijay Group from benefitting from these tax credits and subsidies, partly or at all, and it may not be able to continue to monetise tax incentives or subsidies in these jurisdictions. Since certain productions are dependent on the tax incentive schemes and subsidies and productions may not otherwise be profitable, those changes could have a material impact on the Banijay Group's results of operations.

The Banijay Group also raises financing from companies dedicated to the financing of cinema and the audiovisual industry (*Sociétés de Financement de l'Industrie Cinématographique et de l'Audiovisuel*), or other similar foreign companies, which are investment firms that collect private funds dedicated to finance cinematographic and audiovisual productions by offering a personal income tax incentive to private individual investors. The Banijay Group's production expenditures also benefit from a favourable amortisation regime allowing to deduct from the Banijay Group's taxable basis, under specific conditions, the net income generated by a specific production in a given financial year. If, at the end of a given financial year, such income is not sufficient to fully consummate the amortisation right that relates to such production, income arising out of other productions can be used to be offset against the outstanding amount of amortisation allowances. The above subsidies and incentives have a positive impact on the Banijay Group's production costs and capacity to raise financing. Any changes in the conditions underlying the benefit of these subsidies and incentives, or any request from clients to also benefit from these subsidies and incentives, may affect the Banijay Group's business, financial condition and results of operations.

- f. **Intellectual property infringements may have a material adverse effect on the Banijay Group's**

business.

The Banijay Group's ability to compete in its industry depends, in part, upon successfully protecting and retaining its proprietary and intellectual property, especially with respect to formats, which are more difficult to protect than rights to a programme, because a programme is a finished product that has already aired rather than a formalised concept. The Banijay Group protects its intellectual property rights to its formats and programmes through available copyright and trademark laws. The Banijay Group then licenses and distributes these rights to reputable companies in specific territories for limited durations. Despite these precautions, existing copyright and trademark laws offer only limited practical protection for formats in certain jurisdictions. Unlike patents or trademarks for which registration is required, copyright does not require any registration and provides limited protection as it is more difficult to prove and protect, especially for formats. Copyright infringement is particularly difficult to defend in many parts of the world that lack effective copyright and technical protective measures to prove copyright, or that lack effective means for enforcing such measures, including multiple jurisdictions in which the Banijay Group operates. In addition, intellectual property rights may not effectively protect the content the Banijay Group distributes around the world through its distribution business. The interpretation of copyright, privacy and other laws as applied to the Banijay Group's content, and piracy detection and enforcement efforts, is continuously subject to change. The failure to strengthen or the weakening of existing intellectual property laws could also make it more difficult for the Banijay Group to adequately protect its intellectual property and negatively affect its value.

It may also be possible for unauthorised third parties to copy the Banijay Group's formats or portions of its formats without entering into a format license agreement with the Banijay Group or to exploit its programmes, or part of its programmes, without entering into a license agreement for one of the Banijay Group's programmes. Unauthorised distribution of the Banijay Group's formats or programmes has an adverse effect on its business because it reduces the revenues that the Banijay Group is able to receive from the legitimate sale and distribution of its formats or programmes. It undermines lawful distribution channels and inhibits the Banijay Group's ability to recoup or profit from the costs incurred in creating such works. The Banijay Group's failure to protect its intellectual property rights in a meaningful manner or challenges to related contractual rights could also result in erosion of its local brands. The Banijay Group incurs significant costs in order to protect intellectual property rights to its formats, to monitor copyright infringement and to engage legal proceedings when necessary, which may affect its profitability, and the Banijay Group may not be successful in preventing harm to its business.

In addition, it is an inherent risk in the Banijay Group's industry that people may claim to have developed a format similar to, and/or own intellectual property rights with respect to its formats and programmes, whether or not such claims are frivolous. The Banijay Group may have to resort to litigation, arbitration or other legal proceedings in order to enforce its intellectual property rights, protect its trade secrets, determine the validity and scope of the proprietary rights of others or defend against claims of infringement or invalidity. Any such litigation or arbitration proceedings could result in substantial costs, including costs for obtaining rights or the loss of the opportunity to earn revenues from the intellectual property that is the subject of such proceeding, and the resulting diversion of resources and management's attention could have a material adverse effect on the Banijay Group's business, results of operations or financial condition.

g. The Banijay Group's ability to generate secondary rights to the content the Banijay Group

produces varies from one programme to another.

The Banijay Group's ability to capitalise on its programmes in forms other than the production, distribution and the initial licensing to broadcasters or digital platforms varies from one programme to another. The additional rights that the Banijay Group receives from content it produces are known as "secondary rights". Based on the 2021 revenue breakdown, 6% of the revenue of the Banijay Group is generated by secondary business such as branded content & licensing, video games and music and secondary rights. Not all content has the potential to generate revenue from secondary rights and generating secondary rights may only be possible for strong formats or programmes. In some cases, the Banijay Group has no secondary rights, and in other cases, it only has the right to distribute them in certain media and territories for a limited term, depending on the ownership of the format and on the Banijay Group's agreement with the broadcaster or digital platforms. To the extent that the Banijay Group has the opportunity to generate secondary rights for its programmes, it cannot assure that it will be able to retain worldwide and perpetual rights to these programmes, and any such failure could have a material adverse effect on its business, results of operations or financial condition.

h. Labour disputes involving the Banijay Group's own employees may disrupt its operations and adversely affect its results of operations.

Labour regulations may have an impact on the Banijay Group's operations. In certain jurisdictions in which the Banijay Group operates, such as France, the status of participants in reality television programmes has been challenged and they have been recognised as employees, which has required the Banijay Group to enter into specific agreements with them and pay additional associated costs. The Banijay Group's industry relies heavily on freelancers and, in multiple jurisdictions, contracts with freelancers can allow them to claim the status of permanent employees and to benefit from the rules attached to such status, which has a cost for the Banijay Group. There can be no assurance that new employment regulations will not significantly impact the Banijay Group's business and result in a material increase in costs, which may have a material adverse effect on the Banijay Group's results of operations or financial condition.

In certain instances, the Banijay Group consults and seeks the input of one of its employee works councils located in the Netherlands and France with respect to a broad range of matters. While the Banijay Group generally has been able to successfully consult with its works councils and the Banijay Group regards its relations with its executives, employees and their representatives as generally satisfactory, negotiations may be challenging, as the Banijay Group must have competitive cost structures in each market while meeting the compensation and benefits needs of its executives and employees. Consultations with works councils, strikes, similar industrial actions or other disturbances by the Banijay Group's workforce could disrupt its operations, result in a loss of reputation, increased wages and benefits or otherwise have a material adverse effect on its business, results of operations and financial condition.

In some of the jurisdictions that the Banijay Group operates in, the Banijay Group needs to work with organisations for collective employee rights, such as labour unions. For example, for some productions in the United States, the Banijay Group has to conclude an agreement with a labour union. These agreements generally cover topics such as: employee wages and other compensation, working hours, positions, titles, the hiring process, the minimum working conditions and other requirements. Unionisation activities may disrupt the Banijay Group's operations and affect its profitability. Strikes and other union job actions, may impact its ability to deliver content as agreed

with its customers. At the date of this Circular, the only agreement with a labour union to which one of the Banijay Group companies in the United States are committed has expired. Negotiations for the renewal of this agreement are expected to start in the coming months, and if it will be renewed, this will be for a period of three years. In the future the Banijay Group could also be requested to sign additional agreements with labour unions, which may impact its operations and affect its profitability.

i. The Banijay Group's business may be affected by the default of counterparties in respect of money owed to the Banijay Group.

In the ordinary course of the Banijay Group's business, the Banijay Group is often owed significant amounts of money from numerous customers and countries in which it is entitled to receive subsidies. If a customer undergoes financial difficulties, payments may be significantly delayed and, ultimately, the Banijay Group may not be able to collect amounts payable to the Banijay Group under its agreements. As of 31 December 2021, overdue receivables for more than one year represent 0.9% of the total receivables. In addition, after the delivery of a programme, it is possible that the Banijay Group's customers may retrospectively try to renegotiate the commercial arrangements entered into with the Banijay Group, including arrangements that deal with the amounts payable to it. This is particularly true for the Banijay Group's distribution business, whose customers are not necessarily large broadcasters and come from all around the world. Although this did not occur in the year ended 31 December 2021, an inability to collect amounts due could require the Banijay Group to write off significant debts, which may have a material adverse effect on its business, results of operations or financial condition.

j. A failure to honour the Banijay Group's obligations under the terms of its agreements with broadcasters could have a material adverse effect on its business.

The Banijay Group relies on contracts with broadcasters to pay for its production costs, use its intellectual property rights and ultimately to grow its business. There can be no assurance that the Banijay Group will continue to be able to meet broadcasters' growing demands, reduced budgets and timelines, and this may increase its programmes' production costs and future prospects with the same or new broadcasters. If the Banijay Group is not able to honour its obligations with broadcasters, this may negatively impact its production companies' reputations in their respective markets or affect its formats and programmes. In addition, the Banijay Group's relationship with certain broadcasters may be jeopardised and lead to a reduction in, or termination of, its business with them if the Banijay Group is unable to honour its obligations in a timely manner or at all, which could have a material adverse effect on its business, results of operations or financial condition.

10.4 Risks relating to the FL Entertainment Group's Online Sports Betting and Gaming Business

a. Activities related to online sports betting and gaming are subject to an uncertain and rapidly evolving regulatory regime which varies significantly among countries.

The Betclie Everest Group's activities include sports betting, casino games, poker and horse racing betting. Due to their nature and the risks associated with them, these activities are subject to a restrictive regulatory framework. See "7.3(s.) Regulations".

At the international level, online sports betting and gaming activities are not subject to any standardised regulation, which creates uncertainty as to the conditions under which these activities can be carried out. In the absence of a standardised regulatory framework, each country is free to regulate online sports betting and gaming. The countries in which the Betclie Everest Group operates the majority of its online sports betting and gaming business, including France, Italy, Malta, Poland,

Portugal and Germany, require a license for online sports betting and gaming. See also "10.4(b.) *The Betclac Everest Group's growth prospects and market potential depend on obtaining, maintaining and renewing the licenses required by applicable national rules and regulations. The loss and/or revocation of such licenses could have a material adverse effect on the Betclac Everest Group's business*". Compliance with gaming regulations is critical for the Betclac Everest Group, not only for the grants and the renewal of licenses but also in the day-to-day conduct of its business activities.

More and more restrictions are imposed by national regulators that can affect the development of the activity. Certain recurring reporting obligation are performed regularly (on a weekly, monthly or annual basis) on financial or non-financial data: tax, players transactions or responsible gaming or anti-money laundering. In addition, marketing is restricted by regulators, which define marketing guidelines and effectively monitor compliance with such guidelines. In Italy for example, an advertising ban has been enforced as of 14 July 2018 and the sponsorship ban applied as of 1 January 2019. Restrictions can also be imposed to promote responsible gaming. The Betclac Everest Group must therefore comply with the relevant laws and regulations and, in the event of non-compliance, could be subject to sanctions, including civil and/or criminal fines and temporary or permanent suspension of its activities.

As a result of the limitations described above, the Betclac Everest Group may not be able to freely develop its activities in new geographical areas or in new business sectors. In addition, for a small part of the Betclac Everest Group's business, an estimated 3% of its revenue over the year ending 31 December 2022, the Betclac Everest Group offers online sports betting and gaming through .com licenses in countries where online sports betting and gaming is not regulated locally, or in countries where the Betclac Everest Group has chosen not to apply for a licence and in some cases where the Betclac Everest Group, as many operators, is blacklisted, but still operates as it considers local law to be non-compliant with European regulations. The Betclac Everest Group operates without a prior authorisation or license in Switzerland, Hungary, Luxembourg and Malta. These licenses are granted by the Maltese regulator and allow the Betclac Everest Group to operate in Europe in countries where it is not forbidden to do so. For this part of the Betclac Everest Group's business, the risk of sanctions, civil and/or criminal fines, which may be significant, is even higher and if that were to happen this could have a material adverse effect on the Betclac Everest Group's business, results of operation or financial condition.

The current regulatory framework could change and online sports betting and gaming could be subject to European regulation aimed at restricting the conditions under which such activities can be carried out. In addition, Member States could adopt regulations to restrict the ability of online sports betting and gaming operators to operate in their territories or amend existing regulations to strengthen the constraints or taxation on online sports betting and gaming operators. If these restrictions were to be applied in one or more of the markets in which the Betclac Everest Group operates, it may have to cease some of its activities or operate them under less favourable conditions because of new constraints or higher taxation. Even if these restrictions could be challenged on the basis that they are contrary to European regulations, their adoption and application, even temporarily, could force the Betclac Everest Group to operate its online sports betting and gaming business under less favourable conditions or to cease some of its activities or limit its development plan. If European regulation would be introduced which negatively affects the Betclac Everest Group's online sports betting and gaming offering, this could have a material adverse impact on the Betclac Everest Group's business, results of operations and financial condition as 99% of its revenue in the online sports betting and gaming business are expected to be generated within the European Union in 2022.

b. The Betclie Everest Group's growth prospects and market potential depend on obtaining, maintaining and renewing the licenses required by applicable national rules and regulations. The loss and/or revocation of such licenses could have a material adverse effect on the Betclie Everest Group's business.

The Betclie Everest Group conducts its sports betting, casino games, poker and horse racing betting activities in countries where such activities are subject to licensing by local authorities, including France, Italy, Malta, Poland and Portugal. As a result, the conduct of the Betclie Everest Group's online sports betting and gaming activities and their future development depend on its ability to obtain, maintain and renew the required licenses.

Obtaining licenses is subject to various conditions that vary depending on the country concerned, and which relate in particular to management, competence and capacity (particularly financial and technical) to carry out the activities concerned, or compliance with applicable laws and regulations. Once the licenses are obtained, the Betclie Everest Group must comply with the regulations applicable in the countries concerned. Licenses are granted for a given country and for a specific activity. Within the period of validity of the license, the Betclie Everest Group shall maintain strict compliance process and proceed to homologation for every major change to its platform, run regular external audits and in some cases to a yearly certification performed by independent and approved auditors. In addition, some licenses may include commitments regarding the managers or shareholders, direct and indirect, of the companies concerned, including their ultimate economic beneficiaries. However, these are outside the Betclie Everest Group's control and the Betclie Everest Group cannot guarantee that these commitments or restrictions will be respected. The Betclie Everest Group is subject to regular controls by the competent authorities to verify compliance with these constraints.

Failure to comply with the applicable regulations or the limitations provided for in the licenses granted to it could result in penalties, including fines, a temporary suspension of its sites or activities or, where applicable, the loss of the license, or the publication of the decision of conviction. The Betclie Everest Group cannot guarantee that it will not be subject to such penalties in the future.

Licenses are granted for limited periods. For example, Portuguese licenses are granted for a period of three years, French licenses are granted for a period of five years and the Polish license was granted for a period of six years. The Betclie Everest Group's sportsbook licenses in Portugal and Italy are up for renewal in 2022, and the Betclie Everest Group will have to renew its casino license in Portugal in 2022 as well. Renewal of the licenses is not automatic and must be requested, which will be assessed by the competent authorities on the basis of the same criteria as those described above. If the Betclie Everest Group is unable to meet these criteria, or if it does not obtain the renewal of its licenses or obtains its licenses on different terms, it will be forced to cease or restrict its activities in the countries concerned. In addition, the renewal of licenses could be obtained but for reduced activities or on less favourable terms, which could affect the conditions under which the Betclie Everest Group operates its activities and its development.

Furthermore, failure to comply with regulatory requirements in a particular jurisdiction, or the failure to successfully obtain a license or permit applied for in a particular jurisdiction, could cause the rejection of license applications or cancellation of existing licenses in other jurisdictions, or could cause financial institutions, online and mobile platforms and advertisers to stop providing services to the Betclie Everest Group which it relies upon to receive payments from, or distribute amounts to, its users, or otherwise to deliver and promote its services. The Betclie Everest Group currently

envisages expanding its operations into Africa, in particular to Senegal. The Betclie Everest Group could fail in successfully obtaining a license in those countries, as a result of which it would not be able to operate in those countries, which could impact the Betclie Everest Group's ability to execute its international expansion strategy and could have a material impact on the growth perspective of the Betclie Everest Group.

In addition, the operation of the Betclie Everest Group's activities under the licenses requires the involvement of the Betclie Everest Group's partners, particularly suppliers of technical solutions. Applicable regulations or competent authorities may require these third parties to hold a license or impose other constraints on them. For example, in Malta, technical solution providers for casino activities must be licensed by the local regulators, and in France, external platform providers used for poker and horse race betting activities must comply with regulations of the French National Gaming Authority (*Autorité Nationale des Jeux*) (the "ANJ"). In case a third-party (for which a license is not required) does not meet the constraints imposed by regulators, the liability falls to the operator that holds the license. As a result, the Betclie Everest Group is dependent on the relationships with its partners for the conduct of its business under the licenses granted. In the event of a change of service provider, the Betclie Everest Group must ensure that the new service provider is licensed by the relevant authorities. If the Betclie Everest Group's partners fail to comply with their obligations under the licenses granted or the partnerships established, or if relations with its partners are terminated, the Betclie Everest Group could be exposed to sanctions or the licenses granted to it could be affected, which could have a material adverse effect on its business, results of operation and financial condition.

- c. **The Betclie Everest Group's success depends on its ability to attract and retain new users, which may be negatively impacted by prohibitions, constraints and restrictions on marketing activities as well as other applicable regulations. The loss of Betclie Everest Group's users, failure to attract new users in a cost-effective manner, or failure to effectively manage the Betclie Everest Group's growth could adversely affect its business, financial condition, results of operations and prospects.**

The conduct and development of the Betclie Everest Group's business depends on its ability to attract new players and retain its players and, therefore, on the Betclie Everest Group's ability to conduct marketing activities and the results of such activities. The Betclie Everest Group is dependent on access to the media, both online and offline, and to communication networks in order to conduct its marketing activities. The inability to access these media or the application of limits or restrictions (in particular due to legislative or regulatory constraints) could affect the Betclie Everest Group's ability to promote its offerings and its image. Some countries prohibit all marketing activities for operators, including Italy, in which the country operates. Other countries that do not prohibit operators from conducting marketing activities at the date of this Circular impose constraints and restrictions for commercial communication and may reinforce these restrictions in the future. As a result, the Betclie Everest Group could be constrained in the marketing activities it conducts and not be able to attract new players and retain its players. In addition, in the event that the Betclie Everest Group's marketing activities are carried out in breach of existing regulations, in or outside the countries in which the Betclie Everest Group conduct its activities, the competent authorities could impose sanctions on the Betclie Everest Group.

All of the Betclie Everest Group's sports betting, casino games, poker and horse racing betting activities are conducted on its internet or mobile sites. As such, the Betclie Everest Group is required

to comply with regulations relating to cookies and other tracking devices placed on the terminals of internet users via its websites, which could negatively impact its ability to attract new and retain current users and failure to comply with the applicable regulations could result in the Betclac Everest Group being subject to sanctions.

In addition, in order to conduct the Betclac Everest Group's marketing and customer relationship management activities, the Betclac Everest Group may enter into service contracts with various operators. In order to increase the visibility or awareness of its brand, the Betclac Everest Group may enter into partnerships with third parties (for example, sportsmen or sports clubs) or into affiliation agreements. The Betclac Everest Group may also work with companies operating in the internet field, such as Google or Facebook, in connection with its digital marketing activities. These service providers or partners may not respect their contractual obligations, may be in breach of applicable laws and regulations or may commit fraud. In this case, the Betclac Everest Group's reputation and its ability to attract new players and retain its players could be affected. In addition, the Betclac Everest Group could be held liable by the relevant authorities. These service providers or partners may also decide not to work for operators in the online betting and gaming industry anymore. In this case, the Betclac Everest Group's ability to attract new players and retain its players could be affected.

Finally, marketing activities have a cost, which impact significantly the financial position of the Betclac Everest Group. If these investments carried out did not allow the Betclac Everest Group to achieve its targets and attract new players in a cost-effective manner, these amounts could result in a loss for the Betclac Everest Group.

If any of these risks were to materialise, this could have a material adverse effect on the Betclac Everest Group's business, results of operations and financial condition.

- d. The Betclac Everest Group's growth prospects may suffer if the Betclac Everest Group is unable to develop successful offerings, if it fails to pursue additional offerings or if it is unable to anticipate its competitors' developments. In addition, if the Betclac Everest Group fails to make the right investment decisions in its offerings and technology platform, the Betclac Everest Group may not attract and retain key users and its revenue and results of operations may decline.**

The development of the online sports betting and gaming industry has been accompanied by increasingly intense competition from operators. Existing companies are expanding at a high rate and increasing the geographic scope of their activities. In addition, new players may seek to enter certain markets. These players are seeking to offer a variety of products and services to attract the largest possible number of players, whose expectations are increasing accordingly.

The Betclac Everest Group must be able to anticipate the developments of its competitors as well as the expectations of players to offer products and services that are increasingly competitive and attractive, and to offer players a unique experience. In particular, the Betclac Everest Group must constantly offer players new products and services, such as a wide range of games, various betting methods – pre-live or live – or a streaming offer, as well as more attractive playing conditions and competitive conditions.

The Betclac Everest Group cannot guarantee that it will succeed in developing new product and service offerings. The launch of new product and service offerings by the Betclac Everest Group's competitors could divert players from its products and services. In addition, any new solution or product and service offering by the Betclac Everest Group could require long development periods

and may not be launched in a timely manner. Finally, any new solution or product and service offering may not be well received by the market. If any of these risks were to materialise this could have a material adverse effect on the Betclac Everest Group's business, results of operations and financial condition.

The development of new activities or new products could require organisational and operational changes as well as financing, which the Betclac Everest Group may not be able to carry out or implement. The Betclac Everest Group's inability to manage its organic growth could have a material adverse effect on its ability to grow and thus achieve its strategy.

e. The Betclac Everest Group's online sports betting and gaming businesses may not be able to respond to changes in technology to satisfy the future technological demands of its customers.

The gaming industry is characterised by rapidly changing technology, including the increasing importance of online and mobile channels, which has accelerated during the COVID-19 pandemic and lockdowns. The future competitiveness of the Betclac Everest Group's businesses depends on its ability to respond to technological changes effectively. The Betclac Everest Group may not be successful in achieving the necessary technological advances, and it may not have the financial resources needed to introduce or licence new products or services. In general, the Betclac Everest Group's ability to compete effectively in the online sports betting and gaming industry will depend on the acceptance by its customers of the technologies the Betclac Everest Group offers, the platforms through which it provides them, as well as approval by the relevant regulators for the new technology utilised. As handheld and mobile device penetration and usage increases, it is expected that an increasing percentage of the Betclac Everest Group's customers will access the Internet and the online platforms of its businesses through mobile devices and mobile applications. The Betclac Everest Group may not be able to successfully operate and develop new betting offers and games online and for mobile devices. Any failure to develop new gaming technology platforms and enhance its product offerings could have a material adverse effect on the Betclac Everest Group's business, results of operations, and financial condition.

Development of new gaming technology for rapidly evolving mobile device technology and platform hardware and software could lead to errors only becoming apparent after the technology is deployed and accessed by customers. Such errors could harm the Betclac Everest Group's reputation, jeopardise its ability to protect proprietary data and have a material adverse effect on its business, results of operations, and financial condition. Furthermore, the development and use of new technology, particularly online, may expose the Betclac Everest Group to additional regulatory risks.

f. As an online business, the Betclac Everest Group depends on the reliable functioning of the internet and information technology and equipment systems. Failure in IT systems and serious interference with IT systems, particularly through adverse external influences such as hacker attacks, may have a negative impact on the Betclac Everest Group's financial position, financial performance and cash flows.

The Betclac Everest Group generates all of its online sports betting and gaming revenues online.

Product and service offerings in the sports betting, casino games, poker and horse racing betting businesses are offered through the Betclac Everest Group's websites or mobile sites. These activities are supported by dedicated technical platforms, developed by the Betclac Everest Group or provided by external suppliers. The Betclac Everest Group uses a number of software products in its online activities. The Betclac Everest Group mainly uses external providers to supply and host the IT

systems on its platforms for its online sports betting and gaming activities. The Betcllc Everest Group also uses external providers to host its platforms and certain services. See "10.4(n.) *The Betcllc Everest Group relies on other third-party service providers and if such third parties do not perform adequately or terminate their relationships with the Betcllc Everest Group, the Betcllc Everest Group's costs may increase and its business, financial condition and results of operations could be adversely affected*".

The Betcllc Everest Group must, through its platforms, be able to offer its players accurate and reliable information in real time, in particular the odds offered to players in the context of sports or horse racing bets or players' stakes in part of poker games. The Betcllc Everest Group must also ensure the secure transmission of a large amount of information (in particular, the identity and bank details of players) through its IT systems. Finally, the performance, efficiency and security of mobile game applications is particularly sensitive with regard to the Betcllc Everest Group's strategy of developing its mobile offering. Betcllc Everest Group is therefore dependent on the internet, its operation and its security and it is essential for the Betcllc Everest Group to maintain permanent, efficient and secure access to the internet.

The IT systems on which the Betcllc Everest Group relies could fail. The Betcllc Everest Group's IT systems may not be compliant with the equipment used by its customers. In particular, the Betcllc Everest Group's mobile applications offered may not function properly or may not be compliant with the various systems developed by cell phone designers. In addition, IT systems could be subject to malicious acts (hacking, viruses, malware, data theft) or IT attacks (cyber-attacks), which could have the effect of blocking access to the Betcllc Everest Group's websites. Although the Betcllc Everest Group has implemented measures and made investments to improve the security of its IT systems, there can be no assurance that the Betcllc Everest Group has the resources or the technical sophistication to anticipate or prevent all cyberattacks. Finally, Betcllc Everest Group's IT systems could be subject to damage or interruption from various external sources (such as fires, floods and other force majeure events). Any business interruptions or data breaches with disclosure of confidential information could have a material adverse effect on the Betcllc Everest Group's financial condition, results of operation and its reputation.

Finally, the Betcllc Everest Group may have to upgrade and adapt its IT systems to anticipate and meet increasing requirements in terms of security, speed, accessibility and reliability, or to accommodate the growth of its business due to an increase in the number of players or an increase in the volumes or sectors of activity covered. If the Betcllc Everest Group experiences malfunctions and operational failures when upgrading its IT systems, its business could be interrupted, either temporarily or permanently, and the quality of its services and products could decline. In addition, upgrading or adapting IT systems requires significant investments.

The Betcllc Everest Group's customers also must have permanent, efficient and secure access to the internet in order to access the Betcllc Everest Group's products and services. Any failure of the internet or of the Betcllc Everest Group's IT systems could result in connection delays, temporary or permanent interruption of access to the Betcllc Everest Group's websites and, consequently, of its activities. In addition, such a failure could affect the Betcllc Everest Group's reputation and its ability to retain its customers or attract new customers and could have a material adverse effect on its business, results of operations and financial condition.

In addition, the Betcllc Everest Group is subject to regular audits of its IT systems by the competent Regulatory authorities. In the event of a violation of the regulations, the Betcllc Everest Group could

be subject to sanctions.

- g. Actual or alleged procedural errors in the processing of online sports betting and gaming orders and the payment of winnings could result in claims for damages by customers for lost income from online sports betting or gaming in regulatory risks and could have a material adverse effect on the Betclac Everest Group's business and reputation.**

The Betclac Everest Group uses automated procedures for the processing of online sports betting and gaming offers, which are carried out via complex hardware and software. The Betclac Everest Group cannot guarantee that the acceptance and processing of online sports betting and gaming orders will always function without problems. Even without the above-mentioned damage to business activities, this could lead in particular to online sports betting and gaming orders not being recorded and processed at all or being recorded and processed incorrectly, with the result that a customer either does not participate in a game at all or participates with different content. Although customers usually receive a confirmation of their order in which the content of their order is reproduced, customers may either not take note of this or not check the content. In particular, if an order that was placed but not properly processed would otherwise have generated a high profit, the Betclac Everest Group's reputation could be significantly impaired if such an error were to become public knowledge. It also cannot be ruled out that there are no procedural errors on the Betclac Everest Group's part, but that customers nevertheless claim and publicly disclose that they have submitted an order that was not transmitted or have submitted it otherwise and have not received the winnings to which they are supposedly entitled. In this case, too, the Betclac Everest Group's reputation could be damaged. In such cases, customers could also assert claims for damages against the Betclac Everest Group, in particular for lost gaming winnings. Loss of reputation could lead to a decline in online sports betting and gaming participation by existing customers and to a lower number of new registrations, which in turn could have a material adverse effect on the Betclac Everest Group's business, results of operations and financial condition. Furthermore, procedural errors in the processing of online sports betting and gaming orders and the payment of winnings may expose the Betclac Everest Group to additional regulatory risks.

- h. The Betclac Everest Group may not be able to guarantee to its customers responsible gaming conditions.**

The risks associated with online sports betting and gaming are a major issue for national legislators and regulators. The notion of responsible gaming has therefore gradually developed. The subject covers, in particular, the fight against gaming addiction and the fight against underage gaming practices.

The promotion of entertainment is one of the founding values of the Betclac Everest Group, and it is determined to ensure that gaming remains above all a pleasure. The Betclac Everest Group is aware of its responsibility and it makes sure to implement all possible means to reduce the negative impact that gaming may sometimes have on the family, social and professional lives of our clients. To achieve this, the Betclac Everest Group believes in an inclusive and collaborative approach with all parties stakeholders in the sector: operators, regulators, healthcare and player assistance professionals, associations of players, researchers, etc.

The Betclac Everest Group's responsible gaming action plan is part of a dynamic of continuous effort to improve and strengthen devices that it has implemented. The Betclac Everest Group has a policy based on two pillars, the first being education and prevention and the second being detection and

support. For detection and support, Betcllc has built some detection tools for monitoring of players, whether at the time of account opening, during transactions carried out by players on their accounts or during the games themselves. However, the Betcllc Everest Group cannot guarantee that these controls will prevent all risk situations, that failures in the control systems will not occur or that errors will not be made. As a result, a person could be allowed to gamble online when he or she should have been prohibited, or a person in an addictive situation could be allowed to continue gaming.

The Betcllc Everest Group faces regular audits from the regulatory authorities. The Betcllc Everest Group may thus face sanctions in case it fails to comply with its obligations, whether legislative or regulatory. For example, in France, the Betcllc Everest Group is obligated to submit its responsible gaming action plan for approval by the ANJ. This action plan must reflect on the Betcllc Everest Group's responsible gaming efforts of the previous years, and its commitments to improve responsible gaming for the upcoming year. No such obligation currently exist in Poland or Portugal.

In addition, failure to demonstrate that the Betcllc Everest Group has effectively implemented the necessary controls could affect its reputation and its ability to attract and retain players, which could have a material adverse effect on its business, results of operations and financial condition.

i. The Betcllc Everest Group is subject to laws aimed at preventing money laundering, bribery and the financing of terrorism. Failure to comply with these laws could have a negative effect on the Betcllc Everest Group's business and reputation.

The Betcllc Everest Group's business is subject to laws aimed at preventing money laundering ("AML"), bribery and the financing of terrorism ("CFT"). In addition, the Betcllc Everest Group is subject to sanctions laws and regulations which prohibit transmitting money to certain specified countries or to or on behalf of certain individuals. Due to its nature, the online sports betting and gaming sector is exposed to the risk of fraudulent, illegal or illicit transactions, including corruption or money laundering. The Betcllc Everest Group's activities, whether in online sports betting or gaming, involve the mobilisation and transfer of large sums of money and generate a large number of transactions and financial flows that facilitate such fraudulent, illegal or illicit activities. The Betcllc Everest Group could also be targeted by third parties, including criminal organisations, for using its betting services to engage in money laundering. Although the Betcllc Everest Group has procedures in place to ensure compliance with applicable laws and regulations, it cannot guarantee that the risk of non-compliance is completely mitigated. Criminal sanctions, fines and penalties, which may include the shutting down of operations, could be imposed in the countries in which the Betcllc Everest Group operates, and more stringent AML, CFT, sanctions or anti-bribery legislation could create the need for increased resources devoted to the Betcllc Everest Group's compliance functions. Any failure, or suspected failure, by the Betcllc Everest Group to comply with its obligations relating to AML, CFT, sanctions or anti-bribery, could not only have a material adverse effect on the Betcllc Everest Group's business, financial condition and results of operations but could also have a material adverse effect on its reputation in general.

The Betcllc Everest Group relies on the ability and integrity of its management and employees to properly comply with laws and regulations procedures. If the Betcllc Everest Group fails to train and manage its employees properly, its internal controls and procedures may be ineffective and the Betcllc Everest Group may be at an increased risk of non-compliance with applicable laws and regulations, which could have a material adverse effect on its business, results of operations and financial condition.

j. The Betclac Everest Group is exposed to risks of fraud or cheating and fraudulent activities.

The Betclac Everest Group's customers may attempt to commit, or actually commit, fraud, cheat, or use impermissible methods in violation of the game's terms and conditions of use, for example by fixing matches. Acts of fraud or cheating may involve various tactics, possibly in collusion with employees or other customers. Employees could also engage in acts of cheating, including through collusion with programmers and other personnel. Successful exploitation of the systems of the Betclac Everest Group's businesses could have negative effects on its products, services, and user experience. Failure to discover such acts or schemes in a timely manner could result in harm to the Betclac Everest Group's operations. In addition, negative publicity related to such schemes could have an adverse effect on the Betclac Everest Group's reputation, potentially causing a material adverse effect on its business, financial condition, and results of operations. In the event of the occurrence of any such issues with the Betclac Everest Group's businesses' product offerings, substantial engineering and marketing resources, and management attention, may be diverted from other projects to correct these issues, which may delay other projects and the achievement of the Betclac Everest Group's strategic objectives.

The Betclac Everest Group could also be targeted by third parties, including criminal organisations, for fraudulent activities, such as attempts to compromise the systems that process and collect payment information, or to use its online sports betting and gaming services to engage in fraud. The Betclac Everest Group may fail to detect non-compliance with applicable laws or their policies. To the extent that it is not successful in detecting and preventing fraud, or it fails to comply with applicable regulations, the Betclac Everest Group and its directors could be subject to criminal sanctions or administrative and civil fines and could directly suffer loss, the revocation of concessions and licences, operational bans, or lose the confidence of their customer base. Any of these factors could have a material adverse effect on the Betclac Everest Group's business, results of operations, financial condition and reputation.

k. Due to the nature of its business, the Betclac Everest Group processes a significant amount of consumer data. The Betclac Everest Group's inability to protect consumer data may lead to reputational damage and regulatory scrutiny or penalties, which could adversely affect the Betclac Everest Group's business, financial condition and results of operations.

In the Betclac Everest Group's business, it accesses and manages a significant amount of personal data relating to players, including information relating to the identity of players and banking information (in particular, credit card numbers or bank details).

As a result, the Betclac Everest Group is subject to legislative and regulatory obligations relating to the holding and management of players' personal data.

Firstly, the regulations require the Betclac Everest Group to keep the data of active players but also of inactive players for a certain period of time. For example, in France, the Betclac Everest Group must observe a period of twelve months before considering that an account has become inactive. A new period of six years must be observed to close the account

Secondly the Betclac Everest Group is subject to Regulation (EU) 2016/679 of the Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data ("**GDPR**"). Accordingly, when processing players' personal data the Betclac Everest Group is required to apply the fundamental principles relating to the protection of personal data. In particular, the principle of fair and transparent processing requires

the Betclie Everest Group to inform players of the existence of the processing operation, its purposes and the players' rights.

The Betclie Everest Group may not comply with all the obligations that apply to it in connection with the holding and processing of personal data, particularly given the history of its activities or the age of certain data. Failure to comply with applicable regulations on the protection of personal data may result in administrative or, in rare cases, criminal sanctions. The Betclie Everest Group may also be ordered to cease the unlawful processing of data temporarily or permanently. In addition, the Betclie Everest Group's reputation and image depend on its ability to keep its customers' personal data confidential. The Betclie Everest Group may be subject to audits from various local data protection authorities. An infringement of the protection of its customers' personal data could result in liability and potential lawsuits from the Betclie Everest Group's customers, or even the loss of licenses. From time to time the Betclie Everest Group uses external service providers to process players' personal data. As subcontractors, these service providers may, where applicable, be subject to applicable data protection regulations. In the event of a breach by these subcontractors of the regulations applicable to them, the Betclie Everest Group could be held liable for any shortcomings in the measures implemented by the subcontractors with regard to data protection.

In addition, the Betclie Everest Group could be subject to malicious acts, in particular acts of intrusion into players' accounts or fraudulent access to information relating to players and their banking information, particularly with a view to appropriating it. The Betclie Everest Group could also be subject to theft or appropriation of player data by its own employees or suppliers, who could then pass it on to competitors. The occurrence of such acts could affect the Betclie Everest Group's reputation and its ability to retain customers or attract new customers, which could have a material adverse effect on the Betclie Everest Group's business, results of operation and financial condition.

I. The Betclie Everest Group is subject to banking regulations due to deposits made by customers.

In order to be able to access the Betclie Everest Group's activities, whether sports betting, horse racing betting, poker or casino games customers must open an account and deposit funds there. These funds, supplemented, if necessary, by new deposits, are then used to wager in the context of sports betting or horse race betting or to participate in poker or casino games.

The receipt and withdrawal of funds from clients may be subject to varying regulations depending on the country. These payments may in particular be assimilated to deposits. However, the acceptance of deposits is a regulated activity in many countries which generally requires authorisation from the competent authorities as a financial institution.

Consequently, the conduct of activities requires obtaining the necessary authorisations in the various countries concerned. The issuance of these authorisations is subject to various conditions concerning in particular the managers, the competence and the capacity (in particular financial and technical) to carry out the activities concerned or compliance with the applicable laws and regulations. If the Betclie Everest Group were unable to comply with these conditions, authorisation requests could be rejected and the Betclie Everest Group would not be able to receive funds from its customers and therefore to conduct its activities.

Once the authorisations have been obtained, the Betclie Everest Group must comply with the regulations applicable in the countries concerned. In particular, the Betclie Everest Group is subject to regular checks by the competent authorities. Failure by the Betclie Everest Group to comply with the applicable regulations could lead the Betclie Everest Group to bear penalties, in particular fines

or the withdrawal of the authorisations granted.

In addition, authorisations are granted for limited periods. The renewal of authorisations is not automatic and must be the subject of a request from the Betclac Everest Group, which will be assessed by the competent authorities on the basis of the same criteria as those described above. In the event that the Betclac Everest Group would not be able to meet these criteria or would not obtain the renewal of its authorisations, the Betclac Everest Group would no longer be able to receive deposits from its customers and would be forced to cease its activities within the countries concerned, which could affect the conduct of its activities and have a significant impact on its financial situation, its results or its prospects. In addition, the renewal of authorisations could be obtained but under less favourable conditions for the Betclac Everest Group, which could affect the conditions under which the Betclac Everest Group carries out its activities and their development.

m. The Betclac Everest Group may not be able to adequately protect or enforce its intellectual property rights, or third parties may allege that the Betclac Everest Group is infringing their intellectual property rights.

The Betclac Everest Group's business depends on its ability to effectively protect its intellectual property rights.

The Betclac Everest Group owns a number of trademarks and trade names, which, along with related internet domain names, are crucial to the Betclac Everest Group's business. These trademarks and domain names have been registered with the relevant authorities. However, the Betclac Everest Group may not be able to protect its intellectual property rights or guarantee their maintenance or renewal, which could affect the conduct of the Betclac Everest Group's business or allow its competitors to offer products or services under conditions that infringe the Betclac Everest Group's intellectual property rights. In addition, despite their registration, third parties could use or attempt to use the Betclac Everest Group's intellectual property rights. Such infringements could cause the Betclac Everest Group commercial and image damage.

The Betclac Everest Group has registered its trademarks and domain names at the European level and with local authorities, including in Brazil, Canada, Senegal and Ivory Coast, but not on a more global scale. As a result, the Betclac Everest Group's intellectual property rights could be used in countries where they are not protected. The Betclac Everest Group might be required to spend significant resources to monitor and protect its intellectual property rights. The Betclac Everest Group may initiate claims or litigation against others for infringement, misappropriation or violation of its intellectual property rights or proprietary rights or to establish the validity of such rights. Despite the Betclac Everest Group's efforts, the Betclac Everest Group may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating its intellectual property rights and other proprietary rights.

In addition, the Betclac Everest Group may receive in the future, communications alleging that its products or services infringe intellectual property rights or other proprietary rights of third parties. Such claims, whether or not meritorious, could result in significant additional expenses and redirect management attention. The realisation of any of such risks, alone or in combination, could have a material adverse effect on the Betclac Everest Group's business, financial condition and results of operations.

n. The Betclac Everest Group relies on other third-party service providers and if such third parties do not perform adequately or terminate their relationships with the Betclac Everest

Group, the Betclac Everest Group's costs may increase and its business, financial condition and results of operations could be adversely affected.

The Betclac Everest Group uses various suppliers to conduct its online sports betting and gaming business and may be dependent on some of them or the solutions they offer.

The Betclac Everest Group relies on the services of its IT suppliers, for the provision of various ancillary services. For online poker, the technical platform is provided by Playtech; for horse racing betting, the technical platform and content are provided by Zetote. In addition, in some areas, a limited number of suppliers have the necessary expertise and skills to offer equivalent solutions to operate. Finally, the Betclac Everest Group has entered into contracts with Amazon and Microsoft to offer online data storage systems (cloud) to players. If the Betclac Everest Group's IT suppliers fail to provide adequate maintenance or development of the Betclac Everest Group's technology platform, or exercise their right to terminate their contract with the Betclac Everest Group, this could have a material adverse effect on the Betclac Everest Group's ability to operate its business and provide its services to its customers. See "10.4 (f.) *As an online business, the Betclac Everest Group depends on the reliable functioning of the internet and information technology and equipment systems. Failure in IT systems and serious interference with IT systems, particularly through adverse external influences such as hacker attacks, may have a negative impact on the Betclac Everest Group's financial position, financial performance and cash flows.*" Any change in the availability of the services provided by the Betclac Everest Group's IT suppliers, or an increase in the fees charged by them, could have a significant impact on the Betclac Everest Group's business.

Furthermore, the Betclac Everest Group relies on two external service providers, Betgenius and Betradar, for the provision of odds for the Betclac Everest Group's sports betting. The provision of relevant odds in a timely manner and for all events covered, is essential to the Betclac Everest Group's ability to offer its sports betting business. An interruption in the provision of odds or the provision of irrelevant odds could affect the Betclac Everest Group's ability to offer its sports betting business or to do so on a sustainable basis or in compliance with applicable regulations. The Betclac Everest Group's reputation could be affected and it could lose customers. The Betclac Everest Group could suffer financial losses due to erroneous odds or be exposed to sanctions by the relevant authorities.

The Betclac Everest Group is also dependent on maintaining its relationships with the banks and various payment services that process transactions between the Betclac Everest Group and players. The ability of the control and payment systems to provide fast and efficient services in which customers have confidence is crucial to the smooth operation and development of the Betclac Everest Group's business. Any deterioration in the relationship with the providers of these services, as well as any new legislation or regulations restricting financial transactions with online gaming operators, could restrict the Betclac Everest Group's ability to accept and process payments from its customers. In addition, deterioration in the quality of control and payment systems, their interruption or termination, or their inability to handle requests could result in the Betclac Everest Group losing players who will be dissuaded from using its services. Finally, the Betclac Everest Group could be significantly affected if some of its financial partners withdraw their services due to a change in banking legislation or regulations prohibiting banking institutions from providing services to companies operating in the online sports betting and gaming sector.

Contracts entered into with third-party service providers generally contain clauses authorising the parties to terminate the contract in the event of the occurrence of certain events. These events may include, in particular, a breach of the parties' contractual obligations, a breach of the applicable

regulations or licenses, loss of the licenses, a change in the shareholding (direct or indirect), or a change in market conditions. In addition, the contracts with the Betclac Everest Group's suppliers are generally concluded for specific periods. These terms are generally short and, once the term has expired, the contracts are renewed by tacit agreement. If the contracts concerned were to be terminated or not renewed, the Betclac Everest Group might no longer be able to conduct its business under conditions at least equivalent to those prevailing at the date of this document. This could have a material adverse effect on the Betclac Everest Group's business, results of operations or financial condition.

o. The Betclac Everest Group's Bet-at-home.com business is subject to additional risks.

Bet-at-home, in which the Betclac Everest Group holds 53.9% of the shares is a German company also operating in the field of online betting and gaming. Bet-at-home is listed on the Frankfurt Stock Exchange and operates independently. See "10.2(e.) *The FL Entertainment Group is subject to risks associated with acquisitions, joint ventures and the presence of minority shareholders.*".

Over the year ended 31 December 2021, the revenue of Bet-at-home represented approximately 12% of the Betclac Everest Group's total revenue. The business of Bet-at-home faces similar risks as the Betclac Everest Group's betting business as the nature of the business is the same, but is also subject to additional risks as it operates in a different manner and in other jurisdictions than the Betclac Group does.

For example, in Austria, Bet-at-home is involved in several legal proceedings in which players have claimed reimbursement for their gaming losses that they incurred with unlicensed operators in Austria. As stated in a press-release that was published by Bet-at-home.com on 18 October 2021, Bet-at-home decided to discontinue its online casino offering in Austria, due to a ruling by the Austrian Supreme Court confirming the actual monopoly of the Austrian gambling regulation and its compliance with European law. While Bet-at-home still considers the online casino monopoly of the national Austrian gambling regulation to be contrary to European Law and, accordingly, considers itself to be a lawful online casino provider in Austria, following the Austrian Supreme Court ruling, it has recognised further provisions for the customer lawsuits for reimbursement of player losses that have been pending in Austria to date. For the full year 2021, expenses in connection with the Austrian customer lawsuits are expected to amount to €24.6 million (excluding litigation fees), subsequently leading to an adjustment of Bet-at-home.com's guidance for the financial year 2021.

In the year ended 31 December 2021, 4.5% of the assets on the Betclac Everest Group's balance sheet represented the goodwill generated in connection with its interest in Bet-at-home. Other unfavourable evolutions in these legal proceedings may lead to an impairment of the goodwill representing the Betclac Everest Group's interest in Bet-at-home.

10.5 Risks relating to Taxation

a. The Betclac Everest Group has been subject to a VAT reassessment with respect to its activities of sports betting in France.

The Betclac Everest Group, like many other local operators, considers that its activities of sports betting in France are not subject to value added tax ("VAT"). This is based on the VAT exemption provided for in article 261E of the French tax code (*Code général des impôts*). On 9 April 2015, the association AFJEL requested a ruling from the French tax authorities regarding the VAT regime for sports betting services provided to French players. On 13 March 2019 the French tax authorities issued a ruling (the "**VAT Tax Ruling**"), in which the French tax authorities came to the conclusion

that the betting at odds operations should be viewed as an activity of the organiser of those games and betting activities and thus be subject to VAT. The organiser cannot benefit from the exemption in article 261E of the French tax code. On 11 January 2021, the association AFJEL filed a complaint with the EU Commission, considering the VAT Tax Ruling as being non-compliant with EU legislation. Following the VAT Tax Ruling, the Betclac 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.

The Betclac Everest Group, with the support of its legal and tax advisers, considers the bases for adjustment are erroneous and that the position of the tax authorities is not in conformity with EU community law and 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 Betclac Everest Group will challenge this adjustment in France, with the 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, yet, it cannot be excluded that the Betclac Everest Group does not succeed in these proceedings. If the courts rule that the French tax authorities may apply VAT to sports betting activities in France, the application of VAT to the Betclac Everest Group's sports betting activities in France could therefore result in a higher overall tax liability and have a significant adverse effect on the Betclac Everest Group's profitability and financial position, both for the previous years as well as for the years to come.

b. As a significant portion of the Betclac Everest Group's revenues are generated in a limited number of geographies, a change in the taxation applicable to online sports betting and gaming may have a significant adverse impact on the profitability of the Betclac Everest Group.

The Betclac Everest Group is sensitive to the taxation of online sports betting and gaming in the various jurisdictions in which it operates. Indeed, a significant portion of the Betclac Everest Group's revenue is generated in five countries: France, Germany, Italy, Portugal and Poland. These five countries represented 91% of the revenue generated by the Betclac Everest Group during the financial year 2021. However, France, Portugal and Poland are among the countries that tax online gambling the most. For example, in France, taxes are applied to sports betting, poker betting and horse racing betting, to which may be added betting rights or a VAT charge.

In France, since January 2020, the betting taxes on sports betting are of 54,9% on the gross generated revenue minus bonuses. Previously, the taxation was based on betting stakes, at a rate of 9.3%.

In Portugal, taxation for sports betting is based on stakes. Previously, it was a minimum of 8% tax, with a progressive tax, increase depending on the final annual sportsbook turnover and the Betclac Everest Group was paying an average of 15% tax on sportsbook turnover. Since April 2020, Portugal applies a flat tax of 8% on sportsbook stakes.

As a result, any increase in the taxation applicable to online sports betting and gaming, particularly in France, Germany, Italy, Poland and Portugal, may have a significant adverse impact on the profitability of the Betclac Everest Group's operations.

c. Changes in tax laws or successful challenges to the FL Entertainment Group's tax position could adversely affect its results of operations or financial condition.

The FL Entertainment Group is subject to complex tax laws in each of the jurisdictions in which it operates. Changes in tax laws or regulations could adversely affect the FL Entertainment Group's tax

position, such as its effective tax rate or tax payments and thus its financial results. The various applicable regulations may also be a source of risk due to their imprecision, difficulties in their interpretation, or changes in their interpretation by local tax authorities. The compliance of the FL Entertainment Group with all these different rules or interpretations may result in unforeseen tax consequences. Any significant failure to comply with applicable tax laws and regulations in all relevant jurisdictions could give rise to substantial penalties and liabilities. The multiple tax regimes to which the companies of the FL Entertainment Group are subject as well as their uncertain developments may have a significant adverse effect on the FL Entertainment Group, its activities, its financial situation, its results or its perspectives.

For example, the current incorporation into French tax law of the Organisation for Economic Cooperation and Development's (the "OECD") principles related to base erosions and profit shifting ("BEPS") included in the final reports released by the OECD as well as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on 7 June 2017, may increase the administrative efforts within the FL Entertainment Group's business and impact existing structures. Moreover, Her Majesty's Revenue and Customs (HMRC) has contested Endemol Shine's growth securities ownership plan operated by Endemol Shine UK Ltd. and Tiger Aspect Productions Ltd as a tax avoidance scheme, the appeal of which was unsuccessful. The FL Entertainment Group is currently assessing the situation before taking any further legal actions, if any.

A. Challenges to the FL Entertainment Group's transfer pricing positions could adversely affect its results of operations or financial condition

The FL Entertainment Group conducts operations in multiple tax jurisdictions, and the tax laws of those jurisdictions generally require that the transfer principles between affiliated companies in different jurisdictions be the same as those between unrelated companies dealing at arm's length, and that such prices are supported by contemporaneous documentation. While the FL Entertainment Group believes that it operates in compliance with applicable transfer pricing laws and intends to continue to do so, its transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these jurisdictions were to successfully challenge the FL Entertainment Group's transfer prices as not reflecting arm's length transactions, they could require the FL Entertainment Group to adjust its transfer prices and thereby reallocate its income to reflect these revised transfer prices, which could result in a higher overall tax liability, and possibly interest and penalties, and could adversely affect the FL Entertainment Group's business, results of operations and financial condition.

