

Universal Registration Document 2022

Including the annual financial
report and the integrated report

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Universal Registration Document 2022

Including the annual financial
report and the integrated report



This Universal Registration Document contains all the elements of the Annual Financial Report.

On 16 March 2023 the French language version of the Universal Registration Document (URD) was filed with the Autorité des Marchés Financiers (French Financial Markets Authority or AMF), in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of that Regulation.

This Universal Registration Document may be used for the purpose of an offer of financial securities to the public or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary of and any amendments to the Universal Registration Document. The package thus formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Copies of this Universal Registration Document are available free of charge at the registered office of La Française des Jeux, 3-7 quai du Point du Jour – 92100 Boulogne Billancourt – France.

The Document is also available on the websites of La Française des Jeux (www.groupefdj.com) and the Autorité des Marchés Financiers (www.amf-france.org).

"The Universal Registration Document including the Annual Financial Report is a reproduction of the official version of the Universal Registration Document which was established in xHTML and filed with the AMF on 16 March 2023; this version is also available on the FDJ Group's website."



Integrated Report

About this Report

— This Integrated Report is based on the framework recommended by the Value Reporting Foundation and related best practices. It is designed to provide FDJ's stakeholders with a comprehensive view of the Group's strategy and commitments, as well as its financial and non-financial performance. Its contents were prepared in consultation with the Company's various departments and includes testimonials from stakeholders, whom we would like to thank for their contribution. This year, for the first time, the Report will be the opening chapter of the Universal Registration Document to provide an even more global presentation of FDJ. The Report is available on our website, where it may be read or downloaded www.groupefdj.com.

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Benoît Halgand

MEMBER OF THE ECOLOGICAL AWAKENING COLLECTIVE

FDJ Stakeholder Committee member and one of the founder members of the Student Manifesto for an Ecological Awakening.



Eliette Vray

CLIMATE AND BIODIVERSITY STRATEGY OFFICER

FDJ employee since 2020, in charge of climate and biodiversity within FDJ's Commitment & Responsible Gaming Department.



Soumia Y.

FDJ CUSTOMER

Soumia, a Group customer, is a secretary at Paris Prefecture and enjoys FDJ's draw, scratch, and sports betting offers, both at points-of-sale and online.

2022 Contributors

THIS REPORT'S CONTRIBUTORS SHARE THEIR VIEWS ON THE ISSUES AND CHALLENGES OUR INDUSTRY FACES.

Jean-François Vigouroux

RETAILER

Le Maurepas (Yvelines) point-of-sale owner and FDJ partner since 2006.

Nathalie Sandre Rauzy

POINT-OF-SALE MERCHANDISING, CUSTOMER EXPERIENCE, PROMOTION, ORGANISATION AND COMMUNICATIONS MANAGER

FDJ employee since 2017, in charge of organising the promotions materials and events which help make up the point-of-sale customer experience.

Thomas Coutand

PRODUCT MANAGER

FDJ employee since 2017, in charge of designing draw games within the Lottery BU's Offers, Services & Innovations team.



Each chapter in this Integrated Report includes a summary of the conversations between these stakeholders and three FDJ Business Steering Committee members - Charles Lantieri, Cécile Lagé and Patrick Buffard. The QR codes provide access to the video recording of their conversations.

Group profile

La Française des Jeux is the gaming leader in France. Its constantly updated portfolio offers an extensive range of responsible gaming experiences, and FDJ continuously innovates to renew this offer. The Group is also diversifying its services by marketing international technological solutions, creating a local point-of-sale payment and collection offer, and positioning itself in entertainment activities.



€2.5 billion
in revenue

24.0%
Recurring EBITDA margin

€20.6 billion
in stakes, of which
€14.1 billion were paid to winners,
and **€4.4 billion** were contributed
to the French State's budget

1st
local network with almost
30,000 points of sale

MORE THAN
25 million
players

209
millionaires

ALMOST
2,700
employees

100/100
Pénicaud Gender Equality
Index (FDJ SA) rating

A1+
Moody's ESG Solutions rating

10%
of the overall advertising budget
devoted to responsible gaming



◆ **ROBUST POINT-OF-SALE AND ONLINE LOTTERY**

The lottery business experienced strong growth, both online, where players now amount to almost five million (up 12% compared to 2021) and at points of sale, where the post-Covid resilience of the retailer network was confirmed.

◆ **ONLINE POKER, FDJ STYLE...**

By launching its online poker offer in November on its Parions Sport en Ligne app, FDJ has strengthened its position in the French gaming market open to competition. This is in line with its development and innovation strategy.

◆ **FURTHER PROGRESS IN PAYMENT & SERVICES**

The Group's decision to become one of the first leading French point-of-sale payment and collection networks resulted in the launch of the Nirio app and two point-of-sale management and payment solutions sector acquisitions (Aleda and L'Addition).

2022 Highlights

◆ **AN INTERNATIONALLY PIONEERING PHYGITAL CONCEPT**

FDJ announced an exclusive partnership with Scientific Games, a leading gaming and lottery services provider, to market phygital gaming internationally under the iDecide brand. Both partners were able to present this pioneering initiative to the gaming industry in October 2022 during the World Lottery Summit in Vancouver.

◆ **FDJ'S RESPONSIBLE COMMITMENT RECOGNISED**

FDJ won the World Lottery Association's (WLA) Best Responsible Gaming Advertising ⁽¹⁾ award for its "Gambler's Rules" advertisement campaign. This award is proof of FDJ's commitment to responsible gaming. In 2022, advertising expenses for responsible gaming awareness campaigns almost doubled compared to 2021.

◆ **FDJ'S FIRST INNOVATION DAY**

FDJ held its first Innovation Day to showcase its innovation projects. "Let's build our future", the event's chosen theme, was the opportunity to ramp up employee innovation knowledge through panels with French Tech speakers. In total, 2,500 employees and guests (start-ups and partners) attended the event.

(1) Best responsible gaming advertisement.

Stéphane Pallez

◆ CHAIRWOMAN AND CEO

◆ INTERVIEW

How would you sum up 2022?

S. P.: FDJ's performance was very robust in 2022 despite the uncertain global context. We are proud of our point-of-sales' momentum because this reflects our retailer network's resilience. In 2022 our digital activity also continued to develop, particularly the online lottery which now amounts to almost five million players. Our sports betting activity continued to grow, thanks to the offer's development. The FIFA World Cup at the end of the year, and the French team's remarkable performance, were also beneficial to this activity. This global good performance mirrors our strategy's relevance and our long-term responsible growth model.

What about non-financial performance?

S. P.: Financial and non-financial performance are inseparable and our flagship commitment in this area is responsible gaming. It is at the heart of our business, from assessing the risk level of the games we launch to supporting players. Moreover, for years FDJ has been working towards environmental protection with two priorities - the fight against climate change and protecting biodiversity - for which we have set high standards. This is how, in 2022, we already reached our goal of reducing our carbon footprint on our direct scope, which was initially targeted for 2025. We are now working on defining a new trajectory so that we can reduce our carbon emission intensity by 50% between now and 2030.

What are the medium-term perspectives?

S. P.: By 2025, we are aiming for an average annual revenue increase of between +4% and +5%. In order to do this, we are continuing to strengthen the lottery's growth levers with our digital transformation and omnichannel approach. We are also going to step up the sports betting momentum and expand our online gaming offer in competition with horse-race betting, just like we did with poker in 2022. And we are going to accelerate our activity diversification. In France, we will continue to develop our Payment & Services activities. On the international stage, where we market our solutions on the B2B market, we intend to manage lottery and online gaming activities. And at the same time, we are going to ramp up our CSR initiatives and keep our non-financial performance at the highest level. This strategy, which combines performance and commitment, will allow us to strengthen our responsible growth model, which is based on player protection, and increase our positive impact on society.

“**THE GROUP'S GOOD PERFORMANCE IN 2022 MIRRORS OUR STRATEGY'S RELEVANCE AND OUR LONG-TERM RESPONSIBLE GROWTH MODEL.**”





More information



Raison d'être & GOVERNANCE

FDJ's governance bodies are a committed group which defines and steers the Group's strategy to create sustainable value for all its stakeholders. Their compass is the Group's raison d'être, which is the cornerstone of all FDJ's initiatives.



Charles Lantieri
FDJ DEPUTY CEO



Benoît Halgand
MEMBER OF THE
ECOLOGICAL AWAKENING
COLLECTIVE



Eliette Vray
CLIMATE AND BIODIVERSITY
STRATEGY OFFICER WITHIN
THE FDJ GROUP

For young employees today, personal commitment and career paths are intertwined. FDJ has taken this challenge on board by focusing on its impacts with the Group's employees and stakeholders.

How do you feel about “meaning”, which is becoming increasingly important to the younger generation?

Eliette Vray: I expect more from my company than just a salary. I need to know that I am going to grow as a person during my career with the Group. “Meaning” is crucial to my duties at FDJ. Working on climate and biodiversity issues means constantly questioning the thought process behind our actions.

Benoît Halgand: The younger generation wants coherence between their personal beliefs, their daily efforts, especially to switch to more eco-friendly lifestyles, and their work commitment. Companies must adapt to these expectations and transform their business models to be compatible with global limits.

Charles Lantieri: Today, when you join a company, you join a project and you want to know what sort of society it is helping to shape. FDJ is one of the companies which has identified a *raison d'être*. We have chosen to closely involve our employees in defining our *raison d'être* and have included it in the preamble to the Group's Articles of Association. The managerial scope and solid legal application of this approach prove that our societal and solidarity commitments are at the very core of our strategy.



Everything starts with defining a *raison d'être*. What comes next?

C. L.: First of all, what is most important is that our employees understand our strategy, and the meaning of what we do, and that they are part of implementing all of this. After that, it's a question of our impact. We need to better understand our negative and positive impacts on society and reduce the former and increase the latter through our business and operational model.

B. H.: The Pacte Law was the first step but now we need to go further. For me, it's now a question of knowing how corporate governance will concretely integrate these challenges.



More information



E. V.: The fact that the Company has addressed these issues cascades down to employees and raises their awareness. This is sure to lead to positive initiatives outside the Company.

In 2020 FDJ created a Stakeholder Committee. What role does this Committee and, more broadly, dialogue with stakeholders play in this transformation process?

B. H.: Involving stakeholders in corporate governance is an important step. It is very interesting to communicate directly with a group like FDJ over the long term and observe how things change. Our discussions during committee meetings led to highly practical initiatives, such as creating a tool so employees can calculate their individual carbon footprint.

E. V.: Most of my duties mean that I interact with a host of stakeholders (NPOs, and environmental specialists, etc.). These discussions are vital because they allow me to anchor our work into reality. I've noticed that I'm not the only one to foster discussions outside the Company.

C. L.: It is essential to be open to outside opinions and be able to question ourselves. The Stakeholder Committee members bring their expertise and freedom of thought and speech to the table. Their diverse profiles also means that they compare points of view about social issues and subjects that affect FDJ and its raison d'être. Together, they take a completely new look at the Company. And that, for us, is a way to reflect and move forward.

Benoît Halgand

“YESTERDAY, THE NEED FOR MEANING WAS THOUGHT TO BE THE SAME AS THE NEED FOR A CARING MANAGEMENT STYLE. NOW, THIS ISSUE APPLIES TO THE COMPANY’S ENTIRE VALUE CHAIN AND ITS IMPACT.”



Our raison d'être, a strategic compass

The Group's raison d'être, the result of a team effort, is the cornerstone of FDJ's strategy and guides all the Group's actions. Our raison d'être has been part of the Company's articles of association since 2020.



FDJ Group offers people who wish to experience the thrill of gaming and moments of emotion a wide range of responsibly-designed games. **Gaming is our business, giving back to society is what drives us, and responsibility is our constant focus.**

We promote recreational gaming by accompanying our customers, creating games with built-in integrity, and reducing the risks and consequences which arise from our activity. We actively help prevent addictive behaviour and underage gaming. We are faithful to the French national lottery legacy – created to help wounded World War One soldiers – and we continue to support social and community initiatives, and fund good causes. As key partners of local businesses, we ensure that our games and services are widely available through a dense network of neighbourhood retailers. Thanks to our committed employees and capacity for innovation we are pursuing our goal of sustainable growth, underpinned by a responsible and socially useful business model, and close collaboration with our stakeholders.

OUR SIX COMMITMENTS

1. Offer

Develop a range of entertaining, upstanding and responsible games

2. Customers

Assist our customers at every stage of their online and point-of-sale gaming experience

3. Responsible gaming

Limit excessive gambling and prevent underage gambling

4. Social and environmental

Step up our solidarity, societal and environmental initiatives

5. Network

Promote local businesses nationwide

6. International

Promote our responsible gaming model worldwide



Stakeholder Committee meeting at FDJ Group headquarters, June 2022

The Stakeholder Committee

Since its creation in early 2021, the FDJ Stakeholder Committee ensures that the Group's raison d'être is translated into tangible achievements.

There are 13 independent Stakeholder Committee members who represent FDJ's stakeholder diversity in its major areas of interest. This advisory body is led by an independent chairperson and closely monitors the implementation of the six commitments set out in its raison d'être whilst interacting with Executive Management about the Group's cross-cutting issues.

The Committee met three times in 2022. It contributed to a first raison d'être implementation review and expressed its satisfaction with the work carried out and its future expectations. In particular, it examined certain issues such as using data for integrity, responsible gaming, and the future of local retail in light of changing uses and societal challenges. To provide insight into topics such as artificial intelligence and ethics, or changing local business, the Committee was able to rely this year on its members' expertise, especially Laurence Devillers, Artificial Intelligence Professor, and Philippe Moati, Economics Professor and Obsoco Co-Founder (L'Observatoire société et consommation). These sessions led to the creation of a trade and environment working group which includes professional organisations, retailers and FDJ specialists.



FOR MORE INFORMATION
about the Stakeholder Committee and its members,
visit the Group's institutional website, section "Raison d'être".

Creating value with a balanced governance

The Board of Directors defines FDJ's strategic direction and ensures that its value creation is aligned with its general interest, by taking into account the social, environmental and cultural stakes of its activity. It has set up three specialist committees which draw up proposals, recommendations, and opinions. The Company's management team, which expresses itself via the Business Steering Committee and the Group Management Committee, implements the strategy defined by the Board.

ORGANISATION



FDJ GOVERNANCE SPECIFICS

The French national lottery (now "FDJ") was founded in 1933 to help injured First World War veterans reintegrate. At the time of the Company's IPO in 2019, the French State retained over 20% of its capital. The following members sit on the Company's Board of Directors: one director representing the French State; two directors proposed by the

French State and appointed by the General Meeting; and - in an advisory capacity - a government commissioner and a general economic and financial controller. Furthermore, the order of 2 October 2019 provides for the implementation of close control of gaming activities operated by FDJ under exclusive rights by the French State.

For further information, please refer to the Universal Registration Document (URD), chapter 2, "Corporate Governance". In total, the Board of Directors is made up of 15 members, six of whom are independent, which is an independence rate of 50% - in accordance with the Afep-Medef Code recommendations.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS ON 31 DECEMBER 2022

Stéphane Pallez,
Chairwoman and CEO

INDEPENDANT DIRECTORS

Pierre Pringuet,
Lead Director ■▼★

Fabienne Dulac ◆●★

Xavier Girre ■★

Françoise Gri ▼

Corinne Lejbowicz ■

Predica, represented
by Florence Barjou ■

REPRESENTATIVE OF THE FRENCH STATE

Charles Sarrazin ■▼

DIRECTORS APPOINTED BY THE GENERAL MEETING PROPOSED BY THE FRENCH STATE

Ghislaine Doukhan ■

Didier Trutt ●

DIRECTORS REPRESENTING VETERANS

Fédération nationale André Maginot
des Anciens Combattants (FNAM),
represented by Jacques Sonnet

Union des blessés de la face
et de la tête (UBFT), an association
incorporated under 1901 law,
represented by Olivier Roussel ●

DIRECTORS REPRESENTING EMPLOYEES

Agnès Lyon-Caen ■▼

Philippe Pirani ●

DIRECTOR REPRESENTING EMPLOYEE SHAREHOLDERS

David Chianese ■

ALSO ATTENDING FDJ'S BOARD OF DIRECTORS MEETINGS IN AN ADVISORY CAPACITY ONLY

Philippe Lazare ▼, Non-voting member

Pascal Chèvremont, General Economic
and Financial Controller

Sébastien Devillepoix⁽¹⁾,
Economic and Labour Relations
Council Representative

Philippe Sauvage,
Government Commissioner

(1) Replacing Karim Dahdouh
for the duration of his incapacity.
(2) Excluding directors representing
employees, employee shareholders,
and the non-voting member

- Audit and Risks Committee
- ▼ Governance, Nominations
and Remuneration Committee
- Corporate Social Responsibility
and Responsible Gaming
Committee
- ★ Committee Chair
- ◆ Permanent guest of the
Governance, Nominations
and Remuneration Committee

ENSURING BALANCE WITH A LEAD DIRECTOR

Pierre Pringuet is FDJ's first lead director. He was appointed to this role on 16 December 2020 and also chairs the Governance, Nominations and Remuneration Committee. As the functions of Chairman and Chief Executive Officer are combined within FDJ, the Group introduced the function of lead director in the internal regulations of the Board of Directors immediately after its IPO in November 2019. The lead director is an additional guarantee of the Board of Directors' correct functioning and of balanced power within governance. The lead

director: chairs the Board of Directors in the Chairwoman's absence and may add items to the agenda; acts as the directors' spokesperson to the Chairwoman and reviews potential situations of conflicts of interest with her; oversees the Board of Directors' periodic reviews; and is in charge of ensuring the relationship between the Board of Directors and the shareholders, particularly for governance issues.

50% of women
50% of independent
directors⁽²⁾
60 average age

FOR MORE INFORMATION

Please refer to the Universal Registration Document,
chapter 2, "Corporate Governance".

A Board of Directors serving a long-term vision

In 2022, the Board of Directors held 14 meetings to discuss the Group's main challenges and topics. The meetings focused mainly on FDJ's daily operational management, preparing its General Meeting, the remuneration and independence of executive Corporate Directors, and acquisition projects. Specific presentations were also made about climate issues and innovation.



Board of Directors meeting, April 2022

MAJOR WORK CARRIED OUT BY THE BOARD'S COMMITTEES IN 2022

GOVERNANCE, NOMINATIONS, AND REMUNERATION COMMITTEE

3 meetings – 100% attendance rate

- ◆ Remuneration of executive Corporate Directors
- ◆ Composition of the Board of Directors and independence
- ◆ Evaluation of the Board of Directors

CORPORATE SOCIAL RESPONSIBILITY AND RESPONSIBLE GAMING COMMITTEE

5 meetings – 100% attendance rate

- ◆ Responsible gaming
- ◆ Environment
- ◆ *Raison d'être*
- ◆ Combating fraud and money laundering

AUDIT AND RISKS COMMITTEE

12 meetings – 93% attendance rate

- ◆ Finance and Treasury
- ◆ Risk analysis
- ◆ Strategy
- ◆ M&A project



Board of Directors members during the 2022 General Meeting

- ◆ 14 Board meetings
- ◆ 20 Committee meetings
- ◆ 96 % attendance rate

A REMUNERATION POLICY WHICH ENCOURAGES THE SEARCH FOR FINANCIAL AND NON-FINANCIAL PERFORMANCE

The remuneration policy applicable to executive Corporate Directors (ECDs) is forward-looking in both the short and long term on the one hand, while also seeking to align the ECDs' interests with the Group's general interest and the interests

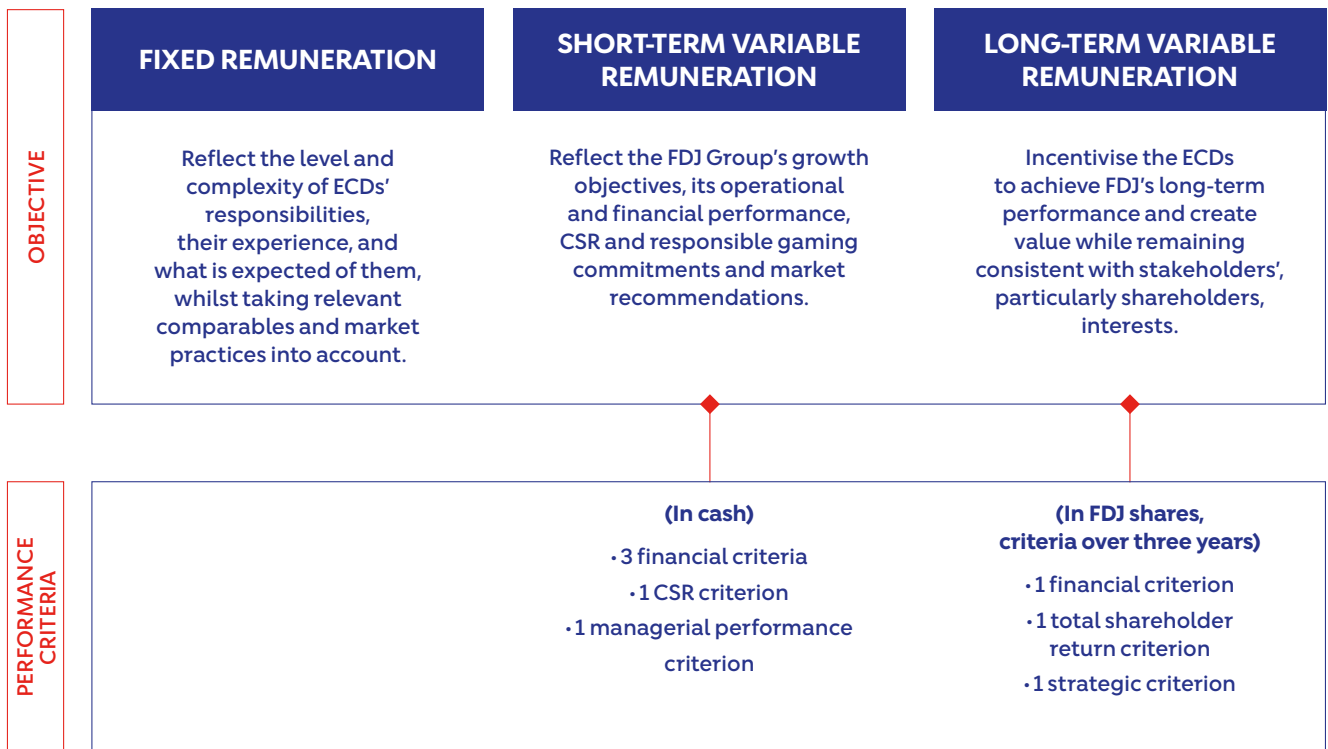
of its shareholders, on the other hand. ECDs' remuneration must be competitive to attract and motivate the talent needed to implement FDJ's commercial strategy and achieve its short- and long-term goals. It takes the Group's CSR and responsible

gaming commitments into account. Details of ECD remuneration is available in section 2.2 of the Universal Registration Document.

EXECUTIVE CORPORATE DIRECTORS' REMUNERATION BREAKDOWN

Short term

Long term



APPROVAL SCHEME FOR EX-POST (FINANCIAL YEAR N-1) AND EX-ANTE (FINANCIAL YEAR N) ELEMENTS FOR EXECUTIVE CORPORATE DIRECTORS



FOR MORE INFORMATION
Please refer to the Universal Registration Document, chapter 2, "Corporate Governance".

A demanding vision of the Group's future

The Business Steering Committee ensures the successful implementation of the Group's strategy, and guides FDJ on a forward path.



1. Stéphane Pallez

CHAIRWOMAN AND CEO

"We are going to strengthen our responsible growth model, which is based on player protection, and extend our positive impact on society."

2. Patrick Buffard

EVP, SPORT BUSINESS UNIT, MEDIA, TV PRODUCTION AND EVENTS, FDJ RESEAU CEO, CHAIRMAN OF THE BOARD OF LA PACIFIQUE DES JEUX

"As a business with a strong regional foothold, FDJ continues to support the transformation of its retailer network and aims to increase its local impact."

3. Xavier Étienne

EVP TECHNOLOGY & INTERNATIONAL, PRESIDENT OF FGS GAMING SOLUTIONS

"We continue to invest heavily in our technology platforms to pursue Group growth, and on an international level we intend to operate lottery and online gaming activities."

4. Raphaël Botbol

DIRECTOR IN CHARGE OF STRATEGY, INNOVATION, ABU PAYMENT & SERVICES AND ENTERTAINMENT, PRESIDENT OF FDJ SERVICES

"Innovation and developing new activities, especially for payment and local services, will help to consolidate our model's sustainability."

5. Charles Lantieri

DEPUTY CEO, PRESIDENT OF FDP, CHAIRMAN OF THE SUPERVISORY BOARD OF FDJ SERVICES, CHAIRMAN OF FDJ CORPORATE FOUNDATION

"As a Group, and not solely through its corporate foundation, FDJ intends to step up its positive impact on society."

6. Pascal Chaffard

EVP FINANCE, PERFORMANCE & STRATEGY

"Innovation and developing new activities, especially for payment and local services, will help to consolidate our model's sustainability."

7. Cécile Lagé

EVP LOTTERY BUSINESS UNIT, CUSTOMER DEPARTMENT

"We are going to consolidate the lottery's growth levers by pursuing the digital transformation of our activity and develop an omnichannel approach, with customers at the core of our purpose and decisions."

8. Raphaële Rabatel

GROUP COMMUNICATIONS & SPONSORSHIP DIRECTOR

"We aim to fully promote the FDJ model's strength, reputation and uniqueness to help support its expansion in France and internationally."

THE GROUP MANAGEMENT COMMITTEE

— The Group Management Committee works on strategic priorities and operational objectives. It develops the understanding of cross-business issues and the proper coordination of Group functions and Business Units (BU). There are 23 members in the Group Management Committee: eight Business Steering Committee members and 15 top managers in charge of the Company's major functions.

FOR MORE INFORMATION

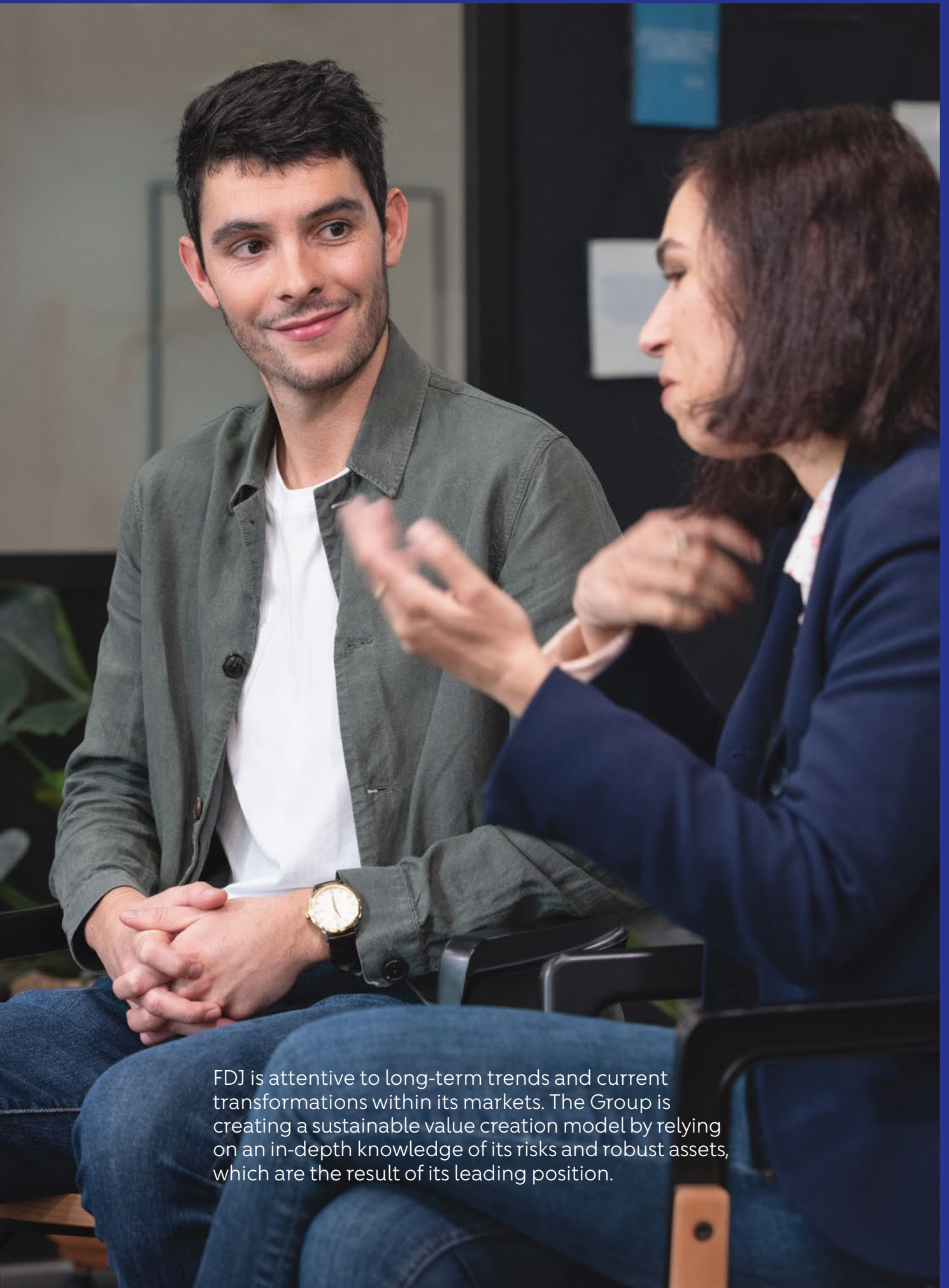
Please refer to the Universal Registration Document, chapter 2, "Corporate Governance".



More information



Strategy & BUSINESS MODEL



FDJ is attentive to long-term trends and current transformations within its markets. The Group is creating a sustainable value creation model by relying on an in-depth knowledge of its risks and robust assets, which are the result of its leading position.



Cécile Lagé
EVP LOTTERY
BUSINESS UNIT,
CUSTOMER DEPARTMENT



Soumia Y.
FDJ CUSTOMER



Thomas Coutand
LOTTERY BU
PRODUCT MANAGER

How are lottery games designed? How can we ensure they meet players' expectations and that they are in line with recreational gaming? For FDJ, the answer is in listening to, and having in-depth knowledge of its customers.

Have gaming practices changed over the past few years, especially since Covid?

Cécile Lagé: Some customers started playing online during lockdown, and even though they are now back in points of sale, their gaming has become more multichannel. Almost five million of our 25 million players play online, either on the website or via the FDJ app.

Soumia Y.: I discovered the FDJ app in 2020 and today I use both channels. I like the contact with others and physically scratching the cards in points of sale, or playing together with my colleagues, for example. I mostly play draw games like Loto on the app. It's handy, I can see how much I've spent and that helps me to stick to my budget.

How does it meet player trends and expectations?

Thomas Coutand: In some cases the consumers themselves come up with the best ways to improve our games. Illiko Live is a perfect example of this. We started developing Illiko Live in 2017 and offered several successive versions based on player feedback. We ended up creating a highly immersive experience with the "A prendre ou à laisser" game. Today it's a real success and it attracted five million players over the last 12 months. Understanding customer needs is the core of



our development and improvement approach. We also greatly rely on field feedback which our sales teams send us, as they are in contact with retailers.

C. L.: The sales figures show what players like. We also closely monitor main societal trends and adapt our offer accordingly. We have noticed, for example, that consumers are increasingly attracted to offers and products with meaning. This is the type of game we developed with Mission Patrimoine, a scratch game which funds monument restoration throughout France. Mission Patrimoine transforms a purchase into a civic initiative and is a huge success. The idea of helping a cause has been part of our DNA since 1933.



More information



S. Y.: This game is interesting because even if you lose, you know that your stake will go to support a worthy cause. So, you feel like you've won no matter what. This concept could be extended to other areas, like the environment or charity causes.

**And what about responsible gaming?
How can we ensure gaming remains enjoyable,
and recreational?**

T. C.: We systematically apply Serenigame, an analysis chart that we developed in-house, to assess a new game's risk. When necessary, we also call on our specialist responsible gaming committee which includes independent addictionologists, psychologists and psychiatrists.

C. L.: For FDJ, economic performance and responsible performance are inseparable. One of our customer strategy objectives is to be able to offer customers, if necessary, adapted tools to manage and accompany their gaming practices so that they can continue to play for recreational purposes. They can, for example, assess their gaming behaviour or set limits with "Playscan".

S. Y.: I use the app to set myself maximum stakes. The app won't let me increase my stakes instantly because there's a delay. It's reassuring and a great way to protect players.



Cécile Lagé **“ONE OF OUR CUSTOMER STRATEGY OBJECTIVES IS TO BE ABLE TO OFFER CUSTOMERS, IF NECESSARY, ADAPTED TOOLS TO MANAGE AND ACCOMPANY THEIR GAMING PRACTICES SO THAT THEY CAN CONTINUE TO PLAY FOR RECREATIONAL PURPOSES.”**



The megatrends transforming society



Changing lifestyles and consumption habits, digitalisation, and increased citizen awareness mean that collective and individual behaviours are rapidly evolving. Below is an overview of the four main trends which are pushing the boundaries.

GOING LOCAL

In a world which is undergoing energy and food restrictions, and where people are living more frugally, we are witnessing regional rebalancing. This is benefiting medium-sized cities and large regional metropolises but it also means the depopulation of certain areas. This trend is accentuated by several factors such as the loss of momentum in urban sprawl, increased remote work opportunities and the knock-on benefit of better quality of life. Paradoxically, some regions are still losing inhabitants and services. This reshuffling of space goes hand in hand with changing lifestyles and travel and commuting patterns, and a rise in eco-friendly transport. Be it retail, culture or services, local is back. And with it comes new types of reasoned, relocated consumption habits, which are also due to health crisis impacts on purchasing behaviour. This shift towards ultra-local is rubbing shoulders with the rapid digitalisation of society as a whole, and most especially, an increase in online shopping.

◆ **55%:** the percentage of medium-sized cities in which employment and population numbers have risen in the last 10 years ⁽¹⁾

RESPONSIBILITY AND THE QUEST FOR MEANING

Increasing awareness about climate emergency issues is inciting everyone - consumers, students and businesses - to take action. As for consumers, according to the ADEME barometer survey of responsible consumption ⁽²⁾, in 2021, 72% of French people stated that they were committed to consuming more sustainably. Consumers are increasingly aware of the impact, especially social and environmental, of their lifestyle and their consumption choices. As for employees and young job seekers, they are increasingly demonstrating the need to find meaning in their work. And more and more people in employment are making a career shift. In this context, companies play an increasingly important role: not only do they have to take CSR ⁽³⁾ issues into account in their strategy, they must also ensure they give meaning to their employees' actions.

◆ **80%** of consumers (international average) claim they take environmental issues into account in their daily purchasing decisions ⁽⁴⁾

(1) Medium-sized cities, a sustainable pillar in land-use planning, France Stratégie, 2022.

(2) The French Agency for Ecological Transition.
(3) CSR: Corporate Social Responsibility.
(4) Environmental Transition Study, BCG, 2022.



DIGITAL TECHNOLOGY AT THE CENTRE OF OUR LIVES

We are currently witnessing hyperdigitalisation, featuring increased integration of AI-powered tools. These rapid changes are happening mostly in the retail sector. Consumers want even more freedom and customised products. During the health crisis they became familiar with phygital and omnichannel purchasing and switched to new behaviours. But this shift does not eliminate the need for human contact and point-of-sale experiences. A 2022 study revealed that 62% of French consumers prefer to buy in physical shops, and 64% said that such purchases must bring something more compared to the online experience⁽⁵⁾. But accelerated digitalisation brings with it a new risk; that of digital illiteracy and e-exclusion and the threat of a two-tier society.

◆ **73% of French people say they research a product or service online before buying it in a shop⁽⁶⁾**



NEW CONSUMER PREFERENCES

Recreational activities are a factor for fulfilment and a satisfying social life and form a large part of French people's consumption habits. Between 2010 and 2020, the time spent daily on such activities has increased by an extra hour and half. The French household budget for recreational and cultural activities has more than tripled since the 60s. This is mostly due to the boom in mobile and online communication products and services. However, rekindled inflation and increasing energy costs could disrupt these budget choices.

◆ **Recreational and cultural spending rose from 3% of the consumer budget in 1960 to 10% in 2019⁽⁷⁾**

(5) Retail Study, Adyen, 2022.
(6) Ifop Study, New Consumer Trends, 2022.

(7) Household consumption in the past 50 years, Insee, 2020.



The gaming market

The gaming sector is continuing its strong momentum throughout the world. This is mostly explained by digitalised gaming, both for the lottery and sports betting. The FDJ Group ranks as one of the European and international leaders in this growing sector.

The French gaming market

— In France, FDJ has exclusive rights to operate offline and online lottery games, and point-of-sale sports betting which covers more than 95% of its activities. These exclusive rights were confirmed by the Pacte Law for a 25-year period. The Group's sports betting and online poker activities are open to competition.

	In points of sale	Online
Lottery	FDJ exclusive rights	FDJ exclusive rights
Sports betting	FDJ exclusive rights	Competition (ANJ* approval)
Poker	Casinos and gaming clubs	Competition (ANJ approval)
Horse-race betting	PMU exclusive rights	Competition (ANJ approval)
Table games (except for poker)	204 casinos in France and a few gaming clubs in Paris	Forbidden
Slot machines	204 casinos	Forbidden

* ANJ: French gaming regulatory authority.

Market segments in which the FDJ Group is present.

The global gaming market, which in 2021 amounted to €374 billion in gross gaming revenue (GGR) ⁽¹⁾, is continuing to expand and is expected to hit €533 billion, i.e., an expected average annual growth rate of +6.9% between 2022 and 2025 - growth driven by both online and point-of-sale GGR.

A REGULATED MARKET

In Europe, gaming regulations and supervision differ per country. For the lottery segment, the monopoly model is predominant. For the sports betting segment, most countries have opted for opening their markets to competition, even more so for online sports betting. In the United States, the sports betting market opened in 2018.

FOR MORE INFORMATION

Please refer to the Universal Registration Document, chapter 1, "Group Presentation".

(1) Gross gaming revenue is the difference between stakes and player payout.

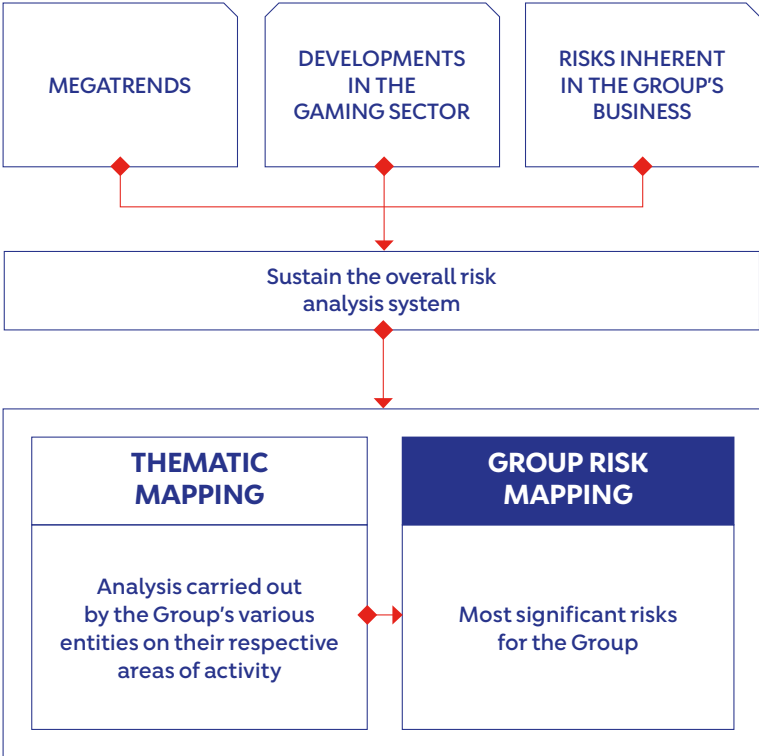
Risk knowledge means risk control

The Group constantly strives to improve its risk forecasting, knowledge and management processes. Against the background of numerous crises and rapid societal, economic and technology shifts which impact its markets, FDJ's strategic decisions are guided by a robust and rigorous risk management system.

FDJ's risk management framework provides an approach for identifying, understanding and dealing with risks at Group level. The risk management and internal control system has been implemented by the Executive Management under the Board of Directors' responsibility. The system is applied to all Group entities, it is continuously improved, and involves both internal and external stakeholders. It is intended to provide reasonable guarantee as to the achievement of operational objectives, compliance with the laws and regulations in force, the Group's ethical principles and standards, and in particular the reliability of financial and non-financial information. The Group reviews its risks and periodically updates the Group's risk map. It also works on identifying, assessing, and dealing with emerging risks. The latter are constantly changing and involve a considerable degree of uncertainty. Emerging risks are identified through a prospective analysis of the activity or the collection of "weak signals" before being processed within the global risk management system. This approach helps to make strategic decision-making more reliable and develops FDJ's capacity for anticipation.

RISK MANAGEMENT: A GLOBAL CONCERN

— The Group's risk management system is based on several input sources: major changes in the ecosystem (megatrends, changes in the gaming sector) and risks inherent to FDJ's activity. These elements help the different entities identify the main risks and opportunities which are specific to their area. Each year, the in-house risk analysis and various input sources feed into the Group's cross-cutting and consolidated risk map which details the most significant risks for all activities.



Sustainable and profitable growth

In a fast-changing environment, rich in opportunities, FDJ is pursuing a strategy of sustainable and profitable growth based on player protection. The Group is confirming its leadership position in the French market and is stepping up its resilience by diversifying its revenue sources. This means marketing its solutions internationally, developing local cash collection and payment services, and being present in the entertainment sector.



Medium-term objectives

At the top end of the range, **between +4% and +5%**
in 2022-2025 average annual revenue growth

Higher than 20%,
2022-2025 average annual online stakes growth

Higher than 25%,
recurring EBITDA margin in 2025

Less than 2%,
share of gross gaming revenue
from high-risk players by 2025

Maintaining the A1+ Moody's ESG Solutions rating

DIGITALISE

the lottery by developing an omnichannel approach, for a renewed gaming experience and loyal customers.

FDJ aims to accelerate the digitalisation of its lottery activity and offer a gaming experience which is adapted to changing uses. The Group distributes its games online with a multichannel approach and adheres to an on-going customer loyalty strategy. This approach is based on an enriched customer relationship policy, thanks to better knowledge of its customers, this in turn allows FDJ to promote recreational and responsible gaming. FDJ is also continuously innovating to meet new players' expectations.

GAIN

market shares in online competitive gaming whilst maintaining a growth momentum in offline sports betting.

FDJ intends to significantly increase its competitive gaming market shares. The Group is accelerating the development of a specific, competitive online offer and a more personalised customer relationship that is both value-creating and responsible. At the same time, FDJ aims to make its point-of-sale sports betting more attractive. To this end, the Group is extending and improving its products and services offer and is developing retailers' roles as customer advisors.



Three cross-cutting pillars to support the Company's strategic axes

- ___ Continue to offer multiple touch points with its customers in an omnichannel experience, by using its partner network and pursuing its business model transformation.
- ___ Roll out the technological strategy develop digitalisation,

- the game experience and omnichannel uses.
- ___ Improve the Group's agility and operating performance by reinforcing the efficiency and flexibility of its financial model, as well as employee engagement and skills.

BUILD

a value-creating customer relationship and consolidate FDJ's responsible gaming policy through customer identification and knowledge.

FDJ wishes to improve online and offline player identification by means of exclusive offers and services, optimised gaming experiences, and customer benefits. Improved customer knowledge must enable FDJ to offer a customised experience and develop responsible gaming services, in a different and proportionate way, depending on individual player behaviour.

Looking ahead to 2030

Strengthen our sustainable growth model based on player protection

Amplify our positive impact on society

Become a truly international player

STRENGTHEN

FDJ's robust economic model by developing new business activities.

The Group aims to leverage its technological assets, visibility, and distribution network, to develop new businesses and to make its model more resilient and sustainable. On the one hand, it intends to position itself as a leader in the international (B2B) market, with a service offer for lottery and/or sports betting operators, and on the other hand, in point-of-sale payments and services. FDJ also intends to invest in the entertainment sector, in addition to gaming, in preparation for future gaming models.



A sustainable value creation model

RESSOURCES

COMMITTED EMPLOYEES

- More than **2,700** employees
- More than **90%** are shareholders, holding approximately **4%** of the capital
- **89/100** employee engagement rate ⁽¹⁾

FRANCE'S LARGEST DISTRIBUTION NETWORK

- Almost **30,000** points of sale in more than **11,000** towns and cities
- **2** integrated supply chains and **100%** of points of sale are operated via direct distribution

AN EXTENSIVE AND SCALABLE OFFER FOR A BROAD PLAYER BASE

- More than **25 million** players representative of the French population aged 18 and over
- A constantly renewed, diversified, and multi-channel offer
- Iconic brands

A ROBUST FINANCIAL SITUATION

- **€925 million** in equity
- **€968 million** in net cash surplus
- **€104 million** in investments

A HIGHEST-STANDARD, RESPONSIBLE GAMING APPROACH

- **10%** of the overall advertising budget allocated to responsible gaming
- **100%** of new gaming offers assessed by Serenigame⁽²⁾ matrices

A PERMANENT INNOVATION APPROACH

- Each year, **1,000** identified start-ups, **500** qualified start-ups, and **20** experiments carried out
- More than **300** French and European start-ups receive direct or indirect FDJ funding
- More than **€75 million** in venture capital commitments to finance start-ups

RECOGNISED, CUTTING-EDGE TECHNOLOGICAL KNOW-HOW

- More than **775** employees work in the Technology Department
- More than **100,000** connected devices in points of sale
- More than **5 billion** transactions processed each year in Group data centres

A HIGH-REACHING ENVIRONMENTAL APPROACH

- A carbon reduction policy in line with the Paris Agreement and validated by the Science Based Targets initiative ⁽³⁾
- A responsible digital technology approach

STRATEGY

We aim to consolidate our leadership position in the French gaming market, and become a renowned international actor in the gaming and services sector.

- ◆ **DIGITALISE** the lottery by developing an omnichannel approach, for a renewed gaming experience and loyal customers.
- ◆ **GAIN** market shares in online gaming open to competition whilst maintaining a growth momentum in offline sports betting.
- ◆ **BUILD** a value-creating customer relationship, and reinforce FDJ's responsible gaming policy through customer identification and knowledge
- ◆ **BUILD** on FDJ's robust economic model by developing new business activities




(1) Taken from the Harris Interactive annual internal employee survey.

(2) Universal and scratch card Serenigame matrices: excessive gaming risks evaluation tool implemented by FDJ.

(3) International initiative to promote setting greenhouse gas reduction targets to limit the increase in global average temperature to 1.5 °C by 2100.

“GAMING IS OUR BUSINESS, GIVING BACK TO SOCIETY IS WHAT

Because FDJ's business model combines long-standing and newer adjacent activities⁽⁴⁾, it fully capitalises on its assets to continue its growth dynamic in a promising market. As a gaming and entertainment leader, the Group has successfully developed its digitalised offer and daily reiterates its expectations for responsible gaming practices.

ACTIVITIES	VALUE CREATION		LOOKING AHEAD TO 2030
 <p>LOTTERY GAMES DRAW GAMES & INSTANT GAMES</p> <p>78% of revenue <small>(exclusive rights in points of sale and online)</small></p>	<p>SIGNIFICANT FINANCIAL AND EXTRA-FINANCIAL PERFORMANCE</p> <ul style="list-style-type: none"> — €2.5 billion in revenue — 24.0% recurring EBITDA margin — 85% consolidated net profit payout ratio in 2022 — Recognised CSR performance: A1+ awarded by <i>Moody's ESG Solutions</i> for three years running — FDJ has received The European Lotteries responsible gaming certification at the maximum compliance level 	<p>A REDISTRIBUTIVE MODEL</p> <ul style="list-style-type: none"> — 68.4% redistributed to players — Almost €1.4 million paid to responsible gaming partnerships — €6.5 billion in value creation (FDJ's contribution to GDP) — An incentive scheme and profit-sharing agreement allowing employees to receive up to 24% of their basic salary 	<p>◆</p> <p>Strengthen our sustainable growth model based on player protection</p>
 <p>SPORTS BETTING & ONLINE GAMING⁽⁵⁾</p> <p>19% of revenue <small>(exclusive rights for point-of-sale sports betting, online gaming open to competition)</small></p>	<p>CONTRIBUTION TO PUBLIC INTEREST CAUSES</p> <ul style="list-style-type: none"> — €19.5 million allocated to the FDJ Corporate Foundation between 2018-2022 and €25 million allocated for 2023-2027 — More than €125 million collected since 2018 in support of French heritage with Mission Patrimoine games — €72 million in levies paid to the French National Sports Agency 	<p>CONTRIBUTION TO REGIONAL DEVELOPMENT</p> <ul style="list-style-type: none"> — €965 million in commissions paid to retailers — 55,300 jobs created or made permanent throughout the sector, 22,000 for bars, tobacconists and newsagents — 90% of purchases made in France in 2022 by French entities 	<p>◆</p> <p>Amplify our positive impact on society</p>
 <p>ADJACENT ACTIVITIES <small>(International, Payment & Services, Entertainment)</small></p> <p>3% of revenue</p>	<p>AN INCLUSIVE SOCIAL POLICY</p> <ul style="list-style-type: none"> — 100/100 on the Gender Equality Index (FDJ SA) — 36% of women in management positions and 38.9% of the workforce are women — 5.61% of employees have a disability 	<p>HELPING TO PROTECT THE ENVIRONMENT</p> <ul style="list-style-type: none"> — 59% reduction in scope 1 and 2 emissions⁽⁶⁾ in 2021 compared to 2017 — 100% of gaming materials are printed on FSC®-certified paper from responsible sources 	<p>◆</p> <p>Become a truly international player</p>

(4) Growth prospects investigated by the Group to capitalise on its know-how and experience and strengthen its resilience (cf. page 33).

(5) Online gaming, excluding the lottery. In France, the authorised competitive online games are sports betting, horse-race betting, and poker.

(6) Reduction of emissions related to the Group's energy consumption: electricity; gas; fuel; air conditioning; and fuel for Company vehicles.

DRIVES US, AND RESPONSIBILITY IS OUR CONSTANT FOCUS”

Gaming specialists

In addition to its lottery and sports betting pillars, FDJ is extending its online gaming offer open to competition and capitalising on its expertise to create new revenue sources: marketing solutions internationally, local cash collection and payment services, and the entertainment sector.



LOTTERY

Online and offline exclusive rights

Lottery games are FDJ's long-standing activity and main source of revenue. Its offer includes draw games and instant Illiko games. In 2022, point-of-sales lottery figures dramatically increased. This was especially due to good draw range performance and highlights such as the multiple Euromillions millionaires, or the Cagnotte oubliée Grand Loto. Scratch cards were a roaring success with games such as As de coeur and Jungle des mystères, and reformatted effective games such as Cash and the Multipliers games. The trend was also positive for the online lottery which continues to attract a growing number of players. There are now almost five million players.

€1,916 million in revenue,
or **78%** of Group revenue

€16.2 billion in stakes

16 exclusive online games
and **12** point-of-sale games
launched or reformatted in 2022

SPORTS BETTING & ONLINE GAMING ⁽¹⁾

Exclusive rights for point-of-sale sports betting, online competition

FDJ offers two sports betting offers in points of sale: fixed-odds betting, on more than 40 sports; and Loto Sports pooled betting. Its Parions Sport En Ligne games portfolio is different from this point-of-sale offer due to pre-match and live games, and to the range of bets offered. In order to offer its players additional experiences, in November 2022 the Group launched a recreational poker offer to suit all types of players on the Parions Sport En Ligne app. FDJ is currently working on new possibilities for horse-race betting.

€467 million in revenue, or
19% of Group revenue

€4.4 billion in stakes

87% dematerialised sports betting
at points of sale

(1) Online gaming, excluding the lottery. In France, the authorised online games open to competition are sports betting, horse-race betting, and poker.





ADJACENT ACTIVITIES

FDJ is developing its international activities with a service offer for lottery and/or sports betting operators. In 2022 the Group signed a contract with Stats Perform, the leading sports data provider, to create the Betting Innovation Center. The Loterie Romande (Switzerland) has joined Interactive Factory, FDJ's gaming distribution platform. And a partnership with Scientific Games, a lottery games provider, led FDJ to launch the iDecide portfolio of phygital games. The aim is to launch this internationally.

In the payment services sector, FDJ intends to become France's first local cash collection and payment network. In 2022, the Group created the Nirio brand. This payment solution brings together its service offers, such as daily invoice payments to private sector organisations. With the L'Addition and Aleda acquisitions, FDJ offers retailers cash collection and payment solutions. A range of operational and financial services will be added to this offer.

As for the entertainment sector, the Group is looking into Web3⁽²⁾ opportunities and is running initial tests in the plot of land it acquired in The Sandbox metaverse. FDJ is developing its eSport activity and is organising video game competitions in its own right and on behalf of video game publishers via its NCOVR brand. FDJ is also looking into free-mium⁽³⁾ lottery and betting models.

◆ **14,300** points of sale offering FDJ's collection service on behalf of DGFiP⁽⁴⁾

◆ **15** clients in **10** countries

(2) New blockchain-based decentralised internet.

(3) Free offer which can be topped up with paid options.

(4) French Treasury

Major sponsor in the sports world

— By partnering with sports clubs and federations, FDJ is bolstering its position as a key stakeholder in the sports which make up the sports betting market. These partnerships allow Parions Sport's brands to gain visibility and, in turn, the Group's players and retailers benefit from this. In 2022, FDJ renewed its partnership with Olympique de Marseille (OM). It also renewed its partnership with the French Tennis Federation (FFT) and entered into two new major partnerships: football with Paris Saint-Germain (PSG); and rugby with the French Rugby Federation (FFR). As for basketball, FDJ has been the NBA's (National Basketball Association) exclusive partner since 2018. This is a key partnership as Paris hosted its second NBA Paris Game in January 2023.



Discover magical worlds with Les Mystères du Mage

— In 2022, FDJ continued to boost its offer with digital innovations such as multi player or gamified games. At the beginning of the year, the Les Mystères du Mage game was added to the range of online instant games. Based on the world of magic, it offers players six different gaming universes in which they can try to win up to €50,000.

Levers for success



When it comes to securing its development, FDJ is able to count on robust assets and committed employees who, as partners in the Group's performance, are the primary parties developing this unique capital.

AN UNPARALLELED DISTRIBUTION NETWORK IN FRANCE

With the largest local network in France, FDJ's retailer network ensures the Group's brands a high level of coverage of the French population: 90% of the French population is located within 10 minutes of a point-of-sale. FDJ provides support to modernise and diversify points of sale to maintain and increase this network's attractiveness and robustness.

◆ Almost **30,000** points of sale in more than **11,000** towns and cities

THE DEPTH OF AN OFFER BASED ON ICONIC BRANDS

FDJ's extensive games portfolio includes numerous iconic brands such as Loto, Illiko, Euromillions, Keno, and Parions Sport. This offer is frequently renewed to take new customer expectations into account.

◆ **16** online lottery games and **12** point-of-sale games launched or reformatted in 2022

A LARGE CUSTOMER BASE

The Group is creating an extensive gaming model geared towards a broad player base with moderate gaming habits. With more than 25 million customers, FDJ reaches nearly 50% of French adults.

◆ FDJ meets with more than **300 customers** per year to better understand them and create offers which increasingly meet their expectations.





STATE-OF-THE-ART, LARGELY PROPRIETARY, TECHNOLOGICAL INFRASTRUCTURE

FDJ's state-of-the-art technological infrastructure is mostly proprietary and supports all gaming operation processes. This infrastructure gives the Group operational and secure end-to-end control of its activities, which guarantees agility, reliability and independence. The Group can also rely on this integrated infrastructure to support the development of its B2B activity internationally.

- ◆ More than **5 billion** transactions per year, or **1,000** transactions per second during peaks

A RECOGNISED NAME IN RESPONSIBLE GAMING AND CSR

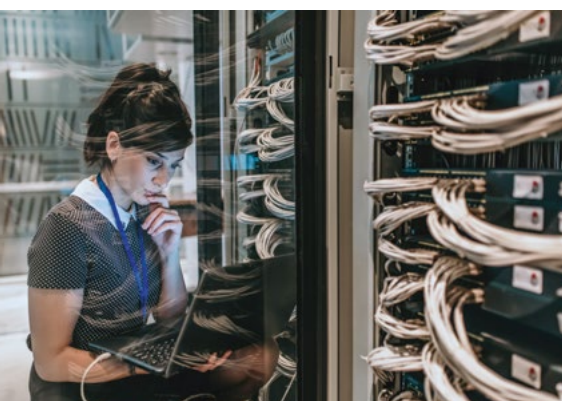
FDJ assumes its responsibility as a leader in responsible gaming and has placed this issue at the core of its strategy and activities. The Group adheres to a responsible gaming policy, from game design to raising public awareness, and retailer training programmes. FDJ is also a leading CSR reference, to the benefit of sustainable performance and all stakeholders.

- ◆ **100%** compliance with the European Lotteries responsible gaming standards
- ◆ **A1+** Moody's ESG Solutions rating

CONTINUOUS INNOVATION

For FDJ, innovation is a major lever in guaranteeing sustainable and responsible growth with a positive impact. Its strategy is based on five key areas: the future of gaming; the future of the player experience; the future of omnichannel distribution; Web3; and positive impact innovation (Tech for Good). The Group is making progress in these areas through an open innovation initiative which combines several approaches: venture capital funds, think tanks, and start-up incubators, etc.

- ◆ FDJ has directly and indirectly sponsored more than **300** French and European start ups
- ◆ More than **€75 million** in venture capital commitments to fund start-ups



Responsible performance

FINANCIAL INDICATORS

REVENUE



NET PROFIT



STAKES



NET CASH SURPLUS



RECURRING EBITDA MARGIN



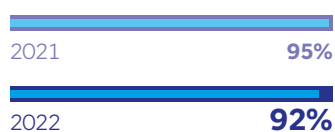
Recurring EBITDA margin 2022:
24.0%
(23.1 % in 2021)

DIVIDEND PER SHARE⁽¹⁾



(1) Proposed to the General Meeting of 27 April 2023.

RECURRING EBITDA TO CASH CONVERSION RATIO



NON-FINANCIAL INDICATORS

MOODY'S ESG SOLUTIONS RATING

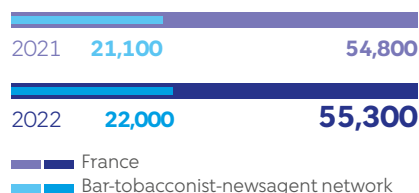
Maintaining the

A1+ rating

FDJ in the top 3 highest-rated gaming industry operators

The sector is made up of 133 companies with 11 main sub sectors: hotels; casinos; resorts; advertising operators; caterers and restaurants; cruise companies; online gaming; point-of-sales gaming; recreation; events management; and sports venues.

NUMBER OF JOBS CREATED AND MADE PERMANENT BY FDJ'S ACTIVITIES



Data taken from the BDO-Bipe (bureau for economic information and forecasting) study on FDJ's social and economic impact.

FDJ CORPORATE FOUNDATION BUDGET



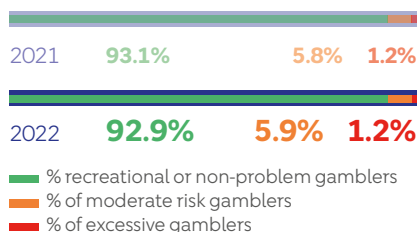
EMPLOYMENT OF PERSONS WITH DISABILITIES

5.21% in 2021 **5.61%** in 2022

EMPLOYEE ENGAGEMENT RATE

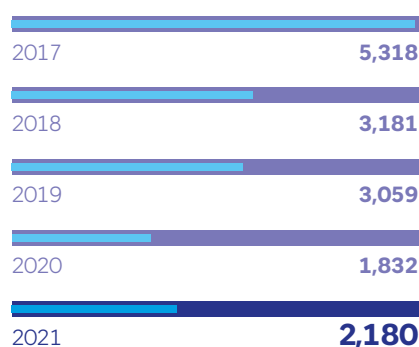
91/100 in 2021 **89/100** in 2022

CANADIAN PROBLEM GAMBLING INDEX (CPGI)



The CPGI is a globally recognised index which assesses the proportion of problem players within a gaming population. The CPGI is measured via a questionnaire to assess which of four risk profiles a player falls into. The aim is to monitor how the player base's risk profile evolves over time and then compare these findings with the results of prevalence studies conducted by the Observatoire des jeux (gaming observatory - ODJ).

SCOPE 1 AND 2 CARBON EMISSIONS (in teqCO₂)



The result for emissions in 2020 is not representative given the health crisis. At the time of print of this Integrated Report, 2022 data was unavailable.

Creating value

FOR OUR
STAKEHOLDERS





More information



Created value must be shared: this firm belief is at the core of FDJ's model and its history. That is why the Group's strategy combines sustainable and profitable growth for the benefit of all its stakeholders: employees, shareholders, retailer network, and more generally, society as a whole.



Patrick Buffard
EXECUTIVE VP,
SPORT BUSINESS UNIT,
MEDIA, TV PRODUCTION
AND EVENTS



**Jean-François
Vigouroux**
RETAILER



**Nathalie
Sandre Rauzy**
POINT-OF-SALE MERCHANDISING,
CUSTOMER EXPERIENCE,
PROMOTION, ORGANISATION
AND COMMUNICATIONS MANAGER
WITHIN THE FDJ GROUP

Retailers are vital in connecting FDJ with its players and are experiencing the transformation of local retail daily. FDJ is helping them to modernise and diversify their activities whilst maintaining their key assets - a friendly atmosphere and customer proximity.

How would you describe the relationship between FDJ and its retailers?

Nathalie Sandre Rauzy: The contact via our sales force is constant. And we pay very close attention to their feedback: retailers are our eyes and ears and provide us with important customer feedback. They help us to better understand our customers and adapt our experiences and offers accordingly.

Jean-François Vigouroux: I took over this point-of-sales in 2006 with my co-manager and we have been working with La Française des Jeux ever since. Gaming is a very important sector for our business and it's even our top activity on some days. The partnership with FDJ is win-win: FDJ helps us every day, including when problems arise.

Patrick Buffard: There are almost 30,000 retailers in our network, mainly bar owners, tobacconists, and newsagents. It's the leading local network in France with a footprint in almost 11,000 towns and cities. We strive to preserve this exceptional coverage. FDJ's activity generates revenue for retailers and traffic in their points of sale. To put it another way, FDJ sustains retail businesses which are essential to creating and maintaining social ties and activities in urban centres, in the outskirts of cities, and in rural areas.



Why do customers come to points of sale? Have their habits changed?

P. B.: Customers have returned to points of sale since the health crisis ended, but we are seeing a new trend of increasing multichannel uses - they have risen by almost 70%. Now they are playing in points of sale, via the app, or the website. But in saying that, there is a real sense of ritual and sociability in gaming. People come in to try their luck and have a chat with the bar (or newsagent) owner.

J.-F. V.: Take scratch cards for example - there is nothing better than being in a point-of-sales and realising you've won. A customer recently won a considerable amount and shared the good news with us. Those are unforgettable moments.



More information



FDJ is investing to help points of sale modernise and diversify. Why is this support important?

P. B.: French people expect new services from their local shops. We have started working on this by offering customers the possibility of paying their French Treasury (DGFIP) fines and taxes in points of sale. In 2023 we will continue to offer this service under the Nirio brand which also allows customers to pay their energy bills or rent at their FDJ retailer's point-of-sale.

N. S. R.: We are also creating a new visual identity to accompany this transformation. It will both revamp FDJ's brand image and increase its effectiveness. The new visual identity is a considerable investment which backs up our support for the network. It will be rolled out in all points of sale over the next three years.

J.-F. V.: Since we took over this business, we have always worked towards diversifying and offering our customers a range of services. For example, when they come in to collect a parcel, they appreciate the warm atmosphere here and they come back for a coffee. As for payment services, a lot of customers do not want to use internet. They trust us here, because we are "real people" - even if we ourselves use digital tools.

Jean-François Vigouroux

“CUSTOMERS HAVE TO COME IN THROUGH THE DOOR IF WE ARE TO GET VISIBILITY. WE ARE COMMITTED TO CREATING NEW SERVICES AND MAKING THEM WANT TO COME BACK.”



For employees, a responsible and attractive employer

For FDJ, employee commitment and well-being at work are essential to the Group's success and are important levers for attracting, retaining and developing talent. The Group's policies are geared to creating an attractive, safe and inclusive working environment.



FDJ employees at Innovation Day, October 2022



FDJ employees at the Group Convention, May 2022



Élisabeth Borne's visit on International Women's Day, March 2022

89/100 Group employee engagement rate

99.8% interns and work-study participant Group recommendation rate ⁽²⁾

5.61% Employment of persons with disabilities

FDJ is a company which recruits. This was confirmed in 2022 with more than 400 new hires, compared to an average of 300 in previous years. This increase is partly due to the creation of new positions which require new digital, cybersecurity and data skills.

Almost 25% of the 1,000 new recruits hired since 2018 are young people under 26. The Group is committed to increasing employment for young people, through recruitment and training programmes. FDJ has set up a work-study programme, which is gathering momentum, to help them gain professional experience. In the past five years, work-study contracts have risen by more than 50%. The quality of the Group's work-study and internship programmes is renowned.

For the fifth year running, FDJ has received ChooseMyCompany's "Happy Trainees" award for businesses which give students the best support in becoming autonomous during their work-study programme or internship.

FDJ has joined the "Les entreprises s'engagent" community. This initiative was launched by the French president to increase employment for all and strengthen and sustain the link between the French State and businesses. The Group is also a member of the "Partenaires de la communauté" association which brings together 17 businesses that invest together in a project to accelerate its regional development and continue rolling out its actions.

The Group has created a profit-sharing incentive scheme and signed a profit-sharing agreement with its social partners to include its employees in its performance. This enables up to 24% of their basic salary to be redistributed to Group employees.

These ambitious policies are very successful: in 2022, "FDJ Team" - a study carried out by Harris Interactive - revealed an employee engagement rate of 89%. Autonomy (94% of employees are satisfied), interest in one's work (91%), and the atmosphere within one's team (90%) are particularly well rated.



Cécile Bourdieu

SPORT SPONSORING & PARTNERSHIPS TEAM INTERN

“ I AM ON A TWO-YEAR INTERNSHIP AND AM FULLY PART OF THE TEAM. MY COLLEAGUES PROVIDE ME WITH LONG-TERM HELP AND ENABLE ME TO DEVELOP MY SKILLS. ”

Priority for equality

— FDJ strives to promote gender equality. In 2022, FDJ SA ⁽¹⁾ was awarded 100/100 on the workplace gender equality index (Pénicaud index) making it the only SBF 120 company to have achieved this score. Élisabeth Borne (then French Minister for Labour, Employment and Integration) congratulated FDJ on this score during International Women's Day. The Group intends to align the percentage of female managers to that of female employees. In 2022, this percentage continued to rise with 40.8% of female managers for 41.7% of female employees within the Group's workforce.

(1) The Group's parent company.
(2) Happy Trainees, 2022.

For players, acting responsibly

FDJ develops its activity in line with its extensive and sustainable model geared towards a broad player base with moderate gaming habits. In order to sustain its responsible gaming model, the Group relies on a host of levers - training programmes, prevention, detecting vulnerable players - and numerous partnerships with healthcare professionals and social workers.



Protect and inform minors

— In 2022, FDJ extended its partnership with e-Enfance, an association that the Group has been helping since 2017 with a donation of €100,000 over two years. e-Enfance is a leading organisation in online protection for children and digital citizenship awareness programmes. The association handles calls to 3018, the French national phone line for young victims of digital violence, and provides support for parents and professionals. It also runs awareness-raising workshops throughout France. e-Enfance's prevention programme deals with issues such as gambling and ensures that minors are reminded of the ban.





FIGHT AGAINST UNDERAGE GAMING

In 2022, the preventive information system in points of sale grew in momentum with new posters to remind people of the underage gaming ban. All new retailers had initial responsible gaming training. This is followed by ongoing awareness raising training programmes throughout their careers. Throughout the year, more than 2,500 points of sale were inspected as part of underage testing campaigns: minors unknown to the points of sale posed as mystery customers, under the supervision of a network inspector. The compliance rate progressed and a new non-compliance sanctions system was rolled out. The exposure of minors to FDJ's advertising campaigns was limited and has been rigorously monitored by means of a specific index.

PREVENT EXCESSIVE GAMING

Every year FDJ monitors several indicators such as the CPGI⁽¹⁾ and Playscan⁽²⁾ status for online gaming to assess gaming-related risks. The visibility of tools and player support services has been further improved and the stake-capping moderator has been made more restrictive on the fdj.fr account. The Group has created a new tool to analyse the appeal of its promotional offers, just like the matrices it developed to assess the attractiveness of its gaming products. FDJ is also testing a targeted prevention approach which segments high-risk behaviours on fdj.fr, to encourage young people to set themselves limits or to take breaks.

DETECTION OF, AND SUPPORT FOR, PERSONS IN VULNERABLE SITUATIONS

FDJ constantly improves its vulnerable player detection processes. In 2022, the Group stepped up its telephone outreach system to such players and, alongside health care and social partners, carried out experiments and research into early identification and self-exclusion. The Group also focused on training programmes for its sales network (sales force and retailers) and employees, as they too may encounter difficult situations.

FIFA WORLD CUP ACTION PLAN

Each major sports event is the opportunity to guide players towards more responsible gaming. In 2022, the year of the FIFA World Cup, the Group rolled out a specific action plan which included two films advertising responsible gaming. Retailers were offered information and training programmes about excessive and underage gaming prior to the event. FDJ geared its telephone outreach system towards players to detect problem gaming during the event. The Group repeated a successful experiment which was held during the 2021 UEFA Euro football championship: encourage the detection of vulnerable players at the point-of-sale by using "peer" players. The latter are recruited and trained by SEDAP (the French society for mutual aid and psychological action).

Prevent and raise awareness: the key role of communications

In 2022, FDJ devoted 10% of its global advertisement budget to preventing excessive gaming and underage gaming. This preventative approach is part of product and corporate communications. In 2022, "Player's Rules" ("Les règles du joueur") - the Group's new campaign - was broadcast on TV to raise player awareness of several best practices for untroubled and controlled gaming and remind the public about the Group's commitment to responsible gaming.



100% of new gaming offers are assessed by Serenigame⁽³⁾

75.6% 2022 minor testing campaigns compliance rate

(1) Canadian Problem Gambling Index

(2) Tool for players to assess their gaming risk level

(3) Universal and scratch card Serenigame matrices: excessive gaming risks evaluation tool implemented by FDJ.

For local regions, with local businesses

FDJ positions itself as a responsible partner by enabling its distribution network retailers to diversify their offer and modernise their equipment. In so doing FDJ supports a network of local businesses essential to neighbourhoods, especially in rural areas.

With almost 30,000 points of sale in more than 11,000 towns and cities, local presence is one of FDJ's long-standing specificities and main assets. Because it is aware of the importance of this physical network on local social cohesion and economic health, it strives to sustain and develop its vitality.

FDJ is a key economic partner for the retailers in its network. The commissions it pays them each year are often their second most important source of income. And in choosing to sustain its activity in small rural points of sale, FDJ ensures their economic sustainability. Moreover, by extending its distribution to new types of businesses, such as petrol stations and small local grocery stores, the Group is further developing its network.

FDJ has chosen an omnichannel approach to meet changing consumption and gaming behaviours. This approach combines the physical point-of-sale and digital experience. Currently, with FDJ apps on the rise and the QR code, these digital tools support retailer activity within a fully connected distribution network. Players can prepare their stakes on their mobile phones before validating them at the terminal in the point-of-sale. They can also check their winnings by scanning the betting receipt available on the app.

To ensure players and retailers the best point-of-sales experience, the Group has invested more than €250 million in technological infrastructures since 2018. FDJ is also pursuing its development strategy for Payment & Services and intends to become the leading French network in point-of-sale payment and collection. In 2022, following the acquisition of L'Addition (a specialist in cash collection and payment equipment and services for cafés, bars, hotels and restaurants), FDJ announced the acquisition of Aleda (a major cash collection and payment equipment and services stakeholder in the bar-tobacconist-newsagents network).



◆ **€965 million**
in commissions
paid to retailers

◆ **22,000**
jobs created or
made permanent
in the bars,
tobacconists and
newsagents sector
thanks to FDJ's
activity⁽¹⁾

◆ **€2.4 million**
out of a total
commitment of
€15 million by 2024
paid to the Rebond
fund to help local
businesses get back
on track after
the health crisis

(1) Bipe (bureau for economic information and forecasting).

Retailer solidarity, with the help of the FDJ Corporate Foundation

— As part of the "Tremplin détaillants solidaires" initiative, the FDJ Corporate Foundation has been enabling the retailers in its network to sponsor a local association. In total, 102 projects were funded in 2022. In Formerie (Picardy), Justine Malher, the Des lettres et des jeux point-of-sale manager, submitted an application for the Chantiers en Picardie-Verte association which organises inclusion worksites to renovate the region's heritage. The association was selected by the jury and received €3,000.

Chantiers en Picardie-Verte
association members



**Commander
des tartines
confiture.
Mater un
match
d'envergure.
Payer
ses factures.**

C'est déjà une habitude.



Payer ses factures



En espèces ou carte



Dispositif de 30 000 points de vente agréés FDJ



Nirio, your FDJ payment services

— Following the successful public invoice collection, Nirio, FDJ's new brand, houses all of FDJ's Payment & Services activities and offers a network of physical payment points so customers can carry out their everyday transactions. From the beginning of 2023, customers will be able to pay their rent, and water and gas bills, etc. directly in FDJ-approved points of sale with ACPR⁽²⁾. This is a good alternative for the 20% of French people who do not wish to opt for direct debit or who do not trust online payments. The offer, which has been co-created with the Confédération des Buralistes (tobacconists confederation), is in line with the diversification strategy which has been initiated by the network.

(2) French prudential supervision and resolution authority.

For shareholders, building trust through dialogue

Since its IPO, the Group maintains regular and transparent dialogue with its shareholders. The latter are informed of the Group's results, strategy and outlook, and are included in its value creation.

Due to the health crisis restrictions, the 2022 General Meeting was the Group's first meeting in the presence of its shareholders since its IPO. In total, more than 1,600 shareholders attended the event, either in person or online, and many of them asked questions during a very productive live Q&A session.

In general, numerous physical meetings with individual or institutional shareholders were held during the year. As an official sponsor, the FDJ Group took part in the Investir Day trade fair for the first time ever. FDJ also met its shareholders during an F2iC (French federation of individual investors and investment clubs) meeting in Lille. In addition, the FDJ Shareholders Club further extended its offer in 2022. After football, basketball and handball matches, rugby matches and cycling races were also offered in the draw for its members. A new training programme concept was also launched this year. The first three sessions focused on understanding financial results, basic portfolio management, and share taxation. The online programmes are available for members only and enable individual shareholders to understand the challenges of investing in the stock market. The Group organised a specific institutional investors day in November, in addition to road shows, participation in broker forums, and individual appointments.

Photo: FDJ Shareholders Club masterclass, June 2022



2022 Investor Day

In November, FDJ held a special day for French and international institutional investors. The latter were able to discuss FDJ's strategy, ESG ⁽¹⁾, and operational and financial objectives with the directors, both from the Group's studios in Boulogne-Billancourt or remotely.

(1) Environment, Social, Governance.



Almost **400,000** individual shareholders

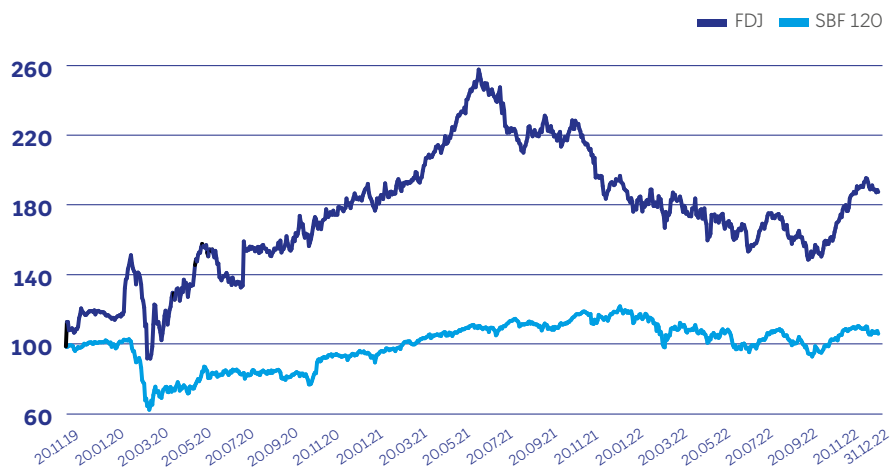
€7.2 billion in stock market capitalisation on 31 December 2022

A **€1.37** dividend per share proposed to the General Meeting of 27 April 2023

Payout ratio : **85%** of the net profit

Almost **16,000** FDJ Shareholders Club members

SHARE PRICE CHANGES

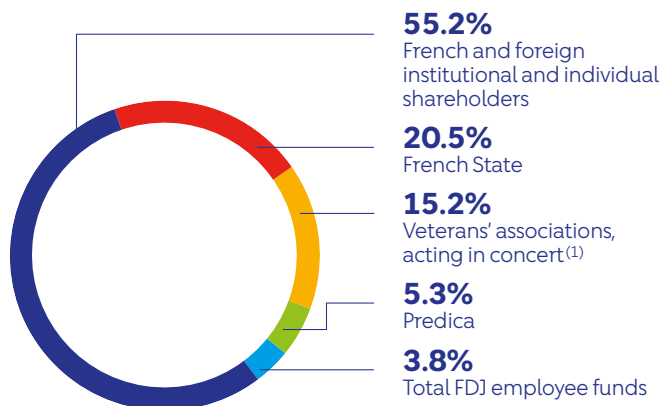


Source: FDJ and SBF 120 share price, 100 on 20 November 2019.

THE SPECIFICS OF FDJ'S SHAREHOLDING STRUCTURE

SHAREHOLDING STRUCTURE AT 31.12.2022

— Before the Group's IPO in November 2019, the French State was FDJ's main shareholder with 72% of its capital. Today the French State is still a shareholder with 20.5% of FDJ's capital. Next in line are the veterans' associations, the historical shareholders behind the creation of La Française des Jeux, then the Group's employees - over 90% of whom have chosen to invest in the Company. The remainder of the capital is divided into relatively similar proportion between French institutional, international, and individual shareholders. With almost 400,000 individual shareholders at the end of February 2022, FDJ is one of the listed companies with the most individual shareholders.



(1) The block of veterans' associations acting in concert comprises the following entities: the Fédération Nationale André Maginot block (FNAM, AMGYO, Union fédérale, CARAC, France Mutualiste) and the Union des Blessés de la Face et de la Tête block (UBFT and Ailes Brisées).

For equal opportunities, with the FDJ Corporate Foundation

Since 2018, the FDJ Corporate Foundation's initiatives have focused on equal opportunities - particularly for young people. This is concrete proof of the Group's societal commitment and gives impetus to the fourth commitment of its raison d'être: "build on our solidarity, societal and environmental initiatives."



In 2022 the Foundation's 2018-2022 multi-year programme came to a close and a new 2023-2027 action plan was launched. During this five-year period, the Foundation backed projects in education and insertion for vulnerable people who are disabled, financially insecure or isolated. It successfully helped to promote Group employee commitment to develop skills sponsorship initiatives for partner associations. In total, one third of employees have helped the Foundation's initiatives since 2018, 80 of whom are mentors for more than 250 young people.

Young people are at the heart of the Foundation's actions. In 2021 the Group made an additional donation of €1.5 million to the Foundation which raised €2 million in total to help almost 15,000 young beneficiaries who were affected by the health crisis. Four associations were involved in this initiative: Les Restaurants du Coeur; Article 1; Afev; and Apprentis d'Auteuil.

As the Foundation prepares to celebrate its 30th anniversary in 2023, the impact study carried out during this first five-year period confirmed the strategic policies for the coming period (see insert). In order to enable the Foundation to pursue its initiatives, its provisions have been increased to €25 million over the next five years. This will fund its programmes in education, inclusion, and youth which remains a high priority.



Dimitri Vachoux
INSTITUTIONAL COMMUNICATIONS
PROJECT MANAGER

“ I HAVE BEEN MENTORING A YOUNG PERSON FROM THE ARTICLE 1 ASSOCIATION TO HELP HIM FIND HIS CALLING AND DEVELOP PROFESSIONALLY. IT'S A VERY REWARDING EXPERIENCE WHICH BENEFITS BOTH THE MENTOREE AND THE MENTOR! ”

A positive impact

— A specialised agency carried out a social impact study to assess the Foundation's impact and provide indicators to steer its future actions. In total, 22 interviews were carried out with associations, of which 97% say they are very happy with the support they receive. In concrete terms, the Foundation's support has enabled them to scale up, improve visibility and upskill. Various Foundation stakeholders were brought together for a collaborative workshop to define concrete indicators, including social value creation for each euro spent to support associations, and measure this impact over time.

300,000
beneficiaries
since 2018

400 associations
supported

Creation of **€3.4**
in social value
for **€1** of support
to associations

A **€25 million**
provision for 2023-2027



Cecilie Uttrup Ludwig
FDJ-SUEZ TEAM MEMBER

“**THE ATMOSPHERE AT THIS TOUR DE FRANCE WAS MIND BLOWING. THERE WERE SO MANY SUPPORTERS ON THE ROADSIDE. THANKS TO EVERYONE WHO IS WORKING TOWARDS MORE EQUALITY IN OUR SPORT!**”

For French sport, a committed partner

FDJ is committed to amateur and high-level French sports and supports societal changes in this sector, especially gender diversity and promoting women’s sports.

More than **€6 billion** in funding for the French National Sports Agency (ANS) budget in 40 years

More than **€600,000** donated to sports clubs and federations through calls for projects in 2022

52 athletes in the FDJ Sport Factory and its incubator

FDJ is a long-standing French sports sponsor. This translates as partnerships with a host of clubs and federations, and the FDJ Sport Factory which helps high-level athletes get ready for major sporting events with greater peace of mind while also preparing for the professional transition.

FDJ is true to its values; it encourages diversity in sport and creates partnerships with associations, federations, and media fostering women’s sports and gender diversity.

The Group has been sponsoring the FDJ-Suez women’s cycling team since 2017 and has been a major “Tour de France Women with Zwift” partner for three editions, the first of which was held in 2022. To enable French cyclists to compete internationally, in 2022 FDJ and the French Federation of Cycling created the “Coupe de France Elite FDJ”, a competition circuit.

The Paris 2024 Olympic and Paralympic Games are the ideal opportunity to boost the development of women’s sports. As an official partner, FDJ shares with the other stakeholders the aim of increasing the practice of sports for all women, the presence of sportswomen in the media and in sports governance. In 2022, with the Paris 2024 Olympic and Paralympic Games Organisation Committee, the Group launched the third level of its barometer which measures women’s sports practice in France. And it announced with Paris 2024 that the “Impact 2024” call for projects will be stepped up by creating a specific category for the development of women’s sports, which will provide support for 400,000 women by 2024.

Free-access sports facilities

As an official Paris 2024 Olympic and Paralympic Games partner and key stakeholder in amateur sports sponsorship in France, FDJ together with the French Sports Agency and Paris 2024, is behind the “Gagner du terrain” initiative. The aim is to encourage the practice of sports and extend the target population of those who practice sport by installing free-access sports facilities in towns and cities throughout France. At the end of 2022 four municipalities already benefited from this initiative and 50 or so others in urban and rural areas will be equipped by 2024.





For French heritage, with the French nation

FDJ, a popular company with solid roots throughout France, is taking action together with its Corporate Foundation to conserve France's heritage.

France is proud of its heritage which is one of the main reasons behind its international renown. For FDJ, supporting this cause means nurturing social cohesion, helping to pass down memories and a legacy, promoting the economy and arts and heritage professions, and sustainably promoting regional attractiveness and tourism.

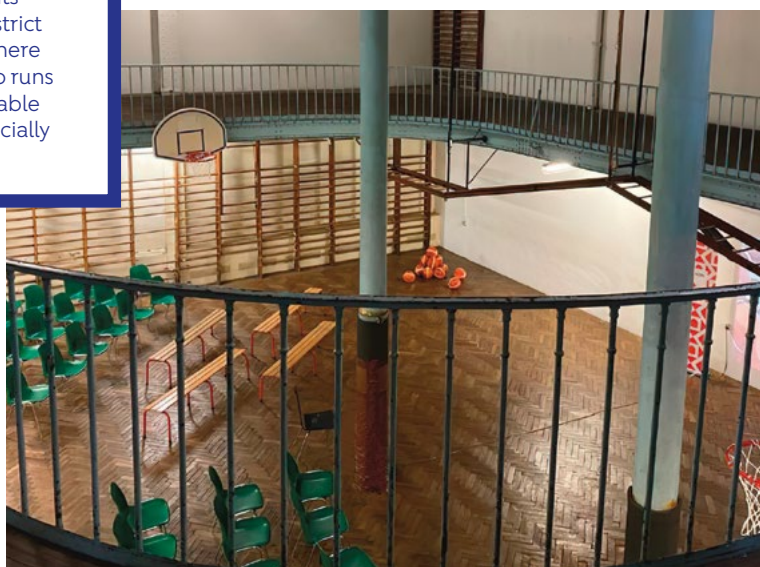
Since 2018, the Group has offered a range of games dedicated to Mission Patrimoine. This initiative for the preservation of endangered heritage is represented by Stéphane Bern, deployed by the French Heritage Foundation, and supported by the French Ministry of Culture. FDJ has collected more than €125 million in five years, including more than €26 million in 2022, which is the amount of Mission Patrimoine gaming stakes that would normally go to the French State. Out of the 745 projects selected since 2018 by Mission Patrimoine, 450 heritage sites have now been, or are being, restored. Moreover, FDJ, as a French Heritage Foundation sponsor until 2024, backs a specific project every year to the value of €500,000. The FDJ Corporate Foundation provides an annual grant of €200,000 for social and professional inclusion projects to restore the selected sites.

More than **€125 million**
collected since 2018

450 sites restored
or being restored

Revamping the YMCA

— The 2022 European Heritage Days were the opportunity for FDJ and its Corporate Foundation to partner with the French Heritage Foundation and hand over a €1.26 million cheque to the YMCA to help fund the restoration of its historic site in Paris. The site is located in Paris' 9th district and is home to the world's oldest basketball court. There is a hostel for young students and workers, and it also runs cultural and sports activities. The renovations will enable the YMCA to offer its social services once again, especially to young people.



A collective effort

— FDJ is committed to raising employee environmental awareness on all Company levels. In 2022, a Group Management Committee work group was devoted to raising awareness about climate change and its consequences. At the end of September, during the European Sustainable Development Week, employees took part in Climate Collage workshops and a WWF France conference on the climate emergency.

For the environment, reducing our footprint

FDJ is focusing on two priorities to reduce its environmental impact: reducing its carbon footprint and protecting biodiversity.

Tackling abandoned waste

In 2022, FDJ partnered with Gestes Propres, a pioneering association in fighting abandoned waste. The Group rolled out the Small Waste campaign, to raise public and FDJ customer awareness about the need to put small waste - in particular used scratch cards - in the bin. The campaign took place in the 23,000 FDJ points of sale equipped with digital screens. The Group is pursuing its contribution to waste sorting and reminds its customers about small, daily actions, such as correctly disposing of chewing gum, bottle caps, and scratch cards - as highlighted in the campaign.

In 2019, the Group set itself targets, approved by the Science Based Targets (SBT)⁽¹⁾ initiative: reduce its scope 1 and 2⁽²⁾ greenhouse gas emissions by 20% by 2025 and scope 3⁽³⁾ emissions by 15%; cover all its sites' electricity needs with certified renewable sources; and onboard its suppliers to the SBT initiative. These targets have already been met. With the aim of contributing to the French National Energy Efficiency Action Plan, FDJ decided to accelerate its energy efficiency initiatives with a plan to reduce energy consumption for buildings, digital technology, and business travel. At the same time, FDJ funds Verified Carbon Standard projects in India and Brazil to offset all of its residual emissions. In 2022, efforts were made to increase the Group's carbon reduction targets by halving the intensity its overall scope 3 emissions by 2030. The SBT is currently validating this updated objective.

Paper, which comes from wood, is one of the main resources used to make gaming materials. Since 2012, 100% of the Group's materials are printed on paper from FSC®-certified sources. In 2022, FDJ carried out a study with FSC France to assess the impacts of FSC®-certified wood on the biodiversity of the forests used to manufacture scratch cards. The study revealed that FSC®-certified wood creates increased biodiversity per harvested unit than non-certified wood. The Group's sourcing choice is therefore appropriate.

Moreover, since 2019, the Group has been financing forest biodiversity conservation and restoration projects with FSC France and Sylvamo Forêt Services. Six projects are currently being funded in several French regions. FDJ's initiatives make it one of Europe's pioneering lotteries and in the world in terms of forest ecosystem protection.

More than **100 hectares** of forest protected since 2019 in France

◆ **59%** reduction in greenhouse gas emissions for scopes 1 and 2 and **- 45%** for scope 3 (excluding purchases) in 2021, compared to 2017



(1) International initiative to encourage setting greenhouse gas reduction targets to limit the global average temperature increase to 2 °C by 2100.

(2) Reduction of emissions related to the Group's energy consumption: electricity; gas; fuel; air conditioning; and fuel for Company vehicles.

(3) Reduction of business travel emissions (excluding Company vehicles), employee commutes, and upstream energy use (transported energy).

A man with dark, curly hair and a beard is sitting on wooden stairs. He is wearing a white button-down shirt over a maroon t-shirt and grey trousers. He is smiling broadly while looking down at a smartphone in his hands. He is also wearing a silver watch on his left wrist. The background is slightly blurred, showing more of the stairs and some greenery.

Overview

OF THE GROUP

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1.1 Major trends in the gaming sector ⁽¹⁾

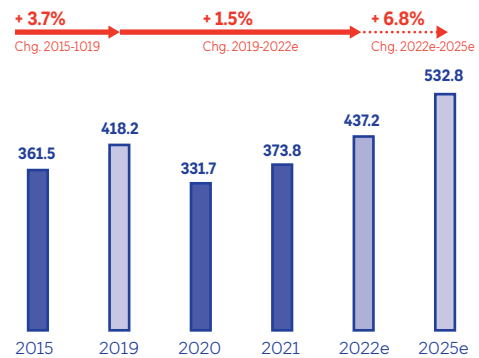
Operating in the gaming sector, FDJ's core activities are lottery games (draw games and instant games) and sports betting and online games open to competition.⁽²⁾ FDJ is also developing three diversification activities: international B2B services, providing services for lottery and/or sports betting operators, payment and services in points of sale and entertainment.

FDJ is the leading player in the French gaming sector, with more than 55% of the market's gross gaming revenue (GGR: stakes less players' winnings) in 2021, all gaming segments combined, and also one of the leading lottery operators in Europe and worldwide.

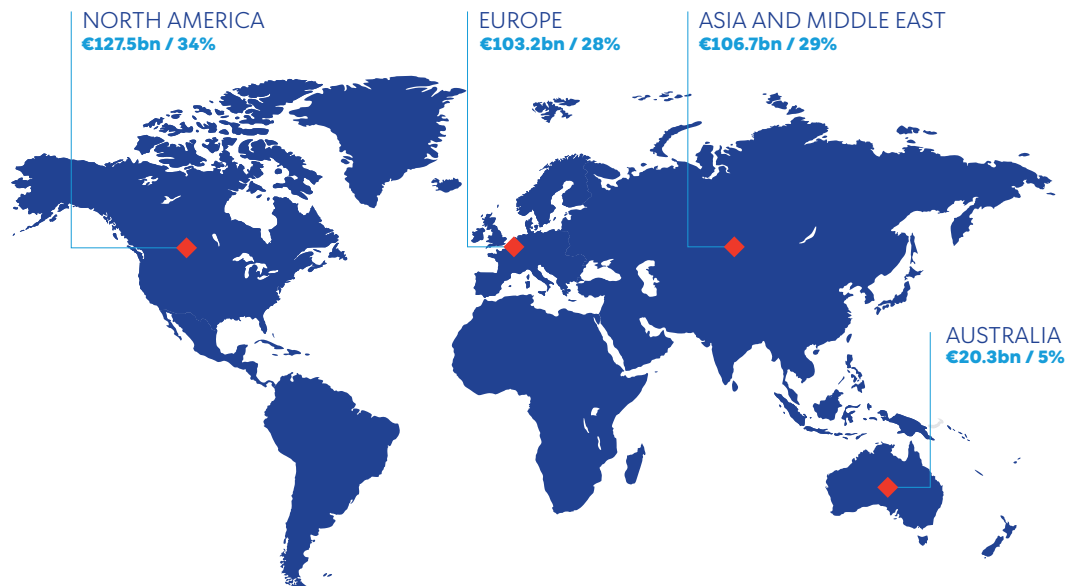
1.1.1 GLOBAL GAMING MARKET⁽³⁾

After a decline attributable to the health crisis and measures forcing the closure of points of sale and imposing travel restrictions in 2020, the global gaming market resumed growth in 2021. Gross gaming revenue is estimated to have totalled €437 billion in 2022, compared with €418 billion in 2019. GGR is accordingly expected to have exceeded its pre-crisis level in 2022 and is projected to reach €533 billion in 2025, implying an average annual growth rate of 6.8% over the 2022-2025 period.

GLOBAL GROSS GAMING REVENUE FROM 2015 TO 2025E (in billions of euros)



MAIN GLOBAL MARKETS IN TERMS OF GGR (GGR in billions of euros and % of global GGR)



(1) As 2022 data were not yet available at the time of publication of this Universal Registration Document, the data relating to the global, European and French gaming markets below are for 2021. Unless otherwise stated, the source used in this section is H2GC, data as at 12 January 2023, applying the average annual exchange rate (OECD).
 (2) Gaming, excluding lottery. In France, an online market open to competition is permitted for sports betting, horse-race betting and poker.
 (3) Scope covered: lottery, sports betting, horse-race betting, poker, casinos and slot machines; in an offline network and/or online.

SHARE OF ONLINE GGR BY CONTINENT



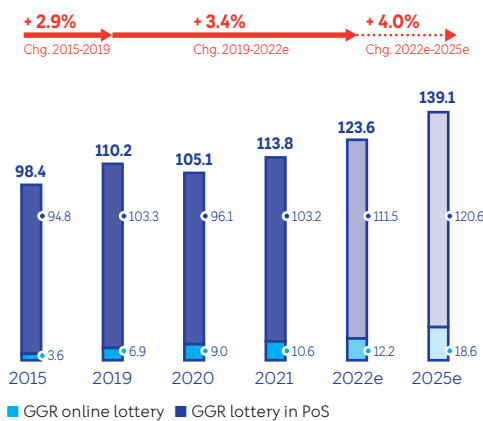
The Covid-19 health crisis intensified the growth of online gaming. Health restrictions resulting in the closure of points of sale or limiting footfall prompted players to change their gaming habits, turning them towards online formats in greater numbers.

The global lottery and sports betting market accounts for 45% of the global gaming market, representing GGR of €167 billion in 2021, up from over €125 billion in 2015.

GLOBAL LOTTERY MARKET

The lottery segment is growing steadily. Its GGR totalled €114 billion in 2021, up from €98 billion in 2015. The offline lottery offer represents the bulk of the global lottery market, with GGR of €103 billion in 2021. The online lottery offer is growing significantly, with GGR of €11 billion in 2021, compared with nearly €4 billion in 2015.

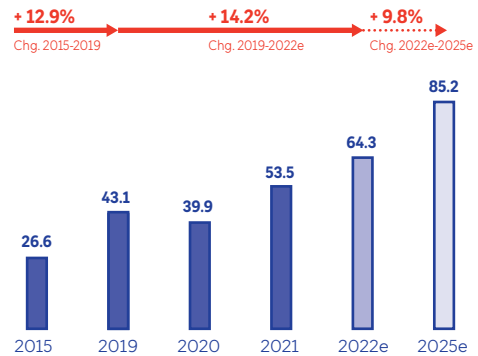
GLOBAL LOTTERY GAMES GGR FROM 2015 TO 2025E (in billions of euros)



GLOBAL SPORTS BETTING MARKET

The global market in sports betting is extremely dynamic and undergoing rapid growth. This market represented GGR of €54 billion in 2021, compared with €27 billion in 2015, i.e. an average annual growth rate of 12.4% over the 2015-2021 period.

GLOBAL SPORTS BETTING GGR FROM 2015 TO 2025E (in billions of euros)



The global sports betting market is also still dynamic and the most competitive segment, with some online operators operating illegally due to the fact that they do not have the licences required by the national authorities.

The regulation and supervision of gaming differs from one country to another within the European Union. While only bets organised for sporting events or competitions are permitted in France, bets on non-sporting events (politics, current news, results of eSport competitions for example) or even virtual events, are permitted in other countries. Some domestic laws limit the offer of betting to pooled formats (in France in the horse-race betting segment for example). Others authorise forms of betting that are prohibited in France because they allow players to lose more than the amount wagered or to act as bookmakers against other players.

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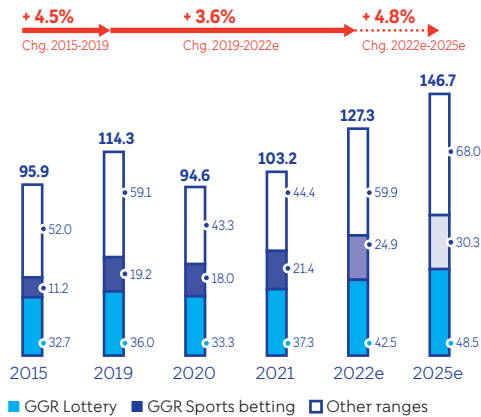
OVERVIEW OF THE GROUP Major trends in the gaming sector

2018 saw a major change for sports betting, with the opening of the US market. To date, more than 30 states have opened up their markets. By 2025, with gradual authorisation state by state, American sports betting may

account for GGR of approximately €15 billion (based on H2GC estimates), assuming that sports betting is authorised in 46 of the 50 US states.

1.1.2 EUROPEAN GAMING MARKET

EUROPEAN GAMING GGR FROM 2015 TO 2025E (in billions of euros)

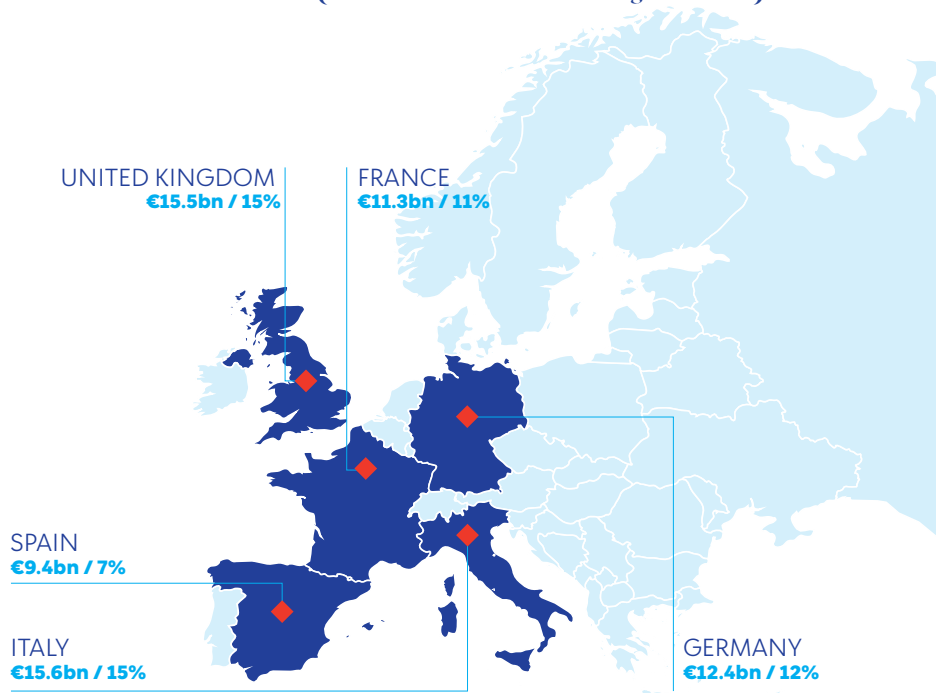


The European gaming market⁽¹⁾ represented GGR of €103 billion in 2021, compared with €96 billion in 2015. GGR is set to reach €147 billion in 2025, i.e. a projected average annual growth rate of 4.8% over the 2022-2025 period.

The lottery segment is growing steadily. Its GGR totalled €37 billion in 2021. The offline lottery offer represents the bulk of the European lottery market, with GGR of €30 billion in 2021. The online lottery offer is recording significant growth, with GGR of over €7 billion in 2021 (18.9% of total lottery GGR in 2021, vs 8.6% in 2015), i.e. an average annual growth rate of 16.5% over the 2015-2021 period.

The European sports betting market is extremely buoyant and is undergoing rapid growth. It represented GGR of €21 billion in 2021, compared with €11 billion in 2015, i.e. an average annual growth rate of 11.5% over the 2015-2021 period, with growth driven notably by the online offer.

MAIN EUROPEAN COUNTRIES IN TERMS OF GGR (in billions of euros and % of global GGR)



(1) Including the European Union countries plus countries geographically located in Europe.

In terms of regulation, different models exist within the European countries, depending on the game segments in question:

- for the lottery segment:
 - the exclusive rights model (monopoly or duopoly) remains predominant and is to be found in most countries of the European Union, as well as in Norway and in Switzerland;
 - some lotteries are public (Loterie Nationale in Belgium, Loterie Romande in Switzerland and Santa Casa da Misericórdia de Lisboa in Portugal) and others are private (Sazka in the Czech Republic, Camelot in the United Kingdom and OPAP in Greece).
- for the sports betting segment, the majority of countries have opted to open their markets up to competition, particularly in the case of online sports betting.

For some years, we have been witnessing the consolidation of the European market and international expansion by European operators in search of new growth drivers. For example, Cirsa, based in Spain, is looking to Latin America, while Allwyn, the leader in the Czech Republic, already operates in Greece, Austria and Italy, and is soon to enter the United Kingdom.

The European market, considered mature before the Covid-19 crisis, has rebounded beyond pre-crisis levels, thanks notably to the intensification of its digital transformation. New markets are opening up for online gaming, including:

- Germany, where the federal government is responsible for regulating online sports and horse-race betting, and online casino games. For online casino games, it is up to

the various state governments to choose between organisation as a monopoly or by private operators. The regulation of lottery games falls within the powers of the states;

- the Dutch market, where online horse-race betting, online casino games and slot machines have been open to competition since October 2021. Online sports betting, which was previously a monopoly operated by Nederlandse Loterij, has also been open to competition since then.

Operators are also adopting strategies for diversification, both in terms of distribution (lotteries are seeking out new points of sale) and in terms of areas of intervention (offering adjacent services, such as financial services in points of sale).



At the same time, the sector is witnessing a wave of reform of national regulatory frameworks aimed at modernising regulation, adapting it to growing digital usage and strengthening measures on responsible gaming, i.e. preventing excessive gambling and underage gambling (notably in the United Kingdom, Germany and the Netherlands in 2021).

The result is a growing trend towards player identification – already the rule for online gaming – and in some countries at the point of sale, also reflecting the tightening of anti-money laundering obligations.

Restrictions are also being brought in to cover advertising and sponsorship of gaming, either by law (e.g. Belgium, Spain, Italy) or as self-regulation by operators (e.g. United Kingdom, Netherlands).

1.1.3 THE FRENCH GAMING MARKET

The French gaming market is a highly regulated sector broken down into five distinct categories.

	 IN POINTS OF SALE	 ONLINE
LOTTERY	FDJ exclusive rights	FDJ exclusive rights
SPORTS BETTING	FDJ exclusive rights	Competition (ANJ approval)*
HORSE-RACE BETTING	PMU exclusive rights	(ANJ approval)*
POKER	Casinos and gaming clubs	Competition (ANJ approval)*
TABLE GAMES (EXCLUDING POKER)	204 casinos and a few gaming clubs in Paris	Prohibited
SLOT MACHINES	204 casinos	Prohibited

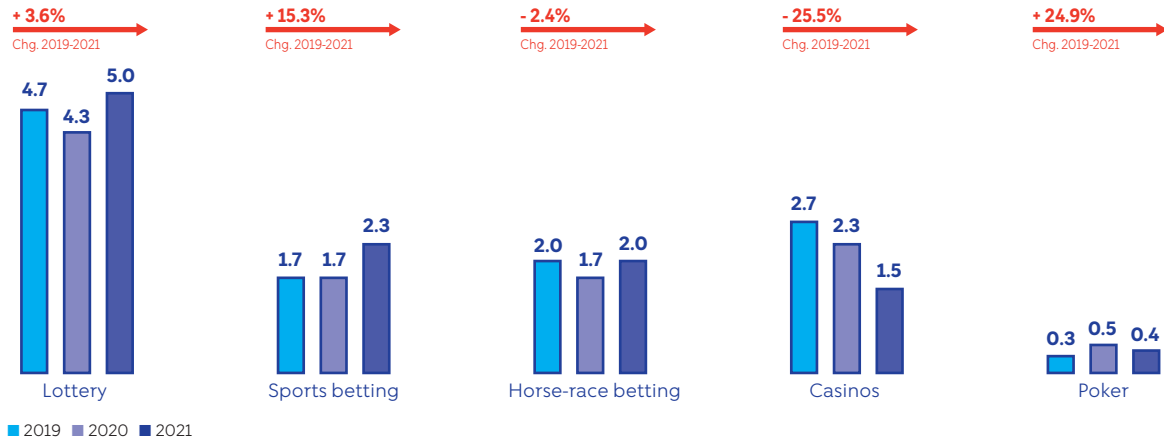
* ANJ: French gaming regulatory authority (see 1.5 "Regulatory environment").

In France, FDJ has exclusive rights to operate offline and online lottery games, as well as to operate PoS sports betting (these exclusive rights were strengthened by the Pacte Law, which overhauled the regulatory framework for gaming in France (see 1.5 "Regulatory environment"), whereas its online sports betting activities are operated in competition with other operators.

According to the 2022 FDJ market survey, the French gaming market has approximately 28 million players, of which over 25 million for lottery, 6 million for sports betting, over 3 million for horse-race betting, 2 million for poker and nearly 5 million for casinos. These figures are stable compared with 2021, with the exception of casinos, where the number of players was almost 4 million in 2021.

In 2021, GGR resumed growth in the gaming market. In the offline network, the only sharp fall in GGR was in casinos, caused by the periods of closure linked to the health crisis and the severe restrictions to access conditions that ensued. The GGR of businesses open to competition continues to grow faster than the GGR of those operated under exclusive rights, with growth of 24% and 4% respectively compared with 2020.

(in € bn)



The GGR of sports betting grew by 16.9% per year between 2015 and 2021.

The online sports betting market is growing faster than offline sports betting. The differential is attributable to players' swift take-up of digital technology, backed up by the development of new technological devices that allow the emergence and permanent accessibility of new offers, such as live betting.

The French online sports betting market has undergone significant change in terms of size and the number of operators approved, as have online horse-race betting and online poker, since the opening of the segment to competition by Law No. 2010-476 of 12 May 2010.

As of 31 December 2022, 17 sports betting operators had been approved by the French online gaming regulatory authority (ANJ). Since 2015, this market has recorded significantly accelerated growth. Thus, between 2015 and 2021, the number of online player accounts increased from 1 million to more than 4 million. Since 2017, GGR has been

greater in the online sports betting market than in the offline market.

In 2021, online and point-of-sale sports betting activities generated GGR of €2.3 billion, with an acceleration in the online market (+41% compared with 2020) and a return to growth (+25% compared with 2020) in the offline network.

The GGR of lottery games (draw + instant games) grew by 3.5% per year between 2015 and 2021. Between 2015 and 2021, online lottery GGR grew by 24.5% per year. Players' new digital uses, which really took off during the health crisis, are behind more sustained average annual growth of 44% between 2019 and 2021. In the offline distribution network, lottery games GGR grew by 2% per year between 2015 and 2021; by the end of 2021, GGR had returned to the 2019 level.

In terms of game categories, instant games drove the growth of lottery games, with average annual GGR growth of 5.8% between 2015 and 2021, while draw games GGR grew by 2.2% per year over the same period.

1.1.4 INTERNATIONAL B2B MARKET

FDJ is a recent operator in the international B2B market in the provision of services for lottery and sports betting operators.

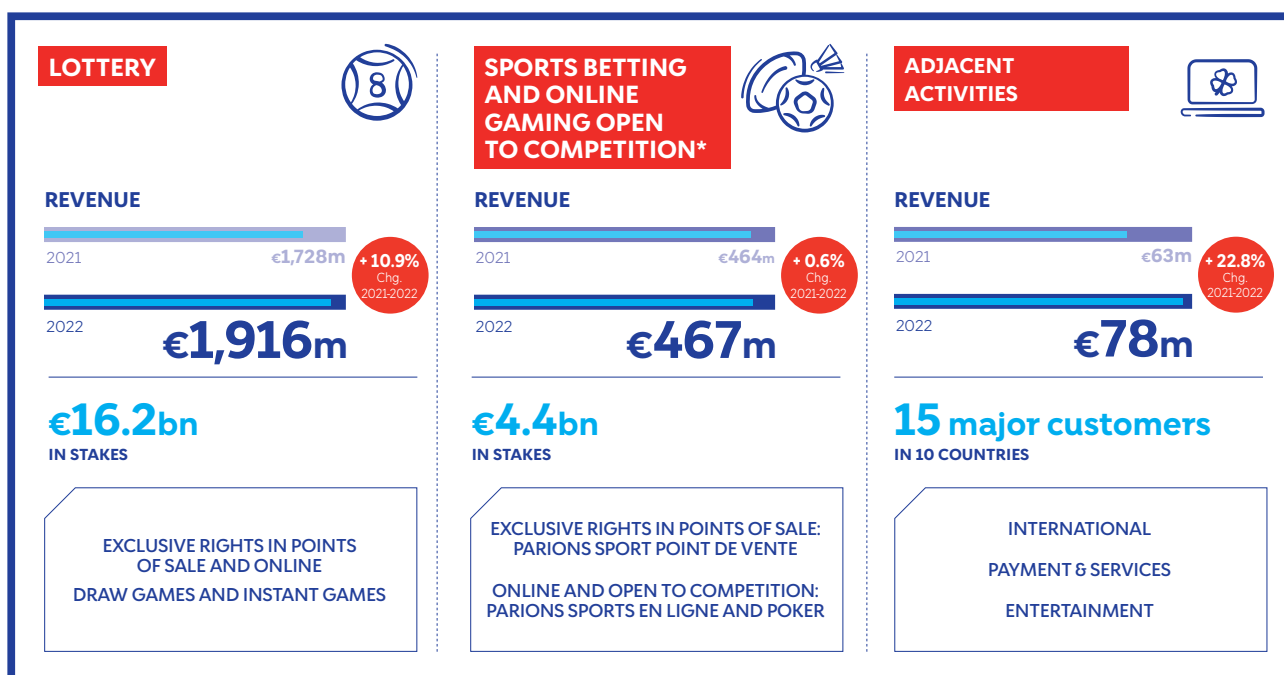
In these segments, mainly in Europe and North America, the market addressable by FDJ in the medium term represents revenue of approximately €1 billion.

The market for services to lottery operators is highly concentrated, dominated by three players accounting for almost 80% of the total (International Game Technology, Scientific Games and Intralot). These players operate across the entire value chain. We are also seeing a digital transformation, with varying levels of maturity depending on the geography, as well as a trend towards the opening up of the American market to online lottery activities and digital games.

The market for services to sports betting operators is still fragmented, with players of varying sizes (Betgenius, Flutter Entertainment, FSB, International Game Technology, Intralot, Kambi, SBTech, Scientific Games, Sporting Solutions, Sportradar, etc.). However, there has been consolidation among operators (Flutter, GVC) and work to extend operators' footprints along the value chain.

Operators' requirements vary depending on their profile: the largest specialist operators in the sports betting segment prefer solutions in which they are the proprietors of their own technology, which gives them a strategic advantage, whereas the small and non-specialist operators prefer outsourced solutions requiring less expertise and investment.

1.2 The Group's core businesses



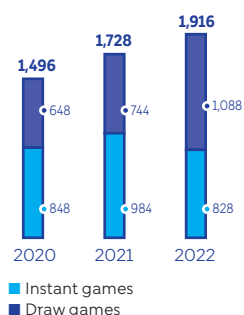
* Online gaming, excluding lottery. In France, a competitive online market is permitted for sports betting, horse-race betting and poker.

1.2.1 LOTTERY

Offline and online lottery games, for which FDJ has exclusive operating rights, are the Group's legacy business and also its primary source of revenue.

In the year ended 31 December 2022, Lottery generated revenue of €1,916 million (or 78% of Group revenue) on stakes of €16.2 billion (or 78% of Group stakes in 2021), generating a contribution margin of €709 million, or 37.0% of revenue.

REVENUE BY RANGE (in millions of euros)



In 2022, the very dynamic growth of the lottery BU was driven mainly by:

- the continuation of good momentum in the draw range, particularly Euromillions;
- instant games, with the success of special events in the games portfolio;
- the continuation of a good trend in online lottery, particularly in the draw range.

In 2022, lottery games attracted more than 25 million players according to the FDJ market survey (source: FDJ), stable compared with 2021 but above its pre-crisis level. This stability of the lottery pool is attributable to the combined impact of persistently good recruitment levels offsetting the increase in dropouts, but without a return to pre-crisis levels.

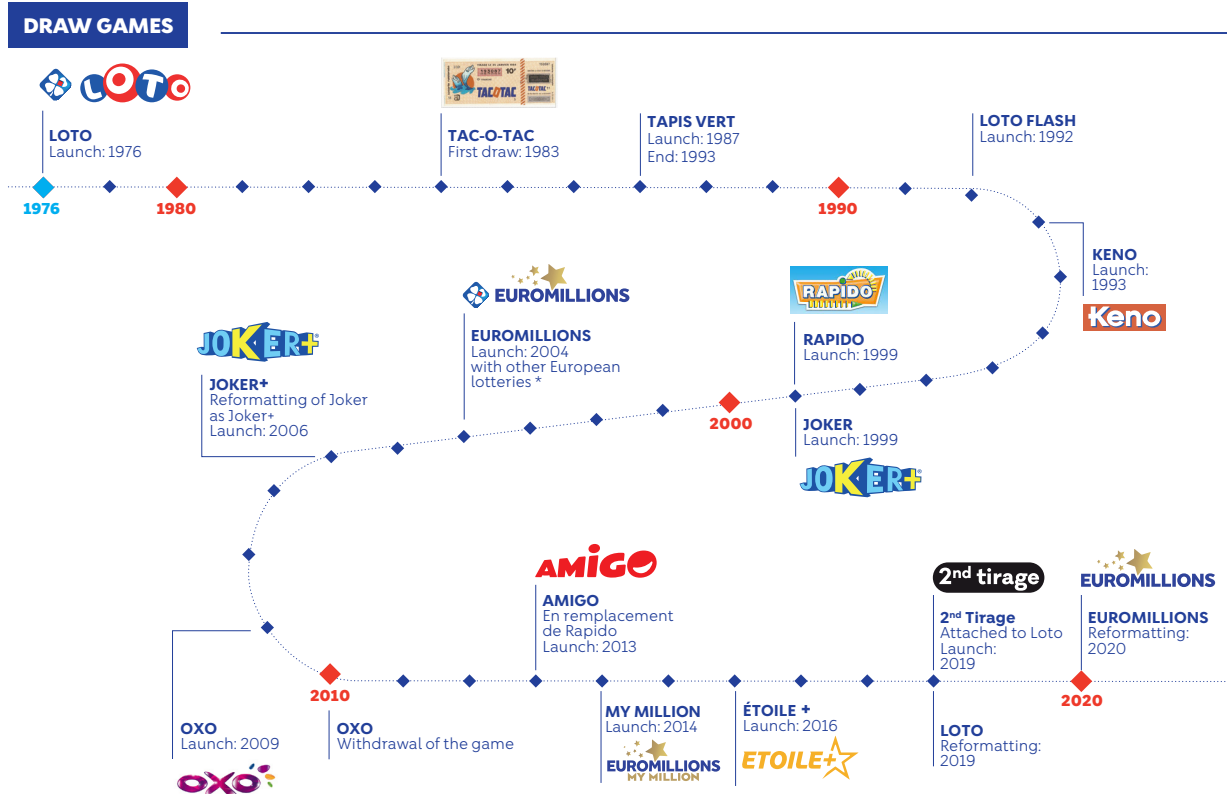
The profile of the FDJ player base is very similar to that of the broader French population aged 18 and over, albeit slightly more male, more youthful, more active and more affluent.

On average, nearly 200 players become millionaires each year thanks to lottery games.

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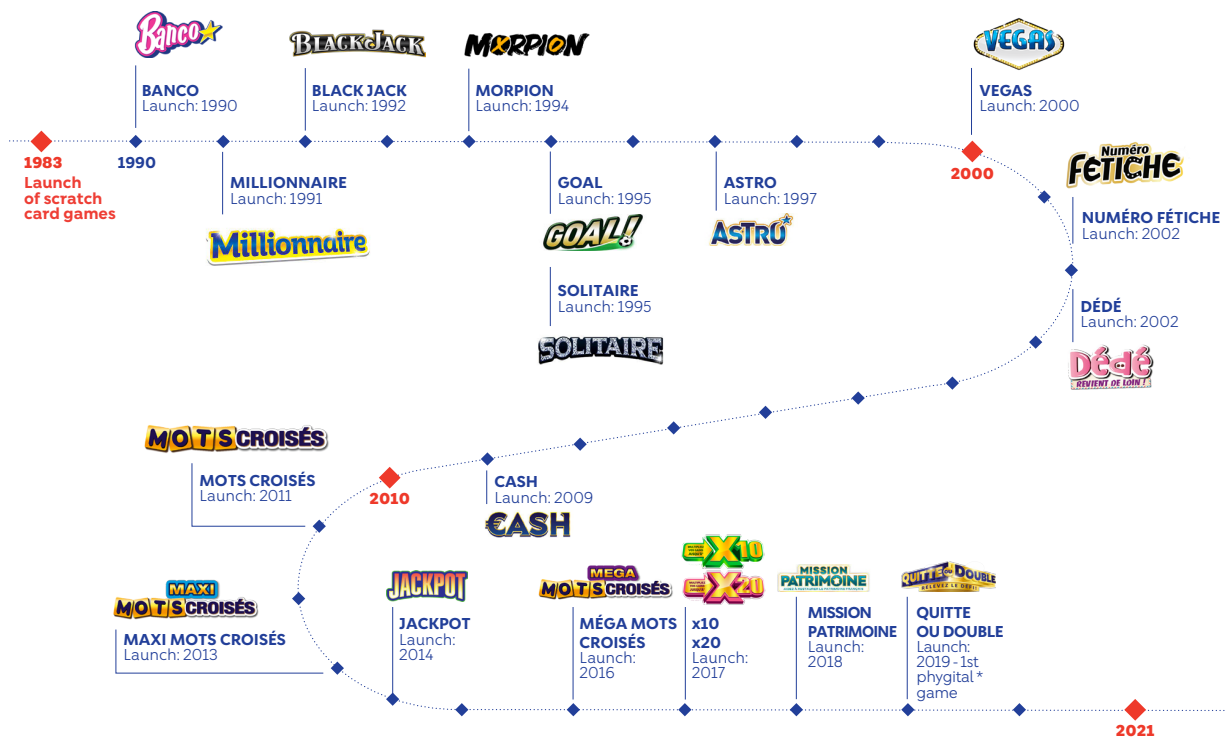
OVERVIEW OF THE GROUP The Group's core businesses

1.2.1.1 LOTTERY GAMES OFFER



* Euromillions brings together ten European lotteries (France, United Kingdom, Spain, Ireland, Belgium, Portugal, Luxembourg, Austria and two in Switzerland).

INSTANT GAMES



* After scratching their ticket, players can try to multiply their winnings thanks to a digital step.

FDJ's portfolio of lottery games, both recent and well-established, covers a wide range of gaming experiences and demonstrates the Group's ability to diversify, refresh its offer and roll it out at points of sale and online. The offer includes long-standing and well-known brands, while the other part of the games portfolio is regularly refreshed. FDJ is licensed to operate a maximum of 40 games in the offline

distribution network and 100 online games at the same time. In 2022, FDJ launched or reformatted 16 exclusive online games and 12 point-of-sale games. On average, one offline game is launched or reformatted every month. At the end of 2022, FDJ was operating 37 games in the PoS network and 77 online games simultaneously (compared with 40 and 77 respectively at the end of 2021).

Lottery games fall into two categories, namely draw games and instant games, which differ in terms of:

GAME MECHANICS	VALIDATION OF GAMES
<ul style="list-style-type: none"> - Draw games are games for which the element of chance, in the form of a draw, is shared by all players. - Instant games are games in which the intervention of chance is specific to each player within a single pool of tickets, and whose results are revealed following individual action by the player. 	<ul style="list-style-type: none"> - The single stakes of traditional draw games vary from €1 to €2.50. - Instant games sell from €0.10 to €15.

Lottery games can be organised on a pooled basis, on a counterparty basis or on a combination of the two:

Pooled games	Total winnings, set as a percentage of stakes, are divided among the prize winners following the involvement of chance;
Counterparty games	The type and value of the prizes allocated to prize winners are set or are based on a probability calculation.

As of 31 December 2022, in addition to instant games based on the counterparty principle, FDJ operated four counterparty draw games (My Million, Amigo, Keno and Joker +).

Draw games

FDJ's draw games include six brands: Euromillions, Loto®, Keno, Joker +, Amigo (only available offline) and Bingo Live (only available online).

Draw games consist of:

Traditional draw games

Traditional draw games are games in which chance takes the form of a draw organised once a day maximum. They are Loto® (three draws per week, on Mondays, Wednesdays and Saturdays) and Euromillions (two draws per week, on Tuesdays and Fridays).

These games are characterised by high jackpots, for which stakes are usually driven by the following factors:

- the jackpot: the higher the jackpot (which happens when there is no winner for several consecutive draws), the higher the amount of stakes, as more occasional players play;

- special events: on top of "regular" draws, games seek to attract players through major events or calendar-related cultural curiosities such as Friday the 13th.



Additional draw games

Additional draw games are games that are only offered as a complement to one or several other games, either as an option or not. They include My Million and Étoile + for Euromillions, and Second Draw and Joker+ for Loto®.




Successive draw games

In successive draw games, chance takes the form of draws organised several times on the same day. They include Amigo, Keno, Joker + and Bingo Live.





Euromillions brand games: Euromillions, My Million and Étoile + as of 31 December 2022

	 EUROMILLIONS	 EUROMILLIONS MY MILLION	 ETOILE+
	TRADITIONAL POOLED DRAW GAME	ADDITIONAL GAME SPECIFIC TO FRANCE	OPTIONAL EXTRA
Price	€2.50 for a Euromillions game and a My Million code participating in one draw	€0.30 built into the €2.50 Euromillions ticket price	€1.00
Mechanics	Choice of 5 numbers out of 50, and 2 stars out of 12 Players can opt for the flash system, which automatically selects a random combination	Unique My Million alphanumeric code automatically assigned to players validating a game	Players get a win if they have one or two correct stars and no numbers, or an additional win if they have already won Euromillions thanks to one of the eight combinations with one or two correct stars
Winnings	Jackpot between €17 million and €250 million for 5 correct numbers and 2 winning stars	1 player guaranteed to win €1 million in each draw	Étoile + winnings are cumulative with Euromillions winnings

Loto® / Super Loto® / Grand Loto® / Second Tirage brand games as of 31 December 2022

	 LOTO	2nd tirage	 SUPER LOTO	 GRAND LOTO
	TRADITIONAL POOLED DRAW GAME	ADDITIONAL OPTIONAL DRAW GAME WITH DISTRIBUTED WINNINGS	ONLY ON FRIDAY THE 13TH OR TO MARK SPECIFIC EVENTS DURING THE YEAR	
Price	€2.20 for a Loto® game participating in one draw	€0.80	€3.00 for a Loto® game participating in one draw	€5.00 for a Loto® game participating in one draw
Mechanics	Choice of 5 numbers out of 49, and 1 lucky number out of 10 Players can opt for the flash system, which automatically selects a random combination For each game validated, a unique code is automatically assigned to the player, which is entered into a draw to win €20,000 (raffle mechanism). Ten codes are drawn for each draw	Independent draw carried out directly after the Loto® draw. A player can enter all 5 numbers in the grid of a Loto® game in a specific draw known as the "Second Tirage" ("Second Draw"). There is no Second Tirage for the Super Loto® or Grand Loto® Christmas draws.		The Christmas Grand Loto® jackpot is always won, as the jackpot is divided among all the winners of the draw if there is no level one winner.
Winnings	Minimum jackpot €2 million for 5 correct numbers and the lucky number	€100,000 minimum to be shared among level one winners	Jackpot of at least €13 million 50 Super Loto® codes are also generated, each worth €20,000	Jackpot of at least €15 million 100 Super Loto® codes are also generated, each worth €20,000

Other draw games as of 31 December 2022

	 KENO	 JOKER+	 AMIGO	 BingoLive
	TRADITIONAL COUNTERPARTY DRAW GAME <i>2 draws daily, midday and evening</i> <i>This game allows the player to decide the way he or she plays (depending on the number of numbers ticked) and the amount to be won</i>	ADDITIONAL COUNTERPARTY DRAW GAME, <i>available with Loto® or Keno</i> <i>2 draws daily</i>	TRADITIONAL POINT-OF-SALE <i>draw game, with counterparty winnings</i>	MULTI-PLAYER POOLED GAME, <i>only available online on fdj.fr</i> <i>Several players challenge each other during a draw to win the jackpot and/or amount in play.</i>
Price	€1.00, €2.00, €3.00, €5.00 or €10.00		€2.00, €4.00, €6.00, €8.00, €10.00 or €20.00	Between €0.20 and €3.00 depending on the game format
Mechanics	From 2 to 10 numbers per game out of the 70 numbers offered Players can opt for the flash system, which automatically selects a random combination	Combination of 7 numbers from 0 to 9 Players can opt for the flash system, which automatically selects a random combination Players can double the stakes to change 1 number	Choice of 7 numbers out of 28 Players can opt for the flash system, which automatically selects a random combination 2 steps: 7 blue numbers then 5 yellow numbers Broadcast on Amigo screens in points of sale	Choice of game format and cards For each format, 1 draw from 75 or 90 balls, with the order of the draw determining winnings Complete a pattern in less than x balls to win the jackpot and the level one prize
Winnings	Up to €100,000 per year for life or €2 million immediately	Up to €500,000	Up to €250,000 Winnings start with 4 correct numbers among the 12 numbers drawn	Fixed jackpot of €10,000 Rolling jackpot from €500 to a maximum of €100,000 depending on the format

Instant games

FDJ's instant games are games in which the intervention of chance is specific to each player, by way of comparison with draw games, and whose results are revealed following individual action by the player. They can be sold in points of sale and/or online.

Since 2012, the Illiko® umbrella brand has brought together the entire range of instant games available at points of sale, including innovations in game mechanics or tickets, plus nearly 40 games offered exclusively online.

Online games derived from offline versions have the same characteristics: prizes, prize table, game mechanics, etc. Their price varies from €0.50 to €15.00, and maximum winnings from €500 to €1,500,000.

Other online-only games offer varied game mechanics and a richer customer experience. Some may be associated with the additional non-optional Super Jackpot draw game. The various game mechanics allow players to make one or more choices with or without an impact on frequency or winnings as they play. The games feature instant animated winnings reveals. Visual changes are made frequently to modify the style of the tickets in line with the seasons and to liven up the product range. Their price varies from €0.10 to €3.00, and maximum winnings from €1,000 to €300,000.

Some games are also associated with the Super Jackpot offer. Each time they play one of these games, players are automatically entered into an additional draw for a chance to win the Super Jackpot.

There are several types of instant games:

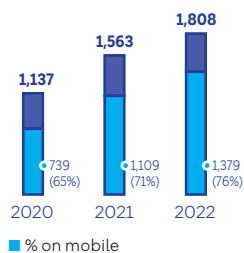
Scratch games	Scratch games are games issued on material or immaterial media in blocks consisting of a pre-set number of game units. Each issue consists of one or several blocks with the same prize table. The symbols representing winnings are hidden before the issue is sold to the public. They are revealed at the initiative of the player by an action or a decision on his or her part. They include games such as Cash, Astro, Banco, Millionaire, Mots Croisés, Solitaire and Morpion.
Instant random games	Instant risk games are games in which chance becomes operational as a result of the individual player's request. They include Instant Loto and Keno Atlantia.
Additional instant games	Additional instant games are games that are only available as a complement to one or more other games, either as an option or not. Instant games have a player payout (PPO) ratio of between 60% and 75%, with an annual average of less than 70.5%.

1.2.1.2 ONLINE LOTTERY

In a growing online gaming market, FDJ has significantly strengthened its online lottery offer, gradually moving towards a more integrated and omnichannel range.

The development of online lottery has been driven by an increase in the number of players (nearly 5 million players at the end of 2022), in line with FDJ's extensive gaming model.

SHARE OF MOBILE IN ONLINE STAKES (in millions of euros)



To grow its online lottery offering, FDJ first began by transposing the games offered in its point-of-sale network. It also has an exclusive online offer with an identical optimised customer experience for games on different digital devices (web, iOS, Android). This experience allows for cross-selling between the various online lottery games, and has also been redesigned to allow the preparation on smartphones of games then played in points of sale. These elements reinforce the omnichannel experience for FDJ customers.

1.2.1.3 ACTIVATION: PROMOTION OF THE GAME OFFER TO AS MANY PEOPLE AS POSSIBLE

Activation is designed to win over new players, to ensure that the first game is enjoyable and to build player loyalty via communication campaigns and targeted promotions, as part of the Group's responsible communication approach.

Recruiting players in accordance with the extensive gaming model

FDJ publicises its range of offline and online games via advertising campaigns and promotional coupons tied to the launch of new games and the reformatting of existing ones.

Advertising campaigns, primarily in the form of advertising films, some of which have become cult, significantly boost the name recognition of FDJ and its brands. These films, which are usually humorous, concentrate on people, values and human behaviours via clearly defined characters, in a happy and positive tone highlighting the fun, recreational and entertaining nature of FDJ games. Some of them have contributed greatly to brand awareness by bringing slogans such as "Au revoir Président" (Bye bye Boss), "C'est le jeu ma pauvre Lucette" (That's the game, my poor Lucette) into common parlance.

The commercial schedule is based on calendar events and launches/reformatting, with an average of one event per month.

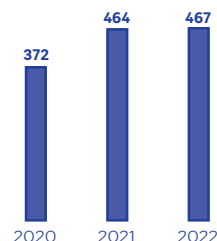
FDJ also uses promotional coupons (discount coupons), which are offered both in points of sale and online to increase the visibility of its games, of their benefits, of the options available, and of new products.

1.2.2 SPORTS BETTING AND ONLINE GAMING OPEN TO COMPETITION ⁽¹⁾

FDJ considers itself to be the leader in sports betting in France and to be among the five leaders in Europe in terms of GGR.

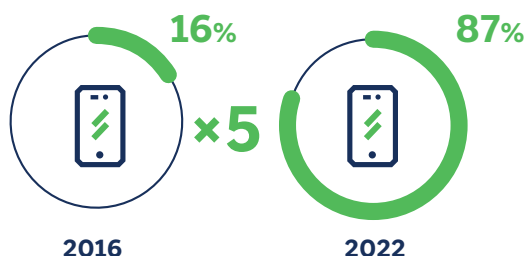
In the online sports betting market, FDJ considers itself to be in the second circle of operators in terms of market share; the main operators generally offer several game verticals and operate in several geographical markets, unlike FDJ until the end of November 2022, before the launch of an online poker offer.

REVENUE (in € million)



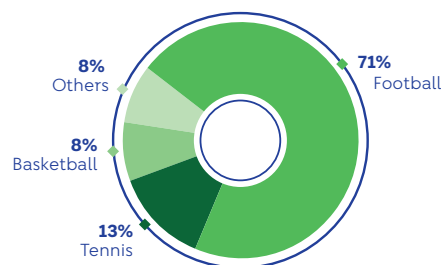
In 2022, the contribution margin for this business was €117 million, or 25.1%.

RATE OF DEMATERIALISATION OF SPORTS BETTING AT POINTS OF SALE



87% of Parions Sport stakes at the point of sale are dematerialised, i.e. using a digital service/application for their preparation, prior to registration by the retailer at the point of sale.

BREAKDOWN OF SPORTS BETTING STAKES BY SPORT



94% of stakes are derived from fixed-odds betting and 6% from pooled betting. The most important sports in terms of betting are, in order, football, tennis, and basketball, which together account for more than 90% of total stakes.

CHANGE IN THE SPORTS BETTING OFFER



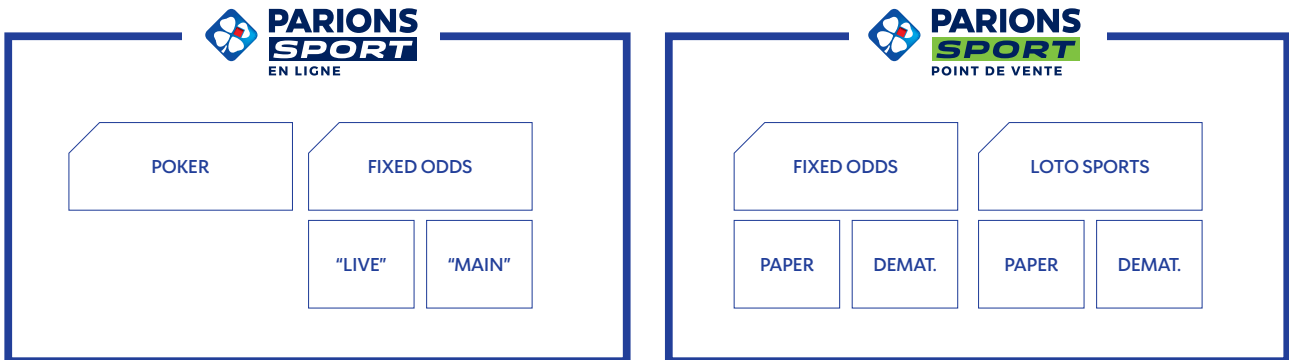
In an overall context of regular and sustained growth (see section 1.1 "Major trends in the gaming sector"), sports betting is currently the segment in which the Group is seeing the strongest increase in stakes (with an average annual growth rate of 7% from 2019 to 2022).

With a view to expanding its range and giving players the fullest experience, Parions Sport En Ligne launched a Poker offer at the end of 2022.



On 17 November 2022, FDJ also signed an agreement to acquire the ZEturf group, the second-largest operator in the French online horse-race betting market. The deal is expected to be finalised in the second half of 2023, subject to the fulfilment of certain conditions, including approval by the French competition authority.

(1) Gaming, excluding lottery. In France, an online market open to competition is permitted for sports betting, horse-race betting and poker.

1.2.2.1 THE SPORTS BETTING OFFER



The table below provides a comparison between offline and online sports betting offers as of 31 December 2022:

		
AVERAGE ANNUAL MAXIMUM PLAYER PAYOUT RATIO	76.5%	85%
PRODUCT RANGE	<p>FIXED-ODDS BETTING</p> <ul style="list-style-type: none"> – Pre-match for 52 sports – No live betting – Over 77,000 events available – Over 1,800,000 bets available <p>POOLED BETTING</p> <ul style="list-style-type: none"> – Loto Foot®, Loto Rugby® and Loto Basket® <p>POKER</p> <ul style="list-style-type: none"> – Since November 2022 	<ul style="list-style-type: none"> – Pre-match for 54 sports – Live betting for over 44 sports – Over 152,000 events available – Nearly 16.2 million bets available – No pooled betting
SPECIFICITIES OF THE RANGE	<ul style="list-style-type: none"> – Over 28,000 points of sale – Digitalised stakes on iOS/Android apps – Customer services – Stats, Combi-bonus 	<ul style="list-style-type: none"> – Online – iOS/Android/Web apps – Customer services – Video, Stats, Combi-boosted, Cash out, etc.

The differences in player payout (PPO) ratios and depth of offer between the offline and online channels stem from the various regulations (see 1.5 "Regulatory environment").

The activity of sports betting operators is guided by sports events. Traditionally, even-numbered years are richer in sporting events, mainly the FIFA World Cup and the UEFA European Championship in football. It is also worth noting that the performance of the French team, mainly in football, has an impact on the level of betting recorded.



The health crisis disrupted the schedule of sporting events in 2020, with the cancellation or postponement of almost all competitions and events from early March and a gradual resumption from mid-May. The 2020 European Football Championship was postponed until 2021, thereby boosting activity in that year.

In 2022, the World Cup was held for the first time in winter, a less favourable period than in summer as it merely replaced what was an already dense football offer (especially with the European championships).

From 2023, football will return to a "classic" schedule at the usual pace.

Parions Sport Point de Vente as of 31 December 2022

	GAME MECHANICS	PRIZES
	<ul style="list-style-type: none"> Players predict the results of one or several sports events. Each prediction is given odds which, multiplied by the stake, determines the winnings if the prediction is correct. The odds are greater than or equal to 1 and include up to two decimal points. The minimum odds are 1.1 for single or combined bets. The fixed-odds betting offering in points of sale covers 52 sports, over 460 betting formulas and three game options (single, combined or multiple). 	<ul style="list-style-type: none"> Cash winnings vary depending on the amount bet, the odds and the combination of bets.
	<ul style="list-style-type: none"> Loto Foot® consists of two independent prediction sports betting games based on the results of several sports events: <ul style="list-style-type: none"> Loto Foot® 7 Loto Foot® 8 Loto Foot® 12 Loto Foot® 15 	<ul style="list-style-type: none"> Winnings vary depending on the total stakes and are distributed to prize winners at each winnings tier. A player can win up to €2 million if they are the only one to complete the grid with the correct predictions on a Loto Foot® 15 grid with a Super Pactole of €2 million.
	<p>Loto Rugby® 7 comprises 7 games and Loto Rugby® 15 comprises 14 or 15 games.</p>	
	<p>Loto Basket® 7 comprises 7 games and Loto Basket® 15 comprises 12 or 15 games.</p>	

Parions Sport En Ligne as of 31 December 2022

	GAME MECHANICS	PRIZES
<p>(online fixed-odds sports betting games)</p>	<ul style="list-style-type: none"> Players predict the results of one or several sports events. Each prediction is given odds which, multiplied by the stake, determines the winnings if the prediction is correct. The odds are greater than or equal to 1 and include up to two decimal points. The minimum odds are 1.01 for single or combined bets. The online fixed-odds betting offer covers over 54 sports, nearly 1,880 betting formulas and three game options (single, combined or multiple). 	<ul style="list-style-type: none"> Cash winnings vary depending on the amount bet, the odds and the combination of bets.

1

OVERVIEW OF THE GROUP The Group's core businesses

The sports betting offer continued to grow in 2022, on four main pillars:

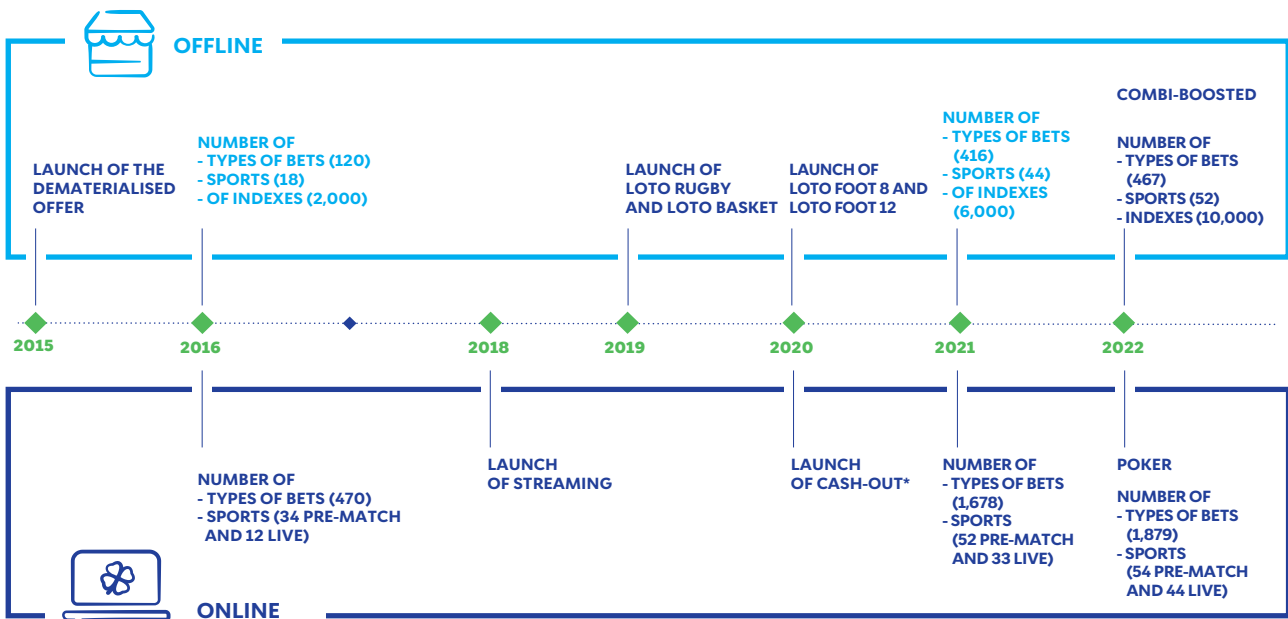
- **Enrichment of the range:**
It changes each year to give players the widest possible gaming experience, with the addition of new sports, events and types of bets, plus new features (like cash out).
- **Optimisation of our odds and promotions:**
FDJ offers competitive odds, while keeping the PPO ratio under control and complying with regulations. We also optimise our promotional operations so as to offer players an experience increasingly tailored to their needs.
- **Strong partnerships and a new advertising campaign:**
 - two prestigious football clubs, namely Paris SG and Marseille;

- the French Rugby Federation in Rugby (along with the French team);
- the NBA (and the NBA Paris Game on 19 January 2023 at the Accor Arena, France's biggest basketball competition);
- launch of a new advertising campaign in March 2022: "Et si parier, c'était plus que perdre ou gagner" (Playing means more than just winning or losing).
- **Improvement of the player experience:**
FDJ is constantly improving and optimising its applications, while adding new features and new payment methods.

The aim of the sports betting business is to continuously improve its positioning in each of these areas. This will enable it to offer a range of services attune to the expectations of current and future players.

1.2.2.2 PERMANENT ENRICHMENT OF THE OFFER

The Group's strategy is to continuously improve the customer experience, in a process dating back to 2015 and which can be summarised as follows.



* The cash-out system allows players to secure the gains of a potentially winning bet during the match or, conversely, to minimise the losses of a bet that is not working out.

1.2.3 ADJACENT ACTIVITIES

1.2.3.1 INTERNATIONAL B2B SERVICES

Based on mastery of its core business technology, FDJ began developing its international activities in 2015, in the form of an offer of B2B services for lottery operators and sports betting companies. Driven by its subsidiary FDJ Gaming Solutions, this activity continues to grow, particularly through strategic partnerships with other market players (e.g. marketing partnerships for physical games with Scientific Games, under the iDecide brand; creation of an innovation hub with Stats Perform, trading as the Betting Innovation Centre, to offer new products in the sports betting market).

— Focus

The Group's ambition is to become a leading international operator in the B2B market for services to lottery operators and sports betting companies.

This goal is being implemented gradually by exporting the Group's know-how via an innovative offer of digital services which capitalise on its technologies and expertise.

The Group offers different B2B solutions to operators depending on the segments they operate in.

In the sports betting operator services segment, the Group offers trading and risk management services as well as turnkey solutions, mainly in Europe and North America. This comprehensive suite of services covers the entire value chain and all the requirements for offering sports betting (platform, operations, technology, trading services, management of the betting offer and risk management), and is adaptable to specific local characteristics.

In the segment of services to lottery operators, the Group is positioning itself in the market for the distribution of digital games in Europe and the United States, capitalising on the success of the LEIA alliance. In addition, the development of advisory services for instant games is currently being tested in various geographies, particularly in Africa. Lastly, the sale of technologies continues, in line with work on expanding the technology base with the aim of offering more comprehensive services.

Construction of the B2B services offering and the development of activities can be carried out by strategic partners in order to extend the ability to operate in markets through additional products and services, to access new regions or to add distribution capacity.

INTERNATIONAL B2B BUSINESS DEVELOPMENT MILESTONES

SPORTS BETTING		LOTTERY		
TURNKEY SERVICES	TRADING SERVICES	DIGITAL CONTENT	INSTANT GAMES ADVISORY SERVICES	TECHNOLOGY
<ul style="list-style-type: none"> - SCML (Portugal) – 2015 - ISBB (Israel) – 2018 - LORO (Switzerland) – 2018 - OLG* (Canada) – 2020 - AGLC* (Canada) – 2021 	<ul style="list-style-type: none"> - Over 40 customers - Arena Casino (Croatia) – 2021 - Dabble (Australia) – 2021 	<ul style="list-style-type: none"> - LEIA: Norsk Tipping (Norway) Veikkaus (Finland) Danske Spil (Denmark) Svenska Spel (Sweden) – 2018 - Sazka (Czech Republic) – 2020 - Eesti Loto (Estonia) – 2021 - Loterie romande (Switzerland) – 2022 	<ul style="list-style-type: none"> - Lonase (Senegal) – 2020 	<ul style="list-style-type: none"> - Lotto Baden Wurttemberg (Germany) – 2015 - Svenska Spel (Sweden) – 2015 - Loteria Catalunya (Spain) – 2015 - PMU (France) – 2016 - Romana Lottery (Romania) – 2017 - Veikkaus (Finland) – 2020 - Lotto Bayern (Germany) – 2020 - ISBB (Israel) – 2021

* First North American contracts covering the sports betting vertical.

The contracts are generally signed for five years with a renewal option. Revenue is based on the re-invoicing of a share of initial and development investments, plus a percentage of GGR.

In line with its international development strategy and its desire to grow in the B2B sports betting segment, FDJ Gaming Solutions acquired Sporting Group in 2019. Sporting Group's assets and B2B know-how in sports betting and risk

management offers are highly complementary to the Group's own assets and expertise. Operating in the United Kingdom and Canada, Sporting Group employs 300 people and has approximately 50 customers. The acquisition enabled the Group to strengthen its B2B offer in services to sports betting operators and to accelerate its international development. Its services include event life cycle management, continuous odds with the management of data related to match status and risk management.

Sporting Group also operates a sports betting platform in the United Kingdom which includes spread betting⁽¹⁾ and fixed-odds betting offers for which the Group holds a licence obtained from the UK Gambling Commission in Great Britain and from the Financial Conduct Authority (for spread betting).

1.2.3.2 PAYMENT & SERVICES

The FDJ Group recently launched its "Payment and Services" activity, a growth driver complementing its core businesses, namely sports betting and lottery in points of sale. Leveraging the full extent of the Group's network, reputation and transactional know-how, its aim is to become one of the leading French players in point-of-sale payment and collection.

This activity comprises two business lines: Payment Services and Merchant Services.

Payment Services

In developing a payment and services offer, FDJ's goal is to support its traditional points of sale (Bar-Tobacconist-Newsagent network) in diversifying and managing their business, to create new contact opportunities with the public and to improve the resilience of its business model with new sources of revenue for the Group.

— Focus

FDJ's ambition of being a key player in the offline segment by 2025 hinges on three main types of offer:

- collection services for third-party accounts in FDJ points of sale;
- design and distribution of its own payment solution;
- services for merchants.

FDJ Services wishes to develop payment services for third parties by relying on its distribution network and its technological assets, including point-of-sale equipment, and the associated financial flows. It intends to provide a solution to public and private players wishing to streamline their presence nationwide while maintaining their proximity to their customers and users. FDJ Services would provide a funds collection service on their behalf and manage the physical collection point network (approvals, training and remuneration).

These services would enable the customers of companies and institutions who partner with FDJ to settle invoices, taxes and fines, or pay for a shopping basket from an e-commerce website via a simple and secure solution.

In 2019, FDJ, together with the Confederation of Tobacconists, won a first contract for collection services on behalf of third parties via points of sale as part of a call for tenders by the French Treasury (Direction générale des finances publiques – DGFIP) for the outsourcing of cash and bank card collections for public treasuries.

14,330 points of sale (vs 12,400 in 2021)

4.3 million transactions completed since the launch of the offer, in a total amount of **€363 million**

This service has been operational since February 2020 and was extended to all of France, including the overseas departments, on 28 July 2020. The contract was awarded to the consortium for five years, and may be renewed annually for a maximum additional period of five years.

In 2021, the FDJ Services subsidiary, which houses all of FDJ's Payment & Services activities, obtained approval from the ACPR (French Prudential Supervision and Resolution Authority, attached to the Banque de France) as a payment institution. Approval is necessary for the continued development of its third-party collection activity.

Since December 2021, FDJ Services has registered 9,400 agents under its approval as a Payment Institution, marking the first step towards its ambition of becoming the leading network of payment service agents in France.

From 2023, and in compliance with ACPR rules, FDJ Services will operate its invoice collection solution for private creditors through its Nirio application. This application will allow private institutions, specifically social landlords and water, gas and electricity companies to offer their customers a physical network payment solution.

In the medium term, FDJ Services also aims to offer a rechargeable account and payment card in its point-of-sale network. At the interface between 30,000 retailers and an extensive player base, FDJ is well positioned to offer payment solutions by developing high value-added services for the customer.

To raise the profile of this activity, FDJ Services launched the Nirio brand in September 2022. It houses all dimensions of the business, namely network, product, offer and services.

(1) Spread betting consists of predicting if a number of actions (or events) occurring during a match will be greater or smaller than the range of actions (spread) set by the bookmaker. The actions in question can be the number of cards, corners, goals, throw-ins, games (tennis), etc. If the bet made is above the range, it is called a buy bet. If it is below that, it is a sale. Winnings and losses are proportional to the difference between the bet and the closest item in the proposed range. In the United Kingdom, this activity is regulated by the Financial Conduct Authority. Sporting Group is the leader in this segment in the United Kingdom. Spread betting is prohibited in some countries, including France, and Sporting Index has implemented a geo-blocking system based on IP addresses to ensure that its offering cannot be accessed in unauthorised jurisdictions.

Merchant Services

In addition to the Payment Services business line, which targets the general public, FDJ Services is now developing a Merchant Services business line targeting merchants. True to its commitments and its *raison d'être*, FDJ is extending its support for local businesses. The partnership is evolving and growing stronger, moving from a transactional model (providing new services to the end customer) to a more relational one synonymous with supporting long-term business development.

With this in mind, FDJ Services plans to build on this new business line to become the benchmark partner for merchants, not only in the Bars-Tobacconists-Newsagents (BTN) network, its legacy network representing potential of 30,000 points of sale, but also in adjacent networks such as Cafes-Hotels-Restaurants (CHR). This network represents

even greater potential (approximately 200,000 businesses). It is complementary to the BTN network, since cafes, bars and brasseries already make up more than half of FDJ's BTN network.

In the highly competitive merchant services market, where mergers and alliances are becoming more frequent, notably between new payment players and new-generation software vendors, FDJ Services is positioning itself with a dual offer: software development and payment. The Group's offer includes a platform of services designed as an integrated software suite supported by a single interface for the merchant: the POS system (this modern "cash register" solution is today the indispensable enterprise resource planning (ERP) solution for points of sale).

Functionality OFFERED BY A PoS SYSTEM

Services

B2B
e.g. digitalisation of the PoS (website, online ordering site)

Management OF THE PoS

e.g. employee

Management ACCOUNTING

e.g. issuing of invoices

Business MANAGEMENT

e.g. sales analysis and statistics on the Payment



Management OF TAKINGS

e.g. end-of-day Z-ticket

Management OF ORDERS

e.g. issuing and monitoring of orders and deliveries

Management SALES

e.g. barcode reading and ticket printing

Payment

Streamlined and faster collection

Customer MANAGEMENT

e.g. database management

— Focus

Aleda | **l'addition**

To this end, FDJ acquired two cashier software vendors in 2022, Aleda and L'Addition, recognised as benchmarks in the tobacconist and press network (Aleda) and the CHR network (L'Addition). These two companies, which are a perfect fit, now serve FDJ's commitment to support the development of local commerce.

It also includes an electronic payment offer to streamline and enhance the consumer's payment experience at the point of sale.

For merchants, the value proposition is clear: simplify the operation of their business and make it profitable so that they can focus solely on the essentials, namely growing their business and satisfying their customers.

This integrated offer will be built up over time with the extension of the ACPR approval from which FDJ Services now benefits. Going forward, it will include management services (collection, operational functions, customer relationships, but also financial and accounting management, administration and payroll, etc.), plus financial services associated with the electronic payment acquisition solution offered to merchants (project financing, insurance, micro-credit, etc.).

1.2.3.3 ENTERTAINMENT

FDJ is aiming to expand into the entertainment market to strengthen its resilience by capturing players' attention and spending independently of their lottery and sports betting activities. The Group has accordingly identified various segments that it sees as the most promising:

eSport

In 2017, FDJ began organising amateur and professional video game competitions (eSport). Since the beginning of 2019, the Group has had a new brand, NCOVR, and has developed its business by positioning itself as a producer of tournaments in its own right and on behalf of third parties (video game publishers).

New lottery and prediction models

FDJ launched GO MOJO, its first free mobile app in May 2020. It is a platform offering a catalogue of free games of

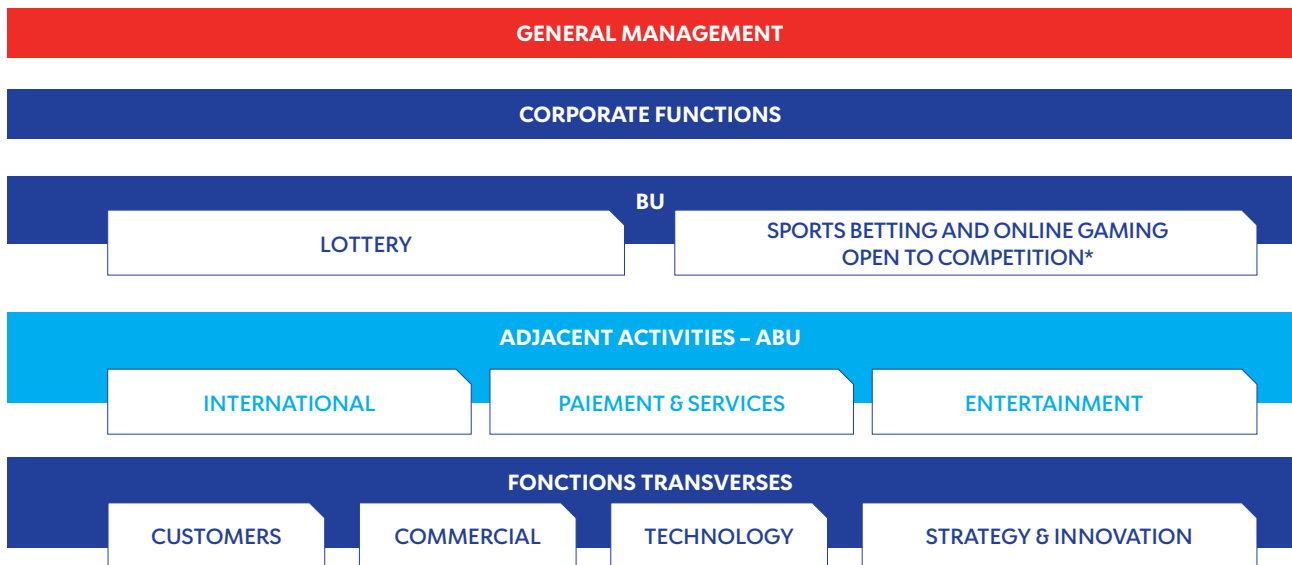
chance that give players the chance to win money. The app, built on an advertising and partnership business model, currently has more than 600,000 registered players.

New uses and disruptive technologies

FDJ is also working on emerging high-potential models, with priority going to digital activities, generated notably by the emergence of new technologies or new operating models (metaverse, Web3, NFT⁽¹⁾ technologies, etc.). As such, in 2022, FDJ acquired The Sandbox, a plot of land in the metaverse, and together with French start-up BEM Builders is now developing a virtual world offering new experiences, and immersive and fun adventures within the Group's various universes including sports and gaming: encounters and exchanges with other players, participation in games, and the collection of items to win exclusive rewards.

1.3 Operational organisation

The implementation of the strategy by the Lottery and Sports betting and online gaming business units (BU), and the three accelerated business units (ABU) is overseen by the corporate functions and four cross-cutting functions (customer service, sales, technology, and strategy and innovation).



* Games excluding lottery. In France, online gaming open to competition comprises sports betting, horse-race betting and poker.

(1) NFT, for non-fungible token, is a type of cryptographic token that represents a digital object such as an image, video or audio file, to which a digital identity is attached. The NFT's authentication involves a blockchain protocol ensuring that tokens cannot be interchanged.

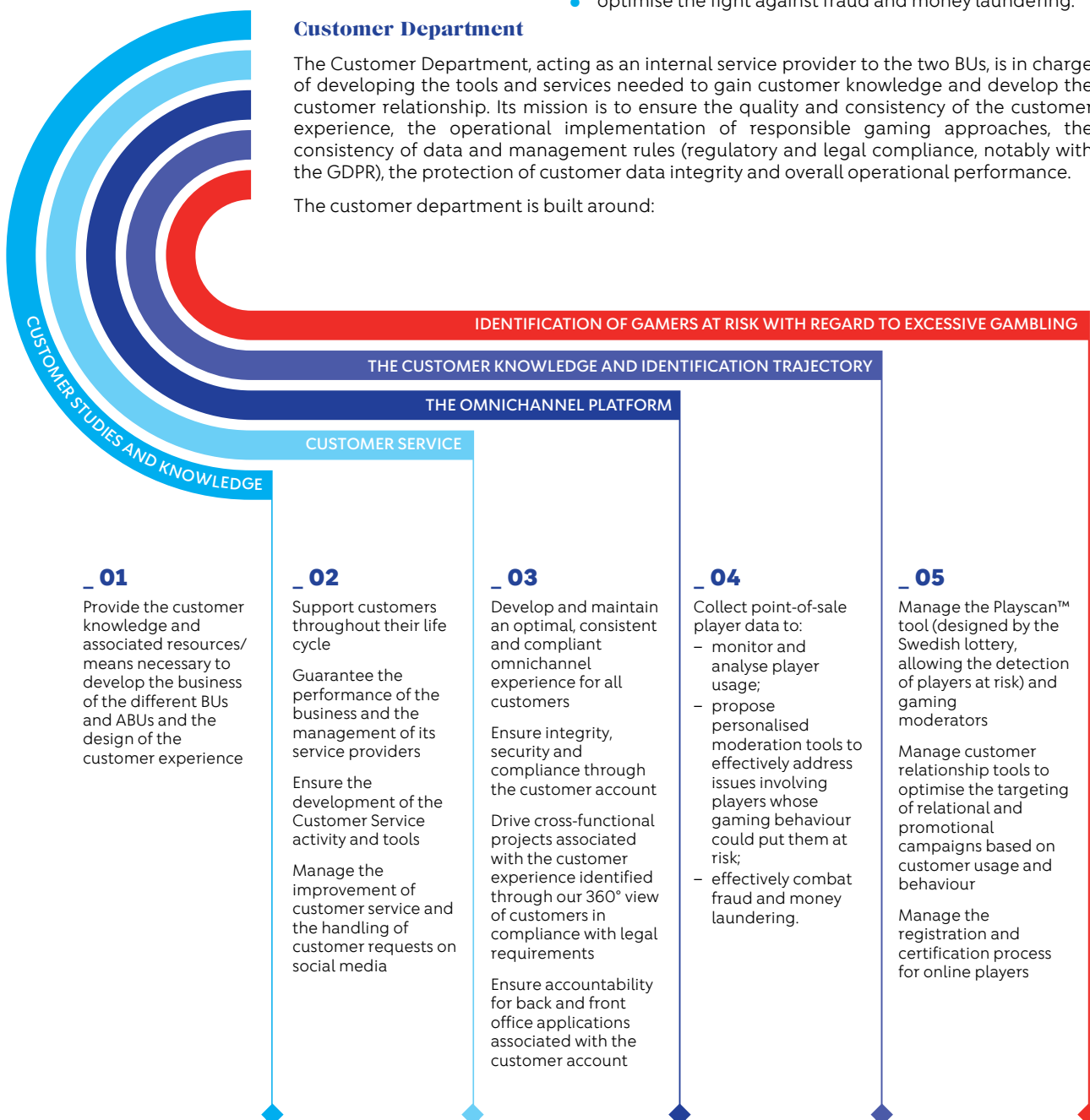
1.3.1 CUSTOMER DEPARTMENT

Customer strategy

Customers have been the central focus of FDJ's strategy for several years. The company is developing a customer-centric model based on the identification and knowledge of online and offline players aimed at building a value-creating customer relationship while cementing its responsible gaming policy.

Knowing our players, their expectations and their gaming behaviour (frequency, amount, type of games and channels) allows us to:

- offer a seamless, personalised and innovative customer experience leveraging three drivers: products and services, distribution and activation;
- implement a Responsible Gaming approach drawing on differentiated and proportionate systems depending on the gaming behaviour of each player in the various channels. This makes it possible to support vulnerable players (excessive gambling) and to prevent and detect risky behaviour at an early stage;
- optimise the fight against fraud and money laundering.



1.3.2 COMMERCIAL FUNCTION AND OFFLINE DISTRIBUTION NETWORK

Commercial strategy

FDJ's commercial strategy is organised around three pillars:

– 01

Support and revitalise

the legacy
Bar-Tobacconist-
Newsagent network

- Build up the business by renewing the range of games on a regular basis, particularly with innovative games, and by maximising the number of accreditations per point of sale;
- Modernise the customer point-of-sale journey by investing in the modernisation of network equipment and the digitalisation of the point-of-sale customer experience (more than €20 million invested since 2018);
- Diversify network revenue streams through the addition of new payment-related services.

– 02

Extend and diversify

offline distribution
channels

- To maximise the number of points of contact with the population, and to reflect change in the player base and the drop in footfall in the Bar-Tobacconist-Newsagent network, particularly among the 18-34 age group, FDJ is working to diversify its distribution network. It has begun to distribute its products in new types of points of sale, mainly service stations and convenience food stores of less than 400 square metres.
- The aim is to reach out to customers who do not frequent the Bar-Tobacconist-Newsagent network or do not use the digital channel. This selective diversification is carried out with a view to improving local network coverage and targeting new populations, taking existing points of sale into account.

– 03






Continue to transform

the sales model in search
of greater performance

- To ensure the sustainability of its extensive gaming model and to reassure its physical distribution channels, FDJ constantly adapts its distribution model and commercial function.
- In doing so, its aim is to guarantee better economic, managerial and operational performance, as well as the harmonisation of commercial practices throughout the country.

Commercial function business lines

The commercial function is responsible for managing retailers, all of whom are independent. It consists of five business lines:

 <p>Strategy, transformation and performance</p> <p>Tasked with defining the network strategy over successive five-year periods, building network transformation plans and measuring the performance of the points of sale.</p>	 <p>Projects</p> <p>Tasked with managing all projects with a technical component involving IT, in particular those relating to the industrialisation of the back office.</p>	 <p>Trade marketing and point-of-sale customer experience</p> <p>Tasked with:</p> <ul style="list-style-type: none"> - the construction and management of the commercial action plan in collaboration with the BUs; - training and communication for retailers; - the design of all the tools needed to market offers and services at the point of sale (merchandising, promotion, communication, events); - the management of the customer experience at the point of sale. 	 <p>Supply chain and operations</p> <p>Tasked with:</p> <ul style="list-style-type: none"> - product distribution (via couriers from two warehouses located in Greater Paris); - the installation and maintenance of equipment in the network; - technical support for retailers; - the administrative management of retailer contracts plus the collection of stakes from points of sale. 	 <p>Sales force</p> <p>Tasked with:</p> <ul style="list-style-type: none"> - the implementation of action plans with retailers through calls and sales visits; - the management of files for the opening of points of sale or the granting of new accreditations for games and services to existing points of sale.
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A local network

≈ 30,000 points of sale

With a network of nearly 30,000 points of sale (PoS) in more than 11,000 towns and cities, FDJ's physical distribution network enables 90% of the French population to be within ten minutes of one of its outlets, whether in urban, suburban or rural areas. This makes it the largest local network in France.

FDJ has initiated a diversification of its distribution, which is overwhelmingly comprised of tobacconists (72%), bars (56%) and newsagents (50%), in new types of points of sale so as to maintain its nationwide coverage. This complementary network now has nearly 1,400 points of sale, mainly in service stations and convenience food stores of less than 400 square metres.

The draw, instant play and sports betting ranges are each distributed in over 90% of points of sale. Amigo is a game that encourages players to linger at the point of sale, so it is mainly offered in bars.

A dynamic and resilient network

€18.1bn in PoS stakes, i.e. weekly stakes
averaging **€11,660** per PoS

At €18.1 billion, the point-of-sale network accounts for nearly 90% of stakes. That represents an average of €11,660 per PoS per week of trading.

€3.3bn in digitalised stakes

Stakes in the point-of-sale network are also becoming more digitalised as a result of the increased use of FDJ applications and QR codes, which enable players to prepare their stakes on their mobile telephone before validating them at the terminal in the point of sale, particularly for sports betting.

€965m in commissions paid to retailers over the year, i.e. **€32,300** in annual commissions per PoS

FDJ contributes to the economic and social activity of all French regions via its distribution network, with €965 million in commissions paid to retailers in 2022, i.e. an average annual commission of €32,300 per point of sale in 2022 (an average of 5.3% of stakes). This is often the second-largest source of income for retailers. Commissions have created or maintained 22,000 jobs⁽¹⁾ in the Bar-Tobacconist-Newsagent network.

The remuneration of FDJ retailers is consistent with the Group's marketing and responsible gaming challenges. It consists of:

- a commission on the stakes collected at the point of sale, ranging from 3.8% to 5.8% depending on the games sold:

Draw games	5.3% of stakes
Amigo	5.0% of stakes
Additional instant games	≤ €3: 5.8% of stakes
	> €3: 5.0% of stakes
Sports betting	Single bets: 3.8% of stakes
	Combined bets: 5.3% of stakes
	Loto Foot: 5.0% of stakes

- a Responsible Gaming bonus system providing additional remuneration equivalent to 0.2% of stakes, subject to compliance with six responsible gaming and security criteria;
- remuneration for certain services such as the management of vouchers, discount coupons and collections on behalf of third parties (DGFIP, etc.).

A network segmented and equipped in line with its performance

The point-of-sale network is segmented into four categories (Platinum/Gold/Silver/Bronze), based on average weekly stakes. This segmentation makes it possible to steer investments, sales visits and promotions in points of sale and to link them to activity of the point of sale.

FDJ distributes and maintains more than 390,000 items of PoS equipment throughout its network to provide a quality experience to players and distributors alike in points of sale. 100,000 of these items are connected.

100% of PoS connected
390,000 items of PoS equipment

This equipment is positioned along the four key steps of the customer journey and meets four objectives:

- indicate FDJ's presence from outside the point of sale (signs and outside poster frames);
- promote the FDJ games offer inside (cash counters with screens, self-service furniture, multi-game kits and Amigo screens);
- enable transactions (33,000 gaming terminals);
- enable people to check their winnings (28,000 receipt checkers).

(1) Source BDO-Bipe.

1.3.3 TECHNOLOGY FUNCTION

The Technology Department is responsible for the Group's technology strategy and for managing all computer transactions related to FDJ's core businesses.

100,000 items of PoS equipment connected in real time
5 billion transactions per year
1,000 transactions per second during peak periods

The technology function consists of the teams managing the development of the information system (Information Systems Department), technical engineering for its

operation, including the management of operations (Technical Department) and security (Group Cybersecurity Department). It counts approximately 550 employees.

The information system is FDJ's industrial tool. It is the foundation on which all transactional and financial flows for the stakes recorded by the Group are based. It carries the entire game transaction processing, from validation of the gaming operations in the points of sale and online through the management of gaming platforms, customers, the supply logistics for distributors, their invoicing, their remuneration and the sales force management tools.

It is built on state-of-the-art technology infrastructure consisting of a high-performance and high-availability data centre with a dual room data centre located in Vitrolles. It also includes a data integrity centre located in Marseille and local infrastructure dedicated to warehouses for logistics operations. This technology infrastructure, with over 13,000 virtual servers, which represents 1.9 petabytes of storage, is operational 24/7 and 365 days a year, with an extremely high availability rate.

FDJ'S certifications IN THE FIELD OF INFORMATION SYSTEMS SECURITY



ISO 27001
Information Security Management System



WLA Security Control Standard
(Specific standard for lotteries)



French Gaming Regulatory Authority (ANJ)
(Regulator)



Euromillions
(Security Standards and Entry Criteria)



PCI-DSS SAQ-A
(Protection of bank cards)

Historically, FDJ's information system was designed to manage an offline distribution network consisting exclusively of bars, tobacconists and newsagents, and games without customer identification. The Group's technology strategy for 2025 is to transform the information system into an omnichannel target with the capacity to manage a diversified distribution network based on cloud technologies. The strategy selected consists in phasing in a new-generation information system in successive steps to transform its foundations, while ensuring the inclusion of new functionalities to implement the Group's strategy. Since 2018, more than €250 million has been invested in technology infrastructure.

This transformation is supported by technology management principles based on core business line and high-value components. The general principles for the allocation of resources are implemented in different ways for each facet of the information system, enabling the

optimal application of resources to the Group's key challenges:

- for digital interfaces: use of specialists who have the bandwidth and ability to absorb the rapid changes inherent to these technologies;
- for innovative game platforms: customer account and distributor management including omnichannel properties and 360° views of customers and distributors: design and development are entrusted to Group resources (FDJ Gaming Solutions);
- for traditional game engines: use of gaming sector specialists, with technology transfer if need be;
- for back-office systems: use of market software packages and general-purpose integrators;
- for corporate digital (IS support consisting of tools and applications provided to employees): purchase of SaaS (Software as a Service) on the market.

1.3.4 STRATEGY AND INNOVATION DEPARTMENT

The Strategy and Innovation Department has two main purposes:

- develop and manage the Group's strategy (see "Strategy and business model" in the Integrated Activity Report) and ensure that it is implemented consistently at operational level;
- roll out innovative solutions that meet the needs of tomorrow for the benefit of stakeholders.

a. Develop and manage the FDJ Group's strategy and ensure that it is implemented consistently at operational level

The Strategy & Innovation Department is responsible for laying down the Group's strategy and managing its implementation, taking into account endogenous and exogenous parameters including developments in the gaming market and the Group's environment.

It supports the BUs and the corporate functions in their appropriation and implementation of the Group's strategy at their respective level. It contributes to the prioritisation and appraisal of their major projects.

It also carries out strategic studies on major cross-cutting challenges for the Group.

b. Roll out innovative solutions that meet the needs of tomorrow

The Strategy & Innovation Department lays down the Group's innovation strategy and implements it through an open innovation and experimentation approach.

i. Innovation strategy

The innovation strategy is based on the five themes set out below.

Innovation strategy: implementing solutions for future uses FOR THE BENEFIT OF OUR CUSTOMERS, OUR DISTRIBUTORS AND SOCIETY AS A WHOLE



FUTURE OF GAMING

DESIGN the next-generation gaming offer



FUTURE OF PLAYER EXPERIENCE

SIMPLIFY and **PERSONALISE** player experience & **STRENGTHEN** responsible gaming thanks to better knowledge of players

5 major innovation topics (GSI)



TECH FOR GOOD

POSITION FDJ as a pioneer in sustainable, responsible and positive-impact innovation, for the benefit of its activities and society as a whole



FUTURE OF OMNICHANNEL DISTRIBUTION

MODERNISE FDJ's distribution in an increasingly omnichannel model and close to French people



WEB3

UNDERSTAND and **ANTICIPATE** trends related to the new decentralised Internet based on blockchain

The innovation strategy was presented to all Group employees and a large number of stakeholders (e.g. start-ups, innovation partners) at FDJ's first Inno Day, at the Group's headquarters on 13 October 2022. This "Building our future" day highlighted

innovation projects currently in progress through experiential stands, one for each BIS. It also featured numerous round tables with French Tech figures.



ii. Open Inno approach

In implementing its innovation strategy, FDJ draws on an Open Inno approach that gives it preferential access to start-ups.

Since 2015, FDJ has formed partnerships with players in the innovation ecosystem, including private equity funds, start-up accelerators and emulators. In 2019, it also launched its own funds (V13 Invest and Aria) to finance and create win-win relationships with start-ups in a position to support and implement its innovation strategy.

These partners provide FDJ with customised sourcing of start-ups, monitoring, strategic support, equity investment

iii. Experimental approach

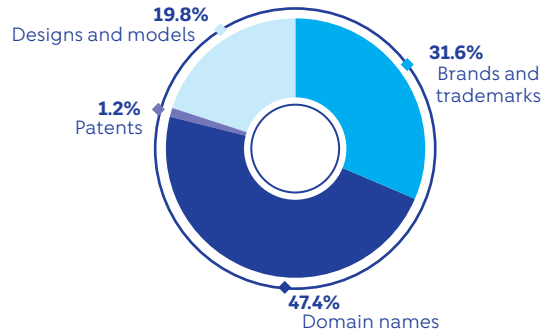
To implement its innovation strategy, FDJ also relies on an experimental approach that allows it to facilitate the exploration and prototyping of internal solutions (start-ups) and to accelerate the rollout of innovation within the Group. Employees can take part in the process through an intrapreneurship programme.

opportunities and financial gains, and help cement FDJ's influence in the Tech ecosystem. They also allow FDJ to help promote French Tech, in line with its *raison d'être* and its commitment to contributing to society. FDJ provides more than 300 French and European start-ups with direct or indirect support.

Each year, FDJ identifies over 1,000 new start-ups, reviews more than 500 of them in depth, conducts tests with more than 20 (40% industrialisation rate) and invests in five to seven.

1.4 Trademarks, patents and licences

FDJ's portfolio of intellectual and industrial property rights is very abundant. It includes numerous trademarks, domain names and patents, as well as some designs.



Filings are made mainly in France, with international filings subject to specifics that may require FDJ to file in Europe or other countries in order to ensure the best possible protection of its assets.

1.4.1 BRANDS AND TRADEMARK LICENCES

The Group's brands, the most significant of which are FDJ and Loto®, are highly visible and very important for FDJ's communication and brand recognition. The Group attaches great importance to the choice of brands for its games.

The brands are usually developed in-house by the lottery and sports betting teams. FDJ's game brands contain strong markers often based on humour. The name and graphics for all new games require in-depth joint work by the lottery or sports betting teams (depending on the case) responsible for the creation and development of the games, the Sales Department and the Legal Department.

The Group constantly monitors trademarks registered by third parties so as to be able to act if a trademark registered by a third party infringes its rights.

FDJ has also elected to occasionally use licensing agreements to develop themed games within its various game lines.

1.4.1.1 TRADEMARKS REGISTERED BY THE GROUP

FDJ has registered more than 700 trademarks in France, more than 70 in the European Union, and about a hundred with WIPO (World Intellectual Property Organization) or in other countries with the national offices of those countries.

In principle, trademarks are registered at least in classes 9 (game software), 16 (printing products), 28 (games) and 41 (entertainment, sports and cultural activities, and gaming services).

The names of the games marketed by the Group are most often registered in the form of a logo; FDJ is notably the owner of the Illiko® umbrella brand used for its games of chance offering an immediate result.

In 2022, some 30 prior-art searches were carried out and some 20 trademarks subsequently registered. In addition, 40 trademarks were renewed.

Trademarks include, but are not limited to, the following:



1.4.1.2 LOTO® TRADEMARK

Loto® is one of FDJ's flagship trademarks.

As such, FDJ is the owner of many Loto® trademarks (word and semi-figurative) and pays close attention to their protection.

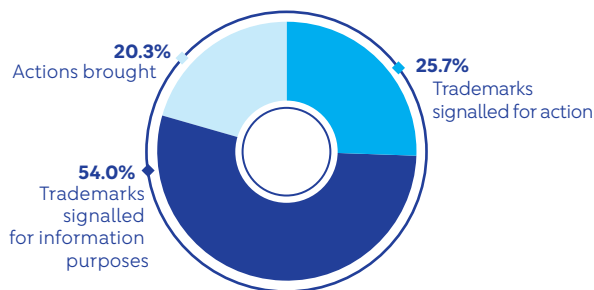
FDJ has owned the Loto® wordmark since 1983. In 2002, FDJ registered the Loto® wordmark again, notably to designate games and gambling services, limiting its wording to products and services "not related to traditional lotto games". Aware of the importance of the brand, but also of its generic nature to designate traditional lotto games, FDJ has implemented a special strategy to protect the brand, which enables it to defend and maintain the exclusive operating territory of the brand in the field of gaming.

1.4.1.3 MONITORING AND DEFENCE OF FDJ BRANDS

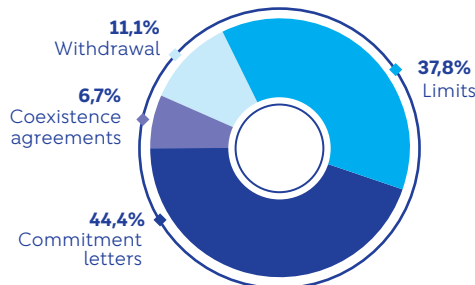
FDJ is very active in defending its brands. The Group's main brands are monitored bi-monthly. This enables the identification of trademark registrations by third parties that are similar or identical to its own.

In 2022, this monitoring served to identify 341 similar trademarks registered by third parties. Of these, FDJ decided to take action against 110 that presented a potential threat to its business. The others were not directly related to the Company's sector of interest. The various actions taken may include obtaining letters of commitment or coexistence agreements from third parties, with the limitation or withdrawal of the trademark, and sometimes a decision to challenge.

TRADEMARKS IDENTIFIED IN 2022



RESULTS OF ACTIONS TAKEN IN 2022



In 2022, FDJ obtained the limitation of roughly 15 disputed trademarks and the withdrawal of a further eight.

1.4.1.4 LICENCES

FDJ has two types of licences: (i) long term licences, and (ii) short term licences, which enable it to launch themed games using brands and worlds known to the general public or insiders.

Long-term licences

- FDJ has an exclusive use and operating license for the Joker brand and the Joker + brand for France and Monaco, running until 2027. The first licence for this brand was granted to FDJ in 1999.
- FDJ has had an exclusive use and operating license for the Euromillions brand in France since 2004. It is valid through the end of the agreement between the European lotteries for the operation of the Euromillions game.

Short-term licences

FDJ has signed several licences with the TF1 and Endemol groups. After the licences that enabled the launch of the "Koh-Lanta", "The Voice" and "The Wall" scratch cards in 2015, 2016 and 2019 respectively, FDJ signed a licence with TF1 Entertainment in 2020, in the name of and on behalf of Sony Television Pictures Production France, enabling it to launch the "Qui Veut Gagner des millions?" (Who Wants to Be a Millionaire?) ticket inspired by the codes of the set of the TV show of the same name.

In 2019, FDJ entered into a licensing agreement with game publisher Asmodee, obtaining the exclusive right to use, reproduce and represent in lottery and games the semi-figurative Quitte ou Double trademark in mainland France and the overseas departments, territories and communities, and Monaco. The game is an instant lottery with a digital facet sold as a scratch game in the Illiko product line with a digitalised component. This licence expires in March 2023.

FDJ also holds two licences signed with Scientific Games International (SGI), one on behalf of Hasbro, for the "Monopoly" trademark for use in an exclusively online game, and the other on behalf of Endemol, for the "À Prendre ou À Laisser" trademark (based on the codes of the TV programme of the same name) for a game marketed in the form of a scratch card with a digitalised component.

Lastly, in 2020, FDJ entered into a licensing agreement with production company Chez Wam to market a scratch card called "Burger Quiz" at points of sale in connection with the television show.

1.4.2 DOMAIN NAMES

Most of FDJ's domain names are registered with the extensions .com, .fr and .net.

FDJ's domain names are all reserved and hosted by the same service provider. They renew automatically from year to year, unless otherwise requested by FDJ within 30 days before their expiry date.

FDJ also monitors the domain names registered by third parties containing trademarks registered by FDJ. Action is regularly taken against disputed domain names detected, with a view to having the disputed sites closed or transferred, via legal action (unfair competition and

parasitism) and/or extra-judicial action (Syreli or UDRP procedure, depending on the extension).

FDJ also sometimes acquires domain names that may be of interest to the Group (acquisition in connection with a project or defensive strategy).

In 2022, the domain name portfolio comprised approximately 2,000 domain names, mainly variations on FDJ's brands. Note that some registrations are made as a defensive measure to prevent third parties from appropriating them.

1.4.3 DESIGNS AND MODELS

The Group registers few designs and models. The only significant example filed recently is the Groupama FDJ cycling team, which was registered in France on 16 March 2018 and in the European Union on 26 June 2018, within class 0202.

1.4.4 PATENTS

The FDJ Group's current patent portfolio includes 14 patents issued in the fields of lottery and sports betting (gaming experience, security, responsible gaming, etc.) and 16 patents pending, mainly covering France, the rest of Europe, the United States, Canada, Australia and China.

Since 2020, the portfolio has included 10 new patent applications protecting technological innovations of strategic interest to the Group.

In addition, the patent portfolios of lotteries, lottery suppliers and competing sports betting operators are monitored on a monthly basis and presented to the patent liaison officers of each Group entity during patent committee meetings.

1.5 Regulatory environment

Given their importance and weight in the Group's activities, this section only describes the regulations applicable to gaming in France. It should be noted that the Group is or may be subject to other regulations, in particular (i) in the context of its international activities, including the laws and

regulations applicable to the activities of Sporting Group (see section 1.2.3.1 "B2B international services"), and (ii) as part of its payment and services activities in points of sale (see section 1.2.3.2 "Payment & Services").

1.5.1 EXCLUSIVE RIGHTS REGIME AND CLOSE CONTROL OF FDJ BY THE FRENCH STATE

REGIME OF EXCLUSIVE RIGHTS ENTRUSTED TO FDJ

Article 137 of the Pacte Law of 23 May 2019 confirms that the operation of lottery games marketed in physical distribution networks and online, and sports betting games marketed in physical distribution networks is entrusted to FDJ. These arrangements cover a period of 25 years. FDJ is closely monitored by the French State. As a result of the combination of Article 137 and the provisions of Order No. 2019-1015 of 2 October 2019 (Article 15) adopted for their application, the exclusive rights entrusted to FDJ were secured for a period of 25 years as from the entry into force of the Pacte Law.

Decree No. 2019-1060 of 17 October 2019 on the terms of application of the French State's close control over La Française des Jeux (the "Close Control Decree"), issued pursuant to the Order, includes a provision relating to the amount that FDJ must pay the French State in return for securing the exclusive rights, pursuant to the provisions of Article 17 of the Order. This was set at €380 million after the assent of the French Investments and Transfers Commission (Commission des Participations et des Transferts – CPT).

The Close Control Decree approves:

- the agreement between the French State and FDJ, which expires on 22 May 2044, the date on which the exclusive rights granted to FDJ lapse;
- FDJ's specification document (cahier des charges).

The primary purpose of this Convention is to:







- anticipate the consequences of the occurrence of events likely to deteriorate the economic conditions for operation of FDJ's exclusive rights (changes in laws or regulations);
- anticipate the end of the exclusive rights, including the future of staff and intellectual property assets.

The specification document imposes obligations on FDJ in return for the exclusive rights entrusted to it. These obligations include:

- the requirement to offer a range of games throughout the country;
- the purchase of the insurance necessary to adequately cover the counterparty risks relating to certain games;
- the performance of player and retailer partner satisfaction measurements;
- the organisation of continuous consultation with FDJ's stakeholders.

The French State ensures that the Specification Document is maintained over time in line with the objectives of the gaming policy set out in Article L. 320-3 of the French Internal Security Code, the provisions and implementation of which are assessed every 10 years. FDJ submits an annual report on this to the ministers responsible for the economy and the budget. The ANJ contributes to monitoring compliance with the Terms and Conditions and the Agreement. As such, it informs the competent ministers of any possible shortcomings on the part of FDJ.

TERMS OF THE CLOSE CONTROL BY THE FRENCH STATE

 <p>APPROVAL OF THE ARTICLES OF ASSOCIATION AND THEIR AMENDMENTS BY DECREE</p>	 <p>APPROVAL OF THE APPOINTMENT OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF FDJ BY THE MINISTERS IN CHARGE OF THE ECONOMY AND THE BUDGET, AFTER CONSULTATION WITH THE ANJ</p>	 <p>AUDITS BY THE COURT OF AUDIT (COUR DES COMPTES)</p>
 <p>ECONOMIC AND FINANCIAL CONTROL</p>	 <p>GOVERNMENT COMMISSIONER</p>	 <p>PRIOR MINISTERIAL AUTHORISATION FOR SHAREHOLDINGS</p>

— Focus

The Government Commissioner, appointed by the minister in charge of the budget, is attached to FDJ to ensure that the Group's activities comply with the objectives of the national gaming policy mentioned in Article L. 320-3 of the French Internal Security Code. This Government Commissioner sits on the Board of Directors of FDJ in an advisory capacity, and on committees and commissions created by the Board of Directors of FDJ. In this capacity, the Government Commissioner may:

- request the inclusion of any matter on the agenda of an ordinary meeting of those bodies and is the intended recipient of their minutes;
- oppose a decision of FDJ's governing body on the grounds of gaming policy objectives;
- oppose decisions relating to the estimates of the Company's revenue and operating expenses or capital expenditure.

He or she informs the ANJ of any failure on the part of FDJ to comply with the obligations imposed on it that fall within the competence of that authority.

The decisions of the Board of Directors of FDJ are automatically enforceable, provided that the Government Commissioner has not opposed them on grounds relating to national gaming policy, within five days of the meeting of the Board of Directors attended or, failing that, upon receipt of the minutes. Similarly, the decisions relating to the estimates of operating or investment revenue and expenditures are automatically enforceable, provided that the Government Commissioner has not objected to them within five days of the meeting of the Board of Directors attended or, failing that, upon receipt of the minutes of deliberations. The use of this prerogative by the Government Commissioner is immediately reported to the minister in charge of the budget.

— Focus

The ownership, whether direct or indirect, of shares representing more than one-tenth or a multiple of one-tenth of the share capital or voting rights of FDJ by an individual or corporate entity, acting alone or in concert, requires the prior authorisation by the ministers in charge of the Economy and the Budget. This authorisation must be renewed if its beneficiary acts in concert with another party or undergoes a change of control within the meaning of Article L. 233-3 of the French Commercial Code or if the identity of one of the persons acting in concert changes. It will also be renewed prior to any new crossing of the thresholds mentioned above.

The crossing of the relevant thresholds is deemed approved if the ministers in charge of economy and budget have not opposed it within one month starting either as of the notification of the projected threshold crossing, recorded by receipt issued by the administration, or within one month following the notification of effective crossing of the relevant thresholds, provided that such crossing results from a decrease of the total number of shares issued by the company, a variation of the total number of voting rights, or the allocation of voting rights. This time period may be extended for 15 days, by order of the ministers in charge of the Economy and the Budget.

Reasons must be given for the authorisation or refusal. In the event of withdrawal of an authorisation, the beneficiary cannot exercise voting rights corresponding to its shareholding. When the relevant thresholds are crossed without prior authorisation, the holders of shareholdings improperly acquired cannot exercise corresponding voting rights until such shareholdings have been approved by the ministers in charge of the economy and the budget.

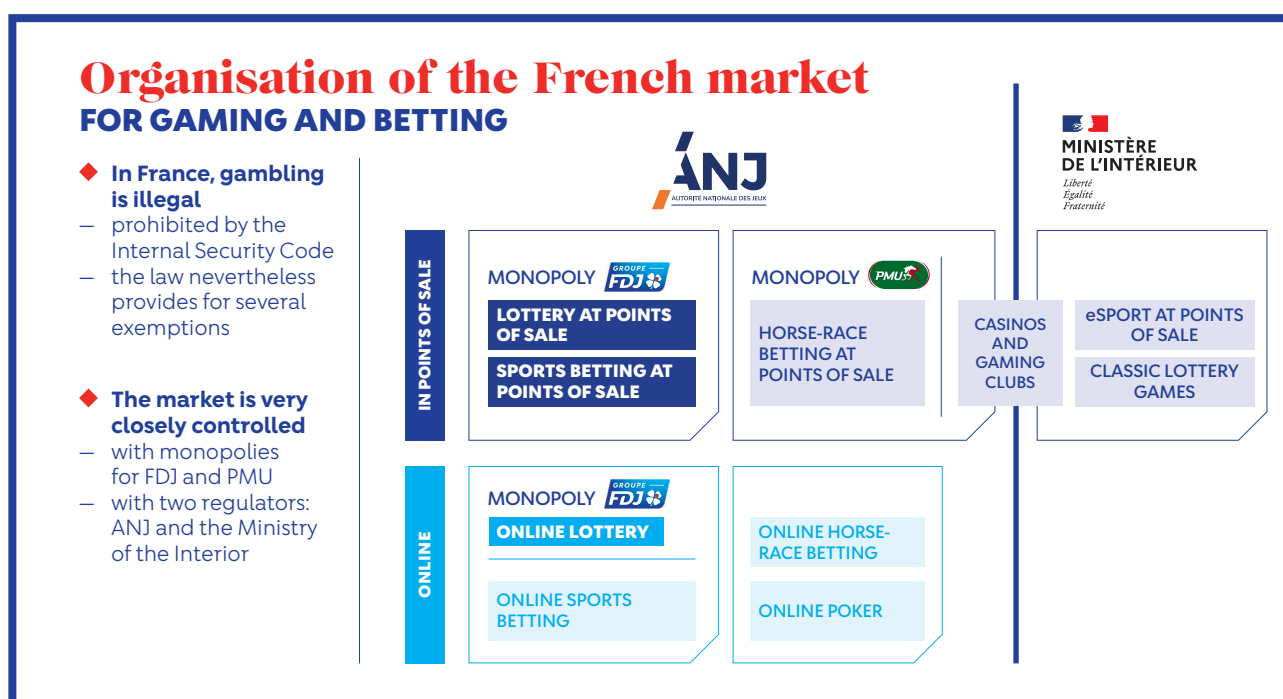
1.5.2 SPECIFIC REGULATIONS FOR THE OPERATION OF GAMING ACTIVITIES

FDJ operates in the gaming sector, a highly regulated sector and one that is strictly controlled by the French State, in terms of the specific risks it entails, particularly in terms of

excessive gambling, underage gambling and use for criminal purposes, such as fraud or money laundering.

COMMON REGULATION OF ALL GAMING AND BETTING

The gaming sector falls under a general prohibition principle set out in Article L. 320-1 of the French Internal Security Code. However, this prohibition in principle comes with exceptions provided for by law in certain gaming segments, where the operation of gaming is placed either under a system of exclusive rights, or under a system of approvals granted by the government or licences issued by the French gaming regulatory authority (ANJ).



While the various gaming segments are subject to separate regulations, operators licensed to operate gaming must comply with certain general objectives of the national gaming policy with a view to:

- preventing excessive or pathological gambling and protecting minors, including:
 - submission each year of their action plan for the prevention of excessive and underage gambling for the subsequent year to the ANJ for approval, together with a report on the implementation of their most recently approved action plan,
 - compliance with the reference framework for the prevention of excessive or pathological gambling and the protection of minors, proposed by the ANJ and adopted in the Order of 9 April 2021, which specifies the obligations placed on operators in this area, supplemented by recommendations and examples of good practice for their implementation,
 - compliance with the advertising framework for gaming and betting operators and the promotion of their offers, which includes restrictions on the content of messages (Articles D. 320-9 and D. 320-10 of the French Internal Security Code), as well as the recent guidelines and recommendations adopted by the ANJ regarding advertising and offers granting financial rewards to players. In addition, the provisions of

Article 34 of Law No. 2010-476 of 12 May 2010 give the ANJ the power to limit, by a reasoned decision, the commercial offers of operators involving a financial reward for players, as well as to order an operator to withdraw any commercial communication encouraging, directly or indirectly, underage gambling or gambling by persons banned from gambling or involving an encouragement of excessive gambling.

– Supervision of advertising and promotional practices by the ANJ in 2022

The ANJ College took a number of decisions in 2022, including three concerning communications and commercial offers, dated 17 February and 22 October:

- guidelines clarifying the ANJ's interpretation of provisions in respect of commercial communications;
- recommendations guiding operators' actions towards good practices for more responsible communications;
- guidelines and recommendations for gaming operator' commercial offers involving a financial reward.

- ensuring the integrity, reliability and transparency of gaming operations, for example by:
 - a certain number of reporting obligations to the ANJ for online gaming and betting operators, whether operating in competition (online sports and horse-race betting, online poker) or under exclusive rights (online lottery), and for gaming and betting operators in points of sale (lottery, sports and horse-race betting), aimed at enabling the Authority to monitor all gaming activities, control the regularity and integrity of operations, and to verify the proper performance by operators of their obligations; to ensure the protection of players' assets, licensed gaming and betting operators and holders of exclusive rights must justify the existence of a security, trust, insurance or any other instrument or mechanism guaranteeing the repayment of all assets due to players holding accounts under all circumstances;
- obliging all gaming and betting operators to implement measures to help prevent fraudulent or criminal activities, or money laundering and the financing of terrorism, pursuant to Title VI of Book V of the French Monetary and Financial Code, the proper execution of which is controlled by the ANJ through:
 - the submission each year for approval, by authorised operators and holders of exclusive rights, of an action plan to combat fraud, money laundering and the financing of terrorism for the subsequent year, together with a report on the implementation of the most recently approved action plan;
 - compliance with the reference framework for the prevention of fraud, money laundering and the financing of terrorism, proposed by the ANJ and adopted in the order of 9 September 2021, which specifies the obligations placed on operators in this area, supplemented by recommendations and examples of good practice for their implementation.

SPECIFIC REGULATION OF GAMES AND BETTING UNDER EXCLUSIVE RIGHTS

The lottery games that FDJ may be authorised to operate are defined in Articles L. 322-9 et seq. of the French Internal Security Code and fall into three distinct categories, each of which is subject to ranges applicable to the share of stakes allocated to winners.

CATEGORIES	RANGE OF GAMES	PLAYER PAYOUT	EXAMPLES
DRAW GAMES the involvement of chance, which takes the form of a draw, is common to all players	Traditional draw games (draws occur once a day at the most)	Between 50% and 60%	Loto®, Euromillions
	Successive draw games (draws occur more than once a day)	Between 65% and 72%	Amigo, Keno, Bingo Live
	Additional draw games (games offered in addition to another game, optionally or otherwise)	Between 59% and 70%	My million with Euromillions, Étoile +, Joker +
INSTANT GAMES the involvement of chance is unique to each player, and the result can be determined instantaneously as a result of a player's action	Scratch games (games whose materials, physical or otherwise, are issued in blocks made up of a determined number of game units)	Between 62% and 75%	Cash, Mission Patrimoine, Mots Croisés
	Instant random games (games for which the involvement of chance is generated at the player's individual request and is the result of an action by him or her)	Between 65% and 75%	Instant Loto, Keno Atlantia, Les Clés du Trésor
	Additional instant games (games that are only available as a complement to one or more other games, optionally or otherwise)	Between 60% and 70%	Super Jackpot

Lottery games are subject to regulatory limits set out in the relevant legislation:

- 40 = Maximum number of lottery games, all ranges combined, simultaneously operated in the physical distribution network
- 100 = Maximum number of lottery games, all game categories combined, simultaneously operated online

- €250 million = Maximum amount of first-rank winnings from a lottery game actually paid to the winners, for each intervention of chance
- €100 million = Maximum amount of winnings from lottery games based on the counterparty principle actually paid to winners, for each intervention of chance

The sports betting that FDJ is authorised to operate under exclusive rights in a physical distribution network falls into two categories under the combined provisions of Articles L. 320-13 et seq. of the French Internal Security Code.

CATEGORY	DEFINITION	SHARE OF STAKES ALLOCATED TO WINNERS	TRADEMARK
Pooled betting	Betting in which the winning players share the full amount of the sums involved, which are gathered in the same pool before the event takes place, less deductions in force on the part of the operator, which has a neutral and disinterested role as to the outcome of the bets	For all offline sports betting, the maximum payout amounts to 76.5% of the average of stakes over a calendar year	Sports Loto
Fixed-odds betting	Bets for which the operator offers players odds corresponding to its assessment of the probability of the outcome of the competitions on which the players are betting; the winnings are fixed, expressed as a multiplier of the stake and guaranteed to the players by the operator		Parions Sport Point de Vente

Pursuant to Decree No. 2021-249 of 3 March 2021, FDJ may offer sports betting at points of sale on 60% of the disciplines of sporting events and up to 60% of the types of results included in the list of betting media authorised by the ANJ in accordance with Article 12 of the same law.

Control of games and betting operated under exclusive rights

The offer of lottery and betting games operated under exclusive rights by FDJ is subject, as it was under the previous framework, to a multi-level authorisation regime governed by the provisions of Article 34 of Law No. 2010-476 of 12 May 2010 and the Exclusive Rights Decree.

Each year, FDJ must submit to the ANJ for approval its gaming and betting programme, with a description of all the new games it plans to operate for the following year and the terms and conditions for the continued operation of existing games. In this document, FDJ also reports on the execution of the most recently approved gaming and betting programme. On 7 July 2022, the ANJ approved FDJ's gaming and betting programme for 2023.

Moreover, the operation of any new lottery game is subject to prior authorisation by the ANJ. The application for authorisation of any new game must be submitted to the ANJ several months before the start of operation of the game in question. The ANJ may authorise a game on a trial basis, for a limited purpose and time-period to evaluate the safeguards offered in terms of preservation of public order for each of the relevant games.

In addition, the ANJ approves the rules and regulations of FDJ's authorised games and betting operated under exclusive rights, which constitute membership contracts defining the conditions for public participation in them, as well as the software for such games and betting operations.

Control of points of sale

FDJ's authorisation of any third party to operate lottery or sports betting registration stations, i.e. points of sale for those games, can only be granted after the assent of the Minister for the Interior, who takes into consideration issues of public order, public security and the protection of health and minors.

Article L. 320-15 of the French Internal Security Code provides that a perimeter may be established by departmental prefects around public or private educational institutions, or youth training or leisure facilities, within which new points of sale cannot be established, the acquired rights of the 30,000 existing FDJ points of sale being maintained.

Law No. 2010-476 of 12 May 2010 provides that the standard clauses of contracts between FDJ and the people operating its points of sale shall be approved by the ANJ, as well as any amendments thereto. In addition, the exclusive rights decree requires FDJ to ensure that these contracts impose on retailers the obligations to take the measures and perform the due diligence necessary to achieve the objectives of gaming regulation. FDJ must ensure that failure to comply with these obligations results in proportionate penalties.

The control and supervision of the operation of the points of sale of gaming and betting operators under exclusive rights are carried out by sworn agents of the ANJ, if necessary with the assistance of officers in charge of the policing of racing and gaming for the Ministry of the Interior and by the departmental or, failing that, regional directors of public finance or their representatives.

1.5.3 SPECIFIC REGULATION OF ACTIVITIES OPEN TO IN COMPETITION

FDJ currently operates gaming activities that are open to competition, namely its online sports betting offer, on the basis of approval granted for five years in June 2010 and renewed several times, most recently by the ANJ in September 2020, as well as an online poker offer by virtue of the licence granted on 20 October 2022.

The granting of online gaming and betting approvals is subject to the fulfilment of legal, technical and financial conditions by applicants, as set out in Law No. 2010-476 of 12 May 2010, the decrees issued for its application, the specifications relating to approvals to which it refers and which were approved by the Order of 27 November 2015, as well as technical requirements grouped together in a “technical requirements file” adopted by the ANJ.

1.5.4 CONTROL BY ADMINISTRATIVE AUTHORITIES, AND ADMINISTRATIVE AND CRIMINAL SANCTIONS

CONTROL BY THE ANJ

The ANJ, an independent administrative authority, regulates lottery, sports betting and horse-race betting activities, both online and in physical distribution networks, as well as online poker. Its purpose is to ensure compliance with the objectives of gaming policy. It regulates all of FDJ's gaming activities.

CONTROLS BY THE MINISTER IN CHARGE OF THE BUDGET AND THE MINISTER IN CHARGE OF THE ECONOMY

For motives stemming from safeguarding of the public order, the minister in charge of the Budget may at any time suspend or prohibit the operation of a game operated under exclusive rights. This suspension or prohibition is adopted after conducting an adversarial procedure, upon opinion issued by the ANJ.

The minister in charge of the Budget and the minister in charge of the Economy have several control tools at their disposal for close control.

ECONOMIC AND FINANCIAL SUPERVISION BY THE PUBLIC AUTHORITIES

Under Article 22 of the Order, FDJ is subject to economic and financial control by the French State.

Lastly, pursuant to Article 19 of the Order, the Economic and Financial Controller may oppose the decisions of the corporate body that approves FDJ's budget (estimated receipts and operating or investment expenses).

AUDITS BY THE COURT OF AUDIT (COUR DES COMPTES)

The Order provides that FDJ falls within the scope of Article L. 133-1 of the French Financial Jurisdiction Code. As such, FDJ is subject to periodic audits by the French Court of Audit (Cour des Comptes).

INSPECTIONS BY INSPECTORATE GENERAL OF FINANCES (INSPECTION GÉNÉRALE DES FINANCES)

Lastly, in accordance with Article 43 of Law No. 96-314 of 12 April 1996 relating to various economic and financial provisions, FDJ is subject to the supervision of the Inspectorate General of Finances (Inspection Générale des Finances) and will remain so for as long as the French State remains a shareholder.

This supervision is performed on the basis of documents on-the-spot and covers all financial statements and the management of FDJ.

CRIMINAL PENALTIES INCURRED BY FDJ

Primary criminal penalties incurred

The fact that an operator allows a person prohibited from gambling to participate in an online gaming activity or to send commercial communication to such a person may result in a fine of €10,000.

In addition, a fine of €100,000 is provided for in the event of the establishment by an operator of a new point of sale in violation of a perimeter, set by the competent prefect, around public or private educational institutions, or youth training or leisure facilities, in the event of commercial communication in favour of an operator or its gaming and betting offer carried out within this perimeter, in the event of commercial communication in favour of an operator or its gaming and betting offer not including the warning message provided for by the law, or in the event of direct access by an operator to gaming systems, without human intermediation, to a player whose identity and date of birth were not verified beforehand.

A fine of €150,000 is provided for against an operator in the event of non-compliance with the obligations relating to the prohibition against money lending to players (or the prevention of such acts) and the prohibition of advertisements related thereto.

Additional criminal penalties incurred

In the event of a failure to comply with its legislative and regulatory obligations, FDJ may, in addition to the fines presented above, be exposed to additional specific penalties that may consist of:

- closure, whether permanent or temporary, for a period not exceeding five years of one or several establishments having served for the commission of offences;
- in the event of an objection to an offence found by an official authorised for that purpose, a fine of €300,000.

Administrative penalties incurred by FDJ

In the context of its activities operated under exclusive rights, pursuant to Law No. 2010-476 of 12 May 2010 as amended by the Order, the ANJ Sanctions Committee may punish FDJ with various penalties, after formal notice, depending on the seriousness of the breaches found. These penalties may take the form of (i) a warning, (ii) the temporary suspension for a period of six months at most of the operation of the game or set of games that gave rise to

the breach, (iii) a ban on the operation of the game or set of games at issue, or (iv) submission of a request for withdrawal of approval from FDJ's officers to the minister in charge of the Budget.

In addition, the Sanctions Committee may impose, in lieu of or in addition to such penalties, a monetary penalty whose amount may not exceed 5% of the revenue excluding VAT of the most recent financial year corresponding to its activities covered by the exclusive rights. This amount is increased to 10% in the event of a repeat offence.

As part of its online sports betting approval, FDJ is subject to the same obligations and permanent controls exercised by the ANJ, as laid down in Law No. 2010-476 of 12 May 2010, as other online gaming and betting operators approved by the ANJ. In particular, it must transmit several certificates to that Authority concerning compliance with its legal obligations and technical requirements, and make data relating to online gamers and all their betting activities permanently available to the Authority.

In the event of a breach of its legislative and regulatory obligations, the ANJ Sanctions Committee may apply one of the following penalties: (i) a warning; (ii) a reduction of up to one year in the period of the approval; (iii) suspension of the approval for three months at most; and (iv) withdrawal of the approval, which may be accompanied by the prohibition to apply for a new approval for a maximum period of three years.

In addition, the Sanctions Committee may impose, in lieu of or in addition to such penalties, a monetary penalty whose amount may not exceed 5% of the revenue excluding VAT of the most recent financial year corresponding to its activities covered by the approval. This amount is increased to 10% in the event of a repeat offence.

As part of its exclusive rights activities and its online sports betting approval, FDJ is subject to the anti-money laundering and anti-terrorist financing obligations set out in the French Monetary and Financial Code. In the event of breaches of these obligations, the ANJ refers the matter not to the ANJ Sanctions Committee but to the National Sanctions Commission.

The National Sanctions Commission may impose one of the following administrative sanctions: (i) a warning; (ii) a reprimand; (iii) a temporary ban on carrying out the activity or exercising managerial responsibilities within a legal entity carrying out this activity for a period not exceeding five years, which sanction may be suspended; or (iv) withdrawal of the approval or the professional card.

The Commission may impose, either in lieu of or in addition to such penalties, a monetary penalty whose amount may not exceed €5 million or, where the benefit derived from the infringement can be determined, twice that amount.

In the event that FDJ fails to fulfil all or part of its obligations, the National Sanctions Commission may also sanction FDJ's executive management, as well as other natural persons who are employees, agents or acting on behalf of that person, due to their personal involvement in these infringements.

The Commission's decision, any appeal against that decision, the outcome of the appeal, the decision to cancel a previously imposed sanction shall be made public. The costs are borne by the persons sanctioned. However, the Commission's decisions are published anonymously in certain cases provided for by law.

The Commission may decide to charge to the person penalised all or part of the costs incurred by the control measures that resulted in the discovery of the acts sanctioned.

1.5.5 TAXATION OF GAMING

	CASINOS	GAMING CLUBS	ONLINE LOTTERY GAMES IN OFFLINE DISTRIBUTION NETWORKS	SPORTS BETTING IN OFFLINE DISTRIBUTION NETWORKS	ONLINE SPORTS BETTING	
Base	GGR	Net gaming revenue (GGR less 30%)	Gross gaming revenue	Unclaimed prizes	Gross gaming revenue	Gross gaming revenue
French State	Levy set by bracket (from 6.00% on the lower bracket to 83.50% on the upper bracket), the proceeds of which are paid in a maximum proportion of 10% to the municipalities where the casino is located GGR is reduced by 25% for the purpose of calculating the levy.	Progressive levy: from 5% on the lower bracket to 70% on the upper bracket (including a maximum of €12 million paid to the City of Paris)	Depending on the game: 42.00% or 54.50%	100%	27.90%	33.70%
Local authorities	Ceiling of 15% of GGR less 25% The municipalities in which casinos are located recover a maximum of 10% of the levy set by bracket, which is paid to the government.	-	-	-	-	-
CSG	11.2% of slot machine GGR less 32%	-	6.20%	-	-	-
CRDS	3% of total GGR	-	2.20%	-	-	-
National Sports Agency (Agence Nationale du Sport -	-	-	5.10%	-	6.60%	10.6% (capped at €34.6 million)
Social security body and ANSP	-	-	-	-	6.60%	10.60%
Racing societies	-	-	-	-	-	-

HORSE-RACE BETTING IN OFFLINE DISTRIBUTION NETWORKS	HORSE-RACE BETTING FROM ABROAD BUT GROUPED IN FRANCE	ONLINE HORSE-RACE BETTING	ONLINE CIRCLE GAMES (online poker)
---	--	------------------------------	--

Base	Stakes	Commission	Stakes	Stakes
French State	5.30% (of which 15% paid to local authorities capped at €11,182,394)	12.00%	5.30% (of which 15% paid to local authorities capped at €11,182,394)	1.80% (capped at €0.9 per cash-game deal), of which 15% is paid to the municipalities where the casinos are located, capped at €11,182,394
Local authorities	-	-	-	-
CSG	-	-	-	-
CRDS	-	-	-	-
National Sports Agency (Agence Nationale du Sport)	-	-	-	-
Social security body and ANSP	1.80%	-	1.80%	0.20% (capped at €0.1 per cash-game deal)



Corporate
GOVERNANCE



AFR

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2.1 Composition and operation of the Board of Directors, Board committees and Executive Management

















2.1.1 CORPORATE GOVERNANCE REGIME

From the time its shares are admitted to trading on the regulated market of Euronext Paris, the Company is referred to the recommendations of the Afep-Medef Code, particularly when the Board of Directors prepares its report on corporate governance as required by Article L. 225-37 of the French Commercial Code.

The Afep-Medef Code, to which the Company refers, can be found online at the following address: www.medef.com. The Company always has copies of this Code available for members of its corporate bodies to review.

As of the Date of the Universal Registration Document, the Company complies with all recommendations of the Afep-Medef Code.

2.1.2 COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND EXECUTIVE MANAGEMENT

COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2022														
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>60 years</p> <p>Average age</p> </div> <div style="text-align: center;"> <p>8 years</p> <p>Average number of years on the Board</p> </div> <div style="text-align: center;"> <p>50%</p> <p>Indépendance**</p> </div> </div>														
			Age	Number of offices in listed companies*	Number of shares*	Independence	Date of first appointment	Date of reappointment	Duration of current term of office	Expiry of term of office	Number of years on the Board as at 31.12.2022	Audit and Risks Committee	Governance, Nominations and Remuneration Committee	CSR and Responsible Gaming Committee
Chairwoman and CEO		Stéphane Pallez	63	2	1,628		21.10.2014	05.06.2019	5	GM 2024 ⁽²⁾	8			
Members of the Board of Directors appointed by the General Meeting of Shareholders		L'Union des Blessés de la Face (UBFT), represented by Olivier Roussel	61	0	19,310,362		19.12.1978	05.06.2019	5	GM 2024 ⁽²⁾	44			◆
		Fédération nationale André Maginot des anciens combattants (FNAM), represented by Jacques Sonnet	84	0	8,139,300		05.10.2009	05.06.2019	5	GM 2024 ⁽²⁾	13			
		Predica, represented by Florence Barjou from 1 March 2022	49	1	10,183,592	✖	18.06.2020	18.06.2020	4	GM 2024 ⁽²⁾	2	◆		
		Fabienne Dulac	55	2	500	✖	04.11.2019	04.11.2019	4	GM 2023 ⁽¹⁾	3			P
		Xavier Girre	53	1	528	✖	17.10.2014	26.04.2022	4	GM 2026 ⁽³⁾	8	P		
		Françoise Gri	65	3	650	✖	16.12.2020	16.12.2020***	4	GM 2023 ⁽¹⁾	2		◆	
		Corinne Lejbowicz	62	0	500	✖	04.11.2019	04.11.2019	4	GM 2023 ⁽¹⁾	3	◆		
		Pierre Pringuet	72	0	1,011	✖	04.11.2019	04.11.2019	4	GM 2023 ⁽¹⁾	3	◆	P	
	Director representing the French State		Charles Sarrazin from 9 March 2020	48	0	0		09.03.2020	26.04.2022 ⁽⁵⁾	4	2026	2	◆	◆
Members of the Board appointed by the General Meeting of Shareholders on the proposal of the French State		Ghislaine Doukhan	55	0	0		02.02.2017	26.04.2022	4	GM 2026 ⁽³⁾	5	◆		
		Didier Trutt	62	0	0		17.10.2014	26.04.2022	4	GM 2026 ⁽³⁾	8			◆
Directors representing employees		Agnès Lyon-Caen	53	0	0		12.02.2018	13.12.2019	4	GM 2024 ⁽²⁾⁽⁴⁾	4	◆	◆	
		Philippe Pirani	61	0	0		01.06.1999	13.12.2019	4	GM 2024 ⁽²⁾⁽⁴⁾	23			◆
Director representing employee shareholders		David Chianese	52	0	0		18.06.2020	18.06.2020	4	GM 2024 ⁽²⁾	2	◆		
Non-voting member		M. Philippe Lazare	66	0	0		08.06.2022	08.06.2023	1		0.5		◆	

◆ Committee Member. P Committee Chairman.

* As at 31 December 2022.

** Excluding the non-voting member, the directors representing employees and the directors representing employee shareholders.

*** The term of office was ratified by the General Meeting of 16 June 2021.

(1) General Meeting approving financial statements for the financial year ending 2022.

(2) General Meeting approving financial statements for the financial year ending 2023.

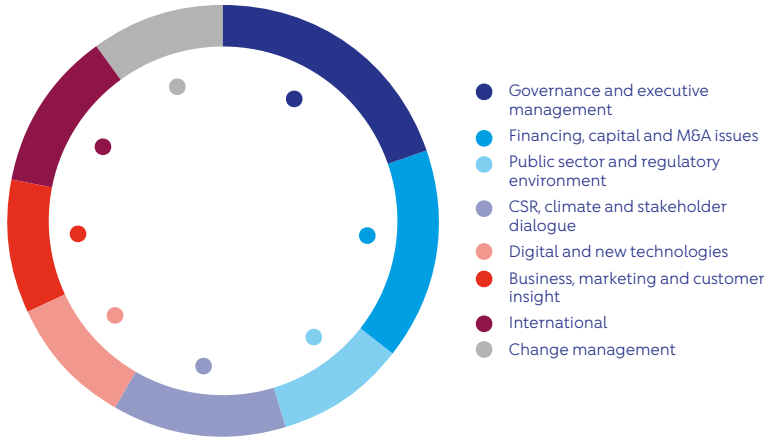
(3) General Meeting approving financial statements for the financial year ending 2025.