In particular, the Betclac Everest Group (other than Bet-at-home), like many online sports betting and gaming operators, is established in France and has subsidiaries in various countries, including Gibraltar and Malta, where most of its trading, finance, customer service, fraud, anti-money laundering and responsible gambling departments and some key personnel are located. Bet-at-home is established in Austria and also has subsidiaries in Gibraltar and Malta. The Betclac Everest Group cannot exclude that the tax authorities challenge the allocation of profits between the different entities within the Betclac Everest Group. In this respect, a request for administrative assistance has been filed by the French tax authorities to the Maltese and Gibraltar tax authorities as part of the ongoing tax audit relating to fiscal years 2018 to 2020 carried out at the level of the Betclac Everest Group.

B. Challenges to the tax position of the Betclac Everest Group could adversely affect its results of operations or financial condition

The tax regulations applicable to the Betclie Everest Group may also vary depending on the activities concerned, such as sports betting, casino games, poker or horse racing betting, or on the interpretation of the relevant tax authorities. In addition, the tax regime applicable to activities carried out via the internet may not be homogeneous between the various national territories and is constantly changing. Lastly, tax regulations may change as a result of a change in legislation or a new doctrine issued by the tax authorities.

The Betclie Everest Group relies on generally available interpretations of tax laws and regulations in the jurisdictions in which it operates, including to benefit from various tax credits. The Betclie Everest Group cannot be certain that the relevant tax authorities are in agreement with the Betclie Everest Group's interpretation of these laws. If the Betclie Everest Group's tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require the Betclie Everest Group to pay taxes that it currently does not collect or pay or increase the costs of its products or services to track and collect such taxes, which could increase its costs of operations and have a negative effect on its business, results of operations and financial condition.

C. Changes in corporate income tax rates could adversely affect its results of operations or financial condition

Another area of uncertainty concerns the sustainability of the statutory corporate income tax rate applicable in the countries in which the FL Entertainment Group operates. For example, in France, the result of the French presidential elections may impact the statutory corporate income tax rate provided for by article 219 of the French tax code (*Code général des impôts*) which has been reduced to 25% starting 1 January 2022. Other countries have already announced an increase in their statutory corporate income tax rate such as the United-Kingdom and the Netherlands respectively from 19% to 25% as from 1 April 2023 and from 25% to 25.8% as from 1 January 2022. Such increases may impact the FL Entertainment Group's tax position and effective taxation rate and therefore the FL Entertainment Group's results of operations and financial condition.

D. Changes as a result of EU rules could adversely affect its results of operations or financial condition

Furthermore, the European Union continues to harmonise the tax legislation of the Member States. In this respect, the Council of the European Union adopted a directive "*laying down rules against tax avoidance practices that directly affect the functioning of the internal market*" on 12 July 2016 (Council Directive 2016/1164) (the "**ATAD**"). The ATAD was later amended on 29 May 2017 by the Council Directive (EU) 2017/952 (the "**ATAD 2**"), which, inter alia, extends the scope of the ATAD to hybrid mismatches involving third countries. More recently, on 22 December 2021, the European Commission published a new proposal for a directive laying down rules to prevent the misuse of shell entities for improper tax purposes and amending Directive 2011/16/EU (the "**ATAD 3 Directive**").

ATAD 3 Directive proposal of 22 December 2021 introduces new reporting requirements for EU tax-resident companies with certain mobile and passive income streams and inadequate operational substance. In certain cases of inadequate substance, the benefits of tax treaties and EU Directives may be denied, resulting in an increased withholding tax burden as well as potential penalties for failure to report or incorrect reporting. Once the rules are adopted, Member States will need to implement the proposed measures into their domestic tax legislation by 30 June 2023 and apply them by 1 January 2024 with a potential two-year look-back rule. In this respect the FL Entertainment

Group Companies' position as of 1 January 2022 may be a reference point. The FL Entertainment Group income including significant passive income (interest, dividends and intellectual property royalties), resulting from cross-border operations, some of its companies might be presumed as shell companies concerned by reporting purposes, subject to rebuttable presumption. Therefore, while the FL Entertainment Group believes that it does not have aggressive or abusive structures, it may need to anticipate necessary operational changes to ensure that its operating companies have sufficient substance, notably in terms of allocated human resources in addition to incur additional administrative reporting burden which may mobilise higher internal and external resources, which may have an impact on the costs incurred and thus the FL Entertainment Group's financial results.

E. Changes as a result of the reform of the international tax system could adversely affect its results of operations or financial condition

On 8 October 2021, the OECD issued updates on the major reform of international tax system, so-called two pillar solution, agreed on 1 July 2021, and aimed at aligning taxing rights more closely with local market engagement ("**Pillar 1**") and at implementing as from 2023 a minimum 15% taxation rate in each country where the groups operate ("**Pillar 2**"). The Inclusive Framework on Base Erosion and Profit Shifting (comprising 141 countries and jurisdictions collaborating on the implementation of the 15 BEPS measures out of which 137 have signed up on Pillar 2) released details of their agreement which refines the statement made on 1 July 2021. On 20 December 2021, the OECD released the Pillar 2 15% minimum effective tax rate Model Rules referred to as "Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules" but as to the actual mechanics of the rules, the detailed implementation rules will only be known mid-2022.

The FL Entertainment Group will be concerned by Pillar 2 with very complex rules described to impose a top-up tax using an effective tax rate test calculated on a jurisdictional basis with a common definition of covered taxes and a tax base determined by reference to financial accounting income with agreed adjustments consistent with the objectives of Pillar 2 and mechanisms to address timing differences and tax losses.

The European Commission announced, in respect of implementation of Pillar 2, that a directive will have to reflect the OECD rules with the necessary adjustments to the EU law framework. This will also entail a reform of ATAD in respect of controlled foreign companies, a reform of Council Directive 2003/49/EC of 3 June 2003 on interest and royalty which provides for withholding tax exemption between EU related companies under certain conditions to potentially subject such exemption to the minimum 15% taxation of the recipient company. The countries' effective implementation of Pillar 2 will also be taken into account to determine the list of the non-cooperative states and territories within the meaning of article 238-0 A of the French tax code, as determined by order or decree (the "**Non-Cooperative States and Territories**").

Pillar 2 rules may increase the FL Entertainment Group's effective taxation rate and will necessarily impact its tax position and financials in the future and require significant resources, management attention as well as external costs to ensure that the FL Entertainment Group is compliant and all its disclosure requirements. This may have a negative effect on the FL Entertainment Group's business, results of operations and financial condition.

d. The adoption by the Council of the European Union of an EU list of non-cooperative jurisdiction for tax purposes and the use of this list in the jurisdictions where the FL

Entertainment Group operates may impact its financial results.

The Council of the European Union adopted on 5 December 2017 its conclusions on the EU list of non-cooperative jurisdictions for tax purposes (the "**Council Conclusions**") which is composed of two sub-lists (respectively, annex 1 of the list of non-cooperative tax jurisdictions, adopted by the Council of the European Union on 5 December 2017, as amended (the "**Black List**") and annex 2 of the list of non-cooperative tax jurisdictions, adopted by the Council of the European Union on 5 December 2017, as amended (the "**Grey List**"), together referred to as the "**EU List**"). The EU List was established following a screening and a dialogue conducted by a code of conduct working group appointed by the Council during 2017 with a large number of third country jurisdictions. The Black List, which is updated twice a year since 2020, is currently (according to the list as of 24 February 2022 and as published in [the Official Journal of the European Union \(C-103/1\)](#) on 3 March 2022) composed of nine jurisdictions (American Samoa, Fiji, Guam, Palaos, Panama, Samoa, Trinidad and Tobago, the United States Virgin Islands and Vanuatu). Furthermore, the Council published a Grey List of screened jurisdictions that committed to introduce changes in their tax legislation in order to comply with the European Union screening criteria. Though there is no applicable sanction yet, Member States are encouraged by the Council Conclusions to agree on coordinated sanctions to apply at national level against these listed jurisdictions, such as increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions.

A French law that aims at fighting fraud was published on 24 October 2018 (Law 2018-898 of 23 October 2018) and expands under certain conditions the French tax regime regarding the Non-Cooperative States and Territories to certain states and jurisdictions included into the Black List. As a result, services, royalties or interest paid or accrued to persons domiciled or established in certain states and jurisdictions included into the Black List or paid on an account opened in a financial institution located in such states and jurisdictions may be subject to a 75% withholding tax in France and not be deductible for purposes of the computation of the debtor's corporate income tax liability, unless it can be demonstrated the economic reality of the operations and that their remuneration is not abnormal or exaggerated, the burden of the proof being on the taxpayer. The new provisions apply to states and jurisdictions after their inclusion by order (*arrêté*) on the list of Non-Cooperative States and Territories. The list published on 4 March 2021 contains 13 jurisdictions which comprises those of the European Union list as well as Anguilla, Seychelles, British Virgin Islands and Dominica which are on the Grey List.

Even though this is currently not the case, some of the productions of the Banijay Group such as adventure or reality shows have in the past been and may in the future be shot in such countries which are or may become listed as Non-Cooperative States and Territories, which may require, due to the burden of the proof being on the FL Entertainment Group, additional compliance, disclosure and administrative requirements and thus costs to sustain towards the tax authorities the economic reality of the operations. While the FL Entertainment Group believes it is compliant and intends to remain compliant in all instances, the tax authorities is not bound by the evidence given by the FL Entertainment Group and a challenge by the tax authorities could lead to adverse tax consequences, including penalties which may impact the FL Entertainment Group's results of operations and financial condition.

- e. Tax legislation, tax audits or disputes and the FL Entertainment Group's results may restrict its ability to use tax loss carry-forwards, and/or deduct interest.**

The FL Entertainment Group may record deferred tax assets on its statement of financial position,

reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carry-forwards from its entities. The actual realisation of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and the future results of the relevant entities. In particular, pursuant to Article 209, I, paragraph 3 of the French tax code (*Code général des impôts*), the fraction of French tax loss carry-forwards that may be used to offset the taxable profit with respect to a given fiscal year is limited to €1.0 million plus 50% of the portion of taxable profit exceeding €1.0 million. Similar rules and limitations may be applicable in other countries in which the FL Entertainment Group operates. For example, as of 1 January 2022 an indefinite tax loss-carry forward applies in the Netherlands. However, for Dutch corporate income tax purposes, as of that date the amount of tax losses that may be used to offset taxable profits in a given fiscal year is limited to €1.0 million plus 50% of the portion of taxable profit of that fiscal year exceeding €1.0 million. As a result of transitional law, tax losses incurred in the financial years that started on or after 1 January 2013 and still available for carry forward as of 1 January 2022 also fall under the new scheme that entered into effect on 1 January 2022 and will therefore be indefinite. This will have a significant impact for the Banijay Group on the tax results of the recently acquired Endemol companies, which were using their prior tax losses to fully offset their tax profits and will become liable to tax in the future.

Similar rules exist in the most important countries where the FL Entertainment Group operates and notably in France, Spain, USA, Germany, Italy and the United Kingdom. As of 31 December 2021, the FL Entertainment Group had recorded a total amount of €817 million tax loss carry-forwards notably in France, Spain, the United States, Sweden, Australia, Italy, the Netherlands and the United Kingdom. Part of these tax loss carry-forwards have been reflected in the FL Entertainment Group's financial statements for the year ended 31 December 2021, resulting in the amount of €47.9 million of deferred tax assets partly corresponding to the portion of tax loss carry-forwards that the FL Entertainment Group expect to offset against operating profits in the following fiscal years. Any reduction in the FL Entertainment Group's ability to use these assets due to changes in laws and regulations, potential tax reassessment or lower than expected results could have a negative impact on the FL Entertainment Group's business, results of operations and financial condition.

Moreover, most of the FL Entertainment Group's external indebtedness is raised in France where the French tax legislation may restrict the deductibility, for tax purposes, of all or a portion of the interest incurred by the FL Entertainment Group, notably further to the introduction effective as from 1 January 2019 of the provisions of the ATAD regarding interest deductibility limitations. Similar rules apply in other jurisdictions where the FL Entertainment Group operates in respect of interest on intercompany loans implemented across the FL Entertainment Group. Local tax authorities having deeper scrutiny on intergroup financings and effective beneficiary of the interest, the FL Entertainment Group may suffer interest deductibility restrictions in addition to the ATAD limitations as well as withholding taxes. These restrictions may reduce the cash flow available to service the FL Entertainment Group's external indebtedness.

These tax rules on deductibility, as well as generally applicable tax principles, and specific tax rules and principles applicable in other jurisdictions in which the FL Entertainment Group operates, may effectively limit the FL Entertainment Group's ability to deduct interest accrued on the FL Entertainment Group's indebtedness and, as a consequence, may increase the FL Entertainment Group's tax burden, which could adversely affect the FL Entertainment Group's business, financial condition and results of operations.

f. A change of control of the FL Entertainment Group may restrict its ability to use tax loss carry-forwards.

Local legislations may condition the carry forward and use of net operating losses to the absence of change of control (which may be differently defined under each of those legislations). A variation of the shareholding of a FL Entertainment Group Company may crystallise a change of control in some countries in which the FL Entertainment Group operate and accordingly reduce the FL Entertainment Group's ability to use the net operating losses and as such have a negative impact on the FL Entertainment Group's corporate income tax charge and its effective tax rate and affect the FL Entertainment Group's financial condition and results of operations.

g. The services that the FL Entertainment Group provides are subject to VAT and sales taxes that may increase.

The services the FL Entertainment Group provides to certain of its customers are subject to VAT, sales taxes or other similar taxes. Specific reduced VAT rates are also applicable to the FL Entertainment Group's services when they relate to the sale of economic rights recognised in law to authors and performers as well as the sale of broadcasting rights to audiovisual works. Tax rates may increase at any time and, subject to the ability of the FL Entertainment Group's customers to recover such taxes, any such increase could affect the FL Entertainment Group's business and the demand for its services, and thereby reduce its operating profit, negatively affecting its business, financial condition, results of operations and cash flow available to service its indebtedness.

h. The FL Entertainment Group may become subject to social security contributions reassessments.

The development and the success of the FL Entertainment Group's business have inter alia been built through the acquisition of companies from third parties and the recruitment of creative talents, key management team and other partners, upon which the Banijay Group and the Betclic Everest Group have issued securities (such as share subscription warrants (*bons de souscription d'actions*) or preference shares) to, or entered into contractual agreements with, individuals who have become their employees or legal representatives. Each time, the issuance or subscription price, the exercise price and the sale price of these securities as well as the financial terms of the contractual agreements have been set at fair market value as determined in accordance with a valuation report issued by an independent appraiser and therefore, the FL Entertainment Group is of the opinion that these securities and contractual agreements have not been issued or implemented under preferential conditions.

In principle, gains made by individual holders of warrants are qualified as capital gains at the level of the holder for tax and social security contributions purposes. However, according to recent French case law (decision of the French Civil Supreme Court no. 17-24.470 dated 4 April 2019 and decision of the French Administrative Supreme Court no. 437498, no. 428506 and no. 435452 dated 13 July 2021), gains made by individual holders of warrants who are also employees and/or legal representatives of the granting company or of the group of that granting company, might be requalified as employment income for tax and social security contributions when warrants are granted as consideration for or in the course of work and under preferential conditions, or when their source are essentially the exercise by the holder of his/her functions as a legal representative or employee.

Though the aforementioned case-law solely relates to the grant and exercise of warrants, one cannot

exclude that the requalification into employment income for tax and social security contributions might be extended to gains derived from shares, including the disposal of shares in execution of contractual agreements, subscribed at fair market value as soon as the shareholder also acts as employee and/or legal representative of the company or group.

As a consequence, based on the above case law, the FL Entertainment Group is of the opinion that the gains realised in connection to the issuance and disposal of such securities, or the execution of such contractual agreements, by certain of its employees and/or legal representatives, should not be subject to social security contributions. However, given the actual focus of the French tax and social authorities on these matters, the FL Entertainment Group cannot exclude that all or part of these gains would be requalified into employment income and would be subject to social security contributions

If these gains were to be requalified into employment income and would be subject to social security contributions, the FL Entertainment Group's overall effective social security contributions expense could materially increase, which could have a material adverse effect on the FL Entertainment Group's results of operations, financial condition and prospects.

- i. FL Entertainment intends to be treated exclusively as a resident of France for tax purposes, but FL Entertainment also is a resident of the Netherlands for certain Dutch tax purposes, and other tax authorities may seek to treat FL Entertainment as a tax resident of another jurisdiction, as a result of which FL Entertainment could be subject to increased and/or different taxes.**

As an entity incorporated under Dutch law FL Entertainment is deemed to be a tax resident of the Netherlands for purposes of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*), the Dutch Dividend Withholding Tax Act (*Wet op de dividendbelasting 1965*) and the Dutch Withholding Tax Act (*Wet bronbelasting 2021*). However, FL Entertainment intends to maintain its management structure and governance in such a manner that (i) its place of effective management is and remains in France and it should be regarded as a tax resident of France under French domestic tax laws, (ii) it should be considered to be exclusively tax resident in France for purposes of the French-Dutch Tax Treaty, as amended pursuant to the MLI (as defined below), and (iii) it should not be regarded as a tax resident of any other jurisdiction either for purposes of the domestic tax laws of such jurisdiction or for purposes of any applicable tax treaty. The determination of FL Entertainment's tax residency depends primarily on its place of effective management, which is largely a question of fact, taking into account all the relevant circumstances, rather than a question of law. Therefore, no assurance can be given regarding the final determination of FL Entertainment's tax residency by any relevant tax authority. In addition, the applicable tax laws and tax treaties or the interpretations thereof may change, including the MLI Tie-Breaker Reservation (as defined below). Such changes, and changes to applicable facts and circumstances (for example, a change of managing directors or the place where management board meetings take place), may affect the determination of FL Entertainment's tax residency and the consequent tax treatment.

If the competent tax authorities of a jurisdiction other than France take the position that FL Entertainment should be treated as (exclusively) tax resident of that jurisdiction for purposes of an applicable tax treaty, it could be subject to corporate income tax and all distributions made by it to its shareholders could be subject to any applicable dividend withholding tax in such other jurisdiction(s) as well as in France. This could include the competent tax authorities of the Netherlands, although FL Entertainment believes that the competent tax authorities of the Netherlands should view it as exclusively tax resident of France under the French-Dutch Tax Treaty

on the basis of its management structure and governance, the current tax laws of the Netherlands and France and the current form of the French-Dutch Tax Treaty, as amended pursuant to the MLI (as defined below). To resolve any issues in relation to dual tax residency, FL Entertainment may have access to a mutual agreement procedure and/or dispute resolution mechanisms under an applicable income tax treaty and (if it is an EU jurisdiction) the dispute resolution mechanism under Council Directive (EU) 2017/1852 of 10 October 2017 on tax dispute resolution mechanisms in the European Union, or FL Entertainment could submit its case for judicial review by the relevant courts. These procedures would require substantial time, costs and efforts, and it is not certain that double taxation issues can be resolved in all circumstances.

In case FL Entertainment would be considered resident in more than one jurisdiction, and this is not resolved under an applicable (tax) treaty, FL Entertainment's overall effective income tax rate and income tax expense could materially increase, which could have a material adverse effect on FL Entertainment's business, results of operations, financial condition and prospects, which could cause FL Entertainment's share price and trading volume to decline.

FL Entertainment's exclusive tax residency in France for the purposes of the French-Dutch Tax Treaty is subject to the application of the provisions on tax residency as stipulated in the French-Dutch Tax Treaty as effective as of the date of this document and as amended pursuant to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "**MLI**"). As France has made a reservation under Article 4(3) of the MLI (the "**MLI Tie-Breaker Reservation**"), the exclusive tax residence of FL Entertainment under the French-Dutch Tax Treaty continues to be determined on the basis of where FL Entertainment's place of effective management is located, as set forth in Article 4(4) of the French-Dutch Tax Treaty. If France changes the MLI Tie-Breaker Reservation, the tie-breaker provision included in Article 4(1) of the MLI may replace the tie-breaker provision in Article 4(4) of the French-Dutch Tax Treaty. In that event, the competent authorities of France and the Netherlands will have to determine the exclusive tax residency of FL Entertainment by mutual agreement. During the period in which a mutual agreement between both states is absent, FL Entertainment may not be entitled to any relief or exemption from tax provided by the French-Dutch Tax Treaty and there would be a risk that both France and the Netherlands could levy withholding tax on all distributions by FL Entertainment, in addition to the risk of double taxation on FL Entertainment's profits. This could have a material adverse impact on the financial position of FL Entertainment and investors.

Furthermore, under the MLI FL Entertainment will only be entitled to the benefits of the French-Dutch Tax Treaty if the establishment of FL Entertainment's tax residency in France did not have as one of its principal purposes the obtaining of treaty benefits (the "**Principal Purpose Test**"). FL Entertainment believes it meets the Principal Purpose Test and therefore should be entitled to the benefits of the French-Dutch Tax Treaty. However, it cannot be excluded that competent Dutch tax authorities will be able to establish otherwise. A failure to meet the Principal Purpose Test would mean that FL Entertainment is not entitled to any relief or exemption from tax provided by the French-Dutch Tax Treaty and there would be a risk that both France and the Netherlands would levy withholding tax on all distributions by FL Entertainment, in addition to the risk of double taxation on FL Entertainment's profits. This could have a material adverse impact on the financial position of FL Entertainment and investors.

j. Dividends distributed by FL Entertainment may be subject to dividend withholding tax in both France and the Netherlands.

As FL Entertainment intends to maintain its management structure and governance in such a manner that it should be treated as (exclusively) tax resident of France under French domestic tax laws and for purposes of the French-Dutch Tax Treaty, dividends distributed by FL Entertainment are generally subject to French withholding tax. In addition, because it is an entity incorporated under Dutch law, any dividends distributed by FL Entertainment are also subject to Dutch dividend withholding tax on the basis of Dutch domestic law (for a discussion of the expression "dividends distributed" for Dutch dividend withholding tax purposes, please see "5.9(c)(iv.) *Dutch withholding tax*"). However, pursuant to the Withholding Tax Restriction (for a discussion thereof, please see "5.9(c)(iv.) *Dutch withholding tax*") the Netherlands will be restricted in imposing Dutch dividend withholding tax on dividends distributions made by FL Entertainment to holders of FLE Ordinary Shares other than Dutch Nexus Investors (as defined in the section "5.9(c)(iv.) *Dutch withholding tax*"). If, for any reason, Dutch dividend withholding tax is withheld from a dividend distribution made by FL Entertainment to holders of FLE Ordinary Shares other than Dutch Nexus Investors, such holders may apply for a refund of such Dutch dividend withholding tax levied.

As a result of the foregoing, upon a distribution of dividends, FL Entertainment is required to identify its shareholders in order to assess whether there are Dutch Nexus Investors among them, in respect of which Dutch dividend withholding tax then needs to be withheld. Such identification may be problematic and not always possible in practice. If the identity of FL Entertainment's shareholders cannot be timely determined, withholding of both French and Dutch dividend withholding tax would occur upon a dividend distribution to any investor.

Furthermore, if FL Entertainment would (temporarily) not be entitled to the benefits of the French-Dutch Tax Treaty (for example if France changes its MLI Tie-Breaker Reservation or pursuant to the application of the Principal Purpose Test; reference is made to "10.5(i.) *FL Entertainment intends to be treated exclusively as a resident of France for tax purposes, but FL Entertainment also is a resident of the Netherlands for certain Dutch tax purposes, and other tax authorities may seek to treat FL Entertainment as a tax resident of another jurisdiction, as a result of which FL Entertainment could be subject to increased and/or different taxes*" the Withholding Tax Restriction referred to above would not apply. Consequently, any dividends distributed by FL Entertainment during the period it is not entitled to the benefits of French-Dutch Tax Treaty may be subject to both French and Dutch dividend withholding tax.

In addition, it is not entirely clear whether the Withholding Tax Restriction applies if a distribution by FL Entertainment qualifies as a dividend for the purposes of Dutch tax laws while it does not qualify as a dividend for the purposes of French tax laws. On the basis of a literal reading of the French-Dutch Tax Treaty, a distribution that qualifies as a dividend under the tax laws of the Netherlands but that does not as a dividend under the tax laws of France, is not in scope of the Withholding Tax Restriction. Since France and the Netherlands may have a differing concept of what constitutes a dividend under their domestic tax laws, which could also be subject to change, it cannot be entirely excluded that certain acts of FL Entertainment vis-à-vis investors constitute a dividend under the tax laws of the Netherlands while they do not constitute a dividend under the tax laws of France, in which case the Netherlands may not be precluded from levying Dutch dividend withholding under the Withholding Tax Restriction. Consequently, the Netherlands would under the French-Dutch Tax Treaty be entitled to levy Dutch dividend withholding tax in relation to all investors (in addition to any French tax that may become due), although the Netherlands might then still be precluded from levying Dutch dividend withholding tax under a double tax treaty concluded between the Netherlands and the jurisdiction of residence of a relevant investor depending on the

provisions of the double tax treaty and the specific situation of the investor.

As of 1 January 2024, a Dutch conditional withholding tax will be imposed on dividends distributed by a Dutch company to related recipients in low-tax jurisdictions and in abusive situations. Under this Dutch conditional withholding tax a recipient of dividends that is related to FL Entertainment for purposes of the Dutch conditional withholding tax and that (i) is established or has a permanent establishment (to which the dividend payment is allocated) in a jurisdiction that has a statutory corporate tax rate below 9% or in a jurisdiction included on the EU's black-list of non-cooperative jurisdictions, (ii) is a hybrid entity or a reverse hybrid entity or (iii) is interposed to avoid tax otherwise due by another entity, will be subject to a conditional withholding tax on dividends at the highest Dutch corporate income tax rate (currently 25.8%), as a result of which such holders of FLE Ordinary Shares would receive lower after-tax dividends as of 1 January 2024. The Dutch conditional withholding tax on dividends will be reduced, but not below zero, by any regular Dutch dividend withholding tax withheld in respect of the same dividend distribution. Holders of FLE Ordinary Shares should seek their own tax advice on the consequences of this Dutch conditional withholding tax on dividends.

As set out in the section "*5.9(c)(iv.) Dutch withholding tax*", it cannot be excluded that proceeds of a redemption of the FLE Warrants, proceeds of a repurchase of the FLE Warrants, or a full or partial cash or cashless settlement of the FLE Warrants fall within the scope of the expression "dividends distributed", as a result of which the matters set out in this risk factor could also apply with respect to holders of FLE Warrants (and references to 'holders of FLE Ordinary Shares' should then be read as 'holders of FLE Ordinary Shares and/or FLE Warrants').

k. The number of issued and outstanding FLE Ordinary Shares and/or FLE Warrants may fluctuate substantially, which could lead to adverse tax consequences for the holders thereof.

The number of issued and outstanding FLE Ordinary Shares and/or FLE Warrants may fluctuate as a result of the exercise of the FLE Warrants and the corresponding issuance of FLE Ordinary Shares, and such fluctuations may be substantial. Consequently, the interest held by the holders of FLE Ordinary Shares and/or FLE Warrants in FL Entertainment could rise above or fall below certain thresholds relevant for tax purposes (e.g. the threshold relevant in respect of the Dutch substantial interest rules, as mentioned in "*5.9(c)(iv.) Dutch withholding tax*"). The tax consequences thereof could be material and holders of FLE Ordinary Shares and/or FLE Warrants should therefore seek their own tax advice about the tax consequences in connection with the purchase, ownership and disposition of the FLE Ordinary Shares and/or FLE Warrants.

10.6 Risks relating to Financial Matters, Capital Structure and Corporate Structure of FL Entertainment and the FL Entertainment Group

a. Following the Listing, the FLE Concert will be in a position, and Financière Lov will continue to be in a position to exert substantial influence over FL Entertainment and the FLE Concert's and/or Financière Lov's respective interests may differ from the interests of FL Entertainment's other shareholders.

Immediately after Settlement, the FLE Concert will own in aggregate 90.84% of FL Entertainment's issued share capital. In addition, immediately after Settlement, Financière Lov will hold 46.38% of FL Entertainment's issued share capital.

See "*8.3(a.) FLE Board composition*" for a description of the most important arrangements provided for in the Shareholders Agreement. The FLE Concert has significant influence over FL Entertainment

and could control matters requiring shareholder approval.

In addition, Financière Lov is controlled by Lov Group Invest, a French *société par actions simplifiée*, ("**LGI**"), whose share capital is owned by Stéphane Courbit, the founder of the Group and the chairman of the FLE Board, and Florence Courbit, Vanille Courbit, Oscar Courbit and Lila Courbit (the "**Courbit Family**"). Pursuant to the Investment Agreement, five members of the Courbit Family will subscribe for a number of FL Topco shares and will subsequently enter into a shareholders agreement in respect of FL Entertainment. The Courbit Family will be acting in concert (*handelend in onderling overleg*) and will be deemed to jointly have control (*overwegende zeggenschap*), over FL Entertainment as per the time of admission to trading of the FLE Ordinary Shares and FLE Warrants on Euronext Amsterdam. See also "5.6(c) Investment Agreement".

Through the exercise of its respective voting rights (which may be exercised at its discretion), Financière Lov will be in a position to exert substantial influence over the outcome of resolutions of the FLE General Meeting and, consequently, on matters decided by the FLE General Meeting, including the appointment and dismissal of members of the FLE Board, the distribution of dividends, the amendment of FL Entertainment's articles of association or any proposed capital increase. See also "10.7(a.) *The Special Voting Shares will concentrate voting control with Financière Lov or a permitted subsequent holder thereof, and limit the ability of other shareholders to influence corporate matters*". In addition, pursuant to the Shareholders Agreement, two FLE Executive Directors will be appointed upon Financière Lov's proposal and three FLE Non-Executive Directors (including the chairman), not fulfilling the independence criteria provided by the Dutch Corporate Governance Code (as defined below), will be appointed upon Financière Lov's proposal. For more information on the Shareholders Agreement and an overview of the resolutions in respect of which the affirmative vote arrangements set forth above apply, see "5.12 *Corporate governance of the proposed Business Combination*". In addition, LGI serves as president of Banijay Group SAS and of Betclac, and receives compensation in such capacity. In 2021, the annual compensation of LGI as president of Banijay Group SAS and as president of Betclac was equal to €14 million (excluding VAT). See "8.4(a.) *LGI Compensation*".

Furthermore, François Riahi, acting as chief executive officer of Financière Lov has also been designated as chief executive officer of FL Entertainment and will therefore enter into two different services agreements (*mandat social*), one at the level of Financière Lov and the other one at the level of FL Entertainment. For the avoidance of doubt, FL Entertainment is not aware of any conflict between the private interests of François Riahi himself and the interests of FL Entertainment, but FL Entertainment cannot exclude that in the future a potential conflict of duties may arise due to François Riahi's dual role as chief executive officer of Financière Lov and his role as chief executive officer of FL Entertainment. In this context, as of the Merger becoming effective, François Riahi shall not be entitled to vote on any decisions involving transactions with Financière Lov, see "5.13 *Potential conflicts of interest*".

Consequently, the FLE Concert and Financière Lov will continue to be in a position to exert substantial influence over FL Entertainment. The interests of the FLE Concert and Financière Lov may differ from the interests of other FLE Ordinary Shareholders and FLE Warrant Holders. The concentration of share ownership and the foregoing governance arrangements may have the effect of delaying, preventing or deterring a change of control of FL Entertainment and could materially adversely affect the trading volume and market price of the FLE Ordinary Shares and FLE Warrants. This could be the case if investors determine that the FLE Ordinary Shares and FLE Warrants are

not as attractive due to high concentration of ownership and degree of influence by the FLE Concert and Financière Lov, as a result of which demand for the FLE Ordinary Shares and FLE Warrants may decrease.

b. FL Entertainment relies on its operating subsidiaries to provide FL Entertainment with funds necessary to meet its financial obligations and FL Entertainment's ability to pay dividends may be constrained.

FL Entertainment is a holding company with no material, direct business operations. FL Entertainment's principal assets are its direct and indirect equity interests in its operating subsidiaries. As a result, FL Entertainment will be dependent on these sources to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of FL Entertainment's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations, such as limitations potentially imposed by the (a) (i) the senior secured credit facilities entered into on 7 February 2020, by and among, *inter alios*, Banijay Group S.A.S as topco, Banijay Entertainment S.A.S ("**Banijay Entertainment**") as company, the original lenders (as named therein), U.S. Bank National Association as agent and Elavon Financial Services DAC as security agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time, pursuant to which the (x) euro-denominated term loan in an aggregate principal amount of €453.0 million (the "**TLB (EUR)**"), (y) the US dollar-denominated term loan in an aggregate principal amount of €415.9 million (equivalent) (the "**TLB (USD)**") and (z) the €170.0 million (equivalent) senior secured revolving credit facility (the "**Revolving Credit Facility**") and together with the TLB (EUR) and TLB (USD) the "**Banijay Senior Credit Facilities**") have been made available to the borrowers by the lenders (the "**Banijay Senior Secured Credit Facilities Agreement**"), and (ii) the senior secured credit facility entered into on 23 June 2020, by and among, *inter alios*, Betclie Group S.A.S. as borrower, Betclie as parent and guarantor, Mangas Lov as guarantor, BNP Paribas, Natixis and Société Générale as mandated lead arrangers and Société Générale as agent and security agent and Natixis as documentation agent as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time, pursuant to which the euro-denominated term loan in an aggregate principal amount of €165.0 million (the "**Betclie Group Senior Credit Facility**") and together with the Banijay Senior Credit Facilities, the "**Senior Credit Facilities**") has been made available by the lenders to the borrower (the "**Betclie Everest Group Senior Credit Facility Agreement**" and together with the Banijay Senior Secured Credit Facilities Agreement, the "**Senior Credit Facilities Agreements**") and (b) (i) the €400.0 million in aggregate principal amount 6.500% senior notes due 2026 (the "**Senior Notes**") issued under the indenture entered into on 11 February 2020 by and among, *inter alios*, Banijay Group S.A.S as issuer and U.S. Bank Trustees Limited as trustee (the "**Senior Notes Indenture**") and (ii) the €575.0 million in aggregate principal amount of 3.500% senior secured notes due 2025 issued under the Senior Secured Notes Indenture on 11 February 2020 and the \$403.0 million in aggregate principal amount of 5.375% senior secured notes due 2025 (the "**Senior Secured Notes**" and together with the Senior Notes, the "**Notes**") to be issued under the indenture entered into on 11 February 2020 by and among, *inter alios*, Banijay Entertainment., as issuer and U.S. Bank Trustees Limited as trustee (the "**Senior Secured Notes Indenture**") or (c) the legal requirement to have distributable profit or distributable reserves. The bridge credit facility entered into on 13 December 2021, by and among, *inter alios*, Betclie as borrower and Mangas Lov as guarantor and parent company, pursuant to which a €130.0 million term loan has been made available to Betclie, which is expected to be

repaid on 5 July 2022 out of the proceeds of the Business Combination.

Distributions may also be subject to withholding taxes in the Group Companies' respective country of incorporation that may reduce funds ultimately received by the FL Entertainment Group. As an equity investor in FL Entertainment's subsidiaries, FL Entertainment's right to receive assets upon a subsidiary's liquidation or reorganisation will be effectively subordinated to the claims of such subsidiary's creditors. To the extent that FL Entertainment is recognised as a creditor of a subsidiary, FL Entertainment's claims may still be subordinated to any security interest in or other lien on such subsidiary's assets and to any of its debt or other obligations that are senior to FL Entertainment's claims.

The payment of future dividends on FLE Ordinary Shares, if any, and the amounts thereof, depends on a number of factors, including, among others, the amount of distributable profits and reserves, FL Entertainment's earnings, level of profitability and financial conditions, capital requirements, capital expenditure and investment plans, financial covenants, ratio of debt to equity, any credit ratings, applicable restrictions on the payment of dividends under applicable laws as well as contractual restrictions, the level of dividends paid by other comparable listed companies, general economic and market conditions and such other factors as the FLE Board may deem relevant from time to time. There can be no assurance that the abovementioned factors will allow adherence to FL Entertainment's dividend policy, or any payment of dividends. In particular, FL Entertainment's ability to pay dividends may be impaired if any of the risks described in this section "*Risk Factors*" were to occur. As a result, FL Entertainment's ability to pay dividends in the future may be limited and FL Entertainment's dividend policy may change. See "*5.11 Dividend Policy*".

c. The FL Entertainment Group's significant leverage may make it difficult for the FL Entertainment Group to operate its businesses.

The FL Entertainment Group currently has, and after completion of the Transactions, will continue to have, a significant amount of outstanding debt with substantial debt service requirements. The FL Entertainment Group's significant leverage could have important consequences for its business and operations, including, but not limited to:

- satisfying the obligations of the FL Entertainment Group with respect to the Banijay Indentures, the Senior Credit Facilities and other debt and liabilities the FL Entertainment Group may incur (it being specified that as at the date of this Circular, the FL Entertainment Group has no current or expected difficulties in satisfying its obligations under such indebtedness and benefits from sufficient headroom to comply with its most important covenants);
- requiring the FL Entertainment Group to dedicate a substantial portion of its cash flow from operations to payments on its debt, thus reducing the availability of its cash flow to fund acquisitions or organic growth projects and for other general corporate purposes (in this respect, the FL Entertainment Group plans to pay a yearly amount of interests of approximately €110 million in respect of its existing indebtedness);
- increasing the FL Entertainment Group's vulnerability to a downturn in its business or general economic or industry conditions;
- placing the FL Entertainment Group at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than the FL Entertainment Group has;

- limiting the FL Entertainment Group's flexibility in planning for or reacting to competition or changes in its business and industry;
- negatively impacting credit terms with the FL Entertainment Group's creditors;
- restricting the FL Entertainment Group from pursuing strategic acquisitions or taking advantage of certain business opportunities; and
- limiting, among other things, the FL Entertainment Group's ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on the FL Entertainment Group's business, results of operations or financial conditions and the ability of the FL Entertainment Group to satisfy its debt obligations. The FL Entertainment Group's ability to make payments on and refinance its debt and to fund acquisitions, working capital expenditures and other expenses will depend on the FL Entertainment Group's future operating performance and ability to generate cash from operations. The FL Entertainment Group's ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond the FL Entertainment Group's control. The FL Entertainment Group may not be able to generate sufficient cash flow from operations, to meet its payment obligations or obtain enough capital to service its debt or to fund its future acquisitions or other working capital expenditures. Thus, the FL Entertainment Group may be forced to reduce or delay planned expansions or capital expenditures, sell significant assets, discontinue specified operations, obtain additional funding in the form of debt or equity capital or attempt to restructure or refinance all or a portion of its debt on or before maturity. However, no assurance can be given that the FL Entertainment Group would be able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, if at all. The terms of the debt of the FL Entertainment Group, including the Senior Credit Facilities Agreements and the Notes, will limit the ability of the FL Entertainment Group to pursue these alternatives.

In addition, the FL Entertainment Group may be able to incur additional debt in the future, including debt in connection with future acquisitions. Although the Senior Credit Facilities Agreements and the Banijay Indentures contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If the FL Entertainment Group incurs new indebtedness in addition to its current indebtedness, the risks associated with the FL Entertainment Group's leverage would intensify.

- d. Failure to comply with the covenants or other obligations contained in the Banijay Indentures and in the Senior Credit Facilities Agreements could result in an event of default. Any failure to repay or refinance the outstanding debt when due could materially and adversely affect the FL Entertainment Group's business.**

The FL Entertainment Group has incurred indebtedness pursuant to which the FL Entertainment Group may be required to maintain specified covenants (including financial ratios) such as the prohibition to make certain payments (including dividends and other distributions), to make certain investments or acquisitions, to prepay or to redeem subordinated debt, or to transfer or sell certain assets (See "9.5(j)(B.) *Indebtedness*" for further details of such indebtedness. The ability of the FL

Entertainment Group to satisfy these covenants could be affected by any deterioration in the operating results of the FL Entertainment Group, as well as by events beyond the control FL Entertainment Group. Even though the FL Entertainment Group is currently in compliance with all of the covenants under the Senior Credit Facilities Agreements and the Banijay Indentures (and benefits from sufficient headroom to comply with its most important covenants) and/or has obtained any required waivers, authorisations or approvals from its creditors hereunder, if there is an event of default under the Senior Credit Facilities Agreements that is not cured or waived in accordance with the terms of the applicable agreement or following the occurrence of a change of control event under any of the Senior Credit Facilities Agreements or the Banijay Indentures, the creditors under these agreements could terminate commitments to lend and/or cause all amounts outstanding with respect to the loans granted or notes subscribed thereunder to become due and payable immediately. In such a situation, creditors could seek to enforce upon the security and collateral from which they benefit, including the security over shares in the direct and indirect material subsidiaries of the FL Entertainment Group. See "9.5(j)(B.) *Indebtedness*".

The FL Entertainment Group's assets and cash flow may not be sufficient to fully repay its outstanding debt under the Senior Credit Facilities or the Notes when due whether upon an acceleration of the loans granted under the applicable agreement or on the maturity date of any of the agreements (it being specified that part of the proceeds of the Business Combination will be applied in repayment of (i) the bridge credit facility entered into on 13 December 2021, by and among, *inter alios*, Betclic as borrower and Mangas Lov as guarantor and parent company, pursuant to which a €130.0 million term loan has been made available to Betclic and (ii) the bonds issued by Lov Banijay to SIG 116 (an affiliate of Vivendi) for an aggregate amount of approximately €170 million (including accrued interests)). Upon an acceleration of the Senior Credit Facilities or the Notes or upon the final maturity date of the Senior Credit Facilities or the Notes, there can be no assurance that the FL Entertainment Group would be able to refinance the agreements or that the FL Entertainment Group's assets would be sufficient to repay that indebtedness in full and allow the FL Entertainment Group to continue to make the other payments that it is obliged to make, which would impair the FL Entertainment Group's ability to run its business, could result in insolvency proceedings or reorganisation and could result in investors losing all or a substantial portion of their investment. In addition, a default under any of the Senior Credit Facilities or the Notes could result in a default under the FL Entertainment Group's other financing arrangements and could cause or permit lenders under those other financing arrangements to accelerate such financing arrangements, causing the amounts owed under those arrangements to become immediately due and payable.

Furthermore, there is no guarantee that the FL Entertainment Group will continue to be able to meet its debt service obligations under the Senior Credit Facilities Agreements or the Banijay Indentures. Any inability to meet the FL Entertainment Group's debt payment obligations could result in insolvency proceedings or debt or other restructuring and could result in investors losing all or a substantial portion of their investment.

e. The FL Entertainment Group is subject to restrictive covenants which limit its operating, strategic and financial flexibility.

The Senior Credit Facilities Agreements and the Banijay Indentures contain covenants which impose significant restrictions on the way the FL Entertainment Group can operate, including restrictions on its ability to:

- incur or guarantee additional debt and issue preferred stock;

- make certain payments, including dividends or other distributions;
- make certain investments or acquisitions, including participating in joint ventures or undertaking capital expenditures;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- agree to limitations on the ability of the FL Entertainment Group's subsidiaries to make distributions;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of the FL Entertainment Group's assets or those of its subsidiaries on a consolidated basis;
- issue or sell share capital of certain subsidiaries;
- impair the security interests granted for the benefit of the holders of the Notes or the Creditors under the Senior Credit Facilities; and
- create or incur certain liens.

These covenants currently have a limited impact on the ability of the FL Entertainment Group to conduct its business and mainly impose significant restrictions on the ability of the FL Entertainment Group to make certain payments to its shareholders (including by way of dividends). These covenants could in the future affect the FL Entertainment Group's ability to operate its business and may limit its ability to react to market conditions or regulatory developments or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect the FL Entertainment Group's ability to finance its operations, pursue future acquisitions, investments or alliances, enter into transactions or carry on its activities in certain prohibited territories and/or with potential prohibited counterparties (due to applicable sanctions provisions), restructure the FL Entertainment Group's organisation or finance the FL Entertainment Group's capital needs or such acquisitions.

f. The FL Entertainment Group is exposed to interest rate risks, and such rate may adversely affect its debt service obligations.

A significant portion of the FL Entertainment Group's debt bears interest at variable rates, and the FL Entertainment Group is exposed to the risk of fluctuations in interest rates. The Senior Credit Facilities bear interest at a variable rate based on the Euro Interbank Offered Rate ("**EURIBOR**") in respect of utilisations in euros, the London Interbank Offered Rate ("**LIBOR**") in respect of utilisations in US dollars (it being specified that some of the group entities have loans for which LIBOR is still applicable despite the disappearance of LIBOR: transition mechanisms to alternative reference rate have been already incorporated into such loan agreements in order to mitigate any risks associated with the disappearance of LIBOR), the Sterling Overnight Index Average ("**SONIA**") in respect of utilisations in Sterling pounds (with a credit spread adjustment) or the Swiss Average Rate Overnight in respect of utilisation in Swiss francs (in each case, subject to a 0% per annum floor), as applicable, and in each case plus an applicable margin. These interest rates could rise significantly in the future, increasing the FL Entertainment Group's interest expense associated with these obligations, reducing cash flow available for capital expenditures.

Although the FL Entertainment Group expects to enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will be or will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including credit risks in relation to such hedging counterparties and the risk that the FL Entertainment Group may need to pay a significant amount (including costs) to terminate any hedging arrangements. Further, there may be a mismatch between the successor rates applied in respect of the FL Entertainment Group's floating rate debt and the successor rates applied in respect of hedging arrangements thereon, which may render such hedging arrangements ineffective in managing the FL Entertainment Group's interest rate risks. To the extent interest rates were to increase significantly, the FL Entertainment Group's interest expense would correspondingly increase, thus reducing cash flow.

g. Currency mismatches may have an adverse impact on the FL Entertainment Group's financial position.

The FL Entertainment Group generates part of its revenue in currencies other than the euro. Part of the FL Entertainment Group's transactions are denominated in US dollars, Sterling pounds and zloties, but the FL Entertainment Group also operates in a large number of countries worldwide with differing and sometimes volatile currencies. In addition, the FL Entertainment Group incurs debt and receives cash in currencies other than the euro from time to time. The FL Entertainment Group therefore faces currency risks, particularly with respect to currency fluctuations. In the absence of hedging, currency fluctuations between the euro and the currencies of the various markets in which the FL Entertainment Group operates may affect its results and make it difficult to compare performance levels in those markets from year to year. If the euro appreciates (or depreciates) against another currency, the euro value of the assets, liabilities, income and expenses initially recognised in that other currency will decline (or increase). To partially offset this exposure, the FL Entertainment Group will continue its practice of utilising cash flows arising in a given currency to pay for expenses arising in the same currency wherever possible, and the FL Entertainment Group may also engage in certain limited hedging transactions. However, there can be no assurance that these strategies will be sufficient to effectively limit the increased impact of fluctuations in foreign currency exchange rates on the FL Entertainment Group's results of operations. For the year ended 31 December 2021, sales in the United States and Latin America represented 18% of the Banijay Group's revenues, and sales in the United Kingdom represented 18% of the Banijay Group's revenues. Changes in foreign currency exchange rates may have an adverse effect on the FL Entertainment Group's business, results of operations and financial position.

10.7 Risks relating to the FLE Ordinary Shares and FLE Warrants

a. The Special Voting Shares will concentrate voting control with Financière Lov or a permitted subsequent holder thereof, and limit the ability of other shareholders to influence corporate matters

On 30 June 2022, Financière Lov will receive one Special Voting Share (as defined in "5.7(d.) *Special Voting Shares*") for each FLE Ordinary Share held, directly or indirectly, by Financière Lov. As a result, Financière Lov will, directly or indirectly, have one vote per FLE Ordinary Share and two votes per Special Voting Share. In the event of (i) a capital increase of FL Entertainment in which Financière Lov, directly or indirectly, as the case may be, participates, or (ii) a conversion of the Earn-Out Preference Shares (as defined in "5.7(c.) *Earn-Out Preference Shares*") into FLE Ordinary Shares, Financière Lov may elect to receive one additional Special Voting Share for each

FLE Ordinary Share received by it in connection with the capital increase or conversion (as the case may be). See "*5.7 Share capital structure of the proposed Business Combination*".

Shareholders who received FLE Ordinary Shares in connection with the Business Combination have not received Special Voting Shares, and, as a result, they have only one vote per FLE Ordinary Share. Financière Lov holds in aggregate 46.38% of the FLE Ordinary Shares and control 72.18% of the total effective voting power as of the First Trading Date. Financière Lov will therefore have the ability to control the management and affairs of the FL Entertainment Group and materially all matters requiring shareholder approval, including election of directors and significant corporate transactions, such as a merger or sale of our company or its assets.

Furthermore, since Financière Lov is controlled by Stéphane Courbit and his family, the chairman of the FLE Board, he will control and may be deemed to beneficially own the FLE Ordinary Shares and Special Voting Shares held by Financière Lov. See "*7.2(a.) The FL Entertainment Group may not be able to retain key personnel or creative talents or to attract new talent, and it may not be able to maintain stable relationships with its consultants in certain strategic domains*". Accordingly, the Courbit Family is, and will be, able to exercise significant influence over the outcome of matters required to be submitted to FL Entertainment's shareholders for approval, including decisions relating to the election of the FLE Directors. In addition, the Courbit Family may be able to exercise significant influence over the outcome of any proposed merger or consolidation of FL Entertainment. The Courbit Family's indirect control interest in FL Entertainment may discourage third parties from seeking to acquire control of FL Entertainment, which may adversely affect the market price of the FLE Ordinary Shares.

Because of the Special Voting Shares, Financière Lov may continue to control a majority of the voting power of the outstanding share capital of FL Entertainment without owning a majority of the outstanding FLE Ordinary Shares. This concentrated control will limit the ability of the other FLE Ordinary Shareholders to influence corporate matters for the foreseeable future and, as a result, the market price of the FLE Ordinary Shares could be adversely affected. See also "*10.6(a.) Following the Listing, the FLE Concert will be in a position, and Financière Lov will continue to be in a position to exert substantial influence over FL Entertainment and the FLE Concert's and/or Financière Lov's respective interests may differ from the interests of FL Entertainment's other shareholders*" on the FLE Concert, which will have significant influence over FL Entertainment and could control matters requiring shareholder approval. In the event Financière Lov ceases to hold 20% of the FLE Ordinary Shares, it shall transfer the Special Voting Shares to FL Entertainment for no consideration, unless Financière Lov transferred its Special Voting Shares together with a corresponding number of FLE Ordinary Shares to a third-party that meets the requirements described below. The Special Voting Shares may be transferred to a third-party under certain conditions. See "*5.7(d.) Special Voting Shares*". As a result, it is possible that a party other than Financière Lov becomes the holder of the Special Voting Shares and in a position to control the management and affairs of FL Entertainment and materially all matters requiring shareholder approval, including election of directors and significant corporate transactions, such as a merger or sale of FL Entertainment or its assets. If Special Voting Shares are held by a person (other than Financière Lov) who is not or ceases to meet above requirements, the voting rights on the Special Voting Shares shall be suspended and the special voting rights shall be transferred to FL Entertainment for no consideration.

b. Any future sales or the possibility of future sales of a substantial number of FLE Ordinary Shares and FLE Warrants by FLE Ordinary Shareholders or FLE Warrant Holders may

adversely affect the market price of the FLE Ordinary Shares and FLE Warrants.