(4) In application of Article 13.1 of the Articles of Association, the candidate elected by the employees as director representing employees in the elections to be held at the end of 2023 will take office at the end of the 2024 General Meeting called to approve the 2023 financial statements.

(5) Appointed for a second term by an order dated 26 April 2022.

COMPLEMENTARY PROFILES AND EXPERTISE

Mapping the skills of FDJ's directors and non-voting member



BUSINESS, MARKETING AND CUSTOMER INSIGHT

38%

Experience of branding and product development, distribution, customer insight.

CHANGE MANAGEMENT

38%

Experience in supporting managers and companies in their development and transformation strategies.

DIGITAL AND NEW TECHNOLOGIES

38%

Expertise or experience in the development and implementation of digital strategies, experience in companies with a strong digital focus.

GOVERNANCE AND EXECUTIVE MANAGEMENT

75%

Experience as a company director, managing director, member of an executive committee.

INTERNATIONAL

50%

Experience in companies with business activities in various parts of the world, supervision of international operations.

FINANCING, CAPITAL AND M&A ISSUES

63%

Experience in the financial sector, management of capital which translates into understanding the financial reporting processes of corporate finance, M&A, treasury and fiscalty.

CSR, CLIMATE AND STAKEHOLDER DIALOGUE

50%

Experience in addressing environmental, social and societal issues.

PUBLIC SECTOR AND REGULATORY ENVIRONMENT

44%

Experience in managing operations in which the State is involved, knowledge of regulatory requirements related to the public sector and/or the field of gambling or any other sector or activity with a specific regulatory environment.

CHANGES IN THE BOARD OF DIRECTORS IN 2022

Replacement of the permanent representative of the director Predica

Françoise Debrus replaced by **Florence Barjou** as of 1 March 2022

Appointment of a non-voting member by the Board of Directors

Appointment of **Philippe Lazare** as non-voting member by the Board of Directors of 8 June 2022

Replacement of the Government Commissioner

Alexandre Grosse replaced by **Philippe Sauvage** as of 16 February 2022

DIVERSITY IN AGES

60 years

Average age of directors as at 31 December 2022

48 years

Youngest director (representative of the French State)

84 years

Oldest director (representative of FNAM)

INDEPENDENCE OF THE BOARD OF DIRECTORS

Afep-Medef recommendation:

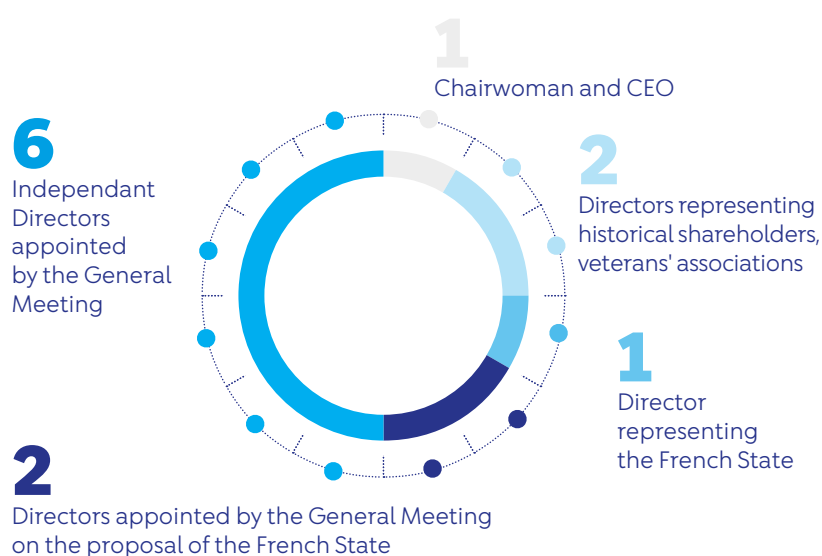
50% independent members on the Board of Directors (Article 10.1 of the Afep-Medef Code)

50%*

6 DIRECTORS OUT OF 12**

are independent directors

The Board of Directors is made up of 15 members; the maximum number of directors may not exceed 18 (Article L. 225-17 French Commercial Code). The Board of Directors of FDJ has an independence rate of 50%, i.e. 6 of the 12 members counted for these purposes (excluding non-voting member, directors representing employees and director representing employee shareholders).



A BOARD OF DIRECTORS MADE UP OF 15 MEMBERS

out of a maximum of 18 (Article L.225-17 French Commercial Code)

- 1** CEO
- 2** DIRECTORS REPRESENTING HISTORICAL SHAREHOLDERS
- 6** INDEPENDENT DIRECTORS APPOINTED BY THE GENERAL MEETING

6 DIRECTORS APPOINTED PURSUANT TO LEGAL REQUIREMENTS

1 DIRECTOR REPRESENTING THE FRENCH STATE (Article 4 of Order 2014)	2 DIRECTORS APPOINTED BY THE GENERAL MEETING ON THE PROPOSAL OF THE FRENCH STATE (Article 6 of Order 2014)
2 DIRECTORS REPRESENTING EMPLOYEES OF THE COMPANY AND OF ITS SUBSIDIARIES (Article L.225-27-1 Com. Code)	1 DIRECTOR REPRESENTING EMPLOYEE SHAREHOLDERS (Article L.225-23 Com. Code)

1 NON-VOTING MEMBER (Article 13.3 of the Articles of Association)

* Note that Article 10.3 of the Afep-Medef Code excludes the 3 employee directors from the base for calculating the independence rate.

** Excluding the non-voting member, the directors representing employees and the director representing employee shareholders.

EXPIRY OF CURRENT TERMS OF OFFICE

The Afep-Medef Code recommends that directors be appointed for a term of office of four years, with staggered renewal. All directors appointed after FDJ's IPO were appointed in accordance with these provisions. The five-year terms of office began before the IPO. The diagram below shows the number of terms of office expiring during the next general meetings.



2.1.2.1 EXECUTIVE MANAGEMENT

The Executive Management of the Company is the responsibility of the Chairwoman of the Board of Directors (Stéphane Pallez), as the consolidation of the duties of Chairwoman of the Board of Directors and CEO was confirmed at the Board meeting of 5 June 2019, and a Deputy Chief Executive Officer (Charles Lantieri).

Stéphane Pallez – Profile

Stéphane Pallez has been Chairwoman and Chief Executive Officer of FDJ since November 2014. In her first term of office, she successfully completed a new phase in the Company's development, initiating the digital transformation. She confirmed the territorial anchoring of FDJ, France's leading local distribution network, while stepping up the Group's international growth by creating FDJ Gaming Solutions. In 2019, she led the Company's privatisation through an initial public offering.

Stéphane Pallez was previously Chairwoman and Chief Executive Officer of the CCR reinsurance group from 2011 to 2014.

From 2004 to 2011, she was deputy Chief Financial Officer at France Télécom-Orange telecommunications group.

From 1984 to 2004, Stéphane Pallez held various positions in the executive management of the Treasury at the Ministry of Economy and Finance. She was successively responsible for the Insurance subdirectorates from 1995, a portfolio of French State investments between 1998 and 2000, then Head of the European and International Affairs Department between 2000 and 2004.

During that period, she was also Alternate Executive Director for the World Bank in Washington from 1988 to 1990, and technical advisor to the Ministers in charge of the Economy and Finance Pierre Bérégovoy and Michel Sapin, responsible for industrial matters, from 1991 to 1993.

Stéphane Pallez is a member of the Board of Directors of CNP Assurances, where she chairs the Audit and Risks Committee and Eurazeo, where she chairs the Audit Committee.

She is also Chairwoman of the Board of Directors of the Conservatoire national supérieur de musique et de danse de Paris, and Director of the National sports agency (Agence nationale du sport).

Born in 1959, she is a graduate of the Institut d'Études Politiques (IEP) in Paris and of the École nationale d'administration (ENA – Louise Michel cohort).

Charles Lantieri – Profile

Charles Lantieri has been Deputy Chief Executive Officer of FDJ since 2006. He is also Chairman of FDP, a subsidiary which distributes lottery and betting games in mainland France, Chairman of the Supervisory Board of FDJ Services, a subsidiary having a collection activity on behalf of third parties and Chairman of the FDJ Corporate Foundation.

Charles Lantieri joined FDJ while working as Head of Department and Deputy Budget Director at the Ministry of Economy and Finance, where he spent the first part of his career. He performed a range of functions at the Ministry, steering budgetary policy, preparing and implementing finance laws, as well as conducting public management reforms. He began his career at Insee (the national institute of statistics and economics studies), where he conducted macroeconomic modelling studies and medium-term forecasts.

Charles Lantieri has also served as director of several companies (Gaz de France, France Télévisions, La Poste, Agence France Presse, etc.) and of institutions such as Institut Pasteur and École polytechnique.

Born in 1961, Charles Lantieri is a graduate of École polytechnique and the Ensaë.

Terms of office



STÉPHANE PALLEZ

Offices held in 2022:

Offices within the FDJ Group:

Chairwoman and CEO of FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

- Member of the Supervisory Board, Audit Committee and CSR Committee of Eurazeo
- Member of the Board and Chair of the Audit and Risk Committee of CNP Assurances

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

- Chairwoman of the Board of Directors of the Conservatoire national supérieur de musique et de danse de Paris
 - Director of the National sports agency (Agence nationale du sport)
-

Offices expired within the last five years:

Director of Engie (until 2018)



CHARLES LANTIERI

Offices held in 2022:

Offices within the FDJ Group:

- Deputy Chief Executive Officer of FDJ
- Chairman of the FDJ Corporate Foundation
- Chairman of FDP (a subsidiary of FDJ)
- Permanent representative of FDJ on the Board of Directors of La Pacifique des Jeux (a subsidiary of FDJ)
- Permanent Representative of FDJ on the Board of Directors of FGS (a subsidiary of FDJ)
- Chairman of the Supervisory Board of FDJ Services (a subsidiary of FDJ)

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

n/a

Offices expired within the last five years:

n/a

Appointment and cessation of duties

Stéphane PALLEZ

In accordance with Article 19 of Order 2014-948 of 20 August 2014, on 5 June 2019 the Board of Directors proposed Ms. Pallez to the President of France as a candidate for Chairwoman and CEO of the Company.

She was reappointed to those duties by decree of the President of France on 9 September 2019 for a period of five years following her appointment.

Since the Company's initial public offering on 21 November 2019, the rules of appointment and withdrawal set out in the French Commercial Code have applied to the Chairwoman and CEO.

However, it should be noted that Article 20 of Order 2019-1015 of 2 October 2019 requires that she cannot take office until the Ministers of the Economy and of the Budget have granted prior licence, after consulting the French gaming regulatory authority (ANJ). Furthermore, that same article states that this licence can be withdrawn by order of the

Ministers of the Economy and of the Budget, after consulting the ANJ; such withdrawal shall by operation of law cause the Chairwoman and Chief Executive Officer's duties to cease.

Charles LANTIERI

As proposed by the Chairwoman and CEO, on 5 June 2019, the Company's Board of Directors reappointed the Deputy Chief Executive Officer, Charles Lantieri, with the same duties and assignments set by the Board of Directors at its 6 July 2006 and 2 July 2014 meetings.

The rules for appointment and withdrawal set out in the French Commercial Code apply to the Deputy Chief Executive Officer. However, it should be noted that Article 20 of Order 2019-1015 of 2 October 2019 requires that he cannot take office until the Ministers of the Economy and of the Budget have granted prior licence, after consulting the ANJ. Furthermore, that same Article states that this licence can be withdrawn by order of the Ministers of the Economy and of the Budget, after consulting the ANJ; such withdrawal shall by operation of law cause the Deputy Chief Executive Officer's duties to cease.

Management bodies

The Chairwoman and CEO and the Deputy Chief Executive Officer are assisted by two management bodies, which are composed as follows as at the Date of the Universal Registration Document:

- a **Business Steering Committee (CPA)**, which manages the business and oversees the proper implementation of the strategy. It meets on a weekly basis with the Chairwoman and CEO, the Deputy Chief Executive Officer, the Executive Vice-Presidents, the Director responsible for Strategy, Innovation and New Activities and the Director in charge of Communication & Sponsorship Group, namely:

- Stéphane Pallez, Chairwoman and CEO,
- Charles Lantieri, Deputy Chief Executive Officer of FDJ, Chairman of FDP, Chairman of the Supervisory Board of FDJ Services and Chairman of FDJ Corporate Foundation,
- Patrick Buffard, Executive Vice-President, Offline Distribution, Sport Business Unit, Media, TV Production and Events, Chairman of the board of La Pacifique des Jeux,
- Pascal Chaffard, Executive Vice-President Finance, Performance & Strategy,
- Xavier Etienne, Executive Vice-President Technology & International, Chairman of FDJ Gaming Solutions and FGS New Markets,
- Cécile Lagé, Executive Vice-President Lottery Business Unit, Customers Department,
- Raphaël Botbol, Director responsible for Strategy, Innovation and New Activities, Chairman of FDJ Services and FDJ Services Holding,
- Raphaële Rabatel, Director in charge of Communication & Sponsorship Group,
- Jonathan Gindt, Chief of Staff to the Chairwoman and CEO, attends Business Steering Committee meetings and provides secretariat functions.

The Business Steering Committee also continues to meet regularly in "extended" format, inviting, as required, members of the Group Management Committee concerned by subjects necessitating an in-depth review or decision based on a direct exchange. The role of these "extended" Business Steering Committee meetings is to monitor and oversee the Company's major projects and strategic and operational issues and, if required, to make the necessary adjustments.

- a **Group Management Committee (CDG)** which shares operational and financial priorities, and in particular strengthens the common understanding of cross-business issues and the proper coordination of corporate functions and *Business Units*. The Group Management Committee meets every month and comprises the following persons plus the members of the Business Steering Committee (23 members in total):

- Pierre-Marie Argouarc'h, Director of Employee Experience and Transformation,
- Isabelle Bastien, Commercial Director,
- Valérie Berche, Director of Audit, Risks, Control, Quality and Ethics,
- Cédric Breton, Director of lottery operations,
- Jean-Christophe Buvat, Director of Transformation and Employee Environment,
- Richard Courtois, Director of the Sport Business Unit,
- Nadia Faure, Director of Investor Relations and M&A,

- Jonathan Gindt, Chief of Staff to the Chairwoman and CEO,
- Marion Hugé, Director of Regulation and Public Affairs,
- Stéphane Labarre, Director of Performance Management,
- Philippe Lemaire, Director of Safety,
- Sophie Metras, Clients Director,
- Elisabeth Monégier du Sorbier, Director of Legal, and Board Secretary,
- Yovan Obrenovitch, Director of Information Systems,
- Vincent Perrotin, Director of Commitment and Responsible gaming.

2.1.2.2 COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS

Composition of the Board of Directors

The Company is administered by a Board of Directors with at most 18 members, according to Article L. 225-17 of the French Commercial Code, including:

- a representative of the French State, appointed in compliance with Article 4 of Order no. 2014-948 of 20 August 2014 on governance and capital transactions of companies in which the French State is a shareholder;
- where applicable, members of the Board appointed by the General Meeting of Shareholders on the proposal of the French State, in compliance with Article 6 of Order no. 2014-948 of 20 August 2014 on governance and capital transactions of companies in which the French State is a shareholder;
- members of the Board appointed by the General Meeting of Shareholders, including a proportion of independent members in compliance with Afep-Medef Code recommendations;
- two directors representing the employees of the Company and of its subsidiaries, whether direct or indirect (in compliance with law), having registered office on the French territory, appointed under conditions stated in Article L. 225-27-1 of the French Commercial Code;
- one director representing employee shareholders, appointed under Article L. 225-23 of the French Commercial Code.

Furthermore, and in accordance with Article 19 of Order 2019-1015 of 2 October 2019, the Minister of the Budget appoints a Government Commissioner to the Company. This person ensures that the Company's operations comply with the goals mentioned in Article L. 320-3 of the French Code of Domestic Security. To that end, he may make arrangements to receive any form of information and have any verifications carried out as necessary for the accomplishment of his mission.

The Government Commissioner sits on the Board of Directors in an advisory capacity. He also sits on the committees and commissions set up by the Board of Directors. He may request the inclusion of any matter on the agenda of an ordinary meeting of those bodies and shall be the intended recipient of their deliberations. He may oppose a deliberation of the Board of Directors based on the objectives defined by Article L. 320-3 of the French Code of Domestic Security under conditions set by decree of the Council of State. He may also oppose deliberations relating to the estimates of the Company's revenue and operating or capital expenses.

The Government Commissioner informs the ANJ of any failure on the part of the Company to comply with the obligations imposed on it that fall within the competence of that authority.

In accordance with Article 13.3 of the Articles of Association, the Board of Directors may, based on a proposal from its Chairwoman, appoint between one and three non-voting members (censeurs), who may be artificial or natural persons, for a one-year renewable term. If required, the Board of Directors may decide to allocate some of its members' remuneration budget to remuneration for

non-voting members. The non-voting members sit on the Board with no vote in deliberations.

Since 8 June 2022, Philippe Lazare has been a non-voting member of the Board of Directors in an advisory capacity. He was appointed as such with a view to proposing his appointment as an independent director at the Annual General Meeting of 27 April 2023.

At the Date of the Universal Registration Document, the following individuals were members of the Company's Board of Directors:

Term of office	Identity
Directors appointed by the General Meeting of Shareholders	Stéphane Pallez (Chairwoman and Chief Executive Officer) L'Union des blessés de la face et de la tête (UBFT) (Association incorporated under 1901 law), represented by Olivier Roussel Fédération nationale André Maginot des anciens combattants (FNAM), represented by Jacques Sonnet Fabienne Dulac Xavier Girre Françoise Gri Corinne Lejbowicz Pierre Pringuet Predica, represented by Florence Barjou ⁽¹⁾
Representative of the French State	Charles Sarrazin
Directors appointed by the General Meeting of Shareholders on the proposal of the French State	Ghislaine Doukhan Didier Trutt
Directors representing employees	Agnès Lyon-Caen Philippe Pirani
Director representing employee shareholders	David Chianese
Non-voting member	Philippe Lazare

(1) As at 1 March 2022, Florence Barjou was appointed as permanent representative of Predica, replacing Françoise Debrus.

The representative of the Economic and Labour Relations Council also attends the meetings of the Company's Board, in an advisory capacity. The Government Commissioner and the General Economic and Financial Controller also sit on the Board of Directors and the committees in an advisory capacity.

Nationality of the members of the Board of Directors

All members of the Board of Directors are French nationals.

Independent members of the Board of Directors

Number

At the Date of the Universal Registration Document, the Board of Directors counts six independent members, or 50% of the 12 members counted for these purposes (excluding non-voting member, directors representing employees⁽¹⁾ and director representing employee shareholders⁽²⁾).

Selection process

As regards the selection process for independent directors, they are selected beforehand by the Governance, Nominations and Remuneration Committee (CGNR) in collaboration with a firm specialising in the recruitment of these functions. These selections are made on the basis of objective criteria relating in particular to their professional experience in other companies and their experience on other boards of directors.

In addition to these criteria, the committee analyses the independence of future candidates with regard to the criteria of the Afep-Medef Code and checks that their integration into the Board allows it a balanced and equal composition (gender balance, diversified and complementary skills in relation to the Company's businesses and strategy, etc.).

The selected candidates are then presented to the Board of Directors, which submits their appointment to the shareholders' vote at the Annual General Meeting.

(1) Agnès Lyon-Caen and Philippe Pirani.

(2) David Chianese.

Analysis of the independence criterion

At the time of each appointment of a director and annually, the Board of Directors, after a review by the CGNR, assesses the independent status of each of the directors with regard to the criteria set out in the Afep-Medef Code and included in the Board's Rules of Procedure.

The Board of Directors of 15 December 2022 took note of the annual analysis as at 31 December 2022 of the independence of each director appointed by the General Meeting⁽¹⁾ established by the CGNR of 13 December 2022, with regard to the criteria set out in the Afep-Medef Code:

Criteria / Directors	Ms. Pallez	UBFT, represented by Mr. Roussel	FNAM represented by Mr. Sonnet	Predica, represented by Ms. Barjou	Ms. Barjou	Ms. Dulac	Mr. Girre	Ms. Gri	Ms. Lejbowicz	Mr. Pringuet	Mr. Sarrazin	Ms. Doukhan	Mr. Trutt
Criterion 1: Employee executive corporate director over the previous five years	✘	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 2: Cross-directorships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 3: Significant business relationships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 4: Family connection	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 5: Statutory auditors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 6: Term of office in excess of 12 years	✓	✘	✘	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 7: Receiving variable remuneration or remuneration linked to FDJ's performance*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 8: The director does not represent a major shareholder of FDJ (threshold of 10% of capital or voting rights)	✓	✘	✓	✓	✓	✓	✓	✓	✓	✓	✘	✘	✘

In this table, ✓ denotes an independence criterion that has been met and ✘ denotes an independence criterion that has not been met.

* The Afep-Medef Code specifies that this criterion concerns only non-executive corporate directors

During this annual review, the CGNR and the Board looked into the existence of significant business relationships between the Company, its directors and the companies of the groups within which FDJ directors are Corporate Directors or within which they hold executive functions. To this end, qualitative criteria are taken into account, such as the nature of existing business relationships and quantitative criteria such as the amounts committed under these contracts.

The analysis revealed that none of the independent directors has business relationships with the Company that could call into question their independence or compromise their ability to exercise their judgement in the performance of their duties.

Having reviewed the work of the CGNR, the Board, at its meeting of 15 December 2022, thus deemed that at the end of the 2022 financial year, only: Fabienne Dulac, Xavier Girre, Corinne Lejbowicz, Françoise Gri and Pierre Pringuet, as well as Predica, represented by Florence Barjou, meet all

eight criteria set out in the Afep-Medef Code to qualify as independent directors. The independent directors thereby represent half of the Board of Directors. In accordance with the provisions of the Afep-Medef Code, directors representing employees and employee shareholders are not taken into account for the calculation of this ratio.

Diversity policy applicable within the Board of Directors

At the Date of the Universal Registration Document, the Company's Board of Directors contains six women and six men (excluding the non-voting member, directors representing employees and employee shareholders), or 50% women and 50% men among Board members.

The recruitment of Board members took into account a diverse range of professional experience and complementary profiles (see section 2.1.2 of the Universal Registration Document).

(1) In accordance with the recommendations of the Afep-Medef Code, the directors representing employees and employee shareholders are not subject to such an assessment.

Results in terms of gender diversity in the 10% of highest-responsibility positions

In accordance with Article L.225-37-4, 6° of the French Commercial Code, the Company must disclose its results for gender diversity in the 10% of highest-responsibility positions.

The Group is convinced that diversity and the gender diversity within its teams is essential to innovation, engagement and performance. To attract talent from a wide range of backgrounds and secure the loyalty of these employees, the Group's entities are developing tools and programmes to promote gender equality, generational diversity and the inclusion of people with disabilities.

In 2021, FDJ renewed its Diversity certification (from AFNOR, the French national organisation for standardisation) and its Workplace Gender Equality label (also from AFNOR), evidencing the Company's commitment to promoting diversity and preventing all forms of discrimination.

FDJ ensures that promotions are offered based on contributions and competence, including by working on gender stereotypes and respect for the work/life balance, and by supporting the Group's gender diversity promotion network "All 'In", which was created by employees in 2017 to help develop leadership and the place of women within the Group.

In 2015, women represented 34% of FDJ's managers and 44% of its staff. In 2022, they represented 41% of FDJ's managers and 42% of its staff. The aim is, by 2025, to achieve the same percentage of women in management as in the Company as a whole and to eventually achieve full parity. In 2021, women represented 34.3% of the Group's managers and 39% of its staff. In 2022, they represented 35.9% of the Group's managers and 38.9% of its staff.

Likewise, since 2016, the rate at which women have been promoted has remained higher than or very similar to the rate for men within FDJ. In 2022, 11% of women were promoted, compared to 9% of men.

Gender diversity in managerial positions remains a goal of the Company in its governance, as women accounted for 41% of Group Management Committee (CDG) members in 2022, compared with 38% in 2021. For the second year, FDJ contributed to the 8th edition of the Palmarès de la féminisation des instances dirigeantes des entreprises du SBF 120 (ranking of women in the management bodies of SBF 120 companies). FDJ took seventh place in this ranking, particularly thanks to its index for gender equality (100 points out of 100). It should be noted that the proportion of women among the top 100 highest earners is 35%.

In addition, in accordance with Article 8.1 of the Afep-Medef Code, the Board of Directors meeting of 16 December 2020 set objectives for the diversity of management bodies for 2023, details of which are given in Chapter 4 of this Universal Registration Document.

In addition to the career path measures being taken, the gender pay gap has been under review for several years and initiatives have been introduced, bringing it down from 9.75% in 2016, before the wage policy, to 5.07% in 2022 after the wage policy. This has been achieved by increasing the proportion of women in the most senior roles and constantly paying attention to wage equality at recruitment and during annual wage reviews.

Law no. 2018-771 of 5 September 2018 on freedom in career choices and the implementing decree no. 2019-15 of 8 January 2019 created a gender equality index with an obligation to score at least 75 points out of 100 as of 2019. For the third consecutive year, the score is 100 out of 100 for FDJ.

This index includes a special grade on the proportion of women among the highest wage-earners. That proportion is 4 in 10, thereby allowing FDJ to earn the highest score of 10 out of 10.

Profile, experience and expertise of the directors and non-voting member

The profile, experience and expertise of each director and the non-voting member as of 31 December 2022 is provided below.

Members of the Board of Directors appointed by the General Meeting of Shareholders



STÉPHANE PALLEZ

Age as of 31 December 2022 and nationality:

63, French national

First appointment:

21 October 2014

Expiry of the current term of office:

2024 (General Shareholders' Meeting approving the financial statements for the financial year ending 2023)

Shares held at 31 December 2022*:

1,628 shares

Involvement in Board committees:

Ms. Pallez chairs the Company's strategic seminar, which meets at least once a year.

Main activity:

Chairwoman and CEO of FDJ

Expertise – Experience – Other activities:

See section 2.1.2.1 "Executive Management"

Offices held in 2022:**Offices within the FDJ Group:**

Chairwoman and CEO of FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

- Member of the Supervisory Board, Audit Committee and CSR Committee of Eurazeo
- Member of the Board and Chair of the Audit and Risk Committee of CNP Assurances

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

- Chairwoman of the Board of Directors of the Conservatoire national supérieur de musique et de danse de paris
- Director of the national sports agency (Agence nationale du sport)

Offices expired within the last five years:

Director of Engie (until 2018)

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."



OLIVIER ROUSSEL

Permanent representative of l'Union des blessés de la face et de la tête (UBFT)
(association incorporated under 1901 law)

Age as of 31 December 2022 and nationality:

61, French national

First appointment:

UBFT has been a member of the Board since 19 December 1978, represented by Olivier Roussel since 2002

Expiry of the current term of office:

2024 (General Shareholders' Meeting approving the financial statements for the financial year ending 2023)

Shares held at 31 December 2022*:

19,310,362 shares held by UBFT

Involvement in Board committees:

Since 21 November 2019, Mr. Roussel has been a member of the CSR and Responsible Gaming Committee.

Main activity:

General Director of UBFT

Expertise – Experience – Other activities:

Knowledge of the veterans' milieu: social actions and duty to remember
Medical sponsorship
Knowledge of the history of the development of the National Lottery, then of Loto®

Offices held in 2022:

Offices within the FDJ Group:

Permanent representative of UBFT, director of FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

- General Director of UBFT
- General Director of la Fondation des Gueules cassées
- Chief Executive of CYP SAS and member of its strategic committee, operating the "Résidence Colonel Picot" retirement home
- Director of Association Lino Ventura
- Vice President and Director of Association du Clos Pas Saint-Maurice

Offices expired within the last five years:

n/a

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."



JACQUES SONNET

Permanent representative of Fédération nationale André Maginot des anciens combattants et victimes de guerre (FNAM)

Age as of 31 December 2022 and nationality:

84, French national

First appointment:

FNAM has been a member of the Board since 5 October 2009, represented by Jacques Sonnet since 22 October 2021

Expiry of the current term of office:

2024 (General Shareholders' Meeting approving the financial statements for the financial year ending 2023)

Shares held at 31 December 2022*:

8,139,300 shares held by FNAM

Involvement in Board committees:

Mr. Sonnet does not sit on any of the Board committees.

Main activity:

FNAM Director

Expertise – Experience – Other activities:

n/a

Offices held in 2022:

Offices within the FDJ Group:

Permanent representative of FNAM, director of FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

n/a

Offices expired within the last five years:

n/a

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."



FABIENNE DULAC

Age as of 31 December 2022 and nationality:

55, French national

First appointment:

4 November 2019 (effective 21 November 2019)

Expiry of the current term of office:

2023 (General Shareholders' Meeting approving the financial statements for the financial year ending 2022)

Shares held at 31 December 2022*:

500 shares

Involvement in Board committees:

Since 21 November 2019, Ms. Dulac has been a member of the CSR and Responsible Gaming Committee, which she has chaired since 14 October 2020. She is also a permanent guest of the Governance, Nominations and Remuneration Committee

Main activity:

Deputy General Director of Orange and Chief Executive Officer of Orange France

Expertise – Experience – Other activities:

Ms. Dulac holds a Master's degree in history, political science and modern literature, a DEA in political sociology (Sciences Po Paris) and is a graduate of the Stanford Executive Programme. Between 1993 and 1997, she was Head of Communication and Marketing at VTCOM. From 1997 to 1999, she was Head of Communications and the Multimedia division of France Telecom. In 1999, she joined Wanadoo and became Head of Business Development. In 2003, she held the functions of Head of Marketing of Internet Market Services. In 2005, Ms. Dulac became Director in charge of Sales and Online customer relations at Orange, then in 2011, Operational Director for the North of France until 2013, when she became Director in charge of Communication for the Group. Since 2015, she has been Chief Executive Officer of Orange France. She became Deputy General Director of Orange in 2018.

Offices held in 2022:

Offices within the FDJ Group:

Independent director at FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies

(pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

- Director and member of the Audit Committee of L'Oréal, member of the Human Resources and Remuneration Committee of L'Oréal
- CEO of Orange France and Deputy General Director of Orange

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

Director of Willa

Offices expired within the last five years:

n/a

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."



XAVIER GIRRE

Age as of 31 December 2022 and nationality:

53, French national

First appointment:

17 October 2014

Expiry of the current term of office:

2026 (General Shareholders' Meeting approving the financial statements for the financial year ending 2025)

Shares held at 31 December 2022*:

528 shares

Involvement in Board committees:

Since 21 November 2019, Mr. Girre has been Chairman of the Audit and Risks Committee.

Main activity:

Executive Director of EDF group in charge of the Finance Department

Expertise – Experience – Other activities:

Mr. Girre, a graduate from HEC (1990), holds a Master's degree in corporate law (1990), graduated from IEP Paris (1992) and is a former student of ENA (1995). He started his career at the Cour des Comptes from 1995 to 1999 as an auditor and later a conseiller référendaire. He joined the Veolia Environnement group in 1999, serving as task officer with the Chairman of Dalkia, before successively becoming the Audit Director of Veolia Environnement (2002-2004), Risk and Audit Director at Veolia Environnement (2004- 2007), member of the Management Committee of Veolia Environnement and Executive Vice-President Veolia Transport (2007-2011), then in 2011, Chief Financial Officer of Veolia Propreté and Managing Director of the Central Europe region. From 2011 to 2015, within the La Poste group, Mr. Girre worked as Executive Vice-President in charge of group finances. He also served as President of the Management Board of Xange Private Equity. Mr. Girre joined EDF group in 2015, where he has held the position of Executive Director for the group in charge of the group Finance Department since 2016.

Offices held in 2022:

Offices within the FDJ Group:

Independent director at FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

- Chairman of the Supervisory Board of RTE
- Member of the Supervisory Board of Enedis⁽¹⁾
- Director of EDF Renouvelables⁽¹⁾

Foreign companies:

- Director of Edison

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

- Director and Chairman of the Audit Committee of EDF Energy Holding
- Chairman of the Board of Directors of EDF Trading UK⁽¹⁾

Offices expired within the last five years:

- Member of the Management Committee of EDF Immo (until 2017)
- Permanent representative of EDF Immo within SOFILO (until 2017)
- Director of NNB Holding Company (until 2017)
- Chairman and CEO of Coentreprise de Transport d'Electricité (until 2021)
- Director of Dalkia (until 2021)
- Independent Director and Chairman of the Audit Committee of CNIM (until 2022)

(1) Offices held in Enedis, EDF Renouvelables and EDF Trading only count for one office (in accordance with paragraph 3 of Article L. 225-21 of the French Commercial Code), because those companies, whose securities are not admitted to trading on a regulated market, are controlled within the meaning of Article L. 233-16 of the French Commercial Code by the same company, namely EDF.

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."



FRANÇOISE GRI

Age as of 31 December 2022 and nationality:

65, French national

First appointment:

4 November 2019, co-optation on 16 December 2020 for the remaining term of office of Ms. Debon

Expiry of the current term of office:

2023 (General Shareholders' Meeting approving the financial statements for the financial year ending 2022)

Shares held at 31 December 2022*:

650

Involvement in Board committees:

Since 16 December 2020, Ms. Gri has been a member of the Governance, Nominations and Remuneration Committee.

Main activity:

Company director

Expertise – Experience – Other activities:

Ms. Gri is an engineer in computer science and applied mathematics, and a graduate of École nationale supérieure d'ingénieurs de Grenoble (ENSIMAG).

After joining IBM in 1981, Ms. Gri held various positions there before serving as CEO of IBM France from 2001 to 2007. She then joined Manpower group from 2007 to 2012, as Chairman France, then Chairman France and Southern Europe. From 2013 to 2014, Françoise Gri was Managing Director of the Pierre et Vacances Center Parcs group, before creating a consulting activity.

Offices held in 2022:

Offices within the FDJ Group:

Independent director at FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

- Director of Crédit Agricole, member of the Audit, Remuneration, Strategy and CSR Committees
- Lead Director and Vice-Chairwoman of the Board of Directors of Edenred; Chair of the Remuneration and Nomination Committee

Unlisted French limited companies:

- Member of the Board of Directors of CACIB (Crédit Agricole Investment Bank)
- Director of the company Berger-Levrault

Listed foreign public limited companies:

- Director of WNS (Worldwide business process management company)

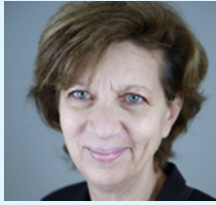
Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

Chairman of the Supervisory Board of INSEEC-U

Offices expired within the last five years:

Member of the High Committee on Corporate Governance (2013 to 2019)

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."



CORINNE LEJBOWICZ

Age as of 31 December 2022 and nationality:

62, French national

First appointment:

4 November 2019
(effective 21 November 2019)

Expiry of the current term of office:

2023 (General Shareholders' Meeting approving the financial statements for the financial year ending 2022)

Shares held at 31 December 2022*:

500 shares

Involvement in Board committees:

Since 21 November 2019, Ms. Lejbowicz has been a member of the Audit and Risks Committee.

Main activity:

Company director

Expertise – Experience – Other activities:

Ms. Lejbowicz is a graduate from ESCP Europe and of Institut d'Etudes Politiques (IEP) in Paris. She started her career in 1986 as Marketing and Export Director at Nemo, a design furniture start-up. From 1987 to 1994, she occupied commercial functions, then worked as General Director at TBWA. In 1994, she joined Infogrammes, and participated in the launch of the first French Internet service provider. From 1996 to 1998, she became project manager of the high-speed internet access project at Numericable (Vivendi group). In 1998, she was appointed as director in charge of strategy and new projects at AOL France. In 2001, she served as Strategic Marketing Director at the Internet Department of the holding company of Vivendi group. In 2005, she joined the first independent French operator of search engines, comparators and shopping guides online: LeGuide.com. First, she served as Deputy Director, then as Chief Executive Officer and finally as Chairwoman and CEO of the company between 2007 and 2012. From 2013 to 2015, she was Head of Strategy and Director of Minutebuzz. From 2015 to 2018, she served as General Director of PrestaShop. Ms. Lejbowicz has also been a mentor at Moovjee, an association promoting entrepreneurship by young people, since 2011. She has been a member of the Board of Directors of the Ares group, the leading player in the field of integration through economic activity in the Ile-de-France region, since 2020. Since July 2021 she has been Chairwoman of Qwant, a French search engine.

Offices held in 2022:

Offices within the FDJ Group:

Independent director at FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies

(pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

- Director and member of the Strategy and Investment Committee of the La Poste group
- Director of the Ares group

Foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

- Director of Bird Office
- Chairwoman of Qwant
- Director Ares group

Offices expired within the last five years:

- Director of Educlever (until 2017)
- Chief Executive Officer of PrestaShop (until 2018)
- Director of Lengow SAS (until 2021)
- Director of Agriconomie.com (until 2022)

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."



PIERRE PRINGUET

Age as of 31 December 2022 and nationality:

72, French national

First appointment:

4 November 2019 (effective 21 November 2019)

Expiry of the current term of office:

2023 (General Shareholders' Meeting approving the financial statements for the financial year ending 2022)

Shares held at 31 December 2022*:

1,011 shares

Involvement in Board committees:

Since 21 November 2019, Mr. Pringuet has been a member of the Audit and Risks Committee and Chairman of the Governance, Nominations and Remuneration Committee. He was appointed Lead Director of the Company by the Board of Directors of 16 December 2020.

Main activity:

Company director

Expertise – Experience – Other activities:

Mr. Pringuet is a graduate of the Ecole polytechnique and the Ecole des Mines. He started his career in the French civil service from 1976 to 1987, where he held various positions at the Ministry of Industry, served within ministerial cabinets under Michel Rocard (Ministry of Planning, then Ministry of Agriculture) and became Director of Agricultural and Food Industries at the Ministry of Agriculture. He joined Pernod Ricard group in 1987 as Development Director, before successively becoming General Director SEGM, President-General Director for Europe, Co-Director General, Deputy General Director and General Director (from 2000 to 2015).

Offices held in 2022:

Offices within the FDJ Group:

Independent director at FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

- Chairman of the association MichelROCARD.org
- Chairman of the Foundation ParisTech

Offices expired within the last five years:

- Director and Vice-Chairman of the Board of Directors of Pernod Ricard (until 2019)
- President of Association française des entreprises privées (Afep – French Association of Private Enterprises) (until 2017)
- Director of Iliad (until July 2020)
- Director of Avril Gestion (until June 2020)
- President of Amicale du Corps des Mines (January 2021)
- Director of Vallourec (until July 2021)
- Director of Cap Gemini (until May 2021)

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."



FLORENCE BARJOU

Permanent representative of Predica

Age as of 31 December 2022 and nationality:

50, French national

First appointment by Predica:

18 June 2020 Ms. Barjou has been the permanent representative of Predica since 1 March 2022

Expiry of the current term of office:

2024 (General Shareholders' Meeting approving the financial statements for the financial year ending 2023)

Shares held at 31 December 2022*:

10,183,592 shares held by Predica

Involvement in Board committees:

Since 29 July 2020, Predica has been a member of the Audit and Risks Committee.

Main activity:

Chief Investment Officer at Crédit Agricole Assurances

Expertise – Experience – Other activities:

Ms. Barjou graduated from the University of Paris Dauphine and holds a doctorate in economic science (2000) from the University of Nanterre. She began her career in the Economic research department of BNP's investment banking arm. She joined Lyxor in 2006 as Global Macro Strategist and Portfolio Manager. She was subsequently named head of diversified management in 2013, followed by deputy head of the Absolute Performance & Solutions division in 2014 and Managing Director, deputy CIO. In 2020, Ms. Barjou was promoted to Chief Investment Officer of Lyxor.

Offices held in 2022:

Offices within the FDJ Group:

Permanent representative of Predica, independent director at FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

- Permanent representative of Predica on the Board of Directors of Korian, Member of the Investment Committee and Audit Committee.

Unlisted French limited companies:

- Director and Chairwoman, on her own behalf, of PrediRungis SAS
- Director, on her own behalf, of Semmaris SA
- Director, on her own behalf, of Cassini SAS and member of the Remuneration Committee

Unlisted foreign companies:

- Director of CA VITA Spa Italie

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

n/a

Offices expired within the last five years:

n/a

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."

Director representing the French State

**CHARLES SARRAZIN****Age as of 31 December 2022 and nationality:**

48, French national

First appointment:

9 March 2020

Expiry of the current term of office:

2026

Involvement in Board committees:

Mr. Sarrazin is a member of the Audit and Risks Committee and the Governance, Nominations and Remuneration Committee.

Main activity:

Representative of the French State, Director of Services and Finance Investments, French Investment Management Agency, Ministry of Economy and Finance

Expertise – Experience – Other activities:

Business financing
Corporate governance
Economy and finance

Offices held in 2022:**Offices within the FDJ Group:**

Director representing the French State

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

- Director representing the French State on the Board of Directors of La Poste, Chairman of the Audit Committee
- Director representing the French State on the Supervisory Board of Arte France, Chairman of the Audit Committee
- Director representing the French State on the Board of Directors of France Télévisions
- Director representing the French State on the Board of Directors of Bpifrance Participations

Foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

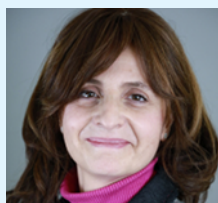
- Director representing the French State on the Board of Directors of Bpifrance Investissement (SAS)

Offices expired within the last five years:

- Director representing the French State on the Board of Directors of CNP Assurances
- Director representing the French State on the Board of Directors of Bpifrance SA
- Director representing the French State on the Board of Directors of France Télévisions

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."

Members appointed by the General Meeting on the proposal of the French State



GHISLAINE DOUKHAN

Age as of 31 December 2022 and nationality:

55, French national

First appointment:

2 February 2017

Expiry of the current term of office:

2026 (General Shareholders' Meeting approving the financial statements for the financial year ending 2025)

Involvement in Board committees:

Since 21 November 2019, Ms. Doukhan has been a member of the Audit and Risks Committee.

Main activity:

CEO of Safran Power Units

Expertise – Experience – Other activities:

Ms. Doukhan graduated from HEC (École des hautes études commerciales) in 1991. She started her career at Snecma, within the International Affairs department (1991-2000), before joining the Production Department as Treasury Department Supervisor (2000-2004), then as Director of the Testing division within the Technical Department (2004-2007). She served as Director of High-Power Engine Programmes at the Civilian Engines division (2007-2010), then as Director of the Services and Spare Parts division (2010-2015). She joined Safran in 2015 and became Director of Safran Analytics, a new entity dedicated to value creation based on data.

Since 1 July 2021, she has been CEO of Safran Power Units and member of the Executive Committee of Safran Helicopter Engines.

Offices held in 2022:

Offices within the FDJ Group:

Director of FDJ appointed by the General Meeting on the proposal of the French State

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

- Independent director of Accor Acquisition Company (AAC)
- Director of ACA (Aéroports de la Côte d'Azur)

Unlisted French limited companies:

- CEO of Safran Power Units
- Member of the Executive Committee of Safran Helicopter Engines

Foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

n/a

Offices expired within the last five years:

n/a

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."



DIDIER TRUTT

Age as of 31 December 2022 and nationality:

62, French national

First appointment:

17 October 2014

Expiry of the current term of office:

2026 (General Shareholders' Meeting approving the financial statements for the financial year ending 2025)

Involvement in Board committees:

Since 21 November 2019, Mr Trutt has been a member of the CSR and Responsible Gaming Committee.

Main activity:

Chairman and Chief Executive Officer of IN group

Expertise – Experience – Other activities:

Mr. Trutt was appointed Chief Executive Officer of IN group (previously Imprimerie Nationale) in September 2009 and his appointment was renewed in July 2020. His mandate at the head of IN group has been acclaimed given his success in transforming the company through digital transformation, return to profitability and expansion of international activities. Having graduated as an engineer (École national d'ingénieurs de Saint-Etienne), Didier Trutt joined Thomson group in 1984, within which he spent a significant amount of time working abroad, particularly in Asia. He is one of the key players in the transformation of the company from analogue to digital technology.

Offices held in 2022:

Offices within the FDJ Group:

Director of FDJ appointed by the General Meeting on the proposal of the French State

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

– Chairman and Chief Executive Officer of IN group

Foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

– Director representing the French State, member of the Economic and Strategic Commission at RATP
– French Foreign Trade Advisor

Offices expired within the last five years:

n/a

* Article 21 of the Rules of Procedure stipulates that: "With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed."

Directors representing employees



AGNÈS LYON-CAEN

Age as of 31 December 2022 and nationality:

53, French national

First appointment:

12 February 2018

Expiry of the current term of office:

2024 (General Shareholders' Meeting approving the financial statements for the financial year ending 2023)*

Involvement in Board committees:

Since 19 December 2019, Ms. Lyon-Caen has been a member of the Audit and Risks Committee and the Governance, Nominations and Remuneration Committee.

Main activity:

Project Manager, Governance, Performance and Compliance, FDJ

Expertise – Experience – Other activities:

Information system infrastructure

Offices held in 2022:

Offices within the FDJ Group:

Director of FDJ representing employees

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

n/a

Offices expired within the last five years:

n/a

* In application of Article 13.1 of the Articles of Association, the candidate elected by the employees as director representing employees in the elections to be held at the end of 2023 will take office at the end of the 2024 General Meeting called to approve the 2023 financial statements.



PHILIPPE PIRANI

Age as of 31 December 2022 and nationality:

61, French national

First appointment:

1 June 1999

Expiry of the current term of office:

2024 (General Shareholders' Meeting approving the financial statements for the financial year ending 2023)*

Involvement in Board committees:

Since 19 December 2019, Mr. Pirani has been a member of the CSR and Responsible Gaming Committee.

Main activity:

Qualification Integration Officer at FDJ

Expertise – Experience – Other activities:

Information technology. Point of sales. Employee savings

Offices held in 2022:

Offices within the FDJ Group:

Director of FDJ representing employees

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

n/a

Offices expired within the last five years:

n/a

* In application of Article 13.1 of the Articles of Association, the candidate elected by the employees as director representing employees in the elections to be held at the end of 2023 will take office at the end of the 2024 General Meeting called to approve the 2023 financial statements.

Director representing employee shareholders



DAVID CHIANESE

Age as of 31 December 2022 and nationality:

53, French national

First appointment:

18 June 2020

Expiry of the current term of office:

2024 (General Shareholders' Meeting approving the financial statements for the financial year ending 2023)

Involvement in Board committees:

Since 16 December 2020, Mr. Chianese has been a member of the Audit and Risks Committee.

Main activity:

Head of Back Office Operations, FDJ

Expertise – Experience – Other activities:

May 2008 to November 2019: membership of the Board of Directors of FDJ, as secretary of the Central Works Council (CCE)

Offices held in 2022:**Offices within the FDJ Group:**

Director of FDJ representing employee shareholders

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

Chairman of the Supervisory Board of the Fund Actionnariat Group FDJ Invest

Offices expired within the last five years:

n/a

Non-voting member



PHILIPPE LAZARE

Age as of 31 December 2022 and nationality:

66, French national

First appointment:

Non-voting member since 8 June 2022

Expiry of the current term of office:

8 June 2023 (the office of non-voting member has a one-year renewable term)

Involvement in Board committees:

Since 8 June 2022, Mr. Lazare has been a member of the Governance, Nominations and Remuneration Committee.

Main activity:

Company director

Expertise – Experience – Other activities:

Mr. Lazare graduated from the Ecole Supérieure d'Architecture in Paris-La Défense before beginning his career in 1983 within the Purchasing department of PSA group. In 1990, he joined Sextant Avionique group as Director of the industrial site at Châtelleraut then in 1994 he joined the Executive Committee of Air France group in charge of Air France Industrie, Air France Maintenance and Servair. In 1998, he was appointed Chief Executive Officer of Barrière group, then from 2000 to 2002, Chairman and CEO of Eurotunnel group. In 2003, he joined the Executive Committee of La Poste group, in charge of the Purchasing department, the real estate arm Post Immo and the post office network. In 2006, he was appointed director of Ingenico group and Chairman of the Audit Committee. In 2007, he was appointed Chief Executive of the group, before serving as its Chairman and Chief Executive Officer until November 2018.

Offices held in 2022:**Offices within the FDJ Group:**

Non-voting member of FDJ

Offices outside the FDJ Group in French limited companies (listed or unlisted) and in listed foreign companies (pursuant to the rules on the limitation of the number of offices set out in Articles L. 225-21 and L. 225-94-1 of the French Commercial Code and Articles 20.2 and 20.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

n/a

Listed foreign companies:

n/a

Offices outside the FDJ Group in other types of companies and other groupings (French and foreign):

- Member of the High Committee on Corporate Governance
- Chairman of the Strategy and Supervisory Committee of Normandy Hadrontherapy (SAS)
- Chairman of Versantur (SAS)
- Member of the Supervisory Committee of Vasgos (SAS)

Offices expired within the last five years:

- Independent director and member of the Audit Committee of Bureau Veritas (until June 2022)
- Chairman and CEO of Ingenico (until November 2018)

Appointment and termination of duties of members of the Board of Directors during financial year 2022

Article 14 of the Company's Articles of Association states:

"In the event of vacancy by death or resignation of one or more Board members appointed by the General Meeting of Shareholders, the Board of Directors may, between two General Meetings of Shareholders, make temporary appointments under the conditions set by the French Commercial Code, except for: (i) the representative of the State, who is appointed as per Article 4 I of the 2014 Order and (ii) the directors representing the employees and the employee shareholders, appointed in accordance with the legislative and regulatory provisions in force, as well as these Articles of Association. The Board member co-opted by the Board of Directors to replace an outgoing member remains in office only long enough to serve out the remaining term of their predecessor. Appointments made by the Board shall be subject to ratification by the next Ordinary General Meeting. In the absence of ratification, resolutions passed and actions taken by the Board nevertheless remain valid.

If the seat of a director representing employee shareholders becomes vacant, that person's replacement will be under the conditions set out in Article 13.1 a) above, with that Board member being appointed by the Ordinary General Meeting of Shareholders for a new period of four years⁽¹⁾.

In the event of a vacancy for the director elected by employees, the vacancy will be filled in accordance with Article L. 225-34 of the French Commercial Code.

The General Meeting can at any time dismiss the directors that it has appointed."

The members of the Board of Directors are elected by the General Meeting of Shareholders, subject to special rules that apply (i) to the representative of the State, appointed in accordance with Article 4, I of Order no. 2014-948 of 20 August 2014, (ii) to directors representing the employees, appointed in accordance with the legislative and regulatory provisions in force, as well as these Articles of Association and (iii) to directors representing the employee shareholders elected by the General Meeting of Shareholders based on a proposal by the employee shareholders per the applicable laws.

Indeed:

- the representative of the State is appointed by the Minister of the Economy from among active Category A or equivalent civil servants with at least five years' professional experience. He or she is appointed for a term that may not exceed the maximum term of office of the members of the Board of Directors specified in the Company's Articles of Association. This representative's duties end with resignation or if he or she loses the position whereby he or she was appointed. That person may be replaced at any time to serve out the remainder of the term;

- directors representing the employees of the Company or its direct or indirect subsidiaries are elected to their positions by the employees of the Company and its direct or indirect subsidiaries. The reasons for duties to end that are specific to this category are breach of employment contract and managed withdrawal (it is necessary to be able to prove that the person whose term is ending was at fault in the exercise of their duties; the decision can be made only by the president of the court of justice at the request of a majority of all Board members);
- the director representing employee shareholders is elected by the Ordinary General Meeting of Shareholders upon a proposal by the employee shareholders. Before this happens, the employee shareholders appoint candidates at a single consultation with all employee shareholders. The reasons for duties to end that are specific to this category are loss of status as employee or shareholder of the Company, either individually or via a company mutual fund.

Furthermore, Article 13.3 of the Articles of Association specifies that the Board of Directors can, based on a proposal from the Chairman of the Board of Directors, appoint a non-voting member, for a one-year renewable term. The latter is subject, in the same way as the directors, to the regulations on market abuse and must apply the measures for preventing conflicts of interest and the rules of confidentiality applicable to directors.

Measures taken to avoid possible conflicts of interest in the context of a possible change in the Company's governance system

Article 2.2 of the Rules of Procedure of the Board of Directors sets out the criteria presented in the Afep-Medef Code for qualifying a director as independent and for preventing the risk of a conflict of interest between the director and the management, the company or its Group.

It is also specified in the same article that directors representing major shareholders of the company or its parent company may be considered as independent if these shareholders do not participate in the control of the company. However, above a threshold of 10% in capital or voting rights, the Board, on the basis of a report from the CGNR, systematically examines whether a director qualifies as independent, taking into account the composition of the company's capital and the existence of a potential conflict of interest.

Finally, the Directors' Charter appended to the Rules of Procedure of the Board of Directors stipulates that a director is obliged to inform the Board of any conflict of interest, even a potential conflict of interest, and to refrain from attending the debate and from taking part in the vote on the corresponding deliberation.

The non-voting member is also subject to the above provisions.

(1) In this respect, Article 13.1 b) of the Articles of Association states: "In the event of the termination of the term of office of the director representing employee shareholders for any reason, his/her replacement will be called upon to exercise the functions of the director representing employee shareholders for the remainder of his/her predecessor's term of office."

Operation of the Board of Directors

Since the Company's initial public offering, the Board of Directors of the Company has been completely overhauled in order to comply with the rules applicable to listed companies and with the provisions of the Afep-Medef Code.

Powers

In accordance with the Rules of Procedure of the Board of Directors, the powers of the Company's Board of Directors are as follows:

- the Board of Directors endeavours to promote value creation by the Company over the long term by reviewing social and environmental issues related to its business;
- it determines strategic directions, reviews and decides on significant operations after examination by the Strategic Committee and the ad hoc committees, as the case may be;
- it appoints and dismisses executive Corporate Directors, sets their compensation, chooses the mode of organisation of its governance, controls management, ensures the quality of the information provided to shareholders and to the markets, sets the annual financial statements, consolidated financial statements and prepares the management report, the consolidated management report and the management planning documents.

In particular, the following items must be reviewed by the Board of Directors, after examination, if necessary, by the relevant committee(s):

- the annual Budget including the gaming programme and the multi-year financial plans associated with strategic directions; and
- the multi-year strategic plan.

In accordance with the Afep-Medef Code, the Board of Directors:

- is informed of market developments, the competitive environment and main challenges faced by the Company, including in the area of social and environmental responsibility;
- regularly reviews, in connection with the strategy it has defined, the opportunities and risks such as financial, legal, operational, social and environmental risks and the measures taken as a result;
- ensures, as the case may be, the implementation of a prevention and detection system of corruption and influence peddling and receives all information necessary for this purpose;
- ensures that the executive Corporate Directors implement non-discrimination and diversity policies, particularly in terms of balanced gender representation within the governing bodies; ensures that shareholders and investors receive relevant, balanced and educational information on the strategy, the development model, the consideration of significant extra-financial issues for the Company as well as on its long-term outlook;
- ensures compliance with the provisions of the Afep-Medef Code when a disposal is contemplated, whether through one or several transactions, involving at least half of the Company's assets over the last two financial years;
- subject to the powers expressly granted to shareholders' meetings and within the limits of the corporate purpose, it considers any matter concerning the proper operation of the Company and through its deliberations addresses any matters concerning the Company.

Limits on the powers of executive management

In accordance with Article L. 225-56 of the French Commercial Code, the Chairwoman and CEO has the broadest powers to act in all circumstances in the name of the Company. She exercises her powers within the limits of the Company's duties and subject to those powers which the law expressly grants to shareholder meetings and the Board of Directors. She represents the Company in its relations with third parties.

Article 1.2 of the Rules of Procedure of the Board of Directors sets the rules limiting the powers of the Chairwoman and CEO, defining the thresholds at which point prior authorisation by the Board of Directors is required for certain decisions. Those decisions are as follows:

- long-term borrowing in amounts exceeding €80 million;
- direct or indirect transactions to acquire, take possession, sell, or expand ownership in any company or entity that represents financial exposure for the Company greater than €35 million (including the impact on the Group's consolidated debt and its off-balance-sheet financial commitments);
- investment or divestment, off-budget, regardless of its nature, in a unitary amount exceeding €35 million;
- any significant transaction that falls outside of the stated strategy.

Board meetings (Article 16.1 of the Articles of Association)

The Board of Directors shall meet when convened by its Chairman, as often as the interests of the company require and, in any event, at least four times a year, either at the registered office or in any other place indicated in the notice of meeting. The Chairman may invite the directors to meetings of the Board of Directors by any means, including by e-mail.

When the Board has not met for more than two months, at least a third of its members can require the Chairman to convene a meeting on a specific agenda, or can convene a meeting themselves, stating the agenda for the meeting.

The Board of Directors may also take decisions by means of written consultation of the directors under the conditions defined by the laws and regulations in force.

Frequency of meetings (Article 3.1 of the Rules of Procedure)

In accordance with Article 3.1 of the Rules of Procedure, the Board of Directors meets at least four times during the financial year and whenever circumstances require.

Convening of members and holding of meetings (Article 3.1 of the Rules of Procedure)

The notice to convene sets the location of the Meeting, which may be held at the registered office or any other place. It is sent by letter, fax, or email to the Board members, at least five working days prior to the Meeting date.

Documents related to matters on the agenda that would enable the members to take informed positions with full knowledge of the facts on the agenda items are also sent to each member as soon as possible, and unless there is particular urgency, at least three calendar days before the Meeting when those topics will be addressed.

The agenda is attached to the notice; it mentions the matters to be deliberated on and is accompanied by the draft minutes that will be submitted for the Board's approval.

Procedure for evaluating standard agreements

In accordance with Article L. 22-10-12 of the French Commercial Code and AMF recommendation DOC-2012-05, the Board of Directors' meeting on 12 March 2020 approved an internal charter relating to the procedures for identifying regulated agreements and evaluating standard agreements. It is available on the Company's website.

The procedure that enables agreements related to ordinary, arm's length transactions to be evaluated on a regular basis to ensure they fulfil these conditions is described below:

- (i) a report on the different categories of agreements considered to be ordinary and arm's length that are in effect during the financial year, drawn up by the Legal Department in consultation with the Finance Department, must be sent to the Audit and Risks Committee at least five days before the Audit and Risks Committee meeting called to approve the financial statements for the financial year. The committee reports its findings to the Board of Directors called to approve the financial statements for the financial year;
- (ii) this report includes:
 - a. the criteria used to classify each of the categories of agreement as ordinary, arm's length transactions,
 - b. the criteria used to classify the financial conditions as normal, providing market comparables if applicable,
 - c. the categories of interested parties if this is likely to have an impact on the evaluation of the agreement as an ordinary, arm's length transaction;
- (iii) if applicable, this agreement contains recommendations that amend one or more of the criteria stipulated in paragraph (ii) above.

This report is then sent, with the Audit and Risks Committee's recommendations, to the Board of Directors.

If an individual is directly or indirectly an interested party of one of the categories of agreement, that individual will not take part in the evaluation (either as part of the Audit and Risks Committee or the Board of Directors).

The Board of Directors is required to confirm that the different categories of agreement submitted to it fulfilled the conditions to be classified as ordinary, arm's length transactions on the date they were signed. It may also decide to amend the classification criteria and, if applicable, re-examine the agreements that do not or no longer fulfil the necessary criteria.

Informing and educating the members of the Board

Informing the Board of Directors (Article 1.3 of the Rules of Procedure)

The Chairwoman places on the agenda of the Board of Directors:

- at least once a year, a review of the implementation of the Company's and the Group's strategy;
- at least once a year, a review of the Company's and the Group's cash position, liquidity situation and commitments;
- a review of the performance of the Company subsidiaries when the annual and half-year financial statements are presented;
- the reports prepared annually excluding financial statements;
- the commercial policy;
- the policy implemented to prevent excessive gambling and the gambling of minors and to promote reasonable gambling;
- the policy implemented to fight against fraud and money laundering and terrorist financing; and
- the human resources policy including, in particular, the remuneration policy within the Group;
- monitoring adherence to the obligations placed on the Company by the list of requirements set by the Close Control decree. This includes in particular:
 - an obligation to offer an attractive set of games and bets aimed at diverting players from the illegal offer. FDJ must ensure that players, throughout metropolitan France and overseas territories referred to in Article 73 of the Constitution, have access to all the lottery and sports betting games it is authorised to operate,
 - an obligation to carry out investigations in order to assess the concentration of gaming and the players' gaming habits,
 - an obligation to limit the share of the Company's revenue or of its stakes resulting from its most intensive gamblers, under conditions defined by the Minister of the Budget, in order to help contain the consumption of gambling,
 - an obligation to measure retailers' satisfaction,
 - an obligation to implement attention policy and measure players' satisfaction and to publish regular qualitative surveys,
 - an obligation to organise, at least once a year, meetings with all stakeholders on issues relating to the prevention of excessive gambling, prevention of underage gambling, support for people in vulnerable situations and participation of the offline distribution network in responsible gaming initiatives,
 - in addition to the authorisation of the French gaming regulatory authority (ANJ), an obligation to obtain the authorisation of the Minister of the Budget for the launch of games dedicated to cultural heritage,

- an obligation to subscribe the necessary insurance policies to adequately cover counterparty risks relating to games operated by FDJ under the exclusive rights,
- an obligation to pursue FDJ's initiative to control the environmental impact of its activities relating to games operated under the exclusive rights and to limit the carbon impact of its information technologies,
- an obligation to draw up an annual report on the implementation of the list of requirements approved by Decree, addressed to the Ministers in charge of the Budget and Economy, with a copy to the French gaming regulatory authority (ANJ).

The monitoring of the budget, financial situation and performance indicators is subject to reporting, which is discussed by the Board of Directors at meetings dedicated to the annual financial statements, management planning documents and the Budget.

Information on a regular basis

The Board of Directors is regularly informed, either directly or through its committees, of any significant event related to the Company's business. It may also be informed at any time, including between meetings dedicated to the review of financial statements, of any significant changes in the Company's financial and liquidity position and commitments.

In order to support their considerations, the members of the Board of Directors receive all the relevant information, including critical information concerning the Company, in particular press articles and financial analysis reports.

Conversely, the members of the Board of Directors have a duty to request any useful information they need to fulfil their mission. If a member of the Board of Directors considers that he or she has not been put in a position to deliberate in full knowledge of the facts, he or she must inform the Board and obtain the information necessary for the performance of his or her duties.

The members of the Board of Directors may meet with the Company's main executives, including in the absence of executive Corporate Directors. In this case, executive Corporate Directors must be previously informed.

Educating the members of the Board of Directors (Article 2.4 of the Rules of Procedure)

Each Board member has received additional education with respect to the unique features of the Company, its business lines, its sector of activity, and its corporate social responsibility challenges.

The members of the Audit and Risks Committee, when appointed, receive specific information about the Company's accounting, financial, and operational situation.

The directors representing employees and those representing employee shareholders receive appropriate training to carry out their duties.

Evaluation of the Board of Directors

In accordance with the provisions of the Afep-Medef Code, the Rules of Procedure provide that the Board of Directors assesses its ability to meet expectations of the shareholders who have given it the mandate to administer the Company, by reviewing periodically its composition, organisation and operation (which also implies a review of the Committees of the Board of Directors and, in particular, of the Audit and Risks Committee).

The Board of Directors shall consider the desirable balance of its composition and that of the committees it sets up and periodically examines the adequacy of its tasks, its organisation and functioning.

The evaluation has three objectives:

- review the operating procedures of the Board of Directors;
- ensure that important issues are properly prepared and discussed; and
- assess the effective contribution of each member of the Board to the work of the Board of Directors.

The evaluation shall be carried out in accordance with the following procedures:

- once a year, the Board of Directors discusses its functioning;
- a formal evaluation is carried out at least every three years. It is implemented under the direction of the Governance, Nominations and Remuneration Committee with the assistance of an external consultant and the Lead Director ⁽¹⁾ if one has been appointed;
- shareholders are informed annually in the corporate governance report of the performance of the evaluations and, where applicable, the follow-up given to such evaluations.

Reminder of the Board's evaluations in 2020 and 2021

- As the Company was listed on the stock exchange on 21 November 2019, an initial annual internal evaluation of the Board of Directors was conducted in autumn 2020 by Mr. Pringuet, Chairman of the Governance, Nominations and Remuneration Committee and Lead Director. It focused in particular on: (i) the Board of Directors' programming and operation; (ii) the monitoring of the Covid-19 crisis; (iii) coordination between the work of the Board and the work of the committees; (iv) the information and education of directors and (v) the operation of committees. The results of this evaluation are detailed in FDJ's Universal Registration Document of 8 April 2021.
- For 2021, an evaluation of the Board of Directors was implemented under the direction of the Governance, Nominations and Remuneration Committee with the assistance of an external consultant and the Lead Director, Pierre Pringuet. In general, it emerged that the Company's Board of Directors has reached a very good level of maturity, in line with that of the SBF 120 companies. As regards the directors, the evaluation shows that they are highly involved in their role and demonstrate a strong level of commitment and availability to the Company. The recommendations and areas for improvement resulting from this evaluation have been taken into account and an action plan was implemented accordingly.

(1) Mr. Pringuet was appointed Lead Director of the Company by the Board of Directors of 16 December 2020.

2022 annual evaluation

With regard to the year 2022, the Lead Director, Pierre Pringuet, Chairman of the Governance, Nominations and Remuneration Committee, conducted the evaluation of the Board.

He met individually with all the Board members.

The discussions focused on three themes, summarised below:

- (i) The role and expertise of the directors: the directors consider the Board to be a good Board, due to its professionalism resulting in particular from the presence of independent directors chosen for their area of expertise. Moreover, the Board brings together the key areas of expertise necessary for its proper functioning. However, the directors expressed the wish to increase the Board's area of expertise in digital and international matters;
- (ii) the Board and strategy: the directors welcomed the Board's coverage of strategic subjects via dedicated seminars and hoped that this good momentum would continue and give rise to a structured action plan deployed during the year, in particular in the area of M&A and international development.
- (iii) the Board's added value: the report summarises some concrete examples of added value that could be provided by the Board, including for example:
 - the preservation of exchanges of views between the Board and the Company, which are considered to be very fluid, and between the directors thanks to the Board's *Executive Sessions*,
 - the ongoing strengthening of the presentation of CSR topics to the Board,
 - the continued development of the Company's capacity to react in the area of risk management, in particular regarding cyber crime.

Pierre Pringuet presented his report to the CGNR on 13 December 2022 and to the Board on 15 December 2022. The recommendations and avenues for improvement resulting from this evaluation are being taken into account by the Company's general management.

Overview of the Board of Directors' activity

In 2022, the Board of Directors met 14 times, one of which during a strategy seminar, with an attendance rate, in-person or by telecommunication, of 92% of its members.

The Board's activity centred on the following issues:

- **monitoring the Group's ongoing management:**
 - reviewing the quarterly business reports, annual and half-year parent and consolidated financial statements in the presence of the statutory auditors,
 - regularly reviewing the Group's financial situation, and more specifically the financing and outside growth strategy,
 - monitoring of risks and prevention measures (responsible gambling, prevention of money laundering),
 - reviewing the Company documents: parent company balance sheet and management planning documents,
 - preparing for the Annual General Meeting of Shareholders (agenda, draft resolutions, annual management report, and any other reports or sections that appear in the annual financial report which originated from or were approved by the Board),
 - liquidity contract,
 - sureties, endorsements and guarantees;
- **remuneration of Corporate Directors:**
 - determination of the annual variable portion of the remuneration of Stéphane Pallez and Charles Lantieri for financial year 2021 (ex post) and first estimation for financial year 2022 (ex ante),
 - breakdown of the remuneration package for directors for financial year 2021 (ex post),
 - remuneration policy 2023 for executive Corporate Directors (ex ante): annual and long-term variable remuneration for 2023,
 - proposal for the remuneration policy for directors for financial year 2023 (ex ante),
 - implementation of a long-term incentive plan (LTI 2022-2024);
- **independence of directors:**
 - annual review of the independence of directors;
- **standard and regulated agreements:**
 - review of regulated agreements,
 - review of the report on standard agreements;
- **evaluation of the Board of Directors:**
 - self-evaluation of the Board of Directors by the Lead Director and report on the evaluation to the Board of Directors;
- **strategy:**
 - Sports Betting strategy,
 - presentation of the 2021 Customer Market Barometer,
 - review of M&A projects;
- **miscellaneous:**
 - awareness of climate topics,
 - monitoring sector and market news,
 - company policy with respect to professional and wage equality,
 - review of innovation within FDJ,
 - appointment of a non-voting member.

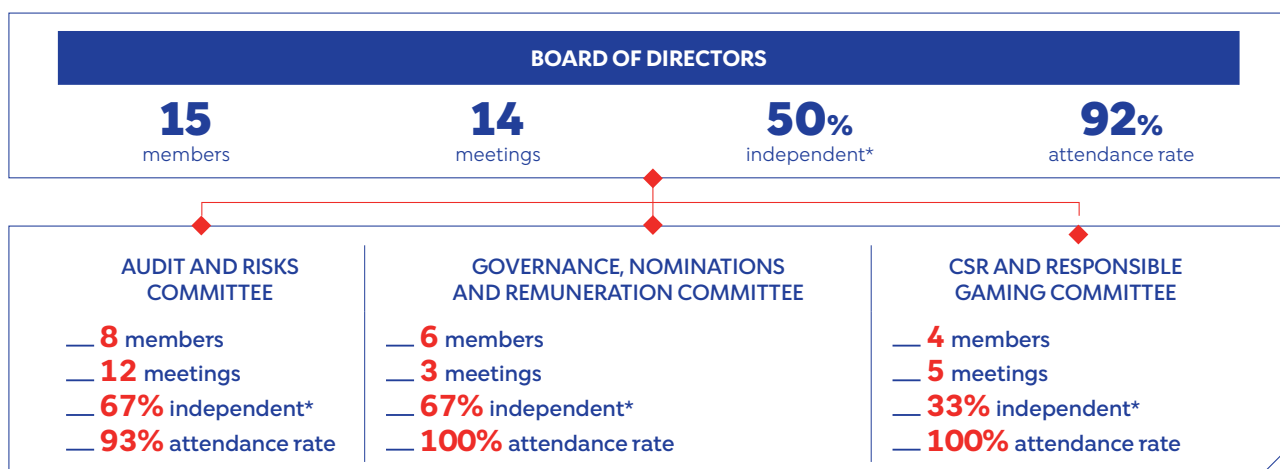
Directors' individual attendance rate at Board and Committee meetings in 2022

In accordance with Article 12.1 of the Afep-Medef Code, directors' individual attendance rate at Board and Committee meetings in 2022 was as follows:

	Attendance rate at Board of Directors meetings	Attendance rate at Audit and Risks Committee meetings	Attendance rate at CGNR meetings	Attendance at CSR and RG Committee meetings	Overall average for each director
Stéphane PALLEZ	100%	-	-	-	100%
FNAM (represented by Jacques SONNET)	100%	-	-	-	100%
UBFT (represented by Olivier ROUSSEL)	100%	-	-	100%	100%
Fabienne DULAC	86%	-	-	100%	93%
Xavier GIRRE	100%	100%	-	-	100%
Françoise GRI	86%	-	100%	-	93%
Corinne LEJBOWICZ	93%	92%	-	-	93%
Pierre PRINGUET	100%	100%	100%	-	100%
Predica (represented by Florence BARJOU)	57%	67%	-	-	62%
French State (represented by Charles SARRAZIN)	86%	100%	100%	-	95%
Ghislaine DOUKHAN	93%	92%	-	-	93%
Didier TRUTT	86%	-	-	100%	93%
Agnès LYON-CAEN	100%	100%	100%	-	100%
Philippe PIRANI	100%	-	-	100%	100%
David CHIANESE	93%	92%	-	-	93%
Philippe LAZARE (non-voting member)	100%	-	100%	-	100%
Average participation per body	92%	93%	100%	100%	
Overall average Board and committee attendance rate			96%		

2.1.2.3 THE BOARD OF DIRECTORS' COMMITTEES

The composition of the Board of Directors and its various committees is valid as at 31 December 2022.



* Excluding the non-voting member, the directors representing employees and employee shareholders.

AUDIT AND RISKS COMMITTEE



* Excluding the non-voting member, directors representing employees and employee shareholders.

The Audit and Risks Committee assists the Board of Directors with the analysis of the financial statements and financial information, major risk management policy and internal control.

Composition

The members of the Audit and Risks Committee have financial or accounting expertise⁽¹⁾ and its Chairman, Xavier Girre, has specific expertise in the financial field and is therefore the Board's financial expert.

The Audit and Risks Committee comprises at least four directors. The percentage of independent directors on the Audit and Risks Committee must be at least two-thirds and the Committee must not include any executive Corporate Directors.

The appointment or reappointment of the Chairman of the Audit and Risks Committee, proposed by the Governance, Nominations and Remuneration Committee, is subject to the specific review of the Board of Directors.

A Government Commissioner and a General Economic and Financial Controller sit on the Audit Committee in an advisory capacity.

Duties and remit

In addition to its legal responsibilities, the Audit and Risks Committee carries out the following tasks:

- carry out a preliminary review of the accounting and financial documents to be submitted to the Board of Directors, including in particular the half-yearly and annual financial statements (corporate and consolidated), provisional accounts and budgets, multi-year plans, the management report and its appendices;
- monitor the financial reporting process and review the quality and reliability of the financial information produced by the Company;
- review the Company's financial communication policy and elements;

(1) See page 98 of the Universal Registration Document for further details on the competences of the members of the Audit and Risks Committee

- review the relevance and consistency of accounting standards and methods and of the options for closing the accounts for the financial year; examine any proposal for significant amendment of these standards and methods before their implementation;
- review the overall risk control policy based on a mapping of the risks; as such, the committee reviews the main financial risks and any other questions likely to lead to significant risks, commitments or threats;
- examine, as part of the review of the financial statements, material transactions under which a conflict of interest could have occurred;
- review the nature and scope of significant off-balance sheet commitments;
- examine the evolution of internal control systems; review the activity debriefings and the conclusions of the internal audit reports, and the follow-up provided by the Company thereto; provide its opinion on the annual internal audit programmes;
- supervise the statutory auditors' appointment or renewal procedure by competitive bidding and issue an opinion on the selection of the said statutory auditors, as well as on their work programme, their fees and the quality of their work;
- periodically review the status of the statutory auditors' interventions and of their recommendations;
- review the scope of the consolidation of companies and, where applicable, the reasons for which companies would not have been included within such scope.

The Audit and Risks Committee may also be consulted on any other regular assignment or on an ad hoc basis as assigned by the Board of Directors; it may also suggest to the Board of Directors the referral of any issue that it deems necessary or relevant.

At least once a year, a meeting of the Audit and Risks Committee is held without the executive Corporate Directors.

Functioning

The Audit and Risks Committee meets at least three times a year.

The time periods allocated for provision of financial statements and for their examination must be sufficient.

The Audit and Risks Committee shall hear the statutory auditors, in particular at meetings devoted to the review of the financial reporting process and the review of the financial statements, in order to report on the execution of their mission and the conclusions of their work.

It also hears annually the Chief Financial Officers, the Chief Accountants, the Chief Treasury Officers and the Internal Control Officers. These hearings may be held, when the Committee so wishes, without the presence of the Company's executive management.

The Audit and Risks Committee met 12 times in 2022 with an attendance rate of 93%.

The Committee dealt in particular with the following matters:

Finance and Treasury

- presentation of closing options;
- 2021 parent company and consolidated financial statements;
- half-yearly financial report;
- presentation of the preliminary work by the statutory auditors for closing the 2021 financial year;
- statutory auditors' programme;
- budget/business plan;
- financial communication - 2021 results.

Management:

- management report;
- management planning documents;
- review of ongoing agreements.

Shareholders

- stock market review;
- analysis and optimisation of the shareholder base;
- appropriation of earnings and dividend payment date.

Risk analysis

- review of work carried out in 2021 and DARCQUE (Audit, Risks, Quality Control and Ethics department) work programme for 2022;
- review of internal audit missions;
- work on risks and control;
- review of legal proceedings underway.

Remuneration criteria

- review of the achievement of the financial criteria of the variable remuneration for ECDs (ex post);
- determination of the financial criteria of the variable remuneration for ECDs (ex ante).

Strategy

- investments in innovation;
- review of M&A projects;
- review of integration of companies acquired.

GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE

CHAIRMAN

Pierre Pringuet (independent director)

Members

Charles Sarrazin (director representing the French State)
 Fabienne Dulac, permanent guest as Chairwoman of the CSR and Responsible Gaming Committee (independent director)
 Françoise Gri (independent director)
 Agnès Lyon-Caen (director representing employees)
 Philippe Lazare (non-voting member since 8 June 2022)

— **6 members**
 — **3 meetings**
 — **67% independent***
 — **100% attendance rate**

* Excluding the non-voting member, directors representing employees and employee shareholders.

The CGNR is comprised of at least four directors⁽¹⁾. It must not include any executive corporate director and must be composed of a majority of independent directors. The Chairman of the Committee must be independent, and a director shall represent the employees.

A Government Commissioner and a General Economic and Financial Controller sit on the CGNR in an advisory capacity.

The CGNR met three times in 2022 with a 100% attendance rate.

Duties and remit

- **With respect to the selection of new members of the Board**

The Governance, Nominations and Remuneration Committee is responsible for making proposals to the Board of Directors after having examined in detail all the elements to be taken into account in its deliberation, in particular in view of the composition and evolution of the shareholding structure of the Company, to achieve a balanced composition of the Board of Directors: gender representation, nationality, international experiences, expertise, etc.

In particular, it organises a procedure to select future independent directors and carries out its own studies into potential candidates before beginning the process of selecting them.

- **With respect to the succession of executive Corporate Directors**

It is the responsibility of the CGNR to establish, if necessary, a succession plan for the executive Corporate Directors. It should be noted that the terms of office of the Company's executive Corporate Directors were renewed in June 2019, prior to the Company's IPO, for a period of five years.

Furthermore, the governance of the Company, established around two executive Corporate Directors, a Chairwoman and Chief Executive Officer and a Deputy Chief Executive Officer, is such as to favour continuity in the management of the company in the event of an unforeseen succession (impediment, resignation, death) during the term of office.

It should also be noted that Article 20 of the Order of 2 October 2019, issued in application of the Pacte Law, provides for specific appointment procedures for FDJ's executive Corporate Directors. Indeed, the provisions in question specify that their appointment is subject to the prior approval of the Ministers in charge of the Budget and the Economy, after consultation with the French gaming regulatory authority (ANJ).

- **With respect to the remuneration of executive Corporate Directors**

The CGNR is responsible for reviewing and proposing to the Board of Directors all components of remuneration and benefits for the executive Corporate Directors. It also makes a recommendation on the package and the terms and conditions for the distribution of the remuneration allocated to directors.

In addition, the CGNR is informed of the remuneration policy for the main executives who are not Corporate Directors. In this role, the Committee shall involve the executive Corporate Directors in its work.

Finally, the Governance, Nominations and Remuneration Committee is informed, by the Committee Chairman, of appointments concerning the Executive Management.

Functioning

When presenting the report of the work of the CGNR, it is necessary for the Board of Directors to deliberate on the items of remuneration of executive Corporate Directors without their presence.

The Committee particularly dealt with the following matters:

Remuneration of Corporate Directors

- review of the achievement of all the financial and CSR criteria as assessed by the Audit and Risks Committee and the CSR & Responsible Gaming Committee and review of the achievement of the governance criterion. On the basis of these various analyses, the CGNR proposes to the Board an achievement rate of all the criteria for determining the annual variable portion of the remuneration of Stéphane Pallez and Charles Lantieri for the 2021 financial year. In the same way, it shall provide the Board with an initial estimate for the 2021 financial year (ex post);
- proposal for the breakdown of the remuneration package for the directors for the 2021 and 2022 financial years (ex post) in accordance with the procedures defined in the remuneration policy;
- review of the criteria for annual variable remuneration (ex ante);
- proposal for the 2023 remuneration policy for executive Corporate Directors (ex ante): annual and long-term variable remuneration for 2023;
- proposal for the remuneration policy for directors for financial year 2023 (ex ante);
- proposal for the implementation of a long-term incentive plan (LTI 2023-2025).

Composition of the Board of Directors

- annual review of the independence of directors;
- appointment of a non-voting member.

Evaluation of the Board of Directors

- report on the evaluation of the Board of Directors presented by the Lead Director.

(1) See page 98 of the Universal Registration Document for further details on the competences of the members of the CGNR.

THE CORPORATE SOCIAL RESPONSIBILITY AND RESPONSIBLE GAMING COMMITTEE

CHAIRMAN

Fabienne Dulac (independent director)

Members

Didier Trutt (director appointed by the General Meeting on the proposal of the French State)

UBFT (director appointed by the General Meeting represented by Olivier Roussel)

Philippe Pirani (director representing employees)

— **4** members
 — **5** meetings
 — **33%** independent*
 — **100%** attendance rate

* Excluding the non-voting member, the directors representing employees and employee shareholders.

Composition

The CSR and Responsible Gaming Committee comprises at least four directors⁽¹⁾. It must include at least one independent director.

A Government Commissioner and a General Economic and Financial Controller sit on the CSR and Responsible Gaming Committee in an advisory capacity.

Duties and remit

The CSR and Responsible Gaming Committee carries out the following tasks:

- ensuring that the Group promotes a Responsible Gaming model that develops moderate and supervised gambling among the general public, from the design of the games to their sale;
- reviewing CSR policy and, more broadly, addressing issues essential for the business model;
- examining the relationship between the steps taken and
 - the Company's strategic approach,
 - the Company's management processes,
 - the promotion of the Company's essential assets;
- supporting the actions and evolution of the FDJ Corporate Foundation's policy;
- issuing a decision on the action plan to prevent excessive gambling and underage gambling and promoting a reasonable practice of the gaming;
- each year, it validates the action plan to combat fraud and money laundering that is transmitted to the French gaming regulatory authority (ANJ) before 31 January.

It reports on its work to the Board of Directors. It may also be consulted on any other regular assignment or on an ad hoc basis as assigned by the Board of Directors. In addition, it can suggest that the Board of Directors refer to it any issue that it deems necessary or relevant.

STRATEGIC COMMITTEE

At least once per year, the Board of Directors meets in a strategy seminar led by the Chairwoman and CEO to decide on the Company's main strategic focuses. In particular, the purpose of this seminar is to:

- discuss the multi-year strategic plan and review how it is being implemented;
- study significant issues and facts that may have an impact on the strategic plan;

Operation

The CSR and Responsible Gaming Committee meets at least twice a year.

The CSR and Responsible Gaming Committee met five times in 2022 with an attendance rate of 100%.

The Committee dealt in particular with the following matters:

Responsible gaming

- responsible gaming strategy and action plan;
- responsible gaming "Football world cup" action plan;
- focus on underage gaming: summary of the Sedap study and results of the H2 2021 testing.

Environment

- responsible purchasing initiative;
- results from the carbon review and developments of the 2030 trajectory.

Raison d'être

- sharing work from the FDJ Stakeholder Committee with the CSR and RG Committee;

Wages and salaries

- review of the achievement of the CSR and responsible gaming criteria for the 2021 annual variable remuneration of the ECDs (ex post);
- determination of the CSR and responsible gaming criteria for the 2022 annual variable remuneration of the ECDs (ex-ante);
- dialogue around non-financial indicators and the 2023 variable short-term remuneration of the ECDs;
- diversity and professional equality policy.

Mechanism for combating fraud and money laundering

- anti-fraud and anti-money laundering action plan;
- anti-corruption policy;
- policy for combating the manipulation of sports competitions.

- examine projects related to the development of the Group, monitor the evolution of industrial partnerships, strategic draft agreements, the evolution of the competitive environment and the positioning of the Group;
- make any recommendations it deems useful to the Chairwoman and CEO.

In 2022, the Board of Directors met in the Strategic Committee on 29 and 30 June.

(1) See page 98 of the Universal Registration Document for further details on the competences of the members of the CSR and Responsible Gaming Committee.

2.1.3 PRESENTATION OF POTENTIAL IMPACTS ON THE CHANGE IN GOVERNANCE

Not applicable.

2.1.4 REPRESENTATIONS REGARDING MEMBERS OF THE BOARD OF DIRECTORS AND THE CORPORATE DIRECTORS

As far as the Company is aware, at the time of writing the Universal Registration Document, over the last five years:

- none of the Company's directors or Corporate Directors has been convicted of fraud;
- none of the Company's directors or executive Corporate Directors has been involved in or related to a bankruptcy, receivership, liquidation or court-ordered administration;
- none of the Company's directors or Corporate Directors has been the subject of an accusation and/or official public penalty by a judiciary, administrative, statutory or regulatory authority (including an appointed professional body); and

- none of the Company's directors or Corporate Directors has been prohibited by a court from sitting on an administrative, management or supervisory board of an issuer, or from being involved in the management or business of an issuer.

To the Company's knowledge at the Date of the Universal Registration Document, there were no service contracts binding the members of the Board of Directors or the executive Corporate Directors of the Company to the Company or to any of its subsidiaries stipulating that benefits be granted at the end of such a contract.

2.1.5 CONFLICTS OF INTEREST

To the Company's knowledge as at the Date of the Universal Registration Document, there were no potential conflicts of interest between the duties towards the Company of

members of the Board of Directors and the executive Corporate Directors and their private interests.

2.2 Remuneration of Corporate Directors

This section includes a full description of the items of the remuneration of the Company's Corporate Directors that will be submitted to the vote of the General Meeting of 27 April 2023:

- the remuneration policy for all Corporate Directors presented in sub-section 2.2.1 in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code ("ex ante" vote);
- the items of remuneration of any kind and benefits granted during or paid in respect of the 2022 financial year to the Deputy Chief Executive Officer, presented in sub-section 2.2.2 in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code (ex post vote). Pursuant to Article L. 22-10-34, II of the French Commercial Code, the variable or exceptional items of

remuneration, granted to the executive Corporate Directors (ECDs) in respect of financial year 2022, will only be paid after approval by the General Meeting of Shareholders on 27 April 2023;

- the items of the remuneration of any kind and benefits granted during or paid in respect of the 2022 financial year to the directors of the Company, presented in sub-section 2.2.3 in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code (ex post vote).

Sub-section 2.2.4 presents a description of the share subscription and purchase options and award of performance shares. These items are not subject to a vote at the General Meeting.

2.2.1 GENERAL REMUNERATION POLICY

The remuneration policy for Corporate Directors is established by the Board of Directors in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code and is submitted for approval to the General Meeting of 27 April 2023 in accordance with the provisions of the same article.

This policy describes all the items of the remuneration of Corporate Directors and explains the decision-making process followed for its determination, review and implementation.

2.2.1.1 DETERMINATION OF THE REMUNERATION POLICY FOR ALL CORPORATE DIRECTORS

The remuneration policy is determined by the Board of Directors on the proposal of the CGNR, with the objective of supporting the sustainable growth of the Company.

Remuneration in accordance with the Company's general interest and remuneration in line with the Company's business strategy and sustainability

The Board of Directors complies with the recommendations of the Afep-Medef Code when determining its Corporate Directors remuneration policy.

The remuneration of Corporate Directors must be competitive in order to attract and motivate the talent needed to implement the Company's commercial strategy and achieve its short and long term goals. It must encourage the search for financial and non-financial performance. It must be coherent with the different levels of remuneration of the Company's executives and the responsibilities exercised. Lastly, the remuneration has been defined in a way that takes into account relevant comparables and market practices.

It should be noted, on this last point, that there is not a sufficiently large sectoral market in France to compare FDJ directly to other companies. Consequently, in order to compare FDJ to comparable companies, the size of FDJ's scope (composed of revenue, workforce and stock market capitalisation) was used as a reference. The SBF 80 was therefore chosen, as it includes companies that are the closest to FDJ on the basis of this scope.

The CGNR's recommendations on the executive Corporate Directors (ECD) remuneration policy and its development take into account the remuneration level and structure of executive directors of the SBF 80, as well as the practices observed for comparable levels of duties within relevant comparables. This data is provided by an independent global firm that specialises in executives' remuneration. These reference sources are consistent and stable but are nonetheless subject to change due to the composition of the SBF 80 index and to changes in the structures or activities selected, based on the proposals of the independent firm.

Furthermore, the remuneration policy applicable to ECDs is forward-looking in both the short and long term on the one hand, while also seeking to align the ECDs' interests with the Company's general interest and the interests of its shareholders on the other hand:

- by aligning with the strategic orientations and the annual objectives defined by the Board of Directors, in accordance with the Company's general interest, its *raison d'être*, via performance criteria affecting both the annual variable remuneration and the long-term variable remuneration based on performance shares;
- by specifically taking into account the Company's business strategy, through performance criteria defined for the annual variable portion;
- by working toward the Company's goal of sustainability, in the form of performance criteria included in both the annual and long-term variable remuneration, enabling:
 - alignment with the shareholders' interests with the goal of creating long-term value. A significant portion

(around one third of total remuneration assuming 100% of objectives are achieved by 2024) of ECD remuneration is to be comprised of performance shares, which only vest if long-term performance objectives are met,

- in line with the Company's general remuneration policy, to best approximate the relevant comparables in order to be able to attract, retain, and motivate the talents that the Group needs, by gradually shrinking the gap between its total remuneration (due to FDJ's history) and that of the relevant comparables,
- taking into account stakeholders in the Company's development, with at least one CSR and responsible gaming criterion for determining the annual variable remuneration.

The CGNR proposes criteria to the Board of Directors for how to determine the Corporate Directors' remuneration policy, as well as how to revise and implement it.

Within this context, the CGNR describes and explains any changes in the Corporate Directors' remuneration policy and takes into account shareholders' votes and opinions.

The CGNR particularly relies on comparative studies conducted by a specialist firm to ensure the transparency, consistency, balance, and competitiveness of the remuneration compared to market practices. These comparative studies are based on the remuneration practices of SBF 80 companies, distinguishing between the functions of ECDs no.1 (CEO, chairman of the management board, managing director in structures with a non-executive chairman) and ECDs no.2 (deputy chief executive officer, member of the management board). The figures underlying these studies can be verified by referring to the universal registration documents of SBF 80 companies available on the Internet.

The CGNR also relies on the business reports of the High Committee on Corporate Governance (HCGE) as well as on the AMF's annual reports on corporate governance. It takes this into account in its recommendations and proposals to the Board of Directors.

The Company generally accepts the recommendations of the Afep-Medef Code, and adheres to the principles of exhaustiveness, balance, comparability, consistency, intelligibility and measurement as described below:

Exhaustiveness

All of the ECDs' remuneration items and benefits are taken into account when determining total remuneration.

Balance

While remaining within the general interest of the Company and its growth targets, the ECDs' remuneration strives for balance in terms of:

- short-term/long-term performance horizon, particularly through setting up a long-term variable remuneration plan;
- the nature of the performance criteria and taking stakeholders into account: value creation, operational profitability, growth, CSR and responsible gaming, managerial;
- the part of remuneration that depends on performance conditions (variable/fixed).

Comparability

Variable remuneration is expressed relative to a fixed remuneration level. The market references are stated clearly and the sources used are consistent and stable. The market constitutes a reference in combination with the actual responsibilities assumed, the contribution provided and the results achieved.

Consistency

The ECD remuneration policy relates to the remuneration policy for all employees, which pursues the same objectives (attract, retain and motivate talent) and approach (be similar to the market in terms of both levels and structure of remuneration). More specifically, it is based on the same foundations and instruments as those applied to the Company's executives.

Intelligibility

The rules for determining and implementing the ECD remuneration policy should be intelligible; that is, simple, clear, and understandable. The performance criteria applied to determine the ECDs' remuneration are aligned with the Company's strategy and objectives; they are as ambitious, explicit, and permanent as possible.

Measurement

Determining the remuneration items takes into account all of the principles mentioned above, with the aim of achieving a well-understood balance between the interests of Company stakeholders, including its own general interest, the shareholders' interest, market practices and executives' performance.

To prevent conflicts of interest, the Company follows the recommendations of the Afep-Medef Code. The CGNR has been chaired by Pierre Pringuet, an independent director and Lead Director of the Board of Directors since 16 December 2020.

The CGNR and the Board of Directors deliberate on the remuneration policy and finalise the remuneration items with the ECDs not present.

Taking into account the remuneration and employment conditions of employees

In order to take into account employees' remuneration and employment conditions when drafting the remuneration policy that applies to Corporate Directors, the Board of Directors, based on the CGNR's recommendation, draws on remuneration and employment data provided by the Company, on an international job classification, and on research from a firm that specialises in remuneration. More specifically, it is informed about the remuneration of executives who are not Corporate Directors. The method of comparison is the International Position Evaluation.

When determining the remuneration policy, the CGNR takes into account the ratios set out in Article L. 22-10-9 of the French Commercial Code between the remuneration of the two ECDs and, on the one hand, the mean remuneration of the Company's employees and, on the other hand, the median remuneration of the Company's employees for the previous financial year. The CGNR also takes into account comparable company ratios, particularly the SBF 80.

Performance evaluation affecting annual and long-term variable remuneration

At the end of the financial year the CGNR evaluates to what extent the ECDs have reached the performance criteria set for annual and long-term variable remuneration, based on:

- (i) the performance criteria and their weight in determining the ECDs' annual and long-term variable remuneration;
- (ii) the performance levels achieved and their correlation with the amounts to be allocated;
- (iii) all items defined in the remuneration policy that apply to the ECDs for the financial year.

To this end, the CGNR relies on the recommendation of the Corporate Social Responsibility and Responsible Gaming Committee regarding the CSR criteria, including responsible gaming.

Exercise of the Board's discretion in the context of the remuneration policy

Within the framework of the remuneration policy as described in this sub-section 2.2.1, the Board may, on the recommendation of the CGNR, exercise its discretion in two cases:

- (i) in the event of the arrival of a new ECD during the year, the Board will assess the latter's performance in a discretionary manner on the proposal of the CGNR, and in this case, the new director will receive as variable remuneration the pro rata amount of the variable portion for which the shareholders have voted favourably;
- (ii) in the event of a major event that requires the Board to modify, upwards or downwards, one or more of the criteria making up the variable remuneration of the ECDs in order to ensure greater consistency between the performance of the director and that of the Company, in accordance with the principles of the remuneration policy.

These adjustments could concern the quantitative criteria depending on the circumstances. For example:

- (i) in the event of a transaction that significantly changes the Group's scope, the quantitative criteria could be adapted to take into account the new scope. The qualitative criteria could also be adapted if they were to become obsolete;
- (ii) with regard to annual variable remuneration: in the event of a change in accounting standards or any other significant change that would have a structural and significant impact on the parameters used to define the performance conditions;
- (iii) with regard to the long-term variable remuneration and in accordance with the plan regulations: in the event of a significant change in the scope of consolidation of the Group, a change in accounting standards or any other significant change that would have a structural and significant impact on the parameters used to define the performance conditions at the time of awarding the shares, the Board of Directors of the Company reserves the possibility of adjusting the assessment of the fulfilment of the performance conditions set at the time of the award in order to take account of these events and to neutralise the impact on the performance objectives defined.

Adjustments decided by the Board, on the proposal of the CGNR, will be made within the respective ceilings of the annual variable remuneration and the long-term variable remuneration. The said ceilings are defined in the framework of the variable remuneration items allocated to the ECDs under the remuneration policy.

In addition, as part of its discretionary power and in accordance with the Afep-Medef Code, the Board may, in very specific circumstances, grant exceptional remuneration to the ECDs (for example, when these circumstances have, or are likely to have, significant impacts for the Company, when they require a particularly high level of involvement on the part of the ECDs and when they present significant difficulties). Exceptional remuneration must be justified, and the event justifying it must be made explicit. The amount of exceptional remuneration for the ECDs may not, if applicable, exceed 100% of their annual fixed remuneration.

In any event, if the Board were to exercise its discretion, it would have to justify it to the shareholders, who would have to decide on the exercise of this discretion through the "ex post" vote. The payment of the annual variable portion, the long-term variable portion as well as the exceptional remuneration items, remains conditional on the positive vote of the General Meeting. Furthermore, the CGNR should learn from any adjustments that have had to be made when defining the remuneration policy for the following year.

Exception to the remuneration policy - Exceptional circumstances

In accordance with the provisions of Article L. 22-10-8 III of the French Commercial Code, no remuneration component of any sort whatsoever can be determined, awarded, or paid by the Company, to the ECDs or any other Corporate Directors, nor any commitment corresponding to remuneration items, indemnities, or benefits owed or likely to be owed due to their entering, leaving, or changing office

or subsequent to their holding that office, may be made by the Company if it does not comply with the remuneration policy described in this document and as approved by the shareholders.

However, in accordance with the aforementioned article, the Board of Directors may override the application of the remuneration policy in the event of exceptional circumstances, provided that such an exception is temporary, in line with the Company's general interest and as needed to ensure its sustainability or viability; these three conditions set out in Article L. 22-10-8 III of the French Commercial Code being cumulative.

The exceptional circumstances that may lead the Board of Directors to override the application of the items of the remuneration policy may consist of any major event affecting the markets in general and/or the Group's sector of activity (events external to the Company, with significant consequences unforeseeable at the date of determination of the remuneration policy), unforeseen changes in the regulatory context, unforeseen continuation of effects resulting from the Covid-19 crisis.

Such an exception will have to be decided by the Board of Directors, on the recommendation of the CGNR, it being specified that this exception will, in any event, have to be motivated by the Board and comply with the three conditions set out in Article L. 22-10-8 III of the French Commercial Code.

In such circumstances, the Board of Directors may adjust, either upwards or downwards, one or more parameters linked to the financial and non-financial criteria of the annual variable remuneration.

The adjustments decided by the Board, on the proposal of the CGNR, will be made within the limit of the annual variable remuneration as defined in the remuneration policy applicable to the ECDs.

2.2.1.2 ECD REMUNERATION POLICY: REMUNERATION AND BENEFITS GRANTED TO THE COMPANY'S EXECUTIVE CORPORATE DIRECTORS FOR THE YEAR 2023

The remuneration policy described below is applicable to the Chairwoman and CEO and the Deputy Chief Executive Officer, both being executive Corporate Directors of the Company.

The annual remuneration of ECDs is made up of a fixed portion, a monetary annual variable portion, and a long-term variable portion in the form of awarding performance shares.

The Board of Directors finalises its various items based on a CGNR proposal, while being attentive to the necessary balance between those items.

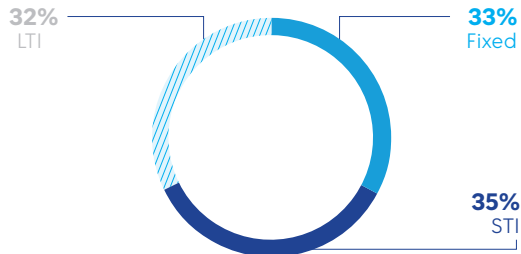
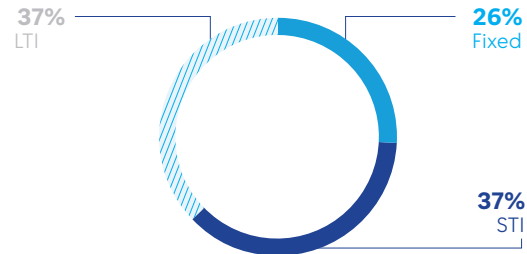
FIXED ITEMS

Annual fixed remuneration (in cash)

It is determined based on:

- the level and complexity of the responsibilities given to the ECDs, particularly in light of the economic and social aspects of the Company (market capitalisation, revenue, number of employees);
- the ECDs' experience and their expected contribution to the enactment of the Company's business strategy and the achievement of its growth targets;
- market analyses for comparable positions with respect to the data taken from SBF 80, which constitutes a useful reference source in light of the economic aspects of the Company. A study is conducted each year with data provided by an independent global firm that specialises in the positioning and structure of ECD remuneration (fixed, annual and long-term variable remuneration, other benefits).

VARIABLE ITEMS	Annual variable remuneration (in cash)	<p>This is conditioned by the achievement of five performance criteria set by the Board of Directors and proposed by the CGNR. These five criteria are based on one or more indicators each, financial and non-financial, quantitative and qualitative (see table in section "Annual variable remuneration").</p> <p>The majority (60%) is based on financial criteria, with a balance between growth and performance. These financial criteria aim to reflect the Company's development (revenue) and operating/financial performance (recurring EBITDA margin, recurring EBITDA to cash conversion rate) targets.</p> <p>Only these financial criteria can be outperformed. The overall percentage achievement of the STI cannot exceed 100% unless the CSR/RG criterion is achieved for at least 20 points out of the potential 30.</p> <p>The weight given to non-financial criteria (40%, of which 30% for the CSR & RG criterion) and the conditionality of the overall outperformance of the STI to the achievement of a minimum rate of 20 points out of 30 for the CSR/RG criterion reflect the Company's commitment as well as compliance with market recommendations (principles recommended by the Afep-Medef Code).</p> <p>On 11 February 2021, the Board of Directors decided to implement a gradual and conditional increase in the annual variable remuneration of the ECDs in order to enable it to increase, excluding outperformance, from 25% of the fixed remuneration (assuming 100% of the objectives are achieved) in 2020 to 100% of the fixed remuneration (assuming 100% of the objectives are achieved) in 2024.</p> <p>This gradual and conditional change in annual variable remuneration was once again approved by the last General Meeting of Shareholders on 26 April 2022.</p>
	Long-term variable remuneration (FDJ shares)	<p>The Company implemented long-term variable remuneration for the ECDs and a significant number of executives and managers of the Company by awarding performance shares. The description of the LTIs in force is set out in section 2.2.4 "Share subscription and purchase options and allocation of performance shares".</p> <p>This long-term variable remuneration is meant to incentivise the ECDs to achieve the Company's long-term performance in order to create value while remaining consistent with the interests of stakeholders, particularly shareholders.</p> <p>For the ECDs and the LTI 2023-2025, it is subject to:</p> <p>performance criteria over three years (2023, 2024, 2025):</p> <ul style="list-style-type: none"> - one financial criterion; - one shareholder return criterion (broken down into three indicators); - one strategic criterion; - one CSR and responsible gaming criterion; - a continuous presence condition, from the date of award until 31 December 2025; - an obligation to retain 20% of shares acquired annually until cessation of the term of office (for ECDs only); - the commitment not to engage in hedging during the term of office and the formalisation of this commitment by appropriate means. <p>Long-term variable remuneration is capped at:</p> <ul style="list-style-type: none"> - 100% of fixed remuneration if objectives are achieved; and - 145% of fixed remuneration in the event of outperformance.
BENEFITS OTHER THAN REMUNERATION	Benefits in kind	<p>The ECDs also receive benefits in kind, detailed in the section "Details of the items of ECD remuneration (fixed, variable, exceptional and benefits of all types) for 2023".</p>
	Employee benefits	<p>The ECDs do not benefit from any supplementary pension scheme. Any employee benefits are described in the section "Details of the items of ECD remuneration (fixed, variable, exceptional and benefits of all types) for 2023".</p>

**THEORETICAL STRUCTURE OF 2023
REMUNERATION FOR ECDS ASSUMING 100%
OF OBJECTIVES ARE ACHIEVED****2023 REMUNERATION WITH OBJECTIVES ACHIEVED****THEORETICAL STRUCTURE OF 2023
REMUNERATION FOR ECDS IN THE EVENT
OF OUTPERFORMANCE****2023 REMUNERATION WITH OUTPERFORMANCE**

In accordance with the recommendations of the Afep-Medef Code and the recommendations of the Autorité des Marchés Financiers (AMF), the ECDS do not combine their office with an employment contract with the Company.

Fixed remuneration

In accordance with the decision of the Board of Directors of 11 February 2021, approved by the General Meeting of 16 June 2021 and the General Meeting of 26 April 2022, the annual fixed remuneration of the two ECDS will remain unchanged until 2024, when the current term of office of the Chairwoman and CEO ends.

This decision is in line with the recommendations of the Afep-Medef Code, which recommends that fixed remuneration be reviewed only at "relatively long intervals" (Article 26.3.1 of the Afep-Medef Code). It is also consistent with the adoption of a gradual change in the annual variable remuneration described below.

Annual variable remuneration

In accordance with the decision of the Board of Directors of 11 February 2021, approved by the General Meeting of 16 June 2021 and by the General Meeting of 26 April 2022, a gradual change in the annual variable remuneration of the ECDS, post IPO, was implemented in order to remedy the significant gap between the remuneration of the two ECDS and market practices:

- in terms of amount: the Company's CEO had the lowest remuneration of the SBF 80 in 2020;

- in terms of structure: her variable remuneration if objectives were met was equal to 25% of her annual fixed remuneration in 2020, compared with a market standard of around 100%⁽¹⁾.

As a result, since 2021 onwards, the annual variable remuneration, the "STI" (*short term incentive*), of the ECDS will consist of:

- the "base STI", corresponding to 25% of their fixed remuneration multiplied by the STI achievement rate for year N;
- to which is added a "reintegrated STI", corresponding to 89% of the STI for year N-1, multiplied by the STI achievement rate for year N.

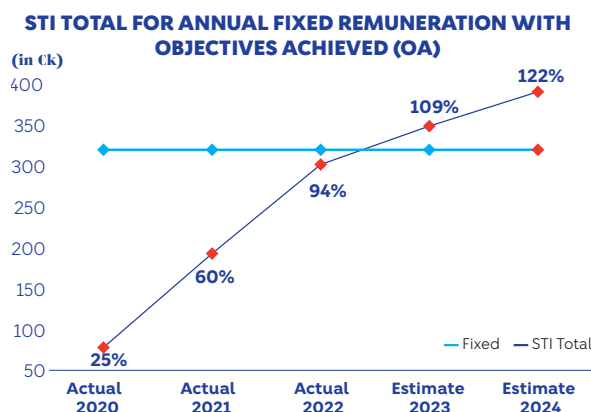
The overall STI (i.e. the base STI and the reintegrated STI) is subject to financial and non-financial criteria, whose achievement rate can vary from 0% to 130% (in the event of outperformance). As a result, the overall STI for 2023 could therefore represent 0% to 142% of the annual fixed salary of the ECDS. If objectives are met at 100%, it would represent 109% of the annual fixed salary of the ECDS.

(1) These findings are based on a study carried out by a specialist firm on the companies making up the SBF 80 (SBF 120 restated from the CAC 40).