The Sponsors and the Pegasus Directors have agreed with Pegasus Entrepreneurs in the Pegasus Letter Agreement (as defined below), to a lock-up agreement for (i) in respect of the FLE Founder Warrants (as defined below), until the period ending 30 calendar days from the Business Combination Date; and (ii) in respect of the FLE Founder Shares and FLE Ordinary Shares received upon the exchange of the FLE Founder Shares, until the period ending 365 calendar days from Business Combination Date, subject to certain agreed exemptions.

After the expiration of the applicable lock-up period or if the agreed exemption apply, the Sponsors and the Pegasus Directors may sell their FLE Founder Warrants, their FLE Founder Shares and their FLE Ordinary Shares. This could result in a perception in the market that such sales could occur due to the expiry of the lock-up period. For more information on the lock-up arrangements with the Sponsors and the Pegasus Directors, see, "5.7(h.) *Lock-up Arrangements*".

In the Shareholders Agreement (as defined in "5.7(b.) *FLE Founder Shares*":

- Financière Lov will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any shares it holds in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for three calendar years from the Business Combination Date. This restriction (i) will not apply to (a) transfers of shares within Financière Lov's group and (b) a number of up to 25,000,000 FLE Ordinary Shares obtained by Financière Lov in return as part of its contribution in cash and in kind made immediately before the Business Combination Date, and (ii) will not limit Financière Lov to establish a right of pledge over the shares it holds in FL Entertainment's capital as security for financing obtained by Financière Lov or the transfer of those shares in case of an exercise of the pledge;
- The Courbit Family will agree to keep the control of Financière Lov (i.e. to hold, directly or indirectly, the majority of the share capital and voting rights of Financière Lov) and Stéphane Courbit will agree to remain, through LGI (whose share capital is owned by the Courbit Family), sole legal representative of Financière Lov (and therefore the sole legal representative of LGI), in both cases (x) during the abovementioned lock-up period applicable to Financière Lov and (z) except in the event of death, incapacity or invalidity of Stéphane Courbit;
- The Sponsors will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any shares they hold in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for three calendar years from the Business Combination Date. This restriction will not apply to any FLE Ordinary Shares to be received by the Sponsors as a result of the exercise of Founder Warrants or Warrants;
- Vivendi will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any shares it holds in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for eighteen calendar months from the Business Combination Date. This restriction will not apply to transfers of shares within Vivendi's group;
- Fimalac will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any shares it holds in FL Entertainment's capital or enter

into any transaction with the same economic effect as any of the foregoing, for twelve calendar months from the Business Combination Date. This restriction will not apply to transfers of shares within Fimalac's group;

- SBM International will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any shares it holds in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for twelve calendar months from the Business Combination Date. This restriction will not apply to transfers of shares within SBM International's group; and
- De Agostini will agree to not sell or contract to transfer, sell, or otherwise dispose of, directly or indirectly, or announce an offer of any shares it holds in FL Entertainment's capital or enter into any transaction with the same economic effect as any of the foregoing, for six calendar months from the Business Combination Date. This restriction will not apply to transfers of shares within De Agostini's group.

Furthermore, FL Entertainment cannot predict whether substantial numbers of its FLE Ordinary Shares or FLE Warrants will be sold in the open market. The market price of the FLE Ordinary Shares and FLE Warrants could decline if, following the Listing or after the expiration of the applicable lock-up periods as described above, a substantial number of FLE Ordinary Shares and/or FLE Warrants are sold by FLE Ordinary Shareholders or FLE Warrant Holders in the public market or if there is a perception that such sales could occur. Furthermore, a sale of FLE Ordinary Shares and/or FLE Warrants by FLE Ordinary Shareholders or FLE Warrant Holders could be perceived as a lack of confidence in the performance and prospects of FL Entertainment and the FL Entertainment Group and could cause the market price of the FLE Ordinary Shares and FLE Warrants to decline. In addition, any such sales could make it more difficult for FL Entertainment to raise capital through the issuance of equity securities in the future.

c. Shareholders may not be able to participate in future equity offerings with pre-emptive rights.

FL Entertainment may undertake future equity offerings with or without pre-emptive rights. In case of equity offerings with pre-emptive rights, Shareholders in certain jurisdictions may not be entitled to exercise such rights unless the rights and the related shares are registered or qualified for sale under the relevant legislation or regulatory framework in such jurisdictions. Certain Shareholders outside the Netherlands may not be able to exercise pre-emptive rights unless local securities laws have been complied with. In addition, FL Entertainment may restrict or exclude the pre-emptive rights of all Shareholders in connection with certain equity offerings. Shareholders may suffer dilution of their shareholding should they not be permitted to participate in future equity offerings with pre-emptive rights. The FLE General Meeting has authorised the FLE Board for a period of 18 months as from the First Trading Date to restrict or exclude pre-emptive rights in relation to certain issuances of FLE Ordinary Shares.

d. To the extent an FLE Warrant Holder has not exercised its FLE Warrants before the end of the period within which that is permitted such FLE Warrants will lapse worthless

Each whole FLE Warrant entitles the FLE Warrant Holder to purchase one FLE Ordinary Share at a price of €11.50 per FLE Ordinary Share, subject to adjustments as set out in the Pegasus IPO Prospectus, at any time commencing five business days following the Business Combination Date. The FLE Warrants will expire on the date that is five years following the Business Combination Date, or earlier upon redemption of the FLE Warrants or liquidation of FL Entertainment. To the

extent an FLE Warrant Holder has not exercised its FLE Warrants within such period, its FLE Warrants will lapse worthless. Any FLE Warrants not exercised will lapse without any payment being made to the holders of such FLE Warrants and will, effectively, result in the loss of the holder's entire investment in relation to the FLE Warrant. The market price of the FLE Warrants may be volatile and there is a risk that they may become valueless.

e. FL Entertainment may redeem unexpired FLE Warrants prior to their exercise at a time that is disadvantageous to FLE Warrant Holders, thereby making such FLE Warrants worthless

FL Entertainment has the ability to redeem the FLE Founder Warrants at any time after they become exercisable and prior to their expiration, at a price of €0.01 per FLE Warrant if, among other things, the Reference Value equals or exceeds €18.00 per FLE Ordinary Share (as adjusted for adjustments to the number of FLE Ordinary Shares issuable upon exercise or the Exercise Price of an FLE Warrant) for any 20 Trading Days within a 30-Trading Day period ending on the third Trading Day prior to the date on which FL Entertainment sends the notice of redemption to the FLE Warrant Holders. Redemption of the outstanding FLE Warrants as described above could force FLE Warrant Holders to: (1) exercise FLE Warrants and pay the Exercise Price at a time that may be disadvantageous for FLE Warrant Holders to do so; (2) sell FLE Warrants at the then-current market price when FLE Warrant Holders might otherwise wish to hold their FLE Warrants; or (3) accept the redemption price which, at the time the outstanding FLE Warrants are called for redemption, it is expected would be substantially less than the market value of the FLE Warrants.

In addition, FL Entertainment has the ability to redeem the outstanding FLE Warrants (other than the FLE Founder Warrants) at any time after they become exercisable and prior to their expiration, at a price of €0.01 per FLE Warrant if, among other things, the Reference Value equals or exceeds €10.00 but is less than €18.00 per FLE Ordinary Share (as adjusted for adjustments to the number of FLE Ordinary Shares issuable upon exercise or the Exercise Price of an FLE Warrant). The value received upon exercise of the FLE Warrants (1) may be less than the value the FLE Warrant Holders would have received if they had exercised their FLE Warrants at a later time when the underlying FLE Ordinary Share price was higher and (2) may not compensate the FLE Warrant Holders for the value of the FLE Warrants, including because the number of FLE Ordinary Shares received is capped at 0.361 FLE Ordinary Shares per FLE Warrant (subject to adjustment) irrespective of the remaining life of the FLE Warrants. None of the FLE Founder Warrants will be redeemable by FL Entertainment so long as they are held by the Sponsors or their Permitted Transferees (as defined in "5.7(h)(A.) Lock-up Arrangements"). See table "*Redemption Fair Market Value of the FLE Ordinary Shares*".

f. FL Entertainment has determined that the FLE Warrants currently should be treated as debt, which may make FL Entertainment less attractive to investors. FL Entertainment cannot guarantee that the FLE Warrants will be able to be reclassified as equity in future.

Having discussed the accounting treatment of the Pegasus Public Warrants in the Pegasus IPO with Pegasus Entrepreneurs, and taking into account that the FLE Warrants will mirror the Pegasus Public Warrants, FL Entertainment has determined that the FLE Warrants should be treated as debt on its balance sheet, consistent with existing accounting interpretations under IFRS. As a result of this accounting treatment FL Entertainment will be required to mark to market the value of the FLE Warrants on an annual and semi-annual basis in connection with the preparation of its financial statements. This may lead to volatility in FL Entertainment's financial results on a period-to-period basis. Although FL Entertainment may in future be able to reclassify the FLE Warrants as equity due

to specific features in the terms and conditions in respect of the FLE Warrant T&Cs, including a provision that allows the FLE Board to unilaterally amend the FLE Warrant T&Cs to remove the redemption of FLE Warrants for FLE Ordinary Shares if the Reference Value equals or exceeds €10.00 per FLE Ordinary Share and is less than €18.00 per FLE Ordinary Share, FL Entertainment cannot be sure that the FLE Board either before or after the Business Combination or at any time after the Business Combination would actually amend the FLE Warrant T&Cs. FL Entertainment also cannot be sure that any changes to the FLE Warrant T&Cs would result in the reclassification of the FLE Warrants as equity under IFRS. The treatment of the FLE Warrants as debt could result in volatility with regard to FL Entertainment's reported financial results on a period-to-period basis.

g. Non-compliance by Financière Lov under the Equity Financings could significantly impact FL Entertainment's shareholding structure and adversely affect the market price of the FLE Ordinary Shares and the FLE Warrants.

Financière Lov, the largest shareholder of FL Entertainment as from Settlement, has entered into equity financing transactions with certain banks and financial institutions (the "**Financial Counterparties**") in an aggregate notional amount of €450,000,000 (the "**Equity Financings**") in the form of prepaid forward and equity swap derivatives transactions, in order to finance its €250,000,000 investment in FL Entertainment as set out in the Investment Agreement, refinance part of the existing indebtedness of Financière Lov and finance the general corporate purposes of Financière Lov and its affiliates. See "*5.4 Consideration and expenses*". In accordance with the terms and conditions of the Equity Financings, Financière Lov will grant security to the Financial Counterparties by granting rights of pledge over the financial securities accounts in which all FLE Ordinary Shares and all Special Voting Shares held by Financière Lov in FL Entertainment as at the First Trading Date will be credited. Failure by Financière Lov to comply with the covenants and other obligations provided for under the Equity Financing documentation or the occurrence of a change of control could lead to a termination event under such Equity Financing documentation (it being specified that Financière Lov currently complies with all of the covenants under the Equity Financings (and benefits from sufficient headroom to comply with its most important covenants). Subject to any applicable remedy period, the occurrence of a termination event will entitle the Financial Counterparties to declare all amounts under the Equity Financings due and payable and will entitle the Financial Counterparties to enforce their pledges over the financial securities accounts in which all the FLE Ordinary Shares (other than the Earn-Out Preference Shares) and Special Voting Shares held by Financière Lov in FL Entertainment as at the First Trading Date are credited. Any enforcement of the pledges, in whole or in part, by the Financial Counterparties will therefore have a significant impact on FL Entertainment's shareholding structure by reducing Financière Lov's shareholding in FL Entertainment in replacement for the Financial Counterparties (or any other transferee). Such enforcement proceedings could also have a negative impact on the market price of the FLE Ordinary Shares, as the FLE Ordinary Shares and Special Voting Shares subject to the enforcement will likely be disposed of shortly following that enforcement. In addition, enforcement of the pledges (or the subsequent transfer of FLE Ordinary Shares and Special Voting Shares) could trigger, amongst others, mandatory requirements for the pledgees or the relevant transferees to file a public offer in cash on the FLE Ordinary Shares issued by FL Entertainment and/or change of control events in material agreements of FL Entertainment and its subsidiaries and could therefore also adversely affect the market price of the FLE Ordinary Shares and FLE Warrants.

h. Shareholders with a reference currency other than euro will become subject to foreign exchange risks when investing in the FLE Ordinary Shares and/or FLE Warrants.

FL Entertainment's equity capital is denominated in euro and all dividends and other distributions (if any) on the FLE Ordinary Shares will be paid by FL Entertainment in euro. Shareholders whose reference currency is a currency other than the euro may be adversely affected by any reduction in the value of the euro relative to the respective Shareholder's reference currency. In addition, such Shareholders could incur additional transaction costs in converting the euro into another currency.

- i. If securities or industry analysts do not publish research or reports about FL Entertainment's business or industry, or if such analysts (if any) change their recommendations regarding the FLE Ordinary Shares and/or the FLE Warrants adversely, the market price and trading volumes of the FLE Ordinary Shares and the FLE Warrants could decline.**

The trading market for the FLE Ordinary Shares and the FLE Warrants will be influenced by the research and reports that securities or industry analysts publish about FL Entertainment's and the FL Entertainment Group's business or industry. If securities or industry analysts do not publish or cease to publish research or reports about FL Entertainment's or the FL Entertainment Group's business or industry, FL Entertainment and the FL Entertainment Group could lose visibility in the financial markets, which could cause the market price or trading volume of the FLE Ordinary Shares and the FLE Warrants to decline. Also, if one or more of the analysts covering FL Entertainment's or the FL Entertainment Group's business or industry recommends selling FLE Ordinary Shares and/or FLE Warrants, or if negative research is published on the industry or geographic markets the FL Entertainment Group serves, the market price of the FLE Ordinary Shares and the FLE Warrants could decline.

10.8 Risks relating to the Listing

- a. There is currently no public trading market for the FLE Ordinary Shares and the FLE Warrants and there is a risk that no active and liquid market for the FLE Ordinary Shares and the FLE Warrants will develop and that the price of the FLE Ordinary Shares and the FLE Warrants may be volatile.**

Until trading on Euronext Amsterdam commences on an "as-if-and-when-issued/delivered" basis, which is expected on 1 July 2022, but is subject to acceleration, extension and Settlement taking place, there is no public trading market for the FLE Ordinary Shares and the FLE Warrants. There can be no assurance that an active trading market for the FLE Ordinary Shares and the FLE Warrants will develop after the Listing or, if it does develop, that it will be sustained or liquid. If such market fails to develop or be sustained, this could negatively affect the liquidity and price of the FLE Ordinary Shares and the FLE Warrants, as well as increase their price volatility. Shareholders may not be in a position to sell their FLE Ordinary Shares and/or FLE Warrants quickly or at the market price if there is no active trading in FLE Ordinary Shares and FLE Warrants. In addition, an illiquid market for the FLE Ordinary Shares and/or the FLE Warrants may result in lower market prices and increased volatility, which could materially adversely affect the value of an investment in the FLE Ordinary Shares.

The market price of the FLE Ordinary Shares and the FLE Warrants could fluctuate substantially due to various factors, some of which could be specific to the FL Entertainment Group and its operations and some of which could be related to the industry in which the FL Entertainment Group operates or equity markets generally. As a result of these and other factors mentioned in this "Risk Factors" section, FL Entertainment cannot assure that the market price of the FLE Ordinary Shares and the FLE Warrants will not decline, regardless of FL Entertainment's actual performance. An ancillary

consequence might be that investors will avoid the FLE Ordinary Shares and/or the FLE Warrants.

- b. If Settlement does not take place, purchases of the FLE Ordinary Shares and FLE Warrants will be disregarded and transactions effected in the FLE Ordinary Shares and the FLE Warrants will be annulled.**

FL Entertainment expects that the FLE Ordinary Shares and FLE Warrants will be admitted to listing and that trading in the FLE Ordinary Shares and FLE Warrants will commence on the First Trading Date, on an "as-if-and-when-issued/delivered" basis. Settlement may not take place on the Settlement Date or at all. Trading in the FLE Ordinary Shares and FLE Warrants before Settlement will take place subject to the condition that, if Settlement does not take place, the Listing will be withdrawn, all applications for the FLE Ordinary Shares and/or FLE Warrants will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and transactions in the FLE Ordinary Shares and FLE Warrants on Euronext Amsterdam will be annulled. All dealings in the FLE Ordinary Shares and FLE Warrants and Pegasus Ordinary Shares and Pegasus Public Warrants prior to Settlement and delivery are therefore at the sole risk of the parties concerned. FL Entertainment, its shareholders, ABN AMRO Bank N.V. as FL Entertainment's listing and paying agent (the "**Listing and Paying Agent**"), and Euronext Amsterdam do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Listing or the (related) annulment of any transaction in the FLE Ordinary Shares and FLE Warrants on Euronext Amsterdam.

11 REDEMPTION ARRANGEMENTS

11.1 Repurchase of the Pegasus Ordinary Shares held by Pegasus Ordinary Shareholders at the time of the Business Combination

Pegasus Entrepreneurs will repurchase all Pegasus Ordinary Shares, offered within the acceptance period and in accordance with the terms set out in this paragraph, by the Pegasus Ordinary Shareholders that so wish (the "**Redeeming Shareholders**"). The arrangements set out in this paragraph are referred to as the "**Redemption Arrangements**". For the avoidance of doubt, a Shareholder can vote on its Pegasus Ordinary Shares at the EGM irrespective of whether it has elected to exercise its rights to have such Pegasus Ordinary Shares repurchased under the Redemption Arrangements.

The repurchase of Pegasus Ordinary Shares submitted for repurchase under the Redemption Arrangements by the Redeeming Shareholders before the end of the acceptance period becomes unconditional if and when the Pegasus General Meeting resolves to approve the Business Combination at the EGM, after which the Pegasus Board shall resolve ultimately with effect immediately after execution of the notarial deed of the Merger (which is expected on 30 June 2022) (*i.e.* ultimately with effect on the day prior to the Merger becoming effective) to repurchase these Pegasus Ordinary Shares (the "**Repurchase Effective Moment**"). Immediately after the Repurchase Effective Moment, the gross repurchase price becomes due and payable to the relevant Redeeming Shareholders and Pegasus Entrepreneurs will instruct ABN AMRO Bank N.V. (as listing and paying agent) to pay-out such gross repurchase price from its bank account through Euroclear Nederland.

A submission for repurchase of Pegasus Ordinary Shares also constitutes the submitting Shareholder's consent (*instemming*) with the direct cancellation (*intrekking*) of the Pegasus Ordinary Shares submitted for repurchase within the meaning of Section 2:208(2) DCC.

11.2 Gross Repurchase Price and Acceptance Period

The gross repurchase price of a Pegasus Ordinary Share under the Redemption Arrangements is equal to a pro rata share of funds in the Escrow Account as determined by the Pegasus Board three Business Days prior to the EGM, which is expected to be €10.00 per Pegasus Ordinary Share. The Sponsors and Pegasus Board members waived their redemption rights in connection with the consummation of the Business Combination with respect to any Pegasus Founder Shares held by them. The acceptance period for the repurchase of Pegasus Ordinary Shares under the Redemption Arrangements starts at 13 May 2022 and ends at noon CEST on 21 June 2022. Financial Intermediaries (as defined below) can determine that this deadline ends at any time prior to this deadline and will communicate this deviating timeline to their customers without Pegasus Entrepreneurs involvement. The repurchase of Pegasus Ordinary Shares under the Redemption Arrangements is anticipated to take place ultimately on the day the notarial deed of the Merger is executed (*i.e.* ultimately the day prior to the Merger becoming effective). By submitting their Pegasus Ordinary Shares for repurchase under the Redemption Arrangements during the abovementioned acceptance period, Redeeming Shareholders accept (*aanvaarden*) the offer (*aanbod*) of Pegasus Entrepreneurs to repurchase such Pegasus Ordinary Shares. The repurchase of Pegasus Ordinary Shares under the Redemption Arrangements becomes unconditional upon the Repurchase Effective Moment, immediately after which Pegasus Entrepreneurs will instruct ABN AMRO Bank N.V. (as listing and paying agent) to pay-out the gross repurchase price due and payable to the Redeeming

Shareholders from its bank account through Euroclear Nederland. The Redeeming Shareholders are expected to receive the gross repurchase price on or around 30 June 2022 from their bank or stockbroker (the "**Financial Intermediary**"). Pegasus Entrepreneurs can only repurchase Pegasus Ordinary Shares to the extent allowed under Dutch law and repurchases will be made in accordance with Dutch law.

11.3 Transfer Details

The Redeeming Shareholders must instruct their Financial Intermediary ultimately before noon CEST on 21 June 2022 or at any earlier deadline communicated by the Financial Intermediary. The Financial Intermediary must submit their instruction for the Redemption Arrangements electronically through the system of Euroclear Nederland via MT565 SWIFT message or Easyway before noon CEST 21 June 2022. By doing so the Financial Intermediary must clearly state the name and address of the Redeeming Shareholders to ABN AMRO. As soon as it has been indicated in the Euroclear Nederland system that a Shareholder wants to use the option of having its Pegasus Ordinary Shares repurchased, these Pegasus Ordinary Shares will be blocked and can no longer be traded on Euronext Amsterdam or otherwise transferred.

11.4 Limitation on redemption rights of Pegasus Ordinary Shareholders holding more than 15% of the Pegasus Ordinary Shares

Pegasus Entrepreneurs' articles of association provide that a Pegasus Ordinary Shareholder, together with any affiliate of such Pegasus Ordinary Shareholder or any other person with whom such Pegasus Ordinary Shareholder is acting in concert, will be restricted from having its Pegasus Ordinary Shares redeemed with respect to Excess Shares, without the prior consent of Pegasus Entrepreneurs. Pegasus Entrepreneurs believes this restriction will discourage Pegasus Ordinary Shareholders from accumulating large blocks of Pegasus Ordinary Shares, and subsequent attempts by such Pegasus Ordinary Shareholders to use their ability to redeem their Pegasus Ordinary Shares as a means to force Pegasus Entrepreneurs or a Sponsor or any of the Sponsors' affiliates to purchase their Pegasus Ordinary Shares at a significant premium to the then-current market price or on other undesirable terms. Absent this provision, a Pegasus Ordinary Shareholder holding more than an aggregate of 15% of the Pegasus Ordinary Shares could threaten to exercise its redemption rights against a Business Combination if such Pegasus Ordinary Shareholder's shares are not purchased by Pegasus Entrepreneurs or the Sponsor or any of their affiliates at a premium to the then-current market price or on other undesirable terms. By limiting Pegasus Ordinary Shareholders' ability to redeem to no more than 15% of the Pegasus Ordinary Shares, Pegasus Entrepreneurs believes it will limit the ability of a small group of Pegasus Ordinary Shareholders to unreasonably attempt to block Pegasus Entrepreneurs' ability to complete a Business Combination, particularly in connection with a Business Combination with a target that requires as a closing condition that Pegasus Entrepreneurs has a minimum net worth or a certain amount of cash. However, Pegasus Entrepreneurs would not be restricting Pegasus Ordinary Shareholders' ability to vote all of their Pegasus Ordinary Shares (including any Excess Shares) for or against a Business Combination.

Pegasus Entrepreneurs' articles of association include certain provisions authorising the Pegasus Board to request certain information from Pegasus Ordinary Shareholders seeking to exercise their redemption rights and obligating such Pegasus Ordinary Shareholders to provide such information, also stipulating that a Pegasus Ordinary Shareholder's voting rights and profit rights may be suspended if a Pegasus Ordinary Shareholder refuses to provide the requested information or provides incomplete or insufficient information, in each case at the Pegasus Board's discretion,

acting in good faith. Pegasus Entrepreneurs' articles of association will also include certain provisions allowing the Pegasus Board to limit the redemption rights of Pegasus Ordinary Shareholders if the Pegasus Board, acting in good faith, believes that a Pegasus Ordinary Shareholder together with any other person with whom such Pegasus Ordinary Shareholder is acting in concert, is seeking to redeem more than an aggregate of 15% of the Pegasus Ordinary Shares.

11.5 Withdrawal of redemption notification

To withdraw Pegasus Ordinary Shares previously submitted for repurchase under the Redemption Arrangements, Pegasus Ordinary Shareholders must instruct the Financial Intermediary which they initially instructed to submit their Pegasus Ordinary Shares for redemption, as described above, to arrange for the withdrawal of such Pegasus Ordinary Shares by the timely deliverance of a written or facsimile transmission notice of withdrawal to their Financial Intermediary in accordance with relevant procedures in the Pegasus IPO Prospectus and their Financial Intermediary. The Financial Intermediary must submit their amended instruction electronically through the system of Euroclear Nederland via MT565 SWIFT message or Easyway. Any request to repurchase Pegasus Ordinary Shares, once made, may be withdrawn up to noon CEST on 21 June 2022.

Any notice of withdrawal must specify the name of the person having submitted the Pegasus Ordinary Shares for repurchase to be withdrawn, the number of Pegasus Ordinary Shares to be withdrawn and the name of the registered holder of the Pegasus Ordinary Shares to be withdrawn. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Pegasus Entrepreneurs, in its sole discretion, which determination will be final and binding. Pegasus Ordinary Shareholders should contact their Financial Intermediary to obtain information about the deadline by which such Pegasus Ordinary Shareholder must send instructions to the Financial Intermediary to withdraw their Pegasus Ordinary Shares for redemption and should comply with the dates set by such Financial Intermediary, as such dates may differ from the dates and times noted in the Pegasus IPO Prospectus, this Circular or any subsequent publication on redemption.

Withdrawals of submissions for repurchase of Pegasus Ordinary Shares may not be rescinded, and any Pegasus Ordinary Shares properly withdrawn will be deemed not to have been validly submitted for repurchase. However Pegasus Ordinary Shares may be re-submitted for repurchase.

It may take up to two Trading Days for Pegasus Ordinary Shares that have been withdrawn to be unblocked and for the Pegasus Ordinary Shareholder to have the ability to trade such Pegasus Ordinary Shares. In addition, should a Pegasus Ordinary Shareholder withdraw its Pegasus Ordinary Shares and subsequently again wish to notify Pegasus Entrepreneurs of its intention to have its Pegasus Ordinary Shares repurchased, such notification may not be able to be made in a timely fashion and such Pegasus Ordinary Shares may therefore not be able to be repurchased.

11.6 Cancellation or placement of Pegasus Ordinary Shares repurchased

In accordance with the Pegasus IPO Prospectus, the Pegasus Board may resolve (i) within one month following repurchase, to place any or all of the Pegasus Ordinary Shares acquired by Pegasus Entrepreneurs from Pegasus Ordinary Shareholders with existing Shareholders or with third parties seeking to obtain Pegasus Ordinary Shares, (ii) to implement the cancellation (*intrekking*) of the Pegasus Ordinary Shares acquired by Pegasus Entrepreneurs from Pegasus Ordinary Shareholders, as tabled for the EGM or (iii) to keep the Pegasus Ordinary Shares it has repurchased as treasury shares in which case they will be cancelled (*vervalen*) as part of the Merger.

The Pegasus Board proposes that all Pegasus Ordinary Shares repurchased by Pegasus Entrepreneurs from Redeeming Shareholders under the Redemption Arrangements, are cancelled (*ingetrokken*), as further described in relation to agenda item (3).

For the avoidance of doubt, the repurchase of the Pegasus Ordinary Shares held by a Redeeming Shareholder does not trigger the repurchase of the Pegasus Public Warrants held by such Redeeming Shareholder (if any). Accordingly, Redeeming Shareholders whose Pegasus Ordinary Shares are repurchased by Pegasus Entrepreneurs will retain all rights to any Pegasus Public Warrants that they may hold at the time of repurchase.

11.7 No redemption if the Business Combination is not completed

If the Business Combination is not approved for any reason, then the Redeeming Shareholders will not be entitled to redeem their Pegasus Ordinary Shares for the applicable pro rata share of the Escrow Accounts.

If the Business Combination is not completed, Pegasus Entrepreneurs may continue to try to complete a Business Combination with a different target until the Business Combination Deadline.

Tax matters are complicated, and the tax consequences of exercising your right to seek a repurchase will depend on the facts of your own situation. You should consult your own tax advisor as to the specific tax consequences of the exercise of this right to you in your particular circumstances.

12 OTHER IMPORTANT INFORMATION

12.1 General

No offering is being made to any person in any jurisdiction. This Circular may not be used for, or in connection with, and does not constitute, or form part, an offer by, or invitation by or on behalf of, Pegasus Entrepreneurs or any representative of Pegasus Entrepreneurs, to purchase any securities, or the solicitation to buy securities by any person in any jurisdiction. No action has been or will be taken in any jurisdiction by Pegasus Entrepreneurs that would permit an offering of the FLE Ordinary Shares or FLE Warrants or possession or distribution of a prospectus in any jurisdiction.

In particular, the FLE Ordinary Shares and FLE Warrants to be issued in connection with the Business Combination have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the U.S. absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act.

Pegasus Entrepreneurs does not undertake to update this Circular unless required pursuant to applicable law and regulation, and therefore the Shareholders should not assume that the information in this Circular is accurate as at any date other than the date of this Circular. Pegasus Entrepreneurs, however, reserves the right to amend this Circular. Should Pegasus Entrepreneurs do so, it will make such amendment available through its website (<https://www.pegasuseurope.com/>). No person is or has been authorised to give any information or to make any representation in connection with the Business Combination, other than as contained in this Circular. If any information or representation not contained in this Circular is given or made, the information or representation must not be relied upon as having been authorised by Pegasus Entrepreneurs or its directors or any of their respective affiliates or representatives.

Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the Netherlands should seek appropriate advice before taking any action. The distribution of this Circular and any accompanying documents into jurisdictions other than the Netherlands may be restricted by law. Any person not in the Netherlands into whose possession this Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Pegasus Entrepreneurs does not accept any responsibility for any violation by any persons of any of such restrictions.

This Circular is governed by Dutch law and must be read and interpreted in accordance therewith. Any dispute arising in connection with this Circular will be subject to the exclusive jurisdiction of the competent court in Amsterdam, the Netherlands.

12.2 Forward-Looking Statements

This Circular contains forward-looking statements that reflect Pegasus Entrepreneurs', FL Entertainment's or the FL Entertainment Group's intentions, beliefs or current expectations and projections about the FL Entertainment Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the FL Entertainment Group operates. Forward-looking statements involve all matters that are

not historical facts. Pegasus Entrepreneurs has tried to identify forward-looking statements by using words such as "may", "will", "would", "should", "expects", "intends", "estimates", "anticipates", "projects", "believes", "could", "hopes", "seeks", "plans", "aims", "aspires", "objective", "potential", "goal", "strategy", "target", "continue", "annualised" and similar expressions or negatives thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties. Forward-looking statements may be found principally in sections in this Circular entitled "*10. Risk Factors*", "*5.11 Dividend Policy of the proposed Business Combination*", "*7.1 FL Entertainment Business*", "*9.5 Operating and financial Review of FL Entertainment*" and also elsewhere.

The forward-looking statements are based on the FL Entertainment Group's beliefs, assumptions and expectations regarding future events and trends that affect the FL Entertainment Group's future performance, taking into account all information currently available to the FL Entertainment Group, and are not guarantees of future performance. These beliefs, assumptions and expectations can change as a result of possible events or factors, not all of which are known to the FL Entertainment Group or are within the FL Entertainment Group's control. If a change occurs, the FL Entertainment Group's business, financial condition, liquidity, results of operations, anticipated growth, strategies or opportunities may vary materially from those expressed in, or suggested by, these forward-looking statements. In addition, the forward-looking estimates and forecasts reproduced in this Circular from third-parties could prove to be inaccurate. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing FL Entertainment and its subsidiaries. Such risks, uncertainties and other important factors include, but are not limited to those listed in the section entitled "*Risk Factors*".

Shareholders should not place undue reliance on the forward-looking statements in this Circular. Pegasus Entrepreneurs urges its Shareholders to read the sections of this Circular entitled "*10. Risk Factors*", "*7.1 FL Entertainment Business*", "*9.5 Operating and financial Review of FL Entertainment*" for a more complete discussion of the factors that could affect the FL Entertainment Group's future performance and the markets in which the FL Entertainment Group operates. In light of the possible changes to the FL Entertainment Group's beliefs, assumptions and expectations, the forward-looking events described in this Circular may not occur. Additional risks currently not known to Pegasus Entrepreneurs or the FL Entertainment Group or that Pegasus Entrepreneurs or the FL Entertainment Group has not considered material as of the date of this Circular could also cause the forward-looking events discussed in this Circular not to occur. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. Pegasus Entrepreneurs undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law.

12.3 Market and industry data

All references to market share, market data, industry statistics and industry forecasts in this Circular consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of the FL Entertainment Group's own assessment of its sales and markets. Statements based on FL Entertainment's own proprietary information, insights, opinions or estimates contain words such as the FL Entertainment Group or FL Entertainment 'believes', 'expects', 'sees', 'considers', 'aims', 'estimates' and as such do not purport to cite, refer to or summarise

any third-party or independent source and should not be so read.

This Circular contains statistics, data and other information relating to markets, market size, market shares, market positions and other industry data pertaining to the FL Entertainment Group's business and markets. Unless otherwise indicated, such information is based on the FL Entertainment Group's analysis of multiple sources and information obtained from Press, Companies publications, The WIT, Ampere Analysis, FactSet, Grand View Research, Moody's, Similarweb, SNL and Wall Street Research. Such information has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as Pegasus Entrepreneurs is aware and able to ascertain from the information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Industry publications generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions.

Shareholders are, nevertheless, advised to consider these data with caution. For example, market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. The fact that information from the aforementioned third-party sources has been included in this Circular should not be considered as a recommendation by the relevant third parties to invest in, purchase or take any other action with respect to, shares or other financial instruments in Pegasus Entrepreneurs or FL Entertainment.

This Circular contains statements regarding the characteristics of the multi-platform and cross-genre content production and sports betting industries as well as the FL Entertainment Group's competitive and market position. Pegasus Entrepreneurs believes these statements to be true, based on market data and industry statistics, but has not independently verified the information. Pegasus Entrepreneurs cannot guarantee that a third-party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the FL Entertainment Group and FL Entertainment's competitors may define their markets and their own relative positions in these markets differently than the FL Entertainment Group or Pegasus Entrepreneurs does and may also define various components of their business and operating results in a manner which makes such figures non-comparable with the FL Entertainment Group's or FL Entertainment's.

12.4 Enforcement of civil liabilities

The ability of Pegasus Ordinary Shareholders in certain countries other than the Netherlands, in particular in the United States, to bring an action against Pegasus Entrepreneurs may be limited under law. Pegasus Entrepreneurs is incorporated under the laws of the Netherlands and has its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands.

At the date of this Circular, all board members and other officers of Pegasus Entrepreneurs named herein are citizens or residents of countries other than the United States. All or a substantial proportion of the assets of these individuals and Pegasus Entrepreneurs are located outside the United States. As a result, it may be impossible or difficult for Shareholders to effect service of process within the United States upon such persons or Pegasus Entrepreneurs or to enforce against them in United States courts a judgment obtained in such courts. In addition, there is doubt as to the enforceability, in the Netherlands, or original actions or actions for enforcement based on the federal or state securities laws of the United States or judgments of United States courts, including judgments

based on the civil liability provisions of the United States federal or state securities laws.

The United States and the Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. With respect to choice of court agreements in civil or commercial matters it is noted that the Hague Convention on Choice of Court Agreements entered into force for the Netherlands, but has not entered into force for the United States. It should be noted that the Hague Convention on Choice of Court Agreements does not apply to one-sided exclusive jurisdiction clauses. Accordingly, a judgment rendered by a court in the United States would not automatically be recognised and enforced by the Dutch courts. However, if a person has obtained a final judgment without appeal in such a matter rendered by a court in the United States which is enforceable in the United States and files his claim with the competent Dutch court, the Dutch court will in principle to recognise and give effect to such foreign judgment insofar as it finds that (i) the jurisdiction of the United States court has been based on grounds which are internationally acceptable, (ii) proper legal procedures have been observed (*behoorlijke rechtspleging*), (iii) the judgment does not contravene Dutch public policy (*openbare orde*), and (iv) the judgment is not incompatible with a judgment of a Dutch court or an earlier judgment of a foreign court that is capable of being recognised in the Netherlands. Even if such foreign judgment is given binding effect, a claim based thereon, may, however, still be rejected if the foreign judgment is not or no longer formally enforceable in the country of origin. Pegasus Entrepreneurs cannot provide assurance that all conditions precedent required for enforcement of foreign judgments in the Netherlands will be satisfied, or that a particular judgment will be enforced in the Netherlands. In addition, there can be no assurance that civil liabilities predicated upon federal or state securities laws of the United States will be enforceable in the Netherlands or any other jurisdiction.

Enforcement of any foreign judgment in the Netherlands will be subject to the rules of Dutch code of civil procedure (*Wetboek van Burgerlijke Rechtsvordering*). Judgments may be rendered in a foreign currency but enforcement is executed in euro at the applicable rate of exchange. Under certain circumstances, a Dutch court has the power to stay proceedings (*aanhouden*) or to declare that it has no jurisdiction if concurrent proceedings are being brought elsewhere.

A Dutch court may reduce the amount of damages granted by a United States court and recognise damages only to the extent that they are necessary to compensate actual losses and damages.

12.5 Available information

The following documents (or copies thereof) may be obtained free of charge from Pegasus Entrepreneurs' website (<https://www.pegasuseurope.com/>):

- this Circular;
- the proposal for the Merger;
- the presentation for the PIPE Investors;
- the proxy form including voting instructions; and
- the Pegasus IPO Prospectus.

13 DEFINITIONS

The following definitions are used in this Circular:

"Adjusted Cash Conversion"	Adjusted Free Cash Flow divided by Adjusted EBITDA
"Adjusted EBITDA Margin"	Adjusted EBITDA for a certain period as a percentage of revenue for that period
"Adjusted EBITDA"	the Operating Profit for that period excluding restructuring costs and other non-recurring items, costs associated with the LTIP and employment related earn-out and option expenses, and depreciation and amortisation (excluding D&A fiction).
"Adjusted Free Cash Flow"	Adjusted EBITDA adjusted for purchase and disposal of property plant and equipment and of intangible assets and cash outflows for leases that are not recognised as rental expenses
"Adjusted Net Income"	net income (loss) adjusted for restructuring costs and other non-recurring items, costs associated with the LTIP and employment related earn-out and option expenses and other financial income
"AFJEL"	The French Association of Online Games the (<i>Association Française des jeux en Ligne</i>)
"AFM"	the Dutch Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>)
"Aggregated Adjusted EBITDA"	the aggregation of Adjusted EBITDA reported in the Endemol Shine Group financial information and the Combined Financial Statements for the respective period
"Aggregated Adjusted Free Cash Flow"	the aggregation of Adjusted Free Cash Flow reported in the Endemol Shine Group financial information and the Combined Financial Statements for the respective period
"Aggregated FY 2019"	the aggregation of the audited Endemol Shine Group financial statements for the year ended 31 December 2019 and the Combined Financial Statements for the year ended 31 December 2019
"Aggregated FY 2020"	the aggregation of the unaudited management accounts of the Endemol Shine Group for the six months ended 30 June 2020 and the Combined Financial Statements for the year ended 31 December 2020
"Aggregated Revenues"	The aggregation of revenue reported in the Endemol Shine Group financial information and the Combined Financial Statements for the respective period
"Alternative Issuance"	has the meaning given to that term in "Description of share capital-Anti-dilution adjustments" on page 38
"AML"	laws aimed at preventing money laundering
"ANJ"	the French National Gaming Authority (<i>Autorité Nationale des Jeux</i>)

"Annual Accounts"	the annual accounts referred to in article 2:391 DCC
"Apollo"	Apollo Global Management, LLC
"Approving Shareholder"	certain Shareholders that have agreed with Pegasus Entrepreneurs, to vote on all Pegasus Ordinary Shares held by them in favour of a Business Combination
"ATAD 2"	Council Directive (EU) 2017/952
"ATAD 3 Directive"	a proposal published by the European Commission on 22 December 2021 for a directive laying down rules to prevent the misuse of shell entities for improper tax purposes and amending Directive 2011/16/EU
"ATAD"	Council Directive 2016/1164) (as amended from time to time)
"Banijay Entertainment"	Banijay Entertainment S.A.S.
"Banijay Facility B"	the TLB (USD) and the TLB (EUR)
"Banijay Group"	Banijay together with its subsidiaries
"Banijay Indentures"	the Senior Notes Indenture and the Senior Secured Notes Indenture
"Banijay Intercreditor Agreement"	an intercreditor agreement between, among others, Banijay Group S.A.S., Banijay Entertainment and the Guarantors dated 11 February 2020 (as amended from time to time)
"Banijay Senior Credit Facilities"	the TLB (EUR), the TLB (USD), the Revolving Credit Facility and, if the context permits, each additional facility established from time to time under the Banijay Senior Secured Credit Facilities Agreement
"Banijay Senior Secured Credit Facilities Agreement"	the senior secured credit facilities entered into on 7 February 2020, by and among, inter alios, Banijay Group S.A.S as topco, Banijay Entertainment S.A.S, as company, the original lenders (as named therein), U.S. Bank National Association as agent and Elavon Financial Services DAC as security agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time, pursuant to which the (i) euro-denominated term loan in an aggregate principal amount of €453.0 million, (ii) the US dollar-denominated term loan in an aggregate principal amount of €415.9 million (equivalent) and (iii) the €170.0 million (equivalent) senior secured revolving credit facility have been made available to the borrowers by the lenders
"Banijay Senior Secured Net Leverage Ratio"	the ratio of consolidated senior secured net debt to consolidated pro forma EBITDA (as defined in the Banijay Senior Secured Credit Facilities Agreement)
"Banijay"	Banijay Group Holding SAS, a French joint stock company (société par actions simplifiée) duly organised and existing under the laws of

	France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 829 295 138 R.C.S. PARIS
"BEPS"	base erosion and profit shifting
"Bet-at-home"	Bet-at-home AG
"Betclic Everest Group"	Betclic together with its subsidiaries, including Bet-at-home
"Betclic Group Senior Credit Facility Agreement"	the senior secured credit facility entered into on 23 June 2020, by and among, inter alios, Betclic Group S.A.S. as borrower, Betclic as parent and guarantor, Mangas Lov as guarantor, BNP Paribas, Natixis and Société Générale as mandated lead arrangers and Société Générale as agent and security agent and Natixis as documentation agent as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time, pursuant to which the euro-denominated term loan in an aggregate principal amount of €165.0 million has been made available by the lenders to the borrower
"Betclic Group Senior Credit Facility"	the euro-denominated term loan in an aggregate principal amount of €165.0 million made available under the Betclic Group Senior Credit Facility Agreement
"Betclic Group"	Betclic together with its subsidiaries, excluding Bet-at-home
"Betclic"	Betclic Everest Group S.A.S., a French joint stock company (société par actions simplifiée) duly organised and existing under the laws of France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 501 420 939 R.C.S Paris
"Black List"	annex 1 of the list of non-cooperative tax jurisdictions, adopted by the Council of the European Union on 5 December 2017, as amended
"Board Recommendation"	the recommendation of the Pegasus Board that Pegasus Entrepreneurs' shareholders vote in favour of the Pegasus Shareholder Resolutions at the EGM
"Board Report"	a board report, annually prepared by the Pegasus Board, which must give a true and fair view of the position on the balance sheet date of the annual accounts, the developments during the financial year and the results of Pegasus Entrepreneurs of which the financial information has been included in the annual accounts
"Business Combination Agreement"	the business combination agreement between Pegasus Entrepreneurs, FL Entertainment and Financière Lov dated 10 December 2022
"Business Combination Date"	the date on which Pegasus Entrepreneurs and FL Entertainment expect to enter into the Deed of Merger
"Business Combination Escrow Amount"	an amount equal to the amount on the Escrow Accounts at the Business Combination Date minus (i) the amounts payable to Pegasus Entrepreneurs' shareholders pursuant to the Redemption Arrangements

	and (ii) the Deferred Commissions (as defined in the Pegasus IPO Prospectus)
"Business Combination Transaction Documents"	the Business Combination Agreement, the Deed of Merger and the Investment Agreement
"Business Combination"	the business combination between Pegasus Entrepreneurs and FL Entertainment
"CA Media"	CA Media Mauritius Holding, the minority shareholder of ES India
"CEST"	Central European Summer Time
"CFT"	laws aimed at preventing bribery and the financing of terrorism
"Circular"	this document, which is a circular and the convocation for the EGM
"Combined Financial Statements"	the combined full year financial statements of the FL Entertainment Group for the Financial Year 2019, the Financial Year 2020 and the Financial Year 2021
"Company"	Pegasus Entrepreneurial Acquisition Company Europe B.V.
"Confidential Information"	any information concerning the Business Combination Agreement, exchanged pursuant to it or relating to the Business Combination
"Confidentiality Agreement"	the confidentiality agreement between Pegasus Entrepreneurs and Financière Lov
"Convocation"	the convocation, including the agenda for the EGM, as is set out in section 3 of this document
"Council Conclusions"	the conclusions adopted by Council of the European Union on 5 December 2017 on the on the EU list of non-cooperative jurisdictions for tax purposes
"Courbit Family"	Stéphane Courbit Florence Courbit, Vanille Courbit, Oscar Courbit and Lila Courbit
"DCC"	Dutch Civil Code (<i>Burgerlijk Wetboek</i>)
"De Agostini"	DEA Communications SA, a Luxembourg société anonyme, having its business address at 31, rue Philippe II, Luxembourg, Grand Duchy of Luxembourg, registered under number B116877
"Deed of Amendment"	the notarial deed of conversion and amendment of FL Entertainment that is expected to be executed on or around 30 June 2022
"Deed of Merger"	the notarial deed of merger between Pegasus Entrepreneurs and FL Entertainment that is expected to be executed on or around 30 June 2022
"Director Designating Sponsors"	Geyser Investments S.A., Spf, Pierre Cuilleret, Tikehau Capital, Poseidon Entrepreneurs Financial Sponsor, Diego De Giorgi and Jean Pierre Mustier

"DSP"	Darlow Smithson Productions
"Dutch Corporate Governance Code" or "Code"	the Dutch corporate governance code issued on 8 December 2016
"Dutch Income Tax Act"	Dutch income tax act (<i>Wet inkomstenbelasting 2001</i>)
"Dutch Nexus Investor"	a holder of FLE Ordinary Shares that is resident in the Netherlands for tax purposes
"Dutch Resident Entity"	a holder of FLE Ordinary Shares and/or FLE Warrants that is an entity resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes
"Dutch Resident Individual"	a holder of FLE Ordinary Shares and/or FLE Warrants that is an individual resident or deemed to be resident of the Netherlands for Dutch income tax purposes
"Dutch Securities Giro Transactions Act"	Dutch securities giro transactions act (<i>Wet giraal effectenverkeer</i>)
"Earn-Out Preference Shares A"	earn-out preference shares A in FL Entertainment's capital with a nominal value of €0.03 per share
"Earn-Out Preference Shares B"	earn-out preference shares B in FL Entertainment's capital with a nominal value of €0.03 per share
"Earn-Out Preference Shares C"	earn-out preference shares C in FL Entertainment's capital with a nominal value of €0.03 per share
"Earn-Out Preference Shares"	Earn-Out Preference Shares A, Earn-Out Preference Shares B and Earn-Out Preference Shares C (and each such share an " Earn-Out Preference Share ")
"EEA"	European Economic Area
"EGM"	the extraordinary general meeting (<i>algemene vergadering</i>) of shareholders on 23 June 2022 in which the shareholders of Pegasus Entrepreneurs will resolve on the Business Combination
"Eligible SVS Holder"	a person that (x) agrees to adhere to, and shall continue to meet the requirements of, the SVS Terms, and (y) acquires Special Voting Shares A together with a same number of FLE Ordinary Shares, and (z) either (i) individually or together with its affiliates, (a) holds (after the acquisition of FLE Ordinary Shares set out under (y)) FLE Ordinary Shares representing twenty percent (20%) or more of the total number of FLE Ordinary Shares issued and outstanding at any time, and (b) holds all of the issued and outstanding Special Voting Shares A at any time, and (c) except for Financière Lov and its affiliates, shall have filed and actually launched (which means that shareholders of FL Entertainment are actually able to sell their shares) a public offer (openbaar bod) in cash on FL Entertainment that is declared

unconditional (for all outstanding shares and other equity-linked securities, issued by FL Entertainment and with no conditions) at a price per FLE Ordinary Share at least equal to the aggregate of (I) the price paid for one FLE Ordinary Share and (II) the price paid for one corresponding Special Voting Share A, or (ii) is a Pledgee SVS Beneficiary and holds Special Voting Shares A no longer than six (6) months (provided such deadline shall be extended to a maximum of eighteen (18) months if the Pledgee SVS Beneficiary envisages a transfer of FLE Ordinary Shares with the corresponding Special Voting Shares A held by it to an Eligible SVS Holder as referred to in limbs (x), (y) and (z)(i) of this definition, in a situation where such transfer cannot be completed without such transferee first obtaining the requisite regulatory authorizations) after the acquisition of such Special Voting Shares A

"Endemol Shine Group"	AP NMT JV Newco B.V and its subsidiaries
"Endemol Shine Turkey"	Endemol Medya Prodüksiyon Tic. Ltd. Şti.
"Equity Financings"	equity financing transactions between Financière Lov and certain banks and financial institutions in an aggregate notional amount of €450,000,000 in order to finance its €250,000,00 investment in FL Entertainment as set out in the Investment Agreement, refinance part of the existing indebtedness of Financière Lov and finance the general corporate purposes of Financière Lov and its affiliates
"ES India"	Endemol Private India Limited
"Escrow Accounts"	the bank accounts opened by the Escrow Foundation and held with BNP Paribas and Caisse d'Épargne Côte d'Azur
"Escrow Agent"	Intertrust Escrow and Settlements B.V. with corporate seat in Amsterdam and having its address at Basisweg 10, 1043 AP Amsterdam, the Netherlands
"Escrow Foundation"	Stichting Pegasus Entrepreneurial Europe Escrow
"ESG"	environmental, social and governance
"EU List"	the Black List and the Grey List
"EU"	European Union
"EUR or euro or €"	the lawful currency of the European Economic and Monetary Union
"EURIBOR"	the Euro Interbank Offered Rate
"Euroclear Nederland"	Netherlands Central Institute for Giro Securities Transactions (<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i>)
"Euronext Amsterdam"	Euronext Amsterdam, a regulated market of Euronext Amsterdam N.V.