The table below is an illustration - for Stéphane Pallez - of the change in the STI since 2020, taking into account the actual achievement rate of the STIs from 2020 to 2022, considering that the STI objectives are achieved at 100% for 2023 and 2024:

	Actual 2020	Actual 2021	Actual 2022	Estim. 2023	Estim. 2024
Fixed salary	320	320	320	320	320
Base STI	78 ⁽¹⁾	103 ⁽²⁾	96 ⁽⁴⁾	80 ⁽⁶⁾	80 ⁽⁶⁾
Achievement rate for the year	98%	129%	120%	100% (theoretical)	100% (theoretical)
Reintegrated STI		90 ⁽³⁾	206 ⁽⁵⁾	269 ⁽⁷⁾	311 ⁽⁸⁾
TOTAL STI	78	193	302	349	391
as % of fixed salary	25%	60%	94%	109%	122%

- (1) Corresponds to the actual STI for the year 2020 (achievement rate = 98%) = €320k * 25% * 98% = €78k.
(2) Corresponds to the actual base STI for the year 2021 (achievement rate = 129%) = €320k * 25% * 129% = €103k.
(3) Corresponds to the actual reintegrated STI for the year 2021 = Total STI 2020 * 89% * 129% = 78k * 89% * 129% = €90k.
(4) Corresponds to the actual base STI for the year 2022 (achievement rate = 120%) = €320k * 25% * 120% = €96k.
(5) Corresponds to the actual reintegrated STI for the year 2022 = Total STI 2021 €193k * 89% * 120% = €206k.
(6) Corresponds to the base STI with objectives achieved (i.e. achievement rate = 100%) = €320k * 25% * 100% = €80k.
(7) Reintegrated STI 2023 = Total STI 2022 * 89% * 100% = €269k.
(8) Reintegrated STI 2024 = Total STI 2023 * 89% * 100% = €311k.



This system has two advantages:

- aligning the interests of ECDs and shareholders with much more variable remuneration;
- establishing a strong conditionality (the increase in the basis for calculating the annual variable remuneration being strictly linked to the actual variable remuneration of the previous year).

Performance criteria

The Board of Directors of 14 February 2023 decided:

- Financial criteria:
 - regarding the "recurring EBITDA" criterion: the Board decided to maintain the indicator as well as its nominal and maximum weights, while changing the achievement rate grid that had been used for the 2022 STI:
 - the limits of the grid are indexed in 2023 on a range of points (+/- 0.5 points) in relation to the budget and
 - this grid is subject to an achievement condition on the amount of recurring EBITDA in 2023 (in value),
 - regarding the "development" and "cash" criteria: the Board decided to maintain the indicators and weightings used to determine the variable remuneration for the 2022 financial year;
- Non-financial criteria:
 - regarding the "CSR and RG" criterion, the Board decided:
 - to replace the indicator relating to the Moody's ESG non-financial rating, an external indicator, with an internal, measurable indicator for the company. The choice fell on a "gender equality" indicator based on the representation of women within the Group's management. This new indicator, like the previous one, will have a nominal weight and a maximum weight of 5%,
 - to maintain the Responsible Gaming and Environment indicators, as well as their respective nominal and maximum weights, while changing their achievement rate grid, to take into account the 2022 achievement rates and the new objectives for 2023,
 - regarding the "managerial performance rate" criterion, the Board decided:
 - to maintain the "Growth rate for online lottery stakes" indicator,
 - to adjust the conditions for achieving this criterion with the implementation of an intermediate level in the event of underperformance, thus allowing the weighting of the achievement rate from 0% to 100%;
- the overall percentage achievement of the STI cannot exceed 100% unless the CSR/RG criterion is achieved for at least 20 points out of the potential 30.

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Recurring EBITDA	Group 2023 recurring EBITDA margin ⁽¹⁾ achieved compared to the recurring EBITDA margin budgeted for 2023 and forecast in the business plan, presented to the Board of Directors in December 2022	30%	45 % ⁽²⁾	15%	<ul style="list-style-type: none"> - if the actual figure is less than the budget by - 0.5 points: 0% - (i) if the actual figure is greater than or equal to the budget by 0.5 points and less than or equal to the budget and (ii) if the recurring EBITDA is greater than or equal to the budget: weighted from 50% to 100% - (i) if the actual figure is greater than or equal to the budget and less than or equal to the budget by 0.5 points and (ii) if the recurring EBITDA is greater than or equal to the budget: weighted from 100% to 150%. - (i) if the actual figure is greater than the budget by + 0.5 points and (ii) if the recurring EBITDA is greater than or equal to the budget: 150%
Development	Group 2023 revenue ⁽³⁾ achieved compared to budgeted Group revenue, as determined by the Board of Directors	20%	30 % ⁽⁴⁾	10%	<ul style="list-style-type: none"> - if the actual figure is less than 98%*budget n: 0% - if the actual figure is greater than or equal to 98%*budget n and less than or equal to budget n: weighted from 50% to 100% - if the actual figure is greater than or equal to budget n and less than or equal to 102%*budget n: weighted from 100% to 150% - if the actual figure is greater than 102%*budget n: 150%
Cash	2023 recurring EBITDA-to-cash conversion rate ⁽⁵⁾ achieved compared to the budgeted and guidance recurring EBITDA to cash conversion rate, as determined by the Board of Directors	10%	15 % ⁽⁶⁾	5%	<ul style="list-style-type: none"> - if the actual figure is less than the guidance: 0% - if the actual figure is greater than or equal to the guidance and less than or equal to budget n: weighted from 50% to 100% - if the actual figure is greater than or equal to budget n and less than or equal to budget n +5 points: weighted from 100% to 150% - if the actual figure is greater than the budget n by +5 points: 150%
CSR/ responsible gaming	Responsible gaming share of GGR carried by high-risk players exclusive to online lottery	20%	20%	10%	<ul style="list-style-type: none"> - 100% if the share of the GGR carried by high-risk online lottery players is less than or equal to 2.4%⁽⁷⁾ over the whole year - 50% if the share of the GGR carried by high-risk online lottery players is more than 2.4%⁽⁷⁾ over the whole year but less than or equal to 2.4% for at least two quarters of the year - 0% if the share of GGR carried by high-risk online lottery players is greater than 2.4%⁽⁷⁾ over the whole year and for at least three quarters of the year
	Environment Reduction in carbon emissions 2022 vs. 2017 (scope 1 and 2) ⁽⁸⁾	5%	5%	5%	<ul style="list-style-type: none"> - 0% achievement if the reduction in carbon emissions in 2022 (scopes 1 and 2) is less than 65%⁽⁹⁾ - 100% achievement if the reduction in carbon emissions in 2022 (scopes 1 and 2) is greater than or equal to 65%⁽⁹⁾
	Gender equality Representation of women within the Group of Executive Managers (GEM), currently composed of 76 Group managers	5%	5%	5%	<ul style="list-style-type: none"> - less than 38%: 0% - greater than or equal to 38%: 100%
Managerial performance	Growth rate of online lottery stakes 2023 vs. 2022 ⁽¹⁰⁾	10%	10%	5%	<ul style="list-style-type: none"> - if the actual figure n is less than 16%: 0% - if the actual figure n is greater than or equal to 16% and less than or equal to 20%: weighted from 0% to 100% - if the actual figure n is greater than or equal to 20%: 100%
TOTAL		100%	130%		

(1) Excluding the impact of new key projects not projected in the Budget, such as the external growth project, and excluding major decisions that may be made during the year.

(2) 30% (weight) X 150% (% maximum of target achieved) = 45% (maximum achievable).

(3) Excluding the impact of new key projects not projected in the Budget, such as the external growth project, and excluding major decisions that may be made during the year.

(4) 20% (weight) X 150% (% maximum of target achieved) = 30% (maximum achievable).

(5) Excluding the impact of new key projects not projected in the Budget, such as the external growth project, and excluding major decisions that may be made during the year.

Recurring EBITDA to cash conversion rate = free cashflow (= recurring EBITDA + WC change - CAPEX) / recurring EBITDA.

(6) 10% (weight) X 150% (% maximum of target achieved) = 15% (maximum achievable).

(7) 3% for the 2022 STI.

(8) Excluding new acquisitions. Scope 1: direct emissions. Scope 2: indirect emissions (energy purchases).

(9) 45% for the 2022 STI.

(10) Online lottery stakes = stakes recorded on "fdj.fr" and the "FDJ" mobile application.

Long-term variable remuneration: (“LTI 3: 2023-2025”)

The long-term variable remuneration takes the form of a free allocation of performance shares in accordance with the 15th resolution adopted by the General Meeting on 26 April 2022.

The total performance shares awarded are capped at 0.6% of the Company's share capital over 38 months, for all recipients combined. The total number of shares that may be awarded to ECDs shall not exceed 15% of this limit, i.e. 0.09% of the share capital, as indicated in the 2021 URD.

The allocation of these performance shares to ECDs will take place after the General Meeting of 27 April 2023. These shares will be subject to a three-year vesting period, subject to performance conditions. Within this allocation, the ECDs will have to comply with: (i) a commitment to retain 20%, for the duration of their term of office, of shares acquired annually; (ii) a commitment not to use hedging transactions during their term of office.

Performance criteria

The allocation of these performance shares in 2023 will be based on the criteria set out below, adopted by the Board of Directors on 14 February 2023, for the ECDs as well as for all beneficiaries of the plan.

With regard to the shareholder return criterion:

- with regard to the TSR indicator relating to the SBF 120 restated for financials, real estate and energy stocks, it should be noted that the stocks making up the SBF 120, and consequently the restated values, vary each year as a result of entries and exits;
- with regard to the TSR indicator relating to the reference companies, the panel of comparable companies used is likely to change as the sector recomposes itself and as a result of merger and acquisition operations.

These changes may occur from one LTI to the next or during the acquisition period of a given LTI.

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Financial criterion	Cumulative Group recurring EBITDA 2023 + 2024 + 2025 ⁽¹⁾ as a % of the sum of Group recurring EBITDA 2023, 2024 and 2025 ⁽¹⁾ set out in the business plan presented to the Board of Directors in December 2022	30%	45 % ⁽²⁾	15%	<ul style="list-style-type: none"> – if the cumulative actual amount is less than 97.5% of the sum of the cumulative recurring EBITDA set out in the business plan: 0% – if the cumulative actual amount is greater than or equal to 97.5% of the sum of the cumulative recurring EBITDA set out in the business plan and less than or equal to 99% of the sum of the cumulative recurring EBITDA set out in the business plan: $(50 + [(R - 97.5) * 30]) \%$ – if the cumulative actual amount is greater than or equal to 99% of the sum of the cumulative recurring EBITDA set out in the business plan and less than or equal to 100% of the sum of the cumulative recurring EBITDA set out in the business plan: $(95 + [(R - 99) * 5]) \%$ – if the cumulative actual amount is greater than or equal to 100% of the sum of the cumulative recurring EBITDA set out in the business plan and less than or equal to 101% of the sum of the cumulative recurring EBITDA set out in the business plan: $(100 + [(R - 100) * 30]) \%$ – if the cumulative actual amount is greater than or equal to 101% of the sum of the cumulative recurring EBITDA set out in the business plan and less than or equal to 102.5% of the sum of the cumulative recurring EBITDA set out in the business plan: $(130 + [(R - 101) * 13]) \%$ – if the cumulative actual amount is greater than or equal to 102.5% of the sum of the cumulative recurring EBITDA set out in the business plan: 150%
Shareholder return criteria	Cumulative EPS 2023 + 2024 + 2025 ⁽³⁾ (for 191 million shares) as a % of the sum of EPS 2023, 2024 and 2025 based on the Net Results 2023, 2024 and 2025 set out in the business plan presented to the Board of Directors in December 2022	15%	22.5 % ⁽⁴⁾	7.5%	<ul style="list-style-type: none"> – if the cumulative actual amount is less than 75% of the sum of the cumulative EPS based on the cumulative net results set out in the business plan: 0% – if the cumulative actual amount is greater than or equal to 75% of the sum of the cumulative EPS based on the cumulative net results set out in the business plan and less than or equal to 100% of the sum of the cumulative EPS based on the cumulative net results set out in the business plan: from 50% to 100% – if the cumulative actual amount is greater than or equal to 100% of the sum of the cumulative EPS based on the cumulative net results set out in the business plan and less than or equal to 125% of the sum of the cumulative EPS based on the cumulative net results set out in the business plan: from 100% to 150% – if the cumulative actual amount is greater than or equal to 125% of the sum of the cumulative EPS based on the cumulative net results set out in the business plan: 150%

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Shareholder return criteria (continued)	TSR ⁽⁵⁾ relative to comparable companies: Flutter, Entain, the Lottery Corporation, OPAP, Kindred, Betsson, 888, Neogames and IGT ⁽⁶⁾	7.5%	11.25 % ⁽⁷⁾	3.75%	<ul style="list-style-type: none"> - FDJ is 1st: 150% - FDJ is 2nd: 125% - FDJ is 3rd: 100% - FDJ is 4th: 75% - FDJ is 5th: 50% - Further: 0%
	TSR ⁽⁸⁾ relative to the SBF 120 restated for financials, real estate and energy, i.e. withdrawal of 25 stocks out of 120 ⁽⁹⁾	7.5%	11.25 % ⁽¹⁰⁾	3.75%	<ul style="list-style-type: none"> - FDJ is in the first quartile (1st to 23rd): 150% - FDJ is on the median (47th): 50% - Linear interpolation between median and first quartile (24th to 46th) - FDJ is below the median (48th to 94th): 0%
Strategic criterion	Objective: 2025 identified stakes ratio⁽¹¹⁾ set in the business plan presented to the Board of Directors meeting in December 2022	20%	30 % ⁽¹²⁾	10%	<ul style="list-style-type: none"> - if the 2025 actual figure is less than the target by -3 points: 0% - if the 2025 actual figure is greater than or equal to the target by -3 points and less than or equal to the target: from 50% to 100% - if the actual figure 2025 is greater than or equal to the target and less than or equal to the target by +3 points: from 100% to 150% - if the 2025 actual figure is greater than or equal to the target by +3 points: 150%
Non-financial criterion	Moody's ESG rating ⁽¹³⁾ 2024 (available end-March 2025)	20%	25%	10%	<ul style="list-style-type: none"> - 0% of achievement if FDJ's 2024 Moody's ESG rating (available end-March 2025) is lower than A1+ and if FDJ's 2024 Moody's ESG rating is not among the three best ratings among companies in the gambling sector - 50% of achievement if FDJ's 2024 Moody's ESG rating (available end-March 2025) is A1+ or if FDJ's 2024 Moody's ESG rating is one of the three best ratings among companies in the gambling sector - 100% of achievement if FDJ's 2024 Moody's ESG rating (available end-March 2025) is A1+ and if FDJ's 2024 Moody's ESG rating is one of the three best ratings among companies in the gambling sector - bonus of 5 points if FDJ's 2024 Moody's ESG rating (available end-March 2025) is A1+ and if FDJ's 2024 Moody's ESG rating out of 100 is higher than that of 2023 (which will be known end-March 2024)
TOTAL		100%	145%		

- (1) Excluding the impact of new key projects not projected in the Budget, such as external growth projects, and excluding major decisions that may be made during the years 2023 to 2025.
- (2) 30% (weight) X 150% (% maximum of target achieved) = 45% (maximum achievable).
- (3) Excluding the impact of new key projects not projected in the Budget, such as external growth projects, and excluding major decisions that may be made during the years 2023 to 2025.
- (4) 15% (weight) X 150% (% maximum of target achieved) = 22.5% (maximum achievable).
- (5) Total Shareholder Return – TSR: stock market performance over the period under review taking into account dividends received and reinvested in company shares, by shareholders over the same period.
- (6) Reference price: average price in Q4 2025 vs average price in Q4 2022; dividend reinvested.
- (7) 7.5% (weight) X 150% (% maximum of target achieved) = 11.25% (maximum achievable).
- (8) Total Shareholder Return – TSR: stock market performance over the period under review taking into account dividends received and reinvested in company shares, by shareholders over the same period.
- (9) Reference price: average price in Q4 2025 vs average price in Q4 2022; dividend reinvested
- (10) 7.5% (weight) X 150% (% maximum of target achieved) = 11.25% (maximum achievable).
- (11) The identified stakes ratio will be equal to the total amount of stakes recorded on "fdj.fr" and "enligne.parionssport.fdj.fr", stakes recorded on FDJ mobile applications: the lottery application named "FDJ" and the sports betting application named "Parions Sport En Ligne", as well as stakes recorded at points of sale by identified players, in relation to the total amount of stakes.
- (12) 20% (weight) X 150% (% maximum of target achieved) = 30% (maximum achievable).
- (13) Previously Vigeo.

The target amount (i.e. if objectives are met) of long-term variable remuneration of the ECDs corresponds to 100% of their fixed remuneration. The maximum amount (i.e. in the event of outperformance) of long-term variable remuneration of the ECDs corresponds to 145% of their fixed remuneration.

In the event of a significant change in the scope of consolidation of the Group, a change in accounting standards or any other significant change that would have a structural and significant impact on the parameters used to define the performance conditions at the time of allocation, the Board of Directors of the Company reserves the possibility of adjusting the assessment of the fulfilment of the performance conditions set at the time of granting in order to take account of these events and to neutralise the impact on the performance objectives defined.

Lock-up obligation until end of term of office

In accordance with the French Commercial Code, the ECDs shall be required to hold a number of performance shares set by the Board of Directors at the time of the award decision, until the end of their terms of office. This number of shares to be held corresponds to 20% of the shares included in the 2023 award.

Condition of presence

The performance shares will be definitively acquired by the beneficiaries, provided that they are executive Corporate Directors (or employees) in a company of the FDJ Group, from the date of allocation until 31 December 2025, except in the event of death, disability or retirement, as provided for in the plan regulations.

In accordance with the Afep-Medef Code, the Board of Directors may decide, if warranted, to remove the condition of presence on a pro rata basis for the two ECDs (unless they were withdrawn for negligence or misconduct) provided that this decision be made public and explained. The performance shares retained in this way will still be subject to the applicable plan rules, particularly in terms of the schedule and performance conditions.

The possibility of retaining their rights to performance shares if they leave before the end of the period set for evaluating the performance criteria helps incentivise the ECDs to take a long-term view of their actions.

Other multi-year remuneration mechanisms

In 2023, the ECDs do not receive any other long-term or multi-year remuneration mechanisms.

Other benefits and remuneration items

Benefits in kind: the two ECDs receive a company car as well as a fixed number of hours of specialised legal advice.

The two ECDs receive the same life and health insurance as all FDJ employees.

Neither of the executive corporate director receives any remuneration for directorships in the Company or in Group companies.

Remuneration items, indemnities or benefits owed to the ECDs for leaving office – pension commitments

In 2023, the ECDs do not receive any commitment for remuneration or indemnities that would have been owed for leaving office, regardless of the reason why, nor any supplementary pension commitments.

In accordance with the recommendations of the Afep-Medef Code, if the ECDs leave office, the amount of annual variable remuneration for the current financial year may be prorated based on the time they were present during the financial year in question, and also depending on the performance level observed and assessed by the Board of Directors for each of the criteria initially selected. It is specified that no variable remuneration will be paid for an ECD removed for negligence or misconduct.

The conditions for withdrawing Corporate Directors are as defined by law and in the Articles of Association.

In cases of retirement, the rules of the free performance share plan (LTI) plan apply to ECDs.

Details of the items of ECD remuneration (fixed, variable, exceptional and benefits of all types) for 2023

On the recommendation of the CGNR, the Board of Directors meeting of 14 February 2023 decided on the following remuneration principles for **Stéphane Pallez**, Chairwoman and CEO:

	Amount	Presentation
Fixed remuneration	€320,000	The amount of fixed remuneration for Stéphane Pallez shall remain unchanged until 2024, in accordance with the remuneration policy approved by the General Meeting of Shareholders of 26 April 2022; and failing a new decision by the General Meeting of Shareholders on a modification of her fixed annual remuneration.
Annual variable remuneration	Target amount assuming objectives are achieved: €349,091 Maximum amount in the event of outperformance: €453,818	In accordance with the remuneration policy presented to the General Meeting of Shareholders on 27 April 2023: – the target amount (i.e. assuming objectives are achieved) of the 2023 annual variable remuneration of Stéphane Pallez corresponds to 109% of her fixed remuneration; – the maximum amount of the 2023 annual variable remuneration of Stéphane Pallez corresponds to 142% of her fixed remuneration. The terms for calculating these amounts are detailed in the illustrative tables in the section "Annual variable remuneration" above. The amounts to be allocated for the 2023 financial year will be determined by the Board of Directors, following the CGNR's evaluation, at the end of the financial year, of the extent to which the performance criteria for the 2023 annual variable remuneration, as set out in the section "Long-term variable remuneration" above, have been met.
Long-term variable remuneration	Target amount assuming objectives are achieved: €320,000 Maximum amount in the event of outperformance: €464,000	In accordance with the 2023 long-term remuneration plan, the principles of which are subject to the approval of the General Meeting of Shareholders on 27 April 2023: – the target amount (i.e. assuming objectives are achieved) of the 2022 long-term variable remuneration of Stéphane Pallez corresponds to 100% of her fixed remuneration; – the maximum amount the 2022 long-term variable remuneration of Stéphane Pallez corresponds to 145% of her fixed remuneration. The amounts to be allocated for the 2023 financial year will be determined by the Board of Directors, following the CGNR's evaluation, at the end of the three-year vesting period, of the extent to which the performance criteria applicable to the 2023 long-term variable remuneration, as set out in the table in the section "Long-term variable remuneration" above, have been met. The number of shares attributable to Stéphane Pallez, if 100% of her objectives are met, will correspond to 100% of her fixed annual remuneration for 2023 divided by the fair value ⁽¹⁾ of the FDJ share defined in accordance with IFRS 2 with regard to the conditions of the LTI 2023 plan. This fair value will be defined by an independent expert on the basis of the FDJ share price on the date of allocation of the LTI 2023 performance shares.
Benefits in kind	Company car: estimated at €5,160 Fixed number of hours of specialised legal/tax advice, the amount of which cannot be estimated in advance.	Stéphane Pallez receives a company car as well as a fixed number of hours of specialised legal/tax advice.
Employee benefits	The contributions are based on the remuneration subject to social security contributions that Stéphane Pallez receives for her term of office.	Stéphane Pallez receives the same life and health insurance as all FDJ employees.

(1) Share price on the allocation date less the present value of the dividends for the vesting period and adjusted for the LTI TSR criterion.

On the recommendation of the CGNR, the Board of Directors meeting of 14 February 2023 decided on the following remuneration principles for **Charles Lantieri**, Deputy Chief Executive Officer:

	Amount	Presentation
Fixed remuneration	€248,000	The amount of fixed remuneration for Charles Lantieri shall remain unchanged until 2024, in accordance with the remuneration policy approved by the General Meeting of Shareholders of 26 April 2022; and failing a new decision by the General Meeting of Shareholders on a modification of his fixed annual remuneration.
Annual variable remuneration	Target amount assuming objectives are achieved: €270,545 Maximum amount in the event of outperformance: €351,709	In accordance with the remuneration policy presented to the General Meeting of Shareholders on 27 April 2023: – the target amount (i.e. assuming objectives are achieved) of the annual variable remuneration of Charles Lantieri corresponds to 109% of his fixed remuneration; – the maximum amount of the annual variable remuneration of Charles Lantieri corresponds to 142% of his fixed remuneration. The terms for calculating these amounts are detailed in the illustrative tables in the section "Annual variable remuneration" above. The amounts to be allocated for the 2023 financial year will be determined by the Board of Directors, following the CGNR's evaluation, at the end of the financial year, of the extent to which the performance criteria for the 2023 annual variable remuneration, as set out in the section "Long-term variable remuneration" above, have been met.
Long-term variable remuneration	Target amount assuming objectives are achieved: €248,000 Maximum amount in the event of outperformance: €359,600	In accordance with the 2023 long-term remuneration plan, the principles of which are subject to the approval of the General Meeting of Shareholders on 27 April 2023: – the target amount (i.e. assuming objectives are achieved) of the long-term variable remuneration of Charles Lantieri corresponds to 100% of his fixed remuneration; – the maximum amount the long-term variable remuneration of Charles Lantieri corresponds to 145% of his fixed remuneration. The amounts to be allocated for the 2023 financial year will be determined by the Board of Directors, following the CGNR's evaluation, at the end of the three-year vesting period, of the extent to which the performance criteria applicable to the 2023 long-term variable remuneration, as set out in the table in the section "Long-term variable remuneration" above, have been met. The number of shares attributable to Charles Lantieri, if 100% of his objectives are met, will correspond to 100% of his fixed annual remuneration for 2023 divided by the fair value ⁽¹⁾ of the FDJ share defined in accordance with IFRS 2 with regard to the conditions of the LTI 2023 plan. This fair value will be defined by an independent expert on the basis of the FDJ share price on the date of allocation of the LTI 2023 performance shares.
Benefits in kind	Company car: estimated at €1,542 Fixed number of hours of specialised legal/tax advice, the amount of which cannot be estimated in advance.	Charles Lantieri receives a company car as well as a fixed number of hours of specialised legal advice.
Employee benefits	The contributions are based on the remuneration subject to social security contributions that Charles Lantieri receives for his term of office.	Charles Lantieri receives the same life and health insurance as all FDJ employees.

(1) Share price on the allocation date less the present value of the dividends for the vesting period and adjusted for the LTI TSR criterion.

2.2.1.3 REMUNERATION POLICY FOR DIRECTORS: REMUNERATION GRANTED TO DIRECTORS FOR 2023

The remuneration policy for directors is established in accordance with the principles and procedure described in 2.2.1.1. above.

Since the General Meeting of 4 November 2019, a maximum annual budget of €600,000 had been allocated to the remuneration of the members of the Board of Directors for financial years 2020 to 2022.

To take into account the increase in the number of bodies observed in 2022, the Board of Directors of 14 February 2023, on the proposal of the CGNR, decided to propose to the General Meeting of 27 April 2023 an increase in the maximum annual budget allocated to the remuneration of the members of the Board of Directors from €600,000 to €700,000.

The rules for the distribution of this budget are based on the following principles:

- a. defining a fixed portion based on the minimum work required by the position; According to Article 3.7 of the Rules of Procedure of the Board of Directors, this fixed portion "should represent a maximum of 40% of the total amount of the Board of Directors' remuneration package";
- b. keeping the variable portion larger than the fixed portion; According to Article 3.7 of the Rules of Procedure of the Board of Directors, this variable portion "should represent a minimum of 60% of the total amount of the Board of Directors' remuneration package";
- c. taking into account the additional workload associated with chairing a committee, both for fixed and variable remuneration.

If the maximum annual budget is exceeded, capping and reduction will be proposed, applied in priority to the fixed remuneration of Board members so as not to exceed the ceiling of the budget defined by the Board.

The directors representing employees and employee shareholders, as well as the Chairwoman and CEO, do not collect remuneration for their participation in the Board of Directors.

The table below summarises the distribution rules for the maximum remuneration package allocated to the remuneration of the members of the Board of Directors:

Board of Directors	Annual fixed share	Per meeting (variable portion)
Director	€10,000	€2,000/Board meeting or Board strategy seminar lasting less than half a day €3,500/Board meeting or Board strategy seminar lasting more than half a day
Non-voting member	-	€2,000/Board meeting or Board strategy seminar lasting less than half a day €3,500/Board meeting or Board strategy seminar lasting more than half a day
Audit and Risks Committee	Annual fixed share	Per meeting (variable portion)
Member/Non-voting member	-	€2,000
Chairman	€5,000	€3,000
Other committees	Annual fixed share	Per meeting (variable portion)
Member/Non-voting member	-	€2,000
Chairman	€2,000	€3,000

Concerning the variable portion granted to directors, it is specified that if multiple Board of Directors meetings are held on the same day, particularly the day of the Annual General Meeting of Shareholders, then participating in more than one of those meetings only counts as one participation.

In accordance with the provisions of Article 3.7 of the Board's Rules of Procedure: "directors shall be reimbursed, on the basis of receipts, for travel and other expenses incurred by them in the interests of the Company."

2.2.2 REMUNERATION AND BENEFITS PAID OR GRANTED TO THE COMPANY'S EXECUTIVE CORPORATE DIRECTORS IN RESPECT OF THE 2022 FINANCIAL YEAR (EX POST)

Pursuant to Article L. 22-10-34, II, of the French Commercial Code, the fixed, variable and exceptional items of the total remuneration and benefits in kind paid or granted in respect of the financial year 2022 will be subject to a vote at the General Meeting of 27 April 2023 ("ex post" vote).

Variable or exceptional remuneration items, granted in respect of the 2022 financial year, will only be paid after approval by the General Meeting of 27 April 2023.

The 2022 remuneration policy for the ECDs was decided on by the Board of Directors meeting of 15 February 2022, on the proposal of the CGNR, and approved by the General Meeting of 26 April 2022 by 99.27% of the votes cast.

Changes in the 2022 remuneration policy compared to the 2021 remuneration policy

As a reminder, the changes in the remuneration policy applicable to the financial year 2022 compared to the remuneration policy for the financial year 2021 were as follows:

Annual variable remuneration	<p>Change in the non-financial criteria:</p> <ul style="list-style-type: none">- to change the weighting of the CSR and responsible gaming criterion from 25% to 30%;- to change the indicators for the CSR and responsible gaming criterion and to introduce three clearly identified indicators: responsible gaming indicator (share of gross gaming revenue (GGR) carried by high-risk players exclusive to online lottery) associated with a weighting of 20%; environment indicator (reduction in carbon emissions in 2021 vs 2017 - scopes 1 and 2 ⁽¹⁾) and a non-financial rating indicator (Moody's ESG rating ⁽²⁾), each associated with a 5% weighting;- to change the governance criterion, as well as its indicators and weighting, in order to introduce a "managerial performance" criterion with a 10% weighting and as indicator the growth rate for online lottery stakes 2022 vs. 2021.
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(1) Scope 1: direct emissions. Scope 2: indirect emissions (energy purchases).

(2) Previously Vigeo.

Deviations from the remuneration policy approved by the General Meeting of Shareholders on 26 April 2022

There are no deviations from the remuneration policy approved by the General Meeting of Shareholders on 26 April 2022.

2.2.2.1 REMUNERATION ITEMS PAID OR AWARDED DURING OR IN RESPECT OF THE 2022 FINANCIAL YEAR TO THE CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER

As a reminder, the General Meeting of Shareholders on 26 April 2022 approved by a majority of 99.15% of the votes cast, the information relating to the remuneration items paid or awarded during or in respect of the financial year ending 31 December 2021 to the Chairwoman and CEO.

Remuneration items subject to a vote	Amounts granted in respect of financial year 2022 (paid during this year or subsequent financial years)	Amounts paid during financial year 2022 (granted during this year or previous financial years)	Presentation/Comments
Fixed remuneration	€320,000	€320,004	Stéphane Pallez' fixed remuneration for financial year 2022 was approved by the General Meeting of Shareholders on 26 April 2022 after being adopted by the Board of Directors on 15 February 2022 on the proposal of the CGNR. Stéphane Pallez's fixed remuneration has remained stable since 2020.
Annual variable remuneration	€302,349	€193,211	Stéphane Pallez' annual variable portion could have amounted to €251,958 (without outperformance), or 79% of her fixed remuneration for financial year 2022. If the objectives giving rise to outperformance were achieved, the maximum annual variable portion could have reached €327,545, i.e. 102% of her fixed remuneration. In accordance with the elements detailed in 2.2.2.3 below, the financial criteria were reached at 150% and the non-financial criteria by 75% with a total achievement rate of 120%. It was unnecessary for the Company to use the option to request the repayment of variable remuneration during financial year 2022 under the provisions of Article L. 22-10-9 of the French Commercial Code.
Multi-year variable remuneration	n/a	n/a	Stéphane Pallez did not receive any multi-year variable remuneration for financial year 2022.
Allocations of share subscription or purchase options	n/a	n/a	Stéphane Pallez was not allocated any share subscription or purchase options for financial year 2022.
Performance share allocations	€320,004	n/a	On 26 April 2022, the Board of Directors awarded Stéphane Pallez long-term variable remuneration in the form of performance shares allocated free of charge (LTI 2022). Under the LTI 2022, Stéphane Pallez was awarded 11,170 FDJ shares. This number of shares corresponds to an assumption that the applicable performance conditions are met at 100%. In the event of outperformance, Stéphane Pallez could acquire up to 45% additional FDJ shares. The number of performance shares allocated to Stéphane Pallez, if 100% of her objectives are met, corresponds to 100% of her fixed annual remuneration for 2022, divided by the fair value ⁽¹⁾ of the FDJ share defined in accordance with IFRS 2 standards with regard to the conditions of the LTI plan: €28.65 (320,004/28.65 = 11,170 shares).

(1) Share price on the allocation date less the present value of the dividends for the vesting period and adjusted for the LTI TSR criterion.

Remuneration items subject to a vote	Amounts granted in respect of financial year 2022 <i>(paid during this year or subsequent financial years)</i>	Amounts paid during financial year 2022 <i>(granted during this year or previous financial years)</i>	Presentation/Comments
Performance share allocations (cont.)			<p>This fair value was defined by an independent expert on the basis of the FDJ share price on 26 April 2022, the date of allocation of the performance shares of the LTI 2022.</p> <p>The definitive acquisition of this remuneration will take place in 2025 and will depend on both performance conditions assessed over three financial years (2022-2023-2024) and a condition of presence on 31 December 2024 as an employee or corporate director of FDJ or the FDJ Group.</p> <p>The performance conditions and other conditions applicable to the LTI 2022 are detailed in section 2.2.4 of this document.</p>
Exceptional remuneration	n/a	n/a	No exceptional remuneration was awarded to Stéphane Pallez for financial year 2022.
Severance pay	n/a	n/a	The Company did not make any commitments corresponding to items of remuneration, indemnities or benefits due or likely to be due as a result of Stéphane Pallez entering, leaving, or changing office or subsequent to holding that office, in particular pension commitments and other lifetime benefits.
Benefits in kind	€10,460: company car (€5,160) and fixed number of hours of specialised legal advice (€5,300)	€10,460: company car (€5,160) and fixed number of hours of specialised legal advice (€5,300)	Stéphane Pallez received professional communication devices (telephone, laptop computer), the services of a driver, and a company car, and the option to use a number of hours of custom legal advice for professional purposes. She made use of this option in 2022.
Remuneration as a director	n/a	n/a	Stéphane Pallez did not collect any remuneration as a Director of the Company for financial year 2022.
Supplementary pension scheme	n/a	n/a	Stéphane Pallez did not benefit in 2022 from any supplementary pension commitments.

2.2.2.2 REMUNERATION ITEMS PAID OR AWARDED DURING OR IN RESPECT OF THE 2022 FINANCIAL YEAR TO THE DEPUTY CHIEF EXECUTIVE OFFICER

As a reminder, the General Meeting of Shareholders on 26 April 2022 approved by a majority of 99.32% of the votes cast, the information relating to the remuneration items paid or awarded during or in respect of the financial year ending 31 December 2021 to the Deputy Chief Executive Officer.

Remuneration items subject to a vote	Amounts granted in respect of financial year 2022 <i>(paid during this year or subsequent financial years)</i>	Amounts paid during financial year 2022 <i>(granted during this year or previous financial years)</i>	Presentation/Comments
Fixed remuneration	€248,000	€248,004	<p>Charles Lantieri's fixed remuneration for financial year 2022 was approved by the General Meeting of Shareholders on 26 April 2022 after being adopted by the Board of Directors on 15 February 2022 on the proposal of the CGNR.</p> <p>Charles Lantieri's fixed remuneration has remained stable since 2020.</p>
Annual variable remuneration	€234,321	€149,738	<p>Charles Lantieri's annual variable portion could have amounted to €195,267 (without outperformance), or 79% of his fixed remuneration for financial year 2022. If the objectives giving rise to outperformance were achieved, the maximum annual variable portion could have reached €253,848, i.e. 102% of his fixed remuneration.</p> <p>In accordance with the elements detailed in 2.2.2.3 below the financial criteria were reached at 150% and the non-financial criteria at 75% with a total achievement rate of 120%.</p> <p>It was unnecessary for the Company to use the option to request the repayment of variable remuneration during financial year 2022 under the provisions of Article L. 22-10-9 of the French Commercial Code.</p>
Multi-year variable remuneration	n/a	n/a	Charles Lantieri did not receive any multi-year variable remuneration for financial year 2022.
Allocations of share subscription or purchase options	n/a	n/a	Charles Lantieri was not granted any share subscription or purchase options for financial year 2022.
Performance share allocations	€248,004	n/a	<p>On 26 April 2022, the Board of Directors awarded Charles Lantieri long-term variable remuneration in the form of performance shares allocated free of charge (LTI 2022).</p> <p>Under the LTI 2022, Charles Lantieri was allocated 8,657 shares. This number of shares corresponds to an assumption that the applicable performance conditions are met at 100%.</p> <p>In the event of outperformance, Charles Lantieri could acquire up to 45% of additional FDJ shares.</p> <p>The number of shares attributed to Charles Lantieri, if 100% of his objectives are met, corresponds to 100% of his fixed annual remuneration for 2022 divided by the fair value⁽¹⁾ of the FDJ share defined in accordance with IFRS 2 with regard to the conditions of the LTI plan: €28.65 (248,004/28.65 = 8,657 shares).</p>

(1) Share price on the allocation date less the present value of the dividends for the vesting period and adjusted for the LTI TSR criterion.

Remuneration items subject to a vote	Amounts granted in respect of financial year 2022 <i>(paid during this year or subsequent financial years)</i>	Amounts paid during financial year 2022 <i>(granted during this year or previous financial years)</i>	Presentation/Comments
Performance share allocations (cont.)			<p>This fair value was defined by an independent expert on the basis of the FDJ share price on 26 April 2022, the date of allocation of the performance shares of the LTI 2022.</p> <p>The definitive acquisition of this remuneration will take place in 2025 and will depend on both performance conditions assessed over three financial years (2022-2023-2024) and a condition of presence on 31 December 2024 as an employee of FDJ or the FDJ Group.</p> <p>The performance conditions and other conditions applicable to the LTI 2022 are detailed in section 2.2.4 of this document.</p>
Exceptional remuneration	n/a	n/a	No exceptional remuneration was allocated to Charles Lantieri for financial year 2022.
Severance pay	n/a	n/a	The Company did not make any commitments corresponding to items of remuneration, indemnities or benefits due or likely to be due as a result of Charles Lantieri entering, leaving, or changing office or subsequent to holding that office, in particular pension commitments and other lifetime benefits.
Benefits in kind	€1,680: company car (€1,680) and fixed number of hours of specialised legal advice (€0)	€1,680: company car (€1,680) and fixed number of hours of specialised legal advice (€0)	Charles Lantieri received professional communication devices (telephone, laptop computer), a company car, and the option to use a number of hours of custom legal advice for professional purposes. He did not use this option in 2022.
Remuneration as a director	n/a	n/a	Charles Lantieri did not collect any remuneration as a Director of the Company for financial year 2022.
Supplementary pension scheme	n/a	n/a	Charles Lantieri did not benefit in 2022 from any supplementary pension commitments.

2.2.2.3 EVALUATION OF THE PERFORMANCE OF EXECUTIVE CORPORATE DIRECTORS FOR THE 2022 FINANCIAL YEAR IN THE CONTEXT OF THE ALLOCATION OF THE ANNUAL VARIABLE PORTION (STI 2022)

The principles and criteria of the 2022 variable portion, decided by the Board of Directors on 15 February 2022, were approved by the General Meeting of Shareholders on 26 April 2022.

In accordance with the procedure described in sub-section 2.2.1 of this document, the CGNR evaluated, at the end of the financial year, the extent to which the ECDs had achieved the performance criteria provided for the annual variable remuneration, attributable in respect of the 2022 financial year.

The criteria for the variable portion, their weighting, the achievement rate and the evaluation given are detailed in the summary table below.

Criteria	Indicators	Nomi- nal weight	Maximum achieve- ment rate	Maximum weight	Evaluation	Achieve- ment rate	Actual weight
Recurring EBITDA	Group 2022 recurring EBITDA margin ⁽¹⁾ achieved compared to the budgeted 2022 recurring EBITDA margin, achieved in 2021 and forecast in the 2023 business plan, as determined by the Board of Directors	30%	150%	45%	Actual Group 2022 recurring EBITDA margin above the upper bound of the 2022 criteria giving rise to outperformance	150%	45%
Develop- ment	Group 2022 revenue ⁽²⁾ over budgeted Group revenue, as determined by the Board of Directors	20%	150%	30%	Actual Group 2022 revenue above the upper bound of the 2022 criteria giving rise to outperformance	150%	30%
Cash	2022 recurring EBITDA to cash conversion rate ⁽³⁾ achieved compared to the budgeted and guidance recurring EBITDA to cash conversion rate, as determined by the Board of Directors	10%	150%	15%	Actual Group 2022 recurring EBITDA conversion rate above the upper bound of the 2022 criteria giving rise to outperformance	150%	15%
CSR/ responsi- ble gaming	Responsible gaming: Share of GGR carried by high-risk players exclusive to online lottery	20%	100%	20%	Share of GGR of high-risk players exclusive to online lotteries at 2.4% cumulatively at the end of November 2022 Estimated landing at the end of 2022 at around 2.6% 3 quarters out of 4 are below 3%.	100%	20%
	Environment: Reduction in direct carbon emissions 2021 vs. 2017 (scopes 1 and 2)	5%	100%	5%	The 2021 carbon footprint shows an effective reduction of carbon emissions in scopes 1 and 2 of 59% scopes 1 and 2: energy consumption of buildings (gas, fuel oil, electricity), refrigerant for air conditioning, consumption regarding travel using the company vehicle fleet	100%	5%
	Non-financial rating: Moody's ESG ⁽⁴⁾ 2021 rating and ranking (available in March 2022)	5%	100%	5%	Maintains the A1+ rating (corporate rating) Increase in the ESG score to 72/100 Ranking in the "Leisure, Lodging & Entertainment" sector: 1st/45 companies (idem 2021) World: 15th/4,901 companies (16th in 2021; 44th/4,900 companies in 2020)	100%	5%

Criteria	Indicators	Nomi- nal weight	Maximum achieve- ment rate	Maximum weight	Evaluation	Achieve- ment rate	Actual weight
Man- agerial per- formance	Growth rate of online lottery stakes 2022 vs. 2021 ⁽⁵⁾	10%	100%	10%		0%	0%
TOTAL		100%		130%			120%

- (1) Excluding the impact of new key projects not projected in the Budget, such as the external growth project, subject to the approval of the Board of Directors, and excluding major decisions that may be made during the year.
- (2) Excluding the impact of new key projects not projected in the Budget, such as the external growth project, subject to the approval of the Board of Directors, and excluding major decisions that may be made during the year.
- (3) Excluding the impact of new key projects not projected in the Budget, such as the external growth project, subject to the approval of the Board of Directors, and excluding major decisions that may be made during the year.
Recurring EBITDA to cash conversion rate = free cashflow (= recurring EBITDA + WC change – CAPEX)/recurring EBITDA..
- (4) Previously Vigeo.
- (5) Online lottery stakes = stakes recorded on "fdj.fr" and the "FDJ" mobile application.

Theoretical target and maximum remuneration, including fixed and annual variable portions, allocated to the Chairwoman for financial year 2022 compared to the actual remuneration, including fixed and annual variable portions, allocated to the Chairwoman for financial year 2022

2022 Theoretical objectives reached



2022 Theoretical max. outperformance



Actual 2022



■ Fixed ■ STI

Theoretical target and maximum remuneration, including fixed and annual variable portions, allocated to the Deputy Chief Executive Officer for financial year 2022 compared to actual remuneration, including fixed and annual variable portions, allocated to the Deputy Chief Executive Officer for financial year 2022

2022 Theoretical objectives reached



2022 Theoretical max. outperformance



Actual 2022



■ Fixed ■ STI

2.2.2.4 CHANGES IN REMUNERATION, EQUITY RATIOS AND COMPANY PERFORMANCE OVER THE PAST FIVE YEARS

Methodology

The ratios are calculated as follows:

- **in the numerator:** the total gross remuneration paid to Stéphane Pallez or Charles Lantieri, including the base salary, the variable portion paid during the 2022 financial year in respect of 2021, benefits in kind and the LTI awarded in 2022 and valued at fair value;
- **in the denominator:** for employees with permanent and fixed-term contracts present throughout the financial year at FDJ and FDP (representing more than 80% of the

Group's business in France), the average/median gross annual remuneration paid on a full-time equivalent basis, including all remuneration items included in the gross amount (base salary, variable portion paid in 2022 in respect of 2021, exceptional remuneration paid, benefits in kind), adjusted for absences, but also profit-sharing, incentives, any additional incentives and employer's matching contribution, as well as the LTI allocated in 2022 and valued at fair value.

The scope of the listed company is FDJ, the extended scope is FDJ and FDP.

Ratios

	2017	2018	2019	2020	2021	2022
Change (in %) in Stéphane Pallez' remuneration	0.37%	- 0.08%	5.98%	19.00%	80.64%	15.28%
Information on the scope of the listed company: FDJ						
Change (in %) in the average employee remuneration	1.14%	2.29%	2.98%	0.90%	9.50%	2.21%
Ratio to average employee remuneration	4.41	4.31	4.44	5.23	8.63	9.74
Change in the ratio (in %) compared to the previous year	- 0.75%	- 2.32%	2.91%	17.93%	64.97%	12.78%
Ratio to median employee remuneration	4.96	4.79	4.96	5.75	9.74	11.09
Change in the ratio (in %) compared to the previous year	- 1.26%	- 3.44%	3.44%	15.95%	69.50%	13.85%
Additional information on the extended scope: FDJ + FDP						
Change (in %) in the average employee remuneration	- 1.09%	5.48%	4.15%	1.24%	9.40%	2.03%
Ratio to average employee remuneration	4.94	4.68	4.76	5.60	9.24	10.44
Change in the ratio (in %) compared to the previous year	1.48%	- 5.27%	1.75%	17.54%	65.11%	12.98%
Ratio to median employee remuneration	5.61	5.31	5.41	6.21	10.55	11.95
Change in the ratio (in %) compared to the previous year	1.91%	- 5.28%	1.83%	14.84%	69.92%	13.25%
Company performance						
Revenue	1,762	1,803	1,956	1,920	2,256	2,461
Change in %	3.90%	2.30%	8.51%	- 1.84%	17.50%	9.09%
Recurring EBITDA	316	319	346	427	522	590
Change in %	4.98%	0.95%	8.46%	23.41%	22.25%	13.09%
Information on the scope of the listed company: FDJ						
Change (in %) in Charles Lantieri's remuneration	0.42%	- 0.22%	5.69%	18.30%	78.49%	15.74%
Information on the scope of the listed company: FDJ						
Change (in %) in the average employee remuneration	1.14%	2.29%	2.98%	0.90%	9.50%	2.21%
Ratio to average employee remuneration	3.45	3.36	3.45	4.05	6.60	7.47
Change in the ratio (in %) compared to the previous year	- 0.71%	- 2.45%	2.63%	17.24%	63.01%	13.23%
Ratio to median employee remuneration	3.88	3.74	3.86	4.45	7.45	8.51
Change in the ratio (in %) compared to the previous year	- 1.21%	- 3.57%	3.16%	15.26%	67.49%	14.31%
Additional information on the extended scope: FDJ + FDP						
Change (in %) in the average employee remuneration	- 1.09%	5.48%	4.15%	1.24%	9.40%	2.03%
Ratio to average employee remuneration	3.86	3.65	3.71	4.33	7.07	8.21
Change in the ratio (in %) compared to the previous year	1.52%	- 5.40%	1.47%	16.84%	63.16%	13.43
Ratio to median employee remuneration	4.38	4.14	4.21	4.80	8.06	9.17
Change in the ratio (in %) compared to the previous year	1.96%	- 5.41%	1.55%	14.16%	67.91%	13.70%
Company performance						
Revenue	1,762	1,803	1,956	1,920	2,256	2,461
Change in %	3.90%	2.30%	8.51%	- 1.84%	17.50%	9.09%
Recurring EBITDA	316	319	346	427	522	590
Change in %	4.98%	0.95%	8.46%	23.41%	22.25%	13.09%

2.2.2.5 SUMMARY TABLES SHOWING THE REMUNERATION AND BENEFITS OF ALL TYPES PAID TO EXECUTIVE CORPORATE DIRECTORS BY THE COMPANY OR BY ANY GROUP COMPANY DURING THE FINANCIAL YEARS ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2022

The tables below show the remuneration and benefits of all types paid to executive Corporate Directors by the Company or by any Group company during the financial years ended 31 December 2021 and 31 December 2022.

TABLE NO. 1 (AMF NOMENCLATURE) - SUMMARY TABLE OF THE REMUNERATION AND OPTIONS AND SHARES ALLOCATED TO EACH EXECUTIVE CORPORATE DIRECTOR

	FY 2021	FY 2022
Stéphane Pallez, Chairwoman and CEO		
Remuneration due in respect of the reporting period (<i>detailed in table 2</i>)	€526,671	€632,809
Value of the options allocated during the reporting period (<i>detailed in table 4</i>)	None	
Value of the performance shares allocated during the reporting period (<i>detailed in table 6</i>)	€320,008	€320,000
Value of the other long term remuneration plans	None	
TOTAL	€846,679	€952,809
Charles Lantieri, Deputy Chief Executive Officer		
Remuneration due in respect of the reporting period (<i>detailed in table 2</i>)	€400,373	€484,001
Value of the options allocated during the reporting period (<i>detailed in table 4</i>)	None	
Value of the performance shares allocated during the reporting period (<i>detailed in table 6</i>)	€248,006	€248,000
Value of the other long term remuneration plans	None	
TOTAL	€648,379	€732,001

TABLE NO. 2 (AMF NOMENCLATURE) - SUMMARY TABLE OF THE REMUNERATION PAID TO EACH EXECUTIVE CORPORATE DIRECTOR

	FY 2021		FY 2022	
	Amounts due (in euros, gross)	Amounts paid (in euros, gross)	Amounts due (in euros, gross)	Amounts paid (in euros, gross)
Stéphane Pallez, Chairwoman and CEO				
Fixed remuneration	€320,000	€320,000	€320,000	€320,000
Annual variable remuneration	€193,211 *	€78,400	€302,349 **	€193,211
Exceptional remuneration	None	None	None	None
Remuneration as a director	None	None	None	None
Benefits in kind	€13,460	€13,460	€10,460	€10,460
TOTAL	€526,671	€411,860	€632,809	€523,671

* The annual variable remuneration received by Stéphane Pallez in 2022 in respect of 2021 represents 60% of the annual fixed remuneration due, i.e. €320,000, in accordance with the decision of the Board of Directors on 15 February 2022.

** The annual variable remuneration to be received by Stéphane Pallez in 2023 in respect of 2022 represents 94% of the annual fixed remuneration due, i.e. €320,000, in accordance with the decision of the Board of Directors on 14 February 2023.

	FY 2021		FY 2022	
	Amounts due (in euros, gross)	Amounts paid (in euros, gross)	Amounts due (in euros, gross)	Amounts paid (in euros, gross)
Charles Lantieri, Deputy Chief Executive Officer				
Fixed remuneration	€248,000	€248,000	€248,000	€248,000
Annual variable remuneration	€149,738 *	€60,760	€234,321 **	€149,738
Exceptional remuneration	None	None	None	None
Remuneration as a director	None	None	None	None
Benefits in kind	€2,635	€2,635	€1,680	€1,680
TOTAL	€400,373	€311,395	€484,001	€399,418

* The annual variable remuneration received by Charles Lantieri in 2022 in respect of 2021 represents 60% of the annual fixed remuneration due, i.e. €248,000, in accordance with the decision of the Board of Directors on 15 February 2022.

** The annual variable remuneration to be received by Charles Lantieri in 2023 in respect of 2022 represents 94% of the annual fixed remuneration due, i.e. €248,000, in accordance with the decision of the Board of Directors on 14 February 2023.

TABLE NO. 4 (AMF NOMENCLATURE) – SHARE SUBSCRIPTION OR PURCHASE OPTIONS ALLOCATED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE DIRECTOR

	FY 2022					
	Plan no. and date	Nature of the options (purchase or subscription)	Value of the options according to the method used for the consolidated financial statements	Number of options allocated during the reporting period	Exercise price	Reporting period
Stéphane Pallez			None			
Charles Lantieri			None			

TABLE NO. 5 (AMF NOMENCLATURE) – SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE CORPORATE DIRECTOR

	FY 2022		
	Plan no. and date	Number of options exercised during the reporting period	Exercise price
Stéphane Pallez		None	
Charles Lantieri		None	

TABLE NO. 6 (AMF NOMENCLATURE) – PERFORMANCE SHARES ALLOCATED FREE OF CHARGE DURING THE REPORTING PERIOD TO EACH EXECUTIVE CORPORATE DIRECTOR BY THE ISSUER

FY 2021						
	Plan no. and date	Number of shares allocated during the reporting period	Value of the shares according to the method used for the consolidated financial statements	Vesting date	Availability date*	Performance conditions
Stéphane Pallez	Plan no. 1 30.06.2021	7,240	€44.20	30.06.2024	2024 (General Shareholders' Meeting approving financial statements for the financial year ending 2023)	Performance conditions in section 2.2.4.1
Charles Lantieri	Plan no. 1 30.06.2021	5,611	€44.20	30.06.2024	2024 (General Shareholders' Meeting approving financial statements for the financial year ending 2023)	Performance conditions in section 2.2.4.1
FY 2022						
	Plan no. and date	Number of shares allocated during the reporting period	Value of the shares according to the method used for the consolidated financial statements	Vesting date	Availability date*	Performance conditions
Stéphane Pallez	Plan no. 2 26.04.2022	11,170	€28.65	26.04.2025	2025 (General Shareholders' Meeting approving financial statements for the financial year ending 2024)	Performance conditions in section 2.2.4.1
Charles Lantieri	Plan no. 2 26.04.2022	8,657	€28.65	26.04.2025	2025 (General Shareholders' Meeting approving financial statements for the financial year ending 2024)	Performance conditions in section 2.2.4.1

* ECDs are required to hold 20% of the shares acquired under the 2021 and 2022 allocations until the end of their term of office.

TABLE NO. 7 (AMF NOMENCLATURE) – PERFORMANCE-BASED SHARES BECOMING AVAILABLE DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE DIRECTOR

FY 2022	
	Plan no. and date
Stéphane Pallez	None
Charles Lantieri	None

Tables 8 to 10 are set out in sub-section 2.2.4.

TABLE NO.11 (AMF NOMENCLATURE)

	Employment contract		Supplementary pension scheme		Indemnities or benefits due or likely to become due as a result of a cessation or change of function		Indemnities relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive Corporate Directors								
Stéphane Pallez Chairwoman and CEO Start of term of office: 21.10.2014 End of term of office: 2024 (General Shareholders' Meeting approving financial statements for the financial year ending 2023)		X		X		X		X
Charles Lantieri Deputy Chief Executive Officer Start of term of office: 06.07.2006 End of term of office: 2024 (General Shareholders' Meeting approving financial statements for the financial year ending 2023)		X		X		X		X

2.2.3 REMUNERATION AND BENEFITS PAID TO COMPANY'S OTHER CORPORATE DIRECTORS

The remuneration items paid or allocated by the Company to the Corporate Directors for financial year 2022 are in accordance with the remuneration policy decided on by the Board of Directors meeting of 15 February 2022, on the proposal of the CGNR, and approved by the General Meeting of 26 April 2022 with 99.27% of the votes cast.

In addition, it is recalled that the same meeting approved the information relating to the remuneration of Corporate Directors for the financial year ending 31 December 2021 by a majority of 99.96% of the votes cast.

The table below shows the remuneration and benefits of all types granted to directors by the Company or by any Group company during the financial years ended 31 December 2021 and 31 December 2022.

After noting the number of meetings of the Board of Directors and the Committees during the past financial year, the Board of Directors of 14 February 2023 noted that the

total gross remuneration of the directors amounted to €627,500, thus exceeding the maximum annual budget of €600,000 approved by the General Meeting of 26 April 2022 by €27,500.

In this context, the Board of Directors meeting of 14 February 2023 decided, on the proposal of the CGNR, to apply the rule provided for at its meeting of 12 February 2020, in the event of the remuneration budget being exceeded: i.e., capping and reduction applied in priority to the fixed remuneration of Board members.

In application of this rule, 11 directors are concerned by the application of the capping⁽¹⁾. Namely capping, of €2,500, applied equally to each director concerned according to the following formula: **amount of capping per director = overrun of the budget/number of directors receiving fixed compensation** (27,500 / 11 = €2,500).

(1) The directors representing the employees and the employee shareholders as well as the Chairwoman of the Board do not receive any remuneration. The non-voting director only receives the variable part of the remuneration.

Consequently, the Board of Directors of 14 February 2023, on the proposal of the CGNR, adopted the distribution of the remuneration budget of the directors as shown in the table below:

TABLE NO. 3 (AMF NOMENCLATURE) – TABLE ON REMUNERATIONS RECEIVED BY CORPORATE DIRECTORS

	FY 2021			FY 2022				Attendance rate in meetings of the Board of Directors and its committees
	Remuneration of Board members			Remuneration of Board members				
	Gross amount* of remuneration due	Gross amount* due to the State	Gross amount* due to the director	Gross amount* of remuneration due before capping	Gross amount* of remuneration due after capping of €2,500	Gross amount* due to the State	Gross amount* due to the director	
State (C. Sarrazin)	€53,500	€53,500	-	€65,500	€63,000	€63,000	-	95%
D. Trutt	€41,500	€6,225	€35,275	€45,500	€43,000	€6,450	€36,550	93%
G. Doukhan	€43,500	€6,525	€36,975	€59,500	€57,000	€8,550	€48,450	93%
UBFT (represented by O. Roussel)	€41,500	-	€41,500	€49,500	€47,000	-	€47,000	100%
FNAM (represented by J. Sonnet)	€19,500	-	€19,500	€39,500	€37,000	-	€37,000	100%
F. Gri	€35,500	-	€35,500	€41,500	€39,000	-	€39,000	93%
F. Dulac	€44,500	-	€44,500	€52,500	€50,000	-	€50,000	93%
X. Girre	€60,500	-	€60,500	€78,500	€76,000	-	€76,000	100%
C. Lejbowicz	€47,500	-	€47,500	€59,500	€57,000	-	€57,000	93%
P. Pringuet	€56,500	-	€56,500	€74,500	€72,000	-	€72,000	100%
Predica (represented by F. Barjou)	€43,500	-	€43,500	€42,000	€39,500	-	€39,500	62%
P. Lazare (non-voting member)	n/a	n/a	n/a	€19,500	€19,500 (no fixed amount)	-	€19,500	100%
	€487,500	€66,250	€421,250	€627,500	€600,000	€78,000	€522,000	96%

* Before deduction of the amounts withheld for tax and social security contributions.

The methods for allocating the remuneration (formerly directors' fees) of the directors in force for 2022 are the same as those described in the sub-section 2.2.1.3 "Remuneration policy for directors: Remuneration granted to directors for 2023".

The amounts owed to the eligible directors are either paid to them directly and/or paid in whole or part to the French State's budget, in accordance with Articles 5 and 6V of Order no. 2014-948.

The Chairwoman and CEO does not receive any director's remuneration in respect of her work within the Board of Directors.

The Director representing the French State, did not personally receive any remuneration from the Company in respect of his office. The full amount of remuneration corresponding to his office was paid directly to the French Public Treasury.

The directors appointed by the General Meeting of Shareholders upon proposal from the French State, Ghislaine Doukhan and Didier Trutt received 85% of the remuneration corresponding to their offices by virtue of the Order of 5 January 2018 pursuant to Article 6 of Order No. 2014-948 of 20 August 2014 on governance and transactions on the share

capital of publicly-held companies. The remainder of the remuneration corresponding to these offices is paid directly to the Public Treasury in line with regulations.

The Directors representing employees on the Company's Board of Directors did not receive any remuneration from the Company in respect of their offices as Directors. They are Philippe Pirani and Agnès Lyon-Caen. The same applies to the director representing employee shareholders, David Chianese.

The non-executive directors did not collect any remuneration from the Company or from a company within its scope of consolidation for serving as directors, nor:

- any exceptional remuneration;
- any share subscription or purchase options;
- any free share allocations;
- any benefits in kind.

No commitments were made to directors corresponding to items of remuneration, indemnities or benefits due or likely to be due as a result of entering, leaving, or changing office or subsequent to their holding that office, in particular pension commitments and other lifetime benefits.

2.2.4 SHARE SUBSCRIPTION AND PURCHASE OPTIONS AND ALLOCATION OF PERFORMANCE SHARES

2.2.4.1 PERFORMANCE SHARE PLANS

For the first time in 2021, the Company implemented long-term variable remuneration for the ECDs and a significant number of executives and managers of the Company by awarding performance shares. This was reflected in the implementation, from 2021, of the plans described below.

These performance share plans are part of a long-term incentive policy aimed, on the one hand, at contributing to the Group's growth and encouraging the creation of value for the Group and, on the other hand, at retaining and attracting talent.

The plans are part of an annual award target.

They are based on a dedicated staff review, integrated into the Group's talent management system.

Furthermore, the plans are based on a specific evaluation grid, based on criteria of sustainable performance and potential/capacity to create value, which are discussed at several meetings of the Business Steering Committee.

The FDJ shares allocated may be actually vested by the beneficiaries:

- at the end of a three-year vesting period from the date of grant of the shares;
- depending on the level of achievement of performance conditions, on all performance shares granted to any beneficiary, measured over three consecutive years;
- subject to a condition of presence at the end of the performance measurement period.

In the event of a significant change in the scope of consolidation of the Group, a change in accounting standards or any other significant change that would have a structural and significant impact on the parameters used to define the performance conditions at the time of allocation, the Board of Directors of the Company reserves the possibility of adjusting the assessment of the fulfilment of the performance conditions set at the time of granting in order to take account of these events and to neutralise the impact on the performance objectives defined.

Retention obligation

In accordance with the French Commercial Code, the ECDs shall be required to hold a number of performance shares set by the Board of Directors at the time of the award decision, until the end of their terms of office. The number of shares to be held corresponds to 20% of the shares vested in the 2021 and 2022 LTI plans.

No retention obligation applies to the other beneficiaries of the 2021 and 2022 LTI plans.

Condition of presence

The shares will be definitively vested by the beneficiary, provided that the latter is an employee or executive corporate director in a company of the FDJ Group, (i) from the date of allocation and (ii) until the end of the performance measurement period⁽¹⁾, except in the event of death, disability or retirement, as provided for in the plan rules.

In accordance with the Afep-Medef Code, the Board of Directors may decide, if warranted, to remove the condition of presence on a pro rata basis for the two ECDs (unless they were withdrawn for negligence or misconduct) provided that this decision be made public and explained. The performance shares retained in this way will still be subject to the applicable plan rules, particularly in terms of the schedule and performance conditions.

Beneficiaries

The list of beneficiaries is defined by taking into account, simultaneously, the level of responsibility, key competences and impact on the company's strategy. This list may be reexamined and amended each year.

Allocation principles

Subject to the fulfilment of the presence and performance conditions, these shares will be definitively vested by the beneficiaries at the end of the last day of the three-year vesting period⁽²⁾.

The number of shares allocated to each beneficiary, for a performance objective of 100%, is defined by applying a percentage to the fixed annual remuneration of each beneficiary⁽³⁾ (as necessary, excluding bonuses, variable items, profit-sharing and incentive schemes), divided by the fair value of the FDJ share defined in accordance with IFRS 2 standards with regard to the conditions of the LTI plan.

This fair value is defined by an independent expert, Ernst & Young, on the basis of the FDJ share price on the date of allocation of the performance shares.

The shares delivered to the beneficiaries are at least in part existing shares purchased by FDJ on the market. The Board of Directors entrusted an investment services provider (ISP) with one or more mandates to purchase a capped number of Company shares over a fixed period:

- for the 2021 LTI: purchase of a maximum of 139,007⁽⁴⁾ shares over 3 years;
- for the 2022 LTI: purchase of a maximum of 253,408⁽⁵⁾ shares over 3 years.

(1) Namely 31 December 2023 for the 2021 LTI and 31 December 2024 for the 2022 LTI.

(2) Namely 30 June 2024 for the 2021 LTI and 26 April 2025 for the 2022 LTI.

(3) For the financial year in which the shares are allocated.

(4) On the basis of the fair value as at 30 June 2021.

(5) On the basis of the fair value as at 26 April 2022.

Plan 26 April 2022: LTI 2022

The Company's General Meeting of Shareholders of 26 April 2022 authorised, for a period of 38 months, the Board of Directors to proceed with the free allocation of performance shares of the Company, within the limit of 0.6% of the share capital, to the benefit of Corporate Directors and employees of the Company, and companies related to it, within the framework of the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code. The total number of

shares that may be awarded to ECDs shall not exceed 15% of this limit, i.e. 0.09% of the share capital.

Pursuant to this decision, the Board of Directors on 26 April 2022 conditionally allocated 174,764 shares, i.e. 0.091% of the share capital.

The list concerns 116 employees (excluding ECDs), i.e. nearly 4.8% of the Group's workforce (median of 1.78% in other SBF 80 companies).

Performance conditions

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Financial criterion	Cumulative Group recurring EBITDA 2022 + 2023 + 2024⁽⁴⁾ as a % of the sum of Group recurring EBITDA 2022, 2023 and 2024 set out in the business plan presented to the Board of Directors in January 2022	30%	45 % ⁽²⁾	15%	<ul style="list-style-type: none"> - < 97.5%: 0% - between 97.5% and 99%: $(50+[(R-97.5)*30])\%$ - between 99% and 100%: $(95+[(R-99)*5])\%$ - between 100% and 101%: $(100+[(R-100)*30])\%$ - between 101% and 102.5%: $(130+[(R-101)*13])\%$ - > 102.5%: 150%
Shareholder return criteria	Cumulative EPS 2022 + 2023 + 2024⁽³⁾ (for 191 million shares) as a % of the sum of EPS 2022, 2023 and 2024 based on the Net Results 2022, 2023 and 2024 set out in the business plan presented to the Board of Directors in January 2022.	15%	22.5 % ⁽⁴⁾	7.5%	<ul style="list-style-type: none"> - < 75%: 0% - between 75% and 100%: from 50% to 100% - between 100% and 125%: from 100% to 150% - > 125%: 150%
	TSR⁽⁵⁾ relative to comparable companies: Flutter, Entain, OPAP, Kindred, Betsson, 888, Neogames and IGT ⁽⁶⁾	7.5%	11.25 % ⁽⁷⁾	3.75%	<ul style="list-style-type: none"> - FDJ is 1st: 150% - FDJ is 2nd: 125% - FDJ is 3rd: 100% - FDJ is 4th: 75% - FDJ is 5th: 50% - Further: 0%
	TSR⁽⁸⁾ relative to the SBF 120 restated for financials, real estate and energy, i.e. withdrawal of 25 stocks out of 119 ⁽⁹⁾	7.5%	11.25 % ⁽¹⁰⁾	3.75%	<ul style="list-style-type: none"> - FDJ is in the first quartile (1st to 23rd): 150% - FDJ is on the median (47th): 50% - Linear interpolation between median and first quartile (24th to 46th) - FDJ is below the median (48th to 94th): 0%
Strategic criterion	2024 identified stakes ratio⁽¹¹⁾ set in the business plan presented to the Board of Directors meeting in January 2022	20%	30 % ⁽¹²⁾	10%	<ul style="list-style-type: none"> - < objective-3 points: 0% - between objective-3 points and objective: from 50% to 100% - between objective and objective+3 points: from 100% to 150% - > objective+ 3 points: 150%

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Non-financial criterion	Moody's ESG rating ⁽¹³⁾ 2023 (available end-March 2024)	20%	25%	10%	<ul style="list-style-type: none"> - 0% of achievement if FDJ's 2023 Moody's ESG rating (available end-March 2024) is lower than A1+ and if FDJ's 2023 Moody's ESG rating is not among the three best ratings among companies in the gambling sector - 50% of achievement if FDJ's 2023 Moody's ESG rating (available end-March 2024) is A1+ or if FDJ's 2023 Moody's ESG rating is one of the three best ratings among companies in the gambling sector - 100% of achievement if FDJ's 2023 Moody's ESG rating (available end-March 2024) is A1+ and if FDJ's 2023 Moody's ESG rating is one of the three best ratings among companies in the gambling sector - bonus of 5 points if FDJ's 2023 Moody's ESG rating (available end-March 2024) is A1+ and if FDJ's 2023 Moody's ESG rating out of 100 is higher than that of 2021 (which will be known end-March 2022)
TOTAL		100%	145%		

- (1) Excluding the impact of new projects not projected in the Budget, such as external growth projects, subject to the approval of the Board of Directors, and excluding major decisions that may be made during the years 2022 to 2024.
- (2) 30% (weight) X 150% (% maximum of target achieved) = 45% (maximum achievable).
- (3) Excluding the impact of new projects not projected in the Budget, such as external growth projects, subject to the approval of the Board of Directors, and excluding major decisions that may be made during the years 2022 to 2024.
- (4) 15% (weight) X 150% (% maximum of target achieved) = 22.5% (maximum achievable).
- (5) Total Shareholder Return – TSR: stock market performance over the period under review taking into account dividends received and reinvested in company shares, by shareholders over the same period.
- (6) Reference price: average price in Q4 2024 vs average price in Q4 2021; dividend reinvested.
- (7) 7.5% (weight) X 150% (% maximum of target achieved) = 11.25% (maximum achievable).
- (8) Total Shareholder Return – TSR: stock market performance over the period under review taking into account dividends received and reinvested in company shares, by shareholders over the same period.
- (9) Reference price: average price in Q4 2024 vs average price in Q4 2021; dividend reinvested.
- (10) 7.5% (weight) X 150% (% maximum of target achieved) = 11.25% (maximum achievable).
- (11) The identified stakes ratio will be equal to the total amount of stakes recorded on "fdj.fr" and "enligne.parionssport.fdj.fr", stakes recorded on FDJ mobile applications: the lottery application named "FDJ" and the sports betting application named "Parions Sport En Ligne", as well as stakes recorded at points of sale by identified players, in relation to the total amount of stakes.
- (12) 20% (weight) X 150% (% maximum of target achieved) = 30% (maximum achievable).
- (13) Previously Vigeo.

With regard to the indicator "TSR relative to comparable companies", the following has been withdrawn from the panel of companies against which FDJ's TSR will be compared at the end of the vesting period of the performance shares granted on 26 April 2022, in accordance with the provisions of the plan's regulations:

- Tabcorp, by decision of the Board of Directors dated 14 February 2023.

This company has made changes that call into question the objective of comparing FDJ's performance, using this indicator, with companies in the same business sector.

The estimated expense, calculated at the allocation date, represents a cumulative amount, over three years, of €6.3 million⁽¹⁾ in pre-tax IFRS costs, based on a scenario without outperformance.

(1) €5.1 million in IFRS costs + €1.2 million employer costs = €6.3 million pre-tax IFRS costs.

Plan of 26 April 2022 - Number of shares allocated to the 10 employees who are not Corporate Directors with the highest number of shares (Article L. 225-197-4 of the French Commercial Code)

The number of shares allocated in 2022 to each of the 10 employees who are not Corporate Directors who received the highest number of shares amounts to:

Beneficiary no.	Number of shares granted
First beneficiary	5,601
Second beneficiary	5,148
Third beneficiary	4,837
Fourth beneficiary	4,718
Fifth beneficiary	4,571
Sixth beneficiary	4,411
Seventh beneficiary	4,197
Eighth beneficiary	4,192
Ninth beneficiary	3,976
Tenth beneficiary	3,349

Plan 30 June 2021: LTI 2021

The Company's General Meeting of Shareholders of 04 November 2019 authorised, for a period of 38 months, the Board of Directors to proceed with the free allocation of performance shares of the Company, within the limit of 0.6% of the share capital, to the benefit of Corporate Directors and employees of the Company, and companies related to it, within the framework of the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code. The total number of shares allocated to the ECDs shall not exceed 15% of this package.

Pursuant to this decision, the Board of Directors on 30 June 2021 conditionally allocated 95,867 shares, i.e. 0.05% of the share capital.

The list concerns 92 employees (excluding ECDs), i.e. nearly 4% of the Group's workforce (median of 1.78% in other SBF 80 companies).

Performance conditions

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Financial criterion	Accumulated Group recurring EBITDA 2021 + 2022 + 2023 ⁽¹⁾ set in the business plan presented to the Board of Directors meeting of December 2020	30%	45%	15%	<ul style="list-style-type: none"> - < 97.5%: 0% - between 97.5% and 99%: $(50 + [(R - 97.5) * 30]) \%$ - between 99% and 100%: $(95 + [(R - 99) * 5]) \%$ - between 100% and 101%: $(100 + [(R - 100) * 30]) \%$ - between 101% and 102.5%: $(130 + [(R - 101) * 13]) \%$ - > 102.5%: 150%
Shareholder return criteria	Cumulative earnings per share (EPS) 2021 + 2022 + 2023 ⁽²⁾ (for 191 million shares) based on the net results for 2021, 2022 and 2023 set out in the business plan presented to the Board of Directors in December 2020.	15%	22.5%	7.5%	<ul style="list-style-type: none"> - < 75%: 0% - between 75% and 100%: from 50% to 100% - between 100% and 125%: from 100% to 150% - > 125%: 150%
	TSR ⁽³⁾ relative to comparable companies: Flutter, Entain, OPAP, Kindred, Betsson, 888 and IGT ⁽⁴⁾	7.5%	11.25%	3.75%	<ul style="list-style-type: none"> - FDJ is 1st: 150% - FDJ is 2nd: 125% - FDJ is 3rd: 100% - FDJ is 4th: 75% - FDJ is 5th: 50% - Further: 0%

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Shareholder return criteria (continued)	TSR ⁽⁵⁾ relative to the SBF 120 restated for financials, real estate and energy, i.e. withdrawal of 24 stocks out of 120 ⁽⁶⁾	7.5%	11.25%	3.75%	<ul style="list-style-type: none"> - FDJ is in the first quartile (1st to 24th): 150% - FDJ is on the median (48th): 50% - Linear interpolation between median and first quartile (25th to 47th) - FDJ is below the median (49th to 96th): 0%
Strategic criterion	2023 identified stakes ratio ⁽⁷⁾ set in the business plan presented to the Board of Directors meeting in December 2020	20%	30%	10%	<ul style="list-style-type: none"> - < objective-3 points: 0% - between objective-3 points and objective: from 50% to 100% - between objective and objective+3 points: from 100% to 150% - > objective+3 points: 150%
CSR/ Responsible gaming criterion	2022 Moody's ESG rating (available at the end of March 2023), according to the achievement of the A1+ rating, its change versus 2020, and its position in relation to companies in the same sector	20%	25%	10%	<ul style="list-style-type: none"> - 0% of achievement if FDJ's 2022 Moody's ESG rating (available end-March 2023) is lower than A1+ and if FDJ's 2022 Moody's ESG rating is not among the three best ratings among companies in the gambling sector - 50% of achievement if FDJ's 2022 Moody's ESG rating (available end-March 2023) is A1+ or if FDJ's 2022 Moody's ESG rating is one of the three best ratings among companies in the gambling sector - 100% of achievement if FDJ's 2022 Moody's ESG rating (available end-March 2023) is A1+ and if FDJ's 2022 Moody's ESG rating is one of the three best ratings among companies in the gambling sector - bonus of 5 points if FDJ's 2022 Moody's ESG rating (available end-March 2023) is A1+ and if FDJ's 2022 Moody's ESG rating out of 100 is higher than that of 2020 (which will be known end-March 2021)
TOTAL		100%	145%		

- (1) Excluding the impact of new projects not projected in the Budget, such as external growth projects, subject to the approval of the Board of Directors, and excluding major decisions that may be made during the years 2021 to 2023.
- (2) Excluding the impact of new projects not projected in the Budget, such as external growth projects, subject to the approval of the Board of Directors, and excluding major decisions that may be made during the years 2021 to 2023.
- (3) Total Shareholder Return - TSR: stock market performance over the period under review taking into account dividends received and reinvested in company shares, by shareholders over the same period.
- (4) Reference price: average price in Q4 2023 vs average price in Q4 2020; dividend reinvested.
- (5) Total Shareholder Return - TSR: stock market performance over the period under review taking into account dividends received and reinvested in company shares, by shareholders over the same period.
- (6) Reference price: average price in Q4 2023 vs average price in Q4 2020; dividend reinvested.
- (7) The identified stakes ratio will be equal to the total amount of stakes recorded on "fdj.fr" and "enligne.parionssport.fdj.fr", stakes recorded on FDJ mobile applications: the lottery application named "FDJ" and the sports betting application named "Parions Sport En Ligne", as well as stakes recorded at points of sale by identified players, in relation to the total amount of stakes.

With regard to the indicator "TSR relative to comparable companies", the following have been withdrawn from the panel of companies against which FDJ's TSR will be compared at the end of the vesting period of the performance shares granted on 30 June 2021, in accordance with the provisions of the plan's regulations:

- Scientific Games (SG), by decision of the Board of Directors dated 16 December 2021;
- Tabcorp, by decision of the Board of Directors dated 14 February 2023.

These companies have made changes that call into question the objective of comparing FDJ's performance, using this indicator, with companies in the same business sector.

The estimated expense, calculated at the allocation date, represents a cumulative amount, over three years, of €5.5 million⁽¹⁾ in pre-tax IFRS costs, based on a scenario without outperformance.

(1) €4.6 million in IFRS costs + €0.9 million employer costs = €5.5 million pre-tax IFRS costs.

Plan of 30 June 2021 - Number of shares allocated to the 10 employees who are not Corporate Directors with the highest number of shares (Article L. 225-197-4 of the French Commercial Code)

The number of shares allocated in 2021 to each of the 10 employees who are not Corporate Directors who received the highest number of shares amounts to:

Beneficiary no.	Number of shares granted
First beneficiary	3,145
Second beneficiary	3,058
Third beneficiary	3,020
Fourth beneficiary	2,848
Fifth beneficiary	2,721
Sixth beneficiary	2,641
Seventh beneficiary	2,126
Eighth beneficiary	2,042
Ninth beneficiary	1,924
Tenth beneficiary	1,825

SUMMARY TABLE - TABLE NO. 10 (AMF NOMENCLATURE) - PAST PERFORMANCE SHARE ALLOCATIONS

	Plan of 30.06.2021	Plan of 26.04.2022
Date of meeting	04.11.2019	26.04.2022
Date of the Board meeting allocating the shares	30.06.2021	26.04.2022
Total number of shares allocated, including those allocated:	95,867	174,764
– to Stéphane Pallez, Chairwoman and CEO	7,240	11,170
– to Charles Lantieri, Deputy Chief Executive Officer	5,611	8,657
– to the first 10 employees who are not Corporate Directors	25,350	45,000
Total number of allocations/beneficiaries (including ECDs)	94	118
Share vesting date	30.06.2024	26.04.2025
Holding period end date (only for executive Corporate Directors and up to 20% of their shares)	End of term of office	End of term of office
Performance conditions	See performance conditions set out above	See performance conditions set out above
Number of shares vested on 31 December 2022	0	0
Cumulative number of cancelled or void shares on 31 December 2022	0	0
Number of free performance shares outstanding as at 31 December 2022	95,867	174,764

2.2.4.2 PLANS FOR SHARE SUBSCRIPTION OR PURCHASE OPTIONS

The Company has not set up any share subscription or purchase option plans.

TABLE NO. 8 (AMF NOMENCLATURE) – PAST SHARE SUBSCRIPTION OR PURCHASE OPTION ALLOCATIONS

	Plan no. 1	Plan no. 2	Plan no. 3	Etc.
Date of meeting				
Date of Board meeting				
Total number of shares that can be subscribed for or purchased, including the number that can be subscribed for or purchased by:				
Opening date to exercise options				
Expiry date			None	
Subscription or purchase price				
Exercise methods (when the plan has several tranches)				
Number of shares subscribed as at 31 December 2021 (most recent date)				
Accumulated number of share subscription or purchase options cancelled or void				
Share subscription or purchase options remaining at year-end				

TABLE NO. 9 (AMF NOMENCLATURE) – SHARE SUBSCRIPTION OR PURCHASE OPTION ALLOCATED TO FIRST 10 EMPLOYEES NOT HOLDING A CORPORATE DIRECTOR MANDATE AND OPTIONS EXERCISED BY THE LATTER

	Total number of options allocated/ subscribed or purchased	Weighted average price	Plan
Options allocated, during the financial year, by the issuer and any company comprised within the options allocation perimeter, to 10 employees of the issuer and of any company included in this perimeter, for which the number of options thus allocated is the highest (global information)		None	
Options held by the issuer and the companies previously referred to, exercised, during the financial year, by ten employees of the issuer and of these companies, for which the number of options thus purchased or subscribed is the highest (global information)			



Risk factors AND BUSINESS CONTROL FRAMEWORK



3

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Investors are invited, before acquiring company shares, to examine all the information contained in the Universal Registration Document, including the risks described below.

FDJ operates in a context that may give rise to a variety of risks, some of which are beyond its control. Within the framework of the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council and to comply with the ESMA guidelines applicable in France since 4 December 2019, the risks described below are, as at the date of this Universal Registration Document, those identified as being liable to have a material adverse effect on the Group, its business, results, financial position

or outlook and which are material in making an investment decision.

The risk factors are set out, within four categories, in descending order of importance as determined by the Group as at the date of this Universal Registration Document.

FDJ's assessment of this order is subject to change at any time and cannot be considered exhaustive, as FDJ cannot exclude the possibility that other risk factors may arise that could have an unfavourable impact on the company's business, results, financial position or outlook.

3.1 Presentation of risk factors

The FDJ Group continuously reviews its risks and periodically updates the Group's risk mapping. The risks presented below have all been selected for their materiality, determined by means of a qualitative approach of the **level of net criticality**. This takes into account the Group's assessment of the likelihood of the risk materialising, the potential materiality (financial or non-financial impact) of the risk and the associated control measures in place.

The presentation of risk factors by category is summarised in the table below, with an indication of the degree of criticality assigned to each risk factor on a three-level scale. As such, criticality can be **high, moderate** or **low**.

Some of the risk factors presented in this chapter relate to social, environmental, ethical or human rights challenges that have an impact on the company's social responsibility and are linked to FDJ's Non-Financial Information Statement. These key non-financial risks have been identified and are marked with the symbol **[CSR]**. Chapter 4 "Corporate Social Responsibility: Non-Financial Information Statement" of this Universal Registration Document further describes the policies implemented by FDJ, particularly within the framework of its CSR strategy, to prevent, identify and mitigate the occurrence of these risks, as well as the outcomes of those policies.

Impact of changes in the macroeconomic environment on FDJ's risk factors

The macroeconomic environment in which the FDJ Group operates changed considerably during the course of 2022. The outbreak of armed conflict in Europe, between Ukraine and Russia, sparked tension on commodity prices and aggravated an inflationary environment characterised by a tightening of monetary and financial policies in the world's major economies.

This uncertain macroeconomic environment has not to date had a significant impact on the FDJ Group's business, financial position or results. However, areas of concern remain, including:







- increased supplier costs at all levels of the value chain, particularly for raw materials and intellectual services;
- fluctuations in foreign currencies, especially for purchases of gaming materials in dollars; and changes in interest rates on the Group's financial liabilities and cash, despite the existence of hedging instruments (see Note 9.5 "Financial risk management policy" in Chapter 6, section 6.1 "Consolidated financial statements for the year ended 31 December 2022" of this Universal Registration Document);
- changes in consumption patterns in response to the rising cost of living and possible trade-offs within household leisure budgets, although this was not significant as of the date of publication of this Universal Registration Document.

SUMMARY TABLE OF RISK FACTORS





Risk factors

Net criticality
(including risk mitigation measures)




Strategic risks and risks related to the Group's transformation

◆ Risks related to the competitive environment of gambling		High
◆ Risks related to the development of the digital offer		Moderate
◆ Risks related to the development of omnichannel distribution		Moderate
◆ Risks related to CSR challenges [CSR]		Moderate
◆ Risks related to the strategy for developing international activities		Moderate
◆ Risks related to the organisation of the point-of-sale network		Low




Risks related to the Group's operations

◆ Risks related to cybercrime and the continuity of information systems, particularly point-of-sale gaming systems		High
◆ Risks related to the integrity and security of gaming operations [CSR]		Low
◆ Risk of interruption of the supply chain for points of sale		Low
◆ Counterparty risk		Low

Risks related to the regulatory framework of the gaming sector

◆ Risks related to the implementation and development of the current sector regulatory framework		High
◆ Risks related to the protection of players and minors [CSR]		Moderate
◆ Money laundering risk [CSR]		Low

Legal and non-compliance risks

◆ Risks related to litigation, disputes and claims		Moderate
◆ Legal risks related to the coexistence of activities carried out under exclusive rights and in competition		Moderate
◆ Risk related to personal data security [CSR]		Low

3.1.1 STRATEGIC RISKS AND RISKS RELATED TO THE GROUP'S TRANSFORMATION

RISKS RELATED TO THE COMPETITIVE ENVIRONMENT OF GAMBLING

Net criticality: ■■■ High

Description of the risk factor	Potential impact for the Group
<p>In the French online gaming market (sports betting, poker, horse-race betting), which is experiencing strong growth and is still not consolidated, the Group is facing increasingly intense competition, mainly as a result of a high player churn rate, which leads to commercial aggressiveness of online gaming operators, especially in terms of attracting new players, with particularly high levels of communication and promotional expenses.</p> <p>Competition between online gaming operators is also very keen as regards the pricing of the offer (sports and horse-race betting) and the speed at which new offers or features are developed. This competition could intensify further with the entry of new international players into the market.</p> <p>Since 9 November 2022, FDJ has been operating an offer of online poker. On 17 November 2022, FDJ also signed an agreement to acquire⁽¹⁾ the ZEturf Group, the second-largest operator in the French online horse-race betting market and an online sports betting operator trading as ZEbet. However, FDJ still competes with larger specialised operators offering online gaming, both in France and internationally.</p> <p>The actions implemented by the Group may prove insufficient to maintain the attractiveness and competitiveness of its offers, particularly because of the development and/or coverage of the specialised operators.</p>	<ul style="list-style-type: none"> - Decline in existing market share. - Decline in the attractiveness of FDJ offers. - Difficulties in recruiting new customers. - Negative impact on profitability. <p>Main risk-management systems</p> <p>In the face of competition within the gaming sector, particularly with regard to online gaming activities (sports betting, horse-race betting and poker), the FDJ Group implements a strategy based notably on:</p> <ul style="list-style-type: none"> - significant investments to anticipate and adapt FDJ's offer to the expectations of online sports betting players (products, offers, services); - constant innovation to optimise the customer experience; - fine-tuned management of the financial risks and performance challenges associated with the offers proposed; - permanent monitoring to identify and track developments relating to the online gaming market.

(1) This transaction is expected to complete in the second half of 2023, once the conditions precedent are satisfied, notably approval from the French competition authorities.

RISKS RELATED TO THE DEVELOPMENT OF THE DIGITAL OFFER

Net criticality: Moderate

Description of the risk factor	Potential impact for the Group
<p>Consumption trends are changing and placing digital technology at the heart of the consumption ecosystem, with digital or mixed use (combining offline and online) becoming increasingly significant. This transformation in use was intensified by the COVID-19 crisis, during which French people turned in large numbers to e-commerce sites in response to the health measures in force at the time. In 2022, online sales of goods in France stabilised on a structural growth dynamic (growth of nearly 30% compared with 2019).⁽¹⁾</p> <p>In this context of increased digitalisation of uses, the digital lottery offer constitutes a major growth driver for the Group and also a source of resilience complementing the other game offers currently available exclusively at points of sale (e.g. Amigo).</p> <p>Moreover, the increasing digitalisation of the gaming offer (in particular the lottery offer) requires significant mobilisation of internal resources and poses new challenges in terms of recruiting and retaining scarce skills in the employment market (e.g. IT and digital skills).</p> <p>If the strategic plan for the development of the digital offer fails (e.g. if digitalisation is too slow, if offers are insufficiently coordinated, etc.), FDJ could fail to support the transition in purchasing behaviour.</p>	<ul style="list-style-type: none"> - Narrowing of the player base or reduction in the attractiveness of offers. - Difficulties in getting the point-of-sale network to accept the challenges of digitalisation. - Impact on the Group's growth and profitability objectives. - Damage to the Group's image or reputation.
	<h3>Main risk-management systems</h3> <p>In addition to the point-of-sale offer, the development of the online offer is one of the Group's main strategic pillars. Its implementation is based notably on:</p> <ul style="list-style-type: none"> - the digitalisation of the gaming offer, in particular the lottery offer; - the acceleration of the Group's omnichannel trajectory through the development of digital and phygital offers and services; - the implementation of streamlined pathways reconciling physical and "online", reinforcing the gaming pathway and CRM (Customer Relationship Management).

(1) Source: E-commerce data for the third quarter of 2022 presented by FEVAD (Federation of e-commerce and distance selling).

RISKS RELATED TO THE DEVELOPMENT OF OMNICHANNEL DISTRIBUTION

 Net criticality:  Moderate

Description of the risk factor	Potential impact for the Group
<p>To achieve its strategic objectives, particularly with regard to growth in lottery games, FDJ aims ultimately to roll out an omnichannel distribution model for games for which it holds exclusive rights, an identification system in points of sale in order to better meet the needs of all customers, both online and in points of sale, to bolster customer value, and to respond to the challenges of protecting players.</p> <p>The rollout of this omnichannel strategy also involves making the player experience more seamless and taking into account players' needs and behaviour (customer knowledge), as their tastes and aspirations are changing very quickly, particularly among the younger generations.</p> <p>The Group's capacity to implement the omnichannel strategy could be constrained by significant operational complexities (technical, logistical, regulatory, etc.).</p> <p>The execution of this strategy also raises important challenges as regards the commitment of external stakeholders (players, retailer network, regulatory authority, etc.) to the development of this omnichannel approach. For example, players or potential players may not naturally adhere to an identification system if they deem it too restrictive or intrusive.</p>	<ul style="list-style-type: none"> - Decline in the attractiveness of FDJ offers and services. - Difficulties in recruiting new customers. - Impact on the Group's growth and profitability objectives. <div style="background-color: #003366; color: white; padding: 5px; margin-top: 10px;">Main risk-management systems</div> <p>In response to this risk, FDJ is implementing a strategy based on an enhanced relationship policy built on better customer knowledge. The strategy of progressive and proportionate customer knowledge and identification, particularly at the point of sale, is based notably on:</p> <ul style="list-style-type: none"> - a differentiated renewal of the FDJ gaming offer; - the continuation of the omnichannel customer loyalty strategy based on a centralised relationship policy; - the gradual implementation of tools and services for better player identification and knowledge. For example, since the end of 2021, FDJ has been rolling out a free service available at points of sale to simplify the transfer of winnings (Pass Virement Gagnants); - a Responsible Gaming policy according to a differentiated and proportionate approach based on customer behaviour. <p>This strategy is also based on the continued modernisation of omnichannel customer relationship management tools.</p>

RISKS RELATED TO CSR CHALLENGES [CSR]

Net criticality:  Moderate

Description of the risk factor	Potential impact for the Group
<p>The expectations of external stakeholders (administrative authorities, investors, civil society and players, etc.) are becoming more demanding in the area of corporate social responsibility (CSR).</p> <p>At the same time, new regulations related to CSR challenges are emerging (new European Corporate Sustainability Reporting Directive (CSRD)) applicable from 2024, future European duty of care, etc.), and could result in ambitious new objectives being imposed on companies.</p> <p>Lastly, Environmental, Social and Governance criteria are taking on increasing importance in investment decisions. In particular, the existence of sector exclusion policies applied by certain financial players could restrict the depth of financing available to the Group, potentially dampening demand for financial instruments issued by the Group and/or limiting access to external funding under the most favourable conditions, regardless of the company's specific positioning.</p> <p>The Group's ability to meet new societal expectations, comply with applicable requirements and implement its commitments is a genuine strategic challenge.</p>	<ul style="list-style-type: none"> - Damage to the value, image or reputation of the Group if CSR objectives are not met. - Impact on the Group's growth and profitability objectives. - Restriction of the depth of financing and/or insurance policies available to the Group, or less favourable conditions for obtaining them. <p>Main risk-management systems</p> <p>To limit the risks related to CSR challenges and keep its non-financial performance at the highest level, the Group implements dedicated governance and initiatives at all levels of the company:</p> <ul style="list-style-type: none"> - existence of robust governance of responsibility and sustainability challenges: based on the work of the CSR & RG Committee, the Board of Directors ensures close monitoring of FDJ's CSR and Responsible Gaming roadmap and commitments; - inclusion of CSR challenges at the heart of FDJ's strategy and business model, in line with the <i>raison d'être</i> laid out in its articles of association. <p><i>These CSR objectives cover three priority engagement themes for FDJ and are aligned with stakeholders' expectations:</i></p> <ul style="list-style-type: none"> - <i>responsible gaming, and particularly the prevention of excessive gambling,</i> - <i>the environment, and specifically efforts to tackle climate change, and</i> - <i>the Company's overall ESG performance. In this area, FDJ has maintained the "A1+" rating awarded by Moody's ESG Solutions in each of the past three years;</i> <ul style="list-style-type: none"> - initiation of joint work between the "Commitment and Responsible Gaming" and "Regulation and Public Affairs" teams on FDJ's positioning with regard to sector exclusion policies, particularly in the field of "sustainable finance"; - implementation of operational work: details of the Group's ambitious CSR commitments and the main CSR risks are presented in Chapter 4 "Corporate Social Responsibility: Non-Financial Information Statement" of this Universal Registration Document.

RISKS RELATED TO THE STRATEGY FOR DEVELOPING INTERNATIONAL ACTIVITIES

 Net criticality: Moderate

Description of the risk factor	Potential impact for the Group
<p>To strengthen the resilience of its economic model, one of the Group's strategic pillars involves the devotement of three diversification activities, complementary to its two core businesses:</p> <ul style="list-style-type: none"> - an offer of international services for lottery and/or sports betting operators; - payment and services for retailers and the general public; - exploration of segments in the entertainment sector. <p>Although each of these diversification activities carries particular execution risks, the development of the Group's international activities carries specific challenges at several levels:</p> <ul style="list-style-type: none"> - risks related to the implementation of the development strategy, such as difficulties in facing competition from larger operators, in winning new international tenders in countries other than the Group's existing markets and in developing projects within the expected timeframe, or in not obtaining the expected success; - risks related to expansion in an international environment generating new difficulties in winning contracts or adapting to local regulatory constraints; - operational constraints related to the adaptation to local regulatory requirements in some countries; - difficulties in recruiting and retaining key skills needed to address the challenges of international business development, in a very tight labour market. 	<ul style="list-style-type: none"> - Financial penalties or contract or tort liability and, where applicable, reputational risk potentially making it harder to obtain contracts in other countries. - Impact on the Group's growth and profitability objectives.
	Main risk-management systems
	<p>To ensure the implementation of its development strategy in diversification activities, the FDJ Group relies on:</p> <ul style="list-style-type: none"> - a dedicated organisation structured around three Acceleration Business Units (ABUs) and close monitoring by the Group Management Committee; - the development of technological partnerships; - the review of external growth opportunities and the establishment of a team dedicated to the supervision of integration projects in order to structure, support and monitor the integration of potential Group acquisitions; - specific initiatives to strengthen the attractiveness of the employer brand (talent recruitment and retention).

RISKS RELATED TO THE ORGANISATION OF THE POINT-OF-SALE NETWORK

Net criticality:  Low

Description of the risk factor	Potential impact for the Group
<p>To stay close to its customers, the Group relies on a network of nearly 30,000 points of sale spread throughout France, mainly in the Bar-Tobacconist-Newsagent network.</p> <p>However, the Bar-Tobacconist-Newsagent sector has been weakened in recent years through the implementation of various regulations, including the introduction of a smoking ban in public places, the application of the “neutral packaging” law and the steady increase in the price of tobacco (increase of nearly 50% between 2017 and 2022, plus a further 5% increase expected between 2023 and 2024), and also due to the weakening of the printed press market.</p> <p>The health context (COVID-19) also compounded difficulties for certain points of sales (administrative closures, reduced activity, etc.); FDJ is still monitoring the medium- and long-term impact of the health crisis.</p> <p>However, the French government recently ushered in a support plan allowing the granting of specific aid to tobacconists to help them finance the transformation of their business, diversify or improve their security.</p> <p>Furthermore, the arrival of new operators, and new games and services could also ultimately change the point-of-sale ecosystem. This proliferation of services and sources of revenue for retailers is likely to eventually introduce a form of competition in the supply of the FDJ product offering within points of sale.</p>	<ul style="list-style-type: none"> - Difficulty in supporting developments impacting its physical distribution model, which could eventually have the effect of reducing stakes. - Decline in the appeal of FDJ's offers and services in the wake of heightened competition within sales areas (proliferation of offers, products or services). - Limitation of spaces dedicated to the development of FDJ offers in points of sale, resulting in an increase in advertising costs and, potentially, the total cost of distributing the Group's offers in points of sale. <p>Main risk-management systems</p> <p>To continue to support the development of its physical distribution model, FDJ is implementing a strategy to assist its longstanding partners in this change, based notably on:</p> <ul style="list-style-type: none"> - support for the maintenance and development of the traditional Bar-Tobacconist-Newsagent network (e.g. billing services, payment cards, €15 million contribution to the partnership fund to support local businesses in vulnerable areas); - support for the operational management and diversification of the activities of partner retailers, with the development of the FDJ Group's Payment & Services activity, which aims to become one of the leading local payment and collection networks in France. In July and November 2022, the Group acquired L'Addition and then Aleda (French specialists in point-of-sale management, collection and payment solutions) from the network of tobacconists and newsagents, and from cafés-hotels-restaurants (CHR) respectively; - the implementation of a process of diversification of the distribution network, in consultation with the organisations representing the traditional Bar-Tobacconist-Newsagent network, in order to increase the number of points of contact with its customers; - a programme to modernise and digitalise points of sale, and to offer new services (e.g. bill payment via FDJ Services); - remuneration of FDJ points of sale consistent with the Group's marketing and Responsible Gaming challenges.

3.1.2 RISKS RELATED TO THE GROUP'S OPERATIONS

RISKS RELATED TO CYBERCRIME AND THE CONTINUITY OF INFORMATION SYSTEMS,
PARTICULARLY POINT-OF-SALE GAMING SYSTEMS

Net criticality: ■■■ High

Description of the risk factor	Potential impact for the Group
<p>Central to the company's activity, FDJ's information system is an essential element for managing operations and logistics, and processing transactions and financial flows.</p> <p>FDJ's information system, and in particular the point-of-sale gaming system, could be subject to breakdowns or human error (insufficient testing before going live, for instance), suffer from the saturation of the computer network, be subject to a third-party failure (such as a breakdown in the telecommunications network) or even be affected by a natural disaster. A malfunction or failure of such systems could result in prolonged (more than 2 hours) unavailability of the critical computerised gaming systems (validation of stakes, payment of player winnings, etc.).</p> <p>Furthermore, in the context of increased digitalisation of the Group's activities, combined with the increase in external threats, the Group may also be the target of internal or external cyberattacks by means of intrusions, scams, digital identity theft, phishing, hacking, financial misappropriation, denial of service, defacing of websites, extortion and theft of sensitive or personal data. Bear in mind that gaming sector operators are increasingly subject to attacks targeting their information systems, particularly in the form of distributed denial-of-service (DDoS) attacks. Moreover, cyberattacks could also be carried out by organisations that could use the denunciation of gambling as a way to promote themselves.</p> <p>Lastly, cyber risk also exists with regard to products, services and systems developed by FDJ and marketed to B2B customers, which could also be affected by this type of threat.</p>	<ul style="list-style-type: none"> - Interruption of all or part of the Group's activities and financial losses (estimated at approximately €100,000 in lost stakes per minute of interruption at peak activity). - Violation of the integrity or confidentiality of data and gaming operations. - Loss of market share on offers open to competition. - Disputes and litigation with players or retailers. - Damage to the Group's image or reputation. <p>Main risk-management systems</p> <p>The security of information systems is a constant concern for the FDJ Group, which has implemented governance as well as dedicated organisational and technical resources to limit this risk.</p> <p>Organisation and governance:</p> <ul style="list-style-type: none"> - existence of a dedicated "Group Cybersecurity" entity reporting to the Executive Vice-President, Technology and International, a member of the Group Management Committee; - close collaboration between the Head of Information Systems Security and his liaisons within the Group's main operational entities, and in conjunction with the FDJ's Data Protection Officer (DPO) and her teams concerning personal data and privacy protection issues; - governance based on an Information Security Management System (ISMS) certified ISO 27001 and WLA-SCS (World Lottery Association Security Control Standard); - regular monitoring of cybersecurity issues by the Group Management Committee and the Audit and Risk Committee; <p>Cybersecurity awareness-raising and training:</p> <ul style="list-style-type: none"> - existence of an annual awareness-raising and training programme, notably including a mandatory module for all new employees and a training programme to combat phishing. <p>Main technical systems:</p> <ul style="list-style-type: none"> - existence of numerous processes and technical systems to ensure prevention, detection and response in respect of security incidents. These systems are rolled out at all levels of the FDJ information system, from the choice of architecture of the IS (e.g. reinforced partitioning limiting the risk of spreading a potential virus attack) to the level of each employee workstation (e.g. multi-factor authentication, secure communications system); - establishment of a SOC (Security Operation Centre) providing security supervision, detection and processing of cybersecurity threats; - performance of regular internal or external intrusion tests and security audits (specialised and qualified "PASSI" service providers); - specific management of the integrity of gaming information systems; - dedicated data centre with two independent rooms for data supply, power supply and cooling systems. Data backups are made simultaneously in both computer rooms to ensure operational continuity in the event of a failure of one of them. FDJ also has an integrity centre that allows a triple replication of critical processes and data (e.g. gaming and payments). The IT continuity plan is tested regularly.

RISKS RELATED TO THE INTEGRITY AND SECURITY OF GAMING OPERATIONS [CSR]

Net criticality: Low

Description of the risk factor	Potential impact for the Group
<p>Several risks to the integrity of games may arise in the computer processing of games or during the various operational stages of the game processing chain, from their design to the payment of prizes.</p> <p>First of all, since FDJ offers many lottery games, both in points of sale and online, the design of which can sometimes be complex, technical and human failures cannot be ruled out (e.g. errors in the prize tables). Similarly, risks in the manufacture of instant games, especially in the printing of scratch cards, cannot be ruled out.</p> <p>FDJ may also face risks in the computer processing of games:</p> <ul style="list-style-type: none"> - an anomaly in the execution of the computer draws delivering a greater or lesser number of prizes than they should; - an anomaly in the terminal at the point of sale resulting in a failure to detect winning tickets; - a malfunction in the display of the winnings (inconsistency between the computer system and what is displayed to players); - a prolonged unavailability of the odds system or a malfunction in the setting of odds; - a defect in game integrity, etc. <p>In addition, the draws for FDJ lottery games, which are broadcast on television or on the internet for greater transparency, are subject to specific controls but cannot exclude the risk of technical or human errors during the draws or when the results are announced.</p> <p>This risk encompasses more broadly the issues of fraud risk, a risk inherent in the operation of games of chance (player fraud, retailer fraud, internal fraud), which may occur at all stages of the gaming chain, including during draws or payment of winnings.</p> <p>Lastly, the new poker business and the future horse-race betting business⁽¹⁾ carry a number of specific new integrity and fraud risks.</p>	<ul style="list-style-type: none"> - Disputes with players or even a sanction from the regulator. - Payments to players of winnings in excess of stakes or exposure to claims or litigation from players. - In the event of manufacturing errors, payment of sums that were not anticipated on the basis of the prize tables or exposure to claims or litigation from players. - Non-compliance of the games concerned with the regulations applicable to them, resulting in the temporary suspension or even permanent withdrawal of the operating licences of the relevant games, together with financial penalties. - Financial losses. - Damage to the Group's image or reputation.
	<p style="background-color: #800040; color: white; padding: 2px;">Main risk-management systems</p> <p>Pursuant to its legal and regulatory obligations, FDJ must implement measures and perform the procedures and oversight needed to ensure the integrity, security and reliability of its gaming operations and their transparency.</p> <p>The Group has notably established and regularly maintains:</p> <ul style="list-style-type: none"> - an Information Security Management System (ISMS) ensuring the compliance of FDJ's activities with regulations and guaranteeing the integrity of the games; - preventive and detective control points, either automatic or operated by the business teams, during the design and validation, manufacturing and launch phases; - specific measures to ensure the integrity of gaming operations, for example in the draw range (validation and registration of games, security of mechanical and electronic draw operations and systems, etc.) or in the instant games range (integrity and security of gaming materials, security of routing, security of information systems, etc.); - use of external third parties (laboratories, external auditors, judicial officers, etc.) to carry out controls relating to the quality of the gaming materials or the regularity of the process, for draw operations for instance. <p>In July 2022, the FDJ Group strengthened the governance dedicated to the integrity and security of gaming operations by creating a "Gaming Integrity" entity within the Security Department, with a view to guaranteeing the native robustness of games and related processes and combatting fraud.</p>

(1) This transaction is expected to complete in the second half of 2023, once the conditions precedent are satisfied, notably approval from the French competition authorities.

RISK OF INTERRUPTION OF THE SUPPLY CHAIN FOR POINTS OF SALE

Net criticality: ■■■ Low

Description of the risk factor	Potential impact for the Group
<p>FDJ operates the largest local distribution network in France, with nearly 30,000 points of sale in 2022. This vast network must be supplied with gaming materials that meet the expected quality requirements and within the expected deadlines.</p> <p>In the event of a prolonged interruption to the production or logistics systems due to a breakdown, a national or local social movement affecting ground transportation, for example, or a major event (climatic, health, etc.) likely to delay or prevent the delivery of products to the central warehouse, the preparation of orders at the warehouse level or the transportation of products to the distribution network, the Group could face a shortage of stocks or an interruption of the delivery chain.</p> <p>FDJ may also be confronted with problems of tension or even shortages affecting raw materials (inks, paper, containers, etc.), which can result in supply issues, for scratch cards for instance. The last three years have been marked by heightened tension in respect of supplies, rising raw material costs (including the risk of energy disruption and fuel shortages) and other global logistical difficulties, stemming notably from the geopolitical climate (e.g. armed conflict between Ukraine and Russia) and health issues (e.g. COVID-19).</p>	<ul style="list-style-type: none"> - Delivery delays or interruptions, despite measures taken to avoid them or limit their consequences, resulting in significant replacement costs. - Inability to supply points of sale with all or some game materials (scratch cards, game slips, cash register receipts), which may result in image risks and, in some cases, potential disputes with retailers. - Impact on the Group's growth and profitability objectives. <p>Main risk-management systems</p> <p>Managing the risk of supply chain disruption is based on a number of measures:</p> <ul style="list-style-type: none"> - use of multiple suppliers for each type of gaming material to offset a possible failure of a supplier and formation of back-up stocks to forestall logistical failures; - a system for switching game production between two main printers, allowing one to assume all or part of the production if the other fails; - extension of logistics capacity with the introduction in 2021 of a second mechanised chain in addition to the main mechanised chain; - implementation of a business continuity plan for the central warehouse, including the opening of an operational backup warehouse with an emergency stock to cover a two- to three-week interruption; - property/operating loss insurance.