" Exclusivity Period "	an exclusivity period of four months in relation to the LoI
" Exercise Price "	€11.50, subject to adjustments as set out in the Pegasus IPO Prospectus
" Fimalac "	F. Marc de Lacharrière (Fimalac), a French <i>société européenne</i> , having its business address at 97, rue de Lille, 75007 Paris, France, registered under number 542 044 136
" Financial Counterparties "	certain banks and financial institutions with which Financière Lov has entered into the Equity Financings
" Financial Year 2021 "	the financial year of FL Entertainment ended 31 December 2021
" Financière Agache "	Financière Agache SA and its subsidiary
" Financière Lov "	Financière Lov S.A.S.
" First Trading Date "	the date on which trading on an "as-if-and-when-issued/delivered" basis in the FLE Ordinary Shares and FLE Warrants on Euronext Amsterdam commences, which is expected to be 1 July 2022
" FL Entertainment "	FL TopCo B.V. and, following the conversion into a public company with limited liability (<i>naamloze vennootschap</i>) and change of name, FL Entertainment N.V.
" FL Entertainment Group Companies "	FL Entertainment's subsidiaries within the meaning of article 2:24b DCC (and each a " FL Entertainment Group Company ")
" FL Entertainment Group "	FL Entertainment and its subsidiaries or, when referring to a period or point in time prior to the First Trading Date, to Lov Banijay, LDH, the Banijay Group and Betclic Everest Group and their subsidiaries, under the common control of Financière Lov.
" FLE Articles of Association "	the articles of association of FL Entertainment as they will read as from the First Trading Date
" FLE Audit Committee "	FL Entertainment's audit committee
" FLE Board Rules "	the rules regarding the FLE Board's decision-making process and working methods
" FLE Board "	the one-tier board (<i>raad van bestuur</i>) of FL Entertainment
" FLE Concert "	a concerted action within the meaning of Dutch law in relation to the Shareholders Agreement
" FLE Directors "	The FLE Executive Directors or FLE Non-Executive Directors (and each a " FLE Director ")
" FLE Executive Directors "	executive directors of the FLE Board (and each a " FLE Executive Director ")
" FLE Founder Shares "	Founder shares in FL Entertainment's capital with a nominal value of € 0.01 per share (and each a " FLE Founder Share ")
" FLE Founder "	Pegasus Founder warrants which are assumed by FL Entertainment

Warrants"	pursuant to the Merger (and each such founder warrant a " FLE Founder Warrant ")
"FLE General Meeting"	General meeting (<i>algemene vergadering</i>) of shareholders of FL Entertainment, being the corporate body, or where the context so requires, the physical meeting of FL Entertainment's shareholders
"FLE Non-Executive Director"	a non-executive director of the FLE Board (and each a " FLE Non-Executive Director ")
"FLE Ordinary Shareholders"	shareholders of FLE Ordinary Shares (and each such an " FLE Ordinary Shareholder ")
"FLE Ordinary Shares"	FLE Ordinary shares in FL Entertainment's share capital, with a nominal value of €0.01 each (and each such ordinary share an " Ordinary Share ")
"FLE Remuneration, Selection and Appointment Committee"	FL Entertainment's remuneration, selection and appointment committee
"FLE Senior Management Members"	Marco Bassetti and Nicolas Beraud
"FLE Senior Management Team"	the FLE Executive Directors and the FLE Senior Management Members
"FLE Warrant Holder"	a holder of one or more FLE Warrant(s)
"FLE Warrant T&Cs"	the terms and conditions of the FLE Warrants
"FLE Warrants"	FLE Warrants in FL Entertainment, each which entitles the FLE Warrant Holder to purchase one FLE Ordinary Share at a price of €11.50, subject to adjustments as set out in the FLE Warrant T&Cs (and each such warrant a " FLE Warrant ")
"Former Banijay and Betclac Minority Shareholders"	FL Entertainment's existing shareholders before the Merger other than Financière Lov
"Forward Purchase Agreement"	the forward purchase agreement entered into by Pegasus Entrepreneurs with Tikehau Capital, Poseidon Entrepreneurs Financial Sponsor SAS and Financière Agache on 10 December 2021
"Forward Purchase Securities"	2,500,000 FLE Ordinary Shares and 833,333 FLE Warrants to be subscribed by each of each of Tikehau Capital and Financière Agache (through Poseidon Entrepreneurs Financial Sponsor SAS), therefore in the aggregate 5,000,000 FLE Ordinary Shares and 1,666,666 FLE Warrants
"Fox"	Twenty-First Century Fox Inc.

"French-Dutch Tax Treaty"	the 1973 Convention between the Kingdom of the Netherlands and the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital
"GDPR"	Regulation (EU) 2016/679 of the Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data
"Grey List"	annex 2 of the list of non-cooperative tax jurisdictions, adopted by the Council of the European Union on 5 December 2017, as amended
"Gross Gaming Revenue"	the 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 for a certain period
"H2O"	H2O Productions
"IFRS"	the International Financial Reporting Standards as adopted by the European Union
"Investment Agreement"	the investment agreement between Stéphane Courbit, Lov Group Invest, Financière Lov, SBM International, Dea Communications Sa, F. Marc De Lacharrière (Fimalac), Pegasus Acquisition Partners Holding B.V., Pegasus Entrepreneurs, Tikehau Capital, Bellerophon Financial Sponsor 2 Sas, Poseidon Entrepreneurs Financial Sponsor, Financière Agache, Vivendi Content, Société D'investissements Et De Gestion 116 – Sig 116, Vivendi Se and FL Entertainment, in the presence of Lov Banijay, Mangas Lov, LDH, Banijay Group Holding and Betclac Everest Group dated 10 May 2022
"LDH"	LDH, a French joint stock company (<i>société par actions simplifiée</i>) duly organised and existing under the laws of France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 817 471 402 R.C.S Paris
"Leverage"	Net Debt divided by Adjusted EBITDA
"LGI"	Lov Group Invest, a French <i>société par actions simplifiée</i> , controlling Financière Lov and whose share capital is owned by the Courbit Family
"LIBOR"	the London Interbank Offered Rate
"Listing"	FL Entertainment's listing of all FLE Ordinary Shares and all FLE Warrants on Euronext Amsterdam
"Listing and Paying Agent"	ABN AMRO Bank N.V. as FL Entertainment's listing and paying agent
"Listing Prospectus"	the prospectus which is being prepared in connection with the admission to listing and trading of all FLE Ordinary Shares and FLE Warrants on Euronext Amsterdam
"LoI"	the letter of intent between Pegasus Entrepreneurs and the Financière

	Lov dated 12 January 2022
"Lov Acquisition Proposal"	an equity or similar investment in any FL Entertainment Group company or their respective affiliates
"Lov Banijay"	Lov Banijay S.A.S.
"Lov Group"	LGI and its direct and indirect subsidiaries
"Lov Reorganisation Completion Date"	the completion of the Lov Reorganisation which is expected to take place on the day preceding the completion date of the Business Combination Agreement and at the latest on the Long Stop Date
"Lov Reorganisation Conditions Precedent"	the conditions precedent to the obligations of the parties under the Investment Agreement
"Lov Reorganisation"	has the meaning ascribed thereto on page 97 of this Circular under " <i>g. Covenants of the Parties to the Business Combination Agreement</i> " in " <i>6.1 Business Combination Agreement</i> "
"LSM"	Liberty Syndicates Management Ltd.
"Major IPO Shareholders"	Ms De Raedt and Mr. Lazard
"Management Report"	the management report as included in the Annual Accounts
"Mangas Lov"	Mangas Lov, a French joint stock company (<i>société par actions simplifiée</i>) and a subsidiary of Financière Lov, duly organised and existing under the laws of France, having its business address at 5 rue François 1er, 75008 Paris, France, registered under number 510 815 020 R.C.S Paris
"Member State"	Member state of the EEA
"Merger"	the merger between Pegasus Entrepreneurs and FL Entertainment that is expected to become effective as from 1 July 2022 with Pegasus Entrepreneurs as the disappearing entity
"MLI Tie-Breaker Reservation"	the reservation France has made under Article 4(3) of the MLI
"MLI"	the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting
"NCST"	a "non-cooperative State and territory" (<i>État ou territoire non-coopératif</i>) as defined in Article 238-0 A of the French tax code
"ND Notary"	civil law notary (<i>notaris</i>) Paul van der Bijl of NautaDutilh N.V. in Amsterdam and any candidate civil law notary acting under his supervision
"Net Debt"	the sum of bonds, bank borrowings, bank overdrafts and accrued interests on bonds and bank borrowings minus cash and cash equivalents, trade receivables on providers and cash in trusts, plus players liabilities plus (or minus) the fair value of net derivatives

	liabilities (or assets) for a certain period
"New Bonds"	bonds redeemable in cash or in ordinary shares in Lov Banijay for a principal amount of €50.0 million issued by Lov Banijay on 14 October 2016 and governed by terms and conditions amended from time to time subscribed by SIG 116 (an affiliate of Vivendi)
"Non-Cooperative States and Territories"	of the non-cooperative states and territories within the meaning of article 238-0 A of the French tax code, as determined by order or decree on the list of non-cooperative states and territories
"Non-Eligible Special Voting Shares A"	Special Voting Shares A held by an Eligible SVS Holder exceeding the number of FLE Ordinary Shares held by such Eligible SVS Holder, and (ii) the Special Voting Shares A held by a Non-Eligible SVS Holder
"Non-Eligible SVS Holder"	a shareholder who holds Special Voting Shares A and/or Special Voting Shares B and who is not or ceases to be an Eligible SVS Holder
"Notes"	the Senior Notes and the Senior Secured Notes
"OECD"	Organisation for Economic Cooperation and Development's
"ORAN"	bonds redeemable in cash or in ordinary shares in Lov Banijay for a principal amount of €90.0 million issued by Lov Banijay on 23 February 2016 and governed by terms and conditions amended from time to time and subscribed by SIG 116 (an affiliate of Vivendi)
"OTT"	over-the-top content
"Pegasus Acquisition Partners Holding"	Pegasus Acquisition Partners Holding B.V.
"Pegasus Acquisition Proposal"	means (i) any direct or indirect acquisition (or other business combination), in one or a series of related transactions, by Pegasus Entrepreneurs (a) of or with an unaffiliated entity or (b) of all or a material portion of the assets, securities or businesses of an unaffiliated entity, (ii) any other transaction that could constitute a “business combination” within the meaning of the Pegasus Entrepreneurs’ articles of association or the Pegasus IPO Prospectus or (iii) more generally, any transaction that would materially prevent or delay the Completion (in the case of each of clause (i), (ii) and (iii), whether by merger, consolidation, recapitalization, purchase or issuance of securities, tender offer or otherwise), provided that, for the avoidance of doubt, neither the Business Combination Agreement or any of the the transactions contemplated by the Business Combination Agreement shall constitute a Pegasus Acquisition Proposal
"Pegasus Board"	the board of Pegasus Entrepreneurs
"Pegasus Entrepreneurs"	Pegasus Entrepreneurial Acquisition Company Europe B.V.
"Pegasus Founder"	a total of 5,250,000 founder shares in Pegasus Entrepreneurs' capital

Shares"	with a nominal value of €0.01 per share purchased by the Sponsors and their affiliates and/or directors, including Pierre Cuilleret, Diego De Giorgi and Jean Pierre Mustier in connection with the Pegasus IPO at a subscription price of €1.50 per founder share for an aggregate subscription price of €7,875,000 (and each such founder share a "Pegasus Founder Share")
"Pegasus Founder Warrants"	an aggregate of 5,250,000 warrants of Pegasus Entrepreneurs subscribed for by Tikehau Capital, Financière Agache, Diego De Giorgi, Jean Pierre Mustier, as well as Pegasus Acquisition Partners Holding and/or their respective affiliates and/or directors in connection with the Pegasus IPO for an aggregate subscription price of €157,500 (and each such warrant a "Pegasus Founder Warrant")
"Pegasus General Meeting"	the general meeting of Pegasus Entrepreneurs
"Pegasus IPO"	Pegasus Entrepreneurs' initial private placement of the Pegasus Ordinary Shares and Pegasus Public Warrants
"Pegasus IPO Prospectus"	The prospectus prepared in connection with the Pegasus IPO dated 10 December 2021
"Pegasus Ordinary Shareholders"	Pegasus Entrepreneurs' holders of Pegasus Ordinary Shares as of the date of the Listing, other than the Sponsors and their affiliates and/or directors
"Pegasus Ordinary Shares"	Class A ordinary shares in Pegasus Entrepreneurs' capital (and each such class A ordinary shares a "Pegasus Ordinary Share")
"Pegasus Promote Schedule"	has the meaning given to that term in paragraph <i>"5.7.(b) FLE Founder Shares"</i>
"Pegasus Public Warrants"	Warrants in Pegasus Entrepreneurs (and each a "Pegasus Public Warrant")
"Pegasus Shareholder Resolutions"	the resolutions (A) to approve the Business Combination Agreement and to enter into the Merger pursuant to a resolution in a form as attached to the Business Combination Agreement, (B) to resolve to (i) cancel the Pegasus Ordinary Shares that are repurchased under the Redemption Arrangements or (ii) in case the repurchase of the Pegasus Ordinary Shares tendered for repurchase under the Redemption Arrangements is not completed before the Merger becomes effective, cancel the Pegasus Ordinary Shares that are tendered for repurchase under the Redemption Arrangements directly prior to the Merger becoming effective and (C) in respect of such other matters as Pegasus Entrepreneurs and FL Entertainment have mutually determined, acting reasonably, to be necessary or appropriate in order to effect the Business Combination
"Pegasus Units"	21,000,000 units in the capital of Pegasus Entrepreneurs, each which consisted of one Pegasus Ordinary Share that entitled its holder to

	receive an additional 1/3 of a Pegasus Public Warrant (and each a "Pegasus Unit")
"PGE"	a state guaranteed loan which was granted to Banijay Group in the context of the COVID-19 outbreak
"Pillar 1"	the update issued by OECD on 8 October 2021 on the major reform of international tax system, so-called two pillar solution, agreed on 1 July 2021, and aimed at aligning taxing rights more closely with local market engagement
"Pillar 2"	the update issued by OECD on 8 October 2021 on the major reform of international tax system, so-called two pillar solution, agreed on 1 July 2021, and aimed at implementing as from 2023 a minimum 15% taxation rate in each country where the groups operate
"PIPE Financing Subscription Agreements"	the subscription agreements with PIPE Investors in the PIPE Financing that FL Entertainment and Pegasus Entrepreneurs have entered and will enter into in connection with the Business Combination including in the case of Vivendi, the subscription commitment under the terms of the Investment Agreement
"PIPE Financing"	a private investment in public equity transaction entered into by FL Entertainment in connection with the Business Combination
"PIPE Investors"	each investor with which FL Entertainment has entered into subscription agreements for the PIPE Financing
"Pledgee SVS Beneficiary"	any beneficiary of a pledge over Special Voting Shares A held by Financière Lov (together with the Affiliates, successors and assignees of such beneficiary) that has enforced such pledge over Special Voting Shares A and a corresponding number of Ordinary Shares at the time of enforcement
"PMU"	Pari Mutuel Urbain, a French horse racing betting company
"Principal Purpose Test"	has the meaning ascribed thereto on page 300 of this Circular under <i>"10.6.i FL Entertainment intends to be treated exclusively as a resident of France for tax purposes, but FL Entertainment also is a resident of the Netherlands for certain Dutch tax purposes, and other tax authorities may seek to treat FL Entertainment as a tax resident of another jurisdiction, as a result of which FL Entertainment could be subject to increased and/or different taxes"</i>
"Prospectus Regulation"	Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 (including any amendments and relevant delegated regulations)
"Record Date"	26 May 2022 at 17:30 CEST, after processing of all settlements on that date
"Redeeming Shareholders"	the Pegasus Ordinary Shareholders from whom Pegasus Entrepreneurs will repurchase all Pegasus Ordinary Shares, offered within the

	acceptance period and in accordance with the Redemption Arrangements
"Redemption Arrangements"	the arrangements set out in paragraph "11.1 Repurchase of the Pegasus Ordinary Shares held by Pegasus Ordinary Shareholders at the time of the Business Combination"
"Redemption Notice"	a written notice of redemption by means of which FL Entertainment may redeem all issued and outstanding FLE Warrants
"Reference Value"	the closing price of the FLE Ordinary Shares for any 20 Trading Days within a 30-day trading period ending on the third Trading Day prior to the date on which FL Entertainment publishes the Redemption Notice
"Revolving Credit Facility"	the €170.0 million (equivalent) senior secured revolving credit facility made available under the Banijay Senior Secured Credit Facilities Agreement
"SAX"	a specialised company, SAX Logistica which was subcontracted by Adventure Line Productions, a Banijay Group's subsidiary
"SBM International"	Monte-Carlo SBM International S.à r.l., a wholly owned subsidiary established in Luxembourg of the listed company Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco
"Senior Credit Facilities Agreements"	the Banijay Senior Secured Credit Facilities Agreement and the Betclac Group Senior Credit Facilities Agreement
"Senior Credit Facilities"	the Banijay Senior Credit Facilities and the Betclac Group Senior Credit Facility
"Senior Notes Indenture"	the indenture entered into on 11 February 2020 that governs the €400.0 million in aggregate principal amount of 6.500% senior notes due 2026, by and among, <i>inter alios</i> , Banijay Group S.A.S as issuer and U.S. Bank Trustees Limited as trustee
"Senior Notes"	the €400.0 million in aggregate principal amount 6.500% senior notes due 2026 and issued under the Senior Notes Indenture
"Senior Secured Notes Indenture"	the indenture entered into on 11 February 2020 that governs (i) the €575.0 million in aggregate principal amount of 3.500% senior secured notes due 2025 and (ii) the \$403.0 million in aggregate principal amount of 5.375% senior secured notes due 2025, by and among, <i>inter alios</i> , Banijay Entertainment S.A.S., as issuer and U.S. Bank Trustees Limited as trustee
"Senior Secured Notes"	the €575.0 million in aggregate principal amount of 3.500% senior secured notes due 2025 issued under the Senior Secured Notes Indenture on 11 February 2020 and the \$403.0 million in aggregate principal amount of 5.375% senior secured notes due 2025 to be issued under the Senior Secured Notes Indenture

"Settlement Date"	the date on which Settlement occurs which is expected to be on or around 5 July 2022, subject to acceleration or extension of the timetable for, or withdrawal of, the Listing
"Settlement"	the delivery of, the FLE Ordinary Shares and FLE Warrants in exchange for the Pegasus Ordinary Shares and the Pegasus Public Warrants
"Shareholder Circular"	the circular addressed to Pegasus Entrepreneurs' shareholders (as amended or supplemented from time to time)
"Shareholder Rights Directive II"	Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement
"Shareholders Agreement"	has the meaning ascribed thereto on page 188 of this Circular under <i>"8.3 Shareholders agreement"</i>
"Shareholders' Register"	the shareholders' register of FL Entertainment
"SONIA"	the Sterling Overnight Index Average
"SOVD"	streaming video on demand
"Special Voting Plan"	a special voting plan implemented by FL Entertainment
"Special Voting Shares A"	special voting shares A in FL Entertainment's capital with a nominal value of €0.02 per share
"Special Voting Shares B"	special voting shares B in FL Entertainment's capital with a nominal value of €0.02 per share
"Special Voting Shares"	Special Voting Shares A and Special Voting Shares B
"Sponsors"	Pegasus Acquisition Partners Holding, Tikehau Capital, Financière Agache SA, Diego De Giorgi and Jean Pierre Mustier
"SVS Terms"	the terms and conditions that will be applicable to the holders of Special Voting Shares, as amended from time to time
"the Netherlands"	the part of the Kingdom of the Netherlands located in Europe
"Tikehau Capital"	Tikehau Capital SCA and its subsidiary Bellerophon Financial Sponsor 2 SAS
"TLB (EUR)"	the euro-denominated term loan in an aggregate principal amount of €453.0 million made available under the Banijay Senior Secured Credit Facilities Agreement
"TLB (USD)"	the US dollar-denominated term loan in an aggregate principal amount of €415.9 million (equivalent) made available under the Banijay Senior Secured Credit Facilities Agreement
"Trading Day"	a day on which Euronext Amsterdam is open for trading

"United States"	United States of America
"US Exchange Act"	the United States Securities Exchange Act of 1934, as amended
"US GAAP"	the generally accepted accounting principles in the United States of America
"US Securities Act"	the United States Securities Act of 1933, as amended
"VAT Tax Ruling"	the ruling issued by the French tax authorities on 13 March 2019, in which the French tax authorities came to the conclusion that the organisation of betting at odds should be subject to VAT and cannot benefit from the exemption in article 261E of the French tax code
"VAT"	Value added tax
"Vivendi Content"	Vivendi Content, a French <i>société par actions simplifiée</i> , having its business address at 1, place du Spectacle, 92130 Issy-les-Moulineaux, registered under number 789 568 797
"Vivendi"	Vivendi SE, a French <i>société européenne</i> , having its business address at 42, avenue de Friedland, 75008 Paris, registered under number 343 134 763
"Warrant Agent"	ABN AMRO Bank N.V. in its capacity as warrant agent
"Zodiak Belgium"	Zodiak Belgium N.V.

APPENDIX
COMBINED FINANCIAL STATEMENTS

COMBINED FINANCIAL STATEMENTS

31st DECEMBER 2021, 2020 AND 2019

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COMBINED STATEMENT OF INCOME

<i>In € million</i>	Note	2021	2020	2019
Revenue	Note 6	3,497.0	2,128.5	1,455.5
External expenses	Note 7	(1,774.1)	(1,140.7)	(757.3)
Staff costs	Note 8	(1,403.4)	(650.4)	(512.9)
Other operating income	Note 10	0.0	0.2	0.3
Other operating expenses	Note 10	(67.5)	(63.6)	(14.0)
Depreciation and amortization expenses	Note 9	(141.7)	(87.7)	(81.5)
Impairment losses and provisions, net of reversals		-	-	-
OPERATING PROFIT/(LOSS)		110.4	186.2	90.1
Financial income	Note 11	0.8	0.0	0.0
Interest expenses	Note 11	(136.1)	(116.0)	(27.8)
Cost of net debt		(135.3)	(116.0)	(27.8)
Other finance income/(costs)	Note 11	1.9	6.2	(45.4)
NET FINANCIAL INCOME/(EXPENSE)		(133.4)	(109.8)	(73.1)
Share of net income from associates & joint ventures	Note 17	(1.2)	(4.3)	(5.5)
EARNINGS BEFORE PROVISION FOR INCOME TAXES		(24.2)	72.1	11.5
Income tax expenses	Note 12	(49.2)	(24.6)	(23.8)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		(73.4)	47.5	(12.3)
Profit/(loss) from discontinued operations		-	-	-
NET INCOME/(LOSS) FOR THE PERIOD		(73.4)	47.5	(12.3)
Attributable to:				
<i>Non-controlling interests</i>		(30.4)	41.7	5.3
<i>Owner</i>		(43.0)	5.8	(17.6)

COMBINED STATEMENT OF COMPREHENSIVE INCOME

<i>In € million</i>	Note	2021	2020	2019
NET INCOME/(LOSS) FOR THE PERIOD		(73.4)	47.5	(12.3)
- Foreign currency translation adjustment		(42.9)	(4.1)	5.6
- Fair Value Adjustment on Cash flow Hedge		13.0	(16.6)	0.0
- Deferred tax on Fair Value adjustment on Cash flow Hedge		-	-	-
ITEMS TO BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		(29.9)	(20.8)	5.6
Actuarial gains and losses		0.0	0.3	-
Deferred tax recognized through reserves		-	-	-
ITEMS NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		0.0	0.3	-
CHANGES AND INCOME DIRECTLY RECOGNIZED IN EQUITY		(29.8)	(20.4)	5.6
TOTAL COMPREHENSIVE INCOME/(LOSS)		(103.3)	27.0	(6.7)
Attributable to:				
<i>Non-controlling interests</i>		(50.4)	29.0	10.2
<i>Owner</i>		(52.9)	(2.0)	(16.9)

COMBINED STATEMENT OF FINANCIAL POSITION

Assets

<i>In € million</i>	Note	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Goodwill	Note 13	2,493.9	2,450.9	730.8	692.5
Intangible assets	Note 14	236.7	256.6	68.7	91.8
Right-of-use assets	Note 16	171.1	191.7	71.6	73.6
Property, plant and equipment	Note 15	55.3	59.7	28.5	23.4
Investments in associates and joint ventures	Note 17	11.1	2.7	6.0	12.2
Non-current financial assets	Note 22	83.0	73.8	89.4	98.8
Other non-current assets	Note 22	29.6	9.3	16.0	17.0
Deferred tax assets	Note 12	47.6	51.3	29.0	22.6
Non-current assets		3,128.3	3,096.1	1,040.1	1,031.8
Inventories and work in progress	Note 18.1	676.7	427.4	131.4	91.6
Trade receivables	Note 18.2	463.6	445.4	174.0	193.9
Other current assets	Note 18.3	264.2	211.3	173.8	120.0
Current financial assets	Note 22.1	75.2	68.5	94.0	82.0
Cash and cash equivalent	Note 22.2	434.1	399.0	181.3	184.7
Assets classified as held for sale		-	-	-	-
Current assets		1,913.7	1,551.6	754.6	672.2
ASSETS		5,042.0	4,647.7	1,794.6	1,704.0

Net investments and liabilities

<i>In € million</i>	Note	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Combined retained earnings		73.6	88.9	137.2	143.4
Net income/(loss) - attributable to the Owner		(43.0)	5.8	(17.6)	-
Net investment of the Owner		30.6	94.7	119.7	143.4
Non-controlling interests	Note 20	(36.7)	43.5	(3.2)	43.3
TOTAL EQUITY		(6.2)	138.1	116.4	186.7
Long-term borrowings and other financial liabilities	Note 22.3	2,457.8	2,470.8	577.8	594.7
Long-term lease liabilities	Note 22.3	143.2	165.3	59.2	62.1
Non-current provisions	Note 21	22.0	14.9	17.5	19.2
Other non-current liabilities	Note 18.5	291.7	267.9	235.7	199.4
Deferred tax liabilities	Note 12	3.2	7.1	3.0	9.6
Non-current liabilities		2,917.9	2,925.9	893.1	884.9
Short-term borrowings and bank overdrafts	Note 22.3	306.2	150.9	88.5	111.6
Short-term lease liabilities	Note 22.3	40.2	38.0	17.1	14.4
Trade payables		511.2	435.4	208.6	145.1
Current provisions	Note 21	39.1	25.2	5.7	7.5
Customer contract liabilities	Note 18.4	776.9	552.3	222.0	189.1
Other current liabilities	Note 18.5	456.8	381.8	243.2	164.7
Liabilities classified as held for sale		-	-	-	-
Current liabilities		2,130.3	1,583.6	785.1	632.4
EQUITY AND LIABILITIES		5,042.0	4,647.7	1,794.6	1,704.0

COMBINED STATEMENT OF CASH FLOWS

<i>In € million</i>	Note	2021	2020	2019
Profit/(loss)		(73.4)	47.5	(12.3)
Adjustments:		656.5	267.1	252.6
Share of profit/(loss) of associates and joint ventures		1.2	4.3	5.5
Amortization, depreciation, impairment losses and provisions, net of reversals		168.3	122.7	80.4
Employee benefits LTIP & employment-related earn-out and option expenses		308.0	57.6	80.6
Income tax expenses		49.2	24.6	23.8
Change in fair value of financial instruments		(7.4)	38.3	32.5
Other adjustments ⁽¹⁾		3.6	(95.5)	1.2
Cost of net debt and current accounts		133.5	115.0	28.6
GROSS CASH PROVIDED BY OPERATING ACTIVITIES		583.0	314.5	240.3
Changes in working capital		(136.9)	24.5	(7.1)
Income tax paid		(42.7)	(32.2)	(21.4)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		403.5	306.8	211.8
Purchase of property, plant and equipment and intangible assets		(66.5)	(40.7)	(29.6)
Purchases of consolidated companies, net of acquired cash		(26.6)	(1,875.6)	(39.6)
Increase in financial assets		(13.3)	(12.4)	(11.0)
Disposals of property, plant and equipment and intangible assets		-	0.0	0.0
Proceeds from sales of consolidated companies, after divested cash		8.7	-	(0.1)
Decrease in financial assets		0.5	23.1	2.3
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		(97.1)	(1,905.6)	(78.0)
Transactions with the Owner		(0.0)	100.0	-
Dividends paid		(95.0)	(72.5)	(0.0)
Dividends paid by consolidated companies to their non-controlling interests		(115.8)	(81.9)	(46.5)
Transactions with non-controlling interests		53.7	116.4	0.1
Proceeds from borrowings and other financial liabilities	22.3	159.8	2,307.8	2.5
Repayment of borrowings and other financial liabilities	22.3	(134.8)	(488.5)	(70.1)
Other cash items related to financial activities		-	(0.0)	-
Interest paid		(125.9)	(77.1)	(22.0)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		(258.0)	1,804.2	(135.9)
Impact of changes in foreign exchange rates		(4.4)	4.9	0.6
Net increase (decrease) of cash and cash equivalents	22.2	43.9	210.3	(1.5)
<i>Net cash and cash equivalents at the beginning of the period</i>	22.2	388.5	178.2	179.7
<i>Net cash and cash equivalents at the end of the period</i>	22.2	432.4	388.5	178.2

⁽¹⁾ Other adjustments included notably unrealized foreign exchange gains and losses on disposals.

COMBINED STATEMENT OF CHANGES IN NET INVESTMENT

<i>In € million</i>	Retained earnings	Other comprehensive income	Net investment of the Owner	Non-controlling interests	Total invested equity
BALANCE AS OF 1 JANUARY 2019	143.4	-	143.4	43.3	186.7
Net income/(loss) attributable to the Owner	(17.6)	-	(17.6)	5.3	(12.3)
Other comprehensive income	-	0.7	0.7	4.9	5.6
Total comprehensive income	(17.6)	0.7	(16.9)	10.2	(6.7)
Dividend distribution	(0.0)	-	(0.0)	(46.5)	(46.5)
Changes in ownership interest in subsidiaries that do not result in a loss of control	(3.0)	-	(3.0)	(6.4)	(9.4)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	2.1	2.1
Transfer to retained earnings	-	-	-	-	-
Other variations in retained earnings	(3.9)	-	(3.9)	(6.0)	(9.8)
BALANCE AS OF 31 DECEMBER 2019	119.0	0.7	119.7	(3.2)	116.4

<i>In € million</i>	Retained earnings	Other comprehensive income	Net investment of the Owner	Non-controlling interests	Total invested equity
BALANCE AS OF 1 JANUARY 2020	119.0	0.7	119.7	(3.2)	116.4
Net income/(loss) attributable to the Owner	5.8	-	5.8	41.7	47.5
Other comprehensive income	-	(7.8)	(7.8)	(12.6)	(20.4)
Total comprehensive income	5.8	(7.8)	(2.0)	29.0	27.0
Dividend distribution	(72.5)	-	(72.5)	(81.0)	(153.5)
Changes in ownership interest in subsidiaries that do not result in a loss of control	49.8	-	49.8	99.7	149.4
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Other variations in retained earnings	(0.3)	-	(0.3)	(1.0)	(1.3)
BALANCE AS OF 31 DECEMBER 2020	101.8	(7.1)	94.7	43.5	138.2

<i>In € million</i>	Retained earnings	Other comprehensive income	Net investment of the Owner	Non-controlling interests	Total invested equity
BALANCE AS OF 1 JANUARY 2021	101.8	(7.1)	94.7	43.5	138.2
Net income/(loss) attributable to the Owner	(43.0)	-	(43.0)	(30.4)	(73.4)
Other comprehensive income	-	(9.9)	(9.9)	(19.9)	(29.8)
Total comprehensive income	(43.0)	(9.9)	(52.9)	(50.4)	(103.3)
Dividend distribution	(95.0)	-	(95.0)	(115.3)	(210.3)
Share-based payment	51.3	-	51.3	57.1	108.4
Changes in ownership interest in subsidiaries that do not result in a loss of control	32.9	-	32.9	31.6	64.5
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Other variations in retained earnings	(0.3)	-	(0.3)	(3.3)	(3.6)
BALANCE AS OF 31 DECEMBER 2021	47.6	(17.0)	30.6	(36.7)	(6.1)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

Note 1 BUSINESS PRESENTATION AND CONTEXT OF PREPARATION

1.1 Presentation of the business

Financière Lov SAS, a French-based holding, hereafter “**Financière Lov**” or “**the Owner**”, detains, animates, and fosters the development of its controlled subsidiaries. It encompasses four main businesses operating in the audiovisual entertainment business, the sports betting and online gaming business, the luxury hotels and food business.

The audiovisual entertainment business, hereafter “**the Content Production and Distribution Business**”, is mainly represented by Banijay Group Holding and its subsidiaries, hereafter “**Banijay**”, which operates in producing audiovisual programs, managing and marketing of intellectual property rights in relation to audiovisual and digital contents and/or formats.

The sports betting and online gaming business, hereafter “**the Sports Betting and Online Gaming Business**” is mainly represented by Betclik Everest Group SAS and its subsidiaries, hereafter “**Betclik Everest Group**” or “**BEG**”, which operates through its subsidiaries in the European online gambling market, online casinos, online poker and sports betting. It operates under the names of its known brands such as Betclik 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 combined group, hereafter “**the Combined Group**”.

1.2 Context of preparation of the combined financial statements

Financière Lov contemplates the listing of the Combined Group, through a merger with Pegasus Entrepreneurial Acquisition Company Europe B.V. (“Pegasus Entrepreneurs”), a Special Purpose Acquisition Company (SPAC) listed and traded on Euronext Amsterdam.

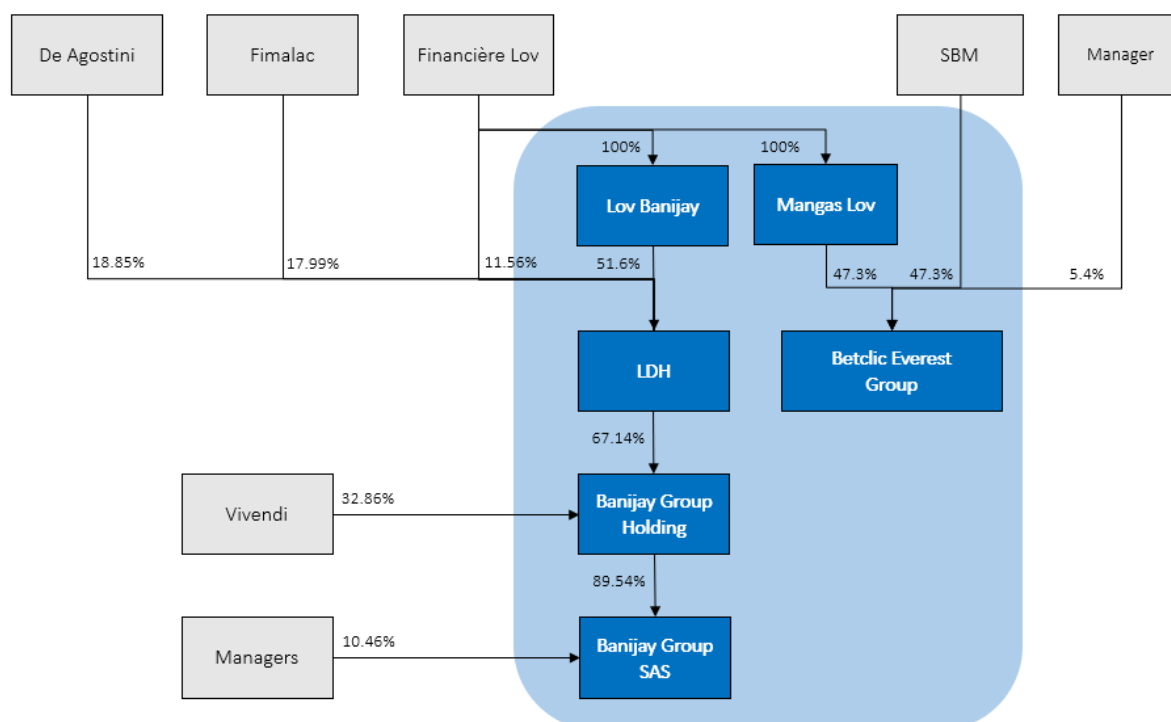
In this context, these combined financial statements of the Combined Group as of 31st December 2021, 31st December 2020 and 31st December 2019 have been authorized for issuance by the Board of Directors of Financière Lov SAS at its meeting held on 9th May 2022.

The Combined Group does not form a separate legal group of legal entities. It has never issued standalone financial statements, neither consolidated nor combined. As a result, the accompanying combined financial statements may not necessarily be indicative of the Combined Group’s financial position, results of operations, or cash flows had the Combined Group operated as a separate entity during the periods presented.

These Combined Financial Statements have been prepared under the responsibility of the legal representatives of Financière Lov on a standalone basis and are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

1.3 Combined Group constitution

The simplified structure of the Combined Group as of 31st December 2021 is the following:



The constitution of the Combined Group will require carrying out a number of legal transactions during 2022.

More specifically, the constitution of the Combined Group will be performed through the following steps:

1. Incorporation of a New Co, TopCo B.V. (“NewCo”, “TopCo”), a company incorporated in Netherland, with a tax residency in France;
2. Merger of Mangas LOV with and into LOV Banijay: consequently, LOV Banijay will own both the Content Production and Distribution and the Sports Betting and Online Gaming Businesses
3. Contribution by Financière Lov to Lov Banijay of its shares in LDH;
4. Contribution and sale by De Agostini and contribution by Fimalac of 100% of their respective shares in LDH to Lov Banijay
5. Contribution by Vivendi of 100% of its shares in Banijay Group Holding to LDH
6. Contribution by Vivendi of 100% of its shares in LDH to Lov Banijay
7. Contribution by Financière Lov, De Agostini, Fimalac and Vivendi to TopCo of their shares in Lov Banijay
8. Contribution/sale by la Société des Bains de Mer (« SBM ») to TopCo of its shares in BEG.
9. Conversion of TopCo B.V. into TopCo N.V.;

The constitution of the Combined Group therefore results from transfers of entities within Financière Lov Group, without modification of the Financière Lov’s control on the Combined Group. Therefore, the Combined Group results from a business combination between entities under common control.

Subsequently to the Combined Group constitution, the SPAC will be merged with and into the TopCo.

Note 2 ACCOUNTING PRINCIPLES AND METHODS

2.1 Applicable accounting standards

The combined financial statements of the Combined Group for the years ended on the 31st December 2021, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by International Accounting Standard Board (“IASB”) as adopted by the European Union and available on the European Commission website.

These standards include International Financial Reporting Standards and International Accounting Standards (“IAS”), as well as the related International Financial Reporting Interpretations Committee (“IFRIC”) interpretations.

First adoption of IFRS

These combined financial statements being the “first” IFRS financial statements with the meaning of IFRS 1, IFRS 1, First-time Adoption of International Financial Reporting Standards, IFRS has been applied as of 1st January 2019, which is deemed the opening balance sheet date.

The Combined Group has prepared its financial statements for the years ended on the 31st December 2021, 31st December 2020, 31st December 2019 and 1st January 2019 in accordance with IFRS 1 par. D16 (a).

When, as in the case of the Combined Group, a subsidiary becomes a first-time adopter after its parent, IFRS 1 permits that the carrying amounts of its assets and liabilities be the same in both its own opening IFRS balance and in its parents’ consolidated statement of financial position (except for adjustments for consolidation procedures). Alternatively, the subsidiary may measure all its assets or liabilities based on its own date of transition to IFRSs. In this latter case, the options applied by the subsidiary under IFRS 1 may be different from those applied by its parents.

The Combined Group has chosen to prepare its opening IFRS financial statements based on the carrying amounts of its assets and liabilities in Financière Lov’s consolidated statement of financial position (except for adjustments for consolidation procedures). Consequently, the Combined Group has selected the same options under IFRS 1 as those applied by the Financière Lov upon IFRS first adoption in 2015.

In accordance with IFRS 1 “First-time Adoption of International Financial Reporting Standards”, Financière Lov did not elect to apply any exemption at the IFRS transition date.

Compliance with IFRS

IFRS standards effective for fiscal years beginning on or after 1st January 2021

- Amendments to IFRS 4 – Extension of the Temporary Exemption from Applying IFRS 9
Effective date: 1st January 2021
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2
Effective date: 1st January 2021
- Amendments to IFRS 16 – Covid-19-Related Rent Concessions beyond 30 June 2021
Effective date: 1st April 2021

- Amendments to IAS 12 - Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

Effective date: 1st January 2021

- Amendments to IFRS 9 – Prepayment Features with Negative Compensation

Effective date: 1st January 2019

The application of these amendments does not have a material impact on the Combined Group financial statements .

IFRIC decision relating to IAS 19 – Termination benefits

In May 2021, the IFRIC issued a decision on IAS 19 clarifying how commitments are calculated relating to certain defined benefit plans including an obligation of presence at the time of retirement and a cap on rights after a certain number of years of seniority. After analyzing the potential effect on the valuation and recognition of pension commitments in its accounts, the Combined Group has concluded that the overall impact of this change in standards is not significant.

IFRIC Decision on IAS 38 – Configuration or customization of costs in a cloud computing arrangement

In May 2021, the IFRIC published a decision relating to IAS 38, providing clarifications on the treatment of the costs of configuration and customization of a SaaS (Software as a Service) contract.

After analysis, the Combined Group has estimated that the fixed assets are mainly originated from developments or improvements in the Combined Group's own technologies. Consequently, this normative change has no significant impact in the combined accounts.

IFRS standards effective in 2022 and beyond

- Amendments to IFRS 3 – Reference to the Conceptual Framework

Effective date: 1st January 2022

- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use

Effective date: 1st January 2022

- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

Effective date: 1st January 2022

- Annual Improvements to IFRS Standards 2018-2020

Effective date: 1st January 2022

The Combined Group has not early adopted any of the referred standards in the preparation of the combined financial statements.

2.2 Basis of preparation

2.2.1 General approach for the preparation of the combined financial statements

The Combined Group has historically operated as an integrated part of Financière Lov and has never formed a separate legal group. Therefore, it has never issued consolidated nor combined standalone financial statements.

These combined financial statements have been prepared:

- using reporting packages prepared locally by subsidiaries' management for Financière Lov consolidated financial statements purpose and prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Accordingly, the preparation of the combined financial statements is consistent with the estimates used in the Financière Lov's consolidated financial statements for the years ended 31st December 2020 and 2019 authorized for issuance by the Board of Directors on its meetings held on the 5th May 2021 and 29th May 2020 respectively. For the period ended 31st December 2021, the Combined Group has evaluated subsequent events and transactions for disclosures through the date the combined financial statements were authorized for issuance.
- on the basis of accounting and measurement methods described in Note 2.2.2 and following. As there is not a specific IFRS that deals with combined and/or carve-out financial statements, the note "Preparation of the combined financial statements" hereunder describes how the IFRS framework as adopted by the European Union has been applied for the preparation of these combined financial statements.

The combined financial statements reflect all the historical assets, liabilities, revenue, expenses, and cash flows of the Combined Group.

However, they may not necessarily be indicative of the Combined Group's financial position, results of operations, or cash flows had the Combined Group operated as a separate entity during the periods presented.

The combined financial statements are presented in euros. Unless otherwise indicated, all amounts are rounded to the nearest hundred thousand euros.

The financial statements were prepared on a historical cost basis, except for the following assets and liabilities, stated at fair value: derivative financial instruments, cash and cash equivalents, pending bets liabilities, and bank overdrafts. Assets and liabilities related to a business combination are measured at fair value at the acquisition date, with the fair value constituting the historical cost in the Combined Group financial statements.

2.2.2 Scope of the combination

The combined financial statements have been prepared on a "carve-out" basis from the consolidated financial statements of Financière Lov as if IFRS 10 "Consolidated Financial Statements" had been applied throughout. A subsidiary is deemed controlled by the Combined Group on the basis of the control analysis performed at Financière Lov's level. An entity is combined when the combined group has power over that entity, is exposed to variable benefits from that entity and, due to its power over that entity, can influence the benefits that it draws from it.

The substantial voting rights are taken into account when assessing control, i.e., rights that are currently exercisable or may be exercisable at the time that decisions on relevant business are taken.

The financial statements of the combined subsidiaries have been included in the combined financial statements from the date on which the control was obtained by Financière Lov to the date on which this control ceased.

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

Name of the legal entity or sub-group	Country of incorporation	% of ownership interest			
		31 December 2021	31 December 2020	31 December 2019	31 December 2018
Lov Banijay	France	100.00%	100.00%	100.00%	100.00%
LDH	France	51.60%	57.21%	50.10%	50.10%
Mangas Lov	France	100.00%	100.00%	100.00%	100.00%
Sub-Group Betclac Everest Group	France	47.30%	50.00%	50.00%	50.00%
Sub-Group Banijay	France	34.64%	38.41%	34.37%	34.37%

All companies and sub-groups in the table above follow the consolidation method. However, the sub-groups have interests in associates and joint ventures. The detailed list of the legal entities is available in Note 29.

94.6% of the shares of Betclac Everest Group are equally held by the Combined Group and its partner, the SBM (the residual 5.4% being held by a manager). According to the rights granted to the Combined Group by the shareholders' agreement, the Combined Group has the control over the sub-group, which is fully consolidated. This control is mainly based on:

- Reserved matter of Betclac Everest Group over the budget in the event of a drop in EBITDA greater than 10% vs N-1 (in all other cases, Betclac Everest Group does not have the right of veto over the budget); and
- Financière Lov's irrevocable President until 2024 and having the most extensive powers except reserved matters which are protective rights.

The control over the sub-group Banijay is justified by the voting rights held by the Combined Group at each level of the holding chain (refer to simplified structure of the Combined Group note 1.3).

2.2.3 Preparation of the combined financial statements

For the legal entities or sub-group listed above, the statements of financial position, income statements, statements of comprehensive income, statements of cash flows and statements of changes in shareholders' equity included in the Financière Lov reporting packages prepared locally as part of the Financière Lov Group consolidation as of and for the years ended 31st December 2021, 2020 and 2019 were aggregated line by line.

Assets and liabilities of foreign subsidiaries whose functional currency differ from the Combined Group's presentation currency are translated into euros at the exchange rate in effect on the reporting date, except for Owners' invested equity, which is stated at historical value. Income and expenses of foreign operations are translated into euros at the average rates for the period, except in cases of major fluctuations. Exchange differences resulting from conversions are recognized in other comprehensive income and accumulated in the reserves.

Some specific items have been allocated to the combined financial statements as described below.

Goodwill

The amount of goodwill recognized in the combined financial statements reflects the portion of goodwill previously recognized in the consolidated financial statements of Financière Lov and attributable to the Combined Group.

In accordance with the historical reporting structure in place, two cash generating units ("CGU") have been identified for the purpose of these combined financial statements:

- the Content Production and Distribution Business, mainly represented by Banijay Group Holding and its subsidiaries, and

- the Sports Betting and Online Gaming Business, mainly represented by Betclac Everest Group and its subsidiaries, which reflects the activity of the two above-mentioned Group.

Management fees

The management fees presented in the combined financial statements are based on the amounts historically charged to each legal entity included in the Combined Group by related parties, as explained in the note 25.1. These expenses may not reflect the actual cost that would have been incurred had the Combined Group operated as a separate legal entity for all periods presented.

The management fees expenses relate to HR, finance and legal, communication and management costs. They are classified on the "Other operating expenses" caption.

Corporate income tax and other tax assets and liabilities

The expense and the related balances (asset and/or liability) recognized in the combined financial statements correspond to the current and deferred income tax charges and balances as reported by each entity on a separate tax-return basis.

Since 2020, Lov Banijay and Mangas lov are included in a tax consolidation group within the Financière Lov group. Thus, the current tax balances have been presented as balances with related parties. In accordance with the tax consolidation agreement, the tax loss carry forwards created since the inclusion within the tax consolidation group remain attributed to the head of the tax group.

Owner's net investment

The Owner's net investment line item in the statement of financial position of the Combined Group constitutes Financière Lov's investment, as the Owner, in the Combined Group and represents the excess of total assets over total liabilities.

Since the combined activities do not have a common parent company, this line item cannot be allocated between share capital, share premium and other reserves.

The owner's net investment includes:

- the Combined Group's cumulative comprehensive income;
- the capital contributions subscribed by the Owner in the legal entities included in the combination scope;
- the dividend distributions to Owner;
- the effect of transactions between the Owner and the non-controlling interests.

Earnings per share

As the combined financial statements have been prepared on a combined basis, the disclosure requirements of IAS 33, Earnings per Share are not applicable for any of the periods presented.

Subsequent events

The combined financial statements are consistent with the estimates reflected in the Financière Lov's consolidated financial statements. Accordingly, the periods ended on 31st December 2020 and 31st December 2019 in these combined financial statements do not consider any potential subsequent events or information and their related impacts that may have occurred after the issuance of the 2020 and 2019 Financière Lov's consolidated financial statements and before the issuance of these combined financial statements. Significant subsequent events are described in Note 27.

2.2.4 Significant assumptions and estimates

The preparation of these combined financial statements requires the Combined 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. These assumptions and estimates relate mainly to:

- i) the valuation and useful lives of audiovisual rights;
- ii) the purchase price allocation and the measurement of goodwill from business combinations, the determination of the recoverable value of cash-generating units (including differences acquisition) and subsequent impairment test;
- iii) the calculation of debt related to earn outs on acquisitions;
- iv) the estimate of debt resulting from put options in favor of minority shareholders;
- v) the estimate of liabilities related to employee long-term incentives and employee benefits resulting from a business acquisition;
- vi) the right-of-use assets and lease liabilities; and
- vii) the amount of provisions for risks and other provisions in relation with the group's activity.

Actual results may differ from these estimates under different assumptions or conditions.

The accounting methods described in Note 4 were consistently applied to all the reporting periods presented in the combined financial statements.

These accounting methods were uniformly applied by all Combined Group entities.

The management assessed the Combined Group's ability to continue as a going concern when preparing the combined financial statements. In terms of liquidity, the management is confident in the Combined Group capacity to covers its needs:

- The net cash-flows provided by operating activities are positive and increasing
- The current part of the financial liabilities is covered by the current part of the financial assets and cash and cash equivalent hold by the combined group.
- In addition, as explained in the Note 24.4, as of 31st December 2021, undrawn committed lines of credit, overdrafts and other borrowings have been obtained for a total of 170 M€.

Note 3 SIGNIFICANT EVENTS

3.1 Significant events that occurred in 2019

3.1.1 Content Production and Distribution division

i) Agreement to acquire 100% of Endemol Shine Group

On 26th October 2019, Banijay Group announced it had entered into a definitive agreement to acquire 100% of the equity of Endemol Shine Group, which was co-owned by The Walt Disney Company and funds managed by affiliates of Apollo Global Management, Inc. The acquisition would be subject to customary closing conditions, including regulatory clearances and consultation with the relevant employee representative bodies. Upon completion of the acquisition, Banijay Group would own almost 200 production companies in 22 territories and the rights for close to 90,000 hours of contents.

ii) Endemol Shine Group Debt Financing

According to the financing agreements in force between Endemol Shine Group (ESG) and its creditors, the debt of Endemol Shine Group would become due and payable in the event of a change of control. As the share of ESG borrowings was denominated in foreign currencies, Banijay Group did set up derivative financial instruments in November 2019 to hedge its foreign exchange risk linked to the takeover of Endemol Shine Group, part of the debt not being held in euros. Analysis of the transaction did lead to the conclusion that the instruments were not qualifying as hedges with the meaning of the criteria defined by IFRS 9. To this end, any change in the fair value of these instruments was recognized in the income statement.

3.1.2 Sports Betting and Online Gaming division

i) Tax audit of the Bet-at-Home subgroup

Following a tax audit carried out by the Austrian administration at the Bet-at-Home sub-group, one of the companies of this sub-group, bet-at-home.com Entertainment GmbH, recorded an overall charge of 11.7 M€ for tax arrears for fiscal years 2013 to 2018, in connection with the transfer pricing policy. From fiscal year 2019, a new transfer pricing policy was implemented in agreement with the tax authorities.

3.2 Significant events that occurred in 2020

Impact of the Covid-19 pandemic

As a result of the spread of Covid-19 (coronavirus) around the world that occurred during the first quarter of 2020, many businesses were forced to cease or limit their operations. Measures taken to contain the spread of the virus included travel bans, quarantine, social distancing, and shutdown of non-essential services, have severely disrupted a majority of companies. However, subsidiaries implemented measures to reduce variable expenses and to renegotiate fixed costs in order to mitigate the impact of the health crisis on profitability and ensure business continuity.

The combined group received government aid in respect of Covid-19 in the form of State-guaranteed loans (namely in France, US, Italy, Spain, Portugal and Israel), for a total amount of 22 M€ in 2021 (26 M€ in 2020).

3.2.1 Content Production and Distribution division

i) Acquisition of Endemol Shine Group

In July 2020, Banijay announced the completion of the acquisition of Endemol Shine Group (ESG), previously co-owned by The Walt Disney Company (NYSE: DIS) and certain managed by certain affiliates of Apollo Global Management, Inc. (NYSE: APO).

The acquisition made Banijay the largest international content producer and distributor, ramping up its distribution division, Banijay Rights, and building a catalogue of over 90,000 hours of multi-genre premium entertainment brands. Cementing a collective of the world's best creative entrepreneurs and an abundance of first-class and new and innovative IP, the business, which retained its name, will act as a go-to for clients across all territories and genres. Banijay represents several of the world's biggest brands and global formats including Survivor, Big Brother, Peaky Blinders, Temptation Island, MasterChef, Wallander, The Kardashians, Mr. Bean, The Wall, Hunted, Black Mirror, Extreme Makeover: Home Edition and Deal or No Deal.

Equity Contribution

On 2nd July 2020, Banijay Group Holding SAS increased its share capital by cash contribution of a nominal amount of 128 M€ and issue premium of 147 M€. This capital increase was subscribed by Vivendi Content for 100 M€ and by LDH for 175 M€.

Long-term incentive plan

Following ESG's acquisition, the former ESG's LTIP (Group Incentive Plan) was terminated in 2020. A new Long-term incentive plan was under development.

Banijay's phantom shares LTIP implemented in 2017 was expected to be terminated accordingly, the beneficiaries still employed in the Group were then offered to join the new combined LTIP. Therefore, the Banijay phantom shares LTIP was valued at year end based on the cumulated performance at the end of December 2020.

ii) Financing of the Acquisition of Endemol Shine Group (ESG)

Banijay Group S.A.S. ("Banijay") announced on 5th February 2020 the successful pricing of a notes offering as part of a 2,378 M€ (equivalent) financing through Banijay Group S.A.S., Banijay Entertainment S.A.S. and Banijay Group US Holding, Inc.

The financing package comprised:

- 575 M€ senior secured notes due 2025, which priced at par and have a coupon of 3.500% per annum (the "Euro Senior Secured Notes");
- 403 M\$ senior secured notes due 2025, which priced at par and have a coupon of 5.375% per annum (the "Dollar Senior Secured Notes");
- 400 M€ 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");
- 453 M€ term loan B facility, which bears interest at a rate of EURIBOR plus 3.75% per annum, with a customary margin ratchet mechanism with a 0.0% EURIBOR floor (the "EUR Term Loan B");

- 460 M\$ term loan B facility, which bears interest at a rate of LIBOR plus 3.75% per annum, with a 0.0% LIBOR floor (together with the EUR Term Loan B, the “Senior Facilities”); and

- 170 M€ (equivalent) multicurrency Revolving Credit Facility, of which 75 M€ (equivalent) would be available prior to the closing of the acquisition of the Endemol Shine Group (the “Endemol Shine Acquisition”).

The closing of the sale of the Notes was completed on 11th February 2020.

The proceeds of the financing have been used in a two-step financing transaction.

On 11th February 2020, the proceeds of the Euro Senior Secured Notes have been used to (i) redeem Banijay’s existing senior secured notes due 2022, (ii) repay in full Banijay’s existing senior credit facilities, (iii) refinance the consideration payable for the previously announced acquisition of The Natural Studios Limited, (iv) fund cash on balance sheet, which is intended to be used as part of the financing of the Endemol Shine Acquisition, and (v) pay fees and expenses in connection with the refinancing.

On the date of completion of the Endemol Shine Acquisition, 2nd July 2020, the proceeds of the Dollar Senior Secured Notes and the Senior Notes, together with equity contributed by certain of Banijay’s shareholders, amounts drawn under the Senior Facilities and the portion of the cash proceeds of the offering of the Euro Senior Secured Notes remaining on balance sheet, have been used to (i) acquire the Endemol Shine Group, (ii) refinance certain existing indebtedness of the Endemol Shine Group and (iii) pay the fees and expenses incurred in connection with the transactions.

3.2.2 Sports Betting and Online Gaming division

i) New bank loan and implementation of an interest rate hedging contract

The sub-group repaid four bank loans for a total amount of 32.5 M€ and subscribed, on 23rd June 2020, a loan of 165 M€ with a maturity of five years, from a group of three banks (BNP Paribas, Natixis and Société Générale). The first capital repayment deadline of 8 M€ took place in December 2020.

At the same time, the sub-group undertook a cash flow hedge operation using a derivative instrument of the interest rate swap type against fluctuations in the interest rate applicable to the loan. These two transactions are detailed in Note 22.3.

ii) Distribution of issue premiums to shareholders

The sub-group paid part of the issue premium to its two shareholders, Mangas LOV and SBM, for a total amount of 145 M€.

iii) Acquisition of securities of Bet-at-Home sub-group

As of 31st December 2019, the sub-group held 51.69% of Bet-at-Home sub-group. During 2020, the sub-group acquired a 2.21% stake for 4.9 M€, which increased its participation in Bet-at-Home sub-group to 53.90% as of 31st December 2020. The referred changes in the ownership percentage in Bet-at-Home sub-group did not result in any change in control. The operation is therefore considered to be a transaction between shareholders and recognized in equity in accordance with IFRS 10.

iv) **Modification of gambling taxation rules in Portugal**

On 31st March 2020, the Portuguese government formalized the modalities related to the new taxation rules on sports betting and casino, resulting in the dissipation of the mechanism of progressive taxes according to the gross proceeds of the games. Sports betting was therefore taxed at a fixed rate of 8% on stakes. The casino tax rate increased to 25% of gross gaming revenue as of 1st April 2020.

3.2.3 **Holding**

i) **Transaction with non-controlling interests**

On 2nd July 2020, in connection with the acquisition of Endemol Shine, Financière Lov participated in a reserved share capital of its subsidiary Lov Banijay for an amount of 100 M€, through the issue of 19,623,006 new shares with a par value of 1 euro, issued with a total issue premium of 80,376,994 euros, paid up in cash.

In addition, on 2nd July 2020, DeA, LDH and Fimalac agreed on the following transactions:

- LDH shall buy-back, 20 days after, 50% of DeA's stake in LDH with (i) 25,010,285 LDH shares bought back in exchange for convertible bonds issued by LDH having an aggregate nominal value of 59,000,000€ (redeemable on 2nd January 2022 at the latest) and (ii) 1,167,948 LDH shares against a 2,342,300 € cash payment;
- Financière Lov shall purchase 26% of DeA's stake in LDH with 13,712,407 LDH shares on 30th October 2020 against a 27.5 M€ cash payment; and
- Fimalac shall purchase 24% of DeA's stake in LDH with 12,465,825 LDH shares on 30th October 2020 against a 25 M€ cash payment.

Pursuant to this agreement, on 30th October 2020, Financière Lov acquired a minority stake in LDH for an amount of 27.5 M€ through the purchase of 13,712,407 LDH shares held by DeA. As a result, Financière Lov's aggregate stake in LDH increased from 52.05% to 62.40%.

3.3 **Significant events that occurred in 2021**

Impact of the Covid-19 pandemic

As of December 2021, despite the new lockdown during the first quarter of 2021 in certain countries where the Combined Group operates (Australia, Belgium, Brazil, Denmark, Finland, France, Germany, India, Italy, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Spain, Sweden, UK and USA), the activities of production and Sports Betting and Online Gaming were not highly impacted. Furthermore, the operating entities took into consideration the additional COVID costs on the budget of the production segment.

Nevertheless, depending on the evolution of the sanitary context and local governmental rules, potential additional stricter measures may impact the activity within the division in the upcoming months.

3.3.1 Content Production and Distribution division

i) Integration plan

As part of Endemol Shine Group's integration process (refer to paragraph 3.2.1i)), the global reorganization plan launched in July 2020 was still in progress in 2021. The associated restructuring costs impacted a large part of the other non-current operating expenses.

Many examinations were performed through several key areas of the Group (tax, human resources, legal/insurance, intellectual property, finance) in the major territories, in order to strengthen the operational organization in the legal structure.

ii) Long-term incentive plan

Following Endemol Shine Group's (ESG) acquisition, a new Long-term incentive plan (LTIP) was implemented in 2021. The plan consisted of a cash-settled share-based payment and had two vesting periods: a first period of 4 years (2021 – 2024) and a second period of 8 years (2021 – 2028). The objective of this plan was to retain key talents for the Combined Group.

This new LTIP started on January 2021. At the end of the period, the vested portion of the plan was recognized proportionately based on expected 2021 performance of the entities.

Banijay's phantom shares LTIP implemented in 2017 were terminated accordingly, after which the beneficiaries still employed in the Group were offered to join the new combined LTIP. As a consequence, former Banijay's phantom shares LTIP have not been reassessed since 31st December 2020, except (a) for certain employees who did not elect to join the new plan, and (b) the remaining acquired phantom shares that have been revalued based on Banijay Group's shares market value at year end.

iii) Foreign exchange impact

Foreign exchange can significantly impact the net income of the sub-group at year end, mainly due to the US Dollar variation against Euros.

In order to prevent any material adverse foreign exchange impact, Banijay has implemented in 2021:

- Natural hedging in order to limit net income/loss volatility on intercompany long-term loans; and
- Hedging instruments during the first semester of 2021 as part of the 403 M\$ senior secured notes raised by Banijay Entertainment and due in 2025. As the latter has Euros as functional currency, the residual risk of foreign exchange not naturally covered is therefore hedged.

3.3.2 Sports Betting and Online Gaming division

i) Players dispute in Bet-at-home sub-group's Austrian market

A decision of the Austrian Supreme Court confirming the actual monopoly of the Austrian gambling regulation and its compliance with European law, dated 1st September 2021, triggered players to file legal claims to obtain the reimbursement of their gaming losses incurred with unlicensed operators in Austria. Following this decision, Bet-at-home sub-group has decided to accrue for all cases of players claiming reimbursement of their losses on the casino activity in Austria. As of 31st December 2021, the provisions thus constituted, which also

include legal fees related to these disputes, amounted to 27.1 M€ and were recognized as non-current expenses. The decision taken by Bet-at home related to the continuation of its casino activity had no effect on the going concern assumption used for the Group's operations as of 31st December 2021.

ii) **Abandonment of the casino activity by sub-group Bet-at-home on Austrian territory, and then on all territories operated under Malta Gaming Authority (MGA) license**

On 18th October 2021, Bet-at-home announced the termination of the casino business in Austria. The sub-group considered that the conditions for the continuation of this activity were not met, mainly due to regulatory uncertainties. On 22nd December 2021, Bet-at-home announced the liquidation of the Maltese entity operating the casino activity under license MGA. The Combined Group has determined that this activity does not meet the definition of discontinued operations as provided by IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

iii) **Share-based payments: new agreement**

An agreement between a manager, Betcllc Everest Group and other shareholders (SBM and Mangas Lov) was signed on 17th November 2021. To reflect this agreement in accordance with IFRS 2, Betcllc recognized an expense for an amount of 208.9 M€, bringing the total value of the plan to 234.6 M€, of which 126.25M€ was considered as cash settled (cash settlement, of which 63.3 M€ has been paid in 2021) and 108.4 M€ was considered as equity settled (compensation in ordinary shares of Betcllc Everest Group), recognized in combined net investment.

iv) **New bank loan**

On 13th December 2021, BEG was granted a 130 M€ loan with a maturity of six months, by a group of three banks (BNP Paribas, Natixis andbi Société Générale).

v) **Disposal of Expekt**

On 14th March 2021, Betcllc Everest Group reached two agreements for a total amount of 5 M€ with LeoVegas Group concerning i) the sale of 100% of Expekt Nordics; and ii) the sale of intangible assets in connection with the operations of Betcllc under Expekt's brand.

The transaction had a positive after-tax impact of 4.1 M€ on the consolidated income.

3.3.3 Holding

On 15th December 2021, Financière Lov, DeA and Fimalac subscribed to a capital increase of LDH for an amount of 45.6 M€, 6.4 M€ and 13.0 M€ respectively. 28,710,246 new shares have been created for a nominal amount of 14,355,123 €, issued with a total issue premium of 50,644,873.95 €. This share capital increase was intended to reimburse the convertible bonds issued by LDH pursuant to the 2nd July 2020 agreement (refer to note 3.2.3i)3.2.3). DeA has exchanged part of its convertible bonds for shares in LDH.

Note 4 MAIN ACCOUNTING POLICIES

4.1 Business combinations

Business combinations are accounted for under the acquisition method as published in revised standard IFRS 3.

At acquisition date, identifiable assets and liabilities are included in the combined financial statement at fair value. The difference between the acquisition price and the fair value of identifiable assets and liabilities is recognized in the Goodwill Note 13 caption. The costs directly attributable to business combinations are recognized in expenses for the period during which they occurred.

For acquisitions in non-controlling interests, the Combined Group can choose, at each acquisition's date, whether it evaluates the non-controlling interest at fair value ("full goodwill") or at the percentage of shares of identifiable assets and liabilities it possesses.

According to IFRS 10, acquisitions in non-controlling interests and disposals without loss of control are considered as transactions between shareholders. The difference between the acquisition price of the additional shares and the related share of equity is recognized in owner's investment Combined Group share. The costs attributable to such transactions as well as their related fiscal impacts are booked in equity.

The cash flows related to transactions with shareholders are presented in Cash flow from investing activities in the combined statements of Cash Flows.

When the consideration transferred by the Combined Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

This liability is re-measured at each reporting period end in accordance with the contractual arrangements (at fair value or at present value if fixed price) and, in the absence of any guidance provided by IFRS, with a counterparty in net finance costs.

The Combined Group identifies the transactions that are qualified as separate transactions in accordance with IFRS 3, especially transactions that remunerates former owners of the acquiree for future services. Those transactions are accounted for in accordance with the relevant IFRS (refer to 4.16).

4.2 Goodwill

Goodwill is initially recognized and measured as set out above.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Combined Group's cash-generating units (or groups of cash-generating units), hereafter "**the CGUs**", expected to benefit from the synergies of the combination. Goodwill is allocated to two CGUs:

- Content Production and Distribution
- Sports Betting and Online Gaming

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

The recoverable value of the CGU is determined as the higher between the value in use, determined by discounting future cash flows that are derived from plans presented by each sub-groups and approved by the Combined Group's management (method known as "discounted cash flows" or "DCF") and the fair value (less the cost of disposal) determined based on market factors (stock market prices, comparison with similar listed companies, comparison with the value assigned to similar assets or companies during recent acquisition transactions).

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in subsequent periods.

The accounting policy for goodwill arising on the acquisition of an associate or a joint venture is described below.

4.3 Investments in associates and joint ventures

An associate is an entity over which the Combined Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these combined financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate or a joint venture is recognized initially in the combined statement of financial position at cost and adjusted thereafter to recognize the Combined Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Combined Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment.

4.4 Intangible assets

Intangible assets with finite useful lives are initially recognized at cost, except for those acquired in a business combination, which are recognized at fair value.

Intangible assets presented in the combined statement of financial position comprises:

- Format rights acquired from a third party or through business combinations. They can be commercially exploited either through internal use, i.e., the production of television programs by a Combined Group entity, or through external use, i.e., the sale or licensing to third parties;

- Audiovisual rights, or catalogues, referred to as the Combined Group's library of finished programs, whether acquired or internally developed, for which the Combined Group has legal right to distribute and to receive revenue from the distribution of the rights;
- Production contracts or client contracts, acquired through business combinations, to produce television programs, TV movies, or cinematic movies;
- Fictions in progress which are the costs incurred for fiction productions that are not yet finalized and not delivered to the client at the closing date, and for which i) the Combined Group retains the IP and ii) the Combined Group expects significant further IP revenue;
- Rights for the movie adaptation of books;
- Intangible assets acquired in the normal activity of the Sports Betting and Online Gaming Business such as domain names, websites, customer database; and
- Other intangible assets such as software.

Following initial recognition, and except indicated otherwise, intangible assets are carried out at cost less accumulated amortization and accumulated impairment losses. They are amortized on a straight-line basis based on the useful life of the asset. Intangible assets acquired in a business combination are depreciated.

The method and period of amortization are reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset result in changes in the method or period of amortization.

Audiovisual rights are amortized on an accelerated basis following the decline in the net value of the asset after initial broadcasting of the asset by the clients.

	Content Production and Distribution		Sports Betting and Online Gaming	
	Method	Duration	Method	Duration
Catalogue & formats	Straight-line	6 to 10 years		
Client contracts	Straight-line	Contract's duration		
Software assets	Straight-line	1 to 5 years		
Domain names			Straight-line	5 to 11 years
Customer database			Straight-line	2 to 5 years
Website			Straight-line	3 to 5 years
Computer software			Straight-line	2 to 5 years

4.5 Internally generated software

An internally generated software is recognized if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

When no internally generated software can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated software is reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Marketing rights, such as concessions, exclusivity rights, entry fees related to rental contracts, are recorded as assets on the balance sheet and amortized over the estimated duration of their use, once the conditions required for recognition of an intangible asset are satisfied, namely:

- it is an identifiable element;
- it brings future economic benefits;
- it is the property of the entity;
- its cost is evaluated with sufficient reliability.

4.6 Property, plant and equipment

Property, plant and equipment are recorded at their acquisition cost, less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the useful life of such fixed assets. The residual value, the useful life and depreciation methods of the fixed assets are reviewed and adjusted, if necessary, at each financial year-end.

Depreciation is recognized on the following basis:

	Method	Duration
Technical facilities and equipment	Straight-line	3 to 20 years
Office furniture and equipment	Straight-line	3 to 5 years
Right-of-use asset	Straight-line	Contract’s useful life
Constructions	Straight-line	15 to 40 years
Other fixed assets	Straight-line	3 to 10 years

4.7 Lease

Right-of-use assets

The Combined Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Combined Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Combined Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including

in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Combined Group and payments of penalties for terminating a lease, if the lease term reflects the Combined Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Combined Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The interest used at the inception of the contract will be the same for the whole life of the lease term aside if there are modifications in contract terms such as a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Combined Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment and cars that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Combined Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Combined Group has the option, under some of its real estate leases to lease the assets for additional terms of several years. The Combined Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Combined Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

4.8 Impairment of property, plant and equipment, intangible assets (other than goodwill)

The recoverable amount of intangible assets and tangible assets is tested for impairment as soon as external or internal signs of impairment losses exist, such as sector ratio declining, strong overall decrease in the business relating to the cash generating unit, fall in activity with a major customer of the cash-generating unit, change in betting and gaming licenses conditions (including government taxation policies) and loss/non-renewal of licenses. External or internal signs of impairment are reviewed at each closing date.

The recoverable amount of the asset is tested for impairment to determine whether there is an impairment loss.

If appropriate, an impairment loss is recorded for the portion of the net book value of the asset exceeding the recoverable amount.

The value-in-use of an asset or a CGU is measured as outlined in note 4.2.

The recoverable value of the assets to which it is possible to directly attribute independent cash inflows is assessed on a stand-alone basis. The other assets are grouped within the CGU to which they belong in order to estimate their value-in-use.

Where an impairment loss is recognized, it is accounted for directly in the statement of profit or loss. The value of assets, other than goodwill, for which an impairment loss has been recorded, is reviewed at each closing date for the purposes of reversing the impairment loss, if necessary. Where a reversal occurs, it is recorded as profit or

loss. In such a case, the book value of the asset can be increased up to its recoverable value. After reversing the impairment loss, the book value cannot exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years.

4.9 Inventories

Inventories relating to work in progress are valued at production cost. They represent outstanding production of audiovisual programs, excluding fictions for which (i) the Combined Group retains a part of the Intellectual Property (IP) and (ii) expects significant IP revenue, that are not finalized and not delivered to the client at closing date. In the case production losses are anticipated, a provision for losses on onerous contract is accounted for, after inventories have been written off.

4.10 Financial instruments

Financial instruments consist of:

- Financial assets, including other non-current assets, trade receivables, other current assets, and cash and cash equivalents;
- Financial liabilities, including long- and short-term borrowings and bank overdrafts, accounts and notes payable and other current and non-current liabilities;
- Derivative instruments.

Financial instruments (assets and liabilities) are recorded in the combined statement of financial position at the fair value on initial recognition, plus in the case of an asset that is not subsequently recognized at fair value through profit or loss, transaction costs directly attributable to the acquisition of that asset. They are subsequently measured at either fair value (result or other comprehensive income) or amortized costs, depending on their nature. Amortized cost corresponds to the initial carrying amount (net of transaction costs), plus interest calculated using the effective interest rate, less cash outflows (coupon interest payments and repayments of principal and redemption premiums where applicable). Accrued interest (income and expense) is not recorded based on the financial instrument's nominal interest rate but based on its effective interest rate. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

4.10.1 Financial assets

The classification of a financial asset in each of these categories depends on the management model applied by the enterprise and the characteristics of its contractual cash flows. Transactions relating to financial assets are recorded at settlement date.

Debt instrument at amortized costs

These financial assets are initially recognized at their fair value to which is added directly attributable transaction costs and, then at amortized cost at each closing date, applying the effective interest rate method. This category of assets includes trade receivables and other debtors, loans and deposits, receivables attached to participating interests, cash and loans to associates or non-consolidated entities. In practice, trade receivables are measured to

the amortized cost method, even though they may be subject to an assignment of receivables, for example, in the context of factoring.

Equity instrument at fair value through OCI

The Combined Group elected to classify irrevocably its non-listed equity investments under this category as it intends to hold these investments for the foreseeable future.

Impairment testing of debtor financial assets

The Combined Group reviews if, at the closing date, a debtor financial asset or a group of debtor financial assets is likely to suffer an impairment loss based on both the expected credit loss approach and when there is an objective indicator of loss.

In practice, given the low level of loss incurred on prior years' receivables, the expected credit loss approach does not have any significant impact. If there is an objective evidence that debtor financial assets carried at amortized cost or at fair value through OCI should be impaired, the amount of the loss is estimated by difference between the book value and the discounted future cash flows such as expected (excluding future probable and not actual credit losses). The discount rate used is the initial effective interest rate (i.e., the effective interest rate computed at initial recognition of the asset). The book value is reduced using an allowance account. The amount of the loss is recorded as profit or loss.

If, subsequently, the impairment decreases and the decrease can be linked objectively to an event occurring after the impairment was recognized, the previously recognized impairment will be reversed. The reversal of an impairment loss is recognized as profit or loss, as long as the book value of the asset does not exceed its amortized cost at the date the loss allowance is reversed.

With respect to receivables, a loss allowance is recorded when there is objective evidence (probability of insolvency or severe financial difficulties of the debtor) that the Combined Group will be unable to recover the balance in accordance with the initial payment conditions. The book value of the receivable is reduced by way of an allowance for loss. Impaired receivables are derecognized when they are considered as uncollectible.

4.10.2 Financial liabilities

Financial liabilities are divided into two categories: financial liabilities at amortized cost and financial liabilities at fair value through profit or loss.

The financial liabilities of the Combined Group mainly consist of liabilities valued at amortized cost. Among them are loans and similar debts including:

- Credit lines from banks and other production financings;
- Bank overdrafts;
- Borrowings;
- Lease debts;
- Bonds and Secured Notes.

The category of financial liabilities at fair value through profit or loss includes among other things earn out and Put over minority interest.

Interest-bearing debts and borrowings

All loans, and debts are recognized initially at the fair value of the consideration received, less costs directly attributable to the transaction. After initial recognition, interest-bearing liabilities and debts are evaluated at

amortized cost using the effective interest rate method. Costs directly attributable to the issuance of debt are deducted from liabilities and are amortized over the life of the debt, as a component of the effective interest rate.

Derecognition of financial instruments (assets and liabilities)

Financial instruments (assets and liabilities) are derecognized when the related risks and rewards of ownership have been transferred, and when the Combined Group no longer exercises control over the instruments. Gains and losses are recognized as profit or loss when assets or liabilities are derecognized using the model of amortized cost.

4.10.3 Derivatives

Hedging instruments

The Combined group uses derivative financial instruments such as forward exchange contracts, options and interest rate swaps to cover its risks related to fluctuations in foreign currency exchange rates and interest rates. These derivative financial instruments are recognized initially at fair value on the date on which they are contracted. They are then re-estimated at their fair value at each closing date. Derivative financial instruments are recognized as assets in the balance sheet when the fair value is positive and as liabilities when the fair value is negative.

For qualifying hedging instruments that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of derivatives and other is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

For qualifying hedging instruments that are designated and qualify as fair value hedges, the fair value change is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognized in other comprehensive income.

For derivatives that do not meet the hedge accounting, they are recognized directly as profit or loss.

The fair value of forward exchange contracts is calculated by reference to the forward exchange rates applicable to contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to the market values of similar instruments. The fair value of financial instruments that are traded on active markets is determined at each closing date by reference to the market quotations or transaction prices. Transaction costs are not taken into account.

For instruments that are not traded on an active market, fair value is determined using appropriate valuation techniques. These may include:

- Transactions entered into under normal market conditions between knowledgeable and willing parties;
- reference to the present fair value of another instrument that is substantially the same;
- discounted cash flows or other valuation methods.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks

and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

An embedded derivative is presented as a non-current financial asset or non-current financial liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realized or settled within 12 months.

4.11 Cash and cash equivalents

Cash and cash equivalents include bank accounts and short-term deposits whose initial maturity is less than three months that are already convertible into cash and are subject to insignificant risks of change in fair value.

For the needs of the combined statement of cash flows, cash and cash equivalents are composed of the cash and cash equivalent as defined above and reduced by bank overdrafts.

4.12 Commitments to purchase non-controlling interests (put options)

When the Combined Group grants firm or contingent commitments to purchase holdings from non-controlling shareholders, the Combined Group has generally concluded that these agreements convey an in-substance present ownership interest in the underlying entity. The carrying value of the non-controlling interests is reclassified to other current or non-current liabilities.

This liability is re-measured at each reporting period end in accordance with the contractual arrangements (at fair value or at present value if fixed price) and, in the absence of any guidance provided by IFRS, with a counterparty in net finance costs, in the Combined Statement of Income.

4.13 Provisions

Provisions are recorded only if the Combined Group has a present obligation (legal or constructive) as a result of a past event, when it is likely that an expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. It is accounted for as profit or loss in a dedicated line, net of any contingent reimbursement.

If the effect of the time value of money is material, provisions are discounted using a discount pre-tax rate that reflects, where appropriate, the risks specific to the obligation. When discounting, the increase in the provision due to the passage of time is recognized in net financial income (loss).

4.14 Pensions and other post-employment benefits

The Combined Group's obligations under defined benefit pension plans and other post-employment benefit plans are computed by independent actuaries using the projected unit credit method. The actuarial valuation involves making assumptions such as discount rates, retirement date, staff turnover, future increases of wages, mortality rates and future pension increases.

For these post-employment benefit plans, the actuarial gains and losses are immediately and entirely recognized in other comprehensive income with no possibility of recycling in the income statement. Past service costs are immediately and fully recorded in the income statement on acquired rights as well as on future entitlements.

The effect of discounting of the provision are presented in the net financial income (loss).

4.15 Employees long-term incentive plans

The Combined Group generally prospects, identifies and acquires companies that create high value. It also looks for the opportunity to secure acquisitions of companies held by talented managers.

The Combined Group issued long-term incentive plans (LTIP). They are mostly based on the value created during a defined period, in accordance with formulas mostly based on operating KPI (such as EBITDA). Some of them are settled in shares but are supplemented by a liquidity agreement granted by the Combined Group. The others are settled in cash. Depending on the plans' terms and conditions, those transactions are recognized in accordance with IFRS 2 (cash-settled share-based payment) or IAS 19 (long-term incentives). These plans are subject to service conditions.

A liability is recognized for the services acquired over the vesting period based on the valuation of the liability. At each reporting date until the liability is settled, and at the date of settlement, the value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

4.16 Employee benefits resulting from a business acquisition arrangement

The Combined Group generally prospects, identifies and acquires companies that create high value. It also looks for the opportunity to secure acquisitions of companies held by talented managers with the strategy of maintaining and incenting such managers after closing.

In this context, the transaction is often accompanied by an employment agreement or a service agreement between the acquiree and the manager, pursuant to the closing. Share purchase agreements may also specify restrictions on the acquisition price, on the potential earn-outs or on the remaining minority interest options in case of early departure of the manager. These restrictions may be:

- a reduction in the acquisition price,
- a forfeiture of earn-outs,
- a reimbursement of significant parts the paid amounts,
- a call option on minority interests held by the manager at a price less than the fair value

These contingent consideration arrangements aim at compensating former owners of the business acquired for future services and shall be recognized as a separate transaction as required by IFRS 3.

Depending on the description of the contingent consideration, those transactions are recognized in accordance with IFRS 2 (cash-settled share-based payment) or IAS 19 (long-term incentives):

- When the terms of the agreements provide the possibility to deliver equity instruments to the manager, or if the price is based on the fair value of the equity instruments, the grant is measured at fair value (determined by an independent expert) in accordance with IFRS 2;
- In any other case, the grant is measured on the basis of the expected discounted cash outflow in accordance with IAS 19. The measurement is usually supported by business plans.

A liability is recognized for the goods or services acquired over the vesting period based on the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

When the consideration has already been paid, this amount is initially recognized as an asset. Subsequently, this arrangement is presented in the combined statement of financial position as an asset or as a liability, depending on the relationship between the manager's performance and the Combined Group's payment.

4.17 Revenue

Revenue is measured based on the consideration to which the Combined Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Combined Group recognizes revenue when it transfers control of a product or service to a customer.

The revenue from ordinary activities is recognized as soon as the economic benefits of the transaction will probably benefit the Combined Group, the amount is reliably measured, and it is likely the amount of the transaction will be recovered.

Revenue from the two businesses and their specificities are explained below.

4.17.1 Revenue recognition for the Audiovisual Business

Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Customer contracts can have a wide variety of performance obligations, from production contracts to format licenses and distribution activities. For these contracts, each performance obligation is identified and evaluated.

The transaction price, being the amount to which the Combined Group expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Group's performance may result in additional revenue based on the achievement of agreed targets such as audience targets. Variable consideration is not recognized until the performance obligations are met.

Production revenue from producing television programs

Production revenue are recognized when the programs are delivered to the client. Standard criteria to establish revenue recognition are:

- in most cases, client's acceptance document (i.e., delivery notice signed / approved by the client, ...)
- delivery of a certain number of episodes

In case of partial delivery of the same program over several periods of time (series, etc...), revenue, costs and margin are recognized according to episodic deliveries. Production revenue do not include grants, subsidies and co-producers' contributions. These are presented as a reduction of cost of sales.

Distribution revenue from the sale of finished programs and formats

Distribution revenue are recognized when the rights are transferred to the client:

- based on a signed contract or a deal memo;

- when the related rights are opened;
- for the full revenue (revenue are not spread over the licensing period), as it is an access to right since there is limited ongoing involvement in the use of the license following its transfer to the customer.

Minimum guaranteed revenue are recognized as revenue when the above criteria are met, and further variable payments are recognized when received.

Revenue from music rights are recognized as revenue when received based on royalties' statements (output method).

Revenue and costs related to services that are rendered are recognized on completion of the service rendered as long as they can be estimated reliably. When the outcome of the transaction cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized.

Consideration as a Principal or an Agent in revenue recognition

The Combined Group had determined it is a principal in most of its performance obligation.

In the course of its business, the group resells finished tape or formats purchased from third parties. Given it obtains the right to distribute the content, the Combined Group usually controls the license. The distinction between agent and principal has an impact on the presentation of revenue, which is recognized as follows: - on a gross basis when the Combined Group is a principal; - net of the cost of sales when the Combined Group is an agent.

4.17.2 Revenue recognition for the Sports Betting and Online Gaming Business

The Sports Betting and Online Gaming Business generates its revenue from the conclusion and processing of sports bets and the provision of various other online casinos and games. In line with the practices in the industry, the net results from bets and/or wagers placed by customers and pay-outs to customers is initially recognized as gross betting and gaming revenue.

The net betting and gaming revenue recognized in the combined statements of income is the residual amount left after deducting betting fees and gambling levies as well as any VAT on electronic.

Gross betting and gaming revenue

Gross betting and gaming revenue are recognized once every performance obligation is satisfied, i.e. once the events and their relative bets and the wagers on online casinos, or other online games, are concluded, the gains calculated and the results published.

It relies on the players' bets and wagers with the following considerations:

- Gross betting and gaming revenue from casinos and sports betting relate to players' lost amount on such activities during the period;
- Gross betting and gaming revenue from poker relate to the commission rates applied on poker games, or "rake", in addition to the admission fees earned during the period; and
- Gross betting and gaming revenue from Turf relates to commission earned on players' bets.

The gross gaming proceeds from bets already placed on sporting events at the closing but the results of which will not be known until after the end of the period ("pending bets") is not recognized as revenue. This amount is recorded as prepaid income (see below).

Players' Bonuses

Players' Bonuses are the various amounts from bonus and fees deducted from Gross betting and gaming revenue. They are composed with 4 categories:

- "Free-bets", which is the granting of player with the right to a free bet. The player's account receives the net gain resulting from the free bet;
- "Cashback", which allows the player to earn his gambled amount if only the bet is lost;
- "Blocked", when the player earns a fixed non-withdrawable amount related to a determined gambling pattern such as bets placed on minimum odd or on multiple bets; and
- "Discretionary", when the player earns a fixed withdrawable amount unrelated to a gambling pattern.

Pending bets

The gross amount of bets placed on sporting events at the reporting date whose results will not be known until after the end of the period (pending bets) is recognized as financial liabilities to customers, and are measured at fair value through P&L in accordance with IFRS 9 – Financial Instruments.

4.18 Production costs

Production costs

Production costs, attributable to the Content Production and Distribution Business, are net of co-producers' contributions, grants and subsidies. They mainly include the costs of scripts, actors, directors, rental of equipment, technical staff, participants, hosts, sets, format fees, etc.

Until programs are delivered, related production costs are capitalized in work in progress for non-scripted programs and as intangible assets for scripted programs for which i) the Combined Group retains the IP and ii) the Combined Group expects significant further IP revenue.

At revenue recognition date, the production costs of non-scripted programs are expensed in the income statement.

The production costs of scripted programs for which the Combined Group retains the IP and expects further significant IP revenue are amortized as production costs in the statement of profit or loss using the ultimate revenue method. The cumulated amortization is calculated at the end of a given year as follows:

$$\text{Production costs} \times (\text{actual cumulated revenue} / \text{total estimated revenue of program})$$

The total estimated revenue of a program is the sum of actual cumulated revenue of the program and the program's future revenue forecast. Depreciation for a current year is calculated by difference with cumulated depreciation of previous years, if any. An impairment is booked if the net value of the program is higher than the future revenue forecast. Initial depreciation of a scripted program is expensed at delivery while the remaining value is depreciated when the subsequent distribution revenue are recognized.

Grants and subsidies

Grants and subsidies are recognized when there is a reasonable assurance that the grant will be received, and all attached conditions will be fully complied with.

Grants and subsidies which are strictly related to the financing of a given program are deducted from production costs. When they relate to an asset, grants and subsidies are directly deducted from the carrying amount of the asset and released to the depreciation and amortization calculated on the net amount over the useful life of the asset.

All other grants and subsidies (such as government grants not strictly related to a program) are recognized as “Other operating income” when granted.

Acquisition cost of clients

Internal costs relating to acquisition of clients are recognized as expenses.

Client databases are capitalized and recognized as intangible asset at cost or at fair value for client databases acquired in the process of business combinations.

4.19 Tax

4.19.1 Current tax

Tax receivables or tax payables for the current period and prior periods are estimated at the amount that is expected to be received from or to be paid to the tax administration. Tax rates and tax laws used in order to estimate the tax receivable or the tax liability are those which have been enacted at closing date. Current income taxes pertaining to items recognized in “other comprehensive income” are recorded in the same category and not as profit or loss.

The Combined Group classifies the CVAE in France (Contribution on added value) and IRAP Tax in Italy as income tax.

4.19.2 Deferred taxes

Deferred taxes are accounted for using the liability method for all temporary differences between the carrying amount recorded in the consolidated statement of financial position and the tax bases of assets and liabilities, except for non-tax-deductible goodwill. Deferred taxes are determined based on the way in which the Combined Group expects to recover or settle the carrying amount of the assets and liabilities using the tax rates that are expected to apply in the year the asset will be realized, or the liability settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred tax assets and liabilities are not discounted and are offset when they have the same maturity and relate to the same taxable entity. They are classified in the statement of financial position as non-current assets and liabilities. Deferred tax assets are only recognized to the extent that it is probable that future taxable profit will be available against which deductible temporary differences or tax losses and tax credit carryforwards can be utilized.

Note 5 SEGMENT INFORMATION

According to IFRS 8, an operating segment is a component of an entity that i) engages in business activities from which it may earn revenue and incur in 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.

The Chief Operating Decision Maker (CODM) – Financière Lov's CEO and corporate officer – assesses the performance of the operating segments and allocates the resources necessary for their development based on certain operating performance indicators (segment result and operating cash flow). Net revenue, adjusted EBITDA, cost of net debt and free cash flow are the main operational monitoring indicators for the Combined Group's various activities.

As described in Note 1.1 Presentation of the business, the Combined 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 and Distribution business: incorporates the activities of production, distribution and marketing of content property rights for television and multimedia platforms. This segment corresponds entirely to the Banijay Group; and
- Sports Betting and Online Gaming division: comprises sports betting, poker and casino. This segment corresponds to the Betclix Everest Group.

The following tables present information with respect to the Combined Group's business segments in accordance with IFRS 8 for the years ended 31st December 2021, 2020 and 2019.

Profit & Loss per segment

<i>In € million</i>	2021			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Net revenue	2,756.0	741.1	-	3,497.0
Adjusted EBITDA	432.7	176.6	(0.1)	609.3
Operating profit/(loss)	213.8	(103.2)	(0.2)	110.4
Cost of net debt	(124.2)	(5.9)	(5.2)	(135.3)
Consolidated net income	71.1	(132.1)	(12.4)	(73.4)
Attributable to:				
<i>Non-controlling interests</i>	42.1	(71.3)	(1.2)	(30.4)
<i>Shareholders of the company</i>	29.0	(60.8)	(11.2)	(43.0)
<i>In € million</i>	2020			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Net revenue	1,595.9	532.6	-	2,128.5
Adjusted EBITDA	253.4	129.3	(0.0)	382.7
Operating profit/(loss)	100.3	86.0	(0.1)	186.2
Cost of net debt	(107.1)	(3.9)	(5.1)	(116.0)
Consolidated net income	0.5	72.2	(25.2)	47.5
Attributable to:				
<i>Non-controlling interests</i>	1.6	41.5	(1.4)	41.7
<i>Shareholders of the company</i>	(1.1)	30.7	(23.8)	5.8

<i>In € million</i>	2019			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Net revenue	1,004.2	451.4	-	1,455.5
Adjusted EBITDA	154.5	86.0	(0.0)	240.5
Operating profit/(loss)	59.9	30.3	(0.1)	90.1
Cost of net debt	(21.6)	(1.2)	(4.9)	(27.8)
Consolidated net income	(4.6)	6.7	(14.5)	(12.3)
Attributable to:				
<i>Non-controlling interests</i>	(2.4)	7.7	(0.0)	5.3
<i>Shareholders of the company</i>	(2.1)	(1.0)	(14.5)	(17.6)

Adjusted EBITDA

Performance is measured based on adjusted EBITDA, as included in the internal management reports that are reviewed by the Executive Board. Adjusted EBITDA is not 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.

Adjusted EBITDA is based on operating profit/(loss) adjusted to several items in order to facilitate the analysis of the financial performance. This adjustment items include:

- **restructuring costs and other non-recurring items:** due to their unusual nature or particular significance, these items are excluded. In general, these items relate to transaction 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, may be adjusted although they may have occurred within prior years or are likely to occur again within the coming years.
- **LTIP and other long-term incentive plans:** reference is made to note 8.2 and 8.3;
- **Depreciation and amortization:** Depreciation and amortization of software and intangible assets, PPE own property, right-of-use and intangible assets acquired in business combinations. However, depreciation and amortization are not deducted as they are considered as an operating cost.

The table below presents the reconciliation of operating profit before exceptional items and amortization of acquisition-related intangibles to profit before income tax:

<i>In € million</i>	2021			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Operating profit/(loss):	213.8	(103.2)	(0.2)	110.4
Restructuring costs and other non-recurring items	27.2	22.5	0.1	49.8
LTIP and employment-related earn-out and option expenses	62.6	245.4	-	308.0
Depreciation and amortization (excluding D&A fiction ⁽¹⁾)	129.2	11.9	0.0	141.1
ADJUSTED EBITDA	432.7	176.6	(0.1)	609.3

⁽¹⁾No amortization of fiction production recognized in 2021.

In € million	2020			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Operating profit/(loss):	100.3	86.0	(0.1)	186.2
Restructuring costs and other non-recurring items	52.8	(0.5)	0.1	52.4
LTIP and employment-related earn-out and option expenses	26.4	31.2	-	57.6
Depreciation and amortization (excluding D&A fiction ⁽¹⁾)	73.9	12.5	0.0	86.5
ADJUSTED EBITDA	253.4	129.3	(0.0)	382.7

⁽¹⁾Deviation from total amount per Note 9 is due to the amortization of fiction production amounting to 4.2 M€ that is considered an operating cost.

In € million	2019			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Operating profit/(loss):	59.9	30.3	(0.1)	90.1
Restructuring costs and other non-recurring items	18.1	(4.7)	0.1	13.4
LTIP and employment-related earn-out and option expenses	31.4	49.2	-	80.6
Depreciation and amortization (excluding D&A fiction ⁽²⁾)	45.2	11.2	0.0	56.4
ADJUSTED EBITDA	154.5	86.0	(0.0)	240.5

⁽²⁾Deviation from total amount per Note 9 is due to the amortization of fiction production amounting to 23.8 M€ that is considered an operating cost.

Content Production and Distribution business

Revenue of the Content Production and Distribution division grew by 174% since 2019, reaching 2,756.0 M€ in 2021, primarily driven by the production of audiovisual programs boosted by the acquisition of Endemol Shine in July 2020 (refer to note 13.1i)).

The increase in the financial expenses is mainly explained by the several loans subscribed in 2020 (refer to note 22.3) to finance the acquisition of Endemol Shine Group (refer to note 13.1i)).

Sports Betting and Online Gaming division

The level of gaming bets on sportsbook betting and, therefore, the associated revenue was initially significantly impacted by the cancellation in Q2 2020 of sports competitions in the main countries where the group operates, due to the COVID pandemic.

In order to mitigate the impacts of the health crisis on operational performance, Betclit Everest Group put in place, from March 2020, measures to reduce variable expenses and renegotiate fixed costs.

From the second half of 2020, the good recovery on the activity associated with the BEG's responsiveness made it possible to preserve and to increase profitability compared to 2019, having net revenue reached 741.1 M€ in 2021 (+39% vs 2020).

Balance Sheet per segment

<i>In € million</i>	2021			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Non-current assets	2,792.4	314.5	21.4	3,128.3
Current assets	1,715.3	136.3	62.1	1,913.7
Total assets	4,507.7	450.8	83.5	5,042.0
Non-current liabilities	2,598.2	157.0	162.6	2,917.9
Current liabilities	1,685.1	411.0	34.2	2,130.3
Total liabilities (excluding equity)	4,283.4	568.0	196.8	5,048.2

<i>In € million</i>	2020			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Non-current assets	2,755.1	314.4	26.6	3,096.1
Current assets	1,337.7	154.1	59.8	1,551.6
Total assets	4,092.8	468.4	86.4	4,647.7
Non-current liabilities	2,507.1	199.0	219.8	2,925.9
Current liabilities	1,393.3	157.9	32.5	1,583.6
Total liabilities (excluding equity)	3,900.4	356.8	252.3	4,509.5

<i>In € million</i>	2019			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Non-current assets	693.8	302.0	44.3	1,040.1
Current assets	563.9	130.4	60.3	754.6
Total assets	1,257.7	432.3	104.6	1,794.6
Non-current liabilities	675.3	65.1	152.7	893.1
Current liabilities	582.4	171.4	31.3	785.1
Total liabilities (excluding equity)	1,257.8	236.5	183.9	1,678.2

Content Production and Distribution business

Non-current assets are mainly composed of goodwill generated from acquisitions. Its increase from 2019 is due to Endemol Shine Group's acquisition in July 2020 (+302% between 2019 and 2021).

Current assets are primarily constituted by trade receivables and inventories and work in progress which correspond to costs incurred in the production of non-scripted programs (or scripted programs for which the Combined Group does not expect subsequent Intellectual Property revenue) that have not been delivered at reporting date, as the Combined Group recognizes its production revenue upon delivery of the materials to the customer. The increment in both items is mainly due to the assets incorporated following Endemol Shine Group's acquisition (refer to note 3.2.1i)

Non-current liabilities are mainly composed by long-term borrowings which increased largely in 2021 compared to 2019 due to the issuing of three new notes on February 2020 and two term loans to refinance Endemol Shine Group's acquisition (refer to Note 13.1i).

Current liabilities are primarily constituted by trade payables – which increased following Endemol Shine Group's take in (refer to Note 13.1i) – and deferred income that mainly relates to undelivered programs that are work-in progress (or intangible assets-in-progress) and that have already been invoiced. Those deferred incomes correspond to the contract liabilities (under IFRS 15).

Sports Betting and Online Gaming division

Non-current assets are mainly composed of goodwill generated from acquisitions.

Current assets are primarily formed by cash and cash equivalents that increased by 5% in 2021 (vs 2019) linked to cash flows generated by operating activities.

Non-current liabilities are mainly composed by long-term borrowings.

Current liabilities are primarily constituted by gambling taxes, short-term borrowings, provisions for legal contingencies and liabilities related to the Betclac Everest Group's incentive plans (LTIP). The variation in 2021 vs 2019 (+140%) is due to the subscription of a short-term loan (refer to note 22.3), the constitution of a provision for a legal contingency (refer to note 3.3.2i) and increase of the liabilities associated with the sub-group's LTIP.

Holding

Non-current assets are mainly constituted by the elimination of the owned entities' equity stakes, while current assets comprise the variation of the fair value of the derivatives.

Current and non-current liabilities are mainly formed by borrowings and corresponding interests and current accounts.