COUNTERPARTY RISK

Net criticality: ■■■ Low

Description of the risk factor	Potential impact for the Group
<p>Some instant games and draw games (e.g. Amigo, Keno, etc.) are based on the counterparty principle: (i) the face value of prizes is fixed or determined by probability and (ii) the number or value of prizes won is determined by chance. Therefore, the total amounts that will be effectively paid to prize winners cannot be precisely predetermined in advance. Sometimes the total amount will be greater than, and sometimes less than the player payout.</p> <p>The draw of one or more extremely low occurrence combinations could therefore cause FDJ to have to pay out a set of counterpart winnings of up to €100 million per draw for counterpart lottery games, in accordance with the provisions of Article D. 322-14 of the French Internal Security Code.</p>	<ul style="list-style-type: none"> - Significant impacts on the net profit for the year if the insurance ceiling is exceeded. - Damage to the Group's value, image or reputation in the event of a reduction in individual player winnings as a result of the application of the regulatory ceiling of €100 million on cumulative winnings from a draw. <p>Main risk-management systems</p> <ul style="list-style-type: none"> - Taking out insurance to cover counterparty risks for the relevant draw games up to an annual amount of €130 million, capped at €100 million per draw. - Monthly monitoring of the payout ratios of each of the aforementioned games so as to align the rules of the game with an acceptable level of risk.

3.1.3 RISKS RELATED TO THE REGULATORY FRAMEWORK OF THE GAMING SECTOR

RISKS RELATED TO THE IMPLEMENTATION OF THE CURRENT SECTOR REGULATORY FRAMEWORK

Net criticality: ■■■ High

Description of the risk factor	Potential impact for the Group
<p>Since 23 June 2020, the date on which it was set up, the French gaming regulatory authority (ANJ) has been responsible for regulating all lottery games and sports betting activities operated by FDJ, under exclusive rights and in competition (see Note 1.5 "Regulatory environment" in Chapter 1 "Overview of the Group").</p> <p>Although FDJ has always carried out its activities within a strictly regulated framework, the ANJ could opt to regularly issue operational prescriptions (e.g. reference framework) to guide operators in their compliance with the applicable legal obligations.</p> <p>The ANJ may also have cause to change the operational methods of the control it exercises or to change the regulatory framework applicable to the sector, and in doing so may create new constraints. Such developments could concern:</p> <ul style="list-style-type: none"> - operating conditions for games or betting under exclusive rights and in competition; - tighter advertising restrictions on gaming, as observed in other European countries (e.g. Belgium, Spain, Italy – see note 1.1.2 "European gaming market" in Chapter 1 "Overview of the Group"); - a change in the duration or scope of FDJ's exclusive rights secured for 25 years by the legislator in 2019 under the terms of the Pacte Law and the Order; - authorisation of new forms of gaming or betting in France, notably in connection with WEB 3 or blockchain technologies (see ANJ college decision of 18 November 2022 concerning SORARE); - a change in the tax regime applicable to gaming in France and in the countries in which the Group operates. <p>Moreover, the regulator could refuse FDJ's authorisation request to operate a game or require a substantial change in its operation. FDJ could also be forced to suspend a game or see its authorisation withdrawn at any time if the conditions under which it was authorised are no longer met or for reasons related to the preservation of public and social order.</p> <p>Lastly, FDJ is also exposed to the risk of sanctions. The current framework provides that, in the event of a breach of the existing regulations, the ANJ's Sanctions Committee may impose a monetary penalty in an amount not exceeding 5% of the revenue excluding VAT of the most recent financial year corresponding to its activities covered by the licence. This cap would be increased to 10% in the event of a further breach.</p>	<ul style="list-style-type: none"> - New regulatory constraints or stricter operating conditions for games, potentially impacting the FDJ Group's results. - Limiting or challenging of the growth strategy (e.g. refusal, suspension, withdrawal of a gaming licence or conditional gaming licence). - Limiting of FDJ's ability to communicate on its offers and as such to promote their sale and recruit new players. - Monetary penalty. - Temporary suspension or withdrawal of the authorisation to operate online gaming and betting activities in competition, or of the authorisation of managers for gaming and betting activities operated under exclusive rights. - Economic destabilisation of existing gaming sectors through the authorisation or opening up to competition of segments previously prohibited or operated under exclusive rights. - Damage to the Group's image or reputation. <p>Main risk-management systems</p> <p>FDJ has always operated its activities in a strictly regulated framework and is familiar with the terms of application of the regulations. The reform of the French regulatory framework for the gambling sector initiated by the Pacte Law reinforced the existing scope of FDJ's exclusive rights, which were secured for a period of 25 years as of 23 May 2019.</p> <p>The Group also maintains a relatively diversified portfolio of games, thereby limiting its exposure to the tightening of operating conditions for its entire range.</p> <p>FDJ accordingly has an organisation and governance system enabling it to monitor and deal with regulatory issues, notably:</p> <ul style="list-style-type: none"> - the Regulation and Public Affairs Department manages the relationship with both national and European public authorities, as well as with the regulators on all issues related to the regulation of gambling; - the department also ensures compliance with the regulatory framework for the gaming and betting activities offered by the company in competition and under exclusive rights, notably by convening a dedicated Steering Committee that brings together and coordinates all the internal entities of the company concerned and the implementation of a permanent regulatory watch; - a day-to-day basis, it supports operational teams in anticipating and implementing regulatory and statutory obligations.

RISKS RELATED TO THE PROTECTION OF PLAYERS AND MINORS [CSR]

Net criticality:  Moderate

Description of the risk factor	Potential impact for the Group
<p>As a gaming operator, the FDJ Group must ensure compliance with sector requirements concerning the preservation of public and social order, notably with regard to the prevention of underage gambling and excessive gambling.</p> <ul style="list-style-type: none"> - With regard to the <i>risks associated with underage gambling</i>, FDJ is obliged to prevent the participation of minors, even emancipated minors, in its gaming or betting activities. Despite substantial efforts made by the Group to supervise the sale of games online and in its physical network, this ban may not be sufficiently respected. - With regard to the <i>risks associated with excessive gambling</i>, gambling can be addictive and can create a risk of addiction for some players. Gambling addiction can cause both financial and psychological harm to those concerned and to their relatives. <p>The existing regulatory framework for the protection of players and the administrative and criminal sanctions for non-compliance were recently tightened (e.g. order issued in application of the Pacte Law in 2019, reference framework for the prevention of excessive or pathological gambling and the protection of minors adopted in 2021).</p> <p>If FDJ is shown to be in breach of the regulations, it may be subject to sanctions by the regulator. In the event of extremely serious breaches, FDJ could be sanctioned by regulators, either through the suspension or prohibition of games, the withdrawal of a licence or a financial penalty proportionate to the seriousness of the breach. In France, a financial penalty imposed by the ANJ may not exceed 5% of the revenue (excluding tax) of the most recent financial year closed corresponding to the activities covered by the licence, or 10% in the event of a further breach.</p> <p>Such situations could give rise to legal actions by players or their relatives, or could even make partner retailers (as the players' direct point of contact) or FDJ itself liable. More generally, in view of the expectations of stakeholders regarding underage and excessive gambling, any breach would also be liable to affect the image and reputation of the FDJ Group.</p>	<ul style="list-style-type: none"> - Non-compliance with the legal and regulatory framework may result in the imposition of sanctions by the regulator (e.g. withdrawal of authorisation for a game, financial penalties, temporary suspension or withdrawal of a licence, or even questioning of the operation of games under exclusive rights). - Damage to the Group's image or reputation. <p>Main risk-management systems</p> <p>The Responsible Gaming policy is central to FDJ's model and the Group's <i>raison d'être</i>. The Group has a longstanding commitment to a responsible recreational gaming model and is making significant efforts, both at the point of sale and online, to combat underage gambling and prevent excessive gambling. Actions to manage these risks are taken at all stages of the game's life cycle and notably cover the following points:</p> <ul style="list-style-type: none"> - when designing games, checks on the level of attractiveness of all game offers ("Serenigame[®]" analysis matrices) serve to assess and limit the risks in terms of excessive gambling; - before being brought to the market, all gaming and betting offers operated under FDJ's exclusive rights are also verified by the regulator, ANJ, under the prior authorisation regime; - at the point of sale, training and support for retailers and the sales force is central to the Responsible Gaming system. This programme is supplemented by a preventive information system (posters reminding people of the ban on underage gambling, Responsible Gaming brochures offering advice and self-assessment tests) and by a system for monitoring the application of Responsible Gaming requirements at the point of sale (including underage gambling) based on a team of internal inspectors or specific tests that may give rise to penalties for non-compliant retailers; - online, technical systems are used, first, to restrict the access of minors to online games (including the systematic verification of identity documents when registering) and second, to support players in monitoring their gaming practices (the Playscan[™] tool, game moderators, self-exclusion mechanisms, etc.); - for several years, the Group has been developing systems designed to identify and guide people in vulnerable situations, notably by providing contact details for partner helplines or support structures for problem gambling, a network of Responsible Gaming liaison officers within sales branches to facilitate the reporting of information, and a proactive approach based on outgoing calls made by the Responsible Gaming teams. <p>More broadly, the Group ensures that the general public is informed and made aware of Responsible Gaming through various channels and media. The FDJ Group pays particular attention to the content of its advertising campaigns, on sports betting for instance, and ensures that it follows the recommendations issued by the ANJ. The Responsible Gaming policy also relies on numerous partnerships with healthcare professionals and social workers, to support research in addictionology and prevention initiatives in 2021.</p> <p><i>[Further details are provided in Chapter 4 "Corporate Social Responsibility: Non-Financial Information Statement", in section 4.6 "Responsible gaming" of this Universal Registration Document]</i></p>

MONEY LAUNDERING RISK [RSE]

Net criticality:  Low

Description of the risk factor	Potential impact for the Group
<p>Accelerated regulatory changes bearing on the fight against money laundering and the financing of terrorism in France and Europe (e.g. proposals establishing a European Union authority for the fight against money laundering and the financing of terrorism) are making FDJ's duty of care with regard to customers and operations for the placing of stakes and the payment of winnings more demanding. In addition, the Group's Payment & Services business in France is subject to supervision by the French Prudential Supervision and Resolution Authority (ACPR).</p> <p>Although, in recent years, FDJ has initiated a process to improve its knowledge of players and implement means to reduce the circulation of cash in points of sales, its activities, in particular sports betting, which is subject to greater risk than lotteries, face the risk that they may be used by money laundering networks. As such, vigilance in respect of the origin of funds has been stepped up in recent years. In 2022, FDJ sent 357 suspicious transaction reports to TRACFIN.</p> <p>FDJ may encounter failures in the detection or handling of money laundering cases and may not be able to keep up with the constant developments in fraud/money laundering techniques and the increasingly rapid transmission of information by fraudsters.</p> <p>Lastly, and in the context of the development of its activities, the Group regularly makes acquisitions that may require specific AML/CFT adaptations. FDJ may be unable to apply its AML/CFT system in the newly acquired entities with sufficient agility and speed.</p>	<ul style="list-style-type: none"> - Prosecution for complicity in money laundering. - Significant penalties, liable to damage FDJ's image and reputation. - Withdrawal of approval for FDJ retailers. - Heavy financial penalties, which can amount to up to €5 million. - Temporary or permanent suspension of the exploitation of exclusive rights. <p>Main risk-management systems</p> <p>With regard to money laundering risk, FDJ is fully committed to the fight against illicit practices in the area of money laundering and terrorist financing.</p> <p>FDJ works tirelessly to improve its AML/CFT compliance programmes and aims for excellence in rules and procedures, notably through:</p> <ul style="list-style-type: none"> - the existence of governance and a system dedicated to the fight against fraud, money laundering and terrorist financing; - the integration of security requirements in new games or processes; - the monitoring and control of gaming, logistics and payment operations by inspecting the network of points of sale; - regular cooperation with the authorities (judicial requests, right of communication, declarations of suspicion to TRACFIN). <p><i>[Further details are provided in Chapter 4 "Corporate Social Responsibility: Non-Financial Information Statement", in section 4.7.2 "Prevention of money laundering" of this Universal Registration Document]</i></p>

3.1.4 LEGAL AND NON-COMPLIANCE RISKS

RISKS RELATED TO LITIGATION, DISPUTES AND CLAIMS

Net criticality: Low

Description of the risk factor	Potential impact for the Group
<p>FDJ may be involved in legal, administrative or regulatory proceedings in the normal course of its business, particularly in connection with the creation and sale of its draw, scratch card and sports betting games, either online or at points of sale, or in connection with its relationships with retailers.</p> <p>This risk also includes that of recourse against certain facts concerning FDJ's activities operated under exclusive rights. As a reminder, the laws and regulations applicable to FDJ and its activities were significantly overhauled in 2019 by Article 137 of the Pacte Law, the Order and its implementing decrees (including in particular the Exclusive Rights Decree and the Close Control Decree), and claims were filed against the various texts.</p> <p>For example, the Council of State had already had to review a request for referral to the Constitutional Council as a priority preliminary ruling on the issue of constitutionality in 2020, rejecting it on 19 August 2020, and several appeals are still pending before it.</p> <p>In addition, an in-depth investigation by the European Commission into the remuneration paid by FDJ to the French State (€380 million) for securing exclusive rights over a 25-year period was opened on 26 July 2021. The conclusions of the Commission's investigation could be handed down in 2023.</p> <p>Lastly, FDJ is also party to a dispute with Soficom, which no longer meets the conditions for remaining a shareholder. The courts of first and second instance have both ruled in favour of FDJ (Marseille Commercial Court decision of 23 May 2019, Aix-en-Provence Court of Appeal decision of 17 November 2022). However, Soficom appealed to the Court of Cassation in December 2022.</p> <p><i>[Further details are provided in Chapter 7 "Information about the Company, its capital and shareholding structure"; in section 7.3 "Legal and arbitration proceedings" of this Universal Registration Document]</i></p>	<ul style="list-style-type: none"> - Convictions against FDJ. - Damage to the Group's value, image or reputation.
	<p>Main risk-management systems</p> <p>FDJ has implemented procedures and tools to prevent, manage and monitor disputes.</p> <p>The Legal Department works closely with the Group's legal advisors to control risks as effectively as possible.</p> <p>In addition, the Group ensures that it has insurance policies covering significant amounts to cover the financial consequences of its professional liability.</p> <p>Provisions are made for expenses potentially arising from such disputes, where appropriate, in accordance with the accounting rules in force. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation discounted to the balance sheet date. Total provisions for contractual disputes are shown in Chapter 6 "Financial information on assets and liabilities, the financial position and results" of this Universal Registration Document.</p>

LEGAL RISKS RELATED TO THE COEXISTENCE OF ACTIVITIES CARRIED OUT UNDER EXCLUSIVE RIGHTS AND IN COMPETITION

Net criticality:  Moderate

Description of the risk factor	Potential impact for the Group
<p>Since the opening up of part of the online gaming sector (sports betting, horse-race betting and poker) to competition, FDJ has carried out most of its activities under exclusive rights (sports betting in the physical network and lotteries in the physical network and online), but has also obtained a licence to market online sports betting and more recently online poker in the competitive sector.</p> <p>The coexistence of activities under exclusive rights and in competition is subject to compliance with competition law. FDJ may not operate activities under exclusive rights as a monopoly in a manner that results in abusive behaviour likely to distort the market for the Company's activities that are open to competition. Doing so could give rise to possible legal proceedings by gaming operators before the French Competition Authority.</p> <p>Similarly, competition law must be taken into account at every stage of prospective acquisitions. As such, some acquisitions may be conditional on authorisation by the Competition Authority.</p>	<ul style="list-style-type: none">- Challenges, before the courts or the competent authorities, of the coexistence of activities operated under exclusive rights and in competition.- Risk of fines and compensation for competitors.- Risk on external growth transactions. <p>Main risk-management systems</p> <p>At all times, and especially when developing a new competitive activity, FDJ takes care to apply the following noteworthy measures:</p> <ul style="list-style-type: none">- Establishment of accounting separation between monopoly activities and those open to competition.- Absence of commercial solicitations of monopoly customers to an activity open to competition.- Absence of cross offers.- Separate websites and applications.- Organisation of awareness-raising sessions for employees.

RISK RELATED TO PERSONAL DATA SECURITY [CSR]

Net criticality:  Low

Description of the risk factor	Potential impact for the Group
<p>The European Regulation 2016/679 on the protection of personal data (GDPR), which came into force on 25 May 2018, imposes transparency, integrity and confidentiality in the processing carried out by FDJ, as well as the possibility for data subjects (customers, employees, retailers, etc.) to exercise new rights over their personal data. In addition to this regulation, the legal and regulatory requirements for the protection of personal data are steadily increasing.</p> <p>Fostering the knowledge of customers so as better to meet their needs is an important aspect of the Group's strategy and requires the collection and use of an increasing amount of data, including personal data, within a constantly evolving framework.</p> <p>Although FDJ regularly updates its data security system, drawing on best practices within the market, situations involving the loss or theft of personal data are becoming increasingly frequent and well-publicised, particularly in France.</p>	<ul style="list-style-type: none"> - Non-compliance with regulatory requirements, litigation and even sanctions. - Breach of the personal data of the persons concerned, which could result in a deterioration of the Group's image and reputation, and have a significant negative impact on its activities, results, financial position or outlook. <p>Main risk-management systems</p> <p>The FDJ Group is fully committed to protecting the data of the people concerned and implements a suite of measures to ensure its compliance with the applicable regulations, including:</p> <ul style="list-style-type: none"> - a specific organisation and governance, led by the Data Protection Officer (DPO), in coordination with the Data/IA Expertise Centre and Information Systems Security teams; - a structured approach involving many of the Group's contributors; - regular awareness-raising programmes for the various business lines and new employees on the protection of personal data and the existing procedures on the subject within the company. <p>In addition, FDJ ensures the compliance of all subsidiaries and aims to promote compliance among companies acquired by the Group, taking into account their size and specificity.</p> <p><i>[Further details are provided in Chapter 4 "Corporate Social Responsibility: Non-Financial Information Statement", in section 4.7.4 "Personal data protection" of this Universal Registration Document]</i></p>

Information bearing on financial risks (liquidity risk, interest rate risk, market risk, etc.) and the associated management systems is provided in Note 9.5 "Financial risk management policy" in Chapter 6, section 6.1 "Consolidated financial statements for the year ended 31 December 2022" of this Universal Registration Document.

3.2 Internal control and risk management system

3.2.1 PRESENTATION OF THE ACTIVITY AND RISK MANAGEMENT GENERAL FRAMEWORK

The risk management and internal control system consists of an organisation, procedures and control systems implemented by the Executive Management and all staff under the responsibility of the Board of Directors. It is intended to provide reasonable assurance as to the achievement of operational objectives, compliance with the laws and regulations in force, the Group's ethical principles and standards, and in particular the reliability of financial and non-financial information.

The Group's risk management and internal control system is implemented in all Group entities, with a dynamic of continuous improvement, and involves both internal and external players.

The Group has adopted an approach to governance, risk and compliance organised along three lines of defence, based on IFACI (the French Audit and Internal Control Institute), AMRAE (the French Association for Management of Corporate Risks and Insurance) and IFA (the French Institute of Administrators) guidelines.



THE FIRST LINE OF DEFENCE

As the first line of defence, operational staff are responsible for defining, maintaining and implementing an internal control system adapted to the risks of their activity and which enables them to achieve the level of internal control required by the executive management. This system takes the form of an organisation and a set of procedures defined, applied and updated under their responsibility.

THE SECOND LINE OF DEFENCE

The second line of defence comprises the various risk management and compliance functions capable of assisting

the operational functions in identifying and assessing the main risks in their area of expertise. These "risk specialist" functions contribute to the monitoring of first-line controls.

THE THIRD LINE OF DEFENCE

Internal Audit adopts a systematic and methodical approach to assess the risk management, control and governance processes, and makes proposals to improve their effectiveness.

3.2.2 MAIN ACTORS IN RISK MANAGEMENT

FDJ's units, support departments and subsidiaries implement the internal control systems governing their activities. In addition, the Group's operations are mainly monitored and controlled by various cross-business or corporate departments. The main actors involved in the management of the internal control system are listed below.

THE BOARD OF DIRECTORS AND THE AUDIT AND RISKS COMMITTEE

The Audit and Risk Committee monitors the effectiveness of the internal control and risk management systems for the Board of Directors and reports to it on its work. Its tasks are defined in the rules of procedure of the Board of Directors and specified in section 2.1.2.3 "The Board of Directors' committees" of Chapter 2 "Corporate governance" of this Universal Registration Document.

THE EXECUTIVE MANAGEMENT AND THE RISK COMMITTEE

The Executive Management lays down guidelines in terms of risk management, in line with the Group's strategy. It steers the internal control and risk management system.

The Risk Committee is the body that validates and monitors the effectiveness of action plans relating to the main risks identified in the Group's annual risk mapping. It ensures the effectiveness of risk management arrangements and supports them.

The Risk Committee is composed of the members of the Group Management Committee (GMC), which provides a direct link between the strategy and the risk management system. The Risk Committee meets at least twice a year to review and adjust the Group's risk mapping and the related risk mitigation plans.

THE AUDIT, RISKS, CONTROLS, QUALITY AND ETHICS DEPARTMENT

The Audit, Risks, Controls, Quality and Ethics Department (DARCQE) is responsible for the main specific or multidisciplinary risk-management systems.

- The Integrated Management System, supported by the Quality IMS Improvement division, provides tailored assistance to the entities in building a solid operating platform. It provides a framework for the Group's activities, by taking into account opportunities, in order to facilitate flexibility and improvement. It coordinates the Group's various certifications and normative approaches on the appropriate scopes, such as ISO 9001 for quality, 27001 for information security, 20400 for responsible procurement, 45001 for health and safety, SA8000 for social accountability, ISO 14001 for the environment, or sector standards such as the European Lotteries Responsible Gaming Certification or the Alliance Diversity and Professional Equality label.

- The Quality function within the SMI also ensures that the Group's quality is implemented. It is supported by the commitment of the management, which is visible and reflected in the Quality policy.
- The Risk Management and Internal Control functions, which enable improvement in the governance process and the risk identification, control and steering process of FDJ Group by combining:
 - the strategic and forward-looking top-down approach, supported by Risk Management, in particular through annual risk mapping,
 - the bottom-up approach, which is operational and anchored in the Group's activities to date, supported by the recurring work of the internal control teams within FDJ and the subsidiaries. The Risks & Controls unit draws up, distributes and leads self-assessment campaigns, focusing on the main risks and issues identified, which are gradually being rolled out to each of the business lines. The self-assessment of risk management systems enables the Group's entities to ensure that the internal control system is functioning properly and to strengthen it with operational action plans. Regular self-assessment is one of the key instruments of the internal control and risk management system and is monitored centrally by the DARCQE/Risks & Controls teams.
- Anti-corruption Compliance, which builds and coordinates the system for combatting corruption and breaches of probity in accordance with the Sapin II law and extra-territorial foreign laws on combatting corruption.
- The Fraud and Corruption Control function which oversees the internal fraud prevention system and implements controls to prevent and detect internal fraud and corruption.
- Internal Audit is a permanent, independent and objective activity (complying with professional standards and reporting directly to general management) that ensures a degree of control of the Group's operations, offers advice for improvement and helps to create added value. It helps the Group achieve its objectives by assessing, through a systematic and methodical approach to assess the risk management, control and governance processes, and by making proposals to strengthen their effectiveness. This assessment covers all the components of the internal control system, including the reliability and integrity of financial information, the effectiveness and efficiency of operations, the protection of the Company's assets and compliance with laws, regulations and contracts.

In 2020, the Audit, Risks, Controls, Quality and Ethics Department was also provided with a GRC (Governance, Risk, Compliance) tool enabling it to carry out its missions around an integrated tool. This tool also supports the Group internal control self-assessments campaign and real-time consolidation of the progress of the action plans of the various entities.

THE CROSS-BUSINESS OR CORPORATE DEPARTMENTS

The cross-business or corporate departments, which are independent of operations, define the policies applicable to the Group in their respective areas of expertise (e.g. security, data protection, human resources, purchasing, environment, etc.). They also monitor and control the obligations associated with these policies.

Within the FDJ Group, the second line of defence notably includes:

- the Security Department (DSEC);
- the Regulation and Public Affairs Department (DIRAP);
- The Finance, Performances and Strategy (FPS) Division;
- the Legal Department (DJUR).

Security Department

The Security Department's mission is to guarantee the security of FDJ Group's human, material and reputational assets, and with a view to combatting fraud, money laundering and terrorist financing (AML/CFT), to ensure the integrity and security of games and their marketing across the point of sale and digital networks.

In terms of organisation, within this department:

- the Games Security Department fights against fraud and money laundering by integrating security requirements into gaming projects or new processes, by monitoring and controlling gaming operations, logistics and payment operations, by inspecting the point-of-sale network and by collaborating with the authorities (judicial requisitions, right of communication, suspicious transaction reports to TRACFIN);
- the Game Integrity Department guarantees the integrity of games and processes by defining, formalising and enforcing security standards, evaluating and authorising the most sensitive processes, certifying games, ensuring anti-money laundering compliance, training operators (FDJ employees and professional customers) and promoting certifications. As such, the system guarantees that there is no vulnerability or any possibility to alter or circumvent the rules and principles applicable to the games and related processes that could be used to their advantage by internal or similar actors (employees, customer service, points of sale, third parties, etc.) and external parties;
- the AML/CFT Internal Control and Compliance Department identifies, assesses and controls all risks of non-compliance with the legislative and regulatory obligations in terms of combatting money laundering and terrorist financing (AML/CFT) and oversees the development and implementation of internal and external training and awareness-raising plans;
- the Safety Department protects human, tangible and intangible assets by guaranteeing the security of buildings, information and people;
- the Economic Intelligence Unit is responsible for monitoring on behalf of the Company, performs compliance analyses relating to partners and suppliers and produces deliverables (due diligence) for internal requesters;

- the Crisis Management Unit is tasked with enabling the Group to deal with incidents threatening the sustainability of its activities through the crisis management system that can be mobilised to deal with a critical incident: an operational crisis unit involving all the internal operational business lines needed to resolve the incident rapidly and completely and/or a decision-making crisis unit involving the Directors of the Group Management Committee required to determine the Company-wide position and appropriate action plan to be adopted in response to the incident.

Regulation and Public Affairs Department

The Regulation and Public Affairs Department manages relationships with national and European public authorities, as well as with the regulator on all issues related to the supervision and control of gambling.

It ensures financial compliance and the evaluation of counterparty risks related to the operation of the games, and ensures that the gaming and betting activities offered in competition and under exclusive rights by the Company comply with regulations, notably by holding dedicated Steering Committee meetings bringing together and coordinating all the internal entities of the Company concerned.

Finance, Performances and Strategy Division

The Finance, Performance and Strategy division guarantees and checks that business performance issues are taken into account across all dimensions: financial, taxation, strategic, organisational and operational.

It is also responsible for the quality and accuracy of the accounting and financial information of the Company and its subsidiaries and of documents intended for external use.

Legal Department

The Legal Department is tasked with managing the risks of non-compliance, contractual risks and litigation risks.

DEDICATED ENTITIES WITHIN THE SUBSIDIARIES

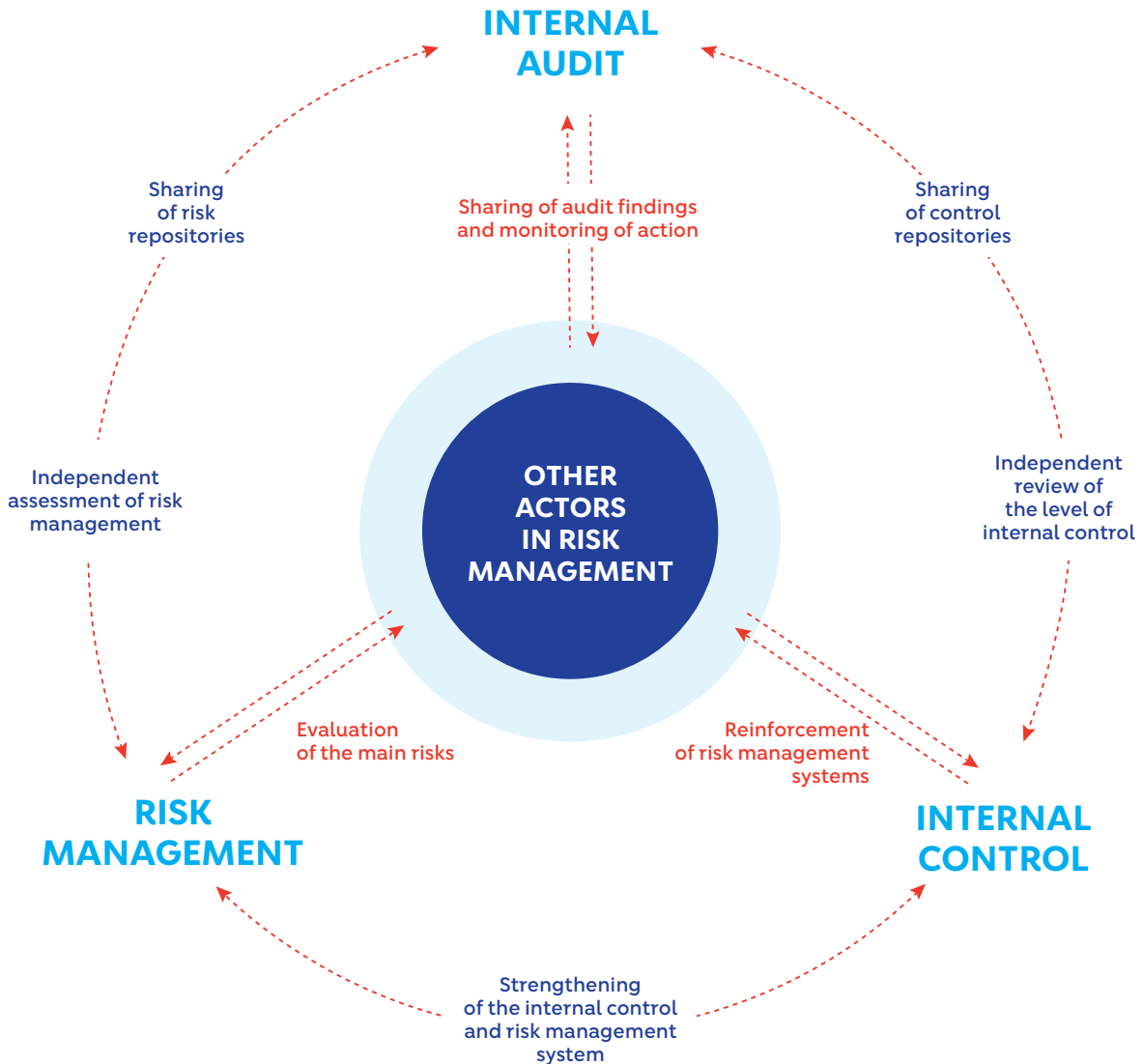
Within the various subsidiaries, the teams adapt and strengthen the Group's systems so as better to respond to the specific nature of the activities and the requirements of the applicable regulations (e.g. local regulations, activities subject to approval, etc.), including for subsidiaries conducting diversification activities.

The Group's Payment & Services business in France has a specific internal control system, in compliance with the Order of 3 November 2014 on internal control of companies in the banking, payment services and investment services sector, as well as the Order of 6 January 2021 on the system and internal control of the fight against money laundering and the financing of terrorism and the freezing of assets and the prohibition of making funds or economic resources available or using them. This activity is subject to supervision by the French Prudential Supervision and Resolution Authority (ACPR).

3.2.3 DESCRIPTION OF THE MAIN RISK MANAGEMENT SYSTEMS

3.2.3.1 INTEGRATION OF VARIOUS RISK MANAGEMENT SYSTEMS

Since 2015, the Group has brought together Risk Management, Internal Control and Internal Audit within a single department in order to strengthen the Group's risk management by drawing on the expertise of each of the three functions.



3.2.3.2 RISK MANAGEMENT METHODOLOGY AND PROCESS

FDJ's risk management framework provides an approach for understanding, identifying and dealing with risks at Group level, in line with the Group's strategy and its operational implementation.

This framework allows for cross-cutting coverage of issues, from governance to risk management systems at the operational level. It also includes a set of tools, methods and guidelines for risk management.

The Audit, Risks, Controls, Quality and Ethics Department (DARCQE) has defined a universe of risks related to the Group's various businesses and activities. This risk universe is updated regularly and takes into account:

- changes in terms of the organisational, economic and competitive, legal, social, political and cultural environment faced by the Group;
- adjustments to strategic and operational objectives;
- emerging risks, which are identified through a prospective analysis of the activity or the collection of "weak signals".

Emerging risks

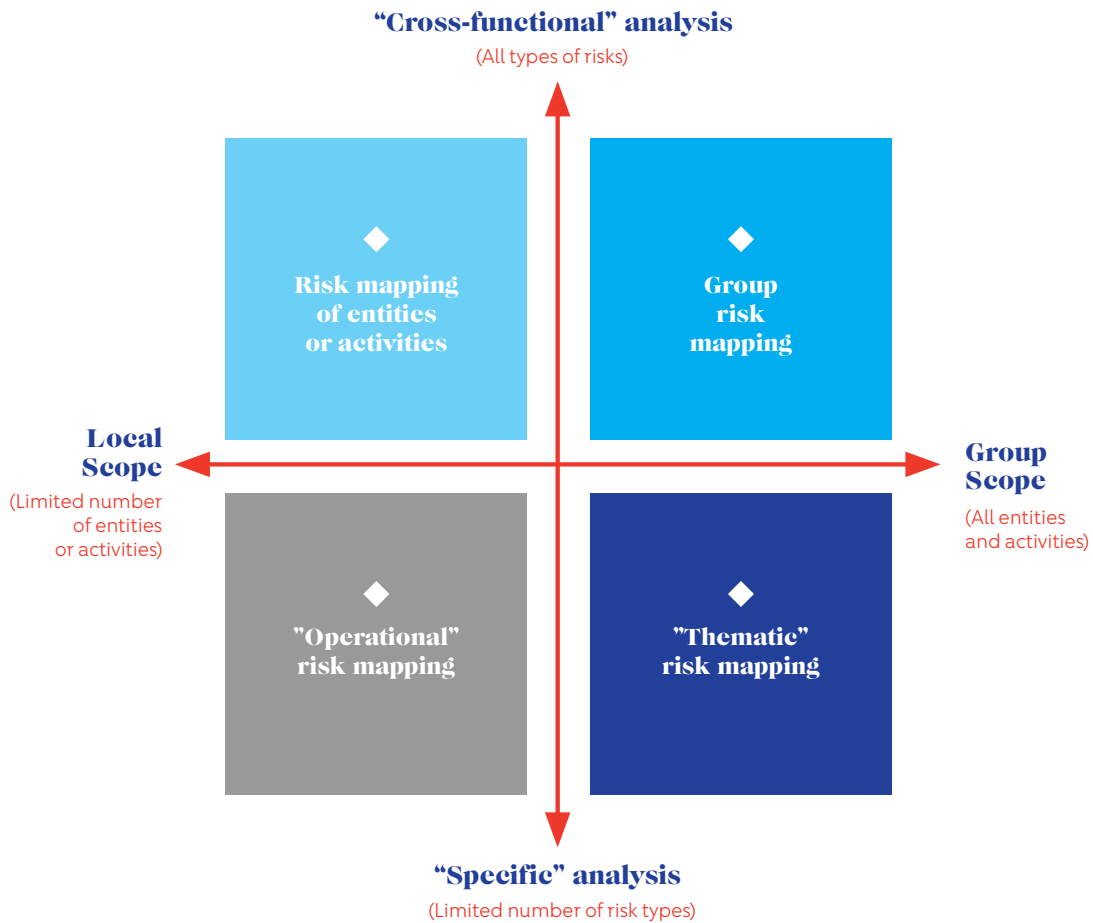
The FDJ Group has integrated an approach aimed at identifying, assessing and dealing with emerging risks.

These risks, which are constantly changing and are characterised by a high degree of uncertainty, can be detected as part of prospective analysis of the business or the collection of “weak signals”, and are then analysed and dealt with within the overall risk management system. This approach thereby contributes notably to making strategic decision-making more reliable and to strengthening the organisation’s capacity for anticipation and its resilience.

3.2.3.3 RISK MAPPING WITHIN THE FDJ GROUP

Different types of risk mapping coexist within the FDJ Group. They reflect specific needs (management, regulatory or certification requirements, etc.) on specific scopes in terms of:

- the number of entities/activities taken into account in the analysis, from the most “local” to the largest at a Group level;
- the typologies of risks analysed (strategic risks, operational risks, external risks, non-compliance risks), from the most specific to the most cross-cutting;
- analysis themes (e.g. CSR risks, climate change risks, corruption and influence peddling risks, human rights risks, etc.).



Group risk mapping (identification, evaluation and prioritisation of the Group’s main risks, in relation to strategic issues) takes into account in its analysis all the types of risks to be analysed and the entire organisational and business scope. It is updated annually and is based notably on:

- consolidated analysis of the various existing operational or thematic risk mapping;
- a series of individual interviews with the Group’s various functions;
- the work of the various risk management actors and, in particular, the conclusions of the work of Internal Audit.

On this basis, all members of the Group Management Committee participate individually, and then in a plenary meeting, in the Risk Committee, in the assessment of the most significant risks for the FDJ Group with regard to its activity.

Each risk in the mapping system is assigned to a single "risk sponsor", a member of the Group Management Committee, whose mission is to determine and monitor the action plans related to this risk during the year.

The mapping of Group risks and the progress of related action plans are presented each year to the Audit and Risks Committee.

3.2.3.4 INTERNAL CONTROL SELF-ASSESSMENT SYSTEM

The FDJ Group's internal control system aims to provide reasonable assurance of the control of the Group's activities, and in particular to ensure that:

- the Group's overall objectives are achieved in compliance with applicable laws and regulations (whether international or locally applicable), ethical principles and Group standards;
- the Group's financial and non-financial information is reliable and prepared accurately;
- internal processes, such as those related to the protection of assets against fraud or business interruption, and all operational, industrial, commercial and financial processes, are functioning properly;
- the instructions and guidelines issued by the Group's management bodies are implemented, in line with the Group's overall objectives and the associated risks.

Internal control aims to prevent and reduce the risks resulting from the management of the Group's activity by management, as well as the risks of error or fraud, in particular in the areas of accounting, finance and related to social accountability. However, as for any control system, it cannot provide an absolute guarantee that these risks are completely eliminated.

The FDJ Group has established an annual self-assessment system for the implementation of controls based on the main risks and issues identified, which is gradually being rolled out to the Group's various businesses and entities. The internal control self-assessment is one of the tools used to ensure the quality of internal control and its organisation.

The Risk & Controls unit continuously monitors the internal control programme through key measurement indicators, such as response rates to self-assessments and the number of deficiencies identified. Information is provided to the Audit and Risks Committee on a half-yearly basis, notably concerning:

- the progress of self-assessment campaigns;
- the results of self-assessment campaigns by entity and/or by activity;
- the main deficiencies identified and the management action plans designed to address the associated risks.

3.2.3.5 PROCEDURES FOR THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Internal control over the publication of accounting and financial information is based on the organisation of the Finance, Performances and Strategy Division, on its various procedures and on financial controls (budgetary process, monthly accounting and management reporting, and preparation of forecasts, financial and operational performance review reporting, etc.).

Under the authority of the Executive Vice-President, Finance, Performance and Strategy, the teams in charge are tasked with:

- preparing the Group's consolidated financial statements and the parent company financial statements;
- preparing the budget and monitoring its execution through monthly management and performance reporting;
- implementing the Group's accounting and management policies, procedures and guidelines and updating them in line with changes to standards.

In addition, the Financial Internal Control unit and the FPS Transformation and Support unit assist the various Group entities in implementing the Group's financial processes.

The purpose of the Financial Internal Control unit, in coordination with the Audit, Risks, Quality Control and Ethics Department, is to implement the internal financial and accounting control system. It takes action in response to first-level operational controls, thereby reducing risks while ensuring the operational performance of financial processes. It notably takes part in second-level controls on key aspects.

3.2.3.6 INTERNAL AUDIT

The scope of intervention of the Internal Audit department covers the FDJ Group in its entirety, i.e. FDJ and its subsidiaries. Internal Audit works with the various entities to verify and assess the knowledge and proper application of existing risk management and internal control systems.

Internal Audit assignments can be of various types (assessment of internal control of operational, support and steering processes, audit of subsidiaries, audit of compliance with laws and regulations, audits of major incidents or malfunctions, etc.).

Assignments are defined based on a provisional multi-year audit plan validated by the Executive Management and submitted to the Audit and Risks Committee. This audit plan is carried out taking into account the risks arising from risk mapping, possible incidents and requests from the Executive Management.

The progress of the audit plan and the summary of the action plans resulting from audit work are regularly monitored by the Group's Executive Management and presented to the Audit and Risks Committee every six months.

3.3 Group insurance

Insurance contracts are generally taken out by FDJ, on its own behalf and on behalf of its subsidiaries. Insurers are selected based on their financial rating, their ability to support FDJ and its subsidiaries in France and abroad, their ability to offer sufficient coverage in terms of both capital and guarantees, and also the quality of the claims' payments provided by insurers.

In principle, guarantees are renewed each year with effect from 1 January, except for certain multi-year contracts. Total insurance premiums for 2022 amounted to approximately €5.9 million.

Below is a summary of the main insurance policies taken out by the Group.

In addition to these insurance policies, the Group has insurance policies covering the civil liability of the Group's Corporate Directors, the Group's vehicle fleet and mission, and risks related to death/disability/medical expenses/protection against theft and loss of personal effects for all employees of FDJ and its French subsidiaries during professional missions throughout the world.

FDJ adapts its insurance coverage according to changes in the risks related to the Group's normal and new activities.

3.3.1 COUNTERPARTY RISK INSURANCE FOR LOTTERY GAMES

The Specification Document stipulates that FDJ must take out the necessary insurance policies to adequately cover counterparty risks relating to the games for which it has exclusive operating rights. As of 1 January 2020, counterparty risk for lottery games was covered by an annual insurance

policy, providing for the coverage under certain conditions of cumulative counterparty risks. From 1 January 2022, the policy had an annual ceiling of €130 million (€100 million per claim), with excess of €8 million.

3.3.2 PROPERTY/OPERATING LOSS INSURANCE

The Group's property and casualty insurance policy is based on the "all risks except" principle. It therefore covers all non-excluded property damage. It was effective from 1 January 2022 for a period of one year.

It covers any material damage, as well as additional costs and consequent operating losses incurred on the premises (buildings, facilities, furniture, equipment, etc.) of which FDJ is the owner or tenant. It also covers equipment installed by FDJ at retailers. Exclusions are in line with market standards and include fines and other criminal sanctions, market losses, and operating losses due to strikes. This insurance covers damage to equipment entrusted by FDJ to its retailers, as well as consequent operating losses.

The main guarantees, such as fires, explosions and earthquakes, are limited to the amount of damages, within the contractual limit of a global indemnity (combining direct damage and business interruption), which amounts annually to €350 million per claim. A number of sub-limits apply, in particular with regard to equipment in retailers' outlets. The contractual indemnity limit has been determined according to the MPL (Maximum Possible Loss) constituted by the Vitrolles site. Premiums are calculated on the basis of the valuation of the goods (containers and contents) and the gross margin for FDJ's last financial year ended.

3.3.3 GENERAL CIVIL LIABILITY INSURANCE

The "Operation and After-Delivery Liability/Professional Liability" coverage covers the Civil Liability financial consequences incurred by FDJ in respect of third parties in the course of operating its business as well as in connection with the sale of products and/ or services. This insurance policy also covers the professional liability risk for Euromillions, the coordinated lottery operated by several European lottery operators. The contract was renewed with

effect from 1 January 2022 for a period of one year. This contract is based on the principle of the "all risks except" guarantee, according to which only damages, liabilities or risks that are the subject of an exclusion provided for in the contract are excluded. The maximum amount of indemnities paid for the main risks, all damages combined, under this policy is €35 million per claim and per year. A number of sub-limitations apply.

3.3.4 FRAUD INSURANCE

The Group has a fraud insurance policy, which is renewed annually, the purpose of which is to protect FDJ against any damage to its property and assets, in particular in the event

of theft, embezzlement, use or attempted use of forgeries, falsification of documents, breach of trust and scams. This insurance covers internal and external acts.

A photograph of a man and a woman sitting in a modern office environment. The man, on the left, is wearing a blue button-down shirt and is gesturing with his right hand while speaking. The woman, on the right, is wearing a white long-sleeved top and is smiling warmly at him. They are seated in colorful, upholstered chairs (green, blue, and orange). The background shows large windows and office partitions.

Corporate

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4.1 FDJ Group's approach to Corporate Social Responsibility (CSR)

La Française des Jeux (FDJ) is the successor to the French national lottery, which was founded in 1933 to help injured First World War veterans. Since its inception, corporate responsibility and solidarity have been central to its business model.

In the interest of safeguarding public and social order, FDJ's purpose under the law – in exchange for the exclusive rights awarded under the Pacte Law (No. 2019-486) of 22 May 2019 – is to funnel public demand for gaming into a controlled channel, thereby preventing the risks and potentially negative effects of gaming and gambling activities.

Against this historical and regulatory backdrop, FDJ's gaming model is extensive, recreational and responsible:

- extensive in that it reaches a very large player base;

- recreational because it builds on a diversified range of games fostering moderate gaming habits;
- responsible by virtue of a proactive policy of preventing excessive and underage gambling.

This "responsible gaming" (RG) policy is the foundation of the Company's social responsibility protocols. FDJ aims to be a leading player in the promotion of a responsible gaming model serving sustainable performance and benefiting all stakeholders.

FDJ's business model also benefits French society: in 2022, nearly 90% of stakes collected were redistributed to players (€14.1 billion) or transferred to central government finances (€4.14 billion) and FDJ contributed some €6.5 billion to GDP (Gross Domestic Product).

4.1.1 A STATUTORY RAISON D'ÊTRE (CORPORATE PURPOSE) DEFINED IN THE ARTICLES OF ASSOCIATION

Following the publication of the Pacte Law, and while also conducting its privatisation and IPO, FDJ defined its raison d'être as "*Gaming is our business, giving back to society is what drives us, and responsibility is our constant focus*", and featured it in the preamble to its articles of association, as approved by the General Meeting of Shareholders held in June 2020.

Adopting a raison d'être was a natural choice in view of FDJ's history, business model and commitments. This core purpose draws on a broad co-building process with its staff (more than 200 employees have taken part in workshops), its main external stakeholders, including the Social Laboratory (see section 4.2.b "Dialogue with stakeholders") and CSR and corporate governance specialists.

4.1.1.1 THE SIX COMMITMENTS RELATING TO FDJ'S RAISON D'ÊTRE

1. Offer

Develop a range of entertaining, upstanding and responsible games.

2. Customers

Assist our customers at every stage of their online and offline gaming experience.

3. Responsible gaming

Limit excessive gambling and prevent underage gambling.

4. Social and environment responsibility

Step up our solidarity, societal and environmental initiatives.

5. Network

Promote local businesses nationwide.

6. International

Promote our responsible gaming model worldwide.

These commitments embody FDJ's *raison d'être* and encompass key CSR themes, but are not exclusively focused on them (gaming product range, responsible gaming, social and community initiatives, territories and the environment). This approach reflects the Group's ambition to make this a very tangible exercise with a strong operational focus.

4.1.1.2 A STAKEHOLDER COMMITTEE TO MONITOR THE EFFORTS MADE TO HONOUR THE COMMITMENTS RELATING TO FDJ'S RAISON D'ÊTRE

The Stakeholder Committee was created for two reasons: to monitor the efforts made to honour the commitments arising from FDJ's *raison d'être*, and to foster high-level dialogue between the Group's Executive Management and key stakeholders on important issues for FDJ.

The composition of the Stakeholder Committee reflects the diversity and expertise required to honour the commitments set forth in the *raison d'être*. The members of the committee represent the diversity of the FDJ's main stakeholders and/or hold expertise in key areas for the Group.

The thirteen members of the Stakeholder Committee are:

- Rose-Marie Van Lerberghe, who is the committee Chair, former Chief Executive Officer of AP-HP and Chairwoman of Korian;
- Élisabeth Belmas, gaming historian and specialist, Secretary General of scientific interest group Jeu et Sociétés;
- Joëlle Bottalico, Vice-Chairwoman, Haut Conseil de la Vie associative;
- Christian Bucher, psychiatrist specialising in addictive behaviour;
- Jean-Baptiste Carpentier, Head of Compliance – Veolia Group;
- Marion Caspers-Merck, former Chairwoman of the Baden-Württemberg Lottery;
- Christophe Bouillon, Mayor of Barentin, Chairman of the French small towns association (Association des Petites Villes de France);
- Philippe Coy, Chairman of the Confédération des Buralistes;
- Laurence Devillers, Professor of Artificial Intelligence – CNRS, member of the digital ethics committee
- Benoit Halgand, Student – Ecole Polytechnique, co-founder of the Manifeste Etudiant pour un Réveil Ecologique;
- Philippe Moati, Professor of Economics and Co-Chairman of the Observatoire Société et Consommation;
- Louise Nadeau, Professor Emeritus of Psychology – Université de Montréal, expert in addiction;
- Daniel Panetto, Chairman – Culture Presse.

4.1.2 CSR PERFORMANCE IS A CORE ASPECT OF THE GROUP'S BUSINESS MODEL

FDJ's business model hinges on the dynamic and on the diversity of its core businesses, as well as on the development of adjacent activities. Responsibility is a core component of FDJ Group's business model, through which it is pursuing a proactive policy of preventing excessive and underage gambling.

The Chairwoman and CEO and the Deputy Chief Executive Officer of FDJ attend the committee meetings, as do any representatives of the Company that might have an interest in the topics on the agenda.

In 2022, FDJ convened three meetings of the Stakeholder Committee:

- at the January meeting, the committee members reviewed 2021 and assessed the measures taken to honour commitments and embody the *raison d'être* with customers and staff. There was a shared focus on assessing the Stakeholder Committee's work and procedures. The meeting was also an opportunity to discuss the consultation of the French gaming regulator (ANJ) regarding oversight of gaming-related advertising and to inform the committee about the Group's sponsorship strategy and about the work undertaken to redefine FDJ's environmental strategy;
- the June meeting looked at ways of harnessing data and artificial intelligence to ensure operational integrity and covered FDJ's responsible gaming actions. The committee members also discussed FDJ's institutional communication strategy. The results of the SEDAP⁽¹⁾ study into underage gambling in France were also shared at this meeting;
- in October, the members discussed FDJ's innovation strategy and shared their thoughts on the trials presented by FDJ to coincide with the Group's first ever InnoDay. The meeting was also an opportunity to discuss how small local retailers might evolve to keep pace with changing uses and trends in society. FDJ outlined the support it is providing to transform the point-of-sale network, namely through the development of new services alongside gaming, and through assistance for struggling retailers in the form of various support funds, with a view to reinforcing and fostering their strong roots in communities and promoting local business. The Confédération des Buralistes (tobacconists confederation) and Culture Presse also spoke about the actions being taken to transform the tobacconist network and support newsagents in environmental and social areas.

A report on the committee's work was submitted to the FDJ Board of Directors' CSR and Responsible Gaming Committee. The Chair of the Stakeholder Committee also met the members of the CSR and RG Committee in April 2022.

(1) Société d'Entraide et d'Action Psychologique (mutual aid and psychological initiative society).

A sustainable value creation model

RESSOURCES

COMMITTED EMPLOYEES

- More than **2,700** employees
- More than **90%** are shareholders, holding approximately **4%** of the capital
- **89/100** employee engagement rate ⁽¹⁾

FRANCE'S LARGEST DISTRIBUTION NETWORK

- Almost **30,000** points of sale in more than **11,000** towns and cities
- **2** integrated supply chains and **100%** of points of sale are operated via direct distribution

AN EXTENSIVE AND SCALABLE OFFER FOR A BROAD PLAYER BASE

- More than **25 million** players representative of the French population aged 18 and over
- A constantly renewed, diversified, and multi-channel offer
- Iconic brands

A ROBUST FINANCIAL SITUATION

- **€925 million** in equity
- **€968 million** in net cash surplus
- **€104 million** in investments

A HIGHEST-STANDARD, RESPONSIBLE GAMING APPROACH

- **10%** of the overall advertising budget allocated to responsible gaming
- **100%** of new gaming offers assessed by Serenigame⁽²⁾ matrices

A PERMANENT INNOVATION APPROACH

- Each year, **1,000** identified start-ups, **500** qualified start-ups, and **20** experiments carried out
- More than **300** French and European start-ups receive direct or indirect FDJ funding
- More than **€75 million** in venture capital commitments to finance start-ups

RECOGNISED, CUTTING-EDGE TECHNOLOGICAL KNOW-HOW

- More than **775** employees work in the Technology Department
- More than **100,000** connected devices in points of sale
- More than **5 billion** transactions processed each year in Group data centres

A HIGH-REACHING ENVIRONMENTAL APPROACH

- A carbon reduction policy in line with the Paris Agreement and validated by the Science Based Targets initiative ⁽³⁾
- A responsible digital technology approach

STRATEGY

We aim to consolidate our leadership position in the French gaming market, and become a renowned international actor in the gaming and services sector.

- ◆ **DIGITALISE** the lottery by developing an omnichannel approach, for a renewed gaming experience and loyal customers.
- ◆ **GAIN** market shares in online gaming open to competition whilst maintaining a growth momentum in offline sports betting.
- ◆ **BUILD** a value-creating customer relationship, and reinforce FDJ's responsible gaming policy through customer identification and knowledge
- ◆ **BUILD** on FDJ's robust economic model by developing new business activities

(1) Taken from the Harris Interactive annual internal employee survey.

(2) Universal and scratch card Serenigame matrices: excessive gaming risks evaluation tool implemented by FDJ.

(3) International initiative to promote setting greenhouse gas reduction targets to limit the increase in global average temperature to 1.5 °C by 2100.

Because FDJ's business model combines long-standing and newer adjacent activities⁽⁴⁾, it fully capitalises on its assets to continue its growth dynamic in a promising market. As a gaming and entertainment leader, the Group has successfully developed its digitalised offer and daily reiterates its expectations for responsible gaming practices.

ACTIVITIES



LOTTERY GAMES DRAW GAMES & INSTANT GAMES

78%
of revenue
(exclusive rights
in point-of-sale
and online)



SPORTS BETTING & ONLINE GAMING⁽⁵⁾

19%
of revenue
(exclusive rights
for point-of-sale
sports betting,
online gaming open
to competition)



ADJACENT ACTIVITIES

(International,
Payment & Services,
Entertainment)

3%
of revenue

VALUE CREATION

SIGNIFICANT FINANCIAL AND EXTRA-FINANCIAL PERFORMANCE

- **€2.5 billion** in revenue
- **24.0%** recurring EBITDA margin
- **85%** consolidated net profit payout ratio in 2022
- Recognised CSR performance: **A1+** awarded by *Moody's ESG Solutions* for three years running
- FDJ has received The European Lotteries responsible gaming certification at the maximum compliance level

A REDISTRIBUTIVE MODEL

- **68.4%** redistributed to players
- Almost **€1.4 million** paid to responsible gaming partnerships
- **€6.5 billion** in value creation (FDJ's contribution to GDP)
- An incentive scheme and profit-sharing agreement allowing employees to receive up to **24%** of their basic salary

CONTRIBUTION TO PUBLIC INTEREST CAUSES

- **€19.5 million** allocated to the FDJ Corporate Foundation between 2018-2022 and **€25 million** allocated for 2023-2027
- More than **€125 million** collected since 2018 in support of French heritage with Mission Patrimoine games
- **€72 million** in levies paid to the French National Sports Agency

CONTRIBUTION TO REGIONAL DEVELOPMENT

- **€965 million** in commissions paid to retailers
- **55,300 jobs** created or made permanent throughout the sector, **22,000** for bars, tobacconists and newsagents
- **90% of purchases** made in France in 2022 by French entities

AN INCLUSIVE SOCIAL POLICY

- **100/100** on the Gender Equality Index (FDJ SA)
- **36%** of women in management positions and **38.9%** of the workforce are women
- **5.61%** of employees have a disability

HELPING TO PROTECT THE ENVIRONMENT

- **59%** reduction in scope 1 and 2 emissions⁽⁶⁾ in 2021 compared to 2017
- **100%** of gaming materials are printed on FSC[®]-certified paper from responsible sources

LOOKING AHEAD TO 2030

◆
**Strengthen
our sustainable
growth model
based on player
protection**

◆
**Amplify our
positive impact
on society**

◆
**Become
a truly
international
player**

(4) Growth prospects investigated by the Group to capitalise on its know-how and experience and strengthen its resilience (cf. page 33).

(5) Online gaming, excluding the lottery. In France, the authorised competitive online games are sports betting, horse-race betting, and poker.

(6) Reduction of emissions related to the Group's energy consumption: electricity; gas; fuel; air conditioning; and fuel for Company vehicles.

DRIVES US, AND RESPONSIBILITY IS OUR CONSTANT FOCUS”

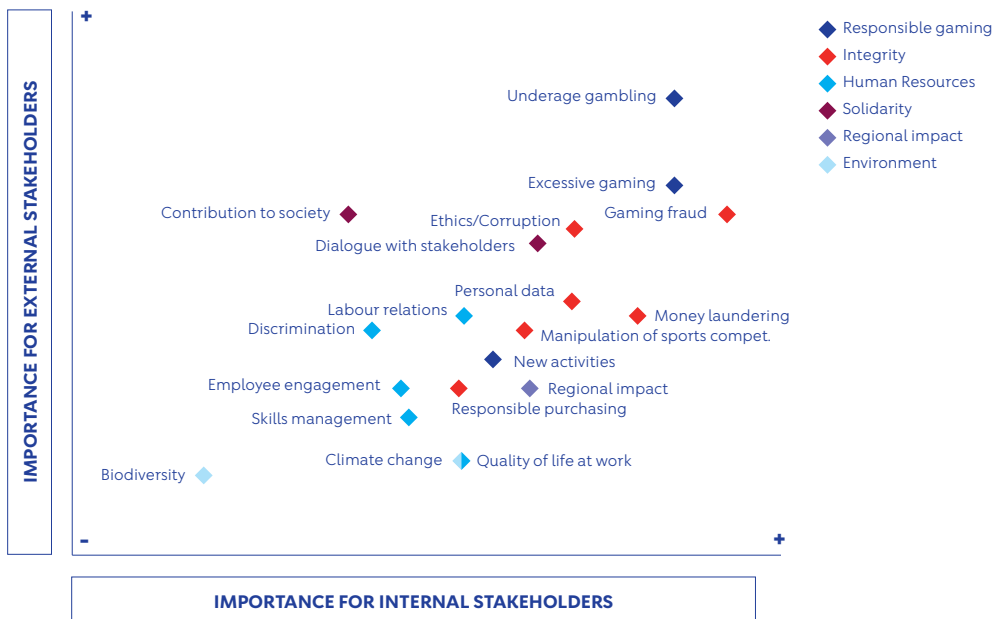
4.1.3 IDENTIFYING THE MATERIAL ISSUES FOR FDJ

FDJ updated its materiality matrix in 2021 to ensure that CSR issues are always commensurate with stakeholders' expectations. This involved sending out an online questionnaire to around thirty stakeholders (shareholders, suppliers, members of civil society, members of the Social Laboratory and Stakeholder Committee, industry associations, a research firm specialising in consumer trends, etc.). The 2021 materiality matrix covers 19 broadly-significant issues, divided into six categories (responsible

gaming, integrity, human resources, solidarity, territories and the environment).

The results underpin the main directions taken in FDJ's CSR policy, and particularly the preponderance of responsible gaming issues. The Group's top five priorities are therefore still the same: tackling underage gambling, tackling excessive gambling, ethics and efforts to combat corruption, tackling gambling fraud and protecting personal data.

Four risk levels are assigned to these priorities, providing useful information to prioritise CSR actions for the short and medium term.



4.1.4 AMBITIOUS CSR TARGETS FOR 2025

These targets are a core aspect of the Group's strategy and set tangible medium-term commitments. They cover three key engagement themes for FDJ that are aligned with stakeholders' expectations:

- responsible gaming, particularly the prevention of excessive gambling;

- the environment, with a focus on efforts to tackle climate change, and;
- the Company's overall ESG ⁽¹⁾ performance.

Targets for 2025	
Responsible gaming	Less than 2% of gross gaming revenue ⁽²⁾ to come from high-risk online lottery players
Environment	-50% reduction in direct carbon emissions (Scopes 1 and 2) relative to 2017
ESG performance	Holding onto a score of A1+ and remaining one of the three highest-rated operators in the gambling industry (Moody's ESG Solutions)

The CSR and RG Committee and the Governance, Nominations and Remuneration Committee signed off on these CSR targets at the end of 2021. The targets are applied annually with a view to incorporating them into the

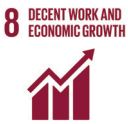


Executive Corporate Directors' annual variable compensation packages (see Chapter 2 "Corporate governance").

(1) Environmental, Social and Governance.
 (2) Gross gaming revenue is the difference between stakes and player payout.





4.1.5 FDJ'S CONTRIBUTION TO ACHIEVING THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The 17 Sustainable Development Goals set by the United Nations form an international frame of reference for CSR, alongside ISO 26000. The SDG targets set for 2030 are designed to meet three broad objectives: eradicate poverty, protect the planet and guarantee prosperity for all.

Drawing on the recommendations of the SDG Compass⁽¹⁾, FDJ identified the main SDGs to which the Group contributes via its CSR initiatives, in respect of the 169 indicators breaking down the SDGs and the French roadmap set out in the 2030 Agenda. FDJ Group's contribution to these seven SDGs is described in the following table:

SUSTAINABLE DEVELOPMENT GOALS	RELATED FDJ GOAL	PARAGRAPH
SDG 8: DECENT WORK AND ECONOMIC GROWTH		
 <p>Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all.</p> <p>Target 8.3: promote development-oriented policies that [...] encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>Target 8.5: by 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>	<p>Contribute to local economic development through employment, purchases and a presence throughout the country.</p>	<p>4.10 Territories</p>
SDG 10: REDUCED INEQUALITIES		
 <p>Reduce income inequality within and among countries.</p> <p>Target 10.3: ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p> <p>Target 10.4: adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.</p>	<p>Offer an inclusive employee framework conducive to individual and collective performance contributing to the corporate strategy: contribute to equal opportunities and inclusion of all and pursue social and societal action central to the Group's identity since its creation.</p>	<p>4.8 Human resources</p> <p>4.10 Solidarity</p>
SDG 11: SUSTAINABLE CITIES AND COMMUNITIES		
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable.</p> <p>Target 11.4: strengthen efforts to protect and safeguard the world's cultural and natural heritage.</p> <p>Target 11.7a: support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.</p>	<p>Continue contributing to general-interest projects as part of efforts to protect and safeguard the cultural heritage and through the presence of points of sale in declining town centres and sensitive urban areas.</p>	<p>4.9 Solidarity</p> <p>4.10 Territories</p>

(1) SDG (Sustainable Development Goal) Compass: methodology guide developed by the GRI and the UN Global Compact for companies wishing to contribute to the United Nations 2030 Agenda.

SUSTAINABLE DEVELOPMENT GOALS	RELATED FDJ GOAL	PARAGRAPH
SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION		
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns.</p> <p>Target 12.8: by 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>	<p>◆ Continue promoting an extensive recreational gaming model.</p>	<p>4.6 <i>Responsible gaming</i></p>
SDG 13: CLIMATE ACTION		
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impacts.</p> <p>Target 13.2: integrate climate change measures into national policies, strategies and planning.</p>	<p>◆ Limit the impact of the Group's activity on the environment: align the Group's greenhouse gas emissions with the 2°C objective and achieve carbon neutrality.</p>	<p>4.11 <i>Environment</i></p>
SDG 15: LIFE ON LAND		
 <p>15 LIFE ON LAND</p> <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and end biodiversity loss.</p> <p>Target 15.2: by 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.</p>	<p>◆ Obtain 100% of paper supplies from sustainably managed, FSC® certified forests and help preserve biodiversity in French forests by funding the conservation and restoration of trees that are habitats for rare and endangered species.</p>	<p>4.11 <i>Environment</i></p>
SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS		
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p> <p>Target 16.5: substantially reduce corruption and bribery in all their forms.</p> <p>Target 16.6: develop effective, accountable and transparent institutions at all levels.</p>	<p>◆ Continue building trust in the business model: contribute to the prevention of fraud, money laundering, corruption and integrity of the sports industry.</p>	<p>4.7 <i>Integrity</i></p>

4.2 CSR governance

4.2.1 MANAGING CSR WITHIN THE GROUP

Developed in accordance with the ISO 26000 standard on the social responsibilities of organisations, the FDJ Group's CSR policy is an integral part of its governance and strategy. It is one of the pillars of its integrated management system (IMS) (see Chapter 3 "Risk factors and business control framework"), designed to educate employees about CSR challenges and facilitate the effective roll-out of CSR initiatives across all Group entities.

CSR is central to the Group's 2025 strategic plan, notably through its goal of strengthening actions in the field of responsible gaming (RG), with a view to consolidating its leading position in the gaming and gambling sector in France and Europe. Another illustration is the inclusion of CSR criteria among the factors that determine the annual variable compensation of Executive Corporate Directors.

The Commitment and Responsible Gaming department is tasked with overseeing the preparation and implementation of the engagement policy and CSR initiatives throughout the Group, ensuring their consistency, evaluating their outcomes and facilitating a dialogue with stakeholders.

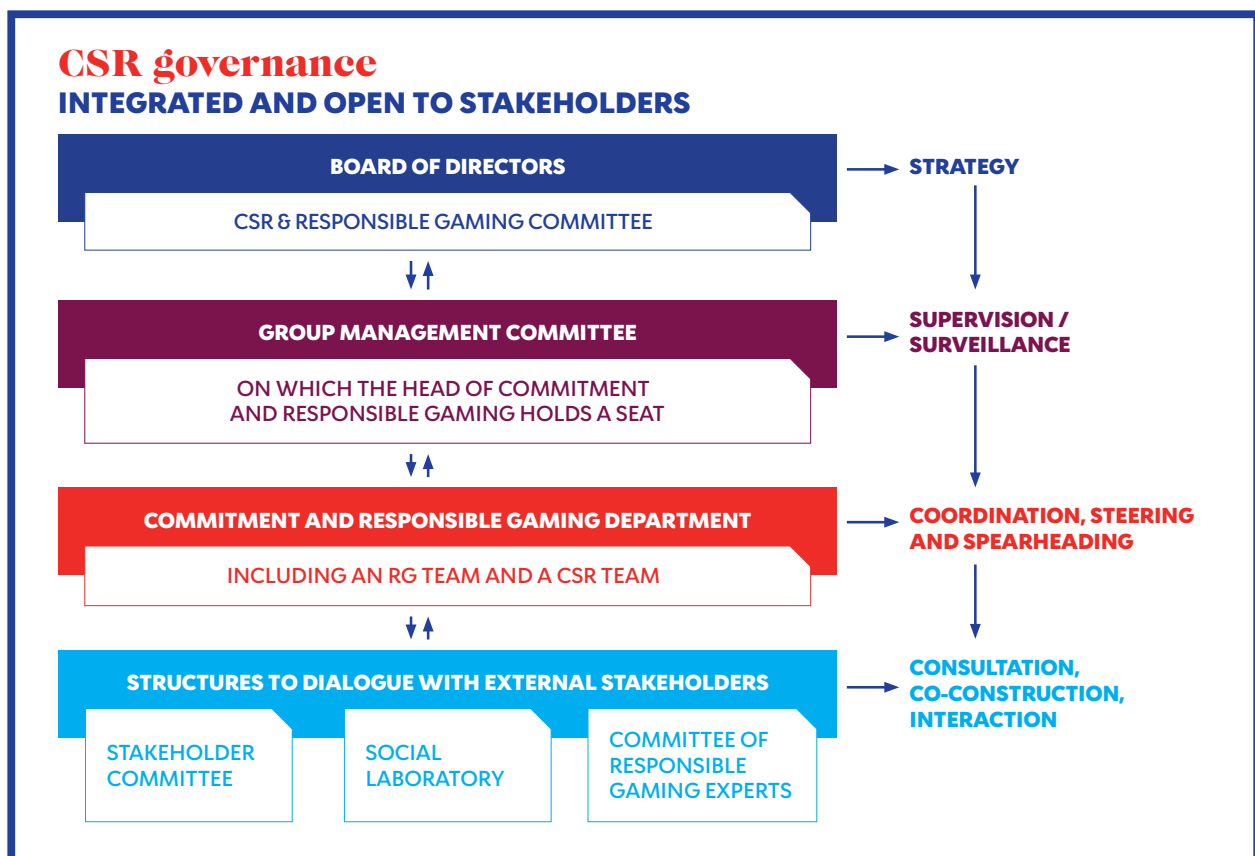
At the operational level, FDJ lays down priority CSR initiatives each year. They are then validated and monitored by the Group Management Committee, which includes the head of

Commitment and Responsible Gaming, before being submitted to the CSR and RG Committee⁽¹⁾. The role of the CSR and RG Committee is to examine the Company's CSR policy as a whole, and more specifically the initiatives relating to responsible gaming and how they fit into the corporate strategy, and to report on its work to the Board of Directors.

At 31 December 2022, this committee had four members:

- Fabienne Dulac, Chairwoman of the CSR and RG Committee, Deputy Chief Executive Officer of Orange and CEO of Orange France, independent director;
- Philippe Pirani, director representing the employees;
- Olivier Roussel, representing Union des Blessés de la Face et de la Tête (UBFT), director appointed by the General Meeting;
- Didier Trutt, Chairman and Chief Executive Officer of IN Groupe (formerly Imprimerie Nationale SA), appointed by the General Meeting on the proposal of the French State.

The Government commissioner and the General Economic and Financial Controller sit on the CSR and RG Committee in an advisory capacity.



(1) Specialised committee of the Board of Directors.

4.2.2 A SUSTAINED DIALOGUE WITH STAKEHOLDERS

FDJ Group’s CSR policy is constructed and coordinated with all stakeholders from both within (employees) and outside (players, network of retailers, suppliers, civil society, government authorities, regulators, etc.) the Group. This in-depth and fruitful dialogue allows for the incorporation of a wide range of expertise and experience, and helps enrich the initiatives implemented.

GOVERNMENT AUTHORITIES AND REGULATORS

- Regulator: national gaming authority (ANJ)
- Supervisory authorities: French economy, finance and budget ministries, TRACFIN, French ministry for the interior (Service Central des Courses et Jeux - central service for racing and gaming), ACPR (prudential supervision and resolution authority), Cour des Comptes
- CNIL (French data protection agency), Financial markets regulator (AMF) and competition authority (Autorité de la concurrence)

SHAREHOLDERS

- French State
- Institutional investors
- Individual shareholders
- Veterans’ associations
- Employee shareholders

GAMING INDUSTRY

- European Lotteries
- World Lottery Association
- Global Lottery Monitoring System

SUBSIDIARIES, PARTICIPATING INTERESTS AND CONTROLLED ENTITIES

- FDP
- Française d’Images
- FDJ Développement
- Pacifique des Jeux (PDJ)
- FDJ Gaming Solutions
- FDJ Services
- DVRT 13
- L’Échappée
- SLE
- NLCS
- LEIA
- FDJ Corporate Foundation
- Aleda
- Adstellam (L’Addition)

SUPPLIERS AND PARTNERS

CIVIL SOCIETY

- Experts in key CSR areas
- NGO
- Media
- General public
- Rating agencies

PLAYERS

DISTRIBUTION NETWORK

- Intermediaries
- Retailers



4.2.3 CSR TRAINING FOR GROUP STAFF

The entire staff training policy was overhauled in 2021 with a view to training employees in CSR issues. The content of the programme was updated and all members of staff completed a refresher course. The programme places a particular emphasis on the following themes: responsible gaming, tackling fraud and money laundering, ethics and

efforts to combat corruption, diversity and inclusion, responsible purchasing, personal data management, support for territories, societal commitments and environmental issues. 720 employees completed this training in 2022.

4.3 Non-financial ratings and certifications

Each year, FDJ works to expand the CSR information provided to its stakeholders, non-financial rating agencies and investors.

TYPE OF RATING	RATING AGENCY	SCORE RECEIVED BY FDJ			
		2019	2020	2021	2022
OVERALL ESG RATING (environment, social, governance rating)	 Moody's - US	A1+ 66/100	A1+ 66/100	A1+ 70/100	A1+  72/100
	 ISS-Oekom - Frankfurt stock exchange	-	C+ "Prime" status	C+ "Prime" status	C+  "Prime" status
	 MSCI - US	-	-	A	A 
	 SAM (S&P)	-	53/100	57/100	59/100 
	 (the lower the rating the better)	-	-	15.4	15.6 
	 Refinitiv - UK	-	B-	B	B 
SPECIALIST RATING	 Humpact - France Specialised in listed companies' impact on employment in France	-	Overall score 5/5 Top 3 in the category "Gender balance"	Overall score 4.5/5 Top 3 in the category "Gender balance"	Overall score 4/5  Top 3 in the category "Gender balance"
	 EcoVadis - France Specialised in CSR and responsible purchasing performance	70/100	70/100	-	71/100 
	 Gaia Rating - France Specialised in ESG analysis and ratings for small/mid-caps	-	60/100 Previous methodology 82/100	68/100 Previous methodology 85/100	73/100  Overhaul of the methodology in 2022
	 Alignment with the TCFD recommendations	-	-	B- (Management level)	D  (Disclosure level)

In addition to these non-financial ratings, FDJ has secured special and sector-specific certifications and labels, such as the responsible gaming certification issued by The European Lotteries, renewed in 2021 for three years with a maximum compliance level, and the Diversity and Gender Equality in the Workplace labels (grouped together under the "Alliance" label) issued by AFNOR (French national standardisation organisation), also renewed in 2021 for four years.

4.4 The main CSR risks facing the Group


In accordance with regulations stipulating the content to be provided in the non-financial information statement, FDJ analysed its CSR risks for the first time in 2018. It updated this analysis in 2020, which it submitted to the CSR and RG Committee. A meeting was held in 2022 between the Commitment and Responsible Gaming department and the Audit, Risks, Controls, Quality and Ethics department, during which the CSR risks were reviewed. To that end, the Company defined its CSR risks, based in particular on:

- CSR materiality analysis;
- the non-financial challenges specific to its business sector;
- the Group's annual risk-mapping exercise;

- the topics presented in Article 2, Chapter II, of the implementing decree ⁽¹⁾ (social, societal, environmental, anti-bribery and tax evasion, and human rights) and Article 1, Chapter III, of the Ministerial Order⁽²⁾.








The assessment of the main CSR risks liable to affect FDJ was based on an identification and prioritisation methodology involving internal stakeholders representing the Company's various businesses. The methodology was based on risk assessment scales tailored to CSR risk analysis (consistent with the assessment scales used by FDJ Group) and on three main criteria: impact (strategic, financial, reputational and legal), plausibility and estimated control.









This CSR risk analysis is built on six categories, described below:





Theme	Main CSR risks	Main causes of risk emergence	Level of gross criticality*	Main stakeholders affected	Policies, due diligence and results
RESPONSIBLE GAMING 	Underage gambling	<ul style="list-style-type: none"> - Ineffective system for detecting and banning underage gambling; - Identified cases of underage gambling / development of underage gambling; - Failure to comply with regulatory requirements. 	High	<ul style="list-style-type: none"> - Players - Retailers - Partner associations - ANJ 	<p>"Responsible Gaming" approach</p> <ul style="list-style-type: none"> - Responsible gaming action plan - 100% compliance rate in the 3-year responsible gaming certification issued by The European Lotteries <p><i>See section 4.6.1 "Preventing underage gambling"</i></p>
	Excessive gambling	<ul style="list-style-type: none"> - Ineffective system for detecting and limiting excessive gambling; - Identified cases of excessive gambling / development of excessive gambling; - Failure to comply with regulatory requirements. 	High	<ul style="list-style-type: none"> - Players - Retailers - Partner associations - ANJ 	<p>"Responsible Gaming" approach</p> <ul style="list-style-type: none"> - Responsible gaming action plan - 100% compliance rate in the 3-year responsible gaming certification - Compliance with the provisions of the Gambling Act <p><i>See section 4.6.2 "Preventing excessive gambling"</i></p>
	Development of irresponsible games and services	<ul style="list-style-type: none"> - No positive impact tied to partnerships with start-ups; - No positive impact tied to the digital transformation of gaming (irresponsible play); - Unforeseen negative impacts of innovation; - Impacts from evolving trends in the business and external growth strategy. 	Moderate	<ul style="list-style-type: none"> - Players - Retailers - ANJ 	<p>"Responsible Gaming" approach</p> <ul style="list-style-type: none"> - Responsible gaming action plan - 100% compliance rate in the 3-year responsible gaming certification - "Sérénigame" matrices used to analyse the appeal of gaming products <p><i>See section 4.6.3 "Detecting and supporting persons in vulnerable situations"</i></p>

(1) Decree No. 2017-1265 of 9 August 2017.

(2) Order No. 2017-1180 of 19 July 2017.

Theme	Main CSR risks	Main causes of risk emergence	Level of gross criticality*	Main stakeholders affected	Policies, due diligence and results
INTEGRITY 	Money laundering	<ul style="list-style-type: none"> – Identified cases of money laundering / terrorism financing using FDJ games; – Non-existent or inefficient system for preventing, detecting and handling money laundering; – Failure to comply with regulatory requirements. 	 High	<ul style="list-style-type: none"> – Group and subsidiaries – Retailers – Shareholders – ANJ 	"Integrity of operations" approach <ul style="list-style-type: none"> – Anti-money laundering and counter-terrorist financing (AML-CTF) measures. See section 4.7.2 "Preventing money laundering"
	Gambling fraud	<ul style="list-style-type: none"> – Identified cases of fraud using FDJ games; – Non-existent or inefficient system for preventing, detecting and handling fraud; – Failure to comply with regulatory requirements. 	 High	<ul style="list-style-type: none"> – Group and subsidiaries – Retailers – Shareholders – Players – ANJ 	"Integrity of operations" approach <ul style="list-style-type: none"> – Anti-fraud action plan See section 4.7.1 "Combating gambling fraud"
	Security and data privacy breaches	<ul style="list-style-type: none"> – Occurrence of a personal data leak; – Monetisation of personal data by FDJ without prior consent; – No mature or suitable data management system. 	 Moderate	<ul style="list-style-type: none"> – Players and customers – Retailers 	"Integrity of operations" approach <ul style="list-style-type: none"> – ISO 27001 certification relating to the implementation of an information security management system – Group Information System Security Policy (GISSP) See section 4.7.4 "Personal data protection"
	Failure to comply with anti-corruption requirements	<ul style="list-style-type: none"> – Breaches of fairness (corruption, collusion, conflicts of interest, etc.); – Occurrence of one or more practices reflecting poor business ethics (failure to uphold free competition, non-transparent lobbying, failure to comply with regulations and internal rules, etc.); – Non-existent or inefficient system for preventing, detecting and handling such practices. 	 Moderate	<ul style="list-style-type: none"> – Group and subsidiaries – Retailers – Shareholders – Players 	"Integrity of operations" approach <ul style="list-style-type: none"> – Programme to prevent and detect corruption and influence peddling – Ethics Charter supplemented by an Anti-Corruption Code of Conduct, related procedures and a whistle-blowing system – Responsible tax policy See section 4.7.5 "Promoting ethical business management and fighting corruption"
	Outside manipulation of sports competitions	<ul style="list-style-type: none"> – The manipulation of sports competitions tied to sports betting. 	 Moderate	<ul style="list-style-type: none"> – Group and subsidiaries – Retailers – Players – Suppliers and partners 	"Integrity of operations" approach <ul style="list-style-type: none"> – Member of the Global Lottery Monitoring System's Executive Committee, making it possible to pool sports-betting monitoring data – Active participation in setting up a national standards framework on integrity in sport – Plan to promote the integrity of athletic competitions See section 4.7.3 "Preventing the outside manipulation of sports competitions"
	Unethical practices in the value chain	<ul style="list-style-type: none"> – The occurrence of unethical practices (human rights violations, harmful impacts on the environment) among suppliers and partners; – Unethical practices on FDJ's part towards its suppliers and partners (overly-long payment times, excessive levels of dependency). 	 Moderate	<ul style="list-style-type: none"> – Group and subsidiaries – Suppliers and partners 	"Integrity of operations" approach <ul style="list-style-type: none"> – Responsible purchasing policy – Supplier CSR risk mapping – "Responsible supplier relations and purchasing" label See section 4.7.6 "Promoting responsible purchasing"

Theme	Main CSR risks	Main causes of risk emergence	Level of gross criticality*	Main stakeholders affected	Policies, due diligence and results
HUMAN RESOURCES 	Poor skills management	<ul style="list-style-type: none"> Problems recruiting and retaining talent, particularly in tech-related areas (tied to brand image, compensation package); Insufficient development of employee skills; Insufficient use of in-house career mobility. 	 Moderate	<ul style="list-style-type: none"> Group and subsidiaries Employees 	"Human Resources" approach <ul style="list-style-type: none"> Employment and skills planning Training policy Individual career mobility plan See section 4.8.1 "Ensuring sound management of employee skills"
	Breakdown of social dialogue	<ul style="list-style-type: none"> Breakdown of dialogue with employee representation bodies; Major changes in work organisation to be led as part of the implementation of the strategy. 	 Moderate	<ul style="list-style-type: none"> Group and subsidiaries Employees 	"Human Resources" approach <ul style="list-style-type: none"> Presence of employee representation bodies Signature of collective agreements See section 4.8.2 "Promoting a constructive social dialogue"
	Discrimination and lack of diversity	<ul style="list-style-type: none"> Identification of discriminatory practices; Identification of pay gaps and unequal promotion prospects; No system in place to detect and handle cases. 	 Moderate	<ul style="list-style-type: none"> Group and subsidiaries Employees Players 	"Human Resources" approach <ul style="list-style-type: none"> "Diversity and Inclusion" policy Agreement on "gender equality, quality of work life and diversity" ALLIANCE label combining the Gender Equality and Diversity labels. See section 4.8.3 "Strengthening diversity, inclusion and gender equality in the workplace"
	Deteriorating quality of life at work	<ul style="list-style-type: none"> Inadequate work spaces; Stress situations not addressed; Pandemic-related crisis (e.g. COVID). 	 Moderate	<ul style="list-style-type: none"> Group and subsidiaries Employees 	"Human Resources" approach <ul style="list-style-type: none"> Occupational health and safety policy "FDJGroupForMe" external support service See section 4.8.4 "Developing quality of work life"
	Disengagement of employees	<ul style="list-style-type: none"> Loss of employee confidence in internal governance; Perception of governance as being unfair, unrepresentative and irrelevant. 	 Moderate	<ul style="list-style-type: none"> Group and subsidiaries Employees 	"Human Resources" approach <ul style="list-style-type: none"> Employee climate survey See section 4.8.5 "Ensuring employee engagement"
	SOLIDARITY 	Deteriorating dialogue with stakeholders	<ul style="list-style-type: none"> Breakdown of constructive dialogue with stakeholders (retailers, players, regulator, civil society, NGOs); Criticism from stakeholders; Unrepresentative stakeholders consulted. 	 Moderate	<ul style="list-style-type: none"> Retailers Shareholders Players Suppliers and partners Civil society

Theme	Main CSR risks	Main causes of risk emergence	Level of gross criticality*	Main stakeholders affected	Policies, due diligence and results
SOLIDARITY (CONT.)	Deteriorating contribution to society	<ul style="list-style-type: none"> FDJ's disengagement from society in the areas of sport and socially-responsible investment; A disengagement from social utility missions by staff and retailers (namely, fewer actions by the Foundation). 	 Moderate	<ul style="list-style-type: none"> Retailers Civil society 	"Solidarity" approach <ul style="list-style-type: none"> FDJ Corporate Foundation Call for solidarity projects from Group retailers "Mission Patrimoine" operation <i>See section 4.9.1 "Societal engagement"</i>
TERRITORIES	Weaker territorial foothold	<ul style="list-style-type: none"> Overly-weak socioeconomic impact in territories; A fall in business induced by FDJ's presence in the territories. 	 Moderate	<ul style="list-style-type: none"> Retailers Civil society 	"Territories" approach <ul style="list-style-type: none"> Programme to support retailers Assessment of FDJ's economic and social contribution in France <i>See sections 4.10.1 "Support for the point-of-sale network" / 4.10.2 "Diversification of services at points of sale" / 4.10.3 "Economic and social contribution"</i>
ENVIRONMENT	Increase in GHG emissions	<ul style="list-style-type: none"> Adverse impact of the Group's operations on the environment; Questioning of how waste from gaming materials is managed: paper or unsustainable components, transport / freight; Greenwashing accusations; Failure to comply with new laws; Lack of efficiency (waste and energy). 	 Moderate	<ul style="list-style-type: none"> Group and subsidiaries Retailers Players Suppliers and partners Civil society 	"Environment" approach <ul style="list-style-type: none"> Policy of reducing carbon emissions (carbon review) Mapping of climate-related financial risks and opportunities (aligning with the TCFD recommendations) Green IT approach <i>See section 4.11.1 "Combating climate change"</i>
	Loss of biodiversity	<ul style="list-style-type: none"> Impact of the use of paper (deforestation); Lack of natural resources for production purposes (paper, rare metals); Questioning of how waste from gaming materials is managed: paper or unsustainable components, transport / freight; Impossibility for us to replace our plastic-based gaming materials should the law require us to do so. 	 Low	<ul style="list-style-type: none"> Group and subsidiaries Retailers Players Suppliers and partners Civil society 	"Environment" approach <ul style="list-style-type: none"> Life cycle analysis of gaming materials Biodiversity footprint of gaming materials using the <i>Global Biodiversity Score</i> Financing of certified forest restoration or conservation projects <i>See section 4.11.2 "Taking action to preserve biodiversity"</i>

* The level of gross criticality factors in impact (in strategic, financial, reputational and legal terms) and plausibility (likelihood of risk occurrence and/or frequency of risk emergence). Risk control measures are not taken into consideration in the calculation of gross criticality.

Nothing significant occurred in 2022 to warrant this analysis being updated.








The objectives, policies, due diligence procedures and key performance indicators relating to each of the six categories are described in detail in the following sections.

Additionally, the most material CSR risks at Group level are described in Chapter 3 "Risk factors and business control framework" of this report.

The following topics have not been addressed in this chapter as they have not been deemed relevant to FDJ's activity: prevention of food waste, prevention of food insecurity, commitments to promote responsible, fair and sustainable food, and respect for animal welfare.

4.5 Overview of the Group's non-financial performance

Commitment and Responsible Gaming department

	NON-FINANCIAL INDICATORS	2021	2022
Non-financial ratings 	- Moody's ESG Solutions	A+; 70/100	A+ ; 72/100
	- S&P SAM	57/100	59/100
	- Sustainalytics	15.4/100	15.6/100
	- MSCI	A	A
Responsible gaming 	- Share of gross gaming revenue coming from high-risk online lottery players	-	2.34%
	- Share of Playscan "red" online lottery and online sports betting players	1.95%	2.18%
	- Share of excessive gamblers based on the Canadian Problem Gambling Index	1.20%	1.20%
	- Share of total advertising spending devoted to responsible gaming messages	11.80%	13%
Integrity 	- Rate of point-of-sale compliance with responsible gaming criteria	93.80%	94.80%
	- Average supplier payment times	37 d.	38 d.
	- Share of strategically-important and major suppliers assessed based on CSR performance	68%	73%
Human resources 	- Share of women in the Group workforce	39.00%	38.90%
	- Share of women managers at the Group	34.39%	36.00%
	- Rate of employment of people with a disability within the Group	5.21%	5.61%
	- Purchases from vocat. rehabil./disability-inclus. comp.	€924k	€1,306k
	- Employee engagement rate	91/100	89/100
Solidarity 	- Contributions to general interest causes	€108m	€137m
	- Financial support provided by the FDJ Corporate Foundation	€4,765k	€4,414k
Territories 	- Number of jobs created or made permanent through FDJ's operations	54,450	55,300
	- Number of jobs created at bars / tobacconists / newsagents	21,100	22,000
	- FDJ's contribution to gross domestic product (GDP)	€6.2bn	€6.5bn
	- Share of purchases (in value) from SMEs and ISEs	58%	85%
	- Share of purchases made in France	90%	90%
Environment 	- Reduction of Scopes 1 and 2 GHG emissions (relative to 2017)	59%	available in May 2023
	- Share of electricity covered by a renewable guarantee of origin (GoO) certificate	99%	available in May 2023
	- Number of hectares of forest protected through "FSC Biodiversity Ecosystem Services"	39.6 ha	105.2 ha
	- Share of gaming materials printed on paper sourced from FSC-certified forests	100%	100%

4.6 Responsible gaming

FDJ operates in the gaming and gambling industry, which is a regulated sector because of the specific risks it entails, particularly from a public health perspective.

The findings of an AFNOR (French national standardisation organisation) audit prompted The European Lotteries to renew FDJ Group's responsible gaming certification (see section 4.3 "Non-financial ratings and certifications"). This certification underpins the Group's long-standing commitment to upholding responsible gaming values, a mainstay of the FDJ gaming model. Through a system of equivalence, it has enabled FDJ Group to secure the highest certification level issued by the World Lottery Association (WLA).

This maximum level of certification underpins FDJ's status as the French leader in responsible gaming when it comes to gambling, and as one of the leaders in Europe.

In accordance with the regulatory provisions that apply to lottery and sports betting games, FDJ is required to have its "action plan for the prevention of excessive gambling and underage gambling, and for the promotion of reasonable gaming practices" ⁽¹⁾ approved by the French gaming regulator (ANJ) each year.

In 2022, FDJ submitted its responsible gaming action plan to the ANJ. This plan is aligned with the Group's efforts to continuously improve and enhance the responsible gaming systems in place and incorporates the concerns expressed by stakeholders. Following its review, the ANJ found the action plan for activities exercised under exclusive operating rights to reflect a "proactive, coherent and structured policy of preventing excessive or pathological gambling and underage gambling" that addresses the issues established by the law.

FDJ's responsible gaming actions⁽²⁾ encompass its lottery operations and its sports betting operations.

4.6.1 PREVENTING UNDERAGE GAMBLING

FDJ is required by law to prevent minors, even emancipated minors, from participating in the gaming and gambling activities it provides⁽³⁾. In recent years, regulations have tightened and stakeholder expectations have grown. The ministerial order of 2 October 2019, enacting the Pacte Law, introduced stronger penalties for the failure to comply with the rules governing the gaming and gambling sector.

Preventing underage gambling is one of the pillars of FDJ's responsible gaming policy.

The Group has introduced three practical mechanisms to tackle underage gambling:

- preventive information campaigns for the general public;
- training for the sales force and retailers;
- audits of the point-of-sale network.

4.6.1.1 PREVENTIVE INFORMATION CAMPAIGNS FOR THE GENERAL PUBLIC

FDJ is continuing to conduct information campaigns to warn about the dangers of underage gambling. These awareness campaigns for the general public are broadcast through institutional and commercial channels. FDJ has chosen to air televised campaigns and display messages at points of sale.

In 2022, FDJ continued to step up its awareness efforts to prevent underage gambling by:

- furthering its commitment to broadcasting prevention messages by increasing to 10% the share of all advertising spending devoted to responsible gaming messages, across all media formats. A large number of responsible gaming television campaigns were aired, under the FDJ brand and sub-brands;
- continuing actions to limit the exposure of minors to the Group's advertising campaigns, and introducing a specific indicator that measures the impact of advertising, particularly through television. This measurement tool has been useful to monitor and direct the steady decrease since 2016 in the exposure of minors to FDJ's televised media campaigns, a rate that has been below 5% since 2020;
- rolling out new displays carrying prevention messages in points of sale to raise more awareness about and draw more attention to underage gambling laws (new prevention poster "Not 18? No gambling" in the windows of points of sale, new poster to encourage customers to present proof of identity "Step 1! Show your ID" in points of sale that were found wanting in a first round of underage gambling testing).

(1) The responsible gaming action plan ("RGAP") for activities exercised under exclusive operating rights was submitted to the ANJ on 31 October 2022. The RGAP for online sports betting and poker games was submitted to the ANJ on 31 December 2022.

(2) Responsible gaming actions relating to FDJ's operations in the United Kingdom are overseen by the *UK Gambling Commission*.

(3) Article 139 of the Pacte Law states that it is prohibited to sell, or to offer free of charge, games of chance to minors at points of sale authorised to sell lottery and sports betting games, and Article L. 320-7 of the French internal security code (*Code de la Sécurité Intérieure*) stipulates that minors, even emancipated minors, are prohibited from participating in online and offline gambling activities.

4.6.1.2 TRAINING THE SALES FORCE AND RETAILERS

Training and raising awareness in the retailer network is one of the pillars of FDJ's responsible gaming policy, with a key focus on preventing underage gambling. These actions are part of a comprehensive training and support system that lasts throughout FDJ's partnership with retailers.

In 2022, FDJ continued its responsible gaming induction and ongoing training programmes, with more than 3,800 new retailers completing the induction course. It also stepped up the implementation of specific training measures as part of underage gambling testing campaigns, through round tables (attended by more than 1,150 retailers), e-learning modules (completed by more than 3,300 retailers) and special programmes developed for retailers found wanting in their enforcement of the law.

4.6.1.3 AUDITS OF THE POINT-OF-SALE NETWORK

FDJ conducts two types of audits to ensure compliance with the law prohibiting sales to underage players:

Inspections carried out at points of sale since 2014 verify that they meet six criteria, two of which relate to the prevention of underage gambling, i.e. the presence of posters and stickers stating that the sale of gambling products to minors is prohibited. Furthermore, FDJ's retailers only receive a "responsible gaming bonus" if they are found to comply with these criteria on inspection.

PERFORMANCE INDICATOR: OVERALL COMPLIANCE WITH RESPONSIBLE GAMING AND SECURITY CRITERIA

	2021	2022
FDJ Group excl. PDJ	93.8%	94.8%

4.6.2 PREVENTING EXCESSIVE GAMBLING

Gambling may create a risk of addiction for some players. With this in mind, for more than twenty years now, FDJ Group has been making significant efforts to prevent problem gambling habits.

These actions make up the second major focus of FDJ's efforts to promote responsible gaming. FDJ is continuing to strengthen its actions in this area based on five key areas:

- evaluating the appeal of the gaming range and advertising/promotional initiatives;
- providing preventive information on the risks associated with excessive gambling;
- training the sales force and retailers, as well as staff;
- assessing gaming habits;
- providing specific support for online players.

The overall compliance of points of sale is assessed with regard to behavioural, commercial, contractual and regulatory criteria.

FDJ has also been developing testing campaigns since 2015 to gauge the effectiveness of training initiatives, step up audits of retailers and gain more insight into the reality of underage gambling in the network. These campaigns, conducted in association with SEDAP (Société d'entraide et d'action psychologique - mutual aid and psychological initiative society), involve sending "mystery" underage shoppers to points of sale under the supervision of a network inspector.

A tougher and gradually increasing 4-level penalty system was introduced in 2021 specifically targeting retailers who repeatedly sell gambling products to underage customers. FDJ continued to apply this system in 2022.

If a mystery shopper operation finds that they are selling to minors, retailers will first receive a warning and be required to display an additional poster to encourage players to present proof of identity. They will then be systematically re-tested no later than six months after that, using the same procedure.

If they are again found to be contravening the law, they will lose their FDJ license for two weeks and be subject to another inspection the following year. They will be offered the chance to halve this suspension period to one week by agreeing to complete a "second chance" course.

Further evidence of failure to comply in the next inspection will cause them to lose their licence for one month - halved to two weeks if they complete another, more intensive, "last chance" course. They will undergo a final inspection the following year.

Where this fourth inspection reveals an ongoing failure to comply, the retailer will lose its FDJ licence outright. In 2022, nearly 2,700 inspections were carried out and 100 retailers lost their licence for repeatedly failing to enforce underage gambling laws.

4.6.2.1 EVALUATING THE APPEAL OF THE GAMING RANGE AND ADVERTISING/PROMOTIONAL INITIATIVES

The gaming range and promotional/advertising initiatives are evaluated through a process of interaction between FDJ's responsible gaming and marketing teams, as well as its stakeholders. Gaming ranges are also monitored by the regulator under the system that requires prior ANJ authorisation, with all gaming and betting activities operated by FDJ under exclusive rights being subject to these requirements.

The responsible gaming teams analyse the appeal of each new game under development, based on each aspect (design, name, etc.), with a particular emphasis on the mechanics of the game.

Before, during and after a game comes on the market, adapted measures accompany the development and marketing of the product to promote recreational gaming. At the operational level, a specific process ensures that issues relating to the prevention of excessive gambling patterns are taken into consideration when new products and features are being developed. A trial phase is also run for some new products to ascertain their impact on player behaviour.

At the design stage for a new game and/or a new feature in the mechanics of an existing game, the appeal of the product is assessed through analysis charts that FDJ has developed together with experts. Three different matrices are used:

- a general matrix used to assess all gambling products released by FDJ (*Serenigame® universelle* developed in 2012);
- a matrix used to assess scratch games (*Serenigame® grattage*) rolled out in 2018;
- a matrix used to assess sports betting products (*Serenisport*) designed in 2019.

Serenigame® is a tool used to assess the appeal of a new or reformatted game as early as the design stage. Depending on the outcome of this assessment, changes may be made to the game's mechanics or components.

RESULT: NUMBER OF NEW OR RE-ISSUED GAMES SUBJECT TO THE UNIVERSAL SERENIGAME® MATRIX

	2021		2022	
	Number	Share	Number	Share
FDJ	38	100%	36	100%

In 2022, all new and reformatted games were subject to the universal Serenigame® matrix.

Alongside the matrices developed to assess how attractive its gaming products are, FDJ developed and trialled a new SereniPromo matrix in 2022 to analyse the appeal of its promotional offers. SereniPromo is expected to be up and running sometime in 2023. It is aimed at assessing what influence the various components of a promotional offer may have (prize appeal, eligibility to participate, terms and conditions) in order to determine the associated level of excessive gambling risk.

Lastly, a Committee of Responsible Gaming Experts, which FDJ set up on its own initiative, is asked to issue an opinion on the most innovative or potentially sensitive new projects. Its members specialise in different areas: addictive behaviour, psychiatry, psychology and human sciences. It is consulted regularly on the development of gaming products, large-scale advertising campaigns, as well as new services developed to help players control and monitor their gaming habits, throughout their gaming experience (moderation mechanisms, tool to analyse gaming patterns).

4.6.2.2 PREVENTIVE INFORMATION ON THE DANGERS OF EXCESSIVE GAMBLING

Raising public awareness about preventing excessive gambling has been an important part of FDJ's efforts for many years. This harnesses several channels (television, digital media, messages in points of sale and events) to maximise the impact of the message.

In 2022, FDJ continued to step up its awareness efforts to prevent excessive gambling by:

- furthering its commitment to broadcasting prevention messages through a number of television campaigns focusing on responsible gaming habits;
- preparing a new responsible gaming pamphlet to be handed out to players throughout the network of almost 30,000 points of sale, with a special focus on preventing excessive gambling;
- optimising the visibility of responsible gaming measures on the *fdj.fr* website by highlighting tips and services to help promote healthy play.

PERFORMANCE INDICATOR: SHARE OF ADSPEND DEVOTED TO RESPONSIBLE GAMING MESSAGES ACROSS ALL MEDIA FORMATS

	2021	2022 ⁽¹⁾
FDJ Group	11.8%	13%

(1) Scope covering Metropolitan France only.

The 2021 figure represents the share of advertising spending devoted solely to televised responsible gaming messages. The 2022 calculation encompasses advertising across all media formats.

Training the sales force, retailers and staff

All FDJ employees and the entire commercial network receive training in the prevention of excessive gambling. A variety of programmes have been developed (induction or ongoing training, with a general or specific focus, face-to-face or remotely) and the content is determined with partner healthcare and social services (e.g. S.O.S. Joueurs, etc.).

FDJ is stepping up its training efforts with a view to promoting the development of skills and shared practices to detect and support people in vulnerable situations, in keeping with the regulatory requirement to detect problem gamblers as stipulated in the reference framework⁽¹⁾.

(1) Reference framework for the prevention of excessive or problem gambling and the protection of minors, published in France's official legal gazette ("Journal Officiel") on 15 April 2021.

4.6.2.3 SALES FORCE AND RETAILERS

Alongside the Company's induction and ongoing training programmes, FDJ is developing specific measures to tackle excessive gambling.

In 2021, FDJ worked with SEDAP to develop new content to enhance understanding of such issues within the sales force and to reinforce their capacity to detect players in potentially vulnerable situations very early on.

Additional training programmes were also developed, including a "How to prevent excessive gambling" e-learning module. More than 6,000 retailers completed this training in 2022.

Lastly, alongside the awareness and training initiatives organised for retailers as part of the 2022 FIFA World Cup action plan, FDJ also held in-person events hosted by the sales force.

4.6.2.4 EMPLOYEES

FDJ overhauled its CSR training programme for all employees in 2021, with one of the main sections being devoted to the Group's responsible gaming policy. 240 employees completed responsible gaming training in 2022.

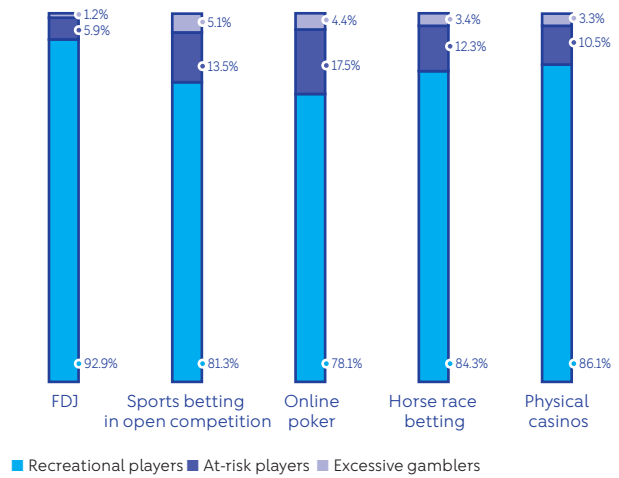
FDJ also holds more extensive training sessions for employees and helpline staff who are in direct contact with players, prize-winners and retailers, who might be confronted with vulnerable cases or problem gambling.

Assessing gaming habits

FDJ has been assessing the risk profile of its player base since 2019 using the Canadian Problem Gambling Index (CPGI). The CPGI is a questionnaire-based globally-recognised index used to assess which of four profiles a player falls into: non-excessive gambler, low-risk gambler, moderate risk gambler or problem gambler. The aim is to monitor how the risk profile of the player base evolves over time and then to compare these findings with the results of prevalence studies conducted by the Observatoire des Jeux (ODJ - gaming observatory).

A comparison with the results of the most recent available prevalence study published by the ODJ in July 2020 found that the proportion of excessive gamblers in the FDJ player base was lower than the proportion observed in the study across the entire population of gamblers in France (excessive gamblers representing 1.6%). These results show that the proportion of excessive gamblers is far lower among the FDJ player base than among players in other gambling categories in France. Player distribution according to CPGI profile remained stable between 2021 and 2022, with no statistically significant change.

PLAYER DISTRIBUTION ACCORDING TO CPGI PROFILE - GAMBLING AND GAMING IN FRANCE*



* Study conducted in October 2022 based on a representative sample of the population.

In particular, a comparative analysis of the prevalence of problem gambling in the different gambling segments in France found that the proportion of moderate risk gamblers (aggregating the proportion of moderate risk gamblers and the proportion of excessive gamblers) in the different lottery segments was much smaller than in other gambling segments in France. This clearly shows that FDJ has developed an extensive gaming model through its lottery operations, in relation to other game ranges. It also justifies FDJ's ambitious responsible gaming approach, which takes into consideration the very large volume of lottery players.

Providing specific support for online players

FDJ provides online players with a number of ways to monitor and control their online gaming habits:

- Playscan™, developed by the Swedish lottery, assesses the risk associated with a player's gaming habits on a scale of three levels (green, yellow or red) and shares the result with the player. In 2022, players falling into the Green category (recreational) made up 92.57% of the player base, while those falling into the Yellow category (moderate) accounted for 5.25%, equating to a total of 97.82%, down slightly compared with 2021. The proportion of players falling into the Red category (at-risk gamblers) rose very slightly in 2022 (from 1.95% in 2021 to 2.18%), but remained very low;

PERFORMANCE INDICATOR: DISTRIBUTION OF ONLINE LOTTERY AND SPORTS BETTING PLAYERS AS ASSESSED BY PLAYSCAN™ (1)

	2021	2022
Green	92.67%	92.57%
Yellow	5.38%	5.25%
Red	1.95%	2.18%

- game moderation mechanisms that enable players to set limits for themselves. In addition to the mandatory game moderation mechanisms required by law (namely a mandatory weekly stake-capping mechanism on online lottery stakes), FDJ has taken active steps to develop more restrictive and targeted moderation mechanisms.

FDJ has notably enhanced its:

- daily stake-capping moderation mechanism for online lottery players, with the setting of a mandatory or optional daily limit depending on the player's profile,
- optional loss moderation mechanism for online sports bets, whereby online *ParionsSport* players who display high-risk gambling patterns can elect to set a weekly loss limit;
- in addition to these tools, players can also impose a temporary self-ban or have their name placed on the ANJ's gambling exclusion list.

As an extension of the tools in place to analyse online gaming habits, FDJ is working with its stakeholders to experiment models that analyse the behaviour of online lottery players. The aim is to define an in-depth segmentation of risky habits that will be used to develop targeted and more personalised prevention systems.

4.6.3 DETECTING AND SUPPORTING PERSONS IN VULNERABLE SITUATIONS

For several years, FDJ has been working on measures aimed at identifying and then guiding persons in vulnerable situations. These initiatives are based on a system for detecting and managing risky situations, in which employees and retailers require training.

4.6.3.1 IN-HOUSE DETECTION PROCESSES

To detect and manage atypical and risky situations, collaborative bodies comprising representatives of the various business lines involved (including the in-house responsible gaming team) meet to address reports concerning retailers and players. These types of initiatives are aimed at directing persons in vulnerable situations to gambling support structures (SOS Joueurs, etc.) or to local healthcare or social workers such as the CSAPA (centre for the care, support and prevention of addiction). On its websites (fdj.fr and parionssportenligne.fdj.fr), FDJ also provides players with the contact details of helplines and support structures for problem gambling, which provide specialised information through channels such as the Addict'Aide internet portal developed by Fonds Actions Addiction.

In the interest of managing certain individual cases of vulnerability, FDJ encourages people to contact these organisations and/or works with them to ensure players receive appropriate care. Each of FDJ's partner helplines (SOS Joueurs, e-Enfance, Crésus and Institut du Jeu Excessif) provides specific expertise, enabling persons in vulnerable situations to find help and the tools they need.

The number of alerts flagged and the number of vulnerable gambling situations detected increased by comparison with 2021, with 222 vulnerable situations identified in 2022 out of a total of 475 cases reported and processed (compared with 132 in 2021 out of a total of 367). This is because the flagging procedures have been extended to cover all cases directly handled by the FDJ customer service department.

4.6.3.2 OUTREACH APPROACH

During the first lockdown in 2020, FDJ tested a proactive approach to detect potential problem gamblers, using a telephone outreach system that involved the responsible gaming teams contacting online lottery players. In 2022, FDJ was keen to build on the work of the two previous years and to capitalise on these successful trials by continuing to work with structures that provide support and help for gamblers and by ramping up and structuring the outreach campaign, extending it to players on the Parions Sport En Ligne (PSEL) website. In 2022, more than 2,000 outreach calls were made.