Net debt per segment

	2021			
	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
<i>In € million</i>				
Bonds	1,679.1	-	162.6	1,841.8
Bank borrowings	584.4	267.8	-	852.2
Bank overdrafts	1.7	-	0.0	1.7
Accrued interests on bonds and bank borrowings	28.0	0.3	4.5	32.7
Total bank indebtedness	2,293.2	268.0	167.1	2,728.4
Cash and cash equivalents	(344.7)	(87.9)	(1.5)	(434.1)
Trade receivables on providers		(24.8)		(24.8)
Players liabilities		41.7		41.7
Cash in trusts		(22.4)		(22.4)
Net cash and cash equivalents	(344.7)	(93.3)	(1.5)	(439.5)
Net debt before derivatives effects	1,948.5	174.7	165.6	2,288.8
Derivatives – liabilities	6.1	-	-	6.1
Derivative – assets	(4.4)	(0.4)	(21.4)	(26.2)
NET DEBT	1,950.2	174.3	144.2	2,268.8

	2020			
<i>In € million</i>	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Bonds	1,611.1	-	219.8	1,831.0
Bank borrowings	544.5	153.9	-	698.4
Bank overdrafts	10.5	-	0.0	10.5
Accrued interests on bonds and bank borrowings	28.5	0.6	4.3	33.4
Total bank indebtedness	2,194.7	154.5	224.2	2,573.3
Cash and cash equivalents	(282.4)	(115.2)	(1.4)	(399.0)
Trade receivables on providers		(21.8)		(21.8)
Players liabilities		38.1		38.1
Cash in trusts		(20.3)		(20.3)
Net cash and cash equivalents	(282.4)	(119.3)	(1.4)	(403.0)
Net debt before derivatives effects	1,912.3	35.2	222.8	2,170.3
Derivatives – liabilities	20.3	0.2	-	20.5
Derivative – assets	(0.1)	-	(26.6)	(26.7)
NET DEBT	1,932.5	35.4	196.2	2,164.1

	2019			
<i>In € million</i>	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Bonds	358.5	-	152.7	511.2
Bank borrowings	72.5	32.4	-	105.0
Bank overdrafts	3.1	-	0.0	3.1
Accrued interests on bonds and bank borrowings	8.2	0.0	4.2	12.4
Total bank indebtedness	442.3	32.5	156.9	631.6
Cash and cash equivalents	(86.5)	(90.8)	(4.0)	(181.3)
Trade receivables on providers		(23.1)		(23.1)
Players liabilities		32.5		32.5
Cash in trusts		(14.0)		(14.0)
Net cash and cash equivalents	(86.5)	(95.3)	(4.0)	(185.8)
Net debt before derivatives effects	355.8	(62.8)	152.9	445.8
Derivatives – liabilities	0.5	0.0	-	0.6
Derivative – assets	(0.1)	-	(44.3)	(44.3)
NET DEBT	356.2	(62.8)	108.6	402.0

Statement of Cash Flows and Free-Cash flow

	2021			
<i>In € million</i>	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Net cash flow from operating activities	323.6	81.4	(1.6)	403.5
Cash flow (used in)/from investing activities	(89.3)	(7.8)	-	(97.1)
Cash flow (used in)/from financing activities	(158.7)	(101.0)	1.7	(258.0)
Other	(4.4)	-	-	(4.4)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	71.2	(27.4)	0.1	43.9
<i>Cash and cash equivalents as of 1 January</i>	271.9	115.2	1.4	
<i>Cash and cash equivalents as of 31 December</i>	343.1	87.9	1.5	

	2021			
<i>In € million</i>	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Adjusted EBITDA	432.7	176.6	(0.1)	609.3
Purchase of property, plant and equipment and of intangible assets	(56.0)	(10.5)	-	(66.5)
Total cash outflows for leases that are not recognised as rental expenses	(41.5)	(3.7)	-	(45.2)
ADJUSTED FREE-CASH FLOW	335.2	162.4	(0.1)	497.6

	2020			
<i>In € million</i>	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Net cash flow from operating activities	225.2	83.2	(1.6)	306.8
Cash flow (used in)/from investing activities	(1,887.7)	(17.9)	0.0	(1,905.6)
Cash flow (used in)/from financing activities	1,846.0	(40.8)	(1.0)	1,804.2
Other	4.9	-	-	4.9
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	188.5	24.5	(2.6)	210.3
<i>Cash and cash equivalents as of 1 January</i>	<i>83.4</i>	<i>90.8</i>	<i>4.0</i>	
<i>Cash and cash equivalents as of 31 December</i>	<i>271.9</i>	<i>115.2</i>	<i>1.4</i>	

	2020			
<i>In € million</i>	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Adjusted EBITDA	253.4	129.3	(0.0)	382.7
Purchase of property, plant and equipment and of intangible assets	(31.6)	(9.1)	0.0	(40.7)
Total cash outflows for leases that are not recognised as rental expenses	(28.6)	(3.2)	-	(31.9)
ADJUSTED FREE-CASH FLOW	193.2	116.9	(0.0)	310.1

	2019			
<i>In € million</i>	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Net cash flow from operating activities	131.8	80.7	(0.6)	211.8
Cash flow (used in)/from investing activities	(69.0)	(9.0)	0.0	(78.0)
Cash flow (used in)/from financing activities	(50.2)	(88.4)	2.7	(135.9)
Other	0.6	-	-	0.6
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13.2	(16.8)	2.1	(1.5)
<i>Cash and cash equivalents as of 1 January</i>	<i>70.2</i>	<i>107.6</i>	<i>1.9</i>	
<i>Cash and cash equivalents as of 31 December</i>	<i>83.4</i>	<i>90.8</i>	<i>4.0</i>	

	2019			
<i>In € million</i>	Content Production and Distribution	Sports Betting and Online Gaming	Holding	Total Combined Group
Adjusted EBITDA	154.5	86.0	(0.0)	240.5
Purchase of property, plant and equipment and of intangible assets	(18.3)	(11.4)	0.0	(29.6)
Total cash outflows for leases that are not recognised as rental expenses	(15.4)	(3.2)	-	(18.7)
ADJUSTED FREE-CASH FLOW	120.9	71.4	(0.0)	192.3

Note 6 REVENUE

Revenue for the years ended 31st December 2021, 2020 and 2019 by activity and sub-activity are as follows:

<i>In € million</i>	2021	2020	2019
Content Production and Distribution	2,756.0	1,595.9	1,004.2
Production	2,471.0	1,393.0	951.0
Distribution	285.0	202.0	51.0
Others	-	1.0	2.0
Sports Betting and Online Gaming	741.1	532.6	451.4
Sportsbook	588.6	391.5	327.4
Casino	102.0	102.3	101.6
Poker	44.1	32.2	17.2
Other	6.4	6.6	5.2
TOTAL REVENUE	3,497.1	2,128.5	1,455.5

Total revenue of the Content Production and Distribution business correspond essentially to the production and sale of audiovisual programs – which was impacted in 2020 by the acquisition of Endemol –, as well as the distribution of audiovisual rights or catalogues.

The remaining performance obligation corresponds to firm commitments (or closed sales). The transaction price allocated to the implicit remaining performance obligations (unsatisfied or partially unsatisfied) as of 31st December 2021 totalized 1,602.0 M€ (1,643.0 M€ and 596.4 M€ in 2020 and 2019, respectively) – including 1,404.0 M€ within one year (1,458.0 M€ and 528.0 M€ in 2020 and 2019, respectively) and 198.0 M€ beyond one year (185.0 M€ and 68.4 M€ beyond one year). The remaining performance obligations should essentially cover the revenue to be recognized for undelivered productions and for sales of finished tapes/formats for which the rights are not opened.

The remaining part of Combined Group's revenue is attributed to the Sports Betting and Online Gaming division, which includes sportsbooks, gambling in casinos, poker and others.

Sports Betting and Online Gaming division's revenue consist 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).

The following table details the GGR and bonuses amount for 2021, 2020 et 2019:

<i>In € million</i>	2021	2020	2019
Gross revenue	834.4	600.7	508.7
Bonus	(93.4)	(68.1)	(57.4)
REVENUE	741.1	532.6	451.4

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

<i>In € million</i>	2021		
	Content Production and Distribution	Sports Betting and Online Gaming	Total Combined Group
Revenue by geographical area			
Europe	2,157.7	737.6	2,895.2
United States of America	450.2	-	450.2
Rest of the world	148.1	3.5	151.6
TOTAL REVENUE	2,756.0	741.1	3,497.1

<i>In € million</i>	2020		
	Content Production and Distribution	Sports Betting and Online Gaming	Total Combined Group
Revenue by geographical area			
Europe	1,335.0	527.6	1,862.5
United States of America	199.2	-	199.2
Rest of the world	61.8	5.0	66.8
TOTAL REVENUE	1,595.9	532.6	2,128.5

<i>In € million</i>	2019		
	Content Production and Distribution	Sports Betting and Online Gaming	Total Combined Group
Revenue by geographical area			
Europe	836.1	446.3	1,282.5
United States of America	151.3	-	151.3
Rest of the world	16.8	5.0	21.8
TOTAL REVENUE	1,004.2	451.4	1,455.5

Note 7 EXTERNAL EXPENSES

External expenses mainly comprised external costs incurred for content production of 531.7 M€ in 2021 (424.4 M€ and 283.4 M€ in 2020 and 2019, respectively), gambling tax for the amount of 345.1 M€ in 2021 (230.8 M€ and 211.5 M€ in 2020 and 2019, respectively), marketing costs of 185.0 M€ in 2021 (110.1 M€ and 103.2 M€ in 2020 and 2019, respectively) and lease charges in the amount of 70.7 M€ (35.8 M€ and 22.9 M€ in 2020 and 2019, respectively) (refer to note 4.7).

Note 8 STAFF COSTS

8.1 Payroll

Payroll costs are broken down as follows in 2021, 2020 and 2019:

<i>In € million</i>	2021	2020	2019
Employee remuneration and social security costs	(1,093.5)	(590.8)	(430.3)
Post-employment benefit – Defined benefit obligation	(0.3)	(0.6)	(1.4)
Employee benefits LTIP	(294.2)	(31.1)	(66.8)
Employment-related earn-out and option expenses	(13.8)	(26.5)	(13.7)
Other employee benefits	(1.6)	(1.4)	(0.6)
PERSONNEL EXPENSES	(1,403.4)	(650.4)	(512.9)

Employees' remuneration and corresponding social security costs increased from 2019 to 2021 (+154%) due to the incorporation of personnel over Endemol Shine Group's acquisition in July 2020.

As of 31st December 2021, employee benefits LTIP amounted to 294.2 M€ compared to 66.8 M€ as of 31st December 2019. The variation is mainly explained by the issuance of new Banijay's long-term incentive plans (refer to note 8.2) and contractual modifications to one of sub-group BEG's share-based plans which led to a reduction in the vesting period and, consequently, an acceleration of the corresponding provision.

8.2 Employee benefits Long-Term Incentive Plans

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

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	Conditions	End of vesting period
Free Share plans (AGA)	Presence and performance	2024
Share purchase warrants (BSA)	Presence and performance	2025
Phantom shares	Presence and performance	2024 and 2028
Other	Presence and performance	2020 or 2021

At BEG'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 and employees. The plans regarding each type are summarized below:

Plan	Attribution date	Conditions	End of vesting period
LTIP A	2018 & 2019	Presence and Performance	2023
LTIP B	2018 & 2019	Presence and Performance	2021
LTIP C	2020 and 2021	Presence and Performance	2023
Preferred shares ⁽¹⁾			
- Prior to 2021	2018	Presence and Performance	2018, 2019 and 2022
- In 2021	2018, renegotiated in 2021	Performance	2021

⁽¹⁾ Initially, the preferred shares granted were supplemented with a liquidity agreement. Thus, the plan qualified as a cash-settled plan. Since 2021, on the basis of the agreement signed on November 2021 (refer to 3.3.2iii), the vesting period was revised, and a portion of the plan has been requalified as an equity-settled plan. Finally, the plan amounted to 234.6 M€, of which 126.25M€ was considered as cash settled (cash settlement, of which 63.3 M€ has been paid in 2021) and 108.4 M€ was considered as equity settled, recognized in combined net investment. The expense recognized in the P&L regarding the remeasurement of the plan amounted to 208.9 M€.

The Combined Group measured the liability at fair value at the closing date using the same calculation methodology as at the previous closing and based on:

- Updated budget forecasts based on the budget and the business plan adopted as part of the impairment tests;
- Assumptions such as the discount rate (9.18% for BEG and 9.31% for Banijay in 2021) and the discounts in connection with the contractual clauses of good and bad leaver updated compared to the previous closing.

Measurement of the plans

The Combined Group has recorded liabilities of 205.6 M€, 112.8 M€ and 132.2 M€ in 2021, 2020 and 2019. The Group recorded total expenses of 294.2 M€, 31.1 M€ and 66.8 M€ in 2021, 2020 and 2019, respectively. The significant increase in explained in note 8.1.

The cash outflows in regards with LTIP amounted to (99.6) M€, (42.0) M€ in 2021 and 2020 respectively (nil in 2019).

8.3 Employee benefits obligation resulting from a business acquisition arrangement

The balances of the employee benefits resulting from a business acquisition arrangement are as follows:

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Current assets	(5.8)	(6.4)	(11.8)	(4.0)
Non-current assets	(2.0)	(4.9)	(9.7)	(6.4)
Current liabilities	6.4	9.6	5.8	0.1
Non-current liabilities	19.0	15.5	13.5	12.5
EMPLOYMENT-RELATED EARN-OUT AND OPTION OBLIGATION (NET)	17.6	13.8	(2.2)	2.2

The movements in the employment-related earn-out and option obligation (net) over the years are as follows:

<i>In € million</i>	2021	2020	2019
Balance as of 1 January	13.8	(2.2)	2.2
Service costs	13.8	26.5	13.7
Interest expense	1.8	1.6	1.0
Benefits paid	(10.8)	(12.3)	(2.4)
Change in scope	(1.6)	-	(15.7)
Translation adjustments and other movements	0.6	0.2	(1.0)
Balance as of 31 December	17.6	13.8	(2.2)

Benefits are based on contractual formulas and computed based on business plans as validated by the business units.

Note 9 DEPRECIATION AND AMORTIZATION

Depreciation and amortization expenses by category of assets are as follows:

<i>In € million</i>	2021	2020	2019
Software and other intangible assets	(51.6)	(21.1)	(43.9)
Property, plant and equipment, own property	(28.1)	(24.7)	(13.4)
Property, plant and equipment, right-of-use	(41.7)	(30.3)	(17.7)
Other	(0.6)	3.0	(1.3)
DEPRECIATION AND AMORTIZATION	(121.9)	(73.1)	(76.3)
Amortization of intangible assets acquired in business combinations	(19.8)	(14.6)	(5.2)
DEPRECIATION AND AMORTIZATION EXPENSES	(141.7)	(87.7)	(81.5)

Depreciation and amortization increased by 60.1 M€ in 2021 (+74% vs 2019), which is mainly due to an increase in depreciation of property plant and equipment, both own property and right-of-use, related to ESG's acquisition in 2020 (refer to note 3.2.1i).

Note 10 OTHER OPERATIONAL INCOME AND EXPENSES

Other operational income and expenses for the years-ended in 2021, 2020 and 2019 are as follows:

<i>In € million</i>	2021	2020	2019
Restructuring charges and other non-recurring items	(49.5)	(52.3)	(13.0)
Tax and duties	(2.0)	(2.2)	(1.5)
President and management fees	(14.1)	(6.0)	1.1
Other operating expenses	(1.9)	(3.2)	(0.6)
Other operating income	0.0	0.2	0.4
OTHER OPERATIONAL INCOME AND EXPENSES	(67.5)	(63.4)	(13.6)

Non-recurring operating income and expenses as of 31st December 2021 mainly comprised 22.9 M€ of restructuring costs, and the provisions and legal fees recognized by the Bet-at-home sub-group for customer disputes on the Austrian market for 27.1 M€, partially offset by the gain on disposal of Expekt by Betcltic Everest Group to the LeoVegas group for 4.2 M€.

In 2020, non-recurring operational expenses are mostly composed by 37 M€ of restructuring costs, 12 M€ of acquisition costs of Endemol Shine Group, and 11 M€ of costs related to the COVID pandemic, whereas in 2019, the other operating expenses are mainly constituted of 12 M€ acquisition costs and 5 M€ of restructuring costs.

Note 11 FINANCIAL RESULT

<i>In € million</i>	2021	2020	2019
Interests paid on bank borrowings and bonds	(136.1)	(116.0)	(27.8)
Cost of gross financial debt	(136.1)	(116.0)	(27.8)
Interests received on cash and cash equivalents	0.8	0.0	0.0
Gains on assets contributing to net financial debt	0.8	0.0	0.0
Cost of net debt	(135.3)	(116.0)	(27.8)
Interests paid on current accounts liabilities	(0.8)	(0.4)	(0.6)
Interests received on current accounts receivables	2.2	2.1	2.0
Interests on lease liabilities	(4.8)	(3.3)	(2.2)
Change in fair value of financial instruments	7.4	(38.3)	(32.5)
Currency gains (losses)	2.6	45.7	(4.2)
Other financial gains (losses)	(4.6)	0.4	(7.8)
NET FINANCIAL INCOME (EXPENSE)	(133.4)	(109.8)	(73.1)

The significant increase in cost of net financial net is mainly due to the debt raised in the context of the acquisition of Endemol Shine Group and the refinancing operated by BEG in 2020 and 2021 (refer to note 22.3).

Other financial gains (losses) in 2019 were mainly related to an impairment charge for the amount of 8.5 M€, related to the depreciation of a current account (equity-accounted entity at Banijay and Betcltic Everest Group that was fully deconsolidated in 2019).

Note 12 INCOME TAX

a) Income tax expense

<i>In € million</i>	2021	2020	2019
Current income tax	(57.7)	(30.5)	(34.5)
Deferred income tax	8.5	5.9	10.7
TOTAL TAX EXPENSE	(49.2)	(24.6)	(23.8)

In 2021, 2020 and 2019, income tax expense for the period consisted primarily of:

- the current tax payable in France and other foreign countries, as USA, Italy and Portugal;
- the deferred tax gain from the recognition of deferred tax assets to account for temporary differences between the carrying amounts of assets and liabilities and their tax bases.

b) Combined Group tax reconciliation

The Combined Group's profit is generated in several countries. The tax rate is subject to changes in actual local tax rates and depends on the relative contributions of the different countries in the Combined Group's profit.

The current tax rates for French companies in the Combined Group were 28.41% in fiscal year 2021, 32.02% in 2020 and 34.43% in 2019. The 2018 Finance Act applies a gradual reduction in the tax rate for French companies. This would affect the Combined Group's French companies from 2019 and 2021.

The following table shows a reconciliation of the theoretical tax expense calculated at the applicable rate and the recognized income tax expense:

<i>In € million</i>	2021	2020	2019
Consolidated net income	(73.4)	47.5	(12.3)
Income from associates and joint venture	(1.2)	(4.3)	(5.5)
Net income of consolidated companies	(72.2)	51.8	(6.8)
Income tax	(49.2)	(24.6)	(23.8)
Net income of consolidated companies before tax	(23.0)	76.4	17.0
Corporate tax rate	28.41%	32.02%	34.43%
Theoretical tax charges	6.5	(24.5)	(5.9)
Impact from tax rate differentials	15.6	17.9	1.4
Unrecognized deferred tax assets on tax losses carried forward (1)	15.6	(2.8)	(3.3)
Use of loss carried forward previously not recognized	-	4.2	-
Impact of consolidation entries without deferred tax impact	(6.9)	(10.1)	(3.5)
Savings/charge on permanent tax differences (2)	(69.8)	(3.6)	(5.0)
Tax integration	-	-	-
Recognition of tax losses	(2.6)	0.7	-
Change in tax rates	-	1.2	-
Tax without basis (3)	(10.3)	(5.3)	(13.5)
Other	2.6	(2.4)	6.0
COMBINED GROUP TAX EXPENSE	(49.2)	(24.6)	23.8

- (1) The income tax income recognized in 2021 is mainly due to the reassessment of prior unrecognized deferred tax assets on tax losses carried forward from prior periods in the content production and distribution business, resulting from better prospects in certain countries (mainly in the UK, Australia and Netherland).
- (2) In 2021, permanent tax differences are mainly linked to the IFRS 2 expense recognized in relation with the new agreement signed with a manager in the sports betting and online gaming division (refer to Note 3.3.2iii).
- (3) These amounts mainly reflect the CVAE and IRAP, as well as withholding taxes. In 2019, this amount included as well as a tax adjustment to be paid by the Bet-at-Home sub-group to the tax authorities Austria for an amount of (11.7) million euros, for financial years prior to 2019, as a result of a tax audit carried out by the Austrian authorities.

The reconciling items reflect the effect of tax rate differentials and changes as well as the tax effects of non-taxable income or non-deductible expenses arising from permanent differences between local tax bases and the financial statements presented under IFRS.

c) Deferred taxes

a. Change in deferred taxes

<i>In € million</i>	Total deferred tax assets	Total deferred tax liabilities
Balance as of 1 January 2019	22.6	(9.6)
Deferred tax recognized in profit or loss	6.0	4.8
Deferred tax recognized in invested equity and business combinations	0.1	2.0
Translation differences	0.2	(0.2)
Other movements	0.2	-
Balance as of 31 December 2019	29.0	(3.0)
Deferred tax recognized in profit or loss	(2.5)	1.7
Deferred tax recognized in invested equity and business combinations	20.8	0.1
Translation differences	(5.9)	(0.0)
Reclassification	9.8	(4.1)
Other movements	0.2	(1.7)
Balance as of 31 December 2020	51.3	(7.1)
Deferred tax recognized in profit or loss	2.9	2.1
Deferred tax recognized in invested equity and business combinations	(1.5)	(0.5)
Translation differences	2.1	(0.2)
Reclassification	(3.0)	2.4
Other movements	(4.2)	0.1
Balance as of 31 December 2021	47.6	(3.2)

As of 31st December 2021, an overall amount of 68.6 M€ of sub-group Betclit Everest Group's loss carryforwards previously constituted was allocated on tax benefits:

- French tax consolidation scope (head of tax consolidation: Betclit Group SAS): the residual stock of loss carryforwards of 2.5 M€ was charged to the overall taxable result;
- Maltese tax consolidation scope (head of tax consolidation: Mangas Investment Limited): the residual stock loss carryforwards of 66.1 M€ was charged to the overall taxable result.

b. Breakdown by nature

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	01 January 2019
Tax losses carry forward	49.4	45.5	10.3	10.8
Share-based payment (cash settled) and other provisions for retirement	12.5	7.9	11.6	7.5
PPA adjustments	(34.0)	(39.0)	(3.6)	(5.8)
Financial instruments	-	5.0	0.8	-
Other	16.5	24.9	6.9	0.6
DEFERRED TAX ASSETS/(LIABILITIES), NET	44.4	44.2	26.1	13.0
<i>O/w deferred tax assets</i>	<i>47.6</i>	<i>51.3</i>	<i>29.0</i>	<i>22.6</i>
<i>O/w deferred tax liabilities</i>	<i>3.2</i>	<i>7.1</i>	<i>3.0</i>	<i>9.6</i>

The Combined Group analyzed the potential utilization of the deferred tax asset arising from tax losses carry-forward in a near future (i.e. based on expected taxable profits in the two next years).

The cumulated unrecognized tax losses carry forward as of 31st December 2021 amounted to 143.0 M€.

The main part of the tax losses carryforward can be used indefinitely. However, in certain geographies, some of those tax losses are restricted in their consumption.

Note 13 GOODWILL

13.1 Significant acquisitions

2021

Content Production and Distribution division

i) Acquisition of DMLS TV

In July 2021, Banijay France acquired 70% of the share capital of DMLS TV, a local leader in music and entertainment titles. DMLS TV is behind some of France's most notorious brands, including *La Chanson Secrète (The Secret Song)*, *La Chanson Challenge (The Celebrity Song Challenge)*, *La Lettre (with Carson) (Yours Sincerely)* and *Duos Mystères (Mystery Duets)*.

ii) Acquisition of Southfield B.V.

In July 2021, Endemol Shine Nederland B.V. acquired 85.8% of the shares of Southfields B.V., leading Dutch sports producer. From football, cycling and Formula 1 to hockey, volleyball and basketball, Southfields delivers coverage, registrations, talk shows and documentaries across a wide-spanning local client base.

The purchase price allocation of all those acquisitions was still under progress at the date of issuance of these consolidated financial statements.

iii) Other acquisitions

In January 2021, Banijay's sub-group acquired Monello in France and two entities in Germany.

The purchase price allocation of all those acquisitions is still under progress at the date of issuance of these consolidated financial statements.

The total amount of goodwill recognized in 2021 in respect to all the referred acquisitions amounted to 17.0 M€.

2020

Content Production and Distribution division

i) **Acquisition of Endemol Shine Group**

The closing of the Endemol Shine Group acquisition occurred on 2nd July 2020, following a positive reply for the EU antitrust body.

The proceeds of the Dollar Senior Secured Notes and the Senior Notes, together with equity contributed by certain of Banijay's shareholders, amounts drawn under the Senior Facilities and the portion of the cash proceeds of the offering of the Euro Senior Secured Notes remaining on balance sheet, have been used to (i) acquire the Endemol Shine Group, (ii) refinance certain existing indebtedness of the Endemol Shine Group and (iii) pay the fees and expenses incurred in connection with the transactions.

The total consideration paid to finance this acquisition (both consideration transferred to acquire the shares and reimbursement of the debt of the Endemol Shine Group that becomes due and payable in the event of a change of shareholders) amounts to 1,940.0 M€ net of cash acquired (+84.0 M€) financed both with equity contribution from shareholders (275 M€) and refinancing (refer to 3.2.1i) and ii)). This consideration paid includes 266.4 M€ paid to acquire 100% of Endemol Shine Group, and 1,673.6 M€ paid to refinance Endemol Shine Group's financial debt. The latter amount was analyzed as a separate transaction in accordance with IFRS 3 and recognized separately.

Total related acquisition costs incurred in 2020 amounted to 10.0 M€.

The impact resulting from this acquisition is presented below:

<i>In € million</i>	<u>2nd July 2020</u>
Purchase price for 100% of Endemol Shine Group	266.4
Fair value of Endemol Shine Group's acquired assets and incurred liabilities	(1,429.7)
GOODWILL	1,696.0

At the acquisition date, the impact of the statement of financial position at fair value resulting of the Endemol Shine acquisition is presented below:

<i>In € million</i>	<u>Cumulative fair value</u>
Intangible assets	172.9
Tangible assets	158.7
Other non-current assets	43.4
Total non-current assets	375.0
Inventories and work in progress	253.0
Accounts receivable	335.2
Cash and cash equivalents	279.6
Other current assets	29.5
Total current assets	897.3
TOTAL ASSETS	1,272.3
Bank loans and other financial debts	(1,595.9)
Other non-current liabilities	(3.1)
Total non-current liabilities	(1,599.0)
Bank loans and overdraft facilities ⁽¹⁾	(382.6)
Accounts payable	(353.6)
Other current liabilities	(366.9)
Total current liabilities	(1,103.0)
TOTAL LIABILITIES	(2,702.0)
NET EQUITY	(1,429.7)
<i>Of which attributable to Owner</i>	<i>(1,434.4)</i>
<i>Of which attributable to Non-controlling interests</i>	<i>4.7</i>

⁽¹⁾ Of which 196.0 M€ of bank overdrafts

The goodwill of 1,696.0 M€ comprises the value of know-how and internal talents in addition to the expected synergies arising from the acquisition, which are not separately recognized.

Intangible assets (catalogues, audiovisual distribution rights and content formats) for an amount of 160.0 M€ were recognized as part of the purchase price allocation.

As from 2nd July 2020, ESG's contribution to Banijay's revenue amounted to 701 M€ and the related operating profit amounted to 49 M€.

If the acquisition of ESG had been completed on the first day of the financial year, Banijay revenue for the year would have been 1,379 M€ and operating profit would have been 87 M€.

ii) Other acquisitions

Acquisition of Banijay Studio North America (BSNA)

The US based entity Banijay Studio North America (BSNA) was a joint controlled production entity and was accounted for using the equity method of accounting up to 2019. In early January 2020, the Banijay Group exercised its option over a part of the shares of BSNA that is now controlled by Banijay.

Acquisition of Banijay Asia

The Indian based entity Banijay Asia was a joint controlled production entity and was accounted for using the equity method of accounting up to 31st March 2020. On 31st March 2020, the Banijay Group exercised its option over a part of the shares of Banijay Asia that is now controlled by Banijay.

The total amount of goodwill recognized in 2020 in respect to all acquisitions (in addition to those mentioned above and excluding Endemol Shine Group) amounted to 38.8 M€.

2019

Content Production and Distribution division

Acquisition of The Natural Studios

Banijay Group, a subsidiary of Banijay Group Holding, has obtained control on 1st October 2019 of the Natural Studios from Bear Grylls and Delbert Shoopman. Bear Grylls is the undisputed adventures and nature specialist in Television. It hosts international successes such as *Man vs Wild* and *The Island* which are within the most successful adventure television programs in the world.

Acquisition of ITV Movie on 19th July 2019

Banijay Italia (formerly Magnolia), a subsidiary of Banijay Group Holding, closed on July 19, 2019 the acquisition of 65% shares of ITV Movie, an Italian independent producer of television programs (both fictions and non-fictions) formerly controlled by Beppe Caschetto. Main shows are "Fratelli di Crozza" and "Di Martedì".

The total amount of goodwill recognized in 2019 in respect of all acquisitions amounted to 33.2 M€.

Determination of the goodwill and the fair value of the assets and liabilities acquired on the date of taking control

In accordance with IFRS 3 "Business Combinations", the Combined Group assessed the fair value of the identifiable assets and liabilities acquired and determined the associated deferred taxes, in accordance with the fair value estimation principles adopted by the Combined Group. The values assigned to the identifiable assets and liabilities were determined on the date of taking control, based on the information available.

The following table comprises the global cumulated amount of the goodwill and the price paid for all the acquisitions, except Endemol Shine Group, that occurred in 2021, 2020 and 2019:

<i>In € million</i>	2021	2020	2019
Content Production and Distribution division			
Total consideration transferred	10.0	11.0	64.0
Initial goodwill	8.0	7.0	63.0

13.2 Change in Goodwill

As of 31st December 2019, there was no goodwill pending allocation except for The Natural Studios within the Content Production and Distribution division.

The Combined Group has not recognized any significant impairment losses in the three-year period ended 31st December 2021.

Goodwill as of 31st December 2021, 2020 and 2019 is as follows:

<i>In € million</i>	Audiovisual	Online games	Gross value	Impairment	Goodwill, net
1 January 2019	451.0	241.4	692.5	0.0	692.5
Acquisitions	33.2	-	33.2	-	33.2
Reclassifications	-	-	-	-	-
Exchange difference	5.1	-	5.1	-	5.1
31 December 2019	489.4	241.4	730.8	0.0	730.8
Acquisitions	1,734.8	-	1,734.8	-	1,734.8
Reclassifications	(0.0)	-	(0.0)	-	(0.0)
Exchange difference	(14.7)	-	(14.7)	-	(14.7)
31 December 2020	2,209.5	241.4	2,450.9	0.0	2,450.9
Acquisitions	17.0	-	17.0	-	17.0
Divestures	(0.6)	-	(0.6)	-	(0.6)
Reclassifications	-	-	-	-	-
Exchange difference	26.6	-	26.6	-	26.6
31 December 2021	2,252.5	241.4	2,493.9	0.0	2,493.9

The goodwill net increased during the period, from 692.5 M€ in beginning of 2019 to 2,493.9 M€ in year-end 2021, mainly due to the acquisition of Endemol Shine Group in July 2020 (refer to 13.1i)).

The next chapter describes the impairment tests performed on goodwill, which was conclusive for no need for an impairment constitution.

13.3 Impairment tests

The Combined Group performs a revaluation of goodwill each time events or changes in the economic environment may indicate a risk of impairment. In addition, in accordance with applicable accounting standards, goodwill is subject to an annual impairment test undertaken in the fourth quarter of each fiscal year.

This impairment test is performed by comparing the recoverable amount of each cash generating unit (CGU) – or, if necessary, group of CGUs – with the carrying value of the corresponding assets. The tests are carried out with rates specific to each division.

CGUs are independently defined at each business level, corresponding to the Group's operating segments. The segments are based on the Group's internal management reporting structure in order to facilitate decision-making

with respect to the allocation of resources and assessment of the performance of the entity's operations. The Combined Group's CGUs correspond to the two operating segments: Content Production and Distribution Business and Sports Betting and Online Gaming. Refer to Note 5 – Segment information for further details.

In 2019, 2020 and 2021, the Combined Group examined the value of the goodwill associated with its cash-generating units (CGUs), ensuring that the recoverable value of the CGUs tested exceeded their value net book value, including goodwill.

<i>In € million</i>	Goodwill	CGU carrying value
31 December 2021		
Content Production and Distribution	2,252.5	2,656.8
Sports Betting and Online Gaming	241.4	193.3
31 December 2020		
Content Production and Distribution	2,209.5	2,620.3
Sports Betting and Online Gaming	241.4	219.7
31 December 2019		
Content Production and Distribution	489.4	650.3
Sports Betting and Online Gaming	241.4	214.0

The recoverable amount as of 31st December 2021, 2020 and 2019, was determined based on a calculation of the value in use using cash flow projections from the budgets approved by Management covering a period from 3 to 4 years (see table below). Following this work, the Management did not identify any impairment for both CGUs.

The assumptions used by the Combined Group are stated on the table below:

	WACC*	Perpetual growth rate	Budget (with some exceptions)
31 December 2021			
Content Production and Distribution	9.3%	2.0%	4 years
Sports Betting and Online Gaming	9.2%	1.5%	3 years
31 December 2020			
Content Production and Distribution	9.3%	2.0%	4 years
Sports Betting and Online Gaming	11.7%	1.5%	3 years
31 December 2019			
Content Production and Distribution	9.3%	2.0%	4 years
Sports Betting and Online Gaming	12.6%	1.5%	3 years

*WACC: Weighted Average Cost of Capital

The projections include estimates for the cost savings that have been realized and are to be realized from several cost savings initiatives for which the entity is committed at the closing date. By their nature, forward-looking statements involve risks and uncertainties as they relate to events and depend on circumstances that may or may not occur in the future. Accordingly, actual results of operations, financial condition and liquidity may differ from those assumed in the forward-looking statements.

Based on the impairment tests conducted, no impairment needs to be charged against goodwill, intangible and tangible assets, for the years ended on 31st December 2021, 2020 and 2019.

Sensitivity to changes in assumptions

A sensitivity analysis of the value in use of the Content Production and Distribution and Sports Betting and Online Gaming divisions was carried out on the basis of 1 percentage point increase and decrease in the discount rate

and the perpetual growth rate. This sensitivity analysis did not call into question the impairment tests performed (the margins on impairment tests remaining significantly positive in all scenarios).

The sensitivity of impairment tests to adverse, feasible changes in assumptions is set out below:

- reasonable sensitivity to changes in the discount rate: a simulated increase of up to 1 percentage point in the discount rate used would not change the findings of the Combined Group's analysis;
- reasonable sensitivity to changes in the long-term growth rate: in a pessimistic scenario where the long-term growth rate is reduced by 0.5 percentage points, the value in use of each CGU would still exceed its carrying amount;
- reasonable sensitivity to changes in the business plans: a 5% reduction in the revenue forecast contained in the business plan, with variable costs adjusted accordingly, would not change the conclusions of the Combined Group's analysis.

Consequently, none of the sensitivity tests reduced the value in use of any of the CGUs to below their carrying amount.

Note 14 INTANGIBLE ASSETS

Intangible assets comprise mainly content assets, both acquired and developed internally, scripted programs with an international potential and distribution advances with 3rd parties.

Other intangible assets include rights for the movie adaptation of books.

<i>In € million</i>	31 December 2021					Total
	Content assets and formats	Content assets and formats in progress	Software	Intangible assets recognized as part of PPA	Other intangible assets	
GROSS AMOUNT						
As of 1 January	626.0	-	30.9	208.0	56.5	921.4
Investments	39.0	-	3.8	0.4	8.3	51.5
Divestitures	(2.0)	-	(8.2)	-	(6.0)	(16.2)
Changes in consolidation scope	11.0	4.0	(0.0)	1.3	(1.2)	15.0
Translation differences	-	-	-	(0.6)	27.3	26.7
Reclassifications and others	(4.0)	(4.0)	0.0	7.8	(21.3)	(21.4)
As of 31 December	670.0	-	26.5	216.9	63.7	977.1
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES						
As of 1 January	(566.0)	-	(18.9)	(31.3)	(48.6)	(664.9)
Depreciation and amortization	(51.0)	-	-	(19.8)	(4.3)	(75.0)
Divestitures and impairment losses	2.0	-	3.0	-	5.7	10.8
Changes in consolidation scope	(11.0)	-	0.0	-	1.0	(10.0)
Translation differences	-	-	-	0.3	(17.0)	(16.7)
Reclassifications and others	8.0	-	-	(1.6)	8.1	15.5
As of 31 December	(617.0)	-	(15.9)	(52.4)	(55.1)	(740.3)
NET CARRYING AMOUNT						
As of 1 January	60.0	-	12.0	176.7	7.8	256.6
As of 31 December	53.0	-	10.7	164.5	8.6	236.7
<i>Of which internally developed</i>	<i>0.3</i>	-	<i>7.3</i>	-	-	<i>7.6</i>

31 December 2020						
<i>In € million</i>	Content assets and formats	Content assets and formats in progress	Software	Intangible assets recognized as part of PPA	Other intangible assets	Total
GROSS AMOUNT						
As of 1 January	461.0	4.0	25.4	37.7	13.1	541.2
Investments	19.0	1.0	5.8	-	0.8	26.6
Divestitures	3.0	-	(0.3)	-	(3.3)	(0.6)
Changes in consolidation scope	149.0	(5.0)	-	171.1	(82.2)	232.9
Translation differences	(6.0)	-	-	0.7	(0.8)	(6.1)
Reclassifications and others	-	-	-	(1.5)	128.9	127.4
As of 31 December	626.0	-	30.9	208.0	56.5	921.4
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES						
As of 1 January	(433.0)	-	(13.1)	(16.5)	(9.9)	(472.5)
Depreciation and amortization	(18.0)	-	(6.1)	(14.6)	(7.6)	(46.2)
Divestitures and impairment losses	(3.0)	-	0.3	-	2.4	(0.3)
Changes in consolidation scope	(116.0)	-	-	(1.0)	61.9	(55.1)
Translation differences	4.0	-	-	(0.2)	0.4	5.2
Reclassifications and others	-	-	-	1.0	(96.9)	(95.9)
As of 31 December	(566.0)	-	(18.9)	(31.3)	(48.6)	(664.9)
NET CARRYING AMOUNT						
As of 1 January	28.0	4.0	12.3	21.2	3.2	68.7
As of 31 December	60.0	-	12.0	176.7	7.8	256.6
<i>Of which internally developed</i>	<i>1.3</i>	<i>-</i>	<i>6.1</i>	<i>-</i>	<i>-</i>	<i>7.4</i>

31 December 2019						
<i>In € million</i>	Content assets and formats	Content assets and formats in progress	Software	Intangible assets recognized as part of PPA	Other intangible assets	Total
GROSS AMOUNT						
As of 1 January	424.0	18.0	21.4	42.0	12.4	517.8
Investments	9.0	15.0	4.2	-	1.6	29.8
Divestitures	(1.0)	-	(0.2)	-	(0.7)	(1.9)
Changes in consolidation scope	11.0	-	-	(6.0)	0.3	5.2
Translation differences	5.0	-	-	(0.2)	1.6	6.4
Reclassifications and others	13.0	(29.0)	-	2.0	(2.1)	(16.1)
As of 31 December	461.0	4.0	25.4	37.7	13.1	541.2
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES						
As of 1 January	(397.0)	(1.0)	(7.6)	(10.4)	(10.1)	(426.0)
Depreciation and amortization	(40.0)	-	(5.5)	(5.2)	(1.7)	(52.4)
Divestitures and impairment losses	1.0	-	-	-	0.5	1.5
Changes in consolidation scope	(4.0)	-	-	(3.0)	3.1	(4.0)
Translation differences	(4.0)	-	-	0.0	(0.9)	(4.9)
Reclassifications and others	11.0	1.0	-	2.1	(0.9)	13.2
As of 31 December	(433.0)	-	(13.1)	(16.5)	(9.9)	(472.5)
NET CARRYING AMOUNT						
As of 1 January	27.0	17.0	13.8	31.6	2.4	91.8
As of 31 December	28.0	4.0	12.3	21.2	1.2	68.7
<i>Of which internally developed</i>	<i>3.0</i>	<i>4.0</i>	<i>2.8</i>	<i>-</i>	<i>-</i>	<i>9.8</i>

The increase of Intangible assets observed in 2020 (+273% vs 2019) is related to the incorporation of assets following ESG's acquisition in July 2020 (refer to note 13.1i)).

Note 15 TANGIBLE ASSETS

Tangible assets are primarily constituted by constructions and land, technical installations and furniture and other equipment.

<i>In € million</i>	31 December 2021				Total
	Lands and buildings	Technical installations and equipment	Other	Tangible assets in progress	
GROSS AMOUNT					
As of 1 January	103.4	61.0	96.0	4.9	265.2
Investments	2.5	4.2	10.3	1.9	18.8
Variation	0.1	0.2	-	-	0.3
Divestitures	(5.7)	(1.8)	(8.1)	(0.0)	(15.5)
Changes in consolidation scope	(0.6)	0.1	0.1	(0.1)	(0.4)
Translation differences	2.6	1.3	2.8	0.0	6.8
Reclassifications and others	(16.8)	2.3	4.9	(1.2)	(10.9)
As of 31 December	85.4	67.4	106.0	5.4	264.3
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
As of 1 January	(82.4)	(47.9)	(75.3)	-	(205.5)
Depreciation and amortization	(5.0)	(5.0)	(8.9)	-	(18.9)
Variation	(0.0)	(0.2)	-	-	(0.2)
Divestitures and impairment losses	4.2	1.1	5.2	-	10.5
Changes in consolidation scope	0.2	(0.1)	(0.1)	-	0.0
Translation differences	(2.0)	(1.0)	(2.4)	-	(5.4)
Reclassifications and others	16.1	(1.8)	(3.7)	-	10.5
As of 31 December	(68.9)	(54.8)	(85.2)	-	(209.0)
NET CARRYING AMOUNT					
<i>As of 1 January</i>	21.0	13.1	20.7	4.9	59.7
<i>As of 31 December</i>	16.5	12.6	20.8	5.4	55.3

<i>In € million</i>	31 December 2020				Total
	Lands and buildings	Technical installations and equipment	Other	Tangible assets in progress	
GROSS AMOUNT					
As of 1 January	8.4	38.3	37.1	0.8	84.7
Investments	1.6	4.6	7.6	0.5	14.3
Divestitures	(2.4)	(1.9)	(3.5)	(0.0)	(7.8)
Changes in consolidation scope	121.5	-	53.6	-	175.1
Translation differences	(2.0)	(0.9)	(0.0)	(0.0)	(2.9)
Reclassifications and others	(23.8)	20.9	1.2	3.6	1.9
As of 31 December	103.4	61.0	96.0	4.9	265.2
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
As of 1 January	(5.1)	(28.1)	(23.0)	-	(56.2)
Depreciation and amortization	(2.3)	(5.1)	(6.9)	-	(14.3)
Divestitures and impairment losses	2.3	1.9	3.2	-	7.4
Changes in consolidation scope	(98.0)	-	(43.7)	-	(141.8)
Translation differences	1.5	0.6	0.0	-	2.1
Reclassifications and others	19.3	(17.2)	(4.9)	-	(2.8)
As of 31 December	(82.4)	(47.9)	(75.3)	-	(205.5)
NET CARRYING AMOUNT					
<i>As of 1 January</i>	3.4	10.2	14.1	0.8	28.5
<i>As of 31 December</i>	21.0	13.1	20.7	4.9	59.7

<i>In € million</i>	31 December 2019				Total
	Lands and buildings	Technical installations and equipment	Other	Tangible assets in progress	
GROSS AMOUNT					
As of 1 January	7.4	31.9	32.6	0.2	72.1
Investments	1.0	4.2	8.4	0.6	14.3
Divestitures	(1.1)	(0.7)	(2.7)	-	(4.5)
Changes in consolidation scope	1.0	2.1	0.1	-	3.2
Translation differences	0.1	0.3	0.2	(0.0)	0.5
Reclassifications and others	0.1	0.5	(1.5)	0.1	(0.9)
As of 31 December	8.4	38.3	37.1	0.8	84.7
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
As of 1 January	(4.8)	(23.1)	(20.8)	-	(48.7)
Depreciation and amortization	(0.7)	(3.9)	(5.5)	-	(10.1)
Divestitures and impairment losses	0.8	0.7	2.3	-	3.8
Changes in consolidation scope	(0.4)	(1.2)	(0.1)	-	(1.7)
Translation differences	(0.0)	(0.2)	(0.2)	-	(0.4)
Reclassifications and others	0.0	(0.3)	1.2	-	0.9
As of 31 December	(5.1)	(28.1)	(23.0)	-	(56.2)
NET CARRYING AMOUNT					
<i>As of 1 January</i>	2.6	8.8	11.8	0.2	23.4
<i>As of 31 December</i>	3.4	10.2	14.1	0.8	28.5

Note 16 LEASES

16.1 Right-of-use assets

<i>In € million</i>	2021	2020	2019
GROSS AMOUNT			
As of 1 January	246.7	94.2	73.6
Investments	27.1	30.5	14.1
Divestitures	-	-	-
Changes in consolidation scope	0.3	129.9	1.2
Translation differences	8.9	(5.6)	0.1
Reclassifications and others ⁽¹⁾	(20.1)	(2.3)	5.2
As of 31 December	262.8	246.7	94.2
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES			
As of 1 January	(55.0)	(22.6)	-
Depreciation and amortization	(43.4)	(33.0)	(17.7)
Divestitures and impairment losses	-	-	-
Changes in consolidation scope	0.1	(3.6)	0.0
Translation differences	(2.3)	1.3	(0.0)
Reclassifications and others ⁽¹⁾	8.9	3.0	(4.9)
As of 31 December	(91.7)	(55.0)	(22.6)
NET CARRYING AMOUNT			
<i>As of 1 January</i>	191.7	71.6	73.6
<i>As of 31 December</i>	171.1	191.7	71.6

⁽¹⁾The reclassification and others caption in 2021 was mainly related to contracts modifications.

The assets accounted under IFRS 16 as of 31st December 2021, 2020 et 2019 are mainly real estate assets.

16.2 Lease liabilities

<i>In € million</i>	2021	2020	2019
Lease liabilities as of 1 January	203.3	76.3	76.4
Scope entry	0.2	129.4	1.3
Addition of assets	27.1	30.8	15.9
Repayments	(40.5)	(28.9)	(18.2)
Scope exit	-	(0.1)	(0.1)
Translation differences	7.1	(5.0)	0.0
Other	(13.9)	0.8	1.0
LEASE LIABILITIES AS OF 31 DECEMBER	183.4	203.3	76.3

Total cash outflows for leases including interests (excluding low value assets and short-term leases) amounted to 45.2 M€, 31.9 M€ and 18.7 M€ for the years ended 31 December 2021, 2020, and 2019, respectively.

The maturity profile of the Combined Group's lease liabilities based on contractual undiscounted payments is as follows:

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019
Due in less than one year	45.6	42.0	18.6
Due between one to five years	167.1	134.0	47.0
Due in more than five years	18.4	40.5	16.4
TOTAL LEASE LIABILITIES	231.1	216.4	82.1

16.3 Low value leases and short-term leases

Rental expenses recognized in external purchases for the year ended 31st December 2021, 2020 and 2019 amounted to 70.7 M€, 35.8 M€ and 22.9 M€, respectively. These expenses mostly concern short-term contracts related to studios, equipment and facilities leased as part of productions incurred by the Content Production and Distribution division that are qualified as low value assets and/or short-term leases.

Note 17 INVESTMENTS IN ENTITIES ACCOUNTED FOR UNDER THE EQUITY METHOD

<i>In € million</i>	2021	2020	2019
Value as of 1 January	2.7	6.0	12.2
Results of the period	(1.6)	4.3	(5.5)
Dividend paid	(0.3)	(4.1)	(0.4)
Capital increase	0.0	0.1	0.3
Change in consolidation scope	2.1	15.6	(4.4)
Foreign currency translation reserve	0.5	(0.1)	(0.3)
Change in consolidation method	-	(5.1)	-
Negative equity portion transferred to provisions for financial risk	(0.5)	(15.2)	5.1
Other	8.2	1.2	(0.9)
VALUE AS OF 31 DECEMBER	11.1	2.7	6.0

The caption "Other" in 2021 comprises 8.2 M€ related to transactions performed by co-shareholders that resulted in the revaluation of the Combined Group equity's stake in Financière EMG.

Note 18 WORKING CAPITAL BALANCES

18.1 Inventories and work in progress

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

18.2 Trade receivables

The breakdown of trade and other receivables as of 31st December 2021, 2020 and 2019 and 1st January 2019 is as follows:

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Trade receivables, gross	452.3	437.3	155.4	178.2
Trade receivables from providers, gross	24.8	21.8	23.1	19.8
Total trade receivables, gross	477.1	459.1	178.5	198.0
Depreciation ⁽¹⁾	(13.6)	(13.6)	(4.5)	(4.1)
TRADE RECEIVABLES, NET	463.6	445.4	174.0	193.9
<i>(1) Of which depreciation of providers receivables</i>	-	-	(0.1)	(0.1)

Trade receivables from providers (payment service providers) correspond to balances in transit with the payment partners of the Combined 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.

The increase observed in 2020 on the trade receivables caption is mainly explained by the perimeter effect of Endemol Shine acquisition in July 2020 (refer to 13.1i).

18.3 Other non-current and current assets

The breakdown of other non-current and current assets as of 31st December 2021, 2020 and 2019 and 1st January 2019 is as follows:

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Income tax receivables, LT	0.0	0.0	0.0	-
Receivables from disposals of assets, LT	6.9	-	0.2	0.2
Employment-related earn-out and option, LT ⁽¹⁾	2.0	4.9	9.7	6.4
Other, LT ⁽²⁾	20.6	4.4	6.2	10.5
OTHER NON-CURRENT ASSETS	29.6	9.3	16.0	17.0

⁽¹⁾ Refer to note 8.3 for more details

⁽²⁾ This item comprised mainly to long-term trade receivables related to the distribution business

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Tax receivables, excluding income tax	159.8	111.7	71.4	69.7

Income tax receivables	20.4	27.5	12.2	16.9
Prepaid expenses	20.5	18.6	54.1	7.1
Receivables from disposals of assets	(0.0)	11.5	-	0.3
Employment-related earn-out and option, ST ⁽¹⁾	5.8	6.4	11.8	4.0
Other ⁽²⁾	57.8	35.6	24.3	22.0
OTHER CURRENT ASSETS	264.2	211.3	173.8	120.0

⁽¹⁾ Refer to note 8.3 for more details

⁽²⁾ This item comprised mainly repayable advances related to co-production activities. The variation compared to the previous periods is explained by an increase in the ongoing co-productions

As of 31st December 2019, prepaid expenses were related to refinancing costs incurred that were allocated to the amortized cost of the refinancing subscribed in February 2020.

18.4 Customer contract liabilities

Customer contract liabilities as of 31st December 2021, 2020 and 2019 and 1st January 2019 are as follows:

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Deferred revenue	730.7	510.6	184.4	153.6
Liabilities for gaming bets	46.1	41.7	37.6	35.5
TOTAL CUSTOMER CONTRACT LIABILITIES	776.9	552.3	222.0	189.1

Deferred revenue mainly relates to undelivered programs that are work-in-progress (or intangible assets-in-progress) and that have already been invoiced, recognized as deferred income under IFRS 15. In 2020, this balance was increased by 275.5 M€ following the business combination with ESG.

Liabilities for gaming bets included:

- Trade receivables on providers, i.e., the amounts available in their accounts for an amount of 41.7 M€, 38.1 M€, 32.5 M€ and 31.9 M€ as of 31st December 2021, 2020, 2019 and 1st January 2019 respectively, and
- Pending bets for amount of 2.7 M€, 2.2 M€, 3.4 M€ and 2.1 M€ at the same dates.

18.5 Other non-current and current liabilities

Other non-current liabilities as of 31st December 2021, 2020 and 2019 and 1st January 2019 are as follows:

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Long-term liabilities on non-controlling interest	132.5	153.1	133.9	113.6
Employee-related long-term incentives	109.0	84.3	76.7	62.6
Employment-related earn-out and option obligation, LT(1)	19.0	15.5	13.5	12.5
Other non-current liabilities	31.3	15.0	11.6	10.7
OTHER NON-CURRENT LIABILITIES	291.7	267.9	235.7	199.4

⁽¹⁾ Refer to note 8.3 for more details

Other current liabilities as of 31st December 2021, 2020 and 2019 and 1st January 2019 are as follows:

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Employee-related payables (accruals for paid leave, bonuses and other)	88.3	79.9	45.8	43.2
National, regional and local taxes other than gaming tax and income tax	79.0	64.4	32.2	36.6
Short-term liabilities on non-controlling interest	71.6	73.8	13.4	5.3
Gaming tax liabilities	36.4	40.4	41.1	30.0
Income tax liabilities	41.1	38.0	18.5	22.3
Employee-related long-term incentives, current	96.6	28.5	55.4	3.1
Employment-related earn-out and option obligation, CT(1)	6.4	9.6	5.8	0.1
Payable on fixed asset purchase	2.3	4.6	4.4	4.8
Dividends payable	0.9	1.3	2.2	-
Other current liabilities	34.0	41.3	24.4	19.3
OTHER CURRENT LIABILITIES	456.8	381.8	243.2	164.7

(1) Refer to note 8.3 for more details

Liabilities on non-controlling interests reflected the commitments to purchase non-controlling interests amounts as well as the liabilities regarding contingent consideration arrangement on business acquisitions. The Combined 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.

<i>In € million</i>	2021	2020	2019
Liabilities on non-controlling interests as of 1 January	226.9	147.3	118.9
Scope entry	15.2	117.3	17.8
Remeasurement through P&L	(16.4)	18.4	4.5
Repayments	(22.4)	(64.6)	(0.4)
Scope exit	-	2.5	-
Translation differences	1.1	1.6	0.3
Reclassification and others	(0.5)	4.3	6.3
LIABILITIES ON NON-CONTROLLING INTERESTS AS OF 31 DECEMBER	204.1	226.9	147.3
<i>Of which current</i>	<i>71.6</i>	<i>73.8</i>	<i>13.4</i>
<i>Of which non-current</i>	<i>132.5</i>	<i>153.1</i>	<i>133.9</i>

Employees-related long-term incentives include cash-settled share-based payment liability and employment-related earn-out and option obligation (refer to Notes 8.2 and 8.3, respectively).

Note 19 CHANGES IN NET INVESTMENT

19.1 Changes in ownership interest in subsidiaries that do not result in a loss of control

In 2020 and 2021, capital restructuring undertaken in the context of the Endemol Shine Group's acquisition impacted the Combined Group net investment as follows (refer to Note 3 Significant events for more details):

31 December 2021			
<i>in € millions</i>	Net investment of the Owner	Non-controlling interests	Total invested equity
- LDH's capital increase subscribed by Financière Lov, Fimalac, DEA	45.6	19.4	65.0
- Effects of the change in ownership interests in LDH	(30.3)	30.3	-
- Effects of the change in ownership interests in BEG	7.7	(7.7)	-
- Effects of the change in ownership interests in BGH	10.0	(10.9)	(0.9)
- Others	0.0	0.5	0.5
CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL	32.9	31.7	64.5

31 December 2020			
<i>in € millions</i>	Net investment of the Owner	Non-controlling interests	Total invested equity
- Lov banijay's capital increase subscribed by Financière Lov	100.0	-	100.0
- LDH's capital increase subscribed by Fimalac	-	75.0	75.0
- Banijay's capital increase subscribed by Vivendi	-	100.0	100.0
- Effects of the change in ownership interests in Banijay	(11.6)	11.6	-
- Buy-back of 50% DeA's stake in LDH	(35.1)	(26.2)	(61.3)
- Effects of the change in ownership interests in LDH	15.5	(15.5)	-
- Transactions with Banijay's non controlling interests ⁽¹⁾	(17.1)	(42.2)	(59.3)
- Acquisition of securities of Bet-at-Home sub-group ⁽²⁾	(2.0)	(2.9)	(4.9)
CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL	49.8	99.7	149.4

⁽¹⁾This item includes mainly the impact of Brainpool minority shareholders' acquisition: Banijay signed on June 26, 2020, a firm commitment with minority shareholders enabling Banijay Germany to acquire the 50% remaining shares. This commitment has been settled in November 2020.

⁽²⁾ During the 2020 financial year, the BEG sub-group acquired a 2.21% stake for 4.9 M€, therefore increasing the sub-group's stake in the Bet-at-Home sub-group up to 53.90% as of 31st December 2020.

19.2 Share-based payment

The share-based payment is related to the ordinary shares of Betclic Everest Group delivered in regards with the agreement between a minority shareholder, Betclic Everest Group and other shareholders (SBM and Mangas Lov) signed on 17th December 2021 (refer to 3.3.2iii).

19.3 Dividends distribution to the Combined Group's Owner

The combined statement of changes in invested equity reflects the following distribution of dividends:

- In 2021: 95.0 M€ distributed by Mangas Lov
- In 2020: 72.5 M€ distributed by Mangas Lov

In 2019, Mangas Lov received dividends from Sub-Group Betclic Everest Group and Sub-Group Banijay that were not delivered to Financière LOV.

Note 20 NON-CONTROLLING INTERESTS

Name of the subsidiary	Percentage of capital and voting rights held by non-controlling interests	Accumulated non-controlling interests (in € million)	31 December 2021		
			Profit for the period - Share of non-controlling interests (in € million)	Changes in ownership interest in subsidiaries that do not result in a loss of control	Dividends paid to non-controlling interests (in € million)
LDH	48.40%	188.9	1.2	49.7	-
BEG Group	52.70%	(183.9)	71.3	(7.2)	(110.5)
Banijay Group	65.36%	(41.7)	(42.1)	(10.9)	(4.8)
TOTAL		(36.7)	30.4	31.6	(115.3)

Name of the subsidiary	Percentage of capital and voting rights held by non-controlling interests	Accumulated non-controlling interests (in € million)	31 December 2020		
			Profit for the period - Share of non-controlling interests (in € million)	Changes in ownership interest in subsidiaries that do not result in a loss of control	Dividends paid to non-controlling interests (in € million)
LDH	42.79%	140.4	1.4	33.2	-
BEG Group	50.00%	(52.0)	(41.5)	(2.9)	(79.0)
Banijay Group	61.59%	(44.9)	(1.6)	69.4	(2.0)
TOTAL		43.5	(41.7)	99.7	(81.0)

Name of the subsidiary	Percentage of capital and voting rights held by non-controlling interests	Accumulated non-controlling interests (in € million)	31 December 2019		
			Profit for the period - Share of non-controlling interests (in € million)	Changes in ownership interest in subsidiaries that do not result in a loss of control	Dividends paid to non-controlling interests (in € million)
LDH	49.90%	108.6	0.0	-	1.3
BEG Group	50.00%	(11.6)	(7.7)	-	(42.0)
Banijay Group	65.63%	(100.3)	2.4	(6.4)	(5.7)
TOTAL		(3.2)	(5.3)	(6.4)	(46.5)

In 2021 and 2020, the line item Changes in ownership interest in subsidiaries that did not result in a loss of control reflected the capital restructuring detailed in the note 19.1.

In 2021, Betclic Everest Group made three distributions during the 2021 financial year, for a total amount of 197.5 M€.

Note 21 PROVISIONS AND CONTINGENT LIABILITIES

21.1 Provisions

The change in provisions between 31st December 2021 and 1st January 2019 were as follows:

<i>In € million</i>	Commercial claims and litigation	Restructuring plan	Other	Total
As of 1 January 2019	3.2	1.1	22.4	26.7
Movements taken to profit and loss	0.6	(0.8)	1.9	1.6
Additions	0.9	0.2	1.7	2.7
Releases	(0.3)	(1.0)	0.2	(1.1)
Other movements	-	-	(5.1)	(5.1)
Reclassifications and others	-	-	(0.2)	(0.2)
Translation adjustment	-	-	0.1	0.1
Change in scope of consolidation and other	-	-	(5.0)	(5.0)
As of 31 December 2019	3.7	0.2	19.2	23.2
<i>Of which non-current provisions</i>	2.8	-	14.7	17.5
<i>Of which current provisions</i>	0.9	0.2	4.5	5.7
As of 1 January 2020	3.7	0.2	19.2	23.2
Movements taken to profit and loss	(3.0)	11.0	0.1	8.1
Additions	2.5	28.7	7.7	39.0
Releases	(5.5)	(17.7)	(7.7)	(30.9)
Other movements	5.7	4.1	(1.0)	8.8
Reclassifications and others	0.2	1.8	(0.3)	1.7
Translation adjustment	(0.1)	0.1	(0.7)	(0.7)
Change in scope of consolidation and other	5.6	2.3	(0.1)	7.8
As of 31 December 2020	6.4	15.4	18.3	40.1
<i>Of which non-current provisions</i>	4.0	-	10.9	14.9
<i>Of which current provisions</i>	2.4	15.4	7.5	25.2
As of 1 January 2021	6.4	15.4	18.3	40.1
Movements taken to profit and loss	23.1	(16.1)	4.2	11.1
Additions	26.5	2.7	10.6	39.7
Releases	(3.4)	(18.8)	(6.4)	(28.6)
Other movements	1.0	3.4	5.5	9.9
Reclassifications and others	0.9	3.4	(1.0)	3.2
Translation adjustment	-	-	0.4	0.4
Change in scope of consolidation and other	0.1	-	6.1	6.2
As of 31 December 2021	30.5	2.6	28.0	61.1
<i>Of which non-current provisions</i>	4.7	-	17.4	22.0
<i>Of which current provisions</i>	25.8	2.6	10.6	39.1

The variation in commercial claims and litigations from 2020 to 2021 is mainly related to the provision of 24.7 M€ constituted (that includes 3.4 M€ of attorney fees) following the initiation of the ongoing legal process concerning sub-group BEG's division Bet-at-home (refer to Note 3.3.2i).

The variation in provisions for restructuring plan is mainly related to the global reorganization plan launched in July 2020 following the ESG's acquisition, still in progress in 2021.

Other provisions are mainly constituted by provisions for financial losses and provisions for post-employment benefits. The variation in other provisions is mainly explained by the constitution of provisions for financial risks related to the negative equity of the entities consolidated under equity method or non-consolidated as it is the Group's responsibility to cover those losses if needed (2 M€ as of 31st December 2021 (3 M€ at the end of 2020)), as well as litigations related to operational affairs, accounted for the amount beyond the secured by the insurance (5 M€ as of 31st December 2021, 3 M€ at the end of 2020).

21.2 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.

21.2.1 Sports Betting and Online Gaming

2021

In December 2021, Betclik Everest Group received a notice of adjustment from the French tax authorities for an amount of 52.4 M€ related to the VAT to be collected and paid in respect of income resulting from sports bets placed by players residing in France. The French tax administration considers that these transactions, carried out with French players, fall territorially under French VAT and that VAT should have been collected on the winnings observed.

Betclik Everest Group, on the basis of an opinion of its legal and tax advisers, considers that the bases for adjustment are erroneous and that the position of the tax authorities is not in conformity with the law and various general principles of VAT, in the same way as the other online gaming operators in France that are part of the French Association of Online Games. Betclik Everest Group will challenge this adjustment in France, with the administration and, if necessary, the courts, but also with the European Commission.

Consequently, no provision relating to this litigation has been recorded in the Combined Group's consolidated financial statements as of 31st December 2021.

2020

As of 31st December 2020, legal proceedings incurred by former customers claiming the recovery of gambling losses of approximately 4.8 M€ were ongoing within Bet-at-Home sub-group.

Note 22 FINANCIAL ASSETS AND LIABILITIES

22.1 Current and non-current financial assets

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

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Financial interests in non-consolidated companies	11.9	11.2	11.7	11.8
Loans, guarantee instruments and other financial assets	17.9	9.2	16.7	13.2
Restricted cash and cash equivalents	28.5	26.9	16.8	18.7
Non-current derivative financial assets	24.8	26.6	44.3	55.1
NON-CURRENT FINANCIAL ASSETS	83.0	73.8	89.4	98.8
Loans, guarantee instruments and other financial assets	10.7	7.1	5.1	1.7
Current accounts	63.1	61.3	86.8	80.3
Current derivative financial assets	1.4	0.1	2.2	-
CURRENT FINANCIAL ASSETS	75.2	68.5	94.0	82.0
TOTAL FINANCIAL ASSETS	158.2	142.2	183.4	180.7

Financial interests in non-consolidated companies mainly comprise shares owned in My Major Company and Bamago.

Restricted cash is related to the Sports Betting and Online Gaming Business' obligations and mainly includes:

- Cash in trusts in accordance with the French Online Gambling Regulatory Authority's requirements (22.5 M€, 20.3 M€, 14.0 M€ and 9.9 M€ on 31st December 2021, 2020, 2019 and 1st January 2019, respectively); and
- Blocked funds and guarantees related to other countries regulatory authorities' requirements, notably in Germany and Portugal, for an amount of 6.0 M€, 6.5 M€, 2.8 M€ and 8.8 M€ on 31st December 2021, 2020, 2019 and 1st January 2019, respectively.

Non-current derivatives mainly comprise the derivative attached to the convertible bond (refer to note 22.3), which is measured at fair value.

22.2 Cash and Cash Equivalents

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

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Marketable securities	0.0	0.5	-	1.0
Cash	434.1	398.5	181.3	183.7
Cash and cash equivalents - Assets	434.1	399.0	181.3	184.7
Bank overdrafts	(1.7)	(10.5)	(3.1)	(5.0)
NET CASH AND CASH EQUIVALENTS	432.4	388.5	178.2	179.7

22.3 Current and non-current Financial Liabilities

<i>In € million</i>	Non-current	Current	31 December 2021
Bonds	1,841.8	0	1,841.8
Bank borrowings	611.5	240.7	852.2
Accrued interests on bonds and bank borrowings	-	32.7	32.7
Current accounts	-	29.1	29.1
Accrued interests on current accounts	-	0.4	0.4
Bank overdrafts	-	1.7	1.7
Derivatives - Liabilities	4.5	1.6	6.1
TOTAL FINANCIAL LIABILITIES	2,457.8	306.2	2,764.0

<i>In € million</i>	Non-current	Current	31 December 2020
Bonds	1,831.0	-	1,831.0
Bank borrowings	620.0	78.4	698.4
Accrued interests on bonds and bank borrowings	-	33.4	33.4
Current accounts	-	27.4	27.4
Accrued interests on current accounts	-	0.4	0.4
Bank overdrafts	-	10.5	10.5
Derivatives - Liabilities	19.8	0.7	20.5
TOTAL FINANCIAL LIABILITIES	2,470.8	150.9	2,621.6

<i>In € million</i>	Non-current	Current	31 December 2019
Bonds	511.2	-	511.2
Bank borrowings	62.7	42.2	105.0
Accrued interests on bonds and bank borrowings	-	12.4	12.4
Current accounts	3.8	25.8	29.6
Accrued interests on current accounts	-	0.6	0.6
Bank overdrafts	-	3.1	3.1
Derivatives - Liabilities	0.0	4.4	4.4
TOTAL FINANCIAL LIABILITIES	577.8	88.5	666.3

<i>In € million</i>	Non-current	Current	1 January 2019
Bonds	508.0	-	508.0
Bank borrowings	82.8	51.3	134.1
Accrued interests on bonds and bank borrowings	-	8.0	8.0
Current accounts	3.8	46.5	50.4
Accrued interests on current accounts	-	0.6	0.6
Bank overdrafts	-	5.0	5.0
Derivatives - Liabilities	0.0	0.1	0.1
TOTAL FINANCIAL LIABILITIES	594.7	111.6	706.3

The variation of the financial liabilities breaks down as follows:

<i>In € million</i>	31 December 2020	Cash-flows			Non cash-flows		31 December 2021
		Increase	Repayments	Other cash items	Others non cash items	Foreign exchange	
Bonds	1,831.0	-	(58.6)	-	10.8	58.6	1,841.8
Bank borrowings	698.4	158.1	(35.9)	22.4	5.5	3.7	852.2
Accrued interests on bonds and bank borrowings	33.4	-	-	-	(0.6)	(0.0)	32.7
Current accounts	27.4	1.7	-	-	(0.0)	0.0	29.1
Accrued interests on current accounts	0.4	-	-	-	0.0	-	0.4
Bank overdrafts	10.5	-	-	(8.9)	-	0.0	1.7
Derivatives - Liabilities	20.5	-	-	-	(15.1)	0.9	6.1
TOTAL FINANCIAL LIABILITIES	2,621.6	159.8	(94.4)⁽¹⁾	13.5	0.5	63.2	2,764.0

⁽¹⁾ The line "Repayment of borrowings and other financial liabilities" in the cash-flow statement also included the lease repayments for an amount of (40.5) M€ (refer to Note 16.2)

<i>In € million</i>	31 December 2019	Cash-flows			Non cash-flows		31 December 2020
		Increase	Repayments	Other cash items	Others non cash items	Foreign exchange	
Bonds	511.2	1,675.9	(365.0)	-	36.0	(27.1)	1,831.0
Bank borrowings	105.0	630.2	(94.8)	26.5	32.1	(0.6)	698.4
Accrued interests on bonds and bank borrowings	12.4	-	-	-	21.1	(0.1)	33.4
Current accounts	29.6	1.5	-	-	(3.7)	0.0	27.4
Accrued interests on current accounts	0.6	-	-	-	(0.2)	-	0.4
Bank overdrafts	3.1	-	-	22.4	-	(15.0)	10.5
Derivatives - Liabilities	4.4	-	-	-	17.4	(1.4)	20.5
TOTAL FINANCIAL LIABILITIES	666.3	2,307.5	(459.8)⁽¹⁾	48.9	102.8	(44.2)	2,621.6

⁽¹⁾ The line "Repayment of borrowings and other financial liabilities" in the cash-flow statement also included the lease repayments for an amount of (28.9) M€ (refer to Note 16.2)

<i>In € million</i>	1 January 2019	Cash-flows			Non cash-flows		31 December 2019
		Increase	Repayments	Other cash items	Others non cash items	Foreign exchange	
Bonds	508.0	2.5	-	-	0.7	(0.0)	511.2
Bank borrowings	134.1	-	(32.4)	-	0.5	2.7	105.0
Accrued interests on bonds and bank borrowings	8.0	-	-	-	4.4	(0.0)	12.4
Current accounts	50.4	-	(19.5)	-	0.0	0.0	29.6
Accrued interests on current accounts	0.6	-	-	-	0.0	-	0.6
Bank overdrafts	5.0	-	-	(1.8)	-	(0.1)	3.1
Derivatives - Liabilities	0.1	-	-	-	4.3	-	4.4
TOTAL FINANCIAL LIABILITIES	706.3	2.5	(51.9)⁽¹⁾	(1.8)	9.9	2.7	666.3

⁽¹⁾ The line "Repayment of borrowings and other financial liabilities" in the cash-flow statement also included the lease repayments for an amount of (18.2) M€ (refer to Note 16.2).

As indicated on note 3.2.1ii). “Significant events”, on 13th December 2021, Betclac Everest Group underwrote a loan of 130 M€ with a maturity of six months, with a group of three banks (BNP Paribas, Natixis and Société Générale). The reimbursement of the nominal is contractually provided for at the maturity of the loan.

On its side, Banijay sub-group issued three new notes on 11th February 2020 and redeemed the prior Banijay’s existing senior secured notes due in 2022 and the term loan. Betclac Everest Group concluded in 2020 a new term for an amount of 165 M€ and early repaid its existing borrowings for an amount of 32.5 M€.

Characteristics of bonds and term loans

	Residual nominal amount (in € millions)		
	31 December 2021	31 December 2020	31 December 2019
• Issuer: Banijay Group SAS			
- 365 M€ Senior Security Notes issued on July 2017, which priced at par and have a fixed rate of 4.000% per annum;			365.0
- 45 MGBP term loan, which bears interest at a fixed rate of 3.4500%; and			42.6
- 8 MGBP term loan, which bears interest at a fixed rate of 3.4600%.			7.7
- 575 M€ senior secured notes issued in 2020 and due in 2025, which priced at par and have a coupon of 3.500% per annum;	575.0	575.0	
- 400 M€ senior notes issued in 2020 and due in 2026, which priced at par and have a coupon of 6.500% per annum;	400.0	400.0	
- 403 M\$ senior secured notes issued in 2020 and due in 2025, which priced at par and have a coupon of 5.375% per annum;	356.4	328.4	
- 453 M€ term loan B facility issued in 2020 and due in 2025, which bears interest at a rate of EURIBOR plus 3.75% per annum, with a customary margin ratchet mechanism with a 0.0% EURIBOR floor;	453.0	453.0	
- 460 M\$ term loan B facility issued in 2020 and due in 2025, which bears interest at a rate of LIBOR plus 3.75% per annum, with a 0.0% LIBOR floor;	401.7	373.9	
	2,186.1	2,130.3	415.3
• Issuer: Betclac Everest Group SAS			
- 21 M€ loan issued on June 2017 by Natixis and subsequently renegotiated, which bears interest at a rate of EURIBOR 3M plus 3.00%. This loan was partially reimbursed prior to January 1, 2019, and the agreement provided for 3 additional payments to be made (15.5 M€ in 2019, and 2020 and 2021 for the residual amount). Finally, this loan was fully refinanced in 2020.			15.0
- 21.3 M€ loan issued by Société Générale on 27th July 2017 and due in July 2022, which bears an interest at a fixed rate of 3%. This loan was repayable in 10 bi-annual installments. Finally, this loan was fully refinanced in 2020.			12.8
- 7 M€ loan issued by Société Générale on 14th March 2018 and due in June 2021, which bears an interest at a fixed rate of 2.80%. This loan was repayable in 3 annual installments. Finally, this loan was fully refinanced in 2020.			4.7
- 165 M€ senior loan issued on 23rd June 2020 and due in June 2025, which bears interest at a rate of EURIBOR 3 months plus a fixed rate of 3% per annum. This loan was underwritten with a group of banks (Natixis, BNP Paribas and Société Générale).	141.0	157.0	

- 130 M€ bridge loan issued on 13th December 2021 and due in June 2022, which bears an interest at a variable EURIBOR 3 months rate plus a fixed margin of 3% plus an additional progressive margin of 0.5% per quarter. This loan was underwritten with a group of banks (Natixis, BNP Paribas and Société Générale); and

130.0

271.0

157.0

32.4

Residual nominal amount (in € millions)

- **Issuer: LDH**

31 December 2021	31 December 2020	31 December 2019
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- 59 M€ bond issued on July 2020 subscribed by DEA due in January 2022, on top of which a 11 M€ redemption premium.

-

70.0

-

-

70.0

-

Residual nominal amount (in € millions)

- **Issuer: Lov Banijay**

31 December 2021	31 December 2020	31 December 2019
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- 90 M€ bond redeemable issued on 23rd February 2016 into either shares or cash ("ORAN2") subscribed by Vivendi. Upon maturity of ORAN2, Lov Banijay would have the option of either redeeming the bond in cash or converting it into a number of shares that would give Vivendi a 25% interest in Lov Banijay. Both bonds have a 7-year maturity period ⁽¹⁾.

104.5

101.4

98.4

- 50 M€ bond redeemable in cash subscribed by Vivendi on 14th October 2016, maturing on 23rd February 2023.

58.2

56.2

54.3

162.7

157.6

152.7

⁽¹⁾ The convertible option is accounted for as a derivative (refer to 22.1).

As of December 31, 2021, the Combined 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-garanteed loans
- Accrued interests
- Bank overdraft
- Lease liabilities

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

<i>In € million</i>	Current		Non-current	Total 31 December 2021
	Less than 1 year	1 to 5 years	More than 5 years	
Bonds ⁽¹⁾	90.9	2,136.3	-	2,227.2
Bank borrowings	265.7	648.9	-	914.6
TOTAL DEBT MATURITY (PRINCIPAL AND INTERESTS)	356.7	2,785.2	-	3,141.9

⁽¹⁾ These figures reflect the expected cash outflows as if ORAN2 would have been redeemed in cash.

22.4 Net financial debt

Net financial debt is determined as follows:

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Bonds	1,841.8	1,831.0	511.2	508.0
Bank borrowings	852.2	698.4	105.0	134.1
Bank overdrafts	1.7	10.5	3.1	5.0
Accrued interests on bonds and bank borrowings	32.7	33.4	12.4	8.0
Total bank indebtedness	2,728.4	2,573.3	631.6	655.2
Cash and cash equivalents	(434.1)	(399.0)	(181.3)	(184.7)
Trade receivables on providers	(24.8)	(21.8)	(23.1)	(19.8)
Players liabilities	41.7	38.1	32.5	31.9
Cash in trusts	(22.4)	(20.3)	(14.0)	(9.9)
Net cash and cash equivalents	(439.5)	(403.0)	(185.8)	(182.6)
NET DEBT BEFORE DERIVATIVES EFFECTS	2,288.8	2,170.3	445.8	472.6
Derivatives – liabilities ⁽¹⁾	6.1	20.5	0.6	0.1
Derivatives – assets ⁽¹⁾	(26.2)	(26.7)	(44.3)	-
NET DEBT	2,268.8	2,164.1	402.0	472.8

⁽¹⁾ The position as of 31st December 2021 did not include the derivatives subscribed to hedge currency risk related to the acquisition of Endemol Shine Group (refer to 22.5).

22.5 Derivatives

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

In 2019, derivatives were subscribed by Banijay to hedge the currency risk related to the acquisition of Endemol Shine Group. The fair value of these derivatives amounted to 2.1M€ (assets) and 3.8M€ (liabilities).

The ineffective portion of cash flow hedges recognized in net income is not significant during the periods presented. The main hedges unexpired as of 31st December 2021, 2020 and 2019, as well as their effects on the financial statements, are detailed in the table below.

<i>As of 31 December 2021</i> <i>In € million</i>	Derivatives - assets			Derivatives – liabilities		
	Total	Non-current	Current	Total	Non-current ⁽¹⁾	Current
Exchange risk	2.9	1.5	1.4	1.6	-	1.6
Interest rate risk	1.9	1.9	-	4.5	4.5	0.0
HEDGING INSTRUMENTS	4.8	3.4	1.4	6.1	4.5	1.6
Embedded derivatives	21.4	21.4	-	-	-	-
TOTAL DERIVATIVES	26.2	24.8	1.4	6.1	4.5	1.6

⁽¹⁾ Maturity comprised between 1 and 5 years

<i>As of 31 December 2020</i> <i>In € million</i>	Derivatives - assets			Derivatives – liabilities		
	Total	Non-current	Current	Total	Non-current ⁽¹⁾	Current
Exchange risk	0.1	-	0.1	0.5	-	0.5
Interest rate risk	-	-	-	20.0	19.8	0.2
HEDGING INSTRUMENTS	0.1	-	0.1	20.5	19.8	0.7
Embedded derivatives	26.6	26.6	-	-	-	-
TOTAL DERIVATIVES	26.7	26.6	0.1	20.5	19.8	0.7

⁽¹⁾ Maturity comprised between 1 and 5 years

<i>As of 31 December 2019</i> <i>In € million</i>	Derivatives - assets			Derivatives – liabilities		
	Total	Non-current	Current	Total	Non-current ⁽¹⁾	Current
Exchange risk	2.2	-	2.2	4.4	-	4.4
Interest rate risk	-	-	-	0.0	0.0	0.0
HEDGING INSTRUMENTS	2.2	-	2.2	4.4	0.0	4.4
Embedded derivatives	44.3	44.3	-	-	-	-
TOTAL DERIVATIVES	46.4	44.3	2.2	4.4	0.0	4.4

(1) Maturity comprised between 1 and 5 years

Note 23 FINANCIAL INSTRUMENTS

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

<i>As of 31 December 2021</i> <i>In € million</i>	Carrying amount	Carrying amount of non-financial instruments	Financial instruments by category		
			Fair value through OCI	Amortized cost	Fair value through P&L
Non-current financial assets	83.0	-	36.7	40.3	6.0
Other non-current assets	29.6	2.0	-	27.5	-
Trade receivables	463.6	-	-	463.6	-
Other current assets	264.2	211.2	-	53.0	-
Current financial assets	75.2	-	1.4	73.8	-
Cash and cash equivalents	434.1	-	-	-	434.1
ASSETS	1,349.6	213.3	38.1	658.2	440.1
Long-term borrowings and other financial liabilities	2,457.8	-	4.5	2,453.3	-
Other non-current liabilities	291.7	127.9	-	31.3	132.5
Short-term borrowings and bank overdrafts	306.2	-	1.6	303.0	1.7
Trade payables	511.2	-	-	511.2	-
Customer contract liabilities	776.9	732.4	-	41.7	2.7
Other current liabilities	456.8	342.4	-	42.8	71.6
LIABILITIES	4,800.5	1,202.7	6.1	3,383.2	208.5

<i>As of 31 December 2020</i> <i>In € million</i>	Carrying amount	Carrying amount of non-financial instruments	Financial instruments by category		
			Fair value through OCI	Amortized cost	Fair value through P&L
Non-current financial assets	73.8	-	37.7	29.5	6.5
Other non-current assets	9.3	4.9	-	4.4	-
Trade receivables	445.4	-	-	445.4	-
Other current assets	211.3	168.1	-	43.2	-
Current financial assets	68.5	-	0.1	68.4	-
Cash and cash equivalents	399.0	-	-	-	399.0
ASSETS	1,207.3	173.1	37.8	590.9	405.5
Long-term borrowings and other financial liabilities	2,470.8	-	19.8	2,450.9	-
Other non-current liabilities	267.9	99.8	-	15.0	153.1
Short-term borrowings and bank overdrafts	150.9	-	0.7	139.7	10.5
Trade payables	435.4	-	-	435.4	-
Customer contract liabilities	552.3	512.0	-	38.1	2.2
Other current liabilities	381.8	252.5	-	55.5	73.8
LIABILITIES	4,259.0	864.2	20.5	3,134.7	239.6

<i>As of 31 December 2019</i> <i>In € million</i>	Carrying amount	Carrying amount of non-financial instruments	Financial instruments by category		
			Fair value through OCI	Amortized cost	Fair value through P&L
Non-current financial assets	89.4	-	56.0	16.7	16.8
Other non-current assets	16.0	9.7	-	6.3	-
Trade receivables	174.0	-	-	174.0	-
Other current assets	173.8	153.0	-	20.8	-
Current financial assets	94.0	-	2.2	91.9	-
Cash and cash equivalents	181.3	-	-	-	181.3
ASSETS	728.6	162.7	58.1	309.7	198.1
Long-term borrowings and other financial liabilities	577.8	-	0.0	577.8	-
Other non-current liabilities	235.7	90.2	-	11.5	133.9
Short-term borrowings and bank overdrafts	88.5	-	4.4	81.0	3.1
Trade payables	208.6	-	-	208.6	-
Customer contract liabilities	222.0	186.1	-	32.5	3.4
Other current liabilities	243.2	195.2	-	34.5	13.4
LIABILITIES	1,575.7	471.5	4.4	946.0	153.8

<i>As of 1 January 2019</i> <i>In € million</i>	Carrying amount	Carrying amount of non-financial instruments	Financial instruments by category		
			Fair value through OCI	Amortized cost	Fair value through P&L
Non-current financial assets	98.8	-	66.9	13.2	18.7
Other non-current assets	17.0	6.4	-	10.6	-
Trade receivables	193.9	-	-	193.9	-
Other current assets	120.0	102.7	-	17.3	-
Current financial assets	82.0	-	-	82.0	-
Cash and cash equivalents	184.7	-	-	-	184.7
ASSETS	696.4	109.1	66.9	317.0	203.4
Long-term borrowings and other financial liabilities	594.7	-	0.0	594.7	-
Other non-current liabilities	199.4	12.5	-	73.3	113.6
Short-term borrowings and bank overdrafts	111.6	-	0.1	106.4	5.0
Trade payables	145.1	-	-	145.1	-
Customer contract liabilities	189.1	155.1	-	31.9	2.1
Other current liabilities	164.7	124.2	-	35.2	5.3
LIABILITIES	1,404.6	291.8	0.1	986.6	126.1

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 Combined Group's financial instruments, with the exception of marketable securities for which the market price is used.

<i>In € million</i>	Fair Value	Fair value hierarchy		
		Level 1	Level 2	Level 3
Non-current financial assets	42.7	6.0	24.8	11.9
Other current assets	-	-	-	-
Current financial assets	1.4	-	1.4	-
Cash and cash equivalents	434.1	434.1	-	-
Long-term borrowings and other financial liabilities	(4.5)	-	(4.5)	-
Other non-current liabilities	(132.5)	-	-	(132.5)
Short-term borrowings and bank overdrafts	(3.3)	(1.7)	(1.6)	-
Customer contract liabilities	(2.7)	-	-	(2.7)
Other current liabilities	(71.6)	-	-	(71.6)
BALANCES AS OF 31 DECEMBER 2021	263.6	438.4	20.0	(194.9)

<i>In € million</i>	Fair Value	Fair value hierarchy		
		Level 1	Level 2	Level 3
Non-current financial assets	44.3	6.5	26.6	11.2
Other current assets	-	-	-	-
Current financial assets	0.1	-	0.1	-
Cash and cash equivalents	399.0	399.0	-	-
Long-term borrowings and other financial liabilities	(19.8)	-	(19.8)	-
Other non-current liabilities	(153.1)	-	-	(153.1)
Short-term borrowings and bank overdrafts	(11.2)	(10.5)	(0.7)	-
Customer contract liabilities	(2.2)	-	-	(2.2)
Other current liabilities	(73.8)	-	-	(73.8)
BALANCES AS OF 31 DECEMBER 2020	183.3	395.0	6.2	(217.9)

<i>In € million</i>	Fair Value	Fair value hierarchy		
		Level 1	Level 2	Level 3
Non-current financial assets	72.7	16.8	44.3	11.7
Other current assets	-	-	-	-
Current financial assets	2.2	-	2.2	-
Cash and cash equivalents	181.3	181.3	-	-
Long-term borrowings and other financial liabilities	(0.0)	-	(0.0)	-
Other non-current liabilities	(133.9)	-	-	(133.9)
Short-term borrowings and bank overdrafts	(7.5)	(3.1)	(4.4)	-
Customer contract liabilities	(3.4)	-	-	(3.4)
Other current liabilities	(13.4)	-	-	(13.4)
BALANCES AS OF 31 DECEMBER 2019	98.0	195.0	42.0	(139.0)

<i>In € million</i>	Fair Value	Fair value hierarchy		
		Level 1	Level 2	Level 3
Non-current financial assets	85.5	18.7	55.1	11.8
Other current assets	-	-	-	-
Current financial assets	-	-	-	-
Cash and cash equivalents	184.7	184.7	-	-
Long-term borrowings and other financial liabilities	(0.0)	-	(0.0)	-
Other non-current liabilities	(113.6)	-	-	(113.6)
Short-term borrowings and bank overdrafts	(5.2)	(5.0)	(0.1)	-
Customer contract liabilities	(2.1)	-	-	(2.1)
Other current liabilities	(5.3)	-	-	(5.3)
BALANCES AS OF 1 JANUARY 2019	144.1	198.4	54.9	(109.2)

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 24 MANAGEMENT OF MARKET RISK

24.1 Credit risk

Credit risk arises if a party to a transaction is unable or unwilling to fulfill its obligations, resulting in a financial loss to the Combined Group.

For all divisions, credit risk arises if a party to a transaction is unable or refuses to fulfill its obligations, resulting in a financial loss to the Group.

The Combined Group deals only with reputable and creditworthy third parties. Receivables are monitored on a regular basis, so that the group's exposure to bad debts is not significant.

24.2 Interest rate risk

Combined Group's interest rate risk management's objective is to reduce its net exposure to rising interest rates.

To this end, the divisions that have recourse to financing with variable interest rate debt use financial instruments that enable them to protect themselves against significant fluctuations in interest rates (mainly through the implementation of interest rate swaps and caps).

In the Content Production and Distribution segment, the Combined Group's exposure to the risk of interest rate fluctuations is mainly linked to:

- The 460 M\$ senior term loan B agreement, which depends on the short-term interest rate of LIBOR. 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% (maturity date: March 1, 2025).
- The €453m term loan B agreement, which depends on the short-term interest rate of EURIBOR. 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% (Maturity date: March 3, 2025).

Regarding the Sports Betting and Online Gaming division, the 165 M€ senior loan issued on 23rd June 2020 depends on EURIBOR 3 months rate. On this specific loan, Betclix Everest Group has taken out an interest rate hedge by means of an interest swap exchanging the variable rate for a fixed rate of 0.071% (Maturity date: June 23, 2025).

24.3 Currency risk

Currency risk management is handled independently by each subsidiary.

Regarding the Content Production and Distribution segment, the Combined Group operates in several countries and may be exposed to fluctuations in foreign exchange rates that could have an impact on its net income and financial position expressed in euros.

The main foreign exchange risk is transactional, mainly related to the US dollar and the pound sterling:

- As of 31st December 2021, the percentage of sales made in USD represented 16.3% of the Banijay's consolidated revenue (12.5% and 16.3% in 2020 and 2019, respectively). A decrease of 5% in the exchange rate in USD would have an impact on the consolidated turnover of (21) M€ in 2021 ((11) M€

and (7.2) M€ in 2020 and 2019, respectively). Conversely, an increase of 5% in the exchange rate in USD would have an impact on the consolidated turnover of 24 M€ (11 M€ and 8.0 M€ in 2020 and 2019, respectively).

- As of 31st December 2021, the percentage of sales made in GBP represented 18.6% of the Banijay's consolidated revenue (15.7% and 10.7% in 2020 and 2019, respectively). A decrease of 5% in the exchange rate in GBP would have an impact on the consolidated turnover of (24) M€ ((12) M€ and (5.2) M€ in 2020 and 2019, respectively). Conversely, an increase of 5% in the exchange rate in GBP would have an impact on consolidated revenue of 27 M€ (13 M€ and 5.7 M€ in 2020 and 2019, respectively).

In addition, in 2020, Banijay has issued a bond in USD and forward contracts and call and put options were subscribed in 2021 to hedge the exposure. 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 Sports Betting and Online Gaming division, whose functional currency is the euro, has very little exposure to foreign exchange risk (transactions are exclusively in markets with the same functional currency and there are no debts or receivables denominated in foreign currencies).

24.4 Liquidity risk

The Combined Group maintains adequate reserves of cash and short-term deposits to meet its liquidity needs. As of 31st December 2021, undrawn committed lines of credit, overdrafts and other borrowings have been obtained for a total of 170 M€.

The Content Production and Distribution division has also set up several liquidity concentration pools around the main business regions (Europe, United States, United Kingdom and Scandinavia). During 2021, approximately 87% (87% and 78% in 2020 and 2019 respectively) of the division's revenue was covered by these mechanisms. Consequently, the division's organic growth, its working capital requirements and its financing (including the payment of debts or option debts) are ensured in particular by the cash flows generated by the business units.

In addition, as part of its financing, the Content Production and Distribution segment is subject to financial covenants, namely concerning RCF (revolving credit facility) in the event of a drawdown of 40%. In December 2021, 2020 and 2019, all the ratios having an impact on the Combined Group's short-term liquidity were satisfied.

Regarding the Sports Betting and Online Gaming division, the latter is financed via bank loans and advances in shareholder current accounts.

Note 25 RELATED PARTIES

Related parties consist of:

- Group LOV's controlling shareholders: Financière LOV Group and LOV Group Invest;
- Non-controlling interests, notably: Group Vivendi's subsidiaries, Fimalac, De Agostini, Banijay Group's key managers, and Société de Bains de Mer;
- Associates and joint ventures.

25.1 Transactions with Financière LOV Group and LOV Group Invest

The Combined Group recorded several transactions with LOV's controlling shareholder (Financière LOV) and its subsidiaries that are not part of the Combined Group's consolidation scope, as follows:

<i>In € million</i>	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Net financial assets/financial liabilities/provisions	-	-	50.0	60.0
Net trade receivables/payables	-	-	-	(2.0)
Operating income/operating expenses ⁽¹⁾	(14.5)	(7.0)	(4.5)	
Financial income/expenses	-	-	(50.0)	
⁽¹⁾ Of which President compensation	(14.1)	(6.0)	(1.1)	

The annual compensation of the president of Banijay Group, Stéphane Courbit or Lov Group Invest, a French *société par actions simplifiée*, having its registered office 5, rue François 1er in Paris (75008), registered under number 494 031 008 RCS Paris ("LGI"), has been set at the average of (i) 0.38% of the consolidated turnover of the previous fiscal year and (ii) 2% of the consolidated EBITDA of the previous fiscal year, with a floor of 3,500,000 EUR and capped at 7,500,000 EUR per year. In case of death of Stéphane Courbit, the president of Banijay Group shall be compensated by Banijay Group an annual compensation equal to 1% of the consolidated EBITDA of the previous fiscal year, with a floor of 2,500,000 EUR and capped at 5,000,000 EUR per year.

In 2021, the shareholders of Betclac Everest Group decided unanimously to set the annual compensation (exclusive of VAT if any) of the president of Betclac Everest Group, Stéphane Courbit or LGI, as of 1st January 2021, at 1% of the gross margin realized during the said fiscal year, it being specified that the Gross Margin of Bet-at-Home will be taken into account to the extent of the percentage of Betclac Everest Group's participation on 1st January of the said fiscal year, as such gross margin is defined in the audited consolidated financial statements of Betclac Everest Group as of 31st December 2020. Such compensation shall be paid (i) in three instalments within one month of the interim financial statements, (ii) the balance being paid no later than one month following the closing of the audited consolidated financial statements.

25.2 Transactions with other Shareholders

<i>In € million</i>	De Agostini			
	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Net financial assets/financial liabilities/provisions	-	62.2	-	-
Net trade receivables/payables	-	-	0.2	-
Operating income/operating expenses	-	-	0.3	
Financial income/expenses	(2.8)	(3.2)	-	

<i>In € million</i>	Vivendi Subsidiaries			
	31 December 2021	31 December 2020	31 December 2019	1 January 2019
Net financial assets/financial liabilities/provisions	184.2	184.4	195.5	-
Net trade receivables/payables	3.0	3.0	2.9	7.2
Operating income/operating expenses	37.0	35.0	43.8	
Financial income/expenses	(10.4)	(22.7)	(15.7)	

In addition to the transactions reflected in the tables above, a 25 M€ loan was granted to a Banijay Group's shareholder.

Société des Bains de Mer (« SBM »)

SBM provided guarantees, on an equal basis with LOV Group Invest, for the bank loan of 21.3 M€ contracted by Betclic Everest Group with Société Générale. The figures are as follows:

<i>In € million</i>	Société des Bains de Mer (« SBM »)			
	31	31	31	1
	December 2021	December 2020	December 2019	January 2019
Net financial assets/financial liabilities/provisions	-	-	35.0	46.0
Net trade receivables/payables	-	-	-	-
Operating income/operating expenses	-	-	-	-
Financial income/expenses	-	-	(35.0)	-

<i>In € million</i>	Banijay Group Holding SAS's manager shareholders			
	31	31	31	1
	December 2021	December 2020	December 2019	January 2019
Net financial assets/financial liabilities/provisions	-	-	-	-
Other non-current and current liabilities	190.8	181.1	126.0	108.8
Staff costs	(10.9)	(8.5)	(8.0)	-
Financial income/expenses	3.2	(15.9)	(14.2)	-

25.3 Transactions with Associates and JV

<i>In € million</i>	31	31	31	1
	December 2021	December 2020	December 2019	January 2019
	Net financial assets/financial liabilities/provisions	1.0	6.0	16.8
Net trade receivables/payables	1.0	1.0	(0.6)	0.5
Operating income/operating expenses	1.0	-	2.0	-
Financial income/expenses	-	-	1.5	-

25.4 Transactions with Key Management Personnel

Since the Combined Group is part of Financière Lov, there is no dedicated management as such. The president fees and management fees include a part of the compensation of the Combined Group management.

Note 26 OFF-BALANCE SHEET COMMITMENTS

2021

CONTENT PRODUCTION AND DISTRIBUTION BUSINESS

As of 31st December 2021, the off-balance sheet commitments of the sub-group were as follows:

i) **Commitments given:**

- Minimum guarantees granted by the distribution activity to third party producers for an amount of 7 M€;
- Pledging of shares of its subsidiaries for the benefit of its noteholders and its bank pooling pursuant to the financing subscribed on 11th February 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 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);
 - Endemol Shine IP B.V., 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.

ii) **Commitments received:**

- Confirmed credit lines not drawn for an amount of 299 M€.

SPORTS BETTING AND ONLINE GAMING

As of 31st December 2021, the off-balance sheet commitments of the sub-group were as follows:

iii) **Commitments given:**

- Senior loan of 165 M€:
 - Under a loan for an amount of 165 M€ contracted by Betclac Group SAS on 23rd June 2020 with Natixis, Société Générale and BNP Paribas, Betclac Everest Group SAS stood jointly for the sums due (principal, interest, default interest, commissions, indemnities, penalties, fees, accessories, etc.) on the maturity of the loan granted.
 - Following the universal transfer of assets from Betclac Group SAS to Betclac Everest Group SAS, the guarantee contract between these two companies became null and void on 31st December 2021.
 - Under the same loan, Betclac Everest Group made the following pledges to the profits of the lending banks:
 - 226,101,255 shares it holds in its subsidiary Betclac Group SAS;
 - 3,627,895 shares it holds in Bet-at-Home.

- For the two pledges, the amount covered corresponded to the entire amount borrowed, i.e., 165 M€ plus all interest, default interest, commissions, reinvestment costs, indemnities, penalties, commissions, costs and other accessories under the ready.
- A release of the pledge of Betcllic Group securities has been obtained as a result of the universal transmission of assets of Betcllic Group SAS in Betcllic Everest Group SAS, on 31st December 2021.
- Liquidity commitment: the company Betcllic Everest Group, or its shareholders, concluded a liquidity commitment in 2021 with a manager who hold 5.4% of BEG's shares. This commitment is conditional on the non-occurrence of events for which the Combined Group considers as of 31st December 2021 that their occurrence is highly probable. The probability of occurrence of these events will be re-assessed at each year-end period.

iv) **Commitments received:**

- Bridge loan of 130 M€:
 - On 31st December 2021, Betcllic Everest Group raised a bridge loan of 130 M€ from a banking pool composed of Société Générale, BNP and Natixis, having Mangas LOV as the joint guarantor. All Betcllic's and Bet-at-home.com AG's shares held by Betcllic Everest Group were pledged for the second replenishment.
 - A release of the pledge of Betcllic Group's securities was obtained following the universal transfer of assets from Betcllic Group SAS to Betcllic Everest Group SAS on 31st December 2021.

2020

CONTENT PRODUCTION AND DISTRIBUTION BUSINESS

As of 31st December 2020, the off-balance sheet commitments of the sub-group were as follows:

i) **Commitments given:**

- Minimum guarantees granted by the distribution activity to third party producers for an amount of 6 M€.
- As part of the financing subscribed on 11th February 2020, the sub-group Banijay pledged securities of its subsidiaries for the benefit of the banking pool:
 - 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 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). Endemol Shine IP B.V., 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.

ii) **Commitments received:**

- Confirmed credit lines not drawn for an amount of 269 M€.
- Cancellation of the securities pledged in favour of the banking pool as part of its former financing of 6th July 2017.

SPORTS BETTING AND ONLINE GAMING

As of 31st December 2020, the off-balance sheet commitments of the sub-group were as follows:

i) Commitments given:

- Senior loan of 165 M€:
 - Under a loan for an amount of 165 M€ contracted by Betcltic Group SAS on 23rd June 2020 with Natixis, Société Générale and BNP Paribas, Betcltic Everest Group SAS stood jointly for the sums due (principal, interest, default interest, commissions, indemnities, penalties, fees, accessories, etc.) on the maturity of the loan granted.
 - Under the same loan, Betcltic Everest Group made the following pledges to the profits of the lending banks:
 - 226,101,255 shares it holds in its subsidiary Betcltic Group SAS;
 - 3,627,895 shares it holds in Bet-at-Home.
 - For the two pledges, the amount covered corresponded to the entire amount borrowed, i.e., 165 M€ plus all interest, default interest, commissions, reinvestment costs, indemnities, penalties, commissions, costs and other accessories under the ready.

2019

CONTENT PRODUCTION AND DISTRIBUTION BUSINESS

As of 31st December 2019, the off-balance sheet commitments of the sub-group were as follows:

v) Commitments given:

- Estimate of put options on shares held by majority shareholders in joint ventures for an amount of 6.2 M€.
- Pledging of securities of its subsidiaries for the benefit of the banking pool and the holders of securities in accordance with the financing documents signed on 6th July 2017. The pledged securities concerned the following companies:
 - Banijay France, Banijay Entertainment, Magnolia SpA, Banijay Rights Ltd, Zodiak Media AB, Zodiak Media Ltd, Zodiak Kids Central, Banijay Digital, Banijay Editing, Banijay Library, H2O Productions, Adventure Line Productions, Gétévé Productions, Mastiff Produktion AB, Jarowskij Sverige AB, Bunim Murray Productions.
- Signing of multi-year agreements in connection with the audiovisual production of certain national channels, in the countries in which the division was present.
- Finalization of the agreement to acquire 100% of the equity of Endemol Shine Group on 26th October 2019. The acquisition would be subject to customary closing conditions, including regulatory clearances and consultation with the relevant employee representative bodies.
The total consideration payable to finance this acquisition (both shares and reimbursement of the debt of the Endemol Shine Group that becomes due and payable in the event of a change of shareholders) amounted to 2.0 billion € financing both with equity contribution from shareholders (see below) and refinancing.

i) Commitments received:

- Confirmed credit lines not drawn for an amount of 85.4 M€.
- As part of the acquisition of Endemol Shine Group, the shareholder pool of Banijay Group Holding had committed to invest 275 M€ in equity.

- During the signing of Endemol Shine Group, the Content Production and Distribution division received the commitment for a full refinancing of the existing debt of Banijay and Endemol Shine with the following banks: Deutsche Bank, Natixis and Société Générale. This commitment would not be called following the raising of bond debt carried out in February 2020.

SPORTS BETTING AND ONLINE GAMING

As of 31st December 2019, the off-balance sheet commitments of the sub-group were as follows:

ii) Commitments received:

- Under the loans and lines of credit granted by Société Générale and by Natixis for a total principal amount of 83.8 M€ and use as of 31st December 2019 of 32.5 M€, guarantees had been granted following:
 - For the benefit of Société Générale, and as security for a loan of 21.3 M€, a joint and several surety covering all the sums due in principal and interest, and this over the entire duration of the loan, by through the companies SA Société des Bains de Mer and Cercle des Etrangers in Monaco and Lov Group Invest;
 - For the benefit of Société Générale, and as security for a loan of 7 M€, a joint and several guarantee covering all the sums due in principal and interest, and this over the entire duration of the loan, by the intermediary of Lov Group Invest; and
 - In favor of Natixis, and as security for a total loan of 30.8 M€, a first-demand guarantee covering all amounts due in principal and interest, over the full term of the loan, through the companies Société Anonyme des Bains de Mer and Cercle des Etrangers in Monaco and Lov Group Invest.

Note 27 SUBSEQUENT EVENTS

The ongoing Covid-19 outbreak and resulting measures taken by various governments to contain the virus may negatively affect the business in 2022. The scale and duration of this pandemic remaining uncertain and the situation evolving daily, the magnitude of its impact is under permanent scrutiny.

The liquidity risk is secured following the refinancing operations in February 2020 on one hand, and through the work of the group and its banking partners and various financing resources made available by the government on the other.

Montmartre Films (previously Légende Films) - France

In December 2021, Banijay signed a firm commitment to take over 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). The closing was performed in January 2022.

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

Due to the acquisition date, the initial accounting for the business is not finalized yet.

Groelandia - Italy

In February 2022, Banijay Italia signed a firm commitment to take over Groelandia, an Italian based scripted production company. Groelandia has established itself on the Italian and international scene with many successful films.

Due to the acquisition date, the initial accounting for the business is not finalized yet.

Russian / Ukrainian crisis

The Combined Group is closely monitoring developments in the conflict between Russia and Ukraine. However, the Combined Group has limited exposure to the Russian market. In 2021, its Russian subsidiaries generated a net revenue contribution of 36 M€ (1.3% of total revenue in 2021) and current operating profit of 1.7 M€ (0.7% of total current operating profit in 2021).