The outreach call approach has been developed in collaboration with the Committee of Responsible Gaming Experts and the FDJ Social Laboratory (see section 4.9.2 "Dialogue with stakeholders"), which recognise that FDJ can legitimately take a proactive approach with players within a specific ethical framework. The stakeholders have emphasised that the Company must stay within its scope of responsibility as a gaming operator and not seek to take the place of healthcare providers and support services.

(1) Players within the Playscan™ analysis scope (factors in players' habits for the past 5 weeks at a given moment in time, updated weekly).

4.6.3.3 RESPONSIBLE GAMING ACTION PLAN FOR THE 2022 FIFA WORLD CUP

Specifically regarding sports betting, the 2022 FIFA World Cup was staged between 20 November and 18 December 2022. FDJ took action through its Parions Sport betting brand (Parions Sport Point de Vente and Parions Sport En Ligne). It designed and implemented a specific responsible gaming action plan, which it submitted to the ANJ before the World Cup kicked off. This plan had three key focuses:

- Preventive information aimed at players and the general public regarding the risks involved in betting, namely through:
 - a television campaign reminding viewers that underage sports betting is prohibited and stressing the dangers of excessive gambling,
 - video clips posted on social media in which comedians Redouane Bougheraba and Paul de Saint-Sernin played out scenes to raise awareness about responsible gaming,
 - a trial campaign on *TikTok* focusing on the prevention of online underage gambling;
- the involvement of the commercial network in the months leading up to the World Cup, through special training programmes geared towards the sales force and points of sale that offer sports betting, focusing on preventing underage gambling and excessive gambling, and rounding out the broader responsible gaming training programmes already held;
- the detection of players in vulnerable situations through a more intense outreach campaign aimed at online players who were displaying risky gaming habits, with top priority given to players who placed bets during the World Cup, and trials at points of sale aimed at identifying problematic gamblers, in association with SEDAP.

4.6.3.4 RESPONSIBLE GAMING PARTNERSHIPS

The design and implementation of these various measures and systems is underpinned by a policy of forming partnerships in the field of research and prevention. This policy helps strengthen expertise and circulation of knowledge in the fields of gambling and addictive behaviour. It hinges on three main focuses:

- helplines for vulnerable players;
- research in addictive behaviour and in human and social sciences;
- initiatives and trials in harm and risk prevention and reduction.

Many papers have been written by healthcare specialists on the difficulties involved in detecting problematic gamblers and guiding them to support structures. With this in mind, FDJ has been working with researchers and addiction treatment specialists for many years to develop an experimental approach. The aim is to shore up and assess the measures in place to detect vulnerable players very early on.

4.6.3.5 EARLY DETECTION AT POINTS OF SALE IN ASSOCIATION WITH FÉDÉRATION ADDICTION AND SEDAP

In 2022, as public health restrictions were gradually lifted, FDJ was able to restart phase three of its harm and risk prevention and reduction trials. The aim of these trials is to facilitate early detection of vulnerable players at FDJ points of sale, using two methods: two-person teams of non-substance addiction specialists reach out to players at points of sale, and a self-support system using peer players is put in place with the help of retailers.

In 2022, CSAPAs (centres for the care, support and prevention of addiction) who were interested in taking part in the next phase of trials were invited to submit proposals. Five new centres will take part in phase three: CEID (Bordeaux), SEDAP (Dijon), Les Wads (Metz), Floréal (Aix-en-Provence) and Kairn 71 (Chalon-sur-Saône). The staff at these centres are specifically trained to identify gaming and gambling risks and to provide mental health first aid. In 2023, trials will begin at selected FDJ points of sale with a view to facilitating the detection and support of struggling players.

4.6.3.6 SUPPORTING RESEARCH

In 2022, FDJ continued to support the research being conducted by Dr Amandine Luquiens (CHU Nîmes) into self-exclusion. The aim is to develop efforts to reduce the risks and harm to which self-excluded players are exposed, namely by attempting to raise awareness using a personal, preventive and proactive approach (emails, outreach telephone calls, etc.).

Over the past two years, FDJ has also been supporting research into the effects of advertising campaigns, as part of a thesis being prepared by Samantha Tessier (Université Paris Nanterre) on the impact of advertising and prevention campaigns according to the psychological characteristics of players. FDJ gathered 84,000 people to respond to Ms Tessier's questionnaire.

Between now and 2025, FDJ Group will continue to develop the funding it provides to researchers and prevention structures without seeking in any way to influence them.

PERFORMANCE INDICATOR: AMOUNTS ALLOCATED THROUGH RESPONSIBLE GAMING PARTNERSHIPS

in thousands of euros	2021	2022
FDJ Group	1,234	1,385

FDJ supports researchers and associations that independently conduct studies or preventive actions, as well as structures that can help struggling players or their friends and family. In 2022, amounts paid with respect to these partnerships increased to €1.385 million:

- 17% went to helplines;
- 43% went to risk and harm prevention and reduction initiatives;
- 40% was allocated to scientific research and circulation of knowledge, particularly in the field of problem gambling, as has been the case for over a decade.

The amounts that FDJ allocates to research into addictive behaviour and risk reduction are in keeping with the application of the provisions of Article 3 of French law No. 2021-476 of 12 May 2010 on the liberalisation of competition and regulation of online gambling. Under said provisions, operators that hold exclusive rights must use at least 0.002% of the stakes they collect to finance research into problem gaming. The ANJ and OFDT (Observatoire Français des Drogues et des Toxicomanies - French monitoring centre for drugs and drug addiction) have set the conditions under which this new requirement will be enforced, particularly regarding the methodology used for selected research projects.

4.6.3.7 OUTLOOK

Enhancing the responsible gaming policy is a priority for FDJ Group, by pursuing an approach that is differentiated by gaming range and tailored to each player's habits. This approach will serve to adapt prevention measures in line with the specifics of the various products marketed by the Company (lottery, sports betting) and the risk profiles of players, particularly online players, whose gaming habits are more readily available and analysable.

FDJ will continue in 2023 to consistently step up its efforts in this domain, and will also take new initiatives in keeping with the three mainstays of its responsible gaming policy:

- preventing underage gambling:
 - continuing to raise public awareness of the risks, by devoting 10% of advertising spending to responsible gaming messages across all forms of media, as it did already in 2022, and by introducing new prevention material at points of sale and through its sponsorship actions,
 - ramping up inspections at points of sale, based on the penalty system determined at the end of 2021. FDJ is also trialling innovative solutions to help retailers enforce the ban on underage gambling;
- preventing excessive gambling:
 - continuing to evaluate the appeal of the gaming range and promotional initiatives by using the tools that FDJ has developed and by analysing how the risk profile of the player base has evolved,
 - pushing ahead with the implementation of player-centred prevention approaches: developing models that can analyse and predict risky online gaming patterns, giving players tools to keep their gambling in check, such as online moderation mechanisms, and determining targeted prevention actions,
 - detecting and supporting persons in vulnerable situations,
 - ramping up initiatives to detect potential problem gamblers very early on by consolidating the telephone outreach campaign for online players and continuing to support trials led in conjunction with stakeholders at points of sale to improve the early detection of such players.

To facilitate all these actions, FDJ will continue to work with and refer to its many healthcare and social partners, and particularly the Committee of Responsible Gaming Experts and the Social Laboratory.

4.6.3.8 SUPPORT FOR BIG PRIZE-WINNERS

In 2022, 442 customers won more than €500,000 in prize money by playing FDJ games (i.e. more than one winner every day).

FDJ invites players who win €1 million or more to take part in a comprehensive support programme, including an individual personalised welcome at the time of payment. Players are also provided with group support (free of charge and à la carte) in the form of workshops over a five-year period. The aim of the support is to take into account how winnings can impact the lives of the new millionaires, particularly in terms of financial and emotional management. These sessions give them an opportunity to learn, express their feelings and share their experiences. The programme, put together with prize-winners themselves, has evolved over the years as social norms have changed.

FDJ is one of the few lotteries in the world to offer its major prize-winners such a comprehensive support system.

In 2021, FDJ continued to adapt its support system to meet the needs and habits of prize-winners. The Group held in-person and digital workshops for players who won more than €1 million, covering a variety of themes (managing the financial and administrative implications, change management, having a positive social impact, etc.). 17 workshops were held in 2022, 3 of them remotely. FDJ also developed social impact workshops that focused on philanthropy, what it means to be a business angel and the consideration of environmental issues when making an investment.

In 2022, FDJ embarked on a plan to harmonise and optimise support for the winners of prize money of €30,000 and more. This plan includes training for all members of staff who pay out winnings at FDJ payment centres across Metropolitan France and the French overseas departments and territories. A special pamphlet has been printed for the winners of anywhere between €30,000 and €1 million. It contains information on the very first steps prize-winners should take to best handle the financial, administrative and emotional aspects of their winnings. It has a responsible gaming section to ensure that prize-winners understand the importance of playing responsibly with their new-found wealth. Added content, in the form of video clips, is being developed for the winners of €500,000 or more.

Support for big prize-winners allows FDJ to get to know its customers and their habits better. When the Company identifies a big prize-winner who presents a risk of excessive gambling behaviour, the payout can be an opportunity to raise awareness of the added risks arising from the winner's new financial circumstances. In cases like these, a member of the responsible gaming team can be asked to attend the payout.

4.7 Integrity

FDJ pursues a proactive policy to effectively prevent its games from being used with fraudulent or criminal intent, for money laundering or to finance terrorism. Fully aware of the wide range of risks to which it is exposed, FDJ is committed to introducing effective and innovative measures to prevent such risks from emerging and to reinforce trust in its gaming model in an increasingly stringent regulatory

environment. With this in mind, FDJ Group maintains a continuous dialogue with the industry regulator (ANJ) and with TRACFIN, the French agency responsible for collecting financial intelligence, which has noted a steady improvement in the relevance and quality of the information that FDJ has reported to it in recent years.

4.7.1 COMBATING GAMBLING FRAUD

As a gaming and gambling operator, FDJ is exposed to multifaceted risks of fraud liable to arise at different stages in the game marketing process. Combating fraud is one of the basic objectives assigned to FDJ in its role as an operator. A list of requirements defines the measures applicable to the Company.

In 2022, FDJ secured its system for accessing player accounts and assets using a multi-factor authentication (MFA) process, which is an effective way to prevent data theft, identity theft and fraudulent use of player accounts.

The ANJ has endorsed FDJ's action plan to tackle fraud, money laundering and terrorist financing. The regulator has found that the actions taken by FDJ in all its activities, regardless of whether they are operated under exclusive rights or under licence, are evidence of the Group's willingness to meet the objectives it has been given to combat fraud and money laundering.

4.7.1.1 ANTICIPATE

All of the Company's plans in terms of products, infrastructure, systems, operating methods, regulations and publications are analysed by the Security department in order to identify fraud risks as early as the design stage. For the purposes of marketing its games, FDJ's approach is based on a risk analysis calling for:

- incorporation of any vulnerabilities, including any risks inherent in each product range or process;
- knowledge and analysis of threats associated with contributing parties, marketing methods and distribution channels, and conditions for intervention;
- identification of potential gaming fraud scenarios in order to ensure native robustness.

By implementing this system, FDJ can make sure previously identified scenarios are kept in check, and new risk scenarios associated with the plan are analysed.

4.7.1.2 MONITOR

FDJ has established indicators to keep track of gaming activities in real time. The real-time fraud detection system serves to raise the alert, identify circumstances and means of fraud, and trigger corrective actions.

4.7.1.3 CONTROL

Apart from real-time detection, the three-pronged approach also provides for ex-post checks. Various data is cross-checked to highlight unusual situations that will then be analysed for the purpose of classifying the fraud. Acts of gaming fraud and attempted gaming fraud are addressed in three ways:

- precautionary measures. Protective measures are taken immediately upon detecting situations indicative of fraud risk or the perpetration of gaming fraud: game sales and prize payouts are suspended, player accounts are blocked, gaming products are withdrawn, etc.;
- cooperation with the authorities. A complaint is filed with the competent authorities where there is a clear case of fraud;
- responsibility of actors. The contract entered into between FDJ and its retailers requires that the latter comply with the relevant procedures and obligations to combat criminal activity, fraud and money laundering. The wide range of material provided to retailers clearly explains the procedures they are required to implement. A penalty system shall apply where there is a failure to satisfy these obligations. The discovery of a case of fraud may lead to the termination of FDJ's contract with the retailer, depending on the severity of the facts of the case. Furthermore, a 0.2% bonus is granted to retailers that observe transparency measures, apply good commercial practices and display any diligent behaviour that enhances the security of the relationship between FDJ, the retailer and the player.

4.7.1.4 OUTLOOK

In 2023, FDJ will continue to transform the organisation it has put in place to tackle fraud, with a particular emphasis on risk prevention and issues relating to the integrity of its gaming range, two fundamentally important areas.

FDJ will also adapt its risk detection system to the new games and products it has developed. A system of checks has been introduced for the online poker game launched at the end of 2022 that is specifically adapted to the risks identified for this vertical. The internal control entities will verify the efficiency of the mitigation measures put in place in response to these risks.

Training for employees, the sales force, service providers and retailers will also be continued.

PERFORMANCE INDICATOR: FRAUD RATE (NON-PAYMENTS) ON REMOTE DEBIT CARD PAYMENTS

	2021	2022
FDJ	0.009%	0.004%

The fall in the rate of fraud is mainly tied to the introduction of tighter FDJ checks before the player registration and authentication process. Added to that, FDJ has introduced an anti-fraud tool and has teamed up with Monext's fraud analysts to help its fraud teams identify and handle cases of fraud with even more accuracy. FDJ is still well below the national fraud rate of 0.196%⁽¹⁾ in 2021 (taken from the most recent annual report published by the OSMP – Observatory for the security of payment means)

4.7.2 PREVENTING MONEY LAUNDERING

The gaming and gambling industry is exposed to money laundering risks. It is one of the non-financial professions subject to the anti-money laundering obligations laid down by the French monetary and financial code (*Code Monétaire et Financier*). The stakes and challenges involved in combating the use of FDJ services and products for money laundering are critical in a constantly changing and increasingly demanding legal and regulatory environment. In addition to complying with the strict regulatory obligations to which it is subject in the fight against money laundering, FDJ works to maintain an upstanding gaming environment by actively combating criminal organisations.

Money laundering risks can be heightened in offline gaming activities, as the players are anonymous and substantial cash volumes are in circulation. With this in mind, as sports betting is a game of skill, there is greater exposure to the risk of games being used for money laundering.

In response to such a threat, FDJ has introduced suitable anti-money laundering and counter-terrorist financing (AML-CTF) measures ⁽²⁾ using a risk-based approach. This involves identifying and measuring the risks to which it is exposed. FDJ classifies risks by taking into consideration the activity, the type of customer, the ranges and products involved, the transactions, the distribution channels used and, for the offline business through points of sale, the location and type of points of sale. Each year, it submits its AML-CTF action plan for the following year to the ANJ.

The Security department is responsible for implementing the AML-CTF measures through prevention, monitoring and controls. The operational structure works to detect and examine potentially suspicious activity ("anomalies") observed across all transactions and gaming operations, conducted online and in points of sale.

In 2021, the new AML-CTF reference framework contextualised and clarified some of the provisions of the French monetary and financial code applying to FDJ. In January 2022, FDJ submitted its annual action plan to tackle fraud and money laundering to the ANJ. This plan had four key focuses:

- consolidating the risk-based approach to enable suitable vigilance procedures to be implemented;

- using data to perfect anomaly detection and risk prevention;
- raising awareness about the risks of money laundering among all FDJ retailers;
- enhancing the internal control system to be able to assess, at all times, the compliance and efficiency of the measures put in place to combat fraud, money laundering and terrorist financing.

The ANJ approved of the actions contemplated in this area for 2022 and underlined that some measures marked considerable progress in the efforts made to tackle fraud, money laundering and terrorist financing. The FDJ plans to:

- take its risk-based approach even further by fine-tuning the analysis of financial movements and payment instruments used by players; and
- step up training and internal control.

4.7.2.1 PREVENTION

An assessment of money laundering and terrorist financing risks is performed whenever a new game is designed and a new service taken to market, in a bid to prevent, reduce or eliminate previously identified risks.

Training and empowering employees and retailers is also one of the keys to risk prevention.

Explanatory content has been designed and incorporated into the CSR training programme to help familiarise all members of staff with the risks of money laundering. This content was updated in 2022. Additional training is held for staff members with the greatest exposure to money laundering and terrorist financing (ML-TF) risks because of the duties they perform, in order to help them acquire a deeper understanding of these risks, so that they can identify and prevent them.

Ahead of the 2022 FIFA World Cup and to prevent the risks involved when such an event is staged, FDJ was particularly attentive to raising awareness of staff working at its SDCs (commercial development companies), who are entrusted with key sales and marketing duties.

(1) Source: https://www.banque-france.fr/sites/default/files/medias/documents/rapport_osmp_2021.pdf

(2) Pursuant to the Order of 9 September 2021 defining the reference framework to combat fraud, money laundering and terrorist financing (JORF No. 0215 of 15 September 2021).

In 2022, FDJ continued with its three-year plan to train all retailers in its network by the end of 2023. As part of its ongoing training initiatives, FDJ ensured that nearly 900 retailers were able to complete refresher courses in this area in 2022.

It also regularly calls retailers' attention to money laundering/terrorist financing risks by publishing a wide range of content on this topic (e.g. on the Parions Sport point-of-sale app for retailers, or in the Profession Jeux magazine, etc.).

FDJ asked a representative sample of 1,000 retailers to complete a survey for the fourth year in a row to ascertain how familiar they were with money laundering risks and their associated obligations. Overall, 82% of retailers were found to be well-versed in these issues (stable on 2021).

4.7.2.2 MONITOR

The legal and regulatory framework requires gaming and gambling institutions to establish a transaction monitoring system based on KYC ("Know Your Customer") methods and the detection of suspicious transactions.

FDJ introduced a system several years ago to detect anomalies liable to constitute point-of-sale money laundering activities. The system relies on an extensive volume of data to determine a point-of-sale (PoS) score according to multiple risk criteria.

In the sports betting segment, FDJ is continuously improving its resources for detecting and countering suspicious activity. It has set up a system that constantly monitors betting. If an anomaly is detected, an alert is raised in real time, resulting if necessary in an extensive analysis aimed at clarifying the circumstances and identifying the risks involved. In 2022, particular attention was paid to bets placed on FIFA World Cup matches.

These vigilance procedures involve enhanced investigations to assess a risk of money laundering and, where necessary, report any suspicious activity to TRACFIN, the French agency responsible for collecting intelligence and combating unlawful financial activity. In 2022, the Group filed 357 suspicious transaction reports (up from 282 in 2021). In the past few years, TRACFIN has regularly expressed satisfaction at the high standard of the reports filed by FDJ.

RESULT: NUMBER OF SUSPICIOUS TRANSACTION REPORTS FILED WITH TRACFIN

	2021	2022
FDJ Group	282	357

The sharp rise in suspicious transaction reports can be attributed to the increase in digital activities and, in particular, a number of online customer records for which FDJ has no information on the origin of the funds.

4.7.2.3 CONTROL

Enhanced reviews conducted in the interests of due diligence may at times call for PoS inspections. In such cases, the inspectors go on-site to collect circumstantial data that can often be used to classify money laundering suspicions. On-site inspections also provide an opportunity to determine if retailers are meeting their regulatory and contractual obligations.

Checkpoints related to security and responsible gambling obligations are also planned. The point-of-sale compliance rate was 94.8% in 2022, up slightly on the 93.8% recorded for 2021 (see section 4.6 "Responsible gaming"). FDJ has set a goal to keep this rate above 90% by 2025.

PERFORMANCE INDICATOR: OVERALL COMPLIANCE WITH RESPONSIBLE GAMING AND SECURITY CRITERIA

	2021	2022
FDJ Group excl. PDJ	93.8%	94.8%

The overall compliance of points of sale is assessed with regard to behavioural, commercial, contractual and regulatory criteria. *The increase in the rate of compliance stems from better application of the criterion that requires points of sale to hand losing tickets and slips back to players on request. This instruction has been given to points of sale for many years now in conjunction with the representatives of retailers and the sales force, and has all but done away with unsuitable practices at points of sale.*

In 2022, FDJ stepped up its AML-CTF internal control mechanism by implementing the second-level permanent control plan and preparing a new framework for self-assessment of internal control measures by the line managers. In this way, the second line of defence continuously monitors the compliance and efficiency of the AML-CTF measures put in place.

4.7.2.4 OUTLOOK

FDJ is drawing on its annual money laundering action plan to develop an innovative approach that harnesses data to make its anomaly detection system even more effective. It embarked on a far-reaching data project in 2020, with a particular focus on money laundering and terrorist financing. In 2023, FDJ will continue to integrate and centralise data that will be useful to create new risk indicators, coinciding with a major transformation in its information system architecture.

FDJ will adapt its AML-CTF measures to take account of its new gaming products and related threats. As part of this, it will step up its constant vigilance procedures regarding customers and transactions in order to rise to the challenges brought about by more intense digital gaming activity, particularly with the launch of an online poker game. In 2023, FDJ will continue to develop the specific measures and checks introduced to monitor the new ways in which players use its services.

4.7.3 PREVENTING THE OUTSIDE MANIPULATION OF SPORTS COMPETITIONS

As a sports betting operator and long-standing supporter of French sport, FDJ Group is committed to combating the outside manipulation of sports competitions. As a cycling sponsor, it has been working to eradicate doping since 1997.

In the course of its activities in the sports industry (sports betting products and sports partnerships), the Group is directly exposed to the risk of manipulation. Because such manipulation can undermine confidence in athletic competitions and in the integrity of sports betting, this warrants a strong response from FDJ.

FDJ Group has been deeply committed for many years to tackling the manipulation of sporting events around the world, often linked to fraudulent betting. French decree No. 2019-1060 of 17 October 2019 consolidated the tasks assigned to FDJ by the State, particularly regarding the installation of the tools required to detect sports betting anomalies, prevention programmes targeting sports industry professionals, and FDJ's participation as a member of the French national platform to combat the manipulation of competitions.

The Group works alongside European and global lottery associations to establish national and international cooperation with the sporting movement and government authorities aimed at improving the effectiveness of sports integrity policies.

4.7.3.1 PREVENTION

A broad plan to promote the integrity of athletic competitions has been implemented on several fronts. The Group carries out internal awareness-raising and training initiatives to combat manipulation through regular communication with all employees and special training for employees working directly or indirectly in sports betting activities.

In 2022, awareness-raising initiatives were carried out again with representatives of the French basketball federation and the French handball federation, representatives of the Olympique de Marseille and Olympique Lyonnais football clubs, as well as with young players at a number of training centres involved in the Open Football Club programme. Similar initiatives were taken with the French tennis federation and the French rugby federation, as well as with Paris Saint-Germain football club, all of them new FDJ partners.

In 2022, these efforts helped more than 960 sports professionals to understand the risks of manipulation in sports competitions and know how to respond should they be confronted with attempted manipulation.

The Groupama-FDJ cycling team plays an active part in the fight against doping and is recognised for its commitment. As a cycling sponsor since 1997, FDJ's attitude as a responsible sponsor is reflected in its strong focus on raising awareness among cyclists and their managers about the importance of ethics and integrity (zero tolerance for doping). One of the preventive measures implemented has been the daily collection and analysis of cyclists' power

output data. In addition to the controls imposed by the International Cycling Union (UCI), anti-doping checks are also performed by the medical unit for the Continental and World Tour teams.

In 2022, the members of the Groupama-FDJ cycling team participated in an awareness session on the manipulation of sporting competitions.

FDJ is also a founding member of MPCC (movement for trustworthy cycling) ⁽¹⁾, through which it runs a sponsors programme, and is behind the Sponsors' Charter, under which sponsors agree not to exert pressure on sporting results.

The "Signale!" secure website for reporting manipulation suspicions, set up by FDJ, has been up and running since July 2021 and can be used by anyone involved in the French sporting movement.

There are plans to extend "Signale!" in the medium term so that other types of acts can be reported that are harmful to the integrity of sports and athletes. This is something that the sports ministry is working on with the partners involved in the national platform, the French anti-doping agency and the discrimination ombudsman (Défenseur des Droits).

In 2021, the Company became a member of the Esports Integrity Commission (ESIC) through its subsidiary DVRT 13. ESIC is a self-regulating international association that promotes and monitors competitive integrity in esports.

4.7.3.2 MONITOR

Monitoring of sports betting in the offline distribution network led FDJ to submit 12 major anomaly alerts to the national platform in 2022 (down from 24 in 2021).

FDJ was appointed vice-president of the Global Lottery Monitoring System's (GLMS) Executive Committee in June 2021. GLMS is an association of international lotteries that pools its sports betting monitoring data. In this new capacity, FDJ is continuing its efforts to make international competition oversight more effective in the interest of sports integrity. FDJ participated alongside GLMS in the enhanced surveillance conducted during the 2022 FIFA World Cup.

A decision to change the GLMS name was made at its general meeting at the end of 2022: it is now called ULIS, which stands for United Lotteries for Integrity in Sports. This new name translates the association's broader role, which now goes beyond a monitoring role during sports competitions and includes prevention actions and international cooperation with the sporting movement and public authorities.

PERFORMANCE INDICATOR: NUMBER OF ALERTS TRANSMITTED TO THE NATIONAL PLATFORM

	2021	2022
FDJ Group	24	12

(1) A movement designed to defend clean cycling, transparency and accountability, that strives to rally its members behind these causes.

4.7.3.3 COOPERATION

In the international arena, following on from the Council of Europe's KCOOS+ (Keep Crime Out of Sport+) programme, FDJ continued to provide financial and human resources as part of the new ACT (Addressing Competition Manipulation Together) programme. The three-year ACT programme is designed to facilitate the implementation of the Council of Europe Convention on the Manipulation of Sports Competitions, also known as the Macolin Convention, the aim of which is to harmonise international regulations and practices to combat the manipulation of sports competitions.

4.7.4 PERSONAL DATA PROTECTION

In this era of fast-paced digital transformation, when customers want to have more control over their data and be safe in the knowledge that their data is being managed correctly, as a digital operator, FDJ has made data privacy for customers and users a top priority.

Application of the EU's General Data Protection Regulation ("GDPR") took effect on 25 May 2018 and laid down the main principles and requirements for personal data protection in Europe, such as transparency, integrity, confidentiality of data processing operations conducted by data controllers, and the new rights of data subjects over their personal data.

Developing knowledge of customers to better meet their needs is strategically important for FDJ Group, and necessitates more data gathering and more data mining. In the course of operating its business, FDJ relies on industry best practices and draws on multiple resources to protect the security and confidentiality of all Group data (especially personal data) against potential security breaches.

4.7.4.1 INFORMATION SYSTEM SECURITY

Data protection, particularly personal data protection, is one of the pillars of the information system (IS) security strategy laid out in the Group Information System Security Policy. This strategy aims in particular to protect the personal data of players, retailers, employees and applicants.

FDJ implemented its information security management system (ISMS) in 2008 and had it ISO 27001-certified. The FDJ ISMS covers all the activities of the FDJ parent company together with those of its development subsidiary FDJ Gaming Solutions France. As part of the ISMS, the Security teams conduct multiple risk analyses aimed at verifying that the data protection measures in place are commensurate with the needs of the business lines and the requirements set forth in the Group Information System Security Policy (GISSP). Data protection, particularly personal data protection, is one of the pillars of the IS security strategy laid out in this policy, regardless of whether the data belongs to customers, retailers, employees or applicants. The personal data protection policy goes into specific detail on FDJ's data protection requirements. The Group has published a

As a member of the French national platform, FDJ is also a stakeholder in the Copenhagen Group, steered by the Council of Europe, which comprises around 30 national platforms. The Copenhagen Group is aimed at facilitating operational cooperation between existing platforms and helping to create new national platforms. In this way, it is working on the practical implementation of the Macolin Convention.

FDJ is also a driving force in the lottery industry, being Executive Chair of The European Lotteries' Sport Working Group and representing Europe's lotteries on the World Lotteries Association's Betting Integrity on Sports Committee.

"Privacy" charter on its corporate website in which it highlights its commitments regarding data privacy for customers, the types of data it gathers and the manner in which this data is used.

Multiple security measures have been implemented based on industry best practices, policies drafted by the Information System Security entity or risk management plans addressing risks identified during the various ISS analyses performed annually or for the purposes of completing specific projects. FDJ introduced enhanced authentication measures on its websites fdj.fr and parionssportenligne.fdj.fr in 2021, together with partial personal data masking in players' online accounts. FDJ continued its efforts in 2022 by introducing two-factor authentication (2FA) systems for sensitive operations in player accounts (e.g. to change bank details) and by requiring more complex passwords.

FDJ regularly updates the set of standard security measures used to protect personal data. Furthermore, as a general rule, information security awareness is a cornerstone of FDJ's security programme, ensuring that best practices are adopted by all employees.

4.7.4.2 EMPLOYEE AWARENESS AND TRAINING INITIATIVES

In 2022, FDJ asked its staff to take part in online surveys that take around 40 minutes to complete as part of an innovative awareness campaign. The storyboard developed for the campaign put the employee in the shoes of a security researcher, helping them to understand the impacts of a failure to follow best practices regarding personal data security and protection. Three such surveys were conducted and completed by 531 employees.

One particular module in the employee CSR training programme relates to the General Data Protection Regulation (GDPR). FDJ has also incorporated mandatory GDPR awareness training into its onboarding programme for new hires. More than 200 new members of staff completed this training in 2022.

4.7.4.3 ROLL-OUT OF THE PRIVACY BY CUSTOMER APPROACH

FDJ has implemented a cross-business GDPR compliance project and established governance aimed at maintaining compliance and staying ahead of changes in laws and regulations governing personal data protection. The goal is to optimise transparency of personal data processing operations. In 2017, the Group launched a "Privacy by Customer" initiative, which relies on innovative tools and methods for collecting user feedback, in order to better understand their perceptions, needs and expectations in terms of personal data protection. As part of this, FDJ conducts qualitative in-person surveys of players, non-players, user experience specialists and legal advisors. This iterative approach will continue long into the future, and the findings will be shared with other companies belonging to industry associations, and with the CNIL (French data protection agency). FDJ understands that it is also imperative to protect the personal data of its staff and retailers.

FDJ is constantly improving the process for obtaining user consent to install cookies and other online tracking technologies. It has internal procedures in place to ensure that it complies at all times with the laws in force, and it performs regular audits of its websites and mobile applications.

FDJ also keeps a data processing log that records all personal data processing operations. This database documents cross-business, technical and organisational security measures implemented by the Company. The ultimate goal is to protect all personal data processed by FDJ and to guarantee the integrity, confidentiality and availability of personal data transiting through FDJ's information system. To ensure compliance at all times, FDJ also conducts checks on personal data processing and on the manner in which this processing is carried out.

Lastly, FDJ applies security best practices in terms of:

- user information and awareness: persons who handle personal data are duly informed and made aware of the associated risks. They are required to sign a confidentiality agreement in their employment contract, together with the charter governing the use of

IT resources and digital tools, which addresses data privacy and is appended to the Rules of Procedure. This charter is presented to all new employees as part of the general security awareness process conducted by the Security department;

- monitoring and tests: there can be multiple threats taking a variety of forms: cyber attacks, sensitive data leaks, unlawful behaviour, denial-of-service attacks, fraudulent bank transactions, identity theft, personal data theft, etc. To address this wide range of threats, FDJ has installed tools to monitor and test the various components of its information system;
- identification, authentication, authorisation and traceability of user activities;
- encryption and use of cryptography tools;
- incident traceability and management;
- vulnerability management;
- secure access to personal data.

FDJ is especially vigilant not to disclose prize-winners' identity to external third parties, particularly the media in pursuit of stories on big prize-winners.

4.7.4.4 OUTLOOK

In 2023, FDJ will continue to enhance player account security by extending the scope of protected functions through two-factor authentication.

PERFORMANCE INDICATOR: NUMBER AND SHARE OF FDJ EMPLOYEES TARGETED BY GDPR AWARENESS INITIATIVES*

	2021		2022	
	Number	Share	Number	Share
FDJ	2,061	76%	235	8%

* In 2021, all employees were required to complete this training. It was incorporated into the training cycle for new hires in 2022. As a result, the 2022 figure essentially factors in awareness sessions completed by new hires and employees who had not completed the CSR programme the previous year.

4.7.5 PROMOTING ETHICAL BUSINESS MANAGEMENT AND FIGHTING CORRUPTION

FDJ Group is subject to the French Sapin II law and, as such, is required to implement a programme to prevent and detect corruption and influence peddling⁽¹⁾.

Efforts to prevent and detect acts of corruption concern every member of the FDJ Group. They are championed by Executive Management, coordinated by a special entity that belongs to the Audit, Risk, Control, Quality and Ethics department, and implemented throughout the Group with the help of experts and compliance officers.

FDJ has also been working closely with its partners and stakeholders for many years to combat corruption in sports (see section 4.7.3 "Preventing the outside manipulation of sports competitions").

4.7.5.1 ANTI-CORRUPTION MEASURES AT FDJ GROUP

The Group's anti-corruption measures hinge on an Ethics Charter, an Anti-Corruption Code of Conduct, specific procedures and an ethics-driven whistle-blowing system.

In the course of conducting its business and, as stated in its Ethics Charter⁽²⁾, FDJ Group observes the fundamental ethical principles of complying with laws and regulations, sharing a culture of integrity, respecting employees and stakeholders, and engaging in constructive dialogue with civil society. The Ethics Charter has been approved by FDJ Group's Board of Directors and reflects the collective engagement of the Group's executives and employees to uphold its ethical principles in the performance of all their duties. Tackling corruption is a key element of these principles.

The Anti-Corruption Code of Conduct is an extension of the Ethics Charter⁽³⁾ in accordance with French laws and standards and international commitments.

The Code of Conduct is available on the Group's corporate website and a copy is given to each FDJ Group employee. The Anti-Corruption Code of Conduct provides guidance to FDJ Group employees and stakeholders on how to respond to and address corruption on a daily basis, by presenting situations that might equate to corruption, influence peddling and other breaches of fairness, and by describing what to do and what not to do in order to adopt the correct attitude when faced with a high-risk situation.

The anti-corruption measures applied at FDJ Group ensure that the "zero tolerance" principle is upheld regarding any act of corruption, a principle that is conveyed by the Group's governing body and formally stated in the message from the Chairwoman and Chief Executive Officer in the

Anti-Corruption Code of Conduct. This code is supplemented by in-house rules and procedures made available to staff. These relate to:

- handling gifts and invitations, and the associated register;
- preventing, reporting and managing conflicts of interest, and the associated register;
- third-party assessments for the entire Group, including the management of charitable sponsorship, sports sponsorship, institutional relations and the representation of interests (the Group has a strict principle of political neutrality in all its operations).

The Group's anti-corruption measures are supplemented by awareness initiatives (e-learning module open to all staff), specific training for populations with the greatest exposure to a risk of corruption and influence peddling, and communications (newsletter, anti-corruption day, posting of articles on the Intranet portal, etc.).

The Group's anti-corruption measures are also supplemented by an accounting audit procedure and control plan to help us ensure that the measures are indeed effective.

Lastly, in order to maintain and nurture a trusting environment, FDJ Group introduced a whistle-blowing system for employees and external stakeholders in 2018.

This whistle-blowing system is a way to encourage employees and external stakeholders to escalate any suspicions they may have and report any ongoings that may be against the law, in breach of the Anti-Corruption Code of Conduct or, more generally, contrary to the Group's ethical principles. Rounding out the Group's conventional feedback and dialogue channels (Diversity & Inclusion team, employee representation bodies, HR business partners, managers, etc.), the ethics-driven whistle-blowing system relies on a secure online platform managed by an outside contractor (WhistleB), which guarantees the protection of data and has strict privacy procedures in place for all data gathered on reported cases (in relation to the identity of the whistle-blower, the persons targeted and any third party cited, and in relation to the ongoings reported). Staff at all Group subsidiaries can avail of this online platform, which can be accessed from the corporate website and through the Intranet portal.

The system of governance in place within the Group provides assurances that reported cases will be collected and handled in an independent and impartial manner (no conflict of interest with the persons involved). The Audit, Risk, Control, Quality and Ethics department is responsible for ensuring that cases are handled correctly and smoothly.

(1) FDJ Group's subsidiary in the United Kingdom must also comply with the UK Bribery Act, which contains measures to prevent and punish corruption. The Act makes it an offence to engage in active bribery and passive bribery, and to fail to prevent a bribe being paid on an organisation's behalf. The rules and procedures associated with anti-corruption measures can therefore be adapted to this legislation.

(2) The Ethics Charter and Anti-Corruption Code of Conduct can be found on the Group's website at: www.groupefdj.com.

(3) The Ethics Charter and the Anti-Corruption Code of Conduct are appended to the Rules of Procedure and are available for all Group employees to consult.

4.7.5.2 ANTI-CORRUPTION PROGRAMME AT FDJ GROUP

In accordance with the provisions of the Sapin II law, the anti-corruption and influence peddling programme rests on three pillars:

- a **commitment from the governing body** to transparency and leading by example, founded on observance of the regulations and the most exacting standards of ethics, with “zero tolerance” for acts of corruption in any shape or form; the head of the Audit, Risk, Control, Quality and Ethics department, who reports to the Group’s deputy chief executive officer, also reports to the Audit and Risks Committee;
- an analysis of **the risks of corruption and influence peddling** to which the Group is exposed, by **mapping corruption risks** to identify what measures and procedures should be put in place to prevent, detect and address these risks;
- the implementation of measures and procedures to **prevent, detect and address** risks:
 - prevention through an Anti-Corruption Code of Conduct and related procedures, a training programme on the risks of corruption and influence peddling and the implementation of a third-party assessment procedure,
 - detection through accounting audits, an ethics-driven whistle-blowing system and an internal control and assessment mechanism,
 - actions to address risks through a system of disciplinary procedures relating to corruption risks.

The Group continued or embarked on the following key actions in 2022:

1. furthering the governing body’s engagement, symbolised by:
 - the Group Risk Committee’s contribution to and approval of the 2022 corruption risk-mapping exercise and related action plans. This committee is made up of members of the Group Management Committee,
 - the implementation of key indicators to enable the governing body to verify that the Group’s anti-corruption procedures are working properly,
 - the completion of training by all members of the Group Management Committee as part of the anti-corruption programme, hosted by outside specialists;
2. an updated ethics-driven whistle-blowing system following the entry into force of the French law transposing the European directive on the protection of persons who report breaches of Union law (Directive (EU) 2019/1937). Changes to the Group whistle-blowing system were presented to the employee representation bodies with a view to having the system’s existence mentioned in the various internal rules of procedure. The system is supplemented by a procedure that explains the steps to be followed, the scope of application and the process for gathering and processing alerts;
3. continuing to roll out the multi-level control mechanism:
 - accounting audits and internal controls on the anti-corruption system to gain assurances that the procedures contained in the anti-corruption

programme are effectively implemented, in a satisfactory and efficient manner,

- stronger and automated controls through increasing data analysis;
4. stepping up awareness and training initiatives, with:
 - the organisation of an anti-corruption day focused on preventing, detecting and combating corruption (with a word from the FDJ Group Chairwoman and CEO, a chance to talk to in-house and outside specialists, an immersive game and special displays),
 - updated training material to facilitate the acceptance of key messages by staff who are exposed to corruption risks, and fresh content (graphic displays, anti-corruption newsletter, etc.);
 5. continuing to support business lines, subsidiaries and newly-acquired entities. The Ethics & Anti-Corruption team has also stepped up anti-corruption procedures at all Group subsidiaries through a community of internal liaison officers.

PERFORMANCE INDICATOR: NUMBER AND SHARE OF EMPLOYEES HAVING COMPLETED ETHICS AND ANTI-CORRUPTION TRAINING

	2020-2021		2021-2022	
	Number	Share	Number	Share
FDJ Group	2,094	77%	2,193	78%

The number of people trained represents the number of employees who completed anti-corruption training in 2021 or 2022. This is because, in 2021, the FDJ Group employees were included in the CSR training programme, which incorporates the anti-corruption module. In 2022, this programme also became mandatory for all new hires. The Ethics & Anti-Corruption team also continued to stage special training sessions for employees or subsidiaries with the greatest exposure to corruption risks.

4.7.5.3 OUTLOOK

Efforts in 2023 will predominantly focus on:

- enhancing the Group’s ethics-driven whistle-blowing culture;
- monitoring the action plans identified in the corruption risk map;
- continuing to provide special training to populations identified as presenting the greatest exposure to risks of corruption and influence peddling (in-person training, manager training, etc.);
- added support for subsidiaries and all other Group entities, particularly with the development of new activities and international expansion;
- rolling out digital tools to make it easier for staff to embrace our anti-corruption programme, particularly when it comes to assessing third parties;
- staff contribution to addressing Environmental, Social and Governance (ESG) issues.

4.7.5.4 RESPONSIBLE TAX POLICY

FDJ has made transparency and tax compliance the priorities of its tax policy. The Group takes care to comply with all the tax rules and laws that apply in all the countries in which it operates. In particular, all tax returns required by laws and regulations are duly filed, and all taxes and levies are paid accordingly.

With regard to cross-border transactions, FDJ complies with the OECD guidelines and ensures that the transfer pricing policies implemented within the Company comply with the arm's length principle.

To avoid artificial transfers of profits, the Group applies the arm's length principle, which aims to ensure that transactions within an international group are priced as if they had taken place between independent parties.

In 2022, the Group's tax expense amounted to €113.3 million, compared with €122 million in 2021. This corresponds to an effective tax rate of 27%, compared with 29.7% in 2021. FDJ SA's contribution to Group tax was €103 million, down from €119 million in 2021.

PERFORMANCE INDICATOR: EFFECTIVE TAX RATE

	2021	2022
FDJ Group	29.7%	27%

4.7.5.5 PROTECTION OF PLAYERS AND RESPONSIBLE GAMING

Partnerships formed for research and trials are an essential pillar of FDJ's responsible gaming policy (see section 4.6.2 "Preventing excessive gambling"). They contribute to research and the sharing of knowledge in the field of gambling and addictive behaviour, and form a foundation for the Company's work on responsible gaming mechanisms geared towards players. Each project undergoes a prior review process to gain assurances that the research and the structures being supported will be independent. This implies:

- the examination of projects in accordance with the Sapin II law (identification of potential concerns such as conflicts of interest, etc.);
- systematic referral to an internal project selection committee comprised of the Audit, Risk, Control, Quality and Ethics department and the legal, finance and CSR departments (see the ethics policy above);
- no participation by FDJ Group in the governance of projects dedicated to research on addictions and prevention of underage gambling;

- respect for the independence of the scope of research and professional practices of each partner. A specific ethical framework has also been defined for risk and harm reduction initiatives targeting struggling players, and involving professionals from the medical and social services spheres and the Group's sales network (see section 4.6 "Responsible "gaming").

4.7.5.6 OUTLOOK

FDJ will continue to apply these ethical guidelines in 2023 to all new partnerships formed to conduct research and to support prevention initiatives as part of its responsible gaming policy.

4.7.5.7 PREVENTION OF ANTI-COMPETITIVE PRACTICES

FDJ operates under exclusive rights (online lotteries, offline lotteries, offline sports betting) as well as in open competition (online sports betting) in the gaming and gambling sector. In recent years, the Group has diversified its activities and launched initiatives in new competitive and/or developing markets, namely third-party payments, esports, online entertainment games and the provision of services to international lottery and sports betting operators. Given the monopoly held in the large majority of its activities, this duality of operations exposes the Company to greater risks under competition law, particularly in terms of abuse of a dominant position.

FDJ has prepared an employee handbook to prevent risks of non-compliance with competition law. This handbook describes situations that could pose a risk for the Company, as well as the best practices employees can adopt to avoid any breaches of competition law.

The Group continued to provide training in this area in 2022 and updated the competitive practices handbook to incorporate a section on abuse of collective dominance.

FDJ also notified the Autorité de la Concurrence (French competition authority) of its plans to acquire ALEDA, a provider of point-of-sale (PoS) systems and processing solutions. On 14 November 2022, the Autorité de la Concurrence authorised FDJ to acquire ALEDA on the condition that FDJ made good on certain commitments to strictly separate the activities in which it holds a monopoly and those conducted in open competition. On 17 November 2022, FDJ announced that it had entered into an agreement to acquire ZEturf, which provides online horse-race betting and online sports betting services under the Zebet brand. This agreement is subject to the acquisition receiving a green light from the Autorité de la Concurrence, which is expected to announce its decision at the end of H1 2023.

4.7.6 PROMOTING RESPONSIBLE PURCHASING

FDJ Group's purchases are strategically important to meet the challenges involved in corporate social responsibility. The Group's purchasing policy is built on four pillars: supplier relations, responsible purchasing, economic performance and risk management.

In the course of its activities and business relations, FDJ promotes responsible sales and partnership practices and works to prevent unethical practices (human rights violations, adverse impacts on the environment, overly-long payment times, excessive levels of dependency, etc.) among its suppliers and partners.

The responsible purchasing policy contains a number of focuses: lasting and balanced relationships with suppliers, the shortening of payment times, local and inclusive procurement and, lastly, the improvement of suppliers' environmental and labour practices.

4.7.6.1 LASTING AND BALANCED SUPPLIER RELATIONSHIPS

The Group is committed to building balanced, lasting relationships with its suppliers to ensure the continuity and fairness of its value chain. In 2014, FDJ signed the inter-company mediation responsible supplier relations charter, the aim of which is to raise awareness among economic agents about key responsible sourcing issues and the importance of forging customer-supplier relationships of the highest standard. FDJ reasserted its commitment to this issue in 2021 by signing an updated version of the sustainable procurement and supplier relations charter⁽¹⁾.

In a reflection of its efforts to continuously improve its sustainable procurement practices, FDJ secured the "sustainable procurement and supplier relations" label in 2021. This label is awarded by the French ministry of the economy, finance and the recovery for a three-year period to reward best practices in procurement and supplier relations through the incorporation into purchases of CSR-driven environmental, social and ethical dimensions. It is aligned with the guidelines set out in ISO 20400.

The Group-wide policy was consolidated in 2022 through a series of actions:

- preparation of a mapping tool with AFNOR Développement with a view to formally defining a supplier CSR risk matrix;
- training for all buyers to help them integrate CSR considerations throughout the entire procurement process and manage supplier CSR risks;
- training for all buyers to ensure that they factor in total cost of ownership (TCO) and social and environmental externalities when they perform a financial review of bids submitted as part of a request for proposals;
- gauging of the environmental and social impact of the activities performed by suppliers and service providers through CSR performance assessments, e.g. Ecovadis assessments and CSR surveys. In 2022, FDJ assessed 116 strategically-important and major suppliers. On average, the suppliers assessed in 2022 scored 64/100⁽²⁾ in the four social, environmental, ethics-related and responsible purchasing categories;

- extension, in conjunction with a specialised partner, of counselling for suppliers that have been hit hardest by the public health crisis, as part of the "FDJ is committed" programme. The crisis has affected some of the Group's suppliers and service providers and this initiative follows on from the financial support mechanisms in place for the past two years. The programme is designed to improve the quality of life at work and the work/life balance of the Group's suppliers. Psychologists, social workers and coaches are on hand to help them in all aspects of their lives. The service is free of charge and people are able to talk in the strictest confidence.

Furthermore, all FDJ buyers' variable remuneration components are indexed to responsible purchasing objectives (hitting supplier CSR performance targets, using sheltered employment channels, etc.), so as to guarantee and encourage them to promote responsible sales and partnership practices with suppliers.

4.7.6.2 SHORTENING PAYMENT TIMES

In order to optimise its economic performance, FDJ is targeting a "zero payment default" rate by 2025 on supplier invoicing to protect the financial viability of its suppliers. With this in mind, the Group has taken action in a number of areas to improve payment times, through the:

- continued enrolment of suppliers in the Tradeshift invoice automation system;
- optimisation of expense approval thresholds.

FDJ has also introduced a discount platform to facilitate the early payment of supplier invoices, in conjunction with C2FO, world leader in working capital optimisation solutions. Through this platform, suppliers can now request the early settlement of one or more outstanding invoices in return for a discount. FDJ will settle the invoice(s) on the requested date, less this discount.

The average payment time for FDJ suppliers was 38 days at the end of 2022 (shorter than the required statutory 60-day period, barring exceptions), compared with 37 days in 2021.

4.7.6.3 LOCAL AND INCLUSIVE PROCUREMENT

In keeping with the Group's CSR values, the social and societal aspects of the responsible purchasing policy place a strong emphasis on sourcing through French channels.

In 2022, FDJ Group's French subsidiaries⁽³⁾ contributed to the economic, social and societal vitality of regions throughout the country, making nearly 90% of their purchases (in value) in France and 85% with small and medium-sized enterprises (SMEs) and intermediate-sized enterprises (ISEs) (see section 4.10 "Territories").

FDJ Group is also committed to supporting inclusive procurement. It is keen to continue to increase purchases from disability-inclusive businesses by 2025. In 2022, more than €1.3 million worth of purchases were invoiced by ESATs (vocational rehabilitation centres) and EAs (disability-inclusive companies), compared with €924 thousand in 2021, and around 7% of FDJ's suppliers were located in priority urban policy districts ("QPV").

(1) <https://www.groupefdj.com/en/commitments/sustainable-purchasing.html>.

(2) Global Ecovadis basis: 44/100.

(3) FDJ SA, FGS France, FDP, FDI, FDJ Services and DVRT 13.

4.7.6.4 IMPROVING SUPPLIERS' ENVIRONMENTAL PRACTICES

FDJ Group is taking action to shrink the carbon footprint of its purchases by getting suppliers to reduce their greenhouse gas emissions in accordance with the Science Based Targets initiative (see section 4.11 "Environment").

With Ecovadis, FDJ also assesses suppliers' environmental performance based on nine environmental criteria: energy consumption and greenhouse gas emissions, water, biodiversity, local and accidental pollution, raw materials, chemicals and waste, product use, end-of-life products, protection and promotion of consumer health and safety, and environmental services. On average, the suppliers that Ecovadis assessed in 2022 scored 68/100 in the environmental category.

PERFORMANCE INDICATOR: SHARE OF STRATEGICALLY-IMPORTANT AND MAJOR SUPPLIERS ASSESSED BASED ON CSR PERFORMANCE

	2021		2022	
	Number	Share	Number	Share
FDJ	123	68%	116	74%

In 2022, CSR performance was assessed for 116 of the 160 suppliers that were considered to be strategically-important and major.

PERFORMANCE INDICATOR: AVERAGE PAYMENT TIMES

	2021	2022
FDJ	37 days	38 days

FDJ extended the average payment time for suppliers by 1 day between 2021 and 2022.

PERFORMANCE INDICATOR: SHARE OF INVOICES SETTLED LATE

	2021	2022
FDJ	2.8%	2.2%

By 2025, FDJ aims to achieve a "zero payment default" rate on supplier invoicing to protect the financial viability of its suppliers. In 2022, 2.2% of invoices were paid late.

PERFORMANCE INDICATOR: AMOUNT OF GROUP PURCHASES FROM ESATS AND EAS

in thousands of euros	2021	2022
FDJ	811	1,204
FDJ Group	924	1,306

The amount of purchases from disability-inclusive businesses rose in 2022, thanks in particular to a series of actions relating to IT services purchases.

4.7.6.5 OUTLOOK

As part of its environmental policy, FDJ will be introducing a tool in 2023 to gather data, assess and steer the Group's carbon review (see section 4.11.1 "Combating climate change").

4.8 Human resources

FDJ Group is keenly aware that employee engagement is an essential factor in achieving sustainable performance. With this in mind, it is working to develop and implement an ambitious, innovative and inclusive Human Resources policy.

The Group wants to make its employees the beating heart of its actions, while still taking stakeholders' expectations into consideration, with, in particular, extensive integration of demands relating to diversity, equal opportunities and efforts to combat all forms of discrimination.

PROFILE OF HUMAN RESOURCES AT THE GROUP

RESULT: NUMBER OF PERMANENT AND FIXED-TERM EMPLOYEES AT 31 DECEMBER ⁽¹⁾

Entity	Country	2021			2022		
		Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
FDJ	France	1,531	72	1,603	1,665	71	1,736
FDP	France	452	15	467	471	21	492
FDI	France	28	0	28	28	0	28
PDJ	French Polynesia	17	3	20	19	0	19
FGS France	France	102	3	105	112	5	117
FGS Canada	Canada	2	-	2	1	0	1
FDJD	France	16	1	17	15	3	18
FGS UK ⁽¹⁾	United Kingdom	36	-	36	0	0	0
Sporting Group	United Kingdom	246	3	249	272	2	274
FDJ Services	France	9	-	9	14	0	14
FDJ GROUP		2,439	97	2,536	2,597	102	2,699

(1) The FGS UK workforce was transferred to Sporting Group in 2022.

As at 31 December 2022, the Group employed 2,699 people at the companies within its scope of consolidation. FDJ, with 1,736 employees, represented almost 64.3% of the Group headcount, while the commercial subsidiary FDP employed 492 people, representing 18.2% of the total Group headcount. The 6% increase in the Group workforce in 2022 was fuelled by FDJ (with growth of 8.3%).

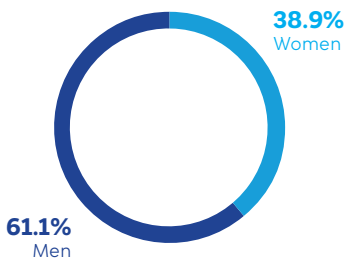
(1) The headcount presented in the table takes into account permanent and fixed-term employment agreements only, whilst the information provided in the financial statements includes all types of employment agreements, including interim and intermittent contracts.

RESULT: PROFILE OF THE WORKFORCE AT 31 DECEMBER

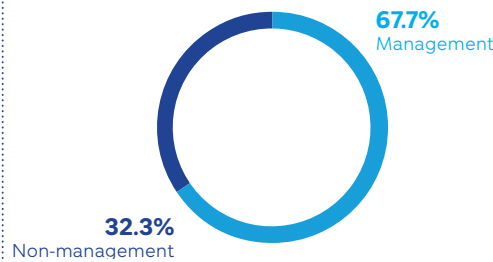
	2021		2022	
	Management	Non-management	Management	Non-management
FDJ	1,391	212	1,527	209
FDJ Group	1,664	872	1,828	871

In 2022, management-level employees accounted for 67.7% of the Group's total workforce, compared to 65.6% in 2021.

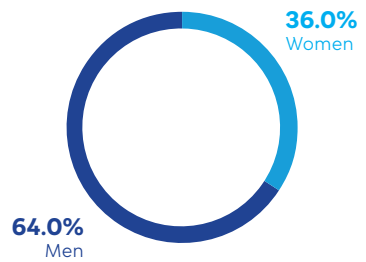
WORKFORCE DISTRIBUTION BY GENDER



WORKFORCE DISTRIBUTION BY GRADE

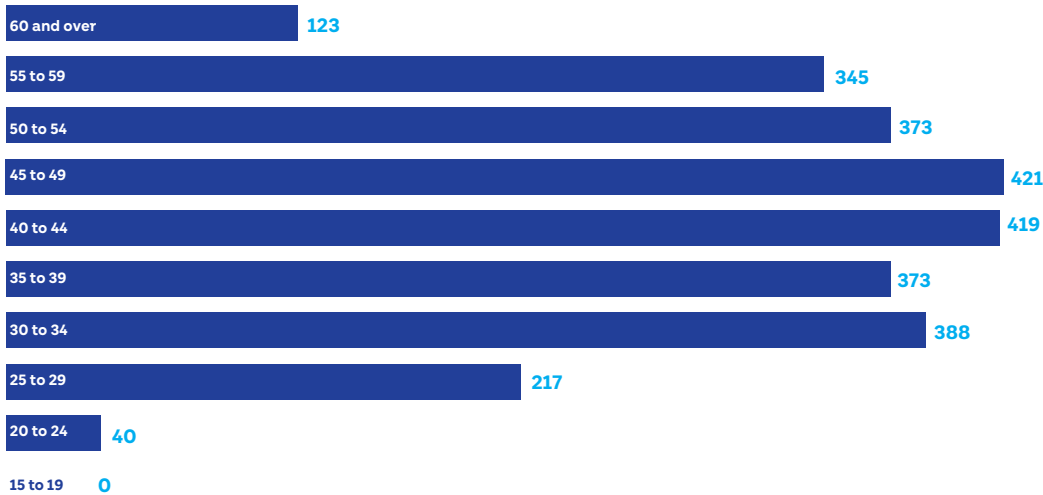


DISTRIBUTION OF MANAGERS BY GENDER



AGE PYRAMID AT 31 DECEMBER

	60 and over	55 to 59	50 to 54	45 to 49	40 to 44	35 to 39	30 to 34	25 to 29	20 to 24	15 to 19	Average age
FDJ	91	191	229	271	280	249	280	139	6	0	42.8
FDJ Group	123	345	373	421	419	373	388	217	40	0	43



In 2017, the Group decided to start making a distinction between "seniors", who are actively preparing for retirement, and "jeniors" aged 45 and over, in order to capitalise on their experience and commitment. Work was undertaken with these employees following an in-house

analysis in conjunction with Harris Interactive. As a result of this work, new training programmes for "jeniors" were incorporated into the training catalogue, together with the "Point 50" programme for employees in their fifties and the "Cap 60" programme for future retirees.

RESULT: AVERAGE EMPLOYEE SENIORITY

	2021	2022
FDJ	11.3 years	10.90 years
FDJ Group	11.1 years	10.85 years

The manner in which seniority at the Group evolves is connected to the recruitment dynamic.

RESULT: GENDER DISTRIBUTION IN THE WORKFORCE

	2021				2022			
	Men	%	Women	%	Men	%	Women	%
FDJ	920	57.4%	683	42.6%	1,012	58.3%	724	41.7%
FDJ Group	1,548	61.0%	988	39.0%	1,649	61.1%	1,050	38.9%

4.8.1 ENSURING SOUND MANAGEMENT OF EMPLOYEE SKILLS

In a competitive environment, characterised by profound changes, it is essential that the Group has committed teams and the best possible expertise in order to develop its operations. With this in mind, the employment and career management policy that FDJ has been developing for more than ten years is designed to prepare for the evolving tasks that will be entrusted to employees and the skills they will need to acquire, and to optimise the manner in which they are guided along their career paths and develop their talents.

Each year, the Group devotes a substantial part of its budget to training. A total of €2.1 million was set aside during the year, representing 3.77% of payroll expense. The Group made a point of maintaining and developing the employability (hard skills and soft skills) of all employees in 2022, by hosting training sessions that suit the needs of each individual. This meant that 96% of employees were able to complete at least one course. On average, each employee completed 15 hours of training in 2022.

Training requirements cover four main areas:

- hard skills directly relating to operational tasks and the fast-paced changes in these areas, particularly in IT, cybersecurity, data, digital technologies and sales and marketing. For instance, in 2022, a particular focus was placed on coordinating commercial performance across the entire sales force, as well as on new customer acquisition;
- soft skills (e.g., knowing how to pitch an idea, to speak in public, etc.), which are just as important to individual and collective performance as hard skills;
- supporting managerial practices in keeping with the Group's managerial model, with three key angles: managers who are coaches, managers who are leaders and performance managers. With this in mind, a programme was rolled out to help new FDJ Group managers take on their managerial role, together with a new support programme for managers' superiors.

Additionally, executive officers also completed a programme on "Managing complex situations and uncertainty";

- proficiency in foreign languages for business (especially English), in keeping with the Group's international expansion and the integration of subsidiaries in English-speaking markets, through courses tailored to everyone (online training platform, individual sessions or courses in groups on specific industry themes).

In order to take into account individual situations and target its actions, the skills development plan combines several approaches:

- individual mobility plan in the event of a change in role and/or assignment;
- training courses to help employees build their career plan, and a specific programme designed for employees in their fifties to help them stay motivated and have an active say in how their career evolves until retirement;
- specific development programmes for women returning to work after maternity leave.

Each course is first reviewed by the manager and the training department to ensure that it ticks all the boxes in terms of what the employee is hoping to get out of it and the needs of the Group.

4.8.1.1 OUTLOOK

The Group will work on strategic issues such as data upskilling and changes in the CSR training plan, while addressing environmental issues in a more targeted manner and supporting the Company's international expansion.

The data upskilling plan will be carried out on two levels:

- online courses so that all staff can become acquainted with issues relating to data and artificial intelligence;
- specific modules to develop business line expertise, geared towards employees with data-related duties.

As for the consideration of CSR issues, the Group will further enhance its managerial model by rounding out the "socially-responsible manager" dimension. With respect to the environment, upskilling support will be provided to managers to help them fully understand the issues at stake and to properly integrate these issues into the way they go about and manage their duties. This approach will be supplemented by specific business line training (e.g., Purchasing, Marketing/Communication, etc.) to truly turn skills and knowledge into operational actions that will improve the Group's environmental performance.

FDJ will also continue to support managerial performance by placing a strong emphasis on handling complex situations and uncertainty and handling change, so that management can adapt and guide staff through changes at the Group.

2023 will also mark a fresh milestone in the transformation of the Group's sales model, with a training programme to create new, more personal, management roles and the creation of the first "wider sales sectors". As part of this, "core" training (sales function) programmes will be introduced to enable everyone to master the skills needed to achieve the Company's goals (e.g., steering commercial performance, new customer acquisition, etc.). These programmes will be jointly designed by Human Resources and the business lines in order to factor in the situation on the ground.

Lastly, the Group will continue to promote the use of business English to accompany its international expansion strategy.

PERFORMANCE INDICATOR: NUMBER OF TRAINING HOURS

	2021	2022
FDJ	26,792	30,821
FDJ Group	39,417	40,403

In 2022, the increase in the number of training hours at FDJ Group (+2.50%) was due to a rise in the budget assigned to training.

PERFORMANCE INDICATOR: PERCENTAGE OF PAYROLL EXPENDITURE DEVOTED TO TRAINING

	2021	2022
FDJ	3.80%	4.12%
FDJ Group	3.35%	3.77%

The share of payroll expenditure set aside for training rose at the Group in 2022 (by +0.5 of a point).

PERFORMANCE INDICATOR: PERCENTAGE OF EMPLOYEES WHO COMPLETED TRAINING DURING THE YEAR

	2021	2022
FDJ	96.1%	91.4%
FDJ Group	97.5%	96%

This calculation includes employees who left the Company during the year, but had completed training beforehand.

4.8.2 PROMOTING A CONSTRUCTIVE SOCIAL DIALOGUE

FDJ has been working for many years to develop and maintain a high standard of social dialogue. This is a critical part of the Company's sustainable performance policy. FDJ adheres to and enforces the principles and fundamental rights of the International Labour Organization at all of its entities, particularly the freedom of association and the effective recognition of the right to collective bargaining.

Social dialogue is organised with employee representation bodies Group-wide and also at the level of the various legal and geographical entities.

Each Group entity has its own employee representation in keeping with the statutory requirements, i.e. based on the number of people it employs. Entities that employ:

- at least 50 people have a "key responsibility" social and economic committee (or "CSE" - as is the case at FDP or FGS France for example), or entity-level CSE and Central CSE (FDJ SA);
- between 11 and 49 people have a "non-advisory" CSE (e.g. FDI).

Accordingly, the main employee representation bodies within the Group's entities are as follows:

- a Group Committee that brings together employee representatives from FDJ, FDP and FGS France. This committee represents all of the Group's entities and meets three times a year;

- within FDJ SA:
 - at a central level: a Central Social and Economic Committee (CSEC) and an Occupational Health and Safety Commission (CSSCT), together with the statutory and conventional commissions (e.g. economic commission, gender equality commission, etc.);
 - at the level of each entity: an entity-level CSE and an Occupational Health and Safety Commission (CSSCT), together with other commissions;
- at FDP: a Social and Economic Committee (CSE) and an Occupational Health and Safety Commission (CSSCT), in addition to the statutory and conventional commissions;
- at FGS France, La Française d'Images and FDJ Développement: a Social and Economic Committee (CSE).

All projects with a bearing on the general running of the Company are regularly presented to and discussed by these bodies. For instance, in 2022, they served as a forum to regularly discuss plans for a series of organisational changes. The high standard of social dialogue at FDJ Group is such that employee representation bodies are systematically consulted when reorganisation plans are on the table, using the following methodology:

- a meeting is held to present/discuss the general principles of the reorganisation;

- a meeting is held to present/discuss the main tasks envisaged for the entities; and
- a meeting is held to present a detailed description of the organisation along with the associated change management plan (communication plan, training plan, kick-off seminar, etc.).

Thanks to this methodology, which is shared with the labour relations partners, it is possible to gather all the advisory opinions of the Group's employee representation bodies on the projects submitted. Similarly, strategy and strategic directions are regularly presented and discussed at FDJ CSEC meetings.

Management has been preparing a Group-wide employee framework for a number of years with the following focuses:

- employee savings;
- top-up health insurance and personal protection plans;
- the employment and career management policy;
- gender equality, gender diversity and social and cultural diversity.

Over the medium term, the aim is to work with the unions representing employee interests at Group level to harmonise the various measures, practices and agreements.

Like in 2021, the number of agreements increased in 2022, with four new agreements being signed on pre-retirement leave, the collective retirement savings plan, time savings accounts ("comptes épargne temps" - CET) and leave-sharing, and on the release of amounts paid into the special profit-sharing and incentive fund under the French "Purchasing Power Act" in respect of employee share ownership.

At the end of 2022, Group-wide talks led to the signature of two agreements regarding top-up health insurance and personal protection plans, with a view to harmonising the system for all Group entities. Talks also got under way on the employment and career management policy, and will likely continue in 2023.

Negotiations are regularly organised at Group companies that have union representation (FDJ, FDP, FGS France, FDJ Développement and La Française d'Images). At FDJ, management meets with representative trade union organisations twice a month to negotiate agreements, which helps to guarantee a high standard of social dialogue.

In 2022, these meetings led to the signature of four agreements or amendments at FDJ: the wage agreement in which the wage policy was set for 2022, the incentive agreement for 2022 and the amendment to the 2019 remote working agreement, introducing less restrictive remote working rules for staff.

The planned topics on the agenda for 2023 at FDJ include: wage talks and the setting of criteria for the 2023 incentive plan, together with Group-wide talks on the employment and career management policy.

2023 wage talks began earlier than usual in response to the exceptional inflation environment observed in 2022. After informing and consulting with the employee representation bodies at each Group entity in December 2022, the decision was made to grant a value sharing bonus ("prime de partage de la valeur" - PPV) to employees who are on wages of up to 2.7 times the French minimum wage, pursuant to Article 1 of the law introducing emergency measures to protect purchasing power. This bonus was paid in two equal instalments in December 2022 and January 2023. Wage talks then continued from January 2023 onwards.

OVERVIEW OF THE AGREEMENTS SIGNED DURING THE YEAR

Scope	Theme	Brief description	Signature
Group	Pre-retirement leave	Enable employees to take leave of up to three years prior to their official retirement date under an attractive compensation package. This also facilitates the transfer of knowledge and skills.	26.04.2022
Group	Collective retirement savings plan (PERCOL)	Introduction of a collective retirement savings plan. This agreement harmonises the existing retirement savings measures at each Group entity and provides for the introduction of new ones. It also gives each employee an opportunity to set aside retirement savings that will be eligible for lower tax rates and lower social security contribution rates.	25.07.2022
Group	Time savings accounts (CET) and leave-sharing	First ever Group-wide agreement on time savings accounts and leave-sharing, replacing the company agreements on these issues. This agreement harmonises procedures and makes it possible to: <ul style="list-style-type: none"> - accumulate rights to paid leave in consideration for periods of leave not taken or rest days worked; - build up savings in preparation for retirement; - develop a system of mutual aid by enabling staff to transfer their days off to other employees. 	11.08.2022
Group	Exceptional release of €10,000	The Group signed an agreement to allow employees to release assets invested in the form of Company shares, within the framework of the French law of 16 August 2022, which introduced emergency measures to protect consumer purchasing power, whereby the holders of a company savings plan will be exceptionally permitted to release up to €10,000 in respect of profit-sharing and/or incentive bonuses paid into these plans.	23.09.2022

Scope	Theme	Brief description	Signature
Group	Healthcare costs	The Company issued a request for proposals over the summer as part of a review of the top-up health insurance (healthcare costs) and personal protection plans, with a view to: <ul style="list-style-type: none"> – harmonising the cover provided to Group employees (management staff relative to non-management staff, FDJ SA relative to subsidiaries); – optimising the cover provided to Group employees with respect to the basic and optional premiums paid into the plans; – optimising the services provided by the administrator and the insurers: quality of service, digitalisation, etc. – optimising the fees paid to the administrator (cost commensurate with the service provided); – alongside this, talks with the trade union representatives led to the signature of an agreement. 	07.12.2022
Group	Personal protection plans		07.12.2022
FDJ	Wage agreement	2022 wage policy agreement	25.02.2022
FDJ	Remote working	<ul style="list-style-type: none"> – Amendment to the 2019 remote working agreement, introducing less restrictive remote working rules; – Remote working possibilities for all employees (except those whose duties absolutely cannot be performed remotely) who have been on the payroll for at least 3 months; – Capped at 100 days of remote working per year, based on a pre-determined or flexible schedule; – €2.50 compensation paid for every day worked remotely; – On-site presence of at least 2 days/week; – Option to work remotely from a place other than one's primary residence (second home/family home). 	25.02.2022
FDJ	Incentive plan	2022 agreement setting the incentive plan criteria	28.03.2022
FDJ	Support measures for staff at the Villepinte site	Agreement containing measures to help staff move nearer to the Delta site or to compensate them for their longer commute.	07.12.2022

PERFORMANCE INDICATOR: NUMBER OF LABOUR AGREEMENTS SIGNED DURING THE YEAR

	2021	2022
FDJ	3	4
FDJ Group ⁽¹⁾	5	6

(1) Scope covered: entities incorporated in France.

4.8.3 STRENGTHENING DIVERSITY, INCLUSION AND GENDER EQUALITY IN THE WORKPLACE

The Group has been working for many years to combat discrimination and promote inclusion and equal opportunities. This commitment reflects a firm belief that diversity and social cohesion are invaluable attributes that build employee engagement and drive sustainable performance. FDJ has been pursuing an ambitious four-pronged "Diversity and Inclusion policy" since 2010: gender equality in the workplace, inclusion of persons with disabilities, intergenerational work and inclusion of people from diverse social backgrounds. Two additional focuses were introduced in 2021, i.e. sexual orientation and gender identity.

The Diversity and Inclusion policy and associated initiatives are presented each year to the Group Management

Committee, the CSR and RG Committee and the Board of Directors.

A labour agreement on these issues was signed in 2021 thanks to the close collaboration of management and the Group employee representation bodies. The purpose of this agreement is ultimately to introduce a common social framework for all Group employees (see section 4.8.2 "Promoting a constructive social dialogue").

FDJ Group conducted its first-ever Diversity and Inclusion survey⁽¹⁾ in 2022 with a view to assessing the level of diversity among its staff, gauging the degree to which staff felt included or discriminated against, and ascertaining what they expect from the Group's Diversity Policy. The 40% response rate⁽²⁾ for this first survey provided a wealth of

(1) Scope covered: only the Group's French entities.

(2) Rate calculated based on the number of people employed by the Group when the survey was conducted.

valuable information to adjust the existing diversity and inclusion action plans.

As part of a continual effort to improve, the Group enhanced the manner in which diversity and gender equality are managed, based on compliance with the AFNOR Certification specification document. As a result, FDJ was once again the proud recipient in 2021 of the ALLIANCE label, combining the Gender Equality and Diversity labels. FDJ also continued its work to control diversity and inclusion risks by formally introducing specific risk analysis (incorporating, for example, respect for human rights in terms of discrimination, ethics and quality of life at work). The plan is to take these risks into account in the Group's risk-mapping exercise.

Training and awareness initiatives focused on diversity and inclusion

Employee training and awareness are fundamental aspects of any inclusion policy. FDJ Group has developed different programmes with this in mind:

- for the management team: the members of the Group Management Committee attended a Diversity and Inclusion awareness session in December 2021;
- for the managers:
 - systematic training has been introduced on the theme of "Labour laws and managing". This is an integral part of mandatory training for managers. It defines what discrimination is and explains how to follow best recruitment practices with no unfair biases,
 - since September 2021, a guide on "Fair hiring practices" has been provided to human resources staff and managers with recruitment powers to help them conduct unbiased interviews;
- for all staff:
 - CSR training has been introduced with a comprehensive section on discrimination,
 - a Diversity challenge was organised in September 2022. Staff were given access to 10 e-learning training modules for one month to learn about what they can do to tackle discrimination and harassment, and to find out more about the key focuses of the Group's inclusion policies,
 - in 2022, a three-year training plan centred on enhancing diversity, tackling all forms of discrimination and combating harassment was launched with people who can make a very real difference in this area (recruiters, managers, buyers, employee representatives, etc.). We are currently developing a specific e-learning training module in partnership with Mozaik RH,
 - in October 2022, the staff at our various sites received a copy of a Diversity and Inclusion comic book. This book was also provided to the participants in a live interactive conference held in conjunction with the Responsible Purchasing team, which focused on the Group's engagement when it comes to inclusion.

All this information is readily available to employees in the diversity section of the FDJ Intranet portal (with contact information for various helplines and support services). They also have access to a wide range of material, including a humorous and instructive web series (in 12 episodes that communicate the key messages), and replays of conferences/webinars available to all, rounding out the Group's diversity and inclusion awareness measures.

4.8.3.1 GENDER EQUALITY IN THE WORKPLACE

FDJ Group is particularly committed to gender equality in the workplace, an issue that is supported at the highest level of the Company, through a large number of training and awareness initiatives.

In-house awareness initiatives

Each year, the Group stages an event on 8 March to coincide with International Women's Day. Since 2015, booklets are handed out to all members of staff to raise awareness about the importance of gender equality.

Measures for parents

FDJ has had specific measures in place for many years to help staff who are expecting a child or who are parents already. The Group believes that becoming a parent is a crucial event in a person's life. Fathers who avail of the statutory 28-day paternity leave are entitled to receive their full pay⁽¹⁾. FDJ Group employees can also take a leave of absence of up to six months, during which they will be entitled to receive between 50% and 75% of their gross monthly salary, depending on what system they choose, a measure that is also available for parents who have used a surrogate to have a child. There are also support services (training, coaching, etc.) in place to help all employees returning to work after maternity/parental leave. Furthermore, FDJ Group is particularly attentive to how women's pay evolves when they return from maternity leave. Parents are also entitled to four days off to care for a sick child and can avail of a system to apply for a place in a nursery.

The Group has prepared a guide in which it explains the legal provisions for parents and the measures it has introduced for every parent, be they a (future) mother, a (future) father or a second parent, as stipulated in the related agreement.

Female representation on governing bodies and equal pay

FDJ has been included, for the second year in a row, in the top ranks of SBF 120-listed companies⁽²⁾ in terms of female representation on its governance bodies, taking 7th place and registering the highest score based on the workplace gender equality index. This recognises FDJ's long commitment to gender equality in the workplace and its proactive gender diversity policy.

(1) Pursuant to the French paternity law, which came into effect on 1 July 2021.

(2) Assessment of female representation on a company's governance bodies and in all echelons of the organisation (based on the Workplace Gender Equality index). The press release is available (in French) at: <https://www.groupefdj.com/fr/journalistes/le-groupe-fdj-recompense-par-la-4e-place-au-palmiers-de-la-feminisation-des-entreprises-du-sbf-120.html>.

In 2022, and for the third year, Option Finance & Humpact held the Humpact Awards in association with VENDOME ASSOCIES to reward the most sustainable listed companies. FDJ was nominated in the Gender Equality category.

Moreover, further to the decisions taken by the Board of Directors at its 16 December 2020 meeting, and in accordance with the provisions of Article 7.1 of the AFEP-MEDEF code, the Company is taking steps to ensure that the proportion of women in the Group of Executive Managers (GEM) is equivalent to the proportion of women in the total Group workforce by 2023.

PERFORMANCE INDICATORS: PROPORTION OF WOMEN IN THE TOTAL GROUP WORKFORCE AND IN THE GROUP OF EXECUTIVE MANAGERS

	2021	2022
Proportion of women in the total Group workforce	39.0%	38.9%
Proportion of women among the GEM	33.8%	35.1%

The percentage of women in the GEM has risen by 1.3 points since this Board decision was made, going from 33.8% on 31 December 2021 to 35.1% on 31 December 2022.

RATE OF PROMOTION AMONG EMPLOYEES WITH PERMANENT CONTRACTS (CHANGE OF GRADE)

	2021			2022		
	Women	Men	Combined	Women	Men	Combined
FDJ	13.2%	10.6%	11.7%	10.9%	8.7%	9.6%

FDJ is pursuing specific actions to equally distribute promotions among men and women.

Tackling stereotypes

FDJ Group put its name to the "StOpE au Sexisme" charter in December 2020 to combat everyday acts of sexism, in addition to the SISTA charter, which it signed in October 2020, to promote gender diversity in digital industries and enable more women entrepreneurs to secure financing from investment funds for their start-ups. In 2022, every member of the Group Management Committee put their names to a Company charter drawn up in conjunction with the "Jamais sans Elles" association. By signing this charter, they have personally committed to never again attend a public event or a media event, in person or remotely, where there is no gender diversity (at least one of the participants must be a woman).

More than 130 employees (men and women) have joined the in-house All'In network formed in 2016 to promote gender

PERFORMANCE INDICATORS: PROPORTION OF WOMEN IN THE TOTAL GROUP WORKFORCE AND PROPORTION OF WOMEN MANAGERS

	2021		2022	
	Proportion of women	Proportion of women managers	Proportion of women	Proportion of women managers
FDJ	42.6%	41.8%	41.7%	40.9%
FDJ Group	39.0%	34.3%	38.9%	36.0%

RESULT: WORKPLACE GENDER EQUALITY INDEX ("PÉNICAUD" INDEX)

	2021	2022
FDJ	100/100	100/100
FDP	92/100	98/100
FGS France	84/100	84/100

diversity. They work to demonstrate that equality cannot become a reality without the help of men and women alike, to do away with the preconceived ideas that lead to inequality and truly create equal opportunities. All'In draws its inspiration from and shares best practices with gender diversity networks set up at other large groups, as part of an organisation called "Mixité en Seine".

Lastly, a gender equality commission has been set up with representatives of the management team, the trade unions and the All'In network and a representative of the Diversity team, to monitor progress with the commitments made as part of the Group agreement on Diversity, Gender Equality and QWL⁽¹⁾. The commission's first meeting was held in December 2022 to present the progress made during the year in figures and to discuss areas for improvement and the action plan to be set in motion for the coming year.

(1) This agreement is available on the corporate website at: www.groupefdj.com.

4.8.3.2 INTEGRATING PERSONS WITH DISABILITIES

For nearly 15 years, FDJ has been striving to integrate persons with disabilities into the workforce. This has led it to embark on a large number of recruitment, support and awareness initiatives.

Recruitment and support

When it comes to support, the Group has been working year after year to improve the measures in place to support employees with a disability. In-depth surveys were carried out in 2022 among all employees with RQTH status⁽¹⁾, and the results of these surveys were used to improve the support provided, where such improvements were needed. Similarly, individual coaching sessions and a string of training/awareness sessions were held in conjunction with our partner UNIRH for the teams tasked with integrating employees with a disability.

As part of a continued commitment to recruit people with disabilities, FDJ set a target for 2022 to keep the proportion of disabled employees above 5.34% in the criteria set for the Company's incentive plan, as part of a conscious effort to get all employees behind this issue, by:

- getting involved in specialised job fairs/forums⁽²⁾;
- identifying, with the help of selected partners, a pool of talents who meet diversity criteria, including those relating to a disability, in order to work towards attaining the Group's goal of having people with a disability make up more than 6% of the workforce;
- allocating a special budget to hire young work-study applicants with RQTH status;
- working with new specialised recruitment agencies to identify applicants for high-level positions, and further developing partnerships with EAs (disability-inclusive companies) and ESATs (vocational rehabilitation centres)⁽³⁾.

In-house awareness initiatives

Alongside this recruitment plan, awareness initiatives have been set in motion with Group employees, notably through Duoday⁽⁴⁾, workshops on invisible disabilities (psychological disabilities), and a series created in conjunction with actors and neuroscience specialists.

Tackling stereotypes

As part of an effort to improve and draw on best practices already tried and tested at other organisations, and to interact with various diversity stakeholders, the Group participates in the actions led by the association Hangagés, which FDJ founded in 2009, and which specialises in disability issues in corporate environments and in the integration of people with a disability.

PERFORMANCE INDICATOR: RATE OF DIRECT EMPLOYMENT OF PERSONS WITH DISABILITIES

	2021	2022
FDJ	5.22%	5.36%
FDJ Group	5.21%	5.61%

The data provided for FDJ Group does not include FDJ Gaming Solutions UK, Sporting Group, both incorporated in the United Kingdom, or Pacifique des Jeux. The increase in the Group rate was driven by a rise in the rates reported for all contributing entities (with a sharp increase for the commercial subsidiary FDP). The increase in the rate shown for FDJ was tied to a sharp rise in the number of employees with RQTH status and came despite the increase in the overall workforce (linked to new hires).

4.8.3.3 INTERGENERATIONAL INITIATIVES

FDJ has supported the employment and training of young people for many years. It has also been actively exploring courses of action for senior profiles.

Employment of young people

FDJ Group has been pursuing a dynamic recruitment policy since 2018, hiring almost 1,000 people, with nearly a quarter of them aged under 26. It has been stepping up its recruitment and training drive since 2021 for interns and work-study participants from all types of backgrounds. There were 130 young people on work-study contracts in 2022.

FDJ attaches great importance to providing trainees with an experience of the highest standard, namely through:

- one-on-one supervision by a mentor who has been specifically trained for this purpose;
- the chance for trainees to follow the same integration path as any Group employee;
- the opportunity to meet with their Human Resources liaison officer.

Choose My Company⁽⁵⁾ has awarded FDJ the "Happy Trainees" label for the fifth year in a row, based on reviews submitted by the Group's work-study participants and interns. With a score of 4.4/5, this label is the result of the integration and daily support provided to work-study students and interns as well as their tutors.

(1) "Reconnaissance de la qualité de travailleur handicapé" (recognition of disabled worker status).

(2) Paris Pour l'Emploi, Talent Handicap and Hello Handicap.

(3) See section 4.7.6 "Promoting responsible purchasing".

(4) An event staged to change people's perceptions of disabilities (and providing a good talent pool).

(5) Choose My Company, founded in 2011 by human resources, IT and digital specialists, helps develop organisations' performance and appeal by surveying employees, interns, applicants and customers.

PERFORMANCE INDICATOR: NUMBER AND PERCENTAGE OF WORK-STUDY PARTICIPANTS

	2021		2022	
	Number of work-study participants	Percentage of work-study participants	Number of work-study participants	Percentage of work-study participants
FDJ	130	7.5%	104	6%
FDJ Group	169	6.2%	130	4.8%

“Jeniors” and seniors

“Junior” employees (aged 45 and up) and senior employees (those in the process of actively preparing for retirement) accounted for 47% of the FDJ Group workforce in 2022. They make a significant contribution to the collective Group dynamic.

In addition to all the other training provided, these employees can also avail of specific programmes to prepare for retirement: the “Point 50” programme enables employees in their fifties to take stock of their career, expectations and needs, and takes a look at intergenerational work opportunities and existing retirement arrangements; while the “Cap 60” programme is geared towards employees in their sixties and covers practical issues as they prepare for retirement.

The engagement rate among seniors ⁽¹⁾ stands at 92%, which is slightly higher than for the overall workforce (see section 4.8.5 “Ensuring employee engagement”).

4.8.3.4 DIVERSITY OF ORIGINS AND SOCIAL DIVERSITY

FDJ signed up to the PAQTE (neighbourhood pact for all businesses) initiative in 2018. PAQTE is built on four pillars:

- awareness-building via a policy of developing internships within the Company, especially for students in their last year of lower secondary school, under the government-sponsored system for schools located in REP+⁽²⁾ areas;
- training, with the development of access to apprenticeships for students from priority urban policy districts, in terms of career orientation, access to combined work-study programmes and support for apprentices;
- recruitment to support employment in priority urban policy districts and guarantee discrimination-free hiring methods;

- purchasing, with a view to developing responsible and inclusive procurement from businesses operating in socially disadvantaged areas. In 2022, around 7% of FDJ's suppliers were located in priority urban policy districts.

FDJ took part in the second annual economic inclusion summit organised by Mozaik RH to discuss, draw on and share best economic inclusion practices, and to participate in a job-dating exercise to promote the employment of people from diverse social backgrounds.

4.8.3.5 GENDER IDENTITY AND ORIENTATION

FDJ wants each and every employee to feel accepted within the Group, regardless of their gender identity or orientation. Should they wish to, every person must feel that they can talk freely about their partner and their family life.

With this in mind, FDJ Group teamed up with the people at TETU.CONNECT in 2022 to draw on their experience and gain insight from people throughout the world of work. The Group was able to build on this partnership to organise a first awareness conference to discuss how to combat discrimination against LGBTQIA+ people, attended by Ouissem Belgacem (a former professional international footballer who came out) and an expert from TETU.CONNECT.

This live interactive conference, which all Group staff could watch, was also an opportunity to show the Group's commitment to inclusion issues and to announce the launch of work to comply with the provisions of the LGBT+ Charter drawn up by the association L'Autre Cercle, with a view to signing it in 2023.

FDJ Group also covered this theme in the diversity and inclusion comic book handed out to staff at sites in all our French-speaking markets in 2022.

(1) The measurement of the engagement rate among seniors is based on the findings of a survey conducted among employees aged between 51 and 60.

(2) “Réseau d'Education Prioritaire” (priority education network).

4.8.4 DEVELOPING QUALITY OF WORK LIFE

FDJ has been taking proactive measures for many years to promote quality of work life and well-being in the workplace. As part of this, the Group conducts an annual in-house survey (see section 4.8.5 "Ensuring employee engagement") to regularly monitor and ensure employee well-being and to identify employees' needs.

RESULT: AVERAGE WELL-BEING AT WORK SCORE GIVEN BY EMPLOYEES

	2021	2022
FDJ Group	85/100	79/100

The fall in the score was due to a change in the way the question was formulated.

Keen to keep this score high, FDJ takes action throughout the year to ensure quality of work life (QWL) and occupational health and safety (OHS), two essential components of a fulfilling and engaging work life for each individual, and key to collective performance.

Quality of work life

Suitable work conditions, ways of doing things that are adapted to business lines and specific profiles, and feedback mechanisms with the provision of various channels to escalate information, all play a part in employee well-being.

Actions geared towards employees

FDJ Group has been raising awareness about QWL for many years throughout its workforce:

- various events were held to coincide with 2022 QWL Week, with sophrology sessions, stress management workshops, experiential workshops on "Understanding and reacting to early warning signs of burn-out", escape games and "Quality of Work Life" surveys, a conference on "How to get rid of Musculoskeletal Disorders", seated massage sessions (an initiative particularly geared towards staff at logistics warehouses, which will become a permanent fixture);
- two interactive conferences hosted by our partner April4Me were held for our employees this year to help them recognise signs of burn-out and psychological risks and provide them with information on the various support systems in place at the Group;
- a personalised holistic support programme has also been introduced. In 2022, two three-month courses were run in which participants were able to complete a programme to help them assess their "get up and go" (recognising signs of fatigue, weak signals of stress, etc.), recover a physical, emotional and mental balance and better manage their time and priorities in order to strike a healthier work/life balance;

- lastly, a pilot test was carried out with the staff of the Employee Experience and Transformation department in the form of a webinar to help them draw on their inner resources and to discover (or recover) their energy and vitality.

Alert systems for employees

Maintaining quality of work life has been paramount for the Group since the public health crisis first began, in order to address the sense of unease, anxiety and isolation that such a situation can bring. Alongside the measures taken by HR and management, who play a crucial role in the quality of work life, other specific measures were introduced to reassure and support employees.

FDJ Group invites its employees to escalate any cases that may point to unease, a need for assistance with personal or work-related issues, or any suspicions of harassment or discrimination. As part of the measures taken to improve access to support services, the Group has:

- adapted the manner in which its in-house support units operate, by pooling the tools at hand (pooled whistle-blowing system, facilitating the escalation of situations that are contrary to our ethical principles (corruption, fraud, discrimination, harassment, etc.));
- reinforced the *FDJGroupForMe* external support service for employees at Group entities in France and in English-speaking markets.

This 24/7 service has been up and running since 2019 and provides healthcare assistance, social assistance and psychological support⁽¹⁾.

Occupational health and safety

The FDJ occupational health and safety (OHS) policy relies on a specific management system to implement employees' work environments and ensure that they are operational; to promote operational performance and quality of work life; and to protect the health and guarantee the safety of all employees.

FDJ Group is as committed as ever to occupational health and safety. This is reflected in:

- prevention training and awareness campaigns geared towards managers, employees, service providers and suppliers. A total of 605 employees were able to complete training under the annual training plan in 2022. New hires complete occupational health and safety training as part of the onboarding programme;
- checks on the OHS management system and internal and external audits;
- regular work-related risk assessments;
- the implementation of OHS action plans at each site;

(1) Telehealth consultations, health advice, medical concierge services, assistance in areas relating to family, work, housing, budget, etc.; together with personal assistance and support for people affected by a traumatic event.

- regulatory compliance analyses addressing themes relating to the environment (air quality, noise pollution, waste, water, risks, facilities requiring an environmental impact assessment, urban planning and nature); energy (energy performance of equipment, energy production and distribution, audits and analyses); transport; health and safety (lay-out of work areas, workplace accidents and occupational diseases, occupational health and safety commission, specific working conditions, in-house company document, work equipment, electrical installations, prevention, hazardous products, lifting equipment, occupational health unit);
- performance monitoring in relation to the manner in which the occupational health and safety (OHS) management system functions.

FREQUENCY AND SEVERITY RATES

	2021						2022					
	Number of hours worked	Number of workplace accidents with lost time	Number of commuting accidents with lost time	Number of days lost	Frequency rate	Severity rate	Number of hours worked	Number of workplace accidents with lost time	Number of commuting accidents with lost time	Number of days lost	Frequency rate	Severity rate
FDJ	2,265,112	2	4	100	0.88	0.01	2,434,742	9	4	275	3.70	0.11
FDJ Group	3,831,562	5	7	159	1.30	0.01	4,005,390	10	5	278	2.50	0.07

Frequency rate: number of lost-time incidents per million hours worked. Severity rate: number of days lost per 1,000 hours worked.

PERFORMANCE INDICATOR: ABSENTEEISM RATE

	2021	2022
FDJ	2.43%	3.34%
FDJ Group	2.50%	3.40%

The absenteeism rate reflects days of absence resulting from illness, workplace accidents and commuting accidents, divided by the number of theoretical days worked for the relevant year.

Mirroring its commitment to supporting the French sporting community, FDJ Group has introduced a series of measures to facilitate and promote physical activity for its employees: staff have access to three in-house gyms located at major sites in Metropolitan France, with membership fees subsidised by their Economic and Social Committee (CSE); sports clubs have been set up at our sites; FDJ Group subsidises and supports employees who wish to take part in non-Group sports events (running events, Paris 2024 events, etc.); sporting weekends are organised for staff, together with in-house events that promote cycling; and bike parks and changing rooms are available at our sites.

4.8.5 ENSURING EMPLOYEE ENGAGEMENT

Employee engagement is a key contributor to company performance. FDJ measures employee engagement by surveying all Group employees each year in the form of:

- an in-depth employee climate survey. The aim of this exercise is to monitor the level of employee engagement and other key indicators (quality of work life, management, etc.);
- a simplified employee climate survey.

These surveys, which are conducted in alternate years, assess employee engagement in five categories: job satisfaction, loyalty to the Company, motivation to do more, recommendation of the Company as an employer and pride in working for the Group.

An employee climate survey was conducted at FDJ Group in 2022. The results of the survey revealed some very positive views in most of the areas assessed, with a very high participation rate (67% response rate).

They reflect a workforce that is engaged (89/100) and happy to work at the Group, with a trust in their manager and in the future of their organisation.

PERFORMANCE INDICATOR: EMPLOYEE ENGAGEMENT RATE

	2021	2022
FDJ Group	91/100	89/100

The engagement indicator that emerged from the 2022 FDJTeam survey came to 89/100 (down 2 points on the 2021 FDJScope survey). The engagement rate had also been measured in 2020 as part of an ad-hoc survey into the effects of the public health crisis, and came to 92/100.

Outlook

By 2025, the Group aims to keep the employee engagement rate at a high level of more than 85/100.

4.9 Solidarity

4.9.1 SOCIETAL ENGAGEMENT

FDJ has been committed to the greater good since it was founded as a successor to the French national lottery, which was created to help wounded World War One soldiers. Its contribution to society is a key component of its raison d'être and thus its business model. Its initiatives are divided into three categories: engaging with society through its Corporate Foundation, supporting French sports and contributing to the preservation and renovation of French heritage sites.

PERFORMANCE INDICATOR: CONTRIBUTIONS TO GENERAL INTEREST CAUSES

	2021	2022
FDJ Group	€108m	€137m

FDJ donated €137 million to general interest causes in 2022, including funding for the Agence Nationale du Sport, donations to the Fondation du Patrimoine and the endowment made to the FDJ Corporate Foundation. This information was taken from the BDO-Bipe study into FDJ's economic and social impact.

FDJ introduced a sponsorship strategy in 2021 in another reflection of its raison d'être, with three key focuses: responsible gaming, equal opportunities and strong local roots. This strategy is aimed at consolidating and furthering the various sponsorship initiatives led by FDJ Group and its Foundation.

4.9.1.1 THE FDJ CORPORATE FOUNDATION

The FDJ Corporate Foundation, founded in 1993, works to promote equal opportunities. It provides support to associations that use social innovation and game-based learning approaches to educate and integrate vulnerable members of society, people who may suffer from a disability, hardship or isolation. The FDJ Corporate Foundation has been able to use the €19.5 million it was allocated for 2018-2022 (incorporating an additional €1.5 million endowment to address the problems faced by young people because of the public health crisis) to support around a hundred initiatives a year throughout France. In 2022, the FDJ Corporate Foundation provided €4.4 million in funding to its partner associations.

Over the five-year period spanning 2018-2022, more than 300,000 people received integration or education assistance from the FDJ Corporate Foundation, through projects selected on the basis of five criteria: general-interest projects with a recreational angle to promote equal opportunities; innovation or differentiation in the project's field of intervention; clearly identified social impact goals; projects that can be reproduced nationwide; and alignment with a co-building approach with the FDJ Corporate Foundation.

In those five years, the Foundation has supported initiatives to close the digital divide, to integrate vulnerable people into society and the world of work and to integrate people with a disability. It has successfully worked to promote a sense of solidarity throughout the Group's workforce, by developing

skills sponsorship programmes for partner associations. In 2022, FDJ Group employees devoted more than 7,500 hours of their time to these skills sponsorship programmes. More than 120 employees have also signed up to take part in mentoring initiatives to help young people.

The five-year budget for the Foundation, which will celebrate its 30th anniversary in 2023, has been increased to €25 million for 2023-2027.

Impact of the FDJ Corporate Foundation

The Group teamed up with a specialised firm in 2021 to conduct a social impact study, the results of which were published in 2022. A total of 22 interviews were conducted with the associations supported by the FDJ Corporate Foundation, representing more than 80% of the Foundation's endowments. 97% of the associations surveyed said they were very satisfied with the support received, mainly because it has enabled them to increase in scale, develop their skills and become more visible.

Three key figures reflect the impact on the ultimate recipients of the Foundation's support:

- 84% say they feel more motivated;
- 80% say they feel more able to put their poor self-image aside and take the driving seat in their personal journey;
- 78% say they feel more confident.

Lastly, the monetary value of the FDJ Corporate Foundation's impact has been calculated: for every euro invested by the Foundation, €3.4 worth of value is created for society.

Projects supported

Funding for the large projects backed by the FDJ Corporate Foundation is provided over a number of years. In 2022, some projects were in their second or third year of funding. Examples:

- "Entourage" works to address the isolation of homeless people by giving them access to the support networks they need;
- "Comme les Autres" provides social support services through sports and thrilling experiences for people who have suffered a physical disability following an accident. Its career guidance programme works to facilitate the integration of disabled people into the workforce;
- "Café Joyeux" is France's first network of cafés-restaurants to train and employ people with a mental and cognitive disability (as "crew members"). The aim is to train personnel so that they can secure a State-recognised diploma;
- "Fête le Mur" is a social and sporting association that has developed an innovative educational programme using song to help students memorise lessons given by their teachers in class;
- "L'Académie Diomède" goes right to the centre of the French education system, relying on a three-part methodology: school-related, social and sports-related. It uses football as an educational tool to train future adults.

The seven associations selected as part of the 2020 call for projects⁽¹⁾ have also been able to continue their actions.

Lastly, the €2 million youth programme set up to meet the basic needs of young people (housing, food, etc.) and prevent them from becoming isolated and dropping out of school, helped 15,000 struggling young people through the actions of four associations:

- "Les Restos du Cœur", which provides food packages to people who visit their centres and helps those in need, particularly young people, to use digital tools to learn about their rights, carry out administrative formalities, find out information and access training;
- "Apprentis d'Auteuil" and their ProPulse programme: this stepping-stone helps young people pick themselves up and prepare to join a work-study programme. It also gives them added tools by ensuring that they have the basic hard skills and soft skills needed to succeed, together with career guidance support through internships;
- "Afev" and its two programmes supported by the Foundation: a system of mentoring to ease new undergraduates into the student community, and "Kolocations à Projets Solidaires" to address the housing problems faced by young people and give them a way to engage with residents in their local areas. Funding has also been provided for an emergency student fund;
- "Article 1" and its Jobready programme: this digital in-person programme seeks to pinpoint and build on young people's soft skills to make it easier for them to find employment. It allows the skills of each young person to shine through, while also putting a spotlight on, and providing insight into, all manner of career paths and experiences to speed up their entry into the workforce.

Dedication to serving territories and promoting equal opportunities

The network of more than 30,000 points of sale nationwide gives the Foundation special access to agents who are working to develop local communities and are committed to promoting equal opportunities.

Each year, the FDJ Corporate Foundation invites the Group's retailers to participate in a solidarity initiative by submitting a community project that is close to their heart. The associations behind these initiatives must be specifically focused on the Foundation's sphere of action, i.e. education and the integration of vulnerable populations. In 2022, 103 associations received funding of up to €3,000.

Local associations interested in submitting a solidarity-oriented project to the Foundation must be sponsored by a retailer. This forges connections between local organisations while also expanding FDJ Group's regional roots through its Foundation.

Employees committed to solidarity

In 2022, 239 employees got involved in the 42 solidarity initiatives proposed by the FDJ Corporate Foundation. 2022 also saw:

- the introduction of long-term skills sponsorship programmes, giving employees an opportunity to lend their support to associations partnered by the Foundation for periods ranging from anywhere between six months and two years;
- the launch of a mentoring challenge: at the end of 2022, 127 employees had signed up to become mentors with our partners Article 1, Télémaque, Nos Quartiers ont du Talent and Unis-Cité.

Some 340 employees have also registered to take part in the "Arrondi sur Salaire" programme, whereby their pay will be rounded down to the nearest euro and the remaining cents donated to associations partnered by the FDJ Corporate Foundation.

Lastly, each year since 2017, the "Tremplin Collaborateurs Solidaires" programme enables FDJ Group employees to submit applications to fund projects that are close to their hearts and are led by local associations. In 2022, eleven chosen associations received donations ranging between €3,000 and €15,000.

PERFORMANCE INDICATOR: AMOUNT OF FINANCIAL AID GRANTED BY THE FDJ CORPORATE FOUNDATION

	2021	2022
FDJ Group	€4,765k	€4,414k

4.9.1.2 SPORT

FDJ has been committed for more than 30 years to developing French sport and promoting its values, particularly in terms of ethics and inclusiveness (support for women's sports and disabled sports).

Women's sports

The "Sport pour Elles" programme launched by FDJ in 2016 hinges on four pillars: access to athletic activities for all women and girls, particularly those who have few opportunities to play sport because of social, economic or geographical impediments; more women in sports governance; performance support; and greater media coverage of women's sport. This programme includes initiatives launched by FDJ Group, such as "Buts pour Elles", as well as the "Performance pour Elles" call for projects, and partnerships with major cycling competitions Paris-Roubaix Femmes and Tour de France Femmes, which returned in 2022, together with sponsorship for a women's FDJ SUEZ-Futuroscope cycling team.

(1) AFEV's "Accompagnement vers la lecture" reading and writing mentoring initiative, Each One's "Chacun en mouvement" project, the Paris Philharmonic's "Demos" project, an adaptive learning video game initiative led by the E2C network, the "Télémaque Pro" social mobility project, the "L dans la Ville" programme put together by the Sport dans la Ville association, and a change of scale for the "Cartable Fantastique" initiative developed for school children with a disability.

With the "Performance Pour Elles" programme, FDJ has been committed to developing women's sport at the highest level since 2018. In 2022, it selected six sporting federations working to improve women's involvement in high-performance sports in preparation for the Paris 2024 Summer Olympics and Paralympics. FDJ has allocated a total of €100,000 to be divided among these six federations:

- the French Rugby Federation will use the funds to provide clubs participating in the Élite 1 Féminine championship with access to technological tools designed to enhance player performance;
- the French Dance Federation will use the funds to organise a mixed preparation breaking programme to help B-girls prepare for the next major international events and to continue to shape breaking as a sport, bearing in mind that it will be a new event in the Paris 2024 Olympics;
- the French Athletics Federation will use the funds to set up a nutritional and mental health monitoring programme for 30 female athletes in order to analyse, prevent and address any eating disorders;
- the French Judo Federation will use the funding for a high-performance programme involving 24 female athletes with a view to ensuring their physical safety and closely monitoring their moves;
- the French Tennis Federation will use the funding so that the members of the girls elite wheelchair tennis group can take part in six training programmes at its national training centre;
- the French Rowing Federation will use it to introduce personalised science-based programmes to monitor training loads for 15 female rowers according to their menstrual cycle.

As part of its partnership with the Paris 2024 Olympic and Paralympic Games, FDJ conducted its "Women in Sport" survey again in 2022 to see how things have evolved and to identify the factors that can hinder or encourage women in France from getting involved in a sport.

FDJ has also joined the Paris 2024 "Impact 2024" Legacy programme to support 400,000 women in their sporting endeavours. A special category has been created in the Impact 2024 call for bids aimed at promoting women's involvement in sport. The goal is to back transformative projects that factor in the ambitions and needs of women today (well-being, health, physical condition), together with their personal circumstances and their desire to get involved more freely in sport. Through its engagement with Impact 2024, FDJ was able to support 11 projects in 2022.

Support for elite athletes

Building on its work to support young champions for more than 30 years, the Group launched the FDJ Sport Factory in 2019 to help high-level French athletes accomplish their goals. Since then, FDJ Sport Factory has been working with 27 athletes and

been serving as an incubator for young talented athletes all hoping to win an Olympic or Paralympic medal at the Tokyo 2020, Beijing 2022 and Paris 2024 games. Athletes from the FDJ Sport Factory secured 10 medals between them at the Tokyo Olympic and Paralympic Games, and winter games athletes who trained with the FDJ Sport Factory went on to win 8 medals at the 2022 Beijing Olympic and Paralympic Games.

Beyond the financial support that is provided, FDJ Sport Factory athletes are able to follow a training programme at prestigious schools such as Sciences Po Paris and EM Lyon, and receive English lessons through the 7speaking linguistic training platform. They also have full access to the "Sport Compétences" programme, which has been designed to harness the skills athletes acquire in their sporting careers so that they can use them later on after they retire from the competitive circuit and begin another career. The CDES (Centre for the law and economics of sport) has prepared fact sheets to help former athletes set up their own business.

The various tools available to athletes to help them prepare for their lives after competitive sports are presented at the annual FDJ Sport Factory seminar each year.

4.9.1.3 HERITAGE

In 2022, FDJ launched the fifth annual "Mission Patrimoine" operation. The Group sold specific games (one scratch game and six Loto® draws + a Super Loto® draw) and donated a portion of the stakes to the French national heritage foundation in favour of local projects to restore dilapidated heritage buildings. More than €126 million has been collected for the heritage foundation⁽¹⁾ since the games were launched four years ago, and 745 sites have benefited from the programme. In 2022, the programme financed work at 18 iconic sites and a hundred other selected sites.

In 2021, FDJ Group extended its cooperation with the heritage foundation until 2024, with a plan to allocate €2 million to the programme. Each year, it will also support a specific restoration project put forward by the heritage foundation. The FDJ Corporate Foundation donated €400,000 in 2021-2022 to fund social inclusion and pathway-to-work programmes at selected restoration sites.

The first project supported by the Group as a sponsor of the heritage foundation is the restoration of the YMCAC's Paris premises, which is included on the French additional registry of historical monuments (*inventaire supplémentaire des monuments historiques*) and houses a hostel for students or young workers who have just arrived in Paris, together with various cultural and sports facilities. The building also houses the world's oldest basketball court. The renovation work will enable this ageing building to recover a social dimension and serve local residents too. In all, the exceptional support put in place over a two-year period will see FDJ finance up to €1 million of the work on the site, with a further €400,000 to be allocated by the FDJ Corporate Foundation.

(1) <https://www.fondation-patrimoine.org/>

4.9.2 DIALOGUE WITH STAKEHOLDERS

Dialogue with stakeholders has been a mainstay of FDJ's CSR policy for more than 20 years. The in-depth and fruitful dialogue it has forged with its stakeholders enables the Group to harness a wide range of expertise and experience, and helps enrich the initiatives taken to address the inherent impacts of the gaming industry. To give structure to its relations with stakeholders, FDJ has opted to forge a dialogue gradually and more extensively over time. This commitment is reflected in the establishment of various ad hoc committees and bodies:

- as early as 2010: a Committee of Responsible Gaming Experts was set up, and has since been systematically referred to when a new game or version of a game is being developed. The input provided and points requiring attention raised by the experts can lead to adjustments in certain game parameters and/or additional studies. The committee is made up of specialists in the fields of addiction and human sciences;
- 2014: the Social Laboratory was set up as a forum to discuss the Company's key CSR issues. It is jointly involved in shaping and suggesting actions to further enhance FDJ's CSR policy. It brings together representatives of organisations from civil society;
- 2020: a Stakeholder Committee was formed to facilitate a dialogue between the Group and the organisations in its socioeconomic environment on key aspects of its operations, and to monitor the efforts made to honour the commitments announced by the Group when it published its *raison d'être* (see section 4.1.2.2 "A Stakeholder Committee to monitor the efforts made to honour the commitments relating to FDJ's *raison d'être*").

Actions of the Social Laboratory

The Social Laboratory was set up to co-build CSR initiatives with civil society. Consultations are organised by a specialised agency acting as a third-party facilitator. Based on the Chatham House rule⁽¹⁾, 13 civil society organisations (CSOs) and as many contacts within the FDJ Group regularly come together to examine sensitive topics relating to the Company's CSR and responsible gaming policy.

The Social Laboratory met three times in 2022:

- the April session focused on preventing underage gambling online. To provide some context for the session, SEDAP talked about the findings of the ENJEU study carried out to assess gaming and gambling habits in

minors. FDJ then reminded the participants of the measures it has put in place to prevent underage gambling (prevention messages, training, partnerships, etc.). Later on in the session, the e-Enfance association placed an emphasis on the attitude to be adopted with minors to prevent underage gambling;

- the July session focused on emerging trends in entertainment and discussed the findings of a study carried out by addiction-related social epidemiologist, Jean-Michel Costes, into pay-to-win games and "loot boxes". His research points to an increasingly blurred line between video games, gaming and gambling, and describes the risks this involves for players. Le Cube then raised the issue of how video games have been evolving, with an increasing trend towards monetisation for a number of years;
- the November session covered the role that local retailers have to play as a vector for social connection. It was held at a retailer's premises in the Paris suburb of Puteaux, with an introductory message from Vincent Chabault, a sociologist who lectures at Université de Paris and Sciences Po. He talked about the notion of social connection and the changing role of local retailers.

PERFORMANCE INDICATOR: NUMBER OF CIVIL SOCIETY ORGANISATIONS (CSOS) BELONGING TO THE SOCIAL LABORATORY

2021-2022 cycle	2022-2023 cycle
12 CSOs	13 CSOs

PERFORMANCE INDICATOR: PRESENCE OF THE MEMBERS OF THE 13 CSOS AT SOCIAL LABORATORY SESSIONS

2021	2022
66%	69%

Furthermore, a quarterly newsletter was introduced in 2022 to report on the key areas covered by our various dialogue structures: Committee of Responsible Gaming Experts, Social Laboratory and Stakeholder Committee.

(1) Confidentiality rule serving to protect the anonymity of speakers. Participants are free to use the information gathered at meetings, but may not disclose the identity or affiliation of the persons providing the information, nor may they disclose the identity of any other participants.

4.10 Territories

FDJ relies on a network of nearly 30,000 points of sale across France to distribute its products. The sale of FDJ games represents a major portion of the business generated by the bars, tobacconists and newsagents that make up the bulk of the distribution network. With points of sale in more than 11,000 cities, towns and villages nationwide, the Group boasts the largest local sales network in France.

With this in mind, through its activity, FDJ contributes to the economic development of local communities, and notably supports local points of sale in rural and/or disadvantaged areas. The Group has been working for many years to upgrade these points of sale by introducing a digital user experience and the digital collection of stakes. Each year, more than €15 million is invested in the renewal of equipment.

In 2022, retailers received total net point-of-sale commissions of €965 million (compared with €901 million in 2021).

4.10.1 SUPPORT FOR THE POINT-OF-SALE NETWORK

FDJ Group is as determined as ever to support local business and maintain its nationwide coverage, particularly in rural areas. This is reflected in its decision to place a moratorium on the halt to FDJ product sales at points of sale that generate low levels of business and to continue economic support measures.

Support for retailers

This initial support mechanism was introduced in conjunction with Impact Partners in 2020. It was extended to cover 2021 and repeated again in 2022. These far-reaching support measures have been developed to advise and empower retailers in struggling neighbourhoods. The programme covers three areas:

- administrative support (dealings with banks, payment of taxes, sale of business assets, etc.);
- real estate issues (dealings with landlords, insurers, legal procedures);
- commercial approach (diversifying, reorganising points of sale, growth avenues, etc.).

Once all these aspects are looked at, retailers continue to receive support to ensure that the measures pay off. More than 450 points of sale have received assistance so far.

4.10.1.1 SUPPORT FUND FOR SMALL RETAILERS IN VULNERABLE AREAS

This second support mechanism was launched by Impact Partners in association with BPI France in 2021. FDJ has contributed €15 million to the €35 million "Rebond" investment fund. The purpose of the fund is to enable hundreds of retailers to continue to operate as a going concern and develop further.

Deployed over several years, Rebond will facilitate the financial restructuring, transfer and reorganisation of small retail outlets in vulnerable areas (priority urban districts,

rural regeneration zones and towns covered by the town-centre action ("Actions Cœur de Ville") programme). This involves a system of participating loans or unsecured bonds, with a unit value of anywhere between €20,000 and €250,000. Around 17 retailers had accepted this assistance by the end of 2022.

4.10.1.2 SUPPORT FOR RETAILERS WHO ARE STRUGGLING FINANCIALLY

FDJ has introduced a third mechanism by teaming up with an association called Crésus, specialised in finding arrangements with creditors, to help retailers who are in great financial difficulty. Crésus provides regular support, for as long as needed, to struggling retailers that have been identified by the sales force. It reviews all the problems facing retailers and helps them analyse the situation, come up with solutions and put them into action. The aim is to provide support as soon as a retailer shows any sign of difficulty and help them best manage their cash flow.

Support for the victims of traumatic events

Lastly, FDJ also decided during the year to introduce an additional support service for retailers and their staff who may have experienced traumatic events at work (assault, burglary, armed attack, fire (criminal or otherwise), etc.).

Together with France Victime (a recognised public utility association), FDJ has introduced various support services which retailers can access by calling a special phone number. These services include:

- a kind ear and emergency support in the immediate aftermath of a traumatic event (post-traumatic shock, psychological support and guidance, etc.);
- comprehensive support (legal, social and psychological assistance) over the longer term;
- access to a network of 130 local associations, representing 1,500 specialists on the ground.

4.10.2 DIVERSIFICATION OF SERVICES AT POINTS OF SALE

FDJ has been developing services since 2019 to make it possible for any member of the public to make a payment at points of sale in the FDJ network. This diversification is part of an effort to support the network of FDJ retailers at a time when the revenue they are making on their "core" activities is dwindling. The aim is to satisfy demand for payment services among some members of the public and to open up new growth avenues for retailers.

FDJ has teamed up with the Confédération des Buralistes (tobacconists confederation) to provide a "pay point" service for the French Treasury (DGFiP) to enable users to pay tax bills of under 300 euros, public service bills and fines, in cash or via debit/credit card. This service, launched in July 2020 and now available at nearly 14,300 points of sale, is ideally suited to users who prefer a more personal touch and/or need assistance to make a payment. It also gives added impetus to the development of diversified activities at participating bars, tobacconists and newsagents. In 2022, FDJ retailers collected more than two million payments on behalf of the French Treasury.

FDJ is very keen to build on this success. In December 2021, it formed a subsidiary under the name of FDJ Services, which brings together its Payment & Services activities and is licensed to operate as a payment institution by the ACPR (Autorité de Contrôle Prudentiel et de Résolution - French prudential supervision and resolution authority)⁽¹⁾. Under this licence, FDJ is authorised to offer collection services on behalf of private sector organisations. The new service will begin in 2023. With Nirio, the brand name chosen for the service, users will be able to go to any of the 9,398 FDJ points of sale that have been registered as an FDJ Services Agent with the ACPR to pay their rent, their water bills or their electricity bills for example.

FDJ wants to extend the range of services provided by its PoS network to include services such a cash deposit facility, making its points of sale veritable "local service hubs".

As a parallel to this, FDJ Services is working on developing a range of services, particularly in finance, for retailers who belong to the network. This saw it acquire Aleda and L'Addition in 2022.

4.10.3 ECONOMIC AND SOCIAL CONTRIBUTION

To further assess its economic and social contribution in France, FDJ renewed the annual survey that has been conducted by BDO-Bipe (Bureau for economic information and forecasting) since 2018. In 2022, FDJ's contribution to France's gross domestic product (GDP) was evaluated at €6.5 billion, with 55,300 jobs created or made permanent throughout the country (of which 22,000 with bars, tobacconists and newsagents). FDJ plans to keep the number of jobs created or made permanent through its business above the 50,000 mark.

PERFORMANCE INDICATOR: FDJ'S CONTRIBUTION TO FRENCH GDP

In billions of euros	2021	2022
FDJ Group	6.2	6.5

PERFORMANCE INDICATOR: NUMBER OF JOBS CREATED OR MADE PERMANENT

	2021	2022
FDJ Group	54,450*	55,300

* On an adjusted scope basis factoring in the National Sports Agency for jobs supported in 2021 (impact of - 350 jobs for FDJ in 2021), with no impact on the other metrics.

PERFORMANCE INDICATOR: FDJ'S CONTRIBUTION TO JOBS IN THE BAR-TOBACCONIST-NEWSAGENT SECTOR

	2021	2022
FDJ Group	21,100	22,000

FDJ's operations involved the employment of the equivalent of 22,000 people through the business generated by retailers (mainly bars, tobacconists and newsagents) in the point-of-sale network in 2022.

FDJ also contributes to the creation of local jobs through purchases sourced mainly in France from suppliers with which it works directly and indirectly. FDJ Group's French entities made 87.5% of their purchases (in value) in France, i.e. close to €591 million.

(1) Oversight body for the banking and insurance sectors.

PERFORMANCE INDICATOR: PERCENTAGE OF PURCHASES (IN VALUE TERMS) MADE FROM SUPPLIERS LOCATED IN FRANCE

	2021	2022
FDJ	90%	88%
Group, France	90%	90%

For 2022, the data relating to purchases is aligned with the data contained in the financial statements. 88% of the purchases made by the Group's French entities were sourced in France. These purchases were made from suppliers located across almost the entire country (see map below).

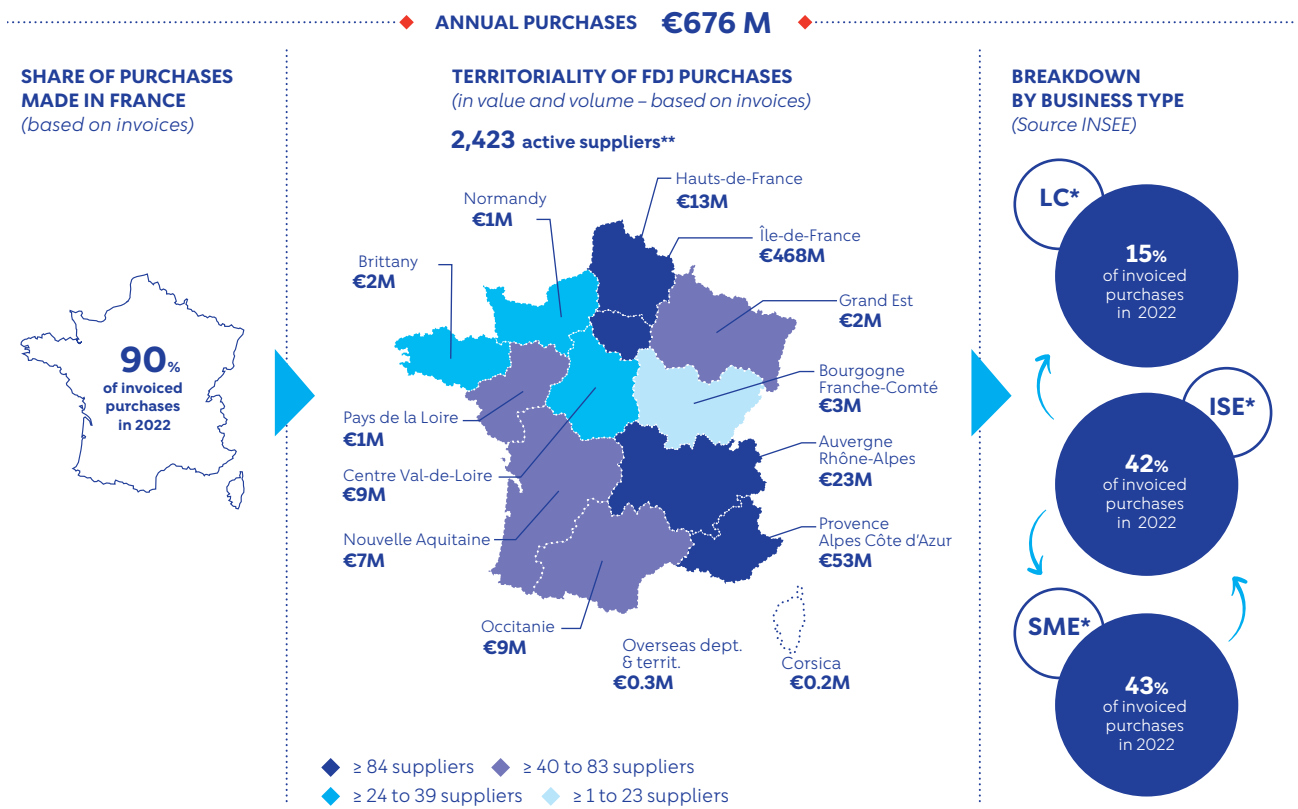
The Ile-de-France and Provence-Alpes-Côte d'Azur regions benefit from their proximity to FDJ Group sites.

PERFORMANCE INDICATOR: PERCENTAGE OF PURCHASES (IN VALUE TERMS) MADE FROM SMES AND ISES (OF THE PURCHASES MADE IN FRANCE)

	2021	2022
FDJ	58%	87%
Group, France	58%	85%

For 2022, the data relating to purchases is aligned with the data contained in the financial statements. 85% of the purchases made by the Group's French entities were sourced from SMEs and ISEs.

KEY FIGURES⁽¹⁾ SHOWING PURCHASES MADE BY THE GROUP'S FRENCH ENTITIES IN 2022



* LC: large corporates - ISE: intermediate-sized enterprises - SME: small and medium-sized enterprises.

** "Active suppliers": all suppliers with whom an order was placed and/or in respect of which an invoice and/or a credit note was issued in 2022.

(1) French entities: FDJ SA, FGS France, FDP, La Française d'Images, FDJ Services and DVRT 13.

4.11 Environment

FDJ has been working for nearly 15 years to reduce its environmental footprint, combat climate change and help meet the challenges of preserving the planet's biodiversity.

The environmental strategy being pursued by the Group is an integral part of its corporate governance and is regularly discussed at meetings of the CSR and Responsible Gaming Committee and at Board of Directors meetings.

4.11.1 COMBATING CLIMATE CHANGE

FDJ Group has been committed for more than ten years now to cut the carbon emissions caused directly and indirectly by its operations.

FDJ is going above and beyond its carbon reduction commitments to hasten awareness among employees of the importance of climate action and to get them to step up their efforts even further to achieve environmental targets. This has translated into concrete awareness actions geared towards everyone at FDJ, including the members of the Management Committee:

- in July 2022, all members of the Group Management Committee completed a session on climate change and loss of biodiversity at a meeting that focused on environmental issues;
- to coincide with European Sustainable Development Week (ESDW), which saw events being staged between 18 September and 8 October 2022, Group employees were invited to attend a conference on climate action that was organised and presented in association with WWF (World Wildlife Fund). A guide to eco-gestures was also uploaded to the Group Intranet portal, and a "My Little Planet" green challenge⁽¹⁾ and online workshop on digital eco-actions were also held. In all, 315 people took part in the various events held over the course of the week;
- various Climate Fresk workshops were also held, particularly during ESDW. The Climate Fresk is a French NGO that has developed a game to help people understand the causes and consequences of climate change. A special session was held for staff at the Purchasing department, attended by 26 people.

In 2023, a workshop will be organised for the members of the Group Management Committee. Other sessions are also planned.

4.11.1.1 MEASURING THE GROUP'S CARBON EMISSIONS

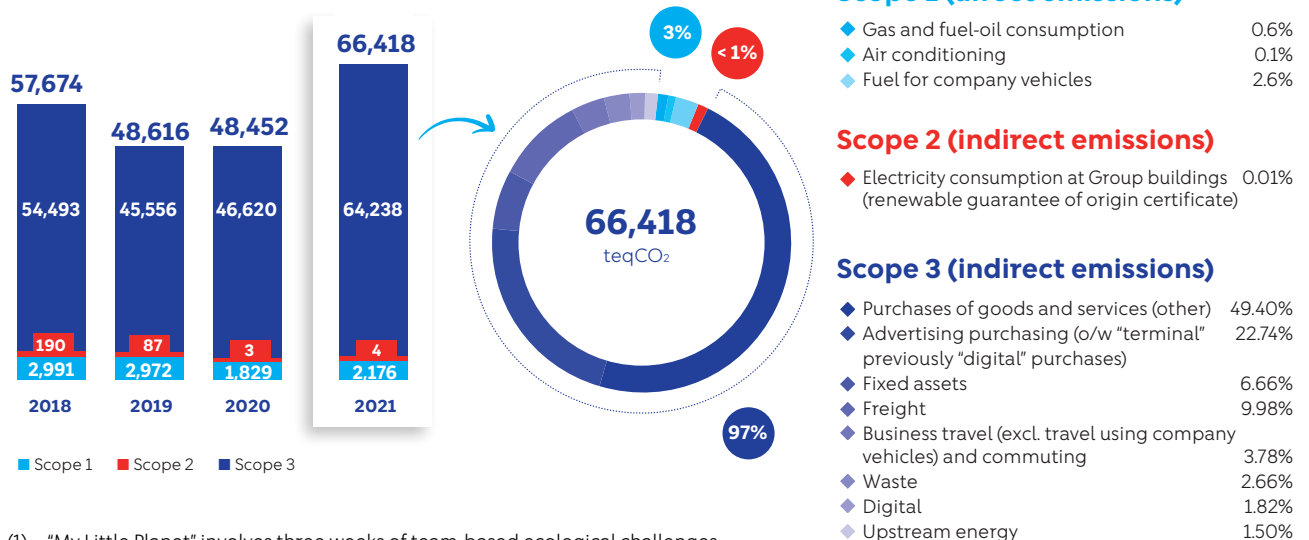
FDJ has been conducting carbon assessments since 2008 in order to monitor greenhouse gas emissions caused by its operations and move ahead with its carbon reduction policy. In order to closely monitor progress in reaching its reduction targets, the Group decided to make the carbon review an annual exercise from 2017, which was set as the reference year.

The carbon review takes all emissions in Scopes 1, 2 and 3 into consideration:

- Scope 1: carbon emissions produced by the Group's gas and fuel consumption, use of air conditioning and fleet of company vehicles;
- Scope 2: carbon emissions linked to purchased electricity, heating or cooling;
- Scope 3: carbon emissions tied to the purchase of goods and services, freight, fixed assets (buildings, equipment and furniture, company vehicles and IT equipment), employee travel (business travel and commuting) and waste.

The Group's activities are measured in terms of carbon emissions based on the GHG Protocol methodology, used by the SBT initiative to define the reduction targets described in the following paragraph.

PERFORMANCE INDICATOR: TREND IN CARBON EMISSIONS ACCORDING TO THE GHG PROTOCOL METHODOLOGY



(1) "My Little Planet" involves three weeks of team-based ecological challenges.

In 2021, the Group emitted 66,418 tonnes of CO₂e across its entire reporting scope. 97% of emissions were scope 3 emissions⁽¹⁾.

The increase in 2021 carbon emissions mainly stemmed from the return to standard operating conditions at the Group after the 2020 public health crisis. For the record, the emissions measured in the carbon assessment for 2020, which was the year in which the health crisis hit, were atypical. The growth in business recorded in 2021 triggered a sharp increase in certain emissions items such as freight and inputs (more spending on intellectual services and advertising).

In 2023, the Group will continue to enhance and refine the methodologies used to measure its carbon emissions, and will be looking to collect a certain amount of data directly from its suppliers.

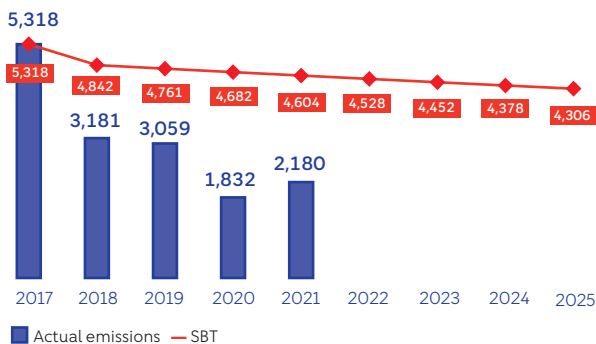
4.11.1.2 LOWERING CARBON EMISSIONS

In 2019, the Group set out an initial emissions reduction trajectory and four targets to shrink its footprint by 2025. These targets were validated by the international Science Based Targets (SBT) initiative, launched in 2015 on the heels of COP 21, and designed to help organisations set out emissions reduction trajectories that are commensurate with the objectives of the Paris Agreement.

The four targets are monitored every year as part of the carbon review.

1. Reduce carbon emissions by 20% (Scopes 1 and 2) by 2025

TREND IN SCOPE 1 AND 2 EMISSIONS (in tonnes of CO₂e)



Scopes 1 and 2 emissions were reduced by 59% between 2017 and 2021 (i.e. -3,138 tonnes of CO₂e). The initial 20% emissions reduction target has thus been largely exceeded.

This reduction has been propelled by:

- a sharp decrease in energy consumption at the Group's sites between 2017 and 2021:
 - reduction in electricity consumption and purchase of a guarantee of origin (GoO) certificate,
 - reduction in fuel and gas consumption, leading to a 38% decrease in related carbon emissions (i.e. - 249 tonnes of CO₂e). This was thanks to,

- the replacement of technical equipment and the upgrade to more energy efficient systems,
- the implementation of an energy performance agreement ("contrat de performance" - CPE) for the Group's headquarters,
- and the signing of a CPE for the Aguesseau site in 2021;
- a fall in the use of company vehicles because of public health restrictions, leading to a 38% reduction in related emissions (i.e. - 1,025 tonnes of CO₂e), helped also by the application of the Group's policy on the use of cars, which is aimed at:
 - reducing the number of vehicles in use by granting "mobility credits" to eligible employees, whereby they are allocated a travel budget instead of a company car or alongside the use of a small electric car,
 - gradually replacing the existing combustion engine vehicles in the Group's fleet, including rechargeable hybrid vehicles, with fully-electric vehicles.

Currently, electric vehicles make up 23% of the entire fleet,

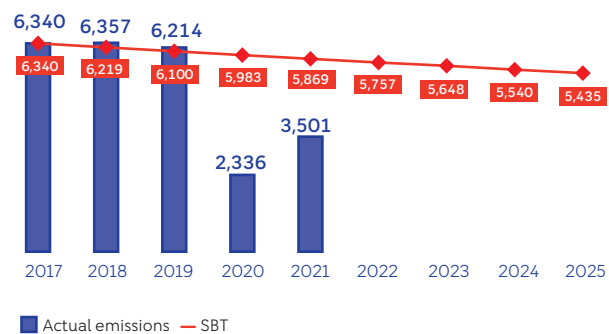
- taking into consideration the consumption of electricity associated with these vehicles. That is why all "mobile" employees (sales reps, sales managers, regional managers, training staff, etc.) receive eco-driving training to ensure they use their cars efficiently.

2. Take renewable energy purchases to 100% by 2025

In 2021, 99% of the Group's electricity came from renewable sources thanks to the purchase of guarantee of origin (GoO) certificates from EDF and the use of solar panels at the Pacifique des Jeux subsidiary site. The Group has set a goal to extend this initiative to the FDJ Développement subsidiary by 2025.

3. Lower carbon emissions by 15% (Scope 3, excluding purchases: business travel and commuting (excluding freight and company vehicles) and the use of energy (upstream)) by 2025

TREND IN SCOPE 3 EMISSIONS - travel and upstream energy (in tonnes of CO₂e)



(1) The calculation does not include the subsidiaries acquired or formed since 2017, so as to gauge the progress made in hitting the reduction targets across the same scope as in the reference year (2017).

Since 2017, FDJ Group has cut by 45% (i.e. -2,839 tonnes of CO₂e) its scope 3 emissions relating to work-related travel (excluding travel using company cars (see above "Reduce carbon emissions by 20% (Scopes 1 and 2) by 2025") and to employee commutes, as well as to upstream energy use.

This reduction was largely attributable to the public health crisis, which led to restrictions on all work-related travel until September 2021. To maintain this downward momentum, FDJ will continue to pursue its policy of controlling business travel, by opting for videoconferencing where possible, and by encouraging employees to take the train.

As regards commuting, FDJ has stepped up its policy on remote working and has introduced cycling incentives to promote sustainable forms of transport. A number of measures have been taken: a new bike park has been opened at head office; training sessions are offered to promote cycling; subsidy schemes are applied (cycling mileage allowances), as are bike purchase bonuses and long-term bike leasing subsidies, etc.

4. Encourage suppliers who make up 65% of carbon emissions to work towards an ambitious GHG emissions reduction target as part of the SBT initiative for 2024

FDJ wants to encourage its biggest suppliers to reduce their carbon emissions, by setting a reduction target, validated by the SBT initiative, covering 65% of the emissions relating to purchases from them by 2024. This target covers three main categories of purchases: advertising, gaming materials and intellectual / IT services.

In 2021, 34% of carbon emissions attributable to Group suppliers were covered by the SBT initiative. In 2022, a number of other suppliers signed up to the initiative, which should drive up this percentage in the next carbon review.

Also in 2022, the Group embarked on a process of revising up its reduction targets with a view to halving its overall Scope 3 carbon emissions intensity by 2030. This updated target has been submitted for validation under the SBT initiative.

The aim of this exercise was to:

- incorporate the subsidiaries acquired or formed since 2017 into the Group's reduction trajectory;
- align the target with a 1.5°C warming trajectory by 2030 to comply with the new SBT initiative requirements.

4.11.1.3 STEPPING UP OUR ACTION PLAN THROUGH ENERGY SAVINGS

In 2022, FDJ decided to step up its environmental policy in the form of an energy sobriety plan. This plan involves taking concrete and practical action to save energy at the Group's French sites. It also fits in with the French government's national plan to reduce energy consumption.

The FDJ plan revolves around three key areas:

- reducing the energy consumption of buildings, by adjusting the indoor temperature and optimising lighting systems;

- reducing energy consumption relating to digital technologies, by adjusting cooling temperatures in IT rooms and deploying digital eco-actions;
- reducing energy consumption linked to travel, by scaling back work-related travel, adapting modes of travel and speeding up the switch to an all-electric fleet of company vehicles.

In December 2022, FDJ put its name to the Ecowatt Charter drawn up by RTE (France's power grid operator). In doing so, it agreed to further its efforts to reduce its electricity consumption, in keeping with its existing energy savings plan. This illustrates FDJ's determination to continue to play an active part in the national energy sobriety effort and, more generally, the national environmental strategy.

The results of these efforts will be known in 2023.

4.11.1.4 IMPLEMENTING A GREEN IT APPROACH

As a digital operator, FDJ is always seeking to improve its digital environmental and social footprint.

In 2019, FDJ Group conducted the WeGreenIT study in conjunction with WWF France to measure the impact of its IT systems and then look at ways it could reduce this impact.

This action plan covers two areas:

- data centres;
- user environment, in other words, the IT hardware used by employees.

On the heels of this study, a number of actions were taken to reduce the Group's environmental impact in these two areas:

- actions taken to reduce the environmental impact of data centres.

Examples of actions taken:

- increase in the density of physical servers to make the infrastructure more energy-efficient. This means that servers can store more data without having to increase in size, thus reducing the overall quantity of hardware needed;
- increase in the ratio of virtual servers to physical servers. As several virtual servers can run on a single physical server, this cuts down on the quantities of raw materials needed to be extracted from the earth to manufacture servers, and it also reduces the consumption of energy needed to power and cool these servers;
- replacement of hard disk drive (HDD) storage arrays with solid state drive (SSD) arrays, which have a longer lifespan and a better density/performance ratio, reducing the size of the hardware needed and hence the volume of electricity needed to power and cool the systems;
- a more energy-efficient lay-out of data centre rooms to reduce the environmental impact of the infrastructure. To achieve this, the temperature has been increased at data centres from 19°C in 2019 to 22°C in 2022. Hence, less energy is being used as air conditioning at the data centres has been reduced.

All these actions have helped reduce the PUE (power usage effectiveness) of the two FDJ data centres.

- Actions taken to reduce the footprint left by the user environment.

Examples of actions taken:

- decision to do away with the depreciation period for workstations in order to hold onto the hardware for as long as possible;
- repair of hardware (according to the availability of parts on the market);
- promotion of the development of more sustainable IT products (on both a social and environmental level);
- most FDJ workstations are TCO-Certified;
- The multifunction printers chosen by the Group are Blue Angel-certified, which guarantees that they have a long lifespan;
- proposal for employees to use a single phone for both work-related and personal needs in order to limit the number of phones in circulation and hence reduce the depletion of the earth's resources;
- addition of the sustainably-produced Fairphone to the Company's catalogue of smartphones for employees;
- systematic standby mode for workstations (laptops) in order to reduce energy consumption;
- donation of computers nearing the end of their useful life, with the help of the FDJ Corporate Foundation (103 in 2022). Any computers and other hardware (work phones, monitors and accessories (headsets, mice, keyboards, etc.)) that cannot be donated are given to ATF Gaia, a sheltered employment organisation that collects end-of-life hardware with a view to reconditioning it for sale or recycling it.

4.11.1.5 OFFSETTING RESIDUAL EMISSIONS

Alongside the actions being taken to shrink its carbon footprint, FDJ offsets all its residual greenhouse gas emissions every year, with a view to participating in the achievement of global carbon neutrality.

Carbon offset initiatives can contribute to achievement of the global carbon neutrality target by 2050, which is necessary to limit global warming, by funding projects that build up natural carbon wells (forests, soil, oceans, etc.) or help reduce carbon emissions around the world.

FDJ Group offsets unavoidable emissions by providing financial support for two projects. These projects are certified under the Verified Carbon Standard because they are both reliable and internationally-recognised by the United Nations, and help to avoid or capture certain emissions:

Preserving the Floresta de Portel forest in Brazil

The aim of this project is to protect a fragile ecosystem by preventing and averting deforestation and by helping local populations develop sustainable forest management, allowing the forest to regenerate naturally and protecting biodiversity. It also promotes the development of fair and sustainable income-generating activities, thanks to agroforestry and land management through forest conservation reserves.

“Ghandi” programme to develop wind energy in India

The Gandhi programme consists in developing clean and renewable energy in India, where 56% of energy demand is covered by coal, as well as building a more stable and more accessible power grid by developing wind energy. The project helps to reduce reliance on coal and also improve the environment and air quality.

4.11.1.6 ALIGNING WITH TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) RECOMMENDATIONS

FDJ Group has launched an initiative to identify and analyse climate-related financial risks and opportunities. In 2020, a review was conducted of the Group's existing practices in relation to the TCFD recommendations. The Group then mapped its climate-related financial risks and opportunities and prepared the associated roadmaps.

This section is organised according to the four TCFD pillars (governance, strategy, risk management, metrics and targets) and refers to other sections of the report for further details.

Governance

FDJ Group's governance bodies address the Company's Corporate Social Responsibility objectives.

Duties of board members (see section 4.2 “CSR governance”)

The CSR and Responsible Gaming Committee, which is made up of members of the Board of Directors, examines FDJ's CSR policy as a whole, including its environmental policy and the initiatives taken to address climate-related risks and opportunities. It reports regularly on its work to the Board of Directors. FDJ Group presented the results of its 2021 carbon assessment, carbon emissions reduction targets and associated action plans to the CSR and Responsible Gaming Committee in July 2022.

Duties entrusted to departments

Several Group departments are actively involved in identifying and managing climate-related risks and opportunities. They include the Commitment and Responsible Gaming department, the Audit, Risk, Control, Quality and Ethics department, the Technical department, the Commercial Operations department, the Purchasing department, the Operational Real Estate and Working Environment department and the Strategy and Innovation department.

Furthermore, FDJ Group's CSR policy is taken into consideration at the highest level of the organisation, as the head of Commitment and Responsible Gaming sits on the Group Management Committee.

Strategy

In the course of its business, FDJ is exposed to a number of risks and opportunities related to climate change, be they transition risks or physical risks.

In 2021, the climate-related financial risks and opportunities were mapped out extensively in order to follow the TCFD recommendations. This mapping exercise involved three stages: identifying the major climate-related risks and

opportunities in conjunction with in-house experts; prioritising the identified climate-related risks and opportunities; and preparing action plans commensurate with the prioritised risks and opportunities.

To mitigate the potential impact of the main climate change-related risks, or avoid them altogether, FDJ took risk management initiatives, which are described in this section and summarised in the table below. The table also lists the main climate-related opportunities identified by the Group.

Type of risks and opportunities	Risk / opportunity	Some FDJ Group achievements
Transition risks	Loss of brand appeal due to mounting consumer expectations regarding responsible engagement	<p>Surveys to gain more insight into customer expectations regarding CSR issues.</p> <p>Communication campaign showcasing FDJ's environmental engagement aired on a number of France TV channels, and consumer surveys to gauge how effective the television campaign is.</p> <p>Establishment of a partnership in October 2022 with "Gestes Propres", an association that is spearheading the fight against illegal dumping and littering.</p> <p>FDJ has decided to echo the message sent out in the association's new "litter" campaign encouraging the general public and customers to throw small items of litter into the bin, particularly used scratch cards. The video clip was shown at the 23,000 FDJ points of sale equipped with digital monitors and posted to social media channels between 3 October and 23 October 2022.</p> <p>85% of FDJ points of sale have introduced paper sorting bins for customers. The plan is for all points of sale to have such bins in early 2023. FDJ has been recycling all unused gaming materials since 2012.</p>
	Taxation of greenhouse gas emissions	<p>FDJ has set ambitious GHG emissions reduction targets for 2025 (see section 4.11.1.2 "Lowering carbon emissions").</p> <p>FDJ helps to achieve global carbon neutrality by offsetting residual emissions (see section 4.11.1.5 "Offsetting residual emissions").</p>
	Investor expectations	<p>FDJ regularly embarks on new action plans identified in non-financial ratings pertaining to the environment (Moody's ESG, S&P Global – SAM, CDP, etc.). In 2021, FDJ incorporated 2025 CSR objectives into the annual compensation packages of Corporate Directors. One specific environmental objective was set:</p> <p>a -50% reduction in direct carbon emissions (Scopes 1 and 2) relative to 2017 (see section 4.1.4 "Ambitious CSR targets for 2025").</p>
Physical risks	Disruption of the distribution network due to an extreme event	Introduction of a business continuity plan to address issues such as the impact of extreme weather events (e.g. provisions for buffer stock serving the network to overcome any disruptions).
	Interruption of IT services due to an extreme weather event	<ul style="list-style-type: none"> - The ability to withstand extreme weather events is taken into account in the design stage for FDJ's data centres. - Prevention plan and IT continuity plan to address issues such as the risk of an extreme weather event.
	Supply chain breakdown due to an extreme weather event	<ul style="list-style-type: none"> - Dialogue regarding operational risk matters (including physical risks) with the suppliers of gaming materials, and audit of their business continuity plans and CSR policies. - Dialogue with strategic suppliers regarding a reduction in their carbon footprint: Ecovadis assessment of their environmental performance. FDJ has set a goal to encourage suppliers who make up 65% of the volume of GHG emissions to join the SBT initiative by 2024.

Type of risks and opportunities	Risk / opportunity	Some FDJ Group achievements
Climate-related opportunities	Decrease in operating expenses thanks to the implementation of a responsible digital policy	– FDJ assesses the environmental impact of its IT equipment through a WeGreenIT survey carried out in conjunction with WWF France. This survey found that a number of actions had already been taken and pinpointed others worth implementing.
	Decrease in costs through energy optimisation	– Purchase from EDF of electricity from entirely renewable sources with guarantees of origin for all FDJ sites and for all FDP sales agencies. – FDJ has entered into an energy performance agreement ("contrat de performance énergétique" - CPE) for the Group's headquarters. – FDJ is working on its alignment with the service sector decree ("Décret Tertiaire") (definition of the scope and benchmark years to be taken into consideration).
	Digital transformation of gaming	FDJ is working on the digital transformation of its lottery operations and on the development of its online sports betting products.

Risk management

The Enterprise Risk Management ERM function, which is part of the Audit, Risk, Control, Quality and Ethics department, covers all types of risk to which the Group may be exposed (strategic, operational, compliance and external risks). In accordance with the Risk Management system, FDJ Group has adopted a consistent and structured approach for the different stages involved in identifying, assessing and addressing its risks, and assists the business lines in analysing their own risks. This facilitates a comprehensive approach, as part of the Risk Management system, to the various risk factors (namely climate-related risk factors) identified throughout FDJ Group.

Metrics and targets

FDJ monitors and publishes an annual report on environmental indicators related to energy consumption, water consumption and waste production associated with its activities. The changes in these indicators, and their scope, are disclosed in the notes to this non-financial information statement. Greenhouse gas emissions in Scopes 1, 2 and 3 are assessed once a year using the ADEME Bilan Carbone™ (carbon assessment) methodology and the GHG Protocol methodology (see section 4.11.1.2 "Lowering carbon emissions").

Outlook

FDJ will implement the actions laid out in the roadmaps in order to mitigate the potential impact of climate change risks, or to avoid them altogether.

4.11.2 TAKING ACTION TO PRESERVE BIODIVERSITY

In addition to initiatives proving its commitment to combating global warming, FDJ Group endeavours to limit the impact of gaming materials on forest biodiversity.

Paper, sourced from wood, is a key resource used in the production of FDJ's gaming materials. The need to take care of the world's forests has been uppermost in FDJ's mind for more than ten years now, prompting the Group to play an active part in the protection of forests in France and across the globe.

4.11.2.1 REDUCING THE IMPACT ON BIODIVERSITY

Since 2012, 100% of gaming materials have been printed on paper from FSC®-certified sources ⁽¹⁾. The FSC (Forest Stewardship Council®) works to preserve the world's forests. The FSC label promotes the diversity of species, the preservation of soil, fauna and flora and helps combat the destruction of habitats and wetlands.

In 2020, FDJ conducted a second Life Cycle Assessment (LCA)⁽²⁾ of its gaming materials, for the purpose of quantifying their impact on the environment and biodiversity, and defining a sustainable production roadmap with practical solutions for future implementation. This assessment confirmed that the major impact on the environment lies in the manufacture of paper and printing of scratch cards. As for biodiversity, 98% of impacts come from logging operations. The biodiversity footprint of gaming materials was measured using the Global Biodiversity Score (GBS)⁽³⁾, developed by CDC Biodiversité (Caisse des Dépôts et Consignations).

In 2022, FDJ continued to conduct studies to assess the feasibility of a reduction in scratch card grammage in order to shrink their biodiversity-related footprint.

(1) Licence number: FSC®-N002595.

(2) The first LCA on gaming materials was conducted in 2009 and examined FDJ's impact on the environment only, not on biodiversity.

(3) The Global Biodiversity Score (GBS) was created by CDC Biodiversité in May 2020 as a tool for companies and financial institutions to measure their biodiversity footprint.

FDJ also embarked on a project during the year, in collaboration with FSC France, WWF France and CDC Biodiversité, to incorporate the requirements of the FSC label in the GBS in order to emphasise the positive impacts of the FSC forest management standard in terms of biodiversity. This made it possible to assess the impacts of FSC-certified logging on forest biodiversity, which is used in the manufacture of paper used to print scratch cards. The findings of the study showed that FSC-certified logging had a more positive impact on biodiversity by surface unit than non-certified logging. One of the main reasons is that FSC-certified forest concessions include "no-logging zones", which house very high levels of biodiversity.

FDJ has also teamed up with "Gestes Propres", which is spearheading the fight against illegal dumping and littering, by echoing the message sent out in its new "litter" campaign encouraging the general public and FDJ customers to throw small items of litter into the bin, particularly used scratch cards. The campaign's video clip was shown at the 23,000 FDJ points of sale equipped with digital monitors throughout October and posted to social media and relayed on "Gestes Propres" own social media pages. Another way to limit the impact of littering on the environment and on biodiversity.

4.11.2.2 SUPPORTING INITIATIVES TO PROTECT BIODIVERSITY

In addition to international carbon offset projects, FDJ funds a new project each year (for ten years) as part of the FSC's biodiversity ecosystem services programme. These globally-pioneering projects to protect the biodiversity of French forests are supported by FDJ and being developed in conjunction with FSC France and Sylvamo Forêts Services. Such programmes help protect forests and ecosystem services while holding an economic interest for forest owners through associated conservation initiatives.

- In 2019, FDJ funded a conservation programme covering several hectares of the forest of Saint Sylvestre, with a view to protecting old trees that provide shelter for many species of wildlife included on the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species;
- In 2020, funding was provided for a conservation project covering several hectares of the forest of Saint-Pardoux-la-Rivière. The purpose of the project was to protect the trees along the banks of the Dronne and the diversity of the living creatures that need the river to survive;

- In 2021, FDJ financed a restoration project in the forest of Gravière in Cantal. Varieties of trees that are best suited to the changing climate were planted across several hectares of forest that had been destroyed by insects.

In 2022, FDJ financed three new "FSC Biodiversity Ecosystem Services" projects:

- in Indre-et-Loire: at a forest hit by a 2021 tornado that destroyed more than 60% of its resources, measures will be taken to safeguard existing habitats and develop new ones for rare and endangered species;
- in Creuse: a forest used as a nesting ground by many protected bird species will be managed with a view to safeguarding the trees that form ideal habitats for protected species, and developing new habitats;
- in Dordogne: a series of measures will be put in place to protect wetlands (quality, flood prevention) in a forest that houses very diverse habitats (ponds, watercourses, young and older hardwoods and softwoods, rocky masses, etc.). The wetlands are an ideal habitat for various protected and/or endangered species such as the white-clawed crayfish (present in this forest).

By participating in these projects, FDJ has provided financing to help preserve and/or restore more than 100 ha of forest in France.

Furthermore, given the extent of the fires that swept through French forests last summer, FDJ Group donated €200,000 to the "ONF - Agir pour la Forêt" fund managed by the French national forestry office to help in the national effort to save and restore these forests.

Of this, 80% was pledged to the restoration of public woodlands in Gironde (Lauridas and La Teste-de-Buch). The remaining 20% was allocated to the restoration of public woodlands in Brittany (state-owned forests in Rennes and Villecartier), Pays de Loire (Baugé) and Poitou-Charentes (Grolle).

PERFORMANCE INDICATOR: PERCENTAGE OF GAMING MATERIALS PRINTED ON PAPER FROM FSC®-CERTIFIED RESPONSIBLE SOURCES

	2021	2022
FDJ Group	100%	100%

4.12 Application of the Green taxonomy: methodological approach and KPIs

The European Green Deal aims, among other things, to redirect capital in order to fund sustainable and inclusive growth, to reduce greenhouse gas emissions by at least 55% over the period spanning 1990-2030 and to make Europe a net-zero emitter of greenhouse gases by 2050.

Pursuant to Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment in the European Union (EU), FDJ Group is required, in respect of the financial year ended 31 December 2022, to disclose the proportion of the revenue, capital expenditure (CAPEX) and operating expenditure (OPEX) that is associated with economic activities that are considered eligible and aligned in terms of environmental sustainability, in accordance with the EU Taxonomy classification and criteria.

This classification system, which is a cornerstone of the European Green Deal, and is also referred to as the EU taxonomy for sustainable activities or the Green taxonomy, lists economic activities that qualify as sustainable, based on scientific, ambitious and transparent criteria, in line with the EU's environmental objectives, including the carbon neutrality objective and the Paris Agreement.

An activity qualifies as sustainable if it pursues one of the following six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. The activity must meet the following three criteria:

- It must be set out in the delegated regulations and meet technical screening criteria;
- It must not cause significant harm to any of the other five objectives;
- It must be carried out in compliance with minimum safeguards.

The Group referred to the Delegated Regulations⁽¹⁾ to ascertain which of its activities were covered by the EU Taxonomy nomenclature. To date, these regulations have defined which activities qualify as eligible and aligned based only on the two climate change objectives (climate change mitigation and climate change adaptation) and established the technical screening criteria for determining the conditions under which an activity qualifies as contributing substantially to one or other of these two objectives and for

determining whether that activity causes no significant harm to any of the five other environmental objectives.

The CSR department and the finance department performed this assessment to ascertain whether FDJ's activities qualified as eligible and aligned. To do this, they relied on a methodological approach that involved analysing the Group's revenue, capital expenditure and operating expenditure.

FDJ Group is in compliance with the minimum safeguards provided for in the green taxonomy. It is fully committed to upholding Human Rights and Fundamental Principles and Rights at Work as laid out in the guiding principles of the OECD, the UN and the ILO. (see section 4.7 "Integrity").

4.12.1.1 PROPORTION OF TAXONOMY-ALIGNED REVENUE

Activities that qualify as aligned based on the climate change mitigation and climate change adaptation objectives are defined in Annexes I and II of the Climate Delegated Act ⁽²⁾ and are identified as contributing substantially to climate change mitigation where they help to stabilise greenhouse gas concentration values in the atmosphere, avoid producing greenhouse gas emissions, reduce such emissions or improve their removal.

An activity is said to be "Taxonomy-eligible" where it meets the description of one of the activities referred to in Annexes I and II of the Climate Delegated Act.

FDJ Group's activities fall into three sectors of activity:

- Lottery;
- Sports betting and online gaming open to competition;
- Adjacent activities (international services, payment & services and entertainment).

FDJ's lottery and sports betting activities are not "Taxonomy-eligible" as they are not included in the creative, arts and entertainment activities listed in Section 13.1 of Annex II. The adjacent activities could be potentially eligible, as they are included in the computer programming, consultancy and related activities referred to in Section 8.2 of Annex II. However, since the activities referred to in that section do not qualify as "enabling activities"⁽³⁾ based on the technical screening criteria provided for in the Taxonomy, the adjacent activities are not "Taxonomy-eligible" either.

(1) Delegated Regulation (EU) 2021/2139 of 4 June 2021 and its Annexes I and II, Art. 8 Delegated Regulation (EU) 2021/2178 of 6 July 2021.

(2) EU Taxonomy Climate Delegated Act (EU) 2021/2139 of 4 June 2021.

(3) Enabling activity: an economic activity that directly enables other activities to make a substantial contribution to one or more of the objectives by providing products or solutions that can prevent and/or limit the negative effects of climate change on the current or future climate.

Since FDJ Group's activities are not Taxonomy-eligible, the proportion of "eligible" revenue is nil. The notion of revenue corresponds to the definition applied in the Group's consolidated financial statements under IFRS.

Economic activities (1)	Codes (2)	Absolute revenue €m (3)	Share of revenue (4)	Substantial contribution criteria						Significant harm criteria						Minimum safeguards (17)	Proportion of Taxonomy - aligned revenue, Curr. year (18)	Proportion of Taxonomy - aligned revenue, Prev. year (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percentage	Percentage	H	T
A. TAXONOMY-ELIGIBLE ACTIVITIES		0	0.0%																	
A.1 Environmentally sustainable economic activities (Taxonomy-aligned)																				
Revenue from environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0%	0%	%	%	%	%								%			
A.2 Activities that are Taxonomy-eligible but do not have a significant impact on environmental sustainability (not Taxonomy-aligned)																				
Revenue from activities that are Taxonomy-eligible but do not have a significant impact on environmental sustainability (not Taxonomy-aligned) (A.2)		0	0.0%																	
TOTAL (A.1 + A.2)		0	0.0%														%		%	
B. ACTIVITIES THAT ARE NOT TAXONOMY-ELIGIBLE																				
Revenue from activities that are not Taxonomy-eligible (B)		2,461.1	100.0%																	
Total (A + B)		2,461.1	100.0%																	

N/A: not applicable.

4.12.1.2 PROPORTION OF TAXONOMY-ELIGIBLE CAPITAL EXPENDITURE (CAPEX)

According to the Taxonomy, CAPEX ⁽¹⁾ corresponds to the increase in the gross value of property, plant and equipment and intangible assets during the financial year as presented in the consolidated financial statements. In 2022, the Group's main CAPEX items related to developments of production and back-office information systems, point-of-sale terminals and items of point-of-sale furniture.

"Eligible" CAPEX covers capital expenditure:

- relating to assets or processes associated with Taxonomy-eligible economic activities for which eligible revenue has been identified;

- that is part of a plan to expand Taxonomy-eligible activities or to enable eligible activities to become sustainable;
- relating to "individual measures" corresponding to activities listed in the delegated regulations but which do not produce revenue.

"Aligned" CAPEX covers eligible CAPEX that satisfies the following criteria:

- it must meet the technical screening criteria set out in the delegated regulations;
- it must not cause significant harm to any of the other five objectives;
- it must be carried out in compliance with minimum safeguards.

(1) CAPEX covers property, plant and equipment (IAS 16), intangible assets (IAS 38) and leases (IFRS 16).

Group CAPEX for the year ended 31 December 2022 amounted to €105 million, of which €61 million in expenditure on intangible assets, primarily the development of production and back-office IT systems, and €44 million in expenditure on property, plant and equipment, chiefly gaming terminals and items of point of sale furniture. It also includes property leases.

Given the nature of the Group's CAPEX, only a very small portion is Taxonomy-eligible, i.e. 8.3% of Group CAPEX made up of capital expenditure relating to individual measures. This CAPEX to property leases in the amount of €8.4 million, the installation of electric vehicle powering stations across all the FDJ sites in the amount of €0.2 million and the installation of renewable energy technologies in the amount of €0.1 million.

The property leases entered into in 2022 do not currently satisfy all of the alignment criteria. Taxonomy-aligned CAPEX accounts for 0.3% of Group CAPEX [3.9% of Group Taxonomy-eligible CAPEX].

Economic activities (1)	Codes (2)	CAPEX (absolute value) €m (3)	Proportion of CapEx (4)	Substantial contribution criteria						Significant harm criteria						Minimum safeguards (17)	Proportion of Taxonomy-aligned CAPEX, Curr. year (18)	Proportion of Taxonomy-aligned CAPEX, Prev. year (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percentage	Percentage	H	T
A. TAXONOMY-ELIGIBLE ACTIVITIES		8,8	8,3%																	
A.1 Environmentally sustainable economic activities (Taxonomy-aligned)																				
Installation of electric vehicle powering stations	7.4	0.2	0.2%	100%	0%	%	%	%	%	YES	YES	YES	YES	YES	YES	YES	0.2%	N/A	N	
Installation, maintenance and repair of renewable energy technologies	7.6	0.1	0.1%	100%	0%					YES	YES	YES	YES	YES	YES	YES	0.1%	N/A		
CAPEX from environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.3	0.3%	100%	%	%	%	%	%								0.3%	N/A		
A.2 Activities that are Taxonomy-eligible but do not have a significant impact on environmental sustainability (not Taxonomy-aligned)																				
Acquisition and ownership of buildings	7.7	8.4	8.0%																	
CAPEX from activities that are Taxonomy-eligible but do not have a significant impact on environmental sustainability (not Taxonomy-aligned) (A.2)		8.4	8.0%																	
TOTAL (A.1 + A.2)		8.8	8.3%														8.3%	N/A	0%	
B. ACTIVITIES THAT ARE NOT TAXONOMY-ELIGIBLE																				
CAPEX from activities that are not Taxonomy-eligible (B)		96.4	91.7%																	
Total (A + B)		105.2	100.0%																	

N/A: not applicable.

(*) May not apply according to the delegated act.

4.12.1.3 PROPORTION OF TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED OPERATING EXPENDITURE (OPEX)

According to the Taxonomy, the denominator in operating expenditure (OPEX) corresponds to non-capitalised direct costs relating to research and development, the renovation of buildings, short-term leases, maintenance and repair costs and direct expenses relating to the routine maintenance of property, plant and equipment by the Company or by a third

party to whom these tasks have been outsourced. The Group does not consider these expenses (€107 million) to be material in relation to total operating expenditure (€2,001 million) and does not calculate a ratio, pursuant to the exemption provided for in the green taxonomy.

Economic activities (1)	Codes (2)	OPEX (absolute value) €m (3)	Share of revenue (4)	Substantial contribution criteria						Significant harm criteria						Minimum safeguards (17)	Proportion of Taxonomy-aligned OPEX, Curr. year (18)	Proportion of Taxonomy-aligned OPEX, Prev. year (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percentage	Percentage	H	T
A. TAXONOMY-ELIGIBLE ACTIVITIES		0.0	0.0%																	
A.1 Environmentally sustainable economic activities (Taxonomy-aligned)																				
OPEX from environmentally sustainable activities (Taxonomy-aligned) (A.1)			0.0%	%	%	%	%	%	%								0.0%	N/A		
A.2 Activities that are Taxonomy-eligible but do not have a significant impact on environmental sustainability (not Taxonomy-aligned)																				
OPEX from activities that are Taxonomy-eligible but do not have a significant impact on environmental sustainability (not Taxonomy-aligned) (A.2)		0.0	0.0%																	
TOTAL (A.1 + A.2)		0.0	0.0%														0.0%	N/A	%	
B. ACTIVITIES THAT ARE NOT TAXONOMY-ELIGIBLE																				
OPEX from activities that are not Taxonomy-eligible (B)		106.5	100.0%																	
Total (A + B)		106.5	100.0%																	

N/A: not applicable.

4.13 Notes: additional monitoring indicators

Indicators	Scope	2021	2022
Fuel oil consumption during the year	Boulogne-Billancourt (Delta, Aguesseau), Saint-Mard, Saint-Witz, Villepinte and Vitrolles sites	0 litre	0 litre
Fuel oil is used by power generators			
Gas consumption during the year	FDP agencies and Saint-Mard site	2,155,085 kWh	1,216,157 kWh
Electricity consumption during the year	FDP agencies, Boulogne-Billancourt (Delta, Aguesseau), Saint-Mard, Saint-Witz, Villepinte and Vitrolles sites	18,904,467 kWh	19,324,046 kWh
Water consumption during the year	Vitrolles, Villepinte, Saint-Witz, Saint-Mard, Boulogne-Billancourt (Delta and Aguesseau) sites	14,965 m ³	14,627 m ³
Renewable electricity consumption	FDP agencies, Vitrolles, Villepinte, Saint-Witz, Saint-Mard, Boulogne-Billancourt (Delta and Aguesseau) sites	100%	100%
Share of waste recycled	Vitrolles, Villepinte, Saint-Witz, Saint-Mard, Boulogne-Billancourt (Delta and Aguesseau) sites	74%	83%
The rate of recycled waste breaks down as follows: reuse: 0.2%, recycling: 81%, composting: 2%			
Proportion of Taxonomy-eligible (2021) and Taxonomy-aligned (2022) revenue	FDJ Group	0 (eligible)	0 (aligned)
Proportion of Taxonomy-eligible (2021) and Taxonomy-aligned (2022) CAPEX	FDJ Group	≈ 10% (eligible)	0.3% (aligned)
Proportion of Taxonomy-eligible (2021) and Taxonomy-aligned (2022) OPEX	FDJ Group	1.3 (eligible)	n/a
Number of deadly accidents	FDJ	0	0
Percentage of revenue from orders for promotional items manufactured by factories located in high-risk countries and certified SA 8000 or subject to a social audit	FDJ	86%	100%
Percentage of UCITS investments in SRI funds	FDJ	23.4%	36.7%
The sharp increase in the ratio was attributable to two main factors:			
<ul style="list-style-type: none"> - the classification of one of our dedicated funds as an Article 8 fund (under the SFDR) for an amount of approximately €100 million; - the rise in interest rates, which enabled us to return to SRI money market funds. 			

Indicators	Scope	2021	2022
Percentage of women on the Board of Directors at 31 December	FDJ	50%	50%
At 31 December 2022, half of the seats on FDJ's Board of Directors were held by women (excluding directors representing employees and employee shareholders), i.e. 6 women out of a total of 12 directors.			
Female representation on the Group Management Committee at 31 December		38%	39%
9 of the 23 members of the Group Management Committee were women at 31 December.			
Percentage of independent directors at 31 December		50%	50%
The independent directors are: Ms. Dulac, Mr. Girre, Ms. Lejbowicz, Mr. Pringuet, Predica (represented by Ms. Barjou) and Ms. Gri. This percentage does not include the directors representing the employees and employee shareholders.			
Attendance rate at Board of Directors meetings	FDJ	92%	92%
The attendance rate was calculated by averaging the attendance rate of each member of the Board of Directors over the year.			
Employee shareholders	FDJ Group	3.8%	3.8%
Percentage of employees covered by a collective bargaining agreement	FDJ	100%	100%
Organisation of working hours	FDJ Group		

In 2021, most FDJ Group employees worked full days. Most of the Group's subsidiaries are covered in France by a branch agreement on working hours, and often also a company agreement on the same subject matter (FDJ, FDP, FDJ Gaming Solutions France and FDI).

Working time conventions stipulate either that working time be calculated over 35 hours, or that annualised conventions be introduced. Employees also have a certain number of reduction of working time ("RTT") days, over and above the legal and contractual days of paid holiday and any other days of leave relating to long service.

An additional clause on the development of remote working was renegotiated in 2022, amending the initial agreement entered into in 2019, and providing for the possibility of employees being able to work remotely for up to 100 days a year. This agreement is part of the human resources policy to develop employee engagement and empowerment and is an additional driver to further enhance the appeal of the FDJ employer brand.

The public health crisis has shown that the Group is capable of organising work differently:

- flexibility in the manner in which work is organised through extensive remote working over a long period;

- capacity to react and adapt by maintaining an effective social dialogue of a high standard (health management and support system established on quality of life at work, agreement on donating/requesting days of paid leave, etc.) and further evidence of the solidarity-related values of the Group and its employees.

The current remote working model (agreement and/or practices) already provides for conditions (100 remote working days a year, with two set days or adaptable days and possible exemptions in the event of epidemic-related risks or transport strikes) that bring a new and more efficient on-site / remote working balance. Awareness actions and reminders of the procedures are staged regularly (e-meetings with managers) to ensure that every eligible employee becomes familiar with the remote working options and to help managers embrace the new on-site/remote working arrangements.

Lastly, an amendment to the initial agreement was signed in 2022 introducing specific remote working arrangements for staff at the commercial subsidiary FDP, based on the same principles as the FDJ agreement. Alongside this, the Group is continuing to develop the most suitable remote working practices at its smallest entities.

Remuneration policy

FDJ Group

The remuneration policy is part of the overall policy of the FDJ employee Experience and Transformation department, which is intended to serve the Company's strategy. It is designed to encourage employees to meet the Company's performance targets:

- by valuing contribution;
- by acknowledging performance;
- by encouraging progress; and
- by implementing retention systems to hold onto talent.

The remuneration and employee benefit policies reflect benchmark practices in the markets in which the Group operates, with a constant pursuit of internal fairness and external competitiveness. These policies are based on a mapping of the functions, to define the remuneration principles for each sector business line and level of responsibility and importance of the role. This also enables

internal analyses and makes it possible to compare the Group's practices each year with those of the market via updated remuneration surveys.

The starting salaries of new employees are compared against a market benchmark and the internal remuneration benchmark. Salaries are then reviewed yearly when the wage policy is being set and during employee reviews.

The rules and principles of the remuneration policy are circulated at least once a year when the wage policy is set, with a specific communication for managers, a communication to all employees and regular updates in the Human Resources section of the internal social network accessible to all. Alongside these communication actions, meetings are held on site or remotely for managers and employees.

Gross payroll expense

in thousands of euros	2021			2022		
	Fixed	Variable	Total	Fixed	Variable	Total
FDJ	145,391	32,849	178,240	158,820	36,947	195,766
FDJ Group ⁽¹⁾	219,090	45,714	264,804	233,593	49,220	282,813

(1) Data presented for the Group, excluding the new entities acquired in 2022 (L'Addition and Aleda). Payroll expense includes employee profit-sharing and excludes long-term benefits and other personnel expenses contained in the notes to the consolidated financial statements.

A reminder of the overall performance evaluation of each employee is included in each manager's wage policy decision tables, to ensure that these decisions are consistent with the performance evaluation. The positioning of the

employee's remuneration in relation to the Company's benchmarks is also taken into account.

Changes in the average monthly remuneration and median base

in thousands of euros	2021		2022	
	Average	Median	Average	Median
FDJ	4.46	4.06	4.53	4.11
FDJ Group	4.29	3.78	3.43	3.89

Furthermore, for the last six years, a variable component system linked to performance has been gradually introduced and revised at FDJ for all management-level staff on permanent contracts, i.e. 80% of employees. Given the activity of FDP and FDJ Gaming Solutions France, all employees already have a variable wage component.

An LTI (long-term incentive) plan has been incorporated into the remuneration system since 2021. LTI plans are in place at nearly 90% of SBF 120 companies, in order to:

- encourage multi-year performance, the creation of value and the application of the strategy by setting unchallengeable, clearly-defined performance targets;
- retain employees who help achieve these objectives through their role, their professional and personal qualities and their commitment to the Group and its *raison d'être*;
- attract the talent that the Group needs to fulfil its ambitions.

Under the long-term incentive plan, employees are allocated performance shares, which will only vest if ambitious and balanced three-year performance targets are met based on financial, operational and CSR criteria.

The beneficiaries of the LTI plan were identified based on a dedicated staff review, integrated into the Group's talent management system. This new system is an integral part of the performance policy introduced by FDJ.

A total of 118 employees, i.e. nearly 4% of the Group's workforce (median of around 1.8% at other SBF 80 companies) benefited from the plan in 2022.

The remuneration also includes employee profit-sharing and incentives, which are designed to share the results of performance and sustain employee engagement. New Group-level profit-sharing and incentive agreements were signed in 2021 (see section 7.1.7.1 "Employee incentive and profit-sharing agreements"). The Company may make an additional contribution to incentive amounts, pursuant to the various agreements signed by the Group entities (see section 7.1.7.2 "Employee savings schemes and employee shareholding policy").

Number of new hires on permanent and fixed-term contracts

	2021	2022			
	Permanent	Permanent		Fixed-term	
		M	F	M	F
FDJ	157	144	72	42	42
FDJ Group	301	274	122	62	70
		396		132	

Number of departures during the year

		Resig- nation	Dismissal on economic grounds	Dismissal for other reasons	Departure during trial period	Mandatory retirement/ Retirement	Death	Contractual termination	Subsi- diaries transfer	Suspended contracts	Expiration of contract (incl. temp. summer)	Total excl. expira- tion of contracts
2021	FDJ	14	-	25	9	12	1	7	6	4	47	78
	FDJ Group	101	9	52	16	12	1	11	13	6	59	221
2022	FDJ	25	0	27	4	11	1	7	0	7	43	82
	FDJ Group	103	0	50	11	12	2	11	77	7	66	339

Trade union representation

FDJ	FO	57.52%
	CFE-CGC	37.30%
	UNSA	5.18%
FDJ Group	FO	47.18%
	CFE-CGC	34.35%
	CFDT	15.00%
	UNSA	3.47%

4.14 Report by one of the statutory auditors, appointed as an independent third party, on the consolidated non-financial information statement

For the year ended December 31, 2022

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of the company La Française des Jeux (hereinafter the "Entity"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), (Cofrac Inspection Accreditation, n°3-1862, scope available at www.cofrac.fr), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

CONCLUSION

Based on the procedures we have performed as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarised on the website of the entity.

INHERENT LIMITATIONS IN PREPARING THE INFORMATION

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

RESPONSIBILITY OF THE ENTITY

Management of La Française des Jeux is responsible for:

- selecting or establishing suitable criteria for preparing the Information;

- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by Management board.

RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy)
- the compliance of products and services with the applicable regulations.

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes - Intervention de l'OTI - déclaration de performance extra-financière, and acting

as the verification programme and with the international standard ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

MEANS AND RESOURCES

Our work engaged the skills of 5 people between September 2022 and February 2023 and took a total of 5 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 21 interviews with people responsible for preparing the Statement, representing in particular CSR direction, risk management, compliance, human resources, health and safety, environmental, procurement, and M. Maximilien Faivre, CSR and sustainability consultant.

NATURE AND SCOPE OF PROCEDURES

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti corruption and tax avoidance legislation;
- verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under

Article L.225-102-1 III, paragraph 2 of the French Commercial Code;

- verified that the Statement presents the business model and a description of the main risks associated with of all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. Our work was carried out on the consolidating entity la Française des Jeux;
- verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities, la Française des Jeux SA et FDP, and covers between 40% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, 16 February, 2023

One of the Statutory Auditors,

PricewaterhouseCoopers Audit

Jean-Paul Collignon
Partner

Aurélien Castellino-Cornetto
Sustainable Development Director

ANNEX: LIST OF INFORMATION WE CONSIDERED MOST IMPORTANT

● Key performance indicators and other quantitative results:

- Overall compliance with responsible gaming and security criteria
- Compliance rate for underage gambling testing
- Share of advertising budget devoted to responsible gaming (all media)
- Player distribution according to the Canadian Problem Gambling Index
- Distribution of online lottery and sports betting players as assessed by Playscan
- Amounts paid in the framework of responsible gaming partnerships
- Number of reports processed related to vulnerable gambling situations in 2022
- Number of vulnerabilities managed in 2022
- Fraud rate (non-payments) on remote debit card payments
- Number of suspicious transactions reports to Tracfin
- Number and share of employees trained in GDPR
- Number of alerts transmitted to the national platform
- Number of sports players made aware of the increasing risks of manipulation of sports competitions and the good reflexes to have
- Number and share of employees having completed Ethics and anti-corruption training
- Effective tax rate
- Amount of tax expense
- Share of strategically important and major suppliers assessed based on CSR performance
- Average payment times
- Share of invoices settled late
- Amount of group purchases from ESATs and EAs
- Percentage of FDJ suppliers located in city policy districts
- Number of agreements signed during the year
- Number of employees at 31/12 of the financial year (FDJ SA and FDJ Group)
- Percentage of women among employees on fixed-term and permanent contracts at 31/12 of the financial year (Group and Group Executive Management)
- Share of women among managers for FDJ SA and in the Group
- Direct employment rate of persons with disabilities (FDJ SA and FDJ Group)
- Number and percentage of work-study trainees within FDJ SA and FDJ Group
- Response rate of FDJ SA employees to the Diversity and Inclusion barometer
- Total number of training hours
- Number of employees trained during the year
- Percentage of employees who completed training during the year
- Percentage of payroll expenditure devoted to training
- Absenteeism rate
- Workplace accident frequency rate
- Workplace accident severity rate
- Average well-being at work score given by employees
- Engagement rate of employees
- Employee response rate to the 2022 edition of the FDJTeam
- Amount of contributions to causes of general interest
- Amount of financial aid granted by the FDJ Corporate Foundation
- Number of CSOs belonging to the social laboratory
- Attendance rate of CSO members during Social Laboratory sessions
- Number of sessions of the social laboratory
- FDJ's contribution to French GDP
- Number of jobs created or made permanent by FDJ's activity
- Number of jobs created or made permanent by FDJ in the bartobacco-press sector
- Share of purchases made from suppliers located in France
- Share of French purchases made from SMEs and ISEs
- Total scope 1 and scope 2 carbon emissions evolution (vs. 2017)
- Total number of active French suppliers
- Share of electric cars in the Group's fleet of company cars
- Share of paper from FSC-certified responsible sources used for the manufacture of gaming materials.

- **Qualitative information (actions and results) :**

- Deployment of new preventive communication media with partner distributors
- Reinforcement of commitment to preventive communication, via numerous television campaigns dedicated to responsible gaming
- Distribution of a new responsible gaming brochure to partner distributors, aimed at players
- Optimization of the visibility of responsible gaming systems on the "fdj.fr" website, by highlighting the advice and services offered to players
- Design and deployment of a specific responsible gaming action plan ahead of the Football World Cup
- FDJ has secured access to player accounts and assets using its multi-factor authentication (MFA) system
- Reinforcement of the LCB-FT internal control system through the deployment of the second-level permanent control plan and the development of a new reference system serving the self-assessment process of the system by operational managers
- Proposal to employees to participate in online surveys lasting approximately forty minutes as part of an innovative awareness campaign
- FDJ continued its financial and human contribution following the KCOOS+ (Keep crime out of sport +) project of the Council of Europe, by supporting the new project called ACT (Addressing Competition manipulation Together) planned for 3 years
- Continuation of training and updating of the practical guide to competition to include elements related to abuse of collective dominant position
- Notification to the Competition Authority of its proposed acquisition of ALEDA, a supplier of point-of-sale checkout solutions
- All buyers trained in the overall cost of ownership ("Total Cost of Ownership") and the integration of social and environmental externalities, during the financial evaluation of offers during calls for tenders
- For the FDP commercial subsidiary: continued professionalization of the sales force and support for commercial transformation, particularly in prospecting and performance management
- At the end of 2022, negotiations continued, still at Group level, regarding the Mutual and Welfare system, with the aim of harmonizing the systems within all Group companies
- At the same time, negotiations have been opened concerning the management of jobs and professional careers (GEPP), and will probably continue in 2023
- Training plan dedicated to Diversity, the fight against discrimination and harassment, validated and which will be provided over 3 years to the actors of diversity
- E-learning training module in progress, with the support of our partner Mozaïk RH
- Holistic individualized support program set up: two three-month promotions allowed participants to follow a dedicated program
- FDJ group employees interviewed via the FDJTeam internal climate barometer
- Patronage strategy, also in line with the company's raison d'être, which revolves around 3 main axes: responsible gaming, equal opportunities and territorial anchoring
- Quarterly newsletter set up to communicate on the company's major highlights to our various dialogue bodies
- Renewal of the Rebond fund in 2022
- Raising the awareness of the members of the Management Committee, including the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, of the issues related to climate change and the loss of biodiversity during a special committee dedicated to environmental issues
- Project in collaboration with FSC France, WWF France and CDC Biodiversité to integrate the requirements of the FSC label into the GBS tool and study which showed that FSC-certified wood leads to greater remaining biodiversity per unit area than wood not certified in the forest
- Donation of 200,000 euros to the "ONF – Agir pour la Forêt" fund managed by the Office National des Forêts.



Analysis

OF FINANCIAL POSITION

5

AFR

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Various factors affect the Group's business and results:

- the health crisis and its effects on points of sale in terms of opening and customer numbers;
- large jackpots in the Loto® and Euromillions draw games, which lead to rises in stakes, notably from new players attracted by the big prizes;
- the calendar of sports events;
- the tax and regulatory framework, which determines inter alia the payout ratios,⁽¹⁾ the rates of public levies, and the amount earned by FDJ.⁽²⁾ The current framework is defined by the Pacte Law of 22 May 2019 (see Chapter 1, Note 1.5 "Regulatory Environment");
- the product mix: as payout ratios and public levies rates vary between ranges, changes in the product mix affect both revenue and results;

- the distribution channel mix: for the lottery, for example, online business has a structurally higher contribution margin than PoS business.

The Group's balance sheet structure at 31 December and its annual cash generation are also affected by:

- the schedule of collections from and disbursements to the point-of-sale network: retailers are invoiced and debited on fixed days of the week, which can lead to material variations in working capital;
- winnings payable to players: large prizes may be won at the year-end and remain uncashed at 31 December;
- large jackpots at the year-end, leading to increases in player funds (see 5.2.1.2 "Specific funds provided for by game rules").

5.1 Highlights 2022

VERY STRONG RESULTS – RECURRING EBITDA MARGIN OF 24%

In 2022 FDJ Group recorded solid performance, with revenue up 9% to €2,461 million, in line with the growth in stakes. After a first half of the year that continued to benefit from the post-Covid recovery, revenue grew by 6% in the second half of the year, a level close to the Group's historical growth trajectory.

Group recurring EBITDA was €590 million, up by 13%, thanks to a strong increase in point-of-sale activity and dynamic online growth. The recurring EBITDA margin was 24% of revenue, up 90 basis points.

GROWTH IN ALL BUSINESS LINES

In lottery, revenue grew by 11% to €1,916 million, reflecting the strong intrinsic momentum of the games and the return to normal in the point-of-sale network. Positive performance in draw games was due notably to the attractiveness of Loto® and Euromillions, with a continuing high number of large jackpots and events. In instant games, performance was driven by promotional activities, especially the successful launches and relaunches of individual games such as Cash, x10 and x20, and As de Cœur.

Revenue from sports betting and online gaming open to competition came in at €467 million, a rise of 1%. Although the first half fared less well than the same period in 2021, when the UEFA Euro 2020 championships were held, business bounced back in August and September as the

European football leagues restarted and climbed further at the end of the year with the FIFA World Cup. The good run enjoyed by the French team led to a very high player payout, with the competition accounting for 6% of the annual revenue for this activity.

SIGNIFICANT GROWTH IN POINT-OF-SALE STAKES AND CONTINUED MOMENTUM OF ONLINE STAKES

Stakes via the distribution network, comprising around 30,000 points of sale in both years, were up by 8% at €18.1 billion.

The momentum was driven by high traffic, reflecting both the attachment of consumers to this local network, which the Group is helping to transform and diversify, and the attractiveness of FDJ's gaming offering, which is a major driver of traffic.

After two years of very strong growth, with digital stakes doubling between 2019 and 2021, accelerated by changes in behaviour caused by the health crisis, the growth in digital stakes is normalising. In 2022, they exceeded €2.5 billion, up 16% from 2021, representing more than 12% of total stakes. In the fourth quarter alone, the Group's digital business set a new record for online business with over €700 million in stakes, up by 14% in comparison with the fourth quarter of 2021. In addition, FDJ's share of the online sports betting market, cumulatively at the end of September and during the FIFA Football World Cup, increased.

(1) Player payout as a percentage of stakes.

(2) The amount earned by FDJ is equal to total stakes less player payout and public levies.

The rise in online stakes continues to be essentially driven by the increase in the number of players. There are now nearly 5 million online lottery players, twice as many as in 2019, two-thirds of whom also play at points of sale. The share of gross gaming revenue from online lottery games derived from high-risk players was 2.3%, with the target of bringing this figure below 2% by 2025.

STRENGTHENING OF SPORTS BETTING AND ONLINE GAMING OPEN TO COMPETITION

FDJ Group is continuing to implement its strategy of strengthening its position in the French market of online gaming open to competition. In November, it consequently:

- launched a poker offering on the ParionsSport En Ligne app;
- entered into an agreement to acquire the ZÉturf Group, the second largest online horse racing betting operator in France, which also offers online sports betting under the Zebet brand. This group generated revenue of close to €50 million in 2021. This transaction is expected to complete in the second half of 2023, once the conditions precedent are satisfied, notably approval from the French competition authorities.

DEVELOPMENT OF THE PAYMENT & SERVICES BUSINESS

With the aim of becoming one of the leading local payment and collection networks in France, in 2022 the Group:

- recorded a 46% increase in the number of payments collected on behalf of DGFIP (the French treasury department), a service now offered at more than 14,000 points of sale;
- launched the Nirio brand for routine bill payment services (landlords, energy companies, etc.) in the FDJ network;
- acquired two companies with a view to expanding into the field of point-of-sale management and payment solutions: Aleda, a specialist in point-of-sale payment solutions for local shops, and L'Addition, a specialist in payment equipment and services for cafés, bars, hotels and restaurants.

INTERNATIONAL STRATEGIC PARTNERSHIP

In late 2022, FDJ and Scientific Games, a leading provider of lottery products, technology and services, announced a partnership to market a range of phygital instant games. FDJ is a pioneer in these innovative games, which offer point-of-sale scratch card players the option to continue their play experience and potentially expand their winnings in a digital game. FDJ has already launched three phygital games since 2019 and a fourth is set to be introduced in 2023.

CONSOLIDATED SOCIAL COMMITMENTS

In 2022, Moody's ESG Solutions awarded FDJ Group an A1+ rating for the fourth consecutive year, with a score of 72/100, up 2 points from 2021.

The Group also maintained, for the third time, its 100/100 rating on the Pénicaud gender equality index. It is also one of the 5% best rated companies rated by Ecovadis, with its score rising to 71/100, and retaining its Gold medal.

The Group continues in particular to:

- **consistently strengthen its efforts to prevent excessive and underage gambling**, to which it devoted just under €15 million in 2022:
 - more than 10% of the overall advertising budget was dedicated to responsible gaming, with new preventive information campaigns and an enhanced action plan before and during the football World Cup. In January 2023, the Group also launched a new campaign with Paris Saint-Germain (PSG) football club, aimed at broadening the reach of its prevention messaging and promoting recreational sports betting;
 - point-of-sale audits were performed, notably through mystery visits linked to a range of sanctions in the event of non-compliance with the prohibition on sales to minors, which is unique in France. In 2022, nearly 2,700 mystery visits were carried out, with around a hundred retailers receiving sanctions in the form of licence suspensions.
 - as of 2023, a further €10 million has been committed over a five-year period to support initiatives to prevent underage gambling led by non-profit organisations;
- **be committed to reducing its environmental impact and contributing to the conservation of biodiversity through:**
 - implementing a new energy use savings plan (buildings, IT, travel);
 - partnering with the Gestes Propres association aimed at broadcasting an awareness campaign on screens in points of sale encouraging customers to throw scratch cards and gaming receipts into recycling bins;
 - relocating a significant portion of the Group's instant game printing to Europe;
 - donating €200,000 to the ONF (National Forests Office) via its "ONF-Act for the Forest" fund in order to contribute to the restoration of the forests destroyed by the wildfires that hit France last summer.

GROWTH BENEFITING ALL STAKEHOLDERS

For the seventh successive year, advisory firm Bureau d'information et de prévision économique BDO-Bipe assessed the FDJ Group's contribution to the economy and society in France.

- In 2022, FDJ's contribution to national wealth amounted to €6.5 billion, or 0.25% of France's gross domestic product (GDP).
- In terms of employment, the FDJ Group's business created or sustained 55,300 jobs in France, including 22,000 in the network of bars, tobacconists and newsagents.

FDJ's growth benefits the national community, and above all the public finances, with an overall contribution to the State budget of over €4.4 billion, including €4.1 billion in gaming levies, benefiting:

- **France's vulnerable heritage:** thanks to the 2022 edition of the Mission Patrimoine lottery games, over €26 million was paid out to the Fondation du Patrimoine (French Heritage Foundation); and
- **French sport** at both the amateur and professional level, via the action of the Agence nationale du sport (ANS).

The value created by the FDJ Group is shared between **employees** and **shareholders**, through:

- personnel expenses of €327 million, including profit-sharing and incentive scheme costs equal to 24% of payroll [1]; and

- €237 million in dividends in respect of the 2021 financial year, which benefit veterans' associations, who are long-standing shareholders, to finance their social initiatives, and nearly 400,000 individual shareholders.

The Group has an economic impact nationwide, benefiting:

- **local retail trade**, with fees of €965 million paid to its 30,000 retailers; and
- **French suppliers**, through purchases of €684 million, overwhelmingly from SMEs and intermediate-sized enterprises, representing over 90% of procurement.

The **FDJ Foundation**, which celebrates its 30th anniversary in 2023, is also committed to promoting equal opportunities by supporting a hundred or so projects per year throughout France with a five-year budget of €25 million (2023-2027).

5.2 Analysis of Group consolidated results

5.2.1 SPECIFIC FEATURES OF THE GROUP

5.2.1.1 DESCRIPTION OF THE REGULATORY FRAMEWORK

FDJ operates in the gaming sector, a highly regulated industry under strict State control (see Chapter 1, Note 1.5 "Regulatory Environment").

The online sports betting and online gaming open to competition, are governed notably by Law no. 2010-476 of 12 May 2010 and conducted within the framework of a

five-year agreement. FDJ's licence for sports betting was last renewed by the ANJ in 2020, while its licence for online poker was granted by the ANJ in October 2022.

The Pacte Law of 23 May 2019 confirmed FDJ's exclusive rights to operate online and point-of-sale lottery games (draw games and instant games) and point-of-sale sports betting activities for a period of 25 years. It also defines the basis, rates and territorial scope⁽¹⁾ of the public levies on all lottery games and sports betting and defines the payout ratios.

PAYOUT RATIOS FOR THE MAIN LOTTERY GAMES

	Payout ratio
Loto®	55.35%
Euromillions	50%
Amigo	67.55%
Cash	70.5%

PUBLIC LEVIES EXCLUDING INCOME TAX

As % of GGR	Loto®/ Euromillions	Other lottery games
National Sports Agency (Agence Nationale du Sport – ANS)	5.10%	5.10%
Contribution Sociale Généralisée (CSG)	6.20%	6.20%
Contribution au Remboursement de la Dette Sociale (CRDS)	2.20%	2.20%
General State Budget	54.50%	42.00%
TOTAL	68.00%	55.50%

(1) The tax and social charges applicable to lottery games and sports betting are levied on the basis of gross gaming revenue, except in the following locations where they continued to be levied on stakes: French Polynesia, Principality of Monaco, Saint-Barthélemy, Saint-Martin, and Saint-Pierre-et-Miquelon.

As % of GGR	PoS sports betting	Online sports betting
Tax levies on sports betting	27.90%	33.70%
ANS	6.60%	10.60%
Social security levies on sports betting	6.60%	10.60%
TOTAL	41.10%	54.90%

Online poker is taxed on the basis of stakes. The overall tax charge comprises a tax levy of 1.8% of stakes (capped at €0.90 per deal for cash games)⁽¹⁾ and a social security levy of 0.2% of stakes (capped at €0.10 per deal for cash games).

5.2.1.2 SPECIFIC FUNDS PROVIDED FOR BY GAME RULES

The rules of pooled games provide for various funds to be set up to ensure the proper operation of the game:

- rollover funds⁽²⁾ are fed by top-tier prizes (jackpots) when no there is no jackpot winner. They can fund Jackpot rollovers for Loto[®] and Euromillions games. The rollover funds are used when a draw produces at least one top-tier prize winner;
- Super Jackpot funds⁽³⁾ are directly fed by a portion of stakes. They are used to fund guaranteed minimum jackpots (e.g. €2 million for Loto[®], €17 million for Euromillions) and for planned events in connection with pooled games (e.g. Super Loto[®] and Grand Loto[®] for Loto[®] and Mega Jackpots for Euromillions).

5.2.2 CONSOLIDATED INCOME STATEMENT

The table below presents the Group's consolidated income statement (in millions of euros) for the year ended 31 December 2022.

In millions of euros	31.12.2022	31.12.2021	Change vs. 2021	
Stakes	20,618.0	18,975.6	1,642.4	8.7%
Player payout	-14,093.9	-12,971.1	-1,122.8	8.7%
Gross gaming revenue from other activities	1.5	0.0	1.5	n/a
Gross gaming revenue (GGR)	6,525.6	6,004.5	521.1	8.7%
Public levies	-4,147.4	-3,816.0	-331.4	8.7%
Other revenue from sports betting	10.2	13.7	-3.5	-25.5%
Net gaming revenue (NGR)	2,388.4	2,202.1	186.2	8.5%
Revenue from other activities	72.7	53.5	19.2	35.8%
Revenue	2,461.1	2,255.7	205.4	9.1%
Cost of sales	-1,329.6	-1,232.8	-96.8	7.9%
Marketing and communication expenses	-460.9	-414.7	-46.3	11.2%
General and administrative expenses	-200.0	-199.4	-0.7	0.3%
Other operating income and expenses	-11.4	-15.6	4.2	-27.0%
Recurring operating profit	459.2	393.2	65.9	16.8%
Recurring EBITDA	590.1	521.8	68.3	13.1%
Operating profit	448.8	391.8	57.0	14.6%
Net financial income/(expense)	-28.7	20.8	-49.5	-238.1%
Share of net income from joint ventures	1.1	4.1	-3.0	-73.4%
Income tax expense	-113.3	-122.5	9.1	-7.5%
NET PROFIT	307.9	294.2	13.7	4.7%

(1) A cash game is a hand of poker played with real money, as opposed to a tournament game, where players join by paying an entry fee and play with chips that have no monetary value.

(2) Rollover funds are fed by the portion of the payout ratio allocated in a given draw to the top-tier prizes, when there is no prize winner and when the corresponding money is not redistributed among lower-tier prizes. The Euromillions rollover fund is shared between the participating lotteries.

(3) The Loto[®] and Bingo Live super jackpot funds are funded from the share of the payout ratio allocated to top-tier prizes, and drawn down when the amount in the game's rollover fund is insufficient to pay the guaranteed jackpot. The Euromillions super jackpot is funded depending on the draw cycle. In the first six cycles without a top prize winner, 4.80% of the portion of stakes allocated to prizes is allocated to the super jackpot fund. This rises to 21% as from the seventh cycle. This fund is drawn down using the same principle as the other games.

5.2.2.1 STAKES

Group stakes amounted to €20,618 million, up 8.7% compared to 2021.

The trend in stakes by product range is as follows:

In millions of euros	31.12.2022	31.12.2021	Change vs. 2021	
Instant games	9,889.7	8,982.4	907.3	10.1%
Draw games	6,329.6	5,744.0	585.6	10.2%
Lottery	16,219.3	14,726.3	1,492.9	10.1%
Sports betting and online gaming open to competition	4,372.8	4,215.7	157.1	3.7%
Other ⁽¹⁾	25.9	33.5	-7.6	-22.8%
Stakes	20,618.0	18,975.6	1,642.4	8.7%
<i>online stakes</i>	<i>2,519.9</i>	<i>2,172.5</i>	<i>347.4</i>	<i>16.0%</i>

(1) Traditional fixed odds sports betting provided by Sporting Group.

Lottery (€16,219 million; +€1,493 million; +10%)

Lottery stakes went up by 10% relative to 2021, a reflection of the strong intrinsic momentum and attractiveness of the games. The rise was notably due to Loto[®] and Euromillions, in which the number of large jackpots and events remained high. It was also driven by the growth in online stakes, which reached €1.8 billion (+15.6%) and accounted for over 11% of all lottery stakes. This performance remains essentially due to the expanding player base, which reached a total of nearly five million players at the year-end.

Stakes on **instant games** rose by 10.1% relative to 2021, totalling €9.9 billion. The strong momentum in instant games was due in particular to ongoing marketing efforts, including in particular the successful launch of As de Cœur and the relaunch of the Cash and Multiplier games.

Draw games recorded stakes of €6.3 billion, 10.2% higher than in 2021. This growth is largely due to the growth in Amigo, following the return to normal in the point-of-sale network in 2022 as compared to 2021, when the first half in particular was still heavily affected by the health crisis.

Sports betting and online gaming open to competition (€4,373 million; +€157 million; +3.7%)

Stakes from sports betting and online gaming open to competition totalled €4.4 billion, a rise of 3.7% compared to 2021. The year benefited from the 2022 FIFA World Cup, which took place from 20 November to 18 December, and from the good performance of the French team, which reached the final against Argentina.

In 2021, the business benefited from the postponed UEFA Euro 2020 football tournament, which was held from 11 June to 11 July that year.

Online stakes

Driven in particular by the strong growth in online lottery gaming, the Group's online stakes continued to rise, growing by 16% in 2022 to a total of €2.5 billion. Online gaming now accounts for over 12% of total stakes.

5.2.2.2 NET GAMING REVENUE (NGR)

NGR represents the FDJ Group's remuneration from its gaming activities. It reflects the total amount of players' stakes, less the winnings paid or payable to players, less public levies. It also includes the revenue generated by Sporting Group's B2C⁽¹⁾ business (spread betting⁽²⁾ and fixed odds betting) and poker revenues. NGR for the year ended 31 December 2022 was €2.4 billion, €186 million higher than in 2021 (+8.5%).

Player payout was €14,093.9 million in 2022, 8.7% higher than 2021. The average payout ratio for the period was 68.4%, as in 2021.

Gross gaming revenue (GGR) is the difference between stakes and player payout. It also includes commissions taken on the poker business. GGR was €6,525.6 million in 2022, 8.7% higher than in 2021.

Public levies amounted to €4,147.4 million, 8.7% (€331.4 million) higher than in 2021. The change in the amount of public levies reflects the change in GGR. Public levies have been charged on a GGR basis since the entry into force of the Pacte Law on 1 January 2020.

(1) B2C: commercial and marketing activities aimed at end consumers.

(2) Spread betting consists in predicting if a number of actions (or events) occurring during a match will be greater or smaller than the range of actions (spread) set by the trader.

5.2.2.3 REVENUE

Group stakes amounted to €20,618 million, up 8.7% compared to 2021. Business increased in all business lines, with revenue rises of 11% for lottery games and of 1% for sports betting and online gaming open to competition. Increases were recorded in all sales channels, with stakes up by 8% in the distribution network and by 16% online.

Player payout was €14,094 million (+8.7%), and the payout ratio was thus stable at 68.4%. Gross gaming revenue (GGR, i.e. stakes less winnings) was €6,526 million (+8.7%).

Net gaming revenue (NGR, i.e. GGR less public levies on games) represents FDJ group's remuneration on its gaming activities. After deducting public levies of €4,147 million (+8.7%), NGR came to €2,388 million (+8.5%).

After taking account of €73 million in revenue from other activities, Group **revenue** came to €2,461 million, an increase of 9.1% relative to 2021.

5.2.2.4 RECURRING OPERATING PROFIT/ RECURRING EBITDA

Cost of sales was €1,330 million (+7.9%). This includes €965 million (+7.0%) of commissions paid to retailers, which

are correlated with the increase in PoS stakes. The increase in other costs of sales of €33 million (10.1%) reflects the resumption of promotional activities following the temporary reduction in 2021.

Marketing and communication expenses include advertising and offer design costs, as well as the IT costs related to the development and operation of games and services. The total of €461 million was up by 11.2%, owing to strategic spending on the development the product offering, particularly for online products (game design and IT, customer service etc.), whereas the Group's advertising spend remained steady at 1.5% of gross gaming revenue.

General and administrative expenses mainly include personnel expenses and operating costs for central corporate functions, as well as building and IT infrastructure costs. The total remained steady at €200 million.

The Group's **recurring operating profit** accordingly amounted to €459 million, an increase of 16.8%.

At €131 million, **depreciation and amortisation** was comparable to 2021.

Recurring EBITDA was €590 million, up by 13.1%. The EBITDA margin was 24.0%, higher than the figure of 23.1% for 2021.

5.2.2.5 SEGMENT REPORTING

In millions of euros	31.12.2022						
	Lottery BU	Sports betting and online gaming open to competition BU	Adjacent activities*	Holding	Total before dep./ amort.	Dep./ amort.	Group total
Stakes	16,219	4,373	26	0	20,618		20,618
Gross gaming revenue (GGR)	5,551	975	0	0	6,526		6,526
Net gaming revenue (NGR)	1,912	467	10	0	2,388		2,388
Revenue	1,916	467	78	0	2,461		2,461
Cost of sales	-1,033	-235	-21	0	-1,289	-41	-1,330
Marketing and communication expenses	-174	-115	-77	-37	-403	-58	-461
Contribution margin	709	117	-20	-37	770	-99	671
General and administrative expenses & Other operating income and expenses				-180	-180	-32	-211
Recurring EBITDA					590		
Depreciation and amortisation						-131	
Recurring operating profit							459

(1) Formerly ABU (Acceleration Business Unit).

In millions of euros	31.12.2021						
	Lottery BU	Sports betting and online gaming open to competition BU	Adjacent activities ⁽¹⁾	Holding	Total before dep./ amort.	Dep./ amort.	Group total
Stakes	14,726	4,216	33	0	18,976		18,976
Gross gaming revenue (GGR)	5,037	966	1	0	6,004		6,004
Net gaming revenue (NGR)	1,724	464	14	0	2,202		2,202
Revenue	1,728	464	63	0	2,256		2,256
Cost of sales	-949	-234	-9	0	-1,192	-41	-1,233
Marketing and communication expenses	-159	-109	-56	-35	-360	-55	-415
Contribution margin	621	121	-2	-35	704	-96	608
General and administrative expenses & Other operating income and expenses				-182	-182	-33	-215
Recurring EBITDA					522		
Depreciation and amortisation						-129	
Recurring operating profit							393

(1) Formerly ABU (Acceleration Business Unit).

Lottery BU

The Lottery BU performed well, with revenue up 10.9% to €1,916 million, based on a 10.1% increase in stakes. This performance can be attributed to both draw games and instant games.

- The cost of sales was €1,033 million (up 8.9%), mainly reflecting point-of-sale commissions.
- Marketing and communication expenses amounted to €174 million, up 9.7%, reflecting the development of the gaming and service offerings, particularly digital.

The Lottery BU's contribution was €709 million, representing 37.0% of revenue, up from 35.9% in 2021.

Sports betting and online gaming open to competition BU

Sports betting and online gaming open to competition revenue was €467 million, up 0.6% from 2021, based on a 3.7% increase in stakes to €4,373 million. The player payout ratio was 77.7%, up from 77.1% in 2021, a level that remains below regulatory maximums.

- The virtual stability of the cost of sales, at €235 million, mainly reflected changes in the commission payment to the point-of-sale network.
- Marketing and communication expenses were up 5.2% to €115 million, their rise being attributable to the development of the offering.

The contribution made by sports betting was €117 million, representing 25.1% of revenue, compared with 26.1% in 2021.

Adjacent activities

Adjacent activities (International, Payment & Services and Entertainment) recorded revenue of €78 million. Half of the €14 million increase from 2021 was attributable to the consolidation over a few months of Aleda and L'Addition, with the remainder being attributable to the internal development of the International and Payment & Services activities. The contribution margin of -€20 million was mainly attributable to business activities in the United Kingdom for which measures are being taken to improve profitability.

Holding

Holding company costs were €216 million, €2 million lower than in 2021.

5.2.2.6 OPERATING PROFIT

In 2022, **non-recurring income and expenses** produced a net expense of €10.4 million, the majority of which comprised costs in relation to mergers & acquisitions.

In 2021, non-recurring income and expenses produced a net expense of €15 million, the main components of which were:

- asset impairments in relation to the Sporting Group CGU (€29 million expense);
- a reversal of the unused provision (€34 million income) following the final ruling of the Court of Cassation in favour of FDJ in the proceedings brought by broker-agents;

Operating profit was €448.8 million in 2022, a rise of 14.6% relative to 2021 (€391.8 million).

5.2.2.7 NET FINANCIAL INCOME/EXPENSE

Net financial income for the years ended 31 December 2022 and 2021 breaks down as follows:

In millions of euros	2022	2021
Cost of debt	-6.6	-5.8
Financial income	15.8	27.9
Other financial expenses	-38.0	-1.3
NET FINANCIAL INCOME/EXPENSE	-28.7	20.8

Financial income and other financial expenses mainly comprise changes in the fair value of financial assets.

The reduction in **net financial income and expenses** (2022: net expense of €28.7 million; 2021: net income of €20.8 million) was mainly due to the unfavourable movements in the financial markets, which recorded a net fall in 2022 after a net recovery in 2021, when the Group also enjoyed significant gains on its innovation funds. The net financial result also includes the €8.4 million fall in the value of the dedicated bond funds maturing in 2024, as well as the fall of €5.2 million in the structured bonds maturing in 2024 and 2025. These decreases were caused by the rise in interest rates. The Group intends to hold these assets to maturity. They will be repaid at their nominal value, and will thus revert to their initial valuation. Despite a difficult global

environment for tech, with declining investments in start-ups and diminished valuations, the financial performance of the Group's investments in venture capital funds remained positive (€6 million increase).

5.2.2.8 INCOME TAX EXPENSE

The change in the **tax expense** in 2022 resulted mainly from the decrease in the effective tax rate to 27.0% (2021: 29.7%).

5.2.2.9 NET PROFIT

Consolidated net profit thus came to €307.9 million (2021: €294.2 million).

5.2.3 FINANCIAL STRUCTURE OF THE GROUP

5.2.3.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SIMPLIFIED)

In millions of euros	31.12.2022	31.12.2021	Change
Non-current assets	1,802.6	1,847.2	-44.7
<i>of which goodwill</i>	56.6	0.0	56.6
<i>of which exclusive operating rights</i>	325.1	340.3	-15.2
<i>of which other intangible assets</i>	182.6	182.1	0.5
<i>of which property, plant and equipment</i>	353.1	359.6	-6.5
<i>of which non-current financial assets</i>	866.9	944.7	-77.8
Current assets	1,489.0	1,341.1	147.9
<i>of which trade and distribution network receivables</i>	465.8	358.5	107.3
<i>of which other current assets</i>	256.6	261.3	-4.7
<i>of which current financial assets</i>	207.7	93.7	114.1
<i>of which cash and cash equivalents</i>	513.4	601.7	-88.3
Assets held for sale	24.2	0.0	24.2
TOTAL ASSETS	3,315.7	3,188.3	127.4

In millions of euros	31.12.2022	31.12.2021	Change
Shareholders' equity	925.4	829.1	96.3
Non-current liabilities	521.2	567.4	-46.2
<i>of which non-current financial liabilities</i>	431.1	486.3	-55.2
Current liabilities	1,858.3	1,791.8	66.5
<i>of which trade and distribution network payables</i>	465.7	385.7	80.0
<i>of which current player funds</i>	304.6	256.6	48.0
<i>of which public levies liabilities</i>	459.0	501.7	-42.7
<i>of which winnings payable</i>	319.8	370.0	-50.2
<i>of which other current liabilities</i>	222.1	203.2	18.9
<i>of which liabilities to the French State in relation to exclusive operating rights</i>	0.0	0.0	0.0
<i>of which current financial liabilities</i>	74.4	60.6	13.8
Liabilities held for sale	10.7	0.0	10.7
TOTAL LIABILITIES	3,315.7	3,188.3	127.4

The finalisation of the L'Addition and Aleda acquisitions in 2022 led to the recognition of two new provisional **goodwill items** totalling €57 million (€30 million for L'Addition and €27 million for Aleda).

The **exclusive operating rights** represent the securing, via the Pacte Law, of exclusive rights to operate lottery activities both online and in physical points of sale, and to operate sports betting activities in physical points of sale, for a period of 25 years. This asset, with an initial amount of €380 million, is being amortised over this term from 23 May 2019, the date of enactment of the Pacte Law (Law no. 2019-486).

The €36 million increase in **current and non-current financial assets** mainly results from:

- the net increase of €100 million in term deposits, the rise in interest rates during 2022 having led the Group to renew deposits in order to improve the performance of its financial investments. Term deposits of €425 million recorded in the financial assets were replaced, and new term deposits totalling €525 million were set up.
- the repayment of the €60 million deposit paid under the secured trust agreement, which previously served to protect the credit balances of online players but was replaced by a guarantee arrangement.

The growth in **trade and distribution network receivables** is attributable to a calendar effect and a high level of stakes during the final few days of the year.

Cash and cash equivalents decreased by €88 million. Cash flows from operating activities (+€406 million) were offset by new financial investments (-€105 million), mainly term deposits, capital expenditure (-€104 million), the payment of the dividend for the 2021 financial year (-€229 million), repayments of borrowings (-€72 million), the repayment of the trust deposit (+€60 million), which was replaced by a guarantee arrangement, and the payments (including cash) for the Aleda and L'Addition acquisitions (€43 million).

Non-current financial liabilities mainly comprise:

- the portion due in more than one year (€308 million) of the loan taken out on 1 April 2020 to pay the financial

consideration for the securing of the exclusive operating rights (original nominal value €380 million; repayable in instalments over 20 years; floating interest rate; interest rate hedge in place in relation to €215 million);

- the portion due in more than one year (€64 million) of the loan linked to the acquisition of the Group's headquarters (original nominal value €120 million; fixed interest rate; repayable in instalments; matures 24 November 2031);
- a loan of £24 million (€27 million) taken out in May 2019 for the acquisition of Sporting Group (floating interest rate; repayable in two tranches in 2024 and 2026; interest rate hedges put in place on 27 June 2019 until 27 June 2022). The loan had an initial value of £100 million. Partial repayments have been made as follows: £40 million in the second half of 2020, £5 million in the second half of 2021, £25 million in the first half of 2022 and £6 million in the second half of 2022;
- lease liabilities of €28 million recognised pursuant to IFRS 16.

The change in **trade and distribution network payables** is due to a calendar effect and to the higher level of stakes during the final few days of the year.

Public levies (2022: €459 million; 2021: €502 million) were made up of:

- public levies on activities of €342 million at 31 December 2022 (2021: €352 million), mainly comprising:
 - amounts payable to the General State Budget of €235 million at 31 December 2022 (2021: €243 million); an advance of €202 million on these payables was paid at the end of December 2022 and is disclosed in current assets (2021: €202 million),
 - social security tax payables (CSG, CRDS), public levies on sports betting, and payables to other local authorities of €107 million at 31 December 2022 (2021: €108 million);
- unclaimed lottery and sports betting prizes of €117 million recognised in 2022 (2021: €150 million), which will be paid to the French State in the first half of 2023.

Winnings payable and player balances totalled €320 million at 31 December 2022 (2021: €370 million). They mainly comprise:

- winnings payable, i.e. unexpired, unpaid winnings owed to players (2022: €237 million; 2021: €229 million);
- available funds in player balances held in accounts on fdj.fr or parionssportenligne.fr (2022: €54 million; 2021: €51 million);

- winnings due to online players in course of payment (2022: €12 million; 2021: €81 million); the change is due to large prizes won at the end of 2021 that had not yet been cashed out.

Assets and liabilities held for sale relate to the B2C assets operated by Sporting Group which the Group intends to sell.

5.2.3.2 BORROWINGS

	Interest rate	Hedging	Purpose	Schedule	Specific terms and conditions	Principal remaining due
Bred Banque Populaire (nominal amount of €120 million)	Fixed	-	Financing of the head office	Start: November 2016 Term: 15 years Half-yearly repayments	Early repayment in full in the event of a change of control or if the French State ceases to hold, directly or indirectly, 33.34% of the share capital and voting rights of FDJ. First-rank mortgage without recourse on the building housing the registered office, in the event of a change of control or if the financial debt ratio (net debt ⁽¹⁾ /recurring EBITDA) exceeds 3.	€80 million at 31 December 2021 €72 million at 31 December 2022
Syndicated loan with nominal amount of £100 million ⁽²⁾	Variable	-	Financing for the acquisition of Sporting Group	Start: May 2019 Repayments in 2020 (£40 million), 2021 (£5 million), 2022 (£31 million), 2024 (£8 million), and 2026 (£16 million)	Early repayment in full if the Group loses its exclusive rights to operate online and point-of-sale lottery games and point-of-sale sports betting, or in the event of a change of control, defined as (i) the French State ceasing to hold a percentage of FDJ's share capital, unless it continues to exercise close control, or (ii) a third party holding at least 50% of FDJ's share capital or voting rights.	€65 million at 31 December 2021 €27 million at 31 December 2022
Syndicated loan with nominal amount of €380 million ⁽³⁾	Variable	Interest rate hedged 66%	Financing of exclusive operating rights	Start: April 2020 Term: 20 years Quarterly repayments	Early repayment in full if the Group loses its exclusive rights to operate online and point-of-sale lottery games and point-of-sale sports betting, or in the event of a change of control, defined as (i) the French State ceasing to hold at least 10% FDJ's share capital, or (ii) a third party holding at least 33.34% of FDJ's share capital or voting rights, or (iii) the French State ceasing to exercise close control over FDJ.	€347 million at 31 December 2021 €328 million at 31 December 2022

(1) Net debt corresponds to the total amount of capital and interest accrued on short, medium and long-term loans and debt (of any kind, including shareholder current accounts and any factoring or assignment of receivables unless non-recourse), less current and non-current assets at amortised cost and cash and cash equivalents.

(2) With Barclays Bank PLC, Crédit Agricole Corporate & Investment Bank and Société Générale.

(3) With a syndicate of banks (Bred Banque Populaire, Caisse d'Epargne Île-de-France, Caisse d'Epargne Hauts-de-France, Caisse Régionale de Crédit Agricole de Paris et d'Île-de-France and Crédit Lyonnais).

5.2.3.3 NET CASH SURPLUS

The "net cash surplus" is the indicator that represents the Group's net cash position. The net cash surplus is made up of Non-current financial assets, Current financial assets and Cash & cash equivalents, net of Non-current financial liabilities and Current financial liabilities, less:

- (i) security deposits paid (current and non-current);
- (ii) cash subject to restrictions;
- (iii) amounts set aside exclusively for Euromillions winners.

In millions of euros	31.12.2022	31.12.2021
Non-current financial assets at amortised cost	395.0	435.0
Non-current financial assets at fair value through profit or loss	443.0	433.2
Non-current derivatives	19.0	2.7
Other	9.8	73.8
Total non-current financial assets	866.9	944.7
Current financial assets at amortised cost	192.2	52.4
Current financial assets at fair value through profit or loss	14.1	40.0
Current derivatives	0.7	0.5
Security deposits	0.7	0.7
Total current financial assets	207.7	93.7
Total financial assets	1,074.6	1,038.3
Investments, cash equivalents	353.0	221.2
Bank accounts and other	160.4	380.4
Total cash and cash equivalents	513.4	601.7
Non-current financial debt	-401.3	-462.2
Non-current lease liabilities	-28.4	-23.6
Other financial liabilities	-1.4	-0.5
Total non-current financial liabilities	-431.0	-486.3
Current financial debt	-62.2	-53.5
Current lease liabilities	-9.3	-6.2
Current derivatives	-0.3	-0.8
Bank overdrafts	-2.5	-
Other financial liabilities	-0.1	-0.1
Total current financial liabilities	-74.4	-60.6
Total financial liabilities	-505.4	-546.9
Security deposits received/paid (current and non-current)	-9.1	-69.9
Cash subject to restrictions	-	-4.2
Amounts set aside exclusively for Euromillions winners	-105.1	-102.8
Net cash surplus	968.3	916.3

5.2.3.4 CASH FLOWS

1/ Net cash flow from operating activities

The table below summarises net cash flow from operating activities for 2022 and 2021.

In millions of euros	31.12.2022	31.12.2021
OPERATING ACTIVITIES		
Recurring EBITDA	590.1	521.8
Change in provisions (recurring profit)	16.1	11.3
Other non-recurring operating income/expenses (cash)	-10.2	-5.8
Other non-cash items included in the income statement	3.5	1.1
Interest received	2.2	3.1
Utilisation of provisions – payments	-8.4	-10.0
Income taxes paid	-123.3	-119.7
Change in operating working capital	-63.9	201.1
NET CASH FLOW FROM OPERATING ACTIVITIES	406.1	602.9

In 2022, the €63 million decrease in operating working capital was mainly due to the increase in net receivables from the distribution network, following a negative calendar effect and a higher level of stakes at the period end, and the fact that some large prizes won by players at the end of 2021 were paid out in 2022.

In 2021, the €201 million increase in operating working capital was mainly driven by an increase in public levies due to unclaimed prizes and to large prizes won by players at the year-end that had not yet been cashed out.

2/ Net cash flow used in investing activities

The table below summarises net cash flow used in investing activities for 2022 and 2021.

In millions of euros	31.12.2022	31.12.2021
INVESTING ACTIVITIES		
Acquisitions of property, plant and equipment and intangible assets	-104.1	-75.5
Acquisitions of shares	-42.9	-
Disposals of property, plant and equipment and intangible assets	-	0.1
Change in current and non-current financial assets	-104.8	-216.0
Change in loans and advances granted	60.2	-9.9
Dividends received from joint ventures	3.0	0.1
Other	9.8	-0.2
NET CASH FLOW USED IN INVESTING ACTIVITIES	-178.7	-301.4

Acquisitions of property, plant and equipment and intangible assets, net of corresponding payables and advances, amounted to €104 million ⁽¹⁾ in 2022 (2021: €76 million). ⁽²⁾ They mainly concerned IT and back office developments and PoS gaming terminals.

Acquisitions of €43 million in shares in 2022 represent the price paid for L'Addition and Aleda (including cash).