Note 28 FEES PAID TO AUDITORS

<i>In € million</i>	Statutory audit, certification and review of the individual and consolidated financial statements	Non-audit services	Total fees
As of 31 December 2021			
Ernst & Young	4.9	1.3	6.2
Other auditors	1.3	0.1	1.4
TOTAL	6.2	1.4	7.6
As of 31 December 2020			
Ernst & Young	5.3	0.9	6.2
Other auditors	0.7	0.1	0.8
TOTAL	6.0	1.0	7.0
As of 31 December 2019			
Ernst & Young	2.2	2.0	4.2
Other auditors	0.8	0.2	1.0
TOTAL	3.0	2.2	5.2

Note 29 LIST OF SUB-GROUP BANIJAY'S AND SUB-GROUP BEG'S SUBSIDIARIES

29.1 Banijay's sub-group consolidation scope

The table below presents the percentage of ownership interest held by Banijay Group Holding SAS in its subsidiaries:

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Banijay Group Holding SAS	France			Holding	
France Adventure Line Productions SAS	France	89.54%	88.79%	89.45%	88.64%
Baba Funny League	France	-	-	89.18%	83.96%
Air Productions Sas	France	89.54%	88.79%	89.45%	-
ALP Music S.A.R.L.	France	89.54%	88.79%	89.45%	88.64%
Atypic Talents SAS	France	89.54%	88.79%	29.07%	-
Banijay Central 3 SAS	France	89.54%	-	-	-
Banijay Central 4 SAS	France	89.54%	-	-	-
Banijay Central 7 SAS	France	89.54%	-	-	-
Banijay Central 8 SAS	France	89.54%	-	-	-
Banijay Digital SAS	France	89.54%	88.79%	89.45%	88.64%
Banijay Editing SAS	France	29.82%	88.79%	29.81%	29.52%
Banijay Entertainment SASU	France	89.54%	-	89.18%	88.38%
Banijay France SAS	France	89.54%	88.79%	89.45%	88.64%
Banijay Group SAS	France	89.54%	-	-	88.64%
Banijay International SAS	France	89.54%	-	-	-
Banijay Library SAS	France	89.54%	88.79%	89.45%	88.64%
Banijay Prod ca Tourne SAS (formerly Les Productions du 5)	France	89.54%	88.79%	89.18%	88.64%
Banijay Prod Editing SAS (formerly Banijay Central 1)	France	89.54%	88.79%	-	-
Banijay Productions Media SAS	France	89.54%	88.79%	89.18%	88.38%
Banijay Productions SAS	France	89.54%	88.79%	89.18%	88.38%
Banijay Studios France	France	89.54%	88.79%	89.45%	88.64%
Banijay Studios International Holding	France	89.54%	88.79%	89.45%	88.64%
Banijay Studios Production Media (ex. Air Productions)	France	89.54%	-	89.18%	88.38%
Banijay Talent SAS	France	64.02%	-	-	-
Base Records S.A.R.L.	France	89.54%	88.79%	89.18%	88.38%
Big Name SAS	France	89.54%	88.79%	89.18%	88.38%
Bubble Prod SAS	France	89.54%	88.79%	29.81%	-
Connecting Prod SAS	France	89.54%	88.79%	89.18%	83.96%
D.M.L.S TV SAS	France	62.68%	-	-	-
DMLS Productions	France	62.68%	-	-	-
DMLS Films	France	62.68%	-	-	-
Day After Day Radio	France	-	-	89.18%	83.96%
EM Food Productions	France	-	-	0.00%	88.38%
EM Studio Maboul	France	-	-	89.18%	83.96%
Endemol Shine France SAS	France	89.54%	88.79%	-	-
Endemol Shine Fiction SAS	France	89.54%	88.79%	-	-
Endemol Shine Production SAS	France	89.54%	88.79%	-	-
Festival Air S.A.R.L.	France	89.54%	88.79%	89.18%	88.38%
Fiction Air S.A.R.L.	France	89.54%	88.79%	89.18%	88.38%
Gétévé Productions SASU	France	89.54%	88.79%	89.45%	88.64%
H2O Divertissement Sas	France	89.54%	88.79%	89.18%	83.96%
H2O Fictions Sas	France	89.54%	88.79%	89.18%	83.96%
H2O Jeux SAS	France	89.54%	88.79%	89.18%	83.96%
H2O Productions SAS	France	89.54%	88.79%	-	-
H2O SAS	France	89.54%	88.79%	89.18%	83.96%
Images on Air SAS	France	89.54%	88.79%	89.18%	88.38%
Jereluc SAS	France	89.54%	88.79%	-	-
KM Presse SNC	France	89.54%	88.79%	-	-
KM Prestations SNC	France	0.10%	88.79%	-	-
KM S.A.S.	France	0.10%	88.79%	89.45%	88.64%
Les Editions du 5 SAS	France	89.54%	88.79%	89.18%	88.38%
Les Productions du 5	France	-	-	89.18%	88.38%
Lodition SAS	France	89.54%	88.79%	89.18%	83.96%
MBG SAS	France	89.54%	88.79%	-	-
Monello Productions SAS. France	France	68.05%	44.40%	-	-
NC Zodiak Kids Central	France	89.54%	-	-	88.64%
Non Stop Edition SAS	France	89.54%	88.79%	-	29.52%
Non Stop Production SAS	France	89.54%	88.79%	-	29.52%
Ollenom Studio SAS	France	68.05%	-	-	-
Pacific Line Productions SAS	France	89.54%	88.79%	89.45%	-
Pistache	France	44.77%	-	-	-
PLP (Fidji)	France	89.54%	-	-	-

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Societe Miss France SAS	France	89.54%	-	-	-
Shauna Events SAS	France	44.81%	-	29.07%	44.32%
Skillstar Sarl	France	89.54%	-	-	50.00%
Studio 74 SAS	France	89.54%	88.79%	-	-
Studio Maboul SAS	France	89.54%	88.79%	-	83.96%
Sublim Talents SAS	France	44.81%	88.79%	-	-
Survivor Central Productions SAS	France	89.54%	88.79%	89.45%	88.64%
Talent Lab SAS	France	64.02%	88.79%	-	-
Team CH1 SAS	France	89.54%	88.79%	89.18%	86.17%
Terrence Films	France	50.09%	44.47%	-	86.17%
Upper Talent SAS	France	64.02%	-	-	-
Vision Air SAS	France	89.54%	-	-	-
Zodiak Kids Studio France SASU	France	89.54%	88.79%	89.45%	88.64%
153 PRODUCTIONS NZ LLC	Australia/New Zealand	89.54%	88.79%	-	-
ALK Productions Limited	Australia/New Zealand	89.54%	88.79%	-	-
Endemol Australia Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	-
Endemol Shine Australia Holdings Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	-
Endemol Shine Australia Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	-
Endemol Shine Australia Services Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	-
Endemol Southern Star Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	-
ESA Productions 1 Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	-
ESA Productions 2 Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	-
ESA Productions 3 Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	-
ESA Productions 4 Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	-
ESA Productions 5 Pty Ltd	Australia/New Zealand	89.54%	-	-	-
ESA Productions 6 Pty Ltd	Australia/New Zealand	89.54%	-	-	-
Love Among The Vines Productions Limited	Australia/New Zealand	89.54%	88.79%	-	-
Love Yarn Productions Limited	Australia/New Zealand	89.54%	88.79%	-	-
M Forever Limited Making of the Mob Limited	Australia/New Zealand	-	88.79%	-	-
Patiki Media Limited	Australia/New Zealand	89.54%	88.79%	-	-
Popstarts Productions NZ Limited	Australia/New Zealand	89.54%	88.79%	-	-
Quimbo's Quest Limited	Australia/New Zealand	89.54%	88.79%	-	-
Roman Empire Limited LLC	Australia/New Zealand	-	88.79%	-	-
Rosebud Pty Limited SAS	Australia/New Zealand	89.54%	88.79%	-	-
SAS Productions Limited	Australia/New Zealand	89.54%	88.79%	-	-
ScreenTime Commerical Pty Limited	Australia/New Zealand	89.54%	88.79%	-	52.14%
ScreenTime New Zealand Limited	Australia/New Zealand	89.54%	88.79%	52.62%	52.14%
ScreenTime Pty Ltd	Australia/New Zealand	89.54%	88.79%	52.62%	52.14%
Shine Australia Holdings Pty Ltd	Australia/New Zealand	89.54%	88.79%	-	52.14%
SPVs	Australia/New Zealand	89.54%	-	-	-
Straight Forward Productions Limited	Australia/New Zealand	89.54%	88.79%	-	-
The Gulf Productions Limited	Australia/New Zealand	89.54%	88.79%	-	-
The Landing (Fiji) Pte Limited (Fiji)	Australia/New Zealand	89.54%	88.79%	-	-
The Landing Ltd (Samoa)	Australia/New Zealand	89.54%	88.79%	-	-
Together Forever Productions Limited	Australia/New Zealand	89.54%	88.79%	-	-
Trapeze Productions Limited	Australia/New Zealand	-	88.79%	-	-
Banijay Benelux Holding B.V.	Benelux	89.54%	-	-	-
Banijay Benelux B.V.	Benelux	89.54%	-	-	-
625 TV Producties B.V.	Benelux	89.54%	88.79%	-	-
After The Break Productions B.V.	Benelux	89.54%	88.79%	-	-
AP NMT JV Newco B.V.	Benelux	-	88.79%	-	-
Beyond Holding B.V.	Benelux	89.54%	88.79%	-	-
Beyond Opco Holding B.V.	Benelux	89.54%	88.79%	-	-
Blockbuster Media B.V. (ex: Endemol Shared Services BV)	Benelux	89.54%	-	-	-
Call 909 Nederland B.V.	Benelux	89.54%	88.79%	-	-
Central Media Station Holding B.V.	Benelux	89.54%	88.79%	-	-
Commando's TV Productie B.V.	Benelux	89.54%	88.79%	-	-
Costa Film Productie B.V.	Benelux	89.54%	88.79%	-	-
De Mol Catalyst B.V.	Benelux	89.54%	88.79%	-	-
Endemol Licentie B.V.	Benelux	89.54%	88.79%	-	-
Endemol Nederland Film B.V.	Benelux	89.54%	88.79%	-	-
Endemol Participatie TV B.V.	Benelux	89.54%	88.79%	-	-
Endemol Personeel B.V.	Benelux	89.54%	88.79%	-	-
Endemol Shine Belgium N.V.	Benelux	99.99%	88.78%	-	-
Endemol Shine IP B.V.	Benelux	89.54%	88.79%	-	-
Endemol Shine Nederland B.V.	Benelux	89.54%	88.79%	-	-
Endemol Shine Nederland Producties B.V.	Benelux	89.54%	88.79%	-	-
Endemol Shine Russia Holding B.V.	Benelux	89.54%	88.79%	-	-
Endemol Shine Scripted B.V.	Benelux	89.54%	88.79%	-	-
Endemol Shine Sport B.V.	Benelux	89.54%	88.79%	-	-
Endemol Shine Sports Investments B.V.	Benelux	89.54%	88.79%	-	-
ES NL Scripted Holding B.V.	Benelux	89.54%	88.79%	-	-
EWT Holding B.V.	Benelux	53.80%	47.77%	-	-
Gouden Uur TV Productie B.V.	Benelux	89.54%	-	-	-
Grundy/Endemol Nederland V.o.F.	Benelux	44.77%	44.40%	-	-
Haagse Bluf TV Producties B.V.	Benelux	89.54%	88.79%	-	-
Human Playground TV Production B.V.	Benelux	89.54%	88.79%	-	-

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Koekieloekie TV Productie B.V.	Benelux	89.54%	88.79%	-	-
NL Film en TV B.V.	Benelux	89.54%	88.79%	-	-
NL Film Productie B.V.	Benelux	89.54%	88.79%	-	-
NL TV Productie B.V.	Benelux	89.54%	88.79%	-	-
Palm Plus Music Publishing B.V.	Benelux	89.54%	88.79%	89.45%	88.64%
Scriptstudio B.V.	Benelux	89.54%	88.79%	-	-
Simpel Formats B.V.	Benelux	89.54%	88.79%	-	-
Simpel Media B.V.	Benelux	89.54%	88.79%	-	-
SNP Holding B.V.	Benelux	89.54%	88.79%	-	-
SNP Media B.V.	Benelux	89.54%	88.79%	-	-
SNP Participaties B.V.	Benelux	89.54%	88.79%	-	-
Southfields	Benelux	76.83%	-	-	-
Stanley H. TV Productie B.V.	Benelux	89.54%	-	-	-
Totem Media B.V.	Benelux	45.67%	45.28%	-	-
TV BV B.V.	Benelux	89.54%	88.79%	-	-
Van der Valk TV Production B.V.	Benelux	89.54%	88.79%	-	-
Zodiak Belgium	Benelux	89.54%	88.79%	89.45%	88.64%
B&B Endemol AG	Switzerland	36.27%	-	-	-
Banijay Germany GmbH	Germany	71.83%	71.03%	71.56%	70.91%
Banijay Productions GmbH	Germany	68.24%	51.50%	89.18%	88.38%
BRAINPOOL Beteiligungsgesellschaft GmbH	Germany	71.83%	71.03%	35.78%	35.46%
BRAINPOOL Live Artist & Brand GmbH	Germany	71.83%	71.03%	35.78%	-
BRAINPOOL TV GmbH	Germany	71.83%	71.03%	35.78%	-
CAPE CROSS STUDIO UND	Germany	71.83%	53.63%	-	-
FILMLICHTGESELLSCHAFT GmbH					
COLOGNE COMEDY FESTIVAL GmbH	Germany	71.83%	71.03%	-	-
(formerly KÖLN COMEDY FESTIVAL GmbH)					
Endemol Shine Germany GmbH	Germany	71.83%	88.79%	-	-
Endemol Shine Group Germany GmbH	Germany	71.83%	88.79%	-	-
Good Humor GmbH	Germany	35.20%	-	-	-
Good Times Fernsehproduktions GmbH	Germany	71.83%	71.03%	71.56%	-
HPR PRODUKTION GbR	Germany	35.91%	35.52%	-	-
Kartell No. 5 GmbH LUCKY PICS GmbH	Germany	71.83%	35.52%	-	-
Lucky Pics GmbH	Germany	71.83%	-	-	-
MadeFor Film GmbH	Germany	71.83%	88.79%	-	-
MadeFor Music Publishing GmbH	Germany	71.83%	-	-	-
Major Minor Musikverlag GmbH	Germany	71.83%	88.79%	-	-
MILE 108 GRIPSTORE GmbH	Germany	71.83%	53.63%	-	-
MTS MANAGEMENT Töne Stallmeyer GmbH	Germany	64.65%	35.52%	-	-
MÜNSTERANER TOURNEESERVICE MTS Live GmbH	Germany	57.47%	56.83%	-	-
OGP Künstlermanagement GmbH	Germany	36.63%	36.23%	-	-
RAAB TV - PRODUKTION GmbH	Germany	71.83%	71.03%	-	-
Rainer LauxProductionsGmbH	Germany	36.63%	-	-	-
SR Management GmbH	Germany	36.63%	-	-	-
Banijay Iberia SRL	Iberia	89.54%	88.79%	-	-
CUARZO PRODUCCIONES SL	Iberia	86.06%	84.35%	73.66%	73.00%
Diagonal Televisio. S.L.U.	Iberia	89.54%	88.79%	-	-
DLO PRODUCCIONES SL	Iberia	85.06%	84.35%	73.66%	73.00%
Endemol Portugal Unipessoal Lda Endemol Shine Iberia S.L.U.	Iberia	89.54%	88.79%	-	-
Funwood Iberica SL	Iberia	45.74%	45.62%	50.85%	-
Funwood SRL	Iberia	45.67%	45.62%	-	-
Gestmusic Endemol S.A.U.	Iberia	89.54%	88.79%	-	-
Hierro Serie AIE	Iberia	46.10%	-	-	-
Magnolia TV Espana	Iberia	89.54%	84.35%	89.45%	88.64%
Meric Producciones Audiovisuales AIE	Iberia	46.10%	-	-	-
Non Stop People Espana SL	Iberia	85.06%	-	-	73.00%
Porto Cabo Atlantico SL	Iberia	45.67%	88.79%	45.62%	45.21%
Porto Cabo Canarias SLU	Iberia	45.67%	-	-	-
Porto Cabo Mediterráneo SLU	Iberia	45.67%	-	-	-
Porto Cabo TV SL	Iberia	45.67%	-	-	45.21%
Project Academy Series SL	Iberia	89.54%	88.79%	-	-
R. Zinman Productions A.I.E.	Iberia	86.59%	85.86%	-	-
Shine Iberia Portugal. Unipessoal. Lda	Iberia	89.54%	88.79%	-	-
Shine Iberia S.L.U.	Iberia	89.54%	88.79%	-	-
Zeppelin Television S.A.U	Iberia	89.54%	88.79%	-	-
INDRAKSHI	Iberia	-	-	89.18%	88.38%
NSP SPAIN	Iberia	-	-	73.66%	-
4FRIENDS S.R.L	Italy	59.70%	59.20%	59.45%	22.54%
Ambra Banijay Italia S.R.L	Italy	89.54%	88.79%	89.18%	88.38%
ATLANTIS S.R.L	Italy	89.54%	88.79%	89.18%	44.19%
AURORA TV S.R.L	Italy	89.54%	88.79%	89.18%	88.38%
Banijay Italia S.p.A (formerly Magnolia SpA)	Italy	89.54%	88.79%	89.45%	88.64%
BANIJAY STUDIO ITALY S.R.L	Italy	89.54%	88.79%	43.83%	43.44%
DRY	Italy	-	-	0.00%	45.21%
Endemol Shine Italia S.p.A.	Italy	89.54%	88.79%	-	-
ITV MOVIE S.R.L	Italy	81.71%	88.79%	58.14%	-
L'Officina S.R.L	Italy	89.54%	88.79%	44.73%	44.32%

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
MadDoll S.R.L	Italy	54.00%	47.95%	-	-
Milanoroma S.R.L	Italy	89.54%	88.79%	89.45%	88.64%
NONPANIC S.R.L	Italy	53.72%	53.27%	53.51%	53.03%
Endemol India Private Ltd. India	India	45.67%	45.28%	-	-
Ink Pen Media Private Ltd. India	India	45.67%	88.79%	-	-
Logline Production Private Ltd. India	India	45.21%	87.90%	-	-
Seventaurus Entertainment Studios PV Ltd (BANIJAY ASIA)	India	44.86%	44.48%	44.64%	-
SOL Production	India	89.54%	-	62.62%	62.05%
5th Element AB, Sweden	Nordics	89.54%	88.79%	-	-
5to Element AB, Sweden	Nordics	80.59%	-	-	-
BANIJAY FINLAND OY, Finland	Nordics	89.54%	88.79%	89.18%	-
BANIJAY Holding Suomi OY, Finland	Nordics	89.54%	-	-	-
BANIJAY INTERNATIONAL ApS, Denmark	Nordics	89.54%	88.79%	89.18%	88.38%
BANIJAY NORDIC HOLDING ApS, Denmark	Nordics	89.54%	88.79%	89.18%	88.38%
Beforeigners Production AS, Norway	Nordics	89.54%	88.79%	-	-
Endemol Denmark AS, Denmark	Nordics	89.54%	88.79%	-	-
Endemol Norway AS, Norway	Nordics	89.54%	88.79%	-	-
Endemol Shine Finland OY, Finland	Nordics	89.54%	88.79%	-	-
Endemol Shine Nordics AB, Sweden	Nordics	89.54%	88.79%	-	-
Endemol Sweden AB, Sweden	Nordics	89.54%	88.79%	-	-
Filmance International AB, Sweden	Nordics	89.54%	88.79%	-	-
Friday TV AB, Sweden	Nordics	89.54%	88.79%	-	-
Guidebeast AB, Sweden	Nordics	89.54%	88.79%	89.45%	88.64%
Jarowskij Danmark AS, Denmark	Nordics	89.54%	88.79%	89.45%	88.64%
Jarowskij Finland Oy, Finland	Nordics	89.54%	-	-	-
Jarowskij Enterprises AB, Sweden	Nordics	89.54%	88.79%	89.45%	88.64%
Jarowskij Management AB, Sweden	Nordics	89.54%	88.79%	89.45%	88.64%
Jarowskij Sverige AB, Sweden	Nordics	89.54%	88.79%	89.45%	88.64%
LivePeople ApS, Denmark	Nordics	89.54%	88.79%	89.18%	88.38%
MAGFIVE Content AB, Sweden	Nordics	89.54%	88.79%	-	-
Mastiff A/S, Denmark	Nordics	89.54%	88.79%	89.45%	88.64%
Mastiff AB, Sweden	Nordics	89.54%	88.79%	89.45%	88.64%
Mastiff AS, Norway	Nordics	89.54%	88.79%	89.45%	88.64%
Mastiff Entertainment AS, Norway	Nordics	89.54%	88.79%	-	88.64%
Mastiff Media Holding AB, Sweden	Nordics	89.54%	88.79%	89.45%	88.64%
Meter Television AB, Sweden	Nordics	89.54%	88.79%	-	-
Metronome Post AB, Sweden	Nordics	89.54%	88.79%	-	-
Metronome Productions A/S, Denmark	Nordics	89.54%	88.79%	-	-
Mutter Media AB, Sweden	Nordics	89.54%	88.79%	-	-
NFTV PRODUKSJON AS, Norway	Nordics	89.54%	88.79%	-	-
NORDISK FILM & TV PRODUKTION AB, Sweden	Nordics	89.54%	88.79%	89.18%	88.38%
NORDISK FILM TV & AS, Norway	Nordics	89.54%	88.79%	99.40%	88.38%
NORDISK FILM TV A/S, Denmark	Nordics	89.54%	88.79%	89.18%	88.38%
PINEAPPLE ENTERTAINMENT ApS, Denmark	Nordics	45.67%	45.28%	45.49%	45.07%
RESPIRATOR MEDIA & DEVELOPMENT A/S, Denmark	Nordics	44.87%	45.28%	44.68%	44.28%
Rubicon TV AS, Norway Screen Media, Norway	Nordics	89.54%	88.79%	89.45%	-
Screen Media AS, Norway	Nordics	89.54%	-	-	-
Shine Nordics AB, Sweden	Nordics	89.54%	88.79%	-	-
Solsidan Produktion HB, Sweden	Nordics	44.77%	44.40%	44.73%	-
Solsidan Produktion AB, Sweden	Nordics	44.77%	44.40%	-	-
STO-CPH Produktion AB, Sweden	Nordics	89.54%	88.79%	-	-
Yellow Bird Film & TV Production AB (formerly Yellow Bird Sweden AB)	Nordics	89.54%	88.79%	-	88.64%
Yellow Bird Films Aps, Denmark	Nordics	89.54%	88.79%	89.45%	88.64%
Yellow Bird Norge AS, Norway	Nordics	89.54%	88.79%	89.45%	88.64%
Yellowbird Holding AB, Sweden	Nordics	89.54%	88.79%	89.45%	88.64%
Yellowbird Sweden AB, Sweden	Nordics	89.54%	-	-	-
Zodiak Media AB, Sweden	Nordics	89.54%	88.79%	89.45%	88.64%
21CF Shine Holdings UK Ltd	United Kingdom	89.54%	88.79%	-	-
Artists' Studio Management Ltd	United Kingdom	89.54%	88.79%	-	-
Artists' Studio TV Ltd	United Kingdom	89.54%	88.79%	-	-
Bandit (Delicious 3) Limited	United Kingdom	89.54%	88.79%	-	-
Banijay (Central) Ltd	United Kingdom	89.54%	88.79%	89.45%	88.64%
Banijay Brands Limited	United Kingdom	89.54%	-	-	-
Banijay Rights Ltd	United Kingdom	89.54%	88.79%	89.45%	88.64%
Banijay UK Ltd	United Kingdom	89.54%	88.79%	89.45%	88.64%
Bazal Productions Ltd.	United Kingdom	89.54%	88.79%	-	-
Black Mirror Drama (S4) Ltd	United Kingdom	89.54%	88.79%	-	-
Black Mirror Drama (S5) Ltd	United Kingdom	89.54%	88.79%	-	-
Black Mirror Drama Ltd	United Kingdom	89.54%	88.79%	-	-
BlackLight (On the Edge Season 3) Productions Ltd	United Kingdom	89.54%	88.79%	89.45%	-
Blacklight Television Ltd (formerly Touchpaper Television)	United Kingdom	89.54%	88.79%	89.45%	88.64%
Blobhead Productions Ltd, Scotland	United Kingdom	89.54%	88.79%	-	-

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Brighter Pictures Ltd	United Kingdom	89.54%	88.79%	-	-
Broadcast Communications (Productions) Ltd.	United Kingdom	89.54%	88.79%	-	-
Brown Eyed Boy (MHB) Ltd	United Kingdom	89.54%	88.79%	-	-
Brown Eyed Boy Ltd	United Kingdom	89.54%	88.79%	-	-
Bwark Films Ltd	United Kingdom	89.54%	88.79%	-	88.64%
Bwark production Ltd	United Kingdom	89.54%	88.79%	89.45%	88.64%
Castaway Television Productions Ltd	United Kingdom	89.54%	88.79%	89.45%	88.64%
Channel 12 Ltd	United Kingdom	89.54%	88.79%	-	-
ChannelFlip Media Ltd	United Kingdom	89.54%	88.79%	-	-
Dangerous Films Ltd	United Kingdom	70.00%	62.15%	62.62%	62.05%
Darlow Smithson Productions Ltd	United Kingdom	89.54%	88.79%	-	-
Douglas Road Productions Ltd	United Kingdom	89.54%	88.79%	-	-
Dragonfly Film and Television Productions Ltd	United Kingdom	89.54%	88.79%	-	-
Dragonfly Drama Ltd	United Kingdom	89.54%	-	-	-
Dream Alliance Productions Ltd	United Kingdom	89.54%	88.79%	-	-
DSP Drama 2 Limited	United Kingdom	89.54%	88.79%	-	-
DSP Drama 3 Limited	United Kingdom	89.54%	88.79%	-	-
DSP Drama 4 Limited	United Kingdom	89.54%	88.79%	-	-
DSP Drama Ltd	United Kingdom	89.54%	88.79%	-	-
Edam SLB Ltd	United Kingdom	89.54%	88.79%	-	-
Electric Robin Ltd	United Kingdom	89.54%	88.79%	-	-
Electric Robin (BTR) Limited	United Kingdom	89.54%	-	-	-
Electric Robin (GOG) Limited	United Kingdom	89.54%	-	-	-
Endemol Shine Gaming Ltd	United Kingdom	89.54%	88.79%	-	-
Endemol Shine Group Holding UK Limited	United Kingdom	89.54%	88.79%	-	-
Endemol Shine Group Limited	United Kingdom	89.54%	88.79%	-	-
Endemol Shine International Ltd.	United Kingdom	89.54%	88.79%	-	-
Endemol Shine International SPV Ltd	United Kingdom	89.54%	88.79%	-	-
Endemol Shine UK Ltd	United Kingdom	89.54%	88.79%	-	-
Endemol UK Holding Limited	United Kingdom	89.54%	88.79%	-	-
Endemol Worldwide Distribution Holding Ltd	United Kingdom	89.54%	88.79%	-	-
ES UK Productions Ltd	United Kingdom	89.54%	88.79%	-	-
Fall Productions Ltd	United Kingdom	40.29%	39.96%	-	-
Far Moor Media Ltd	United Kingdom	89.54%	88.79%	-	-
Flatmates Production Ltd	United Kingdom	89.54%	88.79%	-	-
Good Catch Ltd	United Kingdom	89.54%	88.79%	-	-
Gravity Hill Production Ltd	United Kingdom	89.54%	88.79%	-	-
Green Eyed Boy Ltd	United Kingdom	50.00%	44.40%	-	-
Guilder Productions Limited	United Kingdom	89.54%	88.79%	-	-
Hawkshead Ltd	United Kingdom	89.54%	88.79%	-	-
Holy Moly Entertainment Ltd	United Kingdom	89.54%	88.79%	-	-
House of Tomorrow Drama Ltd	United Kingdom	89.54%	88.79%	-	-
House of Tomorrow Holdings Ltd	United Kingdom	75.50%	67.04%	-	-
House of Tomorrow Ltd	United Kingdom	89.54%	88.79%	-	-
Ideal World Films Ltd. Scotland	United Kingdom	89.54%	88.79%	89.45%	-
Ideal World Productions Ltd	United Kingdom	89.54%	88.79%	89.45%	-
Initial (Seaforth) Ltd	United Kingdom	89.54%	88.79%	-	-
Initial Film & Television (Frankies House) Ltd	United Kingdom	89.54%	88.79%	-	-
Initial Film & Television (Horse Opera) Ltd	United Kingdom	89.54%	88.79%	-	-
Initial Film & Television Ltd	United Kingdom	89.54%	88.79%	-	-
Initial Music Publishing Ltd	United Kingdom	89.54%	88.79%	-	-
IWC Media Ltd. Scotland	United Kingdom	89.54%	88.79%	89.45%	-
Kudos and subsidiaries	United Kingdom	89.54%	88.79%	-	-
Late Night Shopping Ltd. Scotland	United Kingdom	89.54%	88.79%	-	-
Lomond Television Ltd	United Kingdom	89.54%	88.79%	-	-
Love or Money Ltd. Scotland	United Kingdom	89.54%	88.79%	-	-
Mast Media Big Call Ltd	United Kingdom	89.54%	88.79%	-	-
Mastercover Productions Ltd	United Kingdom	89.54%	88.79%	-	-
Momedia TV Ltd	United Kingdom	4.48%	4.44%	-	-
Monogram Productions Ltd	United Kingdom	89.54%	88.79%	89.45%	-
Neon Ink Productions Ltd	United Kingdom	89.54%	-	-	-
NC Shine Acquisition Ltd	United Kingdom	89.54%	88.79%	-	-
NC Zodiak Media Ireland Ltd	United Kingdom	89.54%	-	89.45%	88.64%
New Moon Rising Ltd	United Kingdom	89.54%	88.79%	-	-
Not Driving That Limited	United Kingdom	89.54%	88.79%	-	-
OP Media Limited	United Kingdom	67.16%	-	-	-
OP Talent Ltd	United Kingdom	89.54%	88.79%	-	-
Primetime Ltd	United Kingdom	89.54%	88.79%	-	-
Primetime No 2 Ltd	United Kingdom	89.54%	88.79%	-	-
Princess Productions Ltd	United Kingdom	89.54%	88.79%	-	-
RDF Television Ltd	United Kingdom	89.54%	88.79%	89.45%	88.64%
Secret Life of Boys 5 Ltd	United Kingdom	89.54%	88.79%	-	-
Shine Commercial Ltd	United Kingdom	89.54%	88.79%	-	-
Shine Commercial Ltd (Branch in Singapore)	United Kingdom	89.54%	-	-	-
Shine Creative (UK) Ltd	United Kingdom	89.54%	88.79%	-	-
Shine Ginkgo Limited	United Kingdom	89.54%	88.79%	-	-
Shine Jet Ltd	United Kingdom	89.54%	88.79%	-	-
Shine Ltd	United Kingdom	89.54%	88.79%	-	-

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Shine Midco Ltd	United Kingdom	89.54%	88.79%	-	-
Shine North Ltd	United Kingdom	89.54%	88.79%	-	-
Shine Pictures (UK) Ltd	United Kingdom	89.54%	88.79%	-	-
Shine Pictures LLP	United Kingdom	44.77%	44.40%	-	-
Shine TV (Hunted) Ltd	United Kingdom	89.54%	88.79%	-	-
Shine TV Ltd	United Kingdom	89.54%	88.79%	-	-
Simon's Cat Ltd	United Kingdom	45.67%	45.28%	-	-
Sound Pocket Music Ltd	United Kingdom	89.54%	88.79%	-	88.64%
Southern Star Sales (UK) Ltd	United Kingdom	85.44%	84.72%	-	-
Superchargers Limited	United Kingdom	89.54%	88.79%	-	-
Ted's Top Ten Ltd	United Kingdom	89.54%	88.79%	-	-
Teen Taxis Limited	United Kingdom	89.54%	88.79%	-	-
Television Productions Ltd	United Kingdom	89.54%	88.79%	89.45%	88.64%
The Comedy Unit Ltd. Scotland	United Kingdom	89.54%	88.79%	89.45%	88.64%
The Fall 2 Ltd	United Kingdom	89.54%	88.79%	-	-
The Fall 3 Ltd	United Kingdom	89.54%	88.79%	-	-
The Foundation TV Productions Ltd. Scotland	United Kingdom	89.54%	88.79%	89.45%	-
The Natural Studios Ltd	United Kingdom	45.67%	45.28%	45.62%	-
The Natural Studios Productions Ltd	United Kingdom	45.67%	45.28%	45.62%	-
The Russian Bride Ltd	United Kingdom	89.54%	88.79%	-	-
The Unofficial TV Company Ltd	United Kingdom	89.54%	88.79%	-	-
Tiger Aspect Kids and Family Limited	United Kingdom	89.54%	-	-	-
Tiger Aspect Animation	United Kingdom	89.54%	-	-	-
Tiger Aspect and subsidiaries	United Kingdom	89.54%	88.79%	-	-
Tiger Aspect Scotland	United Kingdom	89.54%	-	-	-
Tiger Television Ltd	United Kingdom	89.54%	88.79%	-	-
Tigress Productions Ltd	United Kingdom	89.54%	88.79%	-	-
Tronpipe Ltd	United Kingdom	89.54%	88.79%	-	-
Victoria Real Ltd	United Kingdom	88.15%	87.41%	-	-
Wark Clements & Company Ltd	United Kingdom	89.54%	88.79%	89.45%	-
Wild Mercury (Moreton) Limited	United Kingdom	89.54%	88.79%	-	-
Wild Mercury (The Rig) Limited	United Kingdom	89.54%	88.79%	-	-
Wild Mercury (Troy) Limited	United Kingdom	89.54%	88.79%	-	-
Wild Mercury Production Company Limited	United Kingdom	67.16%	45.28%	-	-
Wild West (Initial) Ltd	United Kingdom	89.54%	88.79%	-	-
Wonder Productions Ltd (Wonder Television Limited)	United Kingdom	89.54%	88.79%	89.45%	88.64%
Workerbee Documentary Films Ltd	United Kingdom	89.54%	88.79%	-	-
Workerbee TV Limited	United Kingdom	89.54%	88.79%	-	-
Yellow Bird Productions UK Ltd	United Kingdom	45.67%	-	-	-
Yellow Bird UK Ltd	United Kingdom	43.87%	45.28%	43.83%	43.44%
Young Bwark Ltd	United Kingdom	44.77%	44.40%	-	-
Zeppotron Drama Ltd	United Kingdom	89.54%	88.79%	-	-
Zeppotron Limited	United Kingdom	89.54%	88.79%	-	-
Zodiak Kids Studio UK Ltd	United Kingdom	89.54%	88.79%	89.45%	-
Zodiak Media Ltd	United Kingdom	89.54%	88.79%	89.45%	-
Zodiak Music Publishing Ltd	United Kingdom	89.54%	88.79%	89.45%	88.64%
1953 LLC	United States	53.72%	-	-	-
1982 Productions, LLC	United States	53.72%	-	-	-
247 W. 37th St. Location Services. LLC	United States	53.72%	53.27%	-	-
51 Minds Entertainment. LLC	United States	89.54%	88.79%	-	-
51 Minds. LLC	United States	89.54%	88.79%	-	-
ACIP CO LLC	United States	89.54%	88.79%	-	-
All Knight Music. LLC	United States	44.77%	44.40%	-	-
Alpha Blue Music. LLC	United States	53.72%	53.27%	-	-
Anonymous Music Library. LLC	United States	89.54%	88.79%	-	-
Ant Eggs Rentals. LLC	United States	45.67%	88.79%	-	-
Argyle Media. LLC	United States	53.72%	53.27%	-	-
Atrium Entertainment. LLC	United States	89.54%	88.79%	-	-
Authentic Entertainment Holdings LLC	United States	89.54%	88.79%	-	-
Authentic Entertainment. LLC	United States	89.54%	88.79%	-	-
Authentic Minds. LLC	United States	89.54%	88.79%	-	-
BANIJAY ENTERTAINMENT HOLDING US. Inc	United States	89.54%	88.79%	89.18%	88.38%
BANIJAY GROUP US HOLDING. Inc	United States	89.54%	88.79%	89.18%	88.38%
BANIJAY US	United States	89.54%	88.79%	89.18%	31.82%
Banijay Mexico and US Hispanic LLC	United States	45.67%	-	-	-
Banijay Mexico and US Hispanic LLC, S.A.P.I de C.V.	United States	45.65%	-	-	-
BANIJAY STUDIOS NORTH AMERICA. LLC	United States	70.11%	57.54%	32.10%	88.38%
Berkeley Productions. Inc	United States	89.54%	88.79%	-	-
BG Apple. LLC	United States	89.54%	88.79%	-	-
BG Peach. Inc	United States	89.54%	88.79%	-	-
Big Ant Productions. LLC	United States	44.77%	44.40%	-	-
BL4 Productions. Inc	United States	89.54%	88.79%	-	-
BMP Films. Inc	United States	89.54%	88.79%	-	-
Bona Fide Productions. LLC	United States	89.54%	88.79%	-	-
Boomdog Studios. S.A. de C.V. . Mexico	United States	45.49%	45.10%	-	-
Brigadier Productions. Inc	United States	89.54%	88.79%	-	-
BUNIM MURRAY PRODUCTIONS. Inc	United States	89.54%	88.79%	89.18%	88.38%

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
BUNIM MURRAY PRODUCTIONS. LLC	United States	89.54%	88.79%	89.18%	-
Burbank North Productions. LLC	United States	89.54%	88.79%	-	-
Candlestick Entertainment. LLC	United States	89.54%	88.79%	-	-
CCCM Projects. LLC	United States	89.54%	88.79%	-	-
Clock Tower Productions. Inc	United States	89.54%	88.79%	-	-
Coconunu Productions. Inc	United States	89.54%	88.79%	-	-
Complete Solution Pictures and Sound. LLC	United States	70.11%	57.54%	-	-
Cristal Ball Enterprises. LLC	United States	89.54%	88.79%	-	-
Crosswalk Productions. LLC	United States	89.54%	88.79%	-	-
Deep Dish Productions of Chicago. LLC	United States	89.54%	88.79%	-	-
Distance Productions. Inc	United States	89.54%	88.79%	-	-
Dos Producciones. LLC	United States	89.54%	88.79%	-	-
Endemol Beyond USA. LLC	United States	89.54%	88.79%	-	-
Endemol Latino N.A.. Inc	United States	89.54%	88.79%	-	-
Endemol Shine Boomdog Holding S.A.P.I de C.V. . Mexico	United States	45.67%	45.28%	-	-
Endemol Shine Boomdog. LLC	United States	51.00%	45.28%	-	-
Endemol Shine Boomdog. S.A.P.I. de C.V.. Mexico	United States	45.65%	45.27%	-	-
Endemol Mexico SA de CV. Mexico	United States	44.77%	44.40%	-	-
Endemol Shine SPV. LLC	United States	89.54%	88.79%	-	-
Endemol Shine US Office. LLC	United States	89.54%	88.79%	-	-
Endemol Studios Inc	United States	89.54%	88.79%	-	-
ENDEMOL USA Holding. Inc	United States	89.54%	88.79%	-	-
ENDEMOL USA. Inc	United States	89.54%	88.79%	-	-
GF Gilms. LLC	United States	53.72%	53.27%	-	-
Go Ahead Productions. Inc	United States	70.11%	57.54%	-	-
Gramercy Global Entertainment. LLC (The Blast)	United States	53.28%	52.67%	53.06%	52.58%
Gulf Stream Media Inc	United States	70.11%	57.54%	-	-
Hashtag Entertainment. LLC	United States	89.54%	88.79%	-	-
Hippocratical Productions LLC	United States	89.54%	88.79%	-	-
Hizzoner. LLC	United States	89.54%	88.79%	-	-
Home Brewed Productions. LLC	United States	89.54%	88.79%	-	-
Home Run Production Services. LLC	United States	89.54%	88.79%	-	-
Impressario Productions. LLC	United States	89.54%	88.79%	-	-
In the Keys Music. LLC	United States	44.77%	44.40%	-	-
Keeping Track Music.. Inc	United States	89.54%	88.79%	-	-
Lars & Son Moisture Farm. LLC	United States	89.54%	88.79%	-	-
Lock and Key Productions. Inc	United States	89.54%	88.79%	-	-
Lock Cut 9. LLC	United States	44.77%	44.40%	-	-
Look Both Ways Productions. LLC	United States	89.54%	88.79%	-	-
M Cable Television. Inc	United States	89.54%	88.79%	-	-
M Theory Entertainment. Inc	United States	89.54%	88.79%	-	-
Media Production Services. LLC	United States	89.54%	88.79%	-	-
Middle Man. Inc	United States	89.54%	88.79%	-	-
Mindring Productions. LLC	United States	89.54%	88.79%	-	-
Mobility Productions, INC	United States	89.54%	-	-	-
Monte Pictures. LLC	United States	89.54%	88.79%	-	-
Mountain View Productions. LLC	United States	89.54%	88.79%	-	-
Navy Street Productions. LLC	United States	89.54%	88.79%	-	-
NJC. LLC	United States	89.54%	88.79%	-	-
No Doubt Productions. Inc	United States	89.54%	88.79%	-	-
Note Republic. LLC	United States	44.77%	44.40%	-	-
NoVat Productions. LLC	United States	44.77%	88.79%	-	-
Only On Oxnard. LLC	United States	89.54%	88.79%	-	-
Onxnard Cats Entertainment. LLC	United States	89.54%	88.79%	-	-
Organized Productions. LLC	United States	89.54%	88.79%	-	-
Original Ink. LLC	United States	89.54%	88.79%	-	-
Original Media. LLC	United States	89.54%	88.79%	-	-
Our House Productions. Inc	United States	89.54%	88.79%	-	-
New Zealand 1, LLC	United States	53.72%	-	-	-
New Zealand 2, LLC	United States	53.72%	-	-	-
Palisade Productions, LLC	United States	53.72%	-	-	-
Particle LLC	United States	53.72%	53.27%	-	-
Particle VFX. LLC	United States	53.72%	53.27%	-	-
Pico Script Lab. Inc	United States	89.54%	88.79%	-	-
PMPGL. LLC	United States	89.54%	88.79%	-	-
Production Support Services. LLC	United States	89.54%	88.79%	-	-
Proton Production, LLC	United States	53.72%	-	-	-
Road Rules Productions. LLC	United States	89.54%	88.79%	-	-
Rough Cut Productions. LLC	United States	89.54%	88.79%	-	-
RW Productions. LLC	United States	89.54%	88.79%	-	-
Screenbox. LLC	United States	53.72%	53.27%	-	-
SDE WV. LLC	United States	53.72%	53.27%	-	-
Shadows Doubt. LLC	United States	53.72%	53.27%	-	-
Shea Office Space and Furnishings. LLC	United States	70.11%	57.54%	-	-
Shine Television. LLC	United States	89.54%	88.79%	-	-
Shine US Holdings. Inc	United States	89.54%	88.79%	-	-

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Snack Tray Productions. LLC	United States	89.54%	88.79%	-	-
Spring Break Films. LLC	United States	44.77%	44.40%	-	-
STEPHEN DAVID ENTERTAINMENT	United States	53.72%	53.27%	53.51%	53.03%
Stephen David Media. LLC	United States	53.72%	53.27%	-	-
Suns Productions. LLC	United States	89.54%	88.79%	-	-
Sunset Ventures. Inc	United States	70.11%	57.54%	-	-
Superior Production Services. LLC	United States	89.54%	88.79%	-	-
Swampy Projects. LLC	United States	89.54%	88.79%	-	-
Tabula Rasa Productions. LLC	United States	89.54%	88.79%	-	-
Tatsy Treat. LLC	United States	44.77%	44.40%	-	-
The American Cue Society. LLC	United States	89.54%	88.79%	-	-
Trade Winds Productions. Inc	United States	70.11%	57.54%	-	-
Trapeze Productions, LLC	United States	53.72%	-	-	-
True Entertainment. LLC	United States	89.54%	88.79%	-	-
True TTH. LLC	United States	89.54%	88.79%	-	-
Truly Original. LLC	United States	89.54%	88.79%	-	-
Turnt Up Productions. LLC	United States	89.54%	88.79%	-	-
United Front Productions. LLC	United States	89.54%	88.79%	-	-
UP-N-ATOM, LLC	United States	53.72%	-	-	-
Very Water Logged. LLC	United States	89.54%	88.79%	-	-
W. 37th St. Location Services. LLC	United States	53.72%	53.27%	-	-
Warren and Whitmore, LLC	United States	53.72%	-	-	-
Wescar. LLC	United States	53.72%	53.27%	-	-
Wheelhouse Productions. LLC	United States	89.54%	88.79%	-	-
World Wars WV. LLC	United States	53.72%	53.27%	-	-
YB US HOLDINGS CORT	United States	89.54%	-	-	-
YOLO Productions. LLC	United States	89.54%	88.79%	-	-
Zamora Films. LLC	United States	89.54%	88.79%	-	-
Zodiak Americas	United States	89.54%	88.79%	89.45%	88.64%
Zodiak USA	United States	89.54%	88.79%	89.45%	88.64%
Zodiak Latino Llc	United States	80.59%	-	-	79.78%
Zodiak Latino S. DE R. L DE C.V. (formerly RM5to Elemento Mexico SDE)		81.51%	-	-	-
Zoom Equipment Rentals. LLC	United States	89.54%	88.79%	-	-
Endemol Israel Ltd.. Israel	Rest of the World	89.54%	44.87%	-	-
Endemol Medya Produksiyon Ticaret Limited Sirketi, Turkey	Rest of the World	89.09%	-	-	-
Endemol Middle East Productions SAL, Lebanon	Rest of the World	89.36%	-	-	-
Endemol Shine Brasil Producoes Ltda. Brazil	Rest of the World	87.66%	87.01%	-	-
Endemol Shine Polska Sp. Z.o.o.. Poland	Rest of the World	89.54%	88.79%	-	-
Endemol South East Asia Pte Ltd. Singapore	Rest of the World	89.54%	88.79%	-	-
JSC WeiT Media. Russia	Rest of the World	71.63%	82.57%	-	-
Mastiff LLC. Russia	Rest of the World	67.60%	67.04%	75.04%	66.93%
Crossmex B.V. . Netherlands	Investments in associates and joint ventures	53.72%	53.27%	-	-
Daze MGMT SAS	Investments in associates and joint ventures	31.37%	-	-	-
Double Dutch Productions Lrd	Investments in associates and joint ventures	44.68%	-	-	-
Ensemble Entertainment. LLC . United States	Investments in associates and joint ventures	1.34%	1.33%	-	-
Financière EMG SAS. France	Investments in associates and joint ventures	6.82%	7.81%	7.79%	7.72%
Flow Ventures. LLC. United States	Investments in associates and joint ventures	33.58%	33.30%	-	-
Foundling Bird Ltd. UK	Investments in associates and joint ventures	8.95%	8.88%	-	-
Kids First SAS. France	Investments in associates and joint ventures	-	44.40%	-	-
LADYKRACHER TV – PRODUKTION GmbH. Germany	Investments in associates and joint ventures	35.91%	35.52%	-	-
M.G. Productions SAS (Commercial name: Marathon Studio)	Investments in associates and joint ventures	43.87%	-	-	-
MINISTRONE PRODUKTION GbR. Germany	Investments in associates and joint ventures	35.91%	35.52%	-	-
Neon Ink Limited. UK	Investments in associates and joint ventures	-	45.28%	22.35%	22.15%
Playzido Ltd. UK	Investments in associates and joint ventures	17.78%	16.21%	-	-
Pure Grass Films Ltd. UK	Investments in associates and joint ventures	4.48%	4.44%	-	-
Second Nature Media B.V.. Netherlands	Investments in associates and joint ventures	44.77%	44.40%	-	-
Shauna Events SAS. UK	Investments in associates and joint ventures	-	44.46%	-	44.32%
Shine Fiction SAS	Investments in associates and joint ventures	43.87%	-	-	-

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Story Monster. LLC. United States	Investments in associates and joint ventures	43.87%	43.51%	-	-
What's the Story? Sounds Ltd	Investments in associates and joint ventures	22.39%	-	-	-
Yellowbird YS, LLC.	Investments in associates and joint ventures	43.87%	-	-	-

29.2 Betcllc Everest Group's sub-group consolidation scope

The table below presents the percentage of ownership interest held by Betcllc Everest Group SAS in its subsidiaries:

Name of the legal entity	Country of incorporation	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Betcllc Everest Group SAS	France			Holding	
Betcllc Group SAS	France	0.00%	100.00%	100.00%	100.00%
Mangas Everest SAS	France	100.00%	100.00%	100.00%	100.00%
Mangas Gambling Engineering SARL	France	100.00%	100.00%	100.00%	100.00%
Bet-at-home.com AG Allemagne	Germany	53.90%	53.90%	51.69%	51.69%
Bet-at-home.com AG Autriche	Austria	53.90%	53.90%	51.69%	51.69%
Betcllc Gibraltar Ltd	Gibraltar	-	Liquidated Company	100.00%	100.00%
Betcllc Everest Gibraltar Ltd	Gibraltar	-	100.00%	100.00%	100.00%
Triple Fun SAS	France	0.00%	100.00%	100.00%	100.00%
Equinox Ltd	Gibraltar	100.00%	100.00%	100.00%	100.00%
Jonsden Properties Ltd Gibraltar	Gibraltar	53.90%	53.90%	51.69%	51.69%
Mater Ltd Gibraltar	Gibraltar	100.00%	100.00%	100.00%	100.00%
Pater Ltd Gibraltar	Gibraltar	-	-	100.00%	100.00%
Volantis Ltd	Gibraltar	-	-	100.00%	100.00%
BC Marketing Agency Italia Srl	Italy	100.00%	100.00%	100.00%	100.00%
Euro Gaming Investment SA	Luxembourg	89.54%	100.00%	100.00%	100.00%
BC Malta Services Ltd	Malta	100.00%	100.00%	100.00%	100.00%
BEM Operations Ltd	Malta	100.00%	100.00%	100.00%	100.00%
Bet-at-home Entertainment Ltd Malta	Malta	53.90%	53.90%	51.69%	51.69%
Bet-at-home Holding Ltd Malta	Malta	53.90%	53.90%	51.69%	51.69%
Bet-at-home International Ltd Malta	Malta	53.90%	53.90%	51.69%	51.69%
Bet-at-home Internet Ltd Malta	Malta	53.90%	53.90%	51.69%	51.69%
Betcllc Enterprises Ltd	Malta	100.00%	100.00%	100.00%	100.00%
Betcllc Ltd	Malta	100.00%	100.00%	100.00%	100.00%
Mangas Gaming Malta Ltd	Malta	100.00%	100.00%	100.00%	100.00%
Mangas Investment Ltd	Malta	100.00%	100.00%	100.00%	100.00%
MCG1 Holding Malta Ltd	Malta	-	-	100.00%	100.00%
EG Portugal SUL	Portugal	100.00%	100.00%	100.00%	100.00%
Expekt Nordics Limited	Sweden	0.00%	100.00%	100.00%	100.00%
Betcllc Group Nordics AB	Sweden	0.00%	100.00%	100.00%	100.00%
Skillstar SARL	France	50.00%	50.00%	50.00%	50.00%