(1) €97 million before liabilities relating to non-current assets and payments in advance

(2) €102 million before liabilities relating to non-current assets and payments in advance



The change in current and non-current financial assets (2022: €105 million outflow; 2021: €216 million outflow) is due to the significant rise in interest rates in 2022, which led the Group to renew its stock of term deposits in order to improve the performance of its investments. New term deposits of €525 million were set up, while previous deposits of €425 million were closed. The movement in 2021 resulted from the settlement of dedicated bond funds (€200 million outflow) and the maturity (€210 million inflow) followed by the renewal (€165 million outflow) of term deposits.

The €60 million deposit paid under the secured trust agreement, which was intended to protect the credit balances of online players, was repaid and replaced by a guarantee arrangement.

A payment of €10 million was received following the final liquidation of the Sporting Group companies, which had ceased operations. It is disclosed in cash flows from investing.

3/ Net cash flow used in financing activities

The table below summarises net cash flow used in financing activities for 2022 and 2021.

In millions of euros	31.12.2022	31.12.2021
FINANCING ACTIVITIES		
Repayment of the current portion of long-term debt	-71.8	-188.9
Payment of lease liabilities	-7.6	-7.6
Dividends paid to ordinary shareholders of the parent company	-229.5	-166.7
Interest paid	-5.3	-5.5
Other	-6.2	-3.6
NET CASH FLOW USED IN FINANCING ACTIVITIES	-320.5	-372.3

The repayment of €72 million of financial debt in 2022 mainly concerns the current portion of borrowings (€27 million) and the voluntary early repayment of £31 million (€37 million) of the borrowings taken out in connection with the Sporting Group acquisition.

In 2021, the repayment of €189 million of financial debt included the payment of €156 million to the State following the closure of player funds in application of the Pacte Law, €27 million in current borrowings and the early repayment of £5 million (€6 million) of the borrowings taken out in connection with the acquisition of Sporting Group.

Other cash flows from financing activities mainly relate to treasury shares held in connection with a liquidity agreement and the performance share scheme.

5.2.3.5 RESTRICTIONS ON USE OF CAPITAL

The participating Euromillions lotteries ⁽¹⁾ have established a trust governed by English law to cover counterparty and default risks. It is managed by a trustee, The Law Debenture Trust Corporation.

The Group deposits collateral in a fund, which is managed by the trustee (which has sole authority to execute payments). These amounts include:

- sums set aside exclusively for Euromillions winners (2022: €105 million; 2021: €103 million), included in cash and cash equivalents;

- the guarantee deposit (2022: €7 million; 2021: €7 million), presented under non-current financial assets;
- restricted cash linked to an insurance deductible (2022: nil; 2021: €1 million), presented under non-current financial assets.

The €60 million deposit paid under the secured trust agreement, which was intended to protect the credit balances of online players, was repaid and replaced by a guarantee provided by three leading European insurance companies.

With regard to the sports betting activities of Sporting Group, the sums received from players are managed separately in accordance with the rules of the Financial Conduct Authority, the UK's prudential and financial regulator. These sums totalled €4 million as at 31 December 2021 and were presented under non-current financial assets.

5.2.3.6 NECESSARY FUTURE SOURCES OF FUNDING

Unused confirmed lines of credit totalling €150 million have been in place since February 2021.

(1) PLI (Ireland), Camelot (United Kingdom), FDJ, Loterías y Apuestas del Estado (Spain), Belgian National Lottery, Luxembourg National Lottery, Österreichische Lotterien (Austria), Santa Casa (Portugal), Swisslos (Switzerland), Loterie Romande (Switzerland).

5.2.4 ALTERNATIVE PERFORMANCE INDICATORS

In its financial statements, the Group presents performance indicators other than those provided for by IFRS. These indicators, which are defined in section 5.2.2 and are presented on the face of the income statement above revenue, are as follows:

- stakes;
- player payout;
- gross gaming revenue;
- public levies excluding income tax;
- net gaming revenue;
- revenue from other activities.

The Group also presents several additional performance indicators, including (i) the ratio of online stakes and

(ii) contribution margin of operating segments, (iii) recurring EBITDA (iv) CAPEX, (v) recurring EBITDA-to-cash conversion ratio, (vi) net cash surplus and (vii) available cash. These performance measures are not defined by IFRS and do not have standard definitions. Consequently, the definitions used by the Group may not correspond to the definitions for these same terms used by other companies. These performance measures should not be used in isolation or instead of IFRS indicators. In particular, net cash surplus and available cash may not be considered as a substitute for the analysis of cash and cash equivalents as presented in accordance with IFRS. The tables below present these indicators for the indicated periods, together with their calculation method.

ONLINE STAKES RATIO

Online stakes are stakes placed online by players. Driven by the strong growth in online lottery gaming and sports betting, the Group's online stakes recorded a further annual increase of 16%, rising to over €2.5 billion. Online stakes now account for over 12% of total stakes.

In millions of euros	2022	2021
Total stakes	20,618.0	18,975.6
Online stakes	2,519.9	2,172.5
Online stakes ratio (%)	12.2%	11.4%

CONTRIBUTION MARGIN OF OPERATING SEGMENTS

The contribution margin is the difference between the revenue of the operating segments and their cost of sales and marketing and communication expenses (excluding depreciation/amortisation) (see 5.3.5 "Segment reporting").

In millions of euros	2022	2021
Lottery BU	709	621
Sports betting and online gaming open to competition BU	117	121
Adjacent activities	-20	-2

RECURRING EBITDA

Recurring EBITDA (see 5.2.2.5) is recurring operating profit excluding depreciation and amortisation expenses.

In millions of euros	2022	2021
Recurring operating profit	459	393
Net depreciation and amortisation	-131	-129
Recurring EBITDA	590	522

CAPEX

CAPEX (capital expenditure) is the expenditure incurred to acquire (or improve) property, plant and equipment and intangible assets, as well as financial assets intended to increase the Group's scope of activity. In 2020, they included the €380 million payment made to secure the exclusive operating rights (which is recognised as an intangible asset).

In millions of euros	2022	2021
Acquisitions of property, plant and equipment and intangible assets	-104	-76
Acquisition of investments	-43	-
TOTAL CAPEX	-147	-76

RECURRING-EBITDA-TO-CASH CONVERSION RATIO

The recurring-EBITDA-to-cash conversion ratio represents recurring EBITDA net of capital expenditure (CAPEX) and changes in working capital as a percentage of total recurring EBITDA.

To enable meaningful comparisons between periods, certain free cash flow items may sometimes be adjusted when

calculating this indicator. This mainly concerns CAPEX that will not recur in the Group's operating cycle (payments made in 2020 in connection with the securing of the Group's exclusive operating rights, which are recognised as an intangible asset) and calendar effects that impact the changes in the Group's working capital.

In millions of euros	2022	2021
Recurring EBITDA	590	522
CAPEX (adjusted) ⁽¹⁾	-104	-76
Change in working capital (adjusted) ^{(2) (3)}	59	49
Free cash flow		
Recurring EBITDA - CAPEX (adjusted) +/- Change in working capital (adjusted)	545	495
Recurring-EBITDA-to-cash conversion (%)	92%	95%

(1) CAPEX figure for 2022 restated to exclude the L'Addition and Aleda acquisitions (+€43 million).

(2) Change in working capital for 2022 restated to exclude unclaimed prizes (+€33 million), winnings payable (+€71 million) and distribution network receivables and payables (+€21 million), and to include the change in the Euromillions liquidity fund (-€2 million). The effect of the change in the mechanism covering player credit balances from the secured trust deposit to a guarantee arrangement has also been eliminated (-€60 million) for 2022.

(3) Change in working capital for 2021 adjusted in respect of unclaimed prizes (-€80 million), winnings payable (-€70 million) and trade and distribution network receivables and payables (€20 million), and including the change in the coverage mechanism for player credit balances (trust), which was extended in 2020 to the full value of those assets (-€10 million), and the change in the Euromillions liquidity fund (-€13 million).

Net cash surplus

The "net cash surplus" is the indicator that represents the net cash position generated by the Group. It amounted to €968 million in 2022 (2021: €916 million). The change mainly results from the cash flow from operating activities (€+404 million), CAPEX (-€150 million) and the payment of dividends (-€229 million), and the repayment of the deposit linked to the secured trust agreement (+€60 million).

Available cash

Available cash comprises investments and cash that the Group can mobilise in the short term (90 days). It includes non-current and current financial assets measured at amortised cost plus cash and cash equivalents, excluding cash equivalents that are set aside exclusively for players. Available cash totalled €995 million at 31 December 2022 (2021: €986 million).

RECONCILIATION BETWEEN THE VARIOUS CASH INDICATORS

In millions of euros	31.12.2022	31.12.2021
CASH AND CASH EQUIVALENTS	513.4	601.7
Amounts set aside exclusively for Euromillions winners	-105.1	-102.8
Non-current financial assets at amortised cost	395.0	435.0
Current financial assets at amortised cost	192.2	52.4
Financial assets at amortised cost	587.2	487.4
AVAILABLE CASH	995.4	986.2
Innovation funds	68.7	55.7
Other non-current investments at fair value through profit or loss	374.3	377.4
Non-current financial assets at fair value through profit or loss	443.0	433.2
Current financial assets at fair value through profit or loss	14.1	40.0
Financial assets at fair value through profit or loss	457.2	473.2
Financial debt and other financial liabilities	-463.5	-515.7
Non-current derivatives (assets)	19.0	2.7
Current derivatives (assets)	0.7	0.5
Current derivatives (liabilities)	-0.3	-0.8
Derivatives	19.5	2.4
Lease liabilities	-37.8	-29.8
Bank overdrafts	-2.5	0.0
NET CASH SURPLUS	968.3	916.3

5.3 Post-closing events

With effect from 2023, the Group is putting in place a five-year, €10 million programme to raise awareness of the risks of gambling among high school pupils, designed in conjunction with a non-profit organisation working in prevention.

In relation to the proceedings before the Council of State, the date for oral pleadings has been set at 17 March 2023 (see Chapter 7, section 7.3 "Legal and arbitration proceedings").

5.4 Outlook

TARGETS FOR 2023

In line with the Group medium-term objectives presented at the November 2022 Investor Day, 2023 targets are:

- revenue increase of 4-5% relative to the baseline for 2022 (adjusted to include full-year figures for Aleda and L'Addition);
- growth of around 20% in online stakes ⁽¹⁾;
- recurring EBITDA margin of around 24%.

At the same time, the Group will continue to expand its social commitments, especially as regards the prevention of underage and excessive gambling. These targets were set on a basis comparable with the historical financial information, using the accounting policies applied to the consolidated Group financial statements for the year ended 31 December 2022.

(1) In France.

TARGETS FOR 2025

The FDJ Group's performance over 2020-2022 has demonstrated the relevance of the medium-term strategy in place since 2019, in particular through the very strong momentum in online business and the good positioning of point-of-sale business as it emerges from the health crisis.

The Group will maintain a high level of investment to:

- continue to develop the range of games and services;
- implement its know-your-customer strategy, particularly in order to support players with respect to the risks of gambling and games of chance;

- continue to modernise and develop the attractiveness of its network, notably by offering new payment services, which generate additional footfall and revenue for points of sale.
- cumulative investments maintained at €600 million over 2020-2025;

Overall, by 2025, FDJ is aiming for:

- average annual revenue growth over 2022-2025 in a range of 4-5%;
- average annual growth over 2022-2025 of over 20% in online stakes;
- a recurring EBITDA margin of over 25% by 2025;
- a recurring-EBITDA-to-free-cash-flow conversion rate of over 80% over 2022-2025;
- a dividend payout ratio of between 80% and 90% of the FDJ Group's net profit; and
- a financial debt ratio of x2 (net financial debt to recurring EBITDA), including external growth.

5.5 Investments

5.5.1 MATERIAL INVESTMENTS DURING 2022 AND 2021

ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

CAPEX is self-funded. 88% of CAPEX was carried out in France in both 2022 and 2021.

Group CAPEX was €104 million in the year ended 31 December 2022 (2021: €76 million). These amounts include purchases of property, plant and equipment, intangible assets and financial assets.

The figures for acquisitions of property, plant and equipment and intangible assets represent investments net of payables and advances. These mainly comprise:

- costs related to point-of-sale equipment;
- project costs associated with the development of the Group's various BUs and ABUs, compliance with current regulations, and boosting the capacity and efficiency of information systems;

- costs related to customer identification and knowledge, which allow better support to be provided to players in a responsible gaming environment.

They break down as follows:

- investments in intangible assets of €68 million in 2022 and €46 million in 2021. These mainly relate to development work on production and back office IT systems and on point-of-sale terminals;
- investments in property, plant and equipment of €35 million in 2022 and €29 million in 2021. These mainly represent the acquisition costs of point-of-sale equipment and the cost of IT equipment (hosting and servers).

ACQUISITION OF INVESTMENTS

In 2022, the Group finalised the acquisition of 95% of L'Addition and 100% of Aleda. The price paid was €43 million (including cash).

5.5.2 MATERIAL INVESTMENTS IN PROGRESS

FDJ entered into an agreement in November 2022 to acquire the ZEturf Group. This transaction is expected to complete in the second half of 2023, once the conditions precedent are satisfied, notably approval from the French competition authorities.

5.6 Analysis of parent company results

5.6.1 COMMENTS ON THE INCOME STATEMENT

In millions of euros	31.12.2022	31.12.2021	Change	
Stakes	20,592.1	18,942.1	1,650.0	8.7%
Player payout	-14,068.1	-12,938.8	-1,129.3	8.7%
Gross revenue from other activities	1.5	0.0	1.5	n/a
Gross gaming revenue	6,525.5	6,003.3	522.2	8.7%
Public levies	-4,147.1	-3,815.5	-331.6	8.7%
Net gaming revenue	2,378.4	2,187.7	190.6	8.7%
Revenue from other activities	27.9	27.9	0.0	0.2%
Revenue	2,406.3	2,215.6	190.7	8.6%
Capitalised development expenses	56.1	36.5	19.6	53.8%
Reversals of provisions and transfers of expenses	14.1	13.7	0.4	2.6%
Other operating income	1.0	0.9	0.1	10.5%
Total operating income	2,477.6	2,266.8	210.8	9.3%
Inventory purchases used	-36.6	-32.5	-4.0	12.4%
Purchases and external expenses	-1,592.1	-1,484.0	-108.1	7.3%
Taxes	-20.7	-18.9	-1.8	9.6%
Personnel expenses	-192.4	-173.6	-18.9	10.9%
Depreciation and amortisation	-94.9	-109.0	14.1	-12.9%
Provisions	-33.9	-13.9	-20.1	144.8%
Other operating expenses	-19.5	-19.7	0.2	-0.8%
Total operating expenses	-1,990.1	-1,851.4	-138.6	7.5%
Operating profit	487.5	415.3	72.2	17.4%
Total financial income	28.8	16.6	12.2	73.8%
Total financial expenses	-56.3	-42.5	-13.8	32.5%
Net financial expense	-27.5	-25.9	-1.6	6.1%
Recurring profit	460.0	389.4	70.6	18.1%
Total non-recurring income	46.5	89.7	-43.2	-48.2%
Total non-recurring expenses	-74.4	-52.2	-22.2	42.6%
Net non-recurring profit/(loss)	-27.9	37.5	-65.5	n/a
Employee profit-sharing and incentives	-28.6	-25.6	-3.0	11.8%
Income tax expense	-99.4	-115.8	16.3	-14.1%
NET PROFIT	304.0	285.6	18.4	6.4%



Stakes: See comments on the consolidated income statement (the difference of €25.9 million relates to Sporting Group).

Net gaming revenue rose by €190.6 million over 2022, due to growth in business. Operating expenses rose by €138.6 million, mainly from other purchases and external expenses, which notably included a €69.7 million increase in commissions payable to the distribution network and increases in sponsorship and advertising costs.

The **net financial expense** was €27.5 million, which includes the impact of a €24 million write-off of holdings in subsidiaries and an increase in impairment provisions on transferable securities.

In 2022, **non-recurring expenses** mainly comprised accelerated depreciation and amortisation charges or reversals thereof, well as costs incurred in relation to mergers & acquisitions.

5.6.2 COMMENTS ON THE BALANCE SHEET

ASSETS

In millions of euros	31.12.2022			31.12.2021		
	Gross	Depreciation, amortisation and impairments	Net	Net	Change	
Exclusive operating rights	380.0	54.9	325.1	340.3	-15.2	-4.5%
Other intangible assets	397.2	247.6	149.6	131.9	17.7	13.4%
Property, plant and equipment	684.0	373.6	310.4	321.3	-11.0	-3.4%
Non-current financial assets	298.1	98.8	199.3	201.2	-1.8	-0.9%
Fixed assets	1,759.3	774.9	984.4	994.6	-10.3	-1.0%
Inventories	14.6	0.1	14.5	12.6	1.9	15.2%
Advances and payments on accounts	4.9	0.0	4.9	2.4	2.6	107.7%
Trade and distribution network receivables	506.3	31.0	475.3	380.4	94.9	25.0%
Other receivables	255.3	0.1	255.3	241.4	13.9	5.8%
Transferable securities	714.5	18.1	696.4	558.6	137.8	24.7%
Cash and cash equivalents	720.9	0.0	720.9	903.3	-182.3	-20.2%
Prepaid expenses	20.6	0.0	20.6	18.5	2.1	11.2%
Current assets	2,237.2	49.3	2,187.9	2,117.1	70.8	3.3%
Expenses deferred over multiple periods	4.1	0.0	4.1	4.6	-0.5	-10.4%
Unrealised exchange gains	0.2	0.0	0.2	3.2	-3.0	-94.6%
TOTAL ASSETS	4,000.7	824.2	3,176.6	3,119.5	57.1	1.8%

In the year ended 31 December 2022, the main changes in assets concerned current assets, notably:

- trade receivables, which increased by €94.9 million, notably due to a rise in distribution network receivables caused by a calendar effect and by an increase in the level of stakes placed during the final few days of the year;
- the overall cash position, comprising cash and cash equivalents and transferable securities, which was €44.5 million lower than at 31 December 2021.

SHAREHOLDERS' EQUITY AND LIABILITIES

In millions of euros	31.12.2022	31.12.2021	Change	
Share capital	76.4	76.4	0.0	0.0%
Legal reserve	7.6	7.6	0.0	0.0%
Statutory reserve	0.0	91.7	-91.7	-100.0%
Optional reserve	411.0	268.1	142.9	53.3%
Retained earnings	0.2	2.5	-2.3	-91.5%
Net profit for the period	304.0	285.6	18.4	6.4%
Regulated provisions	139.9	122.4	17.4	14.2%
Equity	939.2	854.3	84.8	9.9%
Provisions for risks	2.6	8.4	-5.7	-68.5%
Provisions for liabilities	66.3	57.5	8.8	15.2%
Provisions for risks and liabilities	68.9	65.9	3.0	4.6%
Borrowings	427.1	492.6	-65.5	-13.3%
Trade and distribution network payables	462.6	392.8	69.8	17.8%
Public levies and winnings payable and distributable	1,064.9	1,118.2	-53.2	-4.8%
Other payables	181.1	159.3	21.8	13.7%
Prepaid income (stakes)	32.6	36.4	-3.8	-10.3%
Payables	2,168.3	2,199.2	-30.9	-1.4%
Unrealised exchange losses	0.2	0.0	0.1	n/a
TOTAL LIABILITIES	3,176.6	3,119.5	57.1	1.8%

The main changes in liabilities comprise:

- a rise in trade and distribution network payables, to be viewed in tandem with the rise in receivables and arising for the same reasons, i.e. calendar effects and the increased level of business;
- the repayment of loans from credit institutions;
- a fall in public levies and unclaimed prizes, mainly due to the decrease in unclaimed prizes and prizes in the course of payment.



5.6.3 RESULTS FOR THE PAST FIVE FINANCIAL YEARS

In accordance with the provisions of Articles R. 225-81-3 and R. 225-83-6 of the French Commercial Code, the table below shows the Company's results for each of the past five financial years:

In thousands of euros	2022	2021	2020	2019	2018
Share capital at year-end					
Share capital	76,400	76,400	76,400	76,400	76,400
Number of shares outstanding	191,000,000	191,000,000	191,000,000	191,000,000	200,000
Number of bonds convertible into shares					
Transactions and results					
Gaming commissions					
Stakes ⁽¹⁾	20,592,085	18,942,063	15,918,806	17,222,191	15,817,043
Revenue	2,406,327	2,215,642	1,885,152	1,930,433	1,786,909
Profit before tax and employee profit sharing, depreciation and provisions	595,454	515,856	381,237	326,428	338,338
Income taxes	99,433	115,765	85,352	73,277	80,794
Employee profit-sharing	19,990	16,929	16,851	11,580	11,813
Net profit	304,033	285,617	215,448	138,105	172,085
Dividends paid ⁽²⁾	261,670	236,840	171,900	85,950	122,000
Earnings per share (in euros)					
Profit after tax and employee profit-sharing and before depreciation and provisions	2.49	2.01	1.46	1.46	1,228.66
Net profit	1.59	1.50	1.13	0.72	860.43
Dividends awarded ⁽²⁾	1.37	1.24	0.90	0.45	610.00
Personnel					
Weighted average headcount	1,767	1,630	1,569	1,517	1,443
Payroll	118,282	107,054	101,642	95,138	87,444
Amounts paid for employee benefits	64,432	58,747	55,005	51,260	47,805
Amounts paid for employee benefits, including taxes on wages	73,545	66,492	61,462	57,664	54,195

(1) Stakes correspond to the sums staked by players, irrespective of the distribution channel.

(2) Proposal for the distribution of dividends for the 2022 financial year submitted to the General Shareholders' Meeting of 27 April 2023, which will approve the financial statements for the year ended 31 December 2022.

5.7 R&D activities

The Company incurred research and development costs of €86.3 million in 2022 (of which €56.1 million was capitalised as an intangible asset), compared with €75.2 million in 2021 (of which €36.5 million was capitalised).

5.8 Legal, financial and tax information on the Company

5.8.1 SHAREHOLDING/TREASURY SHARES

At 31 December 2022, FDJ had share capital of €76,400,000, consisting of 191,000,000 fully subscribed and paid-up shares with a par value of €0.40 each.

As at 31 December 2022, its share ownership structure can be broken down as follows: the French State (20%), veterans' associations ⁽¹⁾ (15%), employee share investment funds (4%), Predica (5%) and other holdings of less than 5%, including French and international institutional investors and private shareholders.

A share purchase and sale programme authorised by the Board of Directors at its meeting of 19 December 2019

has been implemented, pursuant to the authorisation granted by the General Meeting of Shareholders of 4 November 2019, for the purpose of concluding a liquidity agreement to facilitate trading in FDJ shares. The maximum amount of €6 million has been allocated to the liquidity agreement, which runs until 19 December 2023.

At 31 December 2022, there were 185,319 treasury shares, representing a deduction of €6.7 million from consolidated equity (2021: 112,063 shares representing a deduction of €4.5 million).

5.8.2 PURCHASE AND SALE OF OWN SHARES FOR EMPLOYEE SHARE AWARDS (PERFORMANCE SHARES)

In 2022, 150,000 shares were purchased for €5.5 million in connection with the performance share plan approved on 30 June 2021 and granted to the Corporate Directors and certain employees of the Group.

5.8.3 SUMMARY OF TRANSACTIONS CARRIED OUT ON FDJ SHARES IN 2022 BY CORPORATE DIRECTORS AND PERSONS CLOSELY RELATED TO THEM

Corporate Director/Director concerned	Nature of the transactions	Number of shares	Unit price (in euros)
UBFT	Acquisition	582,972	33.11
FNAM	Acquisition	17,020	33.9
Predica	Acquisition	523,470	34.49
	Sale	552,750	20.07
Cécile Lagé	Sale	5,649	32.34

(1) Union des Blessés de la Face et de la Tête (UBFT) and Fédération Nationale André Maginot (FNAM).

5.8.4 DISALLOWED GENERAL EXPENSES AND TOTAL AMOUNT OF LAVISH EXPENSES

GENERAL EXPENSES DISALLOWED AS A DEDUCTION FROM TAXABLE PROFIT

n/a.

AMOUNT OF LAVISH EXPENSES INCURRED DURING THE YEAR

Lavish expenses incurred in 2022 amounted to €646,000 and related solely to lease charges for passenger vehicles.

5.8.5 PAYMENT TERMS AND BREAKDOWN BY DUE DATE OF TRADE PAYABLES AND RECEIVABLES

PAYABLES DUE NOT YET PAID AT YEAR-END

(A) Tranches of late payment	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
Number of invoices	2702					1,745
Total amount of invoices (including tax) (in millions of euros)	47.9	3.5	1.4	0.0	0.0	5.1
% of purchases (including tax)	2.6%	0.2%	0.1%	0.0%	0.0%	0.3%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables						
Number of invoices excluded				115		
Amount of invoices excluded (including tax) (in millions of euros)				1.4		

INVOICES ISSUED AND OVERDUE AT YEAR-END

(A) Tranches of late payment	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
Number of invoices	204					1,130
Total amount of invoices (including tax) (in millions of euros)	5.7	1.0	2.0	0.2	4.3	7.5
% of total revenue (including tax)	0.2%	0.0%	0.1%	0.0%	0.1%	0.3%
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables						
Number of invoices excluded				3261		
Net amount of invoices excluded (including tax) (in millions of euros)				16.9		

The majority of invoices more than 90 days overdue concerned intra-group transactions which were settled in January 2023.

5.8.6 STATEMENT OF SURETIES, ENDORSEMENTS AND GUARANTEES GIVEN AND STATEMENT OF THE GUARANTEES GRANTED BY FDJ

- €1.6 million guarantee given to the International Cycling Union (UCI), in accordance with its regulations.
- €0.2 million guarantee given to the French National Cycling League (LNC), in accordance with its regulations.
- Guarantee given under the French Treasury contract (DGFiP) to secure the sums collected on its behalf, for €5 million.
- Guarantee given in connection with the FDJ Services business to secure sums collected in connection with activity subject to ACPR supervision, for €10 million.
- Mortgage allocation commitment of €77 million: taken out by the Group in 2016 (including the principal, interest and related amounts), it relates to the purchase of its new headquarters.
- Surety/guarantee of €8 million in favour of FDI for lease payments.

5.9 Regulated agreements and transactions with related parties

5.9.1 NEW REGULATED AGREEMENTS AUTHORISED IN 2022

BOARD OF DIRECTORS MEETING OF 28 JULY 2022

FDJ and the Organising Committee of the Paris 2024 Olympic and Paralympic Games (Paris 2024) joined forces to launch the third "Women's sport" survey, which measures participation in sport of women in France. The results of this survey of the general public were used to identify barriers to sports participation and ways to encourage it.

FDJ had expressed a desire to be associated with the "Impact 2024" call for projects by creating a specific category for increasing female participation in sport. The goal is to back transformative projects that factor in the ambitions and needs of women today (well-being, health, physical condition), together with their personal circumstances and their desire to get involved more freely in sport.

The National Sports Agency (ANS), Paris 2024, the French National Olympic Committee (CNOSF) and the French Paralympic Committee (CPSF) held the first two rounds of the Impact 2024 call for projects in 2020 and 2021, which were run by the ANS and funded by Paris 2024, the CNOSF and the CPSF. FDJ joined the call for projects in the third round held in 2022, thereby becoming the first private funding partner for Impact 2024.

The parties to this agreement are the ANS, the Paris 2024 Endowment Fund (FDD Paris 2024), the CNOSF, the CPSF and FDJ. The aim of the agreement is to define the organisational terms for the Impact 2024 call for projects and the financial assistance to be provided to the winners. The ANS is the main operator of the call for projects.

The agreement concerns the 2022 round of the call for projects, i.e. one year only.

The agreement obliges FDJ to provide funding of €100,000. The total budget for the 2022 round is €6 million.

BOARD OF DIRECTORS MEETING OF 21 APRIL 2022

In 2021, FDJ, the National Sports Agency (ANS) and Terre de Jeux 2024 jointly engaged in the "Gagner du Terrain" (Gaining Ground) project, thereby strengthening the support provided to the development of sports participation in France. This scheme was wholly funded by FDJ, under an agreement signed with the ANS on 20 September 2021 which defines the terms of action and commits FDJ to provide a budget of €130,000. The agreement had been authorised in advance by the Board of Directors meeting of 29 July 2021 in connection with the procedure applicable to regulated agreements.

This one-year agreement was expected to be renewed and indeed extended, so that FDJ, as a partner of Paris 2024, can leave a positive and tangible heritage that promotes sport for all throughout France.

The same scheme was consequently renewed for 2022 and laid down in a new agreement with the ANS. As in 2021, the workings of the project will be run by the ANS. It will operate in municipalities that are members of the Terre de Jeux 2024 network and have an FDJ point of sale.

This new one-year contract is again expected to be renewed in the run-up to the Paris 2024 Olympics and Paralympics.

To enhance its impact, the budget for 2022 was raised to €350,000 from €130,000 in 2021. The amount continues to be wholly funded by FDJ.

5.9.2 REGULATED AGREEMENTS APPROVED DURING PREVIOUS FINANCIAL YEARS THAT WERE CONTINUED IN 2022

BOARD OF DIRECTORS MEETING OF 15 APRIL 2021

On 23 July 2019, under the procedure applicable to regulated agreements, FDJ's Board of Directors authorised the signing of a three-party agreement between FDJ, MDB Services and the French Treasury DGFIP, *Direction générale des Finances publiques*, in connection with a call for tenders issued by the DGFIP. This five-year agreement is intended to outsource the collection of fines, local authority bills and taxes.

On 15 April 2021 the Board authorised the assignment of the third-party collection agreement to its subsidiary, FDJ Services, by way of a contractual amendment.

In connection with this assignment, FDJ will be jointly and severally liable with FDJ Services in relation to the

subsidiary's rights and obligations under the assigned agreement, in the event of default by FDJ Services.

The Board meeting of 23 July 2019 also authorised FDJ to put a surety in place so that a bank guarantee could be issued in favour of the DGFIP.

In connection with the assignment of the contract, the bank issuing the guarantee requested an amendment to FDJ's counter-guarantee. The purpose of the change is to cover the subsidiary's commitments prior to the issue of a new bank guarantee in favour of the DGFIP. The first bank guarantee and the associated surety, which were valid until 31 December 2021, were renewed as of 28 December 2021 for the period until 31 December 2023.

The amendment requested by the bank was authorised by FDJ's Board of Directors at its meeting of 16 December 2021.

BOARD OF DIRECTORS MEETING OF 16 OCTOBER 2019

This meeting authorised the signing of a Convention with the French State to anticipate the consequences of the occurrence of events likely to deteriorate the economic conditions for operation of FDJ's exclusive rights (changes in laws or regulations) and to anticipate the end of the exclusive rights period. The Convention expires on 22 May 2044. On this date, the exclusive rights granted to FDJ pursuant to the Pacte Law shall terminate.

The Convention provides that in the event of a significant change in legislation or regulations either directly related to taxation of lottery games or sports betting operated through a physical distribution network, or likely to affect such operation or, finally, reducing the scope or duration of the exclusive rights held by FDJ, the Group shall approach the French State in order to examine whether this change is likely to substantially deteriorate the economic conditions under which the FDJ operates its business, assessed on a consolidated basis. If so, FDJ may propose to the French State measures it deems necessary to enable it to continue its activities under economic conditions that are not substantially deteriorated.

With respect to the provisions governing the consequences of termination of exclusive rights, the Convention provides that the assets strictly necessary for the operation of the exclusive rights are to be taken over by the French State in return for compensation amounting to the market value of the buildings and the net book value of other fixed assets. The list of such assets will be determined by the French State and FDJ, in an adversarial manner, within one year from the date of entry into force of the Convention.

Upon normal or early termination of the exclusive rights, FDJ guarantees to the French State or to any holder of the exclusive rights, the transfer or use, on a free-of-charge basis, of all copyrights, trademarks and trademark filing applications, rights on designs, logos, domain names, effective in France and relating to activities operated under exclusive rights. Similarly, for software and patents, upon normal or early termination of the exclusive rights, FDJ grants to the French State or the possible new holder of the exclusive rights a free licence to use the software and patents strictly necessary for the operation of such rights in

France and owned by FDJ, for a limited period of 18 months from the expiry date of FDJ's exclusive rights.

This Convention also specifies that, upon normal or early termination of the exclusive rights, the French State and FDJ will meet to examine the situation of the employees assigned to the operation of the exclusive rights, and in particular the conditions for their reclassification and their transfer, where applicable, to the possible holder of the exclusive rights. To the extent feasible, FDJ will reclassify the employees in question. This new Convention terminates the previous convention binding FDJ and the French State, dated 29 December 1978.

BOARD OF DIRECTORS MEETING OF 23 JULY 2019

In case the DGFIP contract for the outsourcing of cash collection was awarded, the meeting authorised FDJ to stand surety for the bank issuing the bank guarantee provided for under the contract, in order to counter-guarantee the bank guarantee granted by the bank to the DGFIP, in an amount of €19 million. This surety was granted for the term of the contract. It had been approved up to and including 31 December 2021. It was renewed for a new term from 28 December 2021 to 31 December 2023.

BOARD OF DIRECTORS MEETING OF 1 JULY 2015

At this meeting, the Board authorised FDJ to sign an agreement with the French Minister of Finance and Public Accounts and the French online gambling regulator (ARJEL) providing for the free-of-charge exchange of information on preventing the betting-related manipulation of sporting competitions. For its own part, FDJ has an obligation under the regulatory provisions applicable to its exclusive rights to ensure the integrity of gaming operations and combat fraud, money laundering and associated criminal activities. This agreement was signed on 1 July 2015 for an indefinite period.

With effect from 23 June 2020, the ANJ replaced the ARJEL as co-signatory to this agreement in accordance with the terms of Article 49 of Ordinance no. 2019-1015, according to which: "As of the first meeting of its board, the French National Gaming Authority shall succeed to the rights and obligations of the French online gambling regulator."

5.10 Dividend distribution policy

FDJ aims to distribute between 80% and 90% of its consolidated net profit in ordinary circumstances.

5.11 Credit, liquidity, cash flow and hedging policy risks

See section 6, 6.1 "Consolidated financial statements", Note 9.5 "Financial risk management policy".

A photograph of a man and a woman sitting on a rooftop, laughing and high-fiving. The man is on the left, wearing a light blue shirt, and the woman is on the right, wearing a yellow sweater. The background shows a modern building with a glass facade.

Financial information

ON ASSETS AND LIABILITIES,
THE FINANCIAL POSITION
AND RESULTS



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6.1 Consolidated financial statements for the year ended 31 December 2022

6.1.1 CONSOLIDATED INCOME STATEMENT

The financial statements are presented in millions of euros, rounded to the nearest hundred thousand euros. The various financial statements may therefore contain rounding differences.

In millions of euros	Note	31.12.2022	31.12.2021
Stakes	4.1	20,618.0	18,975.6
<i>Player payout</i>	4.1	-14,093.9	-12,971.1
<i>Gross gaming revenue from other activities</i>	4.1	1.5	0.0
Gross gaming revenue	4.1	6,525.6	6,004.5
<i>Public levies</i>	4.1	-4,147.4	-3,816.0
<i>Other revenue from sports betting</i>	4.1	10.2	13.7
Net gaming revenue	4.1	2,388.4	2,202.1
Revenue from other activities	4.1	72.7	53.5
Revenue	4.1	2,461.1	2,255.7
Cost of sales	4.2	-1,329.6	-1,232.8
Marketing and communication expenses	4.2	-460.9	-414.7
General and administrative expenses	4.2	-200.0	-199.4
Other operating income	4.2	4.0	0.6
Other operating expenses	4.2	-15.4	-16.3
Recurring operating profit	4.2	459.2	393.2
Other non-recurring operating income	4.2	0.2	35.3
Other non-recurring operating expenses	4.2	-10.6	-36.8
Operating profit		448.8	391.8
Cost of financial debt		-6.6	-5.8
Other financial income		15.8	27.9
Other financial expenses		-38.0	-1.3
Net financial income/expense	9.4	-28.7	20.8
Share of net income from joint ventures	10	1.1	4.1
Profit before tax		421.2	416.6
Income tax expense	12	-113.3	-122.5
NET PROFIT FOR THE PERIOD		307.9	294.2
- attributable to owners of the parent		307.9	294.2
- attributable to non-controlling interests		0.0	0.0
Basic earnings per share (in euros)	13	1.61	1.54
Diluted earnings per share (in euros)	13	1.61	1.54

6.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	31.12.2022	31.12.2021
Net profit for the period	307.9	294.2
Cash flow hedging (before tax)	18.2	2.2
Net investment hedging on foreign activities (before tax)	1.3	-4.6
Net change in currency translation differences (before tax)	-0.4	6.5
Tax on items subsequently transferable to profit or loss	-5.0	0.5
Items subsequently transferred or transferable to profit or loss	14.1	4.5
Actuarial gains and losses	14.5	3.4
Tax on items that may not subsequently be transferable to profit or loss	-3.7	-1.3
Items that may not subsequently be transferable to profit or loss	10.7	2.1
Other comprehensive income	24.8	6.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	332.7	300.8
- attributable to owners of the parent	332.7	300.8
- attributable to non-controlling interests	0.0	0.0

6.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of euros	Note	31.12.2022	31.12.2021
ASSETS			
Goodwill	5	56.6	0.0
Exclusive operating rights	6.1	325.1	340.3
Other intangible assets	6.1	182.6	182.1
Property, plant and equipment	6.2	353.1	359.6
Non-current financial assets	9.1	866.9	944.7
Investments in joint ventures	10	18.3	20.6
Non-current assets		1,802.6	1,847.2
Inventories		18.5	13.0
Trade and distribution network receivables	4.5	465.8	358.5
Other current assets	4.5	256.6	261.3
Current tax assets	12.2	27.0	13.0
Current financial assets	9.1	207.7	93.7
Cash and cash equivalents	9.2	513.4	601.7
Current assets		1,489.0	1,341.1
Assets held for sale	11	24.2	0.0
TOTAL ASSETS		3,315.7	3,188.3
LIABILITIES			
Share capital		76.4	76.4
Statutory reserves		0.0	91.7
Retained earnings (including profit for the period)		817.3	654.1
Reserves of other comprehensive income		31.7	6.9
Equity attributable to owners of the parent	14	925.4	829.1
Non-controlling interests		0.0	0.0
Shareholders' equity		925.4	829.1
Provisions for retirement benefits and similar commitments	4.7.3	44.1	47.7
Non-current provisions	7	11.1	12.5
Deferred tax liabilities	12.3	34.9	21.0
Non-current financial liabilities	9.1	431.1	486.3
Non-current liabilities		521.2	567.4
Current provisions	7	11.4	12.8
Trade and distribution network payables	4.6.1	465.7	385.7
Current tax liabilities	12.2	1.3	1.1
Current player funds	4.6	304.6	256.6
Public levies liabilities	4.6.3	459.0	501.7
Winnings payable/Player balances	4.6.4	319.8	370.0
Other current liabilities	4.6.5	222.1	203.2
Current financial liabilities	9.1	74.4	60.6
Current liabilities		1,858.3	1,791.8
Liabilities held for sale	11	10.7	0.0
TOTAL LIABILITIES		3,315.7	3,188.3

6.1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of euros	Note	31.12.2022	31.12.2021
OPERATING ACTIVITIES			
Consolidated net profit for the period		307.9	294.2
Change in asset depreciation, amortisation and impairment of non-current assets		130.8	157.6
Change in provisions		16.3	-23.4
Capital gains or losses on disposal		0.1	1.3
Income tax expense		113.3	122.5
Other non-cash items included in the consolidated income statement		3.5	11
Net financial income/expense		28.7	-20.8
Share of net income from joint ventures		-1.1	-4.1
Non-cash items		291.7	234.2
Use of provisions - payments		-8.4	-10.0
Interest received		2.2	3.1
Income taxes paid		-123.3	-119.7
Change in trade receivables and other current assets		-101.3	-146.6
Change in inventories		-2.3	1.9
Change in trade payables and other current liabilities		46.0	346.6
Change in other components of working capital		-6.3	-0.9
Change in operating working capital		-63.9	201.1
Net cash flow from operating activities	9.3	406.1	602.9
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets		-104.1	-75.5
Acquisitions of shares		-42.9	0.0
Disposals of property, plant and equipment and intangible assets		0.0	0.1
Change in current and non-current financial assets		-104.8	-216.0
Change in loans and advances granted		60.2	-9.9
Dividends received from joint ventures and shareholdings		3.0	0.1
Other		9.8	-0.2
Net cash flow used in investing activities	9.3	-178.7	-301.4
FINANCING ACTIVITIES			
Repayment of the current portion of long-term debt		-71.8	-188.9
Payment of lease liabilities		-7.6	-7.6
Dividends paid to ordinary shareholders of the parent company		-229.5	-166.7
Interest paid		-5.3	-5.5
Other		-6.2	-3.6
Net cash flow used in financing activities	9.3	-320.5	-372.3
Impact of changes in foreign exchange rates		2.3	-0.6
Net increase/decrease in net cash		-90.7	-71.3
Cash and cash equivalents at 1 January		601.7	673.2
Cash and cash equivalents at 31 December		513.4	601.7
Current bank overdrafts at 1 January		0.0	-0.3
Current bank overdrafts at 31 December		-2.5	0.0

6.1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of euros	Share capital	Statutory reserves	Retained earnings (incl. profit for the period and optional reserve)	Cash flow hedging	Currency translation differences (incl. net investment hedging)	Actuarial gains and losses	Reserves of other comprehensive income	Equity attributable to owners of the parent	Non-controlling interests	Total equity
EQUITY AT 31.12.2020	76.4	91.7	533.7	-1.1	3.1	-1.7	0.3	702.1	0.0	702.1
Net profit for the period			294.2					294.2	0.0	294.2
Other comprehensive income				1.5	3.0	2.1	6.6	6.6		6.6
Total comprehensive income for the period	0.0	0.0	294.2	1.5	3.0	2.1	6.6	300.8	0.0	300.8
Allocation of prior year net profit		0.0	0.0					0.0		0.0
2020 dividends paid			-171.9					-171.9		-171.9
Other			-1.9					-1.9		-1.9
EQUITY AT 31.12.2021	76.4	91.7	654.1	0.4	6.2	0.4	6.9	829.1	0.0	829.1
Net profit for the period			307.9					307.9	0.0	307.9
Other comprehensive income				13.5	0.6	10.7	24.8	24.8		24.8
Total comprehensive income for the period	0.0	0.0	307.9	13.5	0.6	10.7	24.8	332.7	0.0	332.7
Allocation of prior year net profit		5.2	-5.2					0.0		0.0
2021 dividends paid			-236.6				0.0	-236.6		-236.6
Other		-96.8	97.1				0.0	0.3		0.3
EQUITY AT 31.12.2022	76.4	0.0	817.3	13.9	6.7	11.1	31.7	925.4	0.0	925.4

Income and expenses recognised in other comprehensive income mainly consist of actuarial gains and losses on retirement benefit obligations (2022 and 2021). The other changes relate mainly to treasury shares held in relation to a liquidity agreement or the performance share scheme, which are treated as deductions from equity.

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Note 1 Overview of the Group

1.1 GENERAL INFORMATION

La Française des Jeux (FDJ) is a public limited company (société anonyme) governed by French law, subject to all regulations on commercial companies in France, and in particular the provisions of the French Commercial Code, in accordance with the provisions of the legal framework as described in Note 1.2. Its registered office is located at 3/7, Quai du Point du Jour 92650 Boulogne-Billancourt. It has been admitted to trading on the Euronext Paris market since 21 November 2019. As at 31 December 2022, its share ownership structure can be broken down as follows: the French State (20%), veterans' associations ⁽¹⁾ (15%), employee share investment funds (4%), Predica (5%) and other holdings of less than 5%, including French and international institutional investors and private shareholders. The State exerts strict control over the Company. As a result, the appointment of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers, as well as any threshold-crossing of 10% or a multiple of 10% of the share capital, are subject to approval by the Ministers for the Budget and the Economy.

As at 31 December 2022, the Group runs a gaming operation and distribution business in France (metropolitan and overseas departments), four French overseas territories and Monaco. It operates internationally, mainly through its equity investments in the following companies:

- Sporting Group, based in the UK and comprising five companies, with two core businesses: i) betting and risk management services for sports betting operators, and ii) sports betting (spread betting and fixed odds);
- Beijing ZhongCai Printing (BZP), a Chinese company that prints lottery tickets;
- Services aux Loteries en Europe (SLE), a Belgian cooperative established to hold and administer draws for participating lotteries in connection with Euromillions;
- Lotteries Entertainment Innovation Alliance AS (LEIA), a Norwegian company that operates a digital gaming platform;
- FGS Canada, a Canadian company that develops sports betting technology.

The consolidated financial statements reflect the financial position and results of FDJ and its subsidiaries ("the Group") as well as the Group's investments in joint ventures. They are prepared in euros, the functional currency of the parent company.

1.2 REGULATORY ENVIRONMENT OF FDJ GROUP

FDJ operates in the gaming sector, a highly regulated industry under strict State control. Gaming in France is generally prohibited, subject to restricted exemptions.

The online sports betting and online poker businesses, which are open to competition, are governed notably by Law no. 2010-476 of 12 May 2010 and conducted within the framework of a five-year agreement. FDJ's licence for sports betting was last renewed by the ANJ in 2020, while its licence for online poker was granted by the ANJ in October 2022.

The Pacte Law of 23 May 2019 confirmed FDJ's exclusive rights to operate online and point-of-sale lottery games (draw games and instant games) and point-of-sale sports betting activities for a period of 25 years. It also defines the basis, rates and territorial scope of the public levies on all lottery games and sports betting, regulates the payout ratios for lottery games and sets upper limits on payouts for online and point-of-sale sports betting.

1.3 HIGHLIGHTS

1.3.1 Very strong results – recurring EBITDA margin of 24%

In 2022 FDJ Group recorded solid performance, with revenue up 9% to €2,461 million, in line with the growth in stakes. After a first half of the year that continued to benefit from the post-Covid recovery, revenue grew 6% in the second half of the year, a level close to the Group's historical growth trajectory.

Recurring EBITDA was €590 million, up by 13%, thanks to a strong increase in point-of-sale activity and dynamic online growth. The recurring EBITDA margin was 24% of revenue, up 90 basis points.

1.3.2 Growth in all business lines

In lottery, revenue grew by 11% to €1,916 million, reflecting the strong intrinsic momentum of the games and the return to normal in the point-of-sale network. Positive performance in draw games was due notably to the attractiveness of Loto® and Euromillions, with a high number of large jackpots. In instant games, performance was driven by promotional activities, especially the successful launches and relaunches of individual games such as Cash, x10 and x20, and As de Cœur.

Revenue from sports betting and online gaming open to competition came in at €467 million, a rise of 1%. Although the first half fared less well than the same period in 2021, when the UEFA Euro 2020 championships were held, business bounced back in August and September as the European football leagues restarted and climbed further at the end of the year with the FIFA World Cup. The good run enjoyed by the French team led to a very high player payout, with the competition accounting for 6% of the annual revenue for this activity.

(1) Union des blessés de la face et de la tête (UBFT) and Fédération nationale André Maginot (FNAM).

1.3.3 Significant growth in point-of-sale stakes and continued momentum of online stakes

Stakes via the distribution network, comprising around 30,000 points of sale in both years, were up by 8% at €18.1 billion.

The momentum was driven by high traffic, reflecting both the attachment of consumers to this local network, which the Group is helping to transform and diversify, and the attractiveness of FDJ's gaming offering, which is a major driver of traffic.

After two years of very strong growth, with digital stakes doubling between 2019 and 2021, accelerated by changes in behaviour caused by the health crisis, the growth in digital stakes is normalising. In 2022, they exceeded €2.5 billion, up 16% from 2021, representing more than 12% of total stakes. In the fourth quarter alone, the Group's digital business set a new record with a strong increase compared with the same period in 2021. In addition, FDJ's share of the online sports betting market, cumulatively at the end of September and during the FIFA Football World Cup, increased.

The rise in online stakes continues to be essentially driven by the increase in the number of players. There are now nearly 5 million online lottery players, twice as many as in 2019, two-thirds of whom also play at points of sale. The share of gross revenue from online lottery games derived from high-risk players was 2.3%.

1.3.4 Strengthening of sports betting and online gaming open to competition

FDJ Group is continuing to implement its strategy of strengthening its position in the French market of online gaming open to competition. In November, it consequently:

- launched a poker offering on the ParionsSport En Ligne app;
- entered into an agreement to acquire the ZEturf Group, the second largest online horse racing betting operator in France, which also offers online sports betting under the Zebet brand. This Group generated revenue of close to €50 million in 2021. This transaction is expected to complete in the second half of 2023, once the conditions precedent are satisfied, in particular approval from the French competition authorities.

1.3.5 Development of the Payment & Services business

With the aim of becoming one of the leading local payment and collection networks in France, in 2022 the Group:

- recorded a 46% increase in the number of payments collected on behalf of DGFIP (the French treasury department), a service now available at more than 14,000 points of sale;
- launched the Nirio brand for routine bill payment services (landlords, energy companies, etc.) in the FDJ network;
- acquired two companies with a view to expanding into the field of point-of-sale management and payment solutions: Aleda, a specialist in point-of-sale payment solutions for local shops, and L'Addition, a specialist in

payment equipment and services for cafés, bars, hotels and restaurants.

1.3.6 International strategic partnership

In late 2022, FDJ and Scientific Games, a leading provider of lottery products, technology and services, announced a partnership to market a range of phygital instant games. FDJ is a pioneer in these innovative games, which offer point-of-sale scratch card players the option to continue their play experience and potentially expand their winnings in a digital game. FDJ has already launched three phygital games since 2019 and a fourth is set to be introduced in 2023.

1.3.7 Consolidated social commitments

In 2022, Moody's ESG Solutions awarded FDJ Group an A1+ rating for the fourth consecutive year, with a score of 72/100, up 2 points from 2021.

The Group also maintained, for the third time, its 100/100 rating on the Pénicaud gender equality index. It is also one of the 5% best rated companies rated by Ecovadis, with its score rising to 71/100, and retaining its Gold medal.

The Group continues in particular to:

- consistently strengthen its efforts to prevent excessive and underage gambling, to which it devoted just under €15 million in 2022:
 - more than 10% of the overall advertising budget was dedicated to responsible gaming, with new preventive information campaigns and an enhanced action plan before and during the football World Cup. In January 2023, the Group also launched a new campaign with Paris Saint-Germain (PSG) football club, aimed at broadening the reach of its prevention messaging and promoting recreational sports betting;
 - point-of-sale audits were performed, notably through mystery visits linked to a range of sanctions in the event of non-compliance with the prohibition on sales to minors, which is unique in France. In 2022, nearly 2,700 mystery visits were carried out, with around a hundred retailers receiving sanctions in the form of licence suspensions.
 - as of 2023, a further €10 million has been committed over a five-year period to support initiatives to prevent underage gambling led by non-profit organisations;
- be committed to reducing its environmental impact and contributing to the conservation of biodiversity, through:
 - implementing a new energy use savings plan (buildings, IT, travel);
 - partnering with the Gestes Propres association aimed at broadcasting an awareness campaign on screens in points of sale encouraging customers to throw scratch cards and gaming receipts into recycling bins;
 - relocating a significant portion of the Group's instant game printing to Europe;
 - donating €200,000 to the French Office national des forêts (ONF - National Forests Office) via its "ONF-Act for the Forest" fund to contribute to the restoration of the forests destroyed by the wildfires that affected French forests last summer.

1.3.8 Growth benefiting all stakeholders

For the seventh successive year, advisory firm Bureau d'information et de prévision économique BDO-Bipe assessed the FDJ Group's contribution to the economy and society in France.

- In 2022, FDJ's contribution to national wealth amounted to €6.5 billion, or 0.25% of France's gross domestic product (GDP).
- In terms of employment, the FDJ Group's business created or sustained 55,300 jobs in France, including 22,000 in the network of bars, tobacconists and newsagents.

FDJ's growth benefits the national collectivity, in particular the public finances, with an overall contribution of over €4.4 billion, including €4.1 billion in gaming levies, benefiting:

- France's vulnerable heritage: thanks to the 2022 edition of the Mission Patrimoine lottery games, over €26 million was paid out to the Fondation du Patrimoine (French Heritage Foundation); and
- French sport at both the amateur and professional level, via the action of the Agence nationale du sport (ANS).

The value created by FDJ Group is shared between **employees and shareholders**, through:

- personnel expenses of €327 million, including profit-sharing and incentive scheme costs equal to 24% of payroll⁽¹⁾; and
- €237 million in dividends in respect of the 2021 financial year, which benefit veterans' associations, who are long-standing shareholders, to finance their social initiatives, and nearly 400,000 individual shareholders.

The Group has an economic impact nationwide, benefiting:

- **local retail trade**, with fees of €965 million paid to its 30,000 retailers; and
- **French suppliers**, through purchases of €684 million, overwhelmingly from SMEs and intermediate-sized enterprises, representing over 90% of procurement.

The FDJ Foundation, which celebrates its 30th anniversary in 2023, is also committed to promoting equal opportunities by supporting a hundred or so projects per year throughout France with a five-year budget of €25 million (2023-2027).

Note 2 Accounting standards and policies

2.1 BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of FDJ and its subsidiaries ("the Group"), published for the 2022 financial year, were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union at 31 December 2022.

The Board of Directors approved the consolidated financial statements for the year ended 31 December 2022 on 14 February 2023.

The notes to the consolidated financial statements describe the accounting policies in the same sections as the comments on the figures themselves, to make them easier to understand for the reader.

The consolidated financial statements for the financial year ended 31 December 2022 are available on the website groupefdj.com (under Finance/Financial Publications).

2.1.1 New standards, interpretations and amendments applicable in 2022

The amendments and interpretations approved by the European Union whose application was mandatory as of 1 January 2022 (amendments to IAS 16: Property, plant and equipment – Proceeds before Intended Use; amendments to IAS 37: Onerous contracts – Cost of fulfilling a contract; amendments to IFRS 3: Reference to the conceptual framework, forming part of the IFRS improvements cycle 2018-2020) had no material impact on the Group's financial statements.

2.1.2 Standards, interpretations and amendments not yet adopted by the European Union

Amendments to IAS 1 – Classification of liabilities as current or non-current, presentation of financial statements.

Amendment to IFRS 16 – Lease liability in a sale-and-leaseback.

These standards, interpretations and amendments are currently under review. At this stage, the Group does not anticipate a material impact.

2.1.3 Standards, interpretations and amendments adopted by the European Union and not early-applied by the Group

The Group has not applied any standards or interpretations early as at 31 December 2022. The Group does not anticipate any material future impact.

2.2 ACCOUNTING POLICIES

The main accounting policies applied in preparing the consolidated financial statements are set out below. Unless otherwise noted, these policies have been applied consistently to all periods presented.

The consolidated financial statements have been prepared on a going concern basis in accordance with the independence of financial periods. They have been prepared on a historical cost basis, except in the case of financial assets and liabilities (see Notes 4.5, 4.6, 9.1 and 9.2 below).

Assets and liabilities are presented in the statement of financial position, broken down between current and non-current items.

(1) Before social security (URSSAF) contributions.

In accordance with IAS 1, an asset is classified as current if it meets one of the following criteria:

- the entity expects to realise the asset in its normal operating cycle (inventories, trade receivables) or in the 12 months following the reporting date;
- the entity holds the asset primarily for the purpose of trading (financial assets at fair value through profit or loss); or
- the asset is cash or a cash equivalent.

All other assets are classified as non-current.

A liability is classified as current if it meets one of the following criteria:

- the entity expects to settle the liability within the current operating cycle (trade payables) or in the 12 months following the reporting date;
- the entity holds the liability primarily for the purpose of trading (financial liabilities at fair value through profit or loss).

All other liabilities are classified as non-current.

2.2.1 Consolidation

The consolidated financial statements for the year ended 31 December 2022 include the financial statements of the parent company, FDJ, controlled subsidiaries and joint ventures (see Note 19).

Control is determined by the practical ability to exercise a right to direct key activities (activities that significantly affect returns), exposure to variable returns (dividends, changes in fair value, tax savings), and the ability to affect those returns.

Subsidiaries, which are entities in which the Group holds an equity interest representing more than half of the voting rights or over which it directly or indirectly exercises control, are fully consolidated.

Joint ventures, where the Group exercises joint control and has direct or indirect rights to the net assets of the arrangement, are accounted for using the equity method.

All companies prepare their accounts as at 31 December.

Transactions between consolidated companies are eliminated, along with any internally generated profits.

2.2.2 Foreign currency translation

The consolidated financial statements are presented in millions of euros, unless otherwise stated.

Transactions denominated in foreign currency are translated at the exchange rate applicable at the time of the transaction. Receivables and payables denominated in foreign currency are translated at the exchange rate applicable at the reporting date. Translation differences are taken to the income statement.

The financial statements of foreign entities with a different functional currency to FDJ are translated into euros at the exchange rates applicable at the reporting date for assets and liabilities, and at the average exchange rate over the period for income and expense items.

Currency translation differences are recognised directly in other comprehensive income under "currency translation differences" and are recognised in the income statement at the date on which the business is sold.

The acquisition of Sporting Group in the UK was carried out in pounds sterling. An external debt denominated in pounds

sterling was contracted to hedge the net equity of Sporting Group against foreign exchange risk. In accordance with IAS 39.102 and IAS 21.8, foreign exchange differences on the part of the external debt considered to be the effective portion of the hedge are recognised in other comprehensive income until the date of deconsolidation, offsetting the currency translation differences recognised on the consolidation of entities using the pound sterling as their functional currency. The ineffective portion of the hedge is recognised immediately as financial income or a financial expense.

2.2.3 Use of judgements and estimates

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, assess positive and negative risks, and measure income and expenses at the reporting date.

In response to changes in the economic and financial environment and the Covid-19 health crisis, the Group has strengthened its risk management procedures. The Group has incorporated these factors into its estimates, such as business plans and discount rates used for impairment testing and provision calculations.

Due to the uncertainties inherent in any valuation process, the Group reviews its estimates based on regularly updated information. The future results of the transactions concerned may differ from these estimates.

Material estimates made by the Group mainly cover the following items:

- discount rate and departure assumptions for employee benefits (Note 4.7.3);
- assessment and quantification of legal risks to determine provisions for risks and litigations (Note 7);
- useful lives and recoverable amounts for the purpose of measuring the recoverable amount of intangible assets and property, plant & equipment. Both the amortisation period and method of amortisation for the customer base recognised as an asset upon the acquisition of Sporting Group have been revised to take account of churn rates (Note 6);
- assessment of the risk associated with non-recovery of past-due payments for the purpose of measuring the recoverable value of receivables from the distribution network (Note 4.5);
- discount rate and business plan assumptions for the purpose of measuring the recoverable amount of goodwill (Note 5);
- fair value of financial assets not listed on active markets (Note 9);
- measurement assumptions used to value performance shares (recurring EBITDA, profit per share, probability of achieving targets, risk-free rate, share price) (Note 4.7.4);
- leases (principally the maximum period of 9 years assumed for property leases of over €5,000).

In addition to estimates, the Group makes judgements to determine the most appropriate accounting treatment for certain activities and transactions, particularly when current IFRS standards and interpretations do not specifically address the accounting issues encountered:

- identification (or not) of leases in certain agreements (Note 2.2.4 "IFRS 16");
- operating segment combinations for the presentation of sectors (Note 4.3).

Note 3 Main changes in consolidation scope

3.1 MAIN CHANGES IN THE CONSOLIDATION SCOPE IN 2022

In 2022, the Group finalised the acquisition of 95% of Adstellam (L'Addition), a specialist in payment equipment and services for cafés, bars, hotels and restaurants. A 90% interest was acquired on 28 July, followed by 5% on 27 December. The price paid was €32 million, including an additional consideration. L'Addition is controlled and is fully consolidated. Of the purchase price, €11 million was allocated to intangible assets (mainly €6 million for the customer base and €4 million for technology) and the associated deferred tax liabilities (€2 million). Provisional goodwill, as determined in accordance with the full goodwill method, was €30 million. FDJ and the vendor have signed mutual undertakings to buy and sell the remaining 5% of L'Addition shares still held by the vendor.

L'Addition recorded revenue of €9 million for 2021.

The 100% acquisition of Aleda was finalised on 17 November 2022, after conditional approval for the transaction was granted by the French competition authority. Aleda specialises in point-of-sale payment solutions aimed at neighbourhood retailers. Aleda is controlled and has been fully consolidated since that date. The purchase price of

€25 million includes a €1.5 million price uplift mechanism based on recurring EBITDA. Of the total purchase price, €8 million was allocated to intangible assets (mainly €4 million for the customer base and €2 million for agents' contracts) and the associated deferred tax liabilities (€2 million). Provisional goodwill was €27 million.

Aleda recorded revenue of €50 million in 2021.

If L'Addition and Aleda had been consolidated for the whole of 2022, FDJ Group would have recorded revenue of €2,514 million. The two companies contributed €9 million to Group revenue.

3.2 CHANGES IN THE CONSOLIDATION SCOPE IN 2021

On 21 May 2021, Beijing ZhongCai Printing (BZP) repurchased the shares previously held by Berjaya Ltd and reduced its share capital. FDJ's equity interest in BZP thus rose from 37% to 46.25%. This had no effect on the valuation of the BZP shares or the consolidation method (equity method).

La Française de Motivation was deconsolidated as at 31 December 2021, having ceased operations on that date. This had no impact on the Group's financial statements.

Note 4 Operating data

4.1 NET GAMING REVENUE (NGR) AND REVENUE

Stakes are divided up between players, public levies and FDJ.

Player payout (see Note 4.7.3 for the corresponding liability)

The payout ratio is subject to a cap set by current regulations (Article 8, Decree no. 2019-1061 of 17 October 2019).

Player payout (as a % of stakes)

Draw games	50%-72% depending on the game range
All instant games	60%-75% depending on the game range, with a maximum annual average of 70.5% for certain games
PoS sports betting	maximum annual average of 76.5%
Online sports betting	maximum annual average of 85%

Gross gaming revenue (GGR)

GGR is the difference between stakes and player payout. For poker, the GGR takes the form of a commission levied on stakes.

Public levies (see Note 4.6.3 for the corresponding liability)

Under the Pacte Law, the tax and social charges applicable to lottery games and sports betting are levied on the basis of the GGR, except in locations where local tax regulations apply (French overseas territories and the Principality of Monaco).

Public levies on gaming (excluding corporation tax) are charged at the following rates:

As % of GGR	Loto®/Euromillions	Other lottery games
ANS	5.1%	5.1%
CSG	6.2%	6.2%
CRDS	2.2%	2.2%
General State Budget	54.5%	42.0%
TOTAL	68.0%	55.5%

As % of GGR	PoS sports betting	Online sports betting
Tax levies on sports betting	27.9%	33.7%
ANS	6.6%	10.6%
Social security levies on sports betting	6.6%	10.6%
TOTAL	41.1%	54.9%

Online poker is taxed on the basis of stakes. The overall charge comprises a tax levy of 1.8% of stakes (capped at €0.90 per deal for cash games)⁽¹⁾ and a social security levy of 0.2% of stakes (capped at €0.10 per deal for cash games).

General State Budget

Public levies intended for the General State Budget are governed by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation (Pacte Law)**.

(1) A cash game is a hand of poker played with real money, as opposed to a tournament game, where players join by paying an entry fee and play with chips that have no monetary value.

Social security levies on lottery games (CRDS and CSG)

The social security levies are the CRDS (Contribution au remboursement de la dette sociale – social security debt repayment contribution) and the CSG (Contribution sociale généralisée – general social contribution).

CRDS: imposed by Article 18 of Order no. 96-50 of 24 January 1996, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation**.

CSG: imposed by Articles L.136-7-1 and L.136-8 of the French Social Security Code, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation**.

Tax and social security levies specific to sports betting

Tax levy: imposed by Articles 302 bis ZH, ZK and ZL of the French Tax Code, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation**.

Social security levy: imposed by Article L.137-21 of the French Social Security Code, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation**.

Agence nationale du sport (ANS): levies imposed by Articles 1609 (29) and 1609 (30) of the French General Tax Code, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation** and Article 46 of Law no. 2011-1977 of 28 December 2011 (2012 Budget Law), subject respectively to upper limits of €72 million and €35 million (for the entire sports betting market) above which the payments are allocated to the General State Budget.

VAT

VAT, as governed by Chapter 1 of Title II of Book 1 of the General Tax Code, is charged on net gaming revenue. The applicable rate is 20%.

Net gaming revenue (NGR)

FDJ is a service provider that develops and operates lottery games and sports betting in a highly regulated environment. The revenue earned by FDJ for the organisation and placement of games is called net gaming revenue or NGR.

NGR is gross gaming revenue less public levies. It thus varies according to the payout ratio for each game (margin effect) and according to the volume of stakes wagered in each game category (volume and mix effects).

NGR is recognised once FDJ has met all its obligations. Performance obligations vary by type of game:

- for **draw games**, FDJ's service is completed when it has recorded the placing of the bets, held the draw that determines the winning numbers, calculated the winnings and published the results and prizes;
- for **instant games** sold at points of sale, FDJ recognises stakes as income when a given number of tickets has been sold, i.e. when said tickets are placed in the gaming terminals. Accordingly, the sale is recognised before the booklet (batch of tickets), which has a value of between €150 and €300, is completely used up. Given how fast the booklets are sold, revenue recognised on a per-unit basis would be very close to the amount of revenue recorded in the financial statements. Online sales are recognised as soon as the player's stake is recorded;
- for **sports betting**, the principles are similar to draw games. FDJ has met its obligations when, once the sporting event has taken place, the winnings have been calculated and the results and prizes have been published;
- for **poker**, FDJ has met its obligations when the tournament or the hand ends.

NGR is thus gaming revenue net of the winnings paid or payable to players and net of the levies collected on behalf of the French State.

The processing of gaming operations, their accounting and the determination of NGR are very highly automated. They rely on a complex IT system, which handles all game operations from the validation of stakes at points of sale and online to the recognition of NGR.

NGR also includes the revenue generated by Sporting Group's B2C⁽¹⁾ business (spread betting⁽²⁾ and fixed odds betting).

(1) B2C: commercial and marketing activities aimed at end consumers.

(2) Spread betting consists in predicting if a number of actions (or events) occurring during a match will be greater or smaller than the range of actions (spread) set by the trader.

In millions of euros	31.12.2022	31.12.2021
Draw games	823.6	740.1
Instant games	1,088.0	983.6
Lottery	1,911.6	1,723.7
Sports betting and online gaming open to competition	466.8	464.0
Other*	10.0	14.4
Total net gaming revenue (NGR)	2,388.4	2,202.1
Revenue from other activities	72.7	53.5
Revenue	2,461.1	2,255.7

* Traditional fixed odds sports betting provided by Sporting Group.

Net gaming revenue represents FDJ Group's remuneration on its gaming activities. It is monitored by product range. NGR for 2022 was €2,388.4 million, a rise of €186.2 million relative to 2021 (+8.5%). Revenue from other activities, predominantly consisting of international services and the

Payment & Services business, was €72.7 million in 2022, a rise of €19.2 million relative to 2021 (+35.8%). Total Group revenue was thus €2,461.1 million in 2022, a rise of €205.4 million relative to 2021 (+9.1%).

4.2 OPERATING PROFIT

4.2.1 Recurring operating profit

Cost of sales was €1,330 million (+7.9%). This includes €965 million (+7.0%) of commissions paid to retailers, which are correlated with the increase in PoS stakes. The increase of €33 million in other costs (+10.1%) reflects the resumption of promotional activities following the temporary reduction in 2021.

Marketing and communication expenses include advertising and offer design costs, as well as IT development and operating costs for games and services. The total of €461 million was up by 11.2%, owing to strategic spending on the development of the product offering, particularly for

online products (game design and IT, customer service etc.), whereas the Group's advertising spend remained steady at 1.5% of gross gaming revenue.

General and administrative expenses mainly include personnel expenses and operating costs for central corporate functions, as well as building and IT infrastructure costs. The total remained steady at €200 million.

The Group's recurring operating profit accordingly amounted to €459 million, an increase of 16.8%.

Recurring EBITDA was €590 million, up by 13.1%. The recurring EBITDA margin was 24.0%, higher than the figure of 23.1% for 2021.

4.2.2 Income statement items by nature of costs

In millions of euros	2022	2021
Personnel expenses	326.9	293.2
Net depreciation and amortisation	130.9	128.6
IT outsourcing expenses	75.0	53.5

See Note 4.7.2 for comments on the change in personnel expenses.

Net depreciation and amortisation are linked to the non-current assets, which are presented in Notes 6.1 and 6.2.

4.2.3 Other non-recurring operating income and expenses

Material non-recurring items are recognised in operating profit under "Other non-recurring operating income" and "Other non-recurring operating expenses", in accordance with ANC Recommendation 2013-03 of 7 November 2013. These items mainly include restructuring costs, proceeds from disposals of fixed assets, impairment of fixed assets and other non-recurring costs.

In 2022, non-recurring income and expenses produced a net expense of €10.4 million, the majority of which comprised costs in relation to mergers & acquisitions.

In 2021, non-recurring income and expenses produced a net expense of €1.5 million, the main components of which were:

- asset impairments in relation to the Sporting Group CGU (€29 million expense; see Note 5);
- the reversal of the unused provision following the final ruling of the Court of Cassation in favour of FDJ in the proceedings brought by broker-agents (€34 million income);

4.3 SEGMENT REPORTING

Segment reporting is presented in accordance with IFRS 8 "Operating Segments". The operating segments used by the Group are those regularly reviewed by the Corporate Directors and primary operational decision-makers.

The operating segments used are based on internal reporting, as follows:

- Lottery, which includes activities related to instant games and draw games;
- Sports betting and online gaming open to competition ⁽¹⁾, comprising online and PoS sports betting activities and online poker;
- Adjacent activities (International, Payments & Services, and Entertainment).

The "Holding" column, which combines central and brand-related costs (corporate campaigns), reconciles the data with the consolidated income statement.

The contribution margin measures the profitability (excluding central costs) generated by a given segment, regardless of the capital investment cycle, financing conditions and taxation.

Recurring EBITDA (earnings before interest, tax, depreciation and amortisation) is equal to recurring operating profit before depreciation and amortisation. It reflects the Group's profit, excluding the capital investment cycle, financing costs and taxation. Recurring EBITDA is not monitored by operating segment.

The data below are presented in accordance with the same accounting principles as those used to prepare the Group's consolidated financial statements.

In millions of euros	31.12.2022						Group total
	Lottery BU	Sports betting and online gaming open to competition BU	Adjacent activities*	Holding	Total before depreciation and amortisation	Depreciation and amortisation	
Stakes	16,219	4,373	26		20,618		20,618
Gross gaming revenue (GGR)	5,551	975	0		6,526		6,526
Net gaming revenue (NGR)	1,912	467	10		2,388		2,388
Revenue	1,916	467	78		2,461		2,461
Cost of sales	-1,033	-235	-21		-1,289	-41	-1,330
Marketing and communication expenses	-174	-115	-77	-37	-403	-58	-461
Contribution margin	709	117	-20	-37	770	-99	671
General and administrative expenses & Other operating income and expenses				-180	-180	-32	-211
Recurring EBITDA					590		
Depreciation and amortisation						-131	
RECURRING OPERATING PROFIT							459

* Formerly ABU (Acceleration Business Unit).

(1) Online gaming, excluding lottery. In France, a competitive online market is permitted for sports betting, horse-race betting and poker.

In millions of euros	31.12.2021						Group total
	Lottery BU	Sports betting and online gaming open to competition BU	Adjacent activities*	Holding	Total before depreciation and amortisation	Depreciation and amortisation	
Stakes	14,726	4,216	33		18,976		18,976
Gross gaming revenue (GGR)	5,037	966	1		6,004		6,004
Net gaming revenue (NGR)	1,724	464	14		2,202		2,202
Revenue	1,728	464	63		2,256		2,256
Cost of sales	-949	-234	-9		-1,192	-41	-1,233
Marketing and communication expenses	-159	-109	-56	-35	-360	-55	-415
Contribution margin	621	121	-2	-35	704	-96	608
General and administrative expenses & Other operating income and expenses				-182	-182	-33	-215
Recurring EBITDA					522		
Depreciation and amortisation						-129	
RECURRING OPERATING PROFIT							393

* Formerly ABU (Acceleration Business Unit).

The proportion of Group revenue generated outside the Group's home country (France) was marginal and remained steady (2022: 1.5%; 2021: 1.7%).

Given the nature of its business, the Group does not have key accounts.

Recurring EBITDA is an alternative performance indicator used by the Group. It is equal to recurring operating profit excluding depreciation and amortisation.

In millions of euros	31.12.2022	31.12.2021
Recurring operating profit	459	393
Depreciation and amortisation	-131	-129
Recurring EBITDA	590	522

At €131 million, net depreciation and amortisation was comparable to 2021.

4.4 OPERATING RISK HEDGING

4.4.1 Management of counterparty risk on games

Counterparty risk on games is:

- for lottery games: the difference between the theoretical proportion of stakes paid out to winners and the total amount of the prizes actually awarded; and
- for sports betting: repeated winnings over extensive periods on competitions won by the favourite athletes.

framework of an annual policy with several insurance companies to cover the aggregate counterparty risks for lottery games based on a counterparty mechanism. In 2022, the policy covered the cumulative net impact on NGR of potential counterparty losses over the financial year in excess of €8 million (deductible), subject to an aggregate cap of €130 million and subject to the limit of €100 million winnings per prize draw pursuant to Article D. 322-14 of the French Interior Security Code. The insurance premium, together with any claims payments, is disclosed in cost of sales. No claims have been paid under this policy.

The counterparty risk on lottery games is covered by an insurance policy. The policy was taken out by FDJ within the

4.4.2 Management of receivables risk

The Group's receivables relate mainly to its network of retailers. They reflect the stakes accepted by retailers, which are collected weekly by FDJ by direct debit. Retailers require a permit from FDJ to sell its games, granting of which is systematically subject to the provision of a deposit or a guarantee by the retailer.

The risk associated with retailer receivables is analysed by an oversight committee, whose meetings are regularly attended by the heads of the Sales, Financial, Legal, Security and Responsible Gaming Departments. The

committee is in charge of ruling on special cases involving material past-due payments and deciding whether or not to litigate over certain receivables. The rules for the impairment of receivables are based on their amount and ageing, and are in line with the expected credit loss model, given the extremely short settlement times and the credit risk management systems in place. The Group considers the risk of retailer default with a material impact on its financial position and results to be limited.

Other receivables are impaired on a case-by-case basis.

The schedules of receivables not yet paid and not impaired, excluding receivables from entities accounted for using the equity method and prepaid expenses (see Note 4.5.2), are as follows:

In millions of euros	31.12.2022								
	Gross amount		Provisions for overdue amount	Net amount	Net amount overdue	Net amount overdue by			
	Non-overdue	Overdue				0-3 months	3-6 months	6-12 months	> 1 year
Trade and distribution network receivables	443.6	40.1	-17.9	465.8	22.2	15.0	4.2	2.1	0.9
Other current receivables	226.5	6.1	-	232.6	6.1	5.9	-	-	0.1
CURRENT RECEIVABLES	670.1	46.1	-17.9	698.4	28.2	20.9	4.2	2.1	1.0

In millions of euros	31.12.2021								
	Gross amount		Provisions for overdue amount	Net amount	Net amount overdue	Net amount overdue by			
	Non-overdue	Overdue				0-3 months	3-6 months	6-12 months	> 1 year
Trade and distribution network receivables	338.7	36.6	-16.7	358.5	19.8	15.6	2.1	1.7	0.4
Other current receivables	236.1	3.7	-	239.8	3.7	2.7	-	0.2	0.8
CURRENT RECEIVABLES	574.8	40.3	-16.8	598.3	23.5	18.3	2.1	1.9	1.2

4.4.3 Management of foreign exchange risk

In the normal course of its business, the Group is exposed to foreign exchange risk resulting from invoices from foreign suppliers denominated in foreign currencies. This risk is measured in aggregate for each currency. The general Group policy is to hedge this risk over each financial year.

Foreign currencies to which the Group was significantly exposed were the US dollar, for a maximum amount of \$28.6 million in 2022 (\$29.1 million in 2021) and the pound sterling in 2021, for a maximum amount of £9.1 million.

The fair value of USD hedging derivatives was €0.6 million at the end of December 2022 (2021: €0.5 million). This exposure mainly arose from foreign-currency purchases of gaming materials.

In 2022, an increase of \$0.10 per €1 in the EUR/USD exchange rate on derivatives held and classified as hedging derivatives would have reduced the valuation of the instruments by €3.2 million. A decrease of \$0.10 would have increased their valuation by €4.3 million.

In 2021, an increase of \$0.10 per €1 in the EUR/USD exchange rate on derivatives held and classified as hedging derivatives would have reduced the valuation of the instruments by €2.6 million. A decrease of \$0.10 would have increased their valuation by €3.4 million. In 2021, an increase of £0.10 per €1 in the EUR/GBP exchange rate on derivatives held and classified as hedging derivatives would have reduced the valuation of the instruments by €1.1 million.

A decrease of £0.10 would have increased their valuation by €1.5 million.

The acquisition of Sporting Group in the UK was carried out in pounds sterling. An external debt denominated in pounds sterling was contracted to hedge the net equity of Sporting Group against foreign exchange risk.

4.5 CURRENT RECEIVABLES

Upon initial recognition, current receivables are recorded at their fair value, taking payment due dates into account.

Receivables are subsequently recognised at amortised cost, which in practice is equal to their nominal value. They are tested with regard to credit risk and the probability of loss.

4.5.1 Trade and distribution network receivables

In millions of euros	31.12.2022	31.12.2021
Trade receivables (gross)	72.7	38.1
Distribution network receivables (gross)	411.0	337.1
Impairment	-17.9	-16.7
TOTAL TRADE AND DISTRIBUTION NETWORK RECEIVABLES	465.8	358.5

Trade receivables relate to the Group's business with foreign lotteries for the provision of IT services.

Stakes collected from players, net of prizes paid out to players and commissions, are collected weekly from the distribution network by direct debit. Stakes are recorded as assets, while prizes and fees are taken to liabilities.

Distribution network receivables represent stakes accepted by retailers at the end of the year but not yet debited from the retailers by FDJ. The year-end amount varies, depending on the day of the week on which 31 December falls. The growth in the amount in 2022 is due to a calendar effect and to an increase in stakes wagered during the final few days of the year.

4.5.2 Other current assets

In millions of euros	31.12.2022	31.12.2021
Prepaid expenses	24.0	21.6
Other current receivables	232.6	239.8
TOTAL OTHER CURRENT ASSETS	256.6	261.3

Other current receivables at 31 December 2022 include an advance payment of €202 million on public levies liabilities. This amount is identical to the prepayment at 31 December 2021.

4.6 CURRENT PAYABLES

Upon initial recognition, current payables are recorded at their fair value; this is equal to their nominal value, as adjusted to take account of the payment due dates.

Current payables are subsequently recognised at amortised cost.

4.6.1 Trade and distribution network payables

In millions of euros	31.12.2022	31.12.2021
Trade payables	201.9	173.0
Distribution network payables	263.8	212.6
TOTAL TRADE AND DISTRIBUTION NETWORK PAYABLES	465.7	385.7

Amounts payable to the distribution network consist of prizes paid to players by retailers and network commissions for the year-end period. These amounts are paid weekly. The year-end amount varies, depending on the day of the week

on which 31 December falls. This calendar effect, together with an increase in stakes wagered during the final few days of the year, is the main reason for the change in 2022.

4.6.2 Player funds

Player funds include pooled top prizes and winnings on pooled sports betting and traditional pooled draw games, as well as top prizes and winnings from additional games.

Other game organisation funds (e.g. rollover funds or super jackpot funds) contain sums that are carried forward to subsequent draws if there is no prize winner for certain classes of prize, as provided for in the rules of the games concerned.

Player funds mainly comprise funds intended for the organisation of games. They amounted to €305 million at 31 December 2022 (2021: €257 million). Changes in player funds are driven by the lifecycle of draw games.

4.6.3 Public levies liabilities

In millions of euros	31.12.2022	31.12.2021
Liabilities – General State budget	235.1	243.2
Liabilities – Sports betting levies	62.0	63.0
Liabilities – Other public levies	44.7	45.2
Sub-total	341.8	351.5
Unclaimed prizes	117.2	150.2
PUBLIC LEVIES LIABILITIES	459.0	501.7

Public levies are paid over on a monthly basis, except in the case of unclaimed prizes, which are paid during the first half of the next financial period. At 31 December 2021, the level of

unclaimed prizes was affected by the extension of claim periods granted by FDJ following the closure of points of sale during the health crisis.

4.6.4 Winnings payable/Player balances

Winnings payable and player balances totalled €320 million at 31 December 2022 (2021: €370 million). They mainly comprise:

- winnings payable, i.e. unexpired, unpaid winnings owed to players (2022: €237 million; 2021: €229 million);

- available funds in player balances held in accounts on fdj.fr or parionssportenligne.fr (2022: €54 million; 2021: €51 million);
- winnings due to online players in course of payment (2022: €12 million; 2021: €81 million); the change is due to large prizes won at the end of 2021 that had not yet been cashed out.

4.6.5 Other current liabilities

In millions of euros	31.12.2022	31.12.2021
Prepaid income	37.1	38.0
Other payables	185.0	165.2
OTHER CURRENT LIABILITIES	222.1	203.2

Deferred gaming income comprises stakes wagered in one year for draws or events taking place in the subsequent year. The amount at 31 December 2022 was €37 million (2021: €38 million). They are recognised as stakes within a maximum period of five weeks.

Other payables (2022: €185 million; 2021: €165 million) mainly comprise tax and social security payables.

4.7 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

4.7.1 Group headcount

Group weighted average headcount, covering all types of employment contracts including temporary staff, was as follows in 2022 and 2021:

	31.12.2022	31.12.2021
WEIGHTED AVERAGE HEADCOUNT	2,848	2,697

Year-end headcount was as follows:

	31.12.2022	31.12.2021
TOTAL YEAR-END HEADCOUNT	3082	2,732

4.7.2 Personnel expenses

In addition to salaries and the corresponding social security charges, personnel expenses include the current service cost of retirement benefits and other long-term benefits, as well as temporary staff, training and other related employee-related expenses.

In millions of euros	31.12.2022	31.12.2021
Payroll and social security contributions	247.9	230.2
Employee profit-sharing and incentives	37.2	34.6
Long-term benefits	10.5	2.8
Other	31.3	25.5
TOTAL PERSONNEL EXPENSES	326.9	293.2

The rise in personnel expenses was largely due to the increase in the weighted average headcount and the introduction of early retirement leave.

Personnel expenses include the valuation of a portion of the share purchase undertaking giving in respect of L'Addition

shares, based on continued service requirements, and expenses related to share-based payments (see 4.7.4)

4.7.3 Employee benefits

Employee benefits include short-term and long-term benefits. Short-term benefits consist of paid leave, sick leave, bonuses and other benefits recognised as expenses for the year and as current payables.

Post-employment benefits include retirement benefits (defined benefit plans), which are post-employment benefits based on end-of-career salaries and years of seniority. Amounts paid in respect of defined contribution plans are recognised as social security charges for the year. A provision is recognised for retirement benefit obligations that are administered under a defined-benefit plan. Benefits also include healthcare coverage. FDJ employees continue to receive healthcare coverage when they retire (or in the event of disability/redundancy), in accordance with the requirements of the Evin Law of 31 December 1989 and the national inter-occupational collective bargaining agreement of 11 January 2008. The scheme for current and former employees is in deficit and represents a liability. Lastly, benefits also include early retirement leave, which enables staff members who wish to do so to retire up to three years early as from 1 September 2022.

Long-term benefits also include long-service awards, which consist of days of paid leave and are subject to social security charges. The annual expense is equal to the net change in the obligation.

To determine the present value of the defined benefit plan obligation, the Group uses the projected unit credit method, a retrospective method involving projections of final salaries on retirement. The obligations are measured annually, taking account of seniority, life expectancy, employee turnover by category, benefits negotiated under

collective bargaining agreements, and economic assumptions such as inflation and the discount rate. The discount rate used is determined based on the iBoxx € Corporate AA 10+ index.

The expense recognised in the income statement for the year incorporates:

- additional benefits earned by employees;
- the change in the discounted value of benefits existing at the start of the year, taking account of the passage of time;
- the impact of any plan amendments or new plans over the year.

In application of the amendment to IAS 19, actuarial gains and losses are recognised directly in other comprehensive income, and the impact of any plan amendments or new plans is included in the expense recognised in the income statement.

Expenses related to defined benefit plans are recorded in the income statement as follows:

- current service cost, which reflects the increase in obligations stemming from the acquisition of an additional year of seniority, is recognised in operating profit;
- the net financial expense for the period is recognised under "financial expenses". It is determined by applying the discount rate to the amount recognised in the statement of financial position at the beginning of the period, taking into account any variation during the period resulting from contributions paid and benefit payments.

In millions of euros	31.12.2022	31.12.2021
Retirement benefits	23.3	32.1
Long-service awards	7.0	8.7
Healthcare costs	3.6	6.8
Early retirement leave	10.1	-
PROVISIONS FOR RETIREMENT BENEFITS AND SIMILAR COMMITMENTS	44.1	47.7

The inputs used to determine the provision for retirement benefit obligations are as follows:

	31.12.2022	31.12.2021
Discount rate	3.70%	0.80%
Wage growth*	3.00%	3.00%
<i>long-term inflation included in the above</i>	2.20%	2.00%
Employee turnover rate*		
– management	0.95%	0.95%
– non-management	0.57%	0.57%
Mortality table	INSEE TH-TF 2000-2002	INSEE TH-TF 2000-2002

* Age-adjusted.

In millions of euros	31.12.2022	31.12.2021
Actuarial obligation at the beginning of the period	47.7	48.6
Current service cost	10.5	2.8
Interest on the actuarial obligation	0.7	0.2
Actuarial gains (losses)	-14.5	-3.4
Benefits paid	-0.8	-0.5
Change in scope	0.5	-
ACTUARIAL OBLIGATION* AT THE END OF THE PERIOD	44.1	47.7

* Actuarial obligation relating to retirement benefits, long-service awards, healthcare costs and early retirement leave.

Under IAS 19 as revised, actuarial gains or losses that result from changes in actuarial assumptions and experience adjustments are recognised in full in other comprehensive income as they occur.

Sensitivity tests indicate that a 100 bp increase or decrease in the discount rate would lead respectively to a decrease or an increase of 8% in the current provision for retirement benefits.

The average duration was 9 years at 31 December 2022 (2020: 13 years).

In April 2022, the Group signed an early retirement leave agreement for a three-year period starting 1 September 2022,

under which staff members who wish to do so can take early retirement. This led to the recognition of a liability of €10.1 million. The agreement applies to employees aged 57 or older of FDJ and the French subsidiaries of the Group, provided that they have worked for the Group for at least five years and are entitled to claim their retirement benefit at the end of the plan. The plan enables them to receive between 60% and 90% of their salary for a period of up to three years.

It is assumed that 25% of those eligible will accept the offer. The discount rate is 3.70%. A change in the discount rate of 100 basis point would lead to a 1% change in the liability.

4.7.4 Share-based payment

Awards of performance shares are recognised in accordance with IFRS 2 "Share-based Payment". An amount representative of the benefit granted to the beneficiaries is calculated as at the award date and recognised in personnel expenses over the term of the plan. The corresponding credit entry is recorded directly in equity. The fair value of the expense is calculated using Black & Scholes-type models, which take account of the features of

the plan (price and exercise period) and market information as at the date of the award (risk-free rate, share price, volatility, expected dividends). The expense is spread across the vesting period of the rights and may be corrected to reflect staff departures or dismissals or changes in the estimated probability that the performance criteria will be met. Subsequent changes in the share price do not affect the amount of the expense.

Two performance-based share schemes are in operation. Shares have been allocated to the Chairwoman and CEO, the Deputy CEO and certain Group employees. In accordance with the principles set out above, rights to performance share awards are measured at fair value on the date of allocation, based on the assumption that the target level of performance will be fully achieved. The number of shares to be awarded is shown below.

The entitlements have a vesting period of three years and are conditional on continued service.

The actual award of the shares is subject to the achievement of performance targets (recurring EBITDA, profit per share,

total shareholder return for FDJ shareholders, identified stakes ratio and Moody's ESG Solutions rating). If these targets are not met, the number of shares delivered and the expense will be reduced. In the event of outperformance, the number of shares delivered will be increased, up to a maximum of 145% of the entitlements awarded.

The performance targets are assessed over three financial years, starting in the year in which the shares are awarded. The shares are delivered in the year after the three-year period, i.e. shares awarded in 2021 will be delivered in 2024 and shares awarded in 2022 will be delivered in 2025.

Plan	2021-2024	2022-2025
Allocation date	30.06.2021	26.04.2022
Number of shares	95,867	174,764
Share price	49.58	34.6
Fair value	44.20	28.65
Expected dividends during the vesting period	5.3%	10.0%
Volatility of shares	23.0%	34.4%
Weighting for non-market performance targets (base 100%)	85.0%	85.0%
Weighting for TSR performance targets (base 100%)	15.0%	15.0%
Valuation method		Monte Carlo

The estimated expense over the term of the plans is €14.2 million (including employer's social security contributions), of which €3.4 million was expensed in the

period. During the year, 150,000 shares were purchased for a total of €5.5 million for distribution to the beneficiaries when the plans mature.

4.8 INVENTORIES

Inventories are valued at the lower of cost (determined using the "first in, first out" method) and net realisable value (estimated selling price net of associated selling costs). They are impaired in line with their technical or commercial obsolescence.

Inventories predominantly comprise gaming materials, such as scratch cards for instant games. The total at 31 December 2022 was €18 million (2021: €13 million).

Note 5 Goodwill

Goodwill is the difference between the acquisition price and the fair value of the identifiable assets acquired and the liabilities assumed. It is assigned to the cash-generating unit (CGU) or group of CGUs liable to benefit from the synergies of the business combination, where that CGU or group of CGUs represents the lowest operating level at which the Group monitors the return on investment for this asset. A CGU is defined as the smallest identifiable group of assets generating cash inflows that are largely independent of the cash from other assets or groups of assets.

In accordance with IAS 36, goodwill is not amortised but is tested for impairment at each year-end, or more frequently if evidence of impairment is identified. The purpose of impairment testing is to ensure that the net

carrying amount does not exceed the recoverable amount.

The recoverable amount is the higher of fair value (less costs to sell) and value in use.

The value in use of a CGU is determined with reference to the value of the discounted future cash flows expected from these assets, within the framework of the economic assumptions and operating conditions expected by the Company's management. An impairment loss is recorded when the value in use or the fair value less costs to sell is less than the carrying amount of the CGU. It is allocated in priority to goodwill. Any additional amounts are then allocated to property, plant and equipment and intangible assets.

In millions of euros	31.12.2021	Acquisitions Impairments	Disposals	31.12.2022
Goodwill (gross)	71.1	56.6	-71.1	56.6
Impairments	-71.1	-	71.1	-
GOODWILL (NET)	-	56.6	-	56.6

In millions of euros	31.12.2020	Acquisitions Impairments	Currency translation differences	31.12.2021
Goodwill (gross)	67.0	-	4.2	71.1
Impairments	-40.0	-28.8	-2.3	-71.1
GOODWILL (NET)	26.9	-28.8	1.9	-

The finalisation of the L'Addition and Aleda acquisitions in 2022 led to the recognition of two new provisional goodwill items totalling €57 million (€30 million for L'Addition and €27 million for Aleda). Goodwill mainly reflects the prospects for future business growth and the value of human capital.

In 2021, the strategic update of the Sporting Group business plan led to a downward revision of forecast cash flows, resulting in the write-off of the remaining goodwill of £24.2 million (€28.8 million).

Note 6 Property, plant and equipment and intangible assets

6.1 EXCLUSIVE OPERATING RIGHTS AND OTHER INTANGIBLE ASSETS

Exclusive operating rights

FDJ secured exclusive rights to operate lottery activities both online and in the offline distribution network, and to operate sports betting activities in the offline distribution network, for a period of 25 years. Amounting to €380 million, this asset is being amortised over this term from 23 May 2019, the date of enactment of the Pacte Law (Law no. 2019-486).

Research and development costs and intangible assets in progress

Research expenses incurred by the Group for proprietary activities are recognised as expenses as and when incurred.

Development costs are capitalised, provided they relate to projects with serious prospects for technical success and economic viability. These include the value of internal man-days and subcontracting. They cover internally developed projects aimed mainly at digitising and expanding the product and service range, both online and in points of sale.

Software

Software is initially recognised at acquisition cost, comprising the purchase price and incidental costs.

Intangible assets in progress and other intangible assets

Intangible assets in progress represent the development costs (see above) of assets not yet commissioned. With the exception of goodwill, other intangible assets are measured at their acquisition cost (purchase price and incidental costs).

Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives, unless those lives are

indefinite. Development costs are amortised on a straight-line basis over the expected useful life of the asset, starting at the commissioning date. Development costs are amortised on a straight-line basis over a period of between three and 15 years, with an average of 5 years. Assets relating to online-only lottery games and to sports betting open to competition are amortised over three years. Software is amortised over a period of five years.

Analysis of the churn rates for Sporting Group customers showed that player numbers tended to diminish at a faster rate than originally expected, leading to a change in the amortisation method from linear amortisation to a charge based on units of production.

These periods are reviewed at the end of each financial year. Any change in the expected useful life or the expected rate of consumption of the future economic benefits embodied in the asset is taken into account prospectively.

Impairment of intangible assets

In accordance with IAS 36, where events or changes in the market environment or internal sources of information provide evidence of impairment of intangible assets, these assets are tested for impairment.

The main indications of impairment used by the Group are achievement of five-year business plan targets, regulatory changes, market trends, game and equipment performance, tech developments liable to make certain equipment prematurely obsolete and changes in the product/service range.

An impairment loss is recognised if the net carrying amount of an asset is greater than its recoverable amount. The recoverable amount of an asset is the greater of value in use, based on the discounted future cash flows generated by the asset, and market value, determined by reference to recent transactions in similar assets or valuations performed by independent experts with a view to disposal, less costs to sell.

In millions of euros	31.12.2022			31.12.2021		
	Gross	Acquisitions Impairments	Net	Gross	Acquisitions Impairments	Net
Exclusive operating rights	380.0	-54.9	325.1	380.0	-39.7	340.3
Development costs	232.9	-170.2	62.6	220.1	-144.4	75.7
Software	87.8	-72.2	15.6	78.4	-69.4	9.0
Intangible assets in progress and other intangible assets	127.9	-23.6	104.3	111.8	-14.4	97.3
TOTAL INTANGIBLE ASSETS	828.5	-320.9	507.6	790.3	-267.9	522.3

In millions of euros	31.12.2021	Acquisitions Allowances	Disposals Reversals	Reclassi- fications ⁽¹⁾	Change in scope	Other movements ⁽²⁾	31.12.2022
Exclusive operating rights	380.0	-	-	-	-	-	380.0
Development costs	220.1	11.9	-5.9	5.1	3.2	-1.6	232.9
Software	78.4	1.9	-	-	7.8	-0.3	87.8
Intangible assets in progress and other intangible assets	111.8	47.7	-0.9	-42.3	13.5	-1.8	127.9
Gross amounts	790.3	61.4	-6.9	-37.2	24.5	-3.6	828.5
Amort. / Impairment – Exclusive operating rights	-39.7	-15.2	-	-	-	-	-54.9
Amort. / Impairment – Development expenses	-144.4	-39.2	5.9	8.7	-2.3	1.1	-170.2
Amort. / Impairment – Software	-69.4	-3.0	-	-	-	0.2	-72.2
Amort. / Impairment – Other intangible assets	-14.4	-19.9	-	12.3	-2.2	0.7	-23.6
Amortisation and impairments	-267.9	-77.4	5.9	21.0	-4.4	2.0	-320.9
NET INTANGIBLE ASSETS	522.3		-0.9	-16.3	20.1	-1.7	507.6

(1) Reclassifications from "assets in progress" to "available for use" and reclassification of assets held for sale (IFRS 5).

(2) Mainly currency translation differences.

The main investments over the period concerned the parent company and related to the development of production and back-office IT systems and point-of-sale terminals.

In millions of euros	31.12.2020	Acquisitions Allowances	Disposals Reversals	Reclassifications ⁽¹⁾	Other movements ⁽²⁾	31.12.2021
Exclusive operating rights	380.0	-	-	-	-	380.0
Development costs	191.4	15.3	-6.4	18.3	1.6	220.1
Software	138.8	1.6	-62.6	0.2	0.3	78.4
Advances and payments on account	12.8	-	-	-12.8	-	-
Intangible assets in progress and other intangible assets	58.9	56.6	-0.2	-5.7	2.2	111.8
Gross amounts	781.9	73.5	-69.2	-	4.1	790.3
Amort. / Impairment – Exclusive operating rights	-24.5	-15.2	-	-	-	-39.7
Amort. / Impairment – Development expenses	-104.5	-45.7	6.4	-	-0.6	-144.4
Amort. / Impairment – Software	-128.4	-3.3	62.6	-	-0.3	-69.4
Amort. / Impairment – Other intangible assets	-3.3	-10.8	-	-	-0.2	-14.4
Amortisation and impairments	-260.7	-75.1	69.0	-	-1.2	-267.9
NET INTANGIBLE ASSETS	521.2		-0.2	-	3.0	522.3

(1) Reclassifications from “in progress” to “available for use”.

(2) Mainly currency translation differences.

6.2 PROPERTY, PLANT AND EQUIPMENT

Initial measurement

Property, plant and equipment are measured at acquisition cost (purchase price plus incidental costs). Where individual components of property, plant and equipment have different useful lives, they are recognised as separate assets.

Depreciation

Land is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis as follows:

- buildings: between 20 and 60 years;
- fixtures and fittings: between 10 and 30 years;
- point-of-sale terminals: between 5 and 8 years;
- equipment and furniture: between 5 and 10 years.

The residual values and useful lives of the assets are reviewed, and modified if necessary, at the end of each financial year.

Borrowing costs

Borrowing costs incurred to finance major investments during the construction period are considered part of the acquisition cost. Assets are capitalised at the effective interest rate of the specific loan taken out to finance the asset.

Impairment of property, plant and equipment

See accounting policies for intangible assets, Note 6.1.

Leases

IFRS 16 “Leases” requires lessees to recognise:

- a right-of-use asset;
- a lease liability representing the present value of the future lease payments.

The Group has elected to apply the exemptions relating to short-term leases and leases of low-value items (less than €5,000). The discount rate used is the incremental borrowing rate, i.e. that which the Group would be required to pay for borrowings over a similar term with similar collateral.

In millions of euros	31.12.2022			31.12.2021		
	Gross	Depreciation Impairments	Net	Gross	Depreciation Impairments	Net
Land	96.6	-	96.6	96.6	-	96.6
Building facilities and amenities	242.0	-89.9	152.1	240.0	-83.1	156.9
Rights of use (IFRS 16)	50.8	-22.1	28.7	46.4	-18.1	28.2
Furniture, technical installations & point-of-sale equipment	229.0	-197.1	32.0	236.6	-191.8	44.7
Hardware	94.0	-77.4	16.6	81.8	-70.6	11.2
Local services equipment	18.2	-15.9	2.4	24.1	-21.7	2.4
Other property, plant and equipment	36.1	-28.2	7.9	45.5	-40.2	5.3
Property, plant and equipment in progress	13.7	-	13.7	13.3	-	13.3
Advances and payments on account	3.1	-	3.1	1.0	-	1.0
TOTAL PROPERTY, PLANT AND EQUIPMENT	783.6	-430.5	353.1	785.2	-425.5	359.6

In millions of euros	31.12.2021	Acquisitions Allowances	Disposals Reversals	Reclassifications ⁽¹⁾	Change of scope	Other movements ⁽²⁾	31.12.2022
Land	96.6	-	-	-	-	0	96.6
Building facilities and amenities	240.0	5.7	-3.2	0.8	1.9	-3.2	242.0
Rights of use (IFRS 16)	46.4	-	-4.0	-2.9	0.4	11.0	50.8
Furniture, technical installations & point-of-sale equipment	236.6	6.0	-16.5	2.8	0.2	-0.0	229.0
Hardware	81.8	7.6	-0.0	4.6	-	-0.0	94.0
Local services equipment	24.1	2.2	-0.1	-7.5	-	-0.5	18.2
Other property, plant and equipment	45.5	4.1	-13.4	-	-	0.0	36.1
Property, plant and equipment in progress	13.3	9.5	-	-9.1	-	0.0	13.7
Advances and payments on account	1.0	2.1	-	0.0	0.0	-	3.1
Gross amounts	785.2	37.2	-37.2	-11.3	2.5	7.2	783.6
Dep. / Impairment – Building facilities and amenities	-83.1	-12.2	2.5	0.8	-1.2	3.2	-89.9
Dep. / Impairment – Rights of use (IFRS 16)	-18.1	-8.0	4.0	2.9	-	-2.9	-22.1
Dep. / Impairment – Furniture, technical installations & point-of-sale equipment	-191.8	-21.7	16.5	-	-0.0	0.0	-197.1
Dep. / Impairment – Hardware	-70.6	-6.8	0.0	-	-	0.0	-77.4
Dep. / Impairment – Local services equipment	-21.7	-1.8	0.1	7.1	-	0.5	-15.9
Dep. / Impairment – Other property, plant and equipment	-40.2	-2.1	14.1	-	-	-0.0	-28.2
Impairment – Property, plant and equipment in progress	-	-	-	-	-	-	-
Amortisation and impairments	-425.5	-52.6	37.2	10.8	-1.2	0.8	-430.5
NET PROPERTY, PLANT AND EQUIPMENT	359.6		-0.0	-0.4	1.3	8.0	353.1

(1) Reclassifications from "assets in progress" to "available for use" and reclassification of assets held for sale (IFRS 5).

(2) Currency translation effects and new leases (IFRS 16).

In millions of euros	31.12.2020	Acquisitions Allowances	Disposals Reversals	Reclassi- fications ⁽¹⁾	Other movements ⁽²⁾	31.12.2021
Land	96.6	-	-	-	-	96.6
Building facilities and amenities	236.2	6.6	-6.5	3.4	0.3	240.0
Rights of use (IFRS 16)	39.6	-	-4.6	-	11.4	46.4
Furniture, technical installations & PoS equipment	236.4	5.3	-8.5	3.4	-	236.6
Hardware	74.8	5.3	-	1.7	-	81.8
Local services equipment	23.5	1.4	-1.4	-	0.6	24.1
Other property, plant and equipment	43.7	1.8	-0.1	-	-	45.5
Property, plant and equipment in progress	14.3	8.5	-1.1	-8.5	-	13.3
Advances and payments on account	1.0	-	-	-	0.1	1.0
Gross amounts	766.1	29.0	-22.3	-	12.4	785.2
Dep. / Impairment – Building facilities and amenities	-77.7	-11.6	6.5	-	-0.3	-83.1
Dep. / Impairment – Rights of use (IFRS 16)	-14.8	-7.8	4.6	-	-0.1	-18.1
Dep. / Impairment – Furniture, technical installations & PoS equipment	-175.6	-24.8	8.5	-	-	-191.8
Dep. / Impairment – Hardware	-64.9	-5.7	-	-	-	-70.6
Dep. / Impairment – Local services equipment	-20.4	-2.2	1.4	-	-0.6	-21.7
Dep. / Impairment – Other property, plant and equipment	-38.2	-2.0	0.1	-	-	-40.2
Impairment – Property, plant and equipment in progress	-0.4	0.4	-	-	-	-
Depreciation and impairments	-391.9	-53.7	21.1	-	-1.0	-425.5
NET PROPERTY, PLANT AND EQUIPMENT	374.2		-1.2	-	11.4	359.6

(1) Reclassifications from "assets in progress" to "available for use".

(2) Currency translation effects and new leases (IFRS 16).

In 2022, as in 2021, investments in property, plant and equipment mainly concerned point of sale equipment.

Note 7 Provisions and contingent liabilities

A provision is recognised if, at the close of the financial year, the Group has an obligation to a third party arising from a past event, the settlement of which is expected to result in an outflow of resources from the entity without receiving equivalent or greater resources in return, and the amount of which can be estimated reliably. This obligation may be legal, regulatory, contractual or implied. The estimated amount of provisions, determined individually, corresponds to the outflow of resources that the Group considers probable. These provisions are not discounted, with the exception of provisions for employee benefits. The amount given is the best estimate of the risk.

Provisions estimated by the Group to be settled within 12 months after the reporting date, and provisions related to the normal operating cycle, are presented as current liabilities. Other provisions are presented as non-current liabilities.

Non-current and current provisions mainly cover litigation risks, operating risks and restructuring costs.

A **contingent liability** is a possible obligation resulting from a past event for which the outcome is uncertain, or a present obligation resulting from a past event for which the amount cannot be reliably estimated.

In millions of euros	31.12.2021	Increases	Reversals		Other movements	31.12.2022
			Utilised	Not utilised		
Total non-current provisions	12.5	1.6	-0.3	-2.5	-0.2	11.1
Total current provisions	12.8	5.2	-7.6	-0.9	1.8	11.4
TOTAL PROVISIONS	25.3	6.8	-7.8	-3.4	1.7	22.5

Non-current provisions cover the legal cases with former agent-brokers.

Current provisions mainly cover disputes related to operations.

Note 8 Climate change

The Group is engaged in measures to reduce its carbon emissions and considers that climate change effects will have limited impact on its financial statements.

A mapping of climate-related financial risks began in 2020 and is ongoing, as part of an exercise aimed at aligning with

the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). FDJ Group has taken risk management actions to mitigate the potential impact or prevent the occurrence of the main climate change-related risks.

Risk type	Risk	Group actions
Physical risks	Disruption of the distribution network due to an extreme event	Introduction of a business continuity plan to address issues such as the impact of extreme weather events (e.g. provisions for buffer stock serving the network to overcome any disruptions)
	Interruption of IT services due to an extreme weather event	<ul style="list-style-type: none"> - The ability to withstand extreme weather events is taken into account in the design stage for FDJ's data centres - Prevention plan and IT continuity plan to address issues such as the risk of an extreme weather event
	Supply chain breakdown due to an extreme weather event	Dialogue regarding operational risk matters (including physical risks) with the suppliers of gaming materials, and audit of their business continuity plans
Transition risks	Taxation of greenhouse gas emissions	The Group has set targets to reduce greenhouse gas emissions by 2025 and contributes to carbon neutrality by offsetting its residual emissions
	Investor expectations	<p>The Group regularly implements new action plans pertaining to the environment identified in non-financial rating frameworks. In 2021, FDJ incorporated 2025 CSR objectives into the annual compensation packages of the Corporate Directors.</p> <p>One specific environmental objective was set for the period to 2025: a 50% reduction in Scope 1 and 2 carbon emissions relative to 2017 (see section 4.1.4 "Ambitious CSR targets for 2025").</p>

Note 9 Cash and financial instruments

9.1 FINANCIAL ASSETS AND LIABILITIES

Financial assets include long-term investments, term deposits, security deposits paid, and derivatives. In accordance with IFRS 9, they are classified and measured according to three main categories:

- amortised cost;
- fair value through profit or loss;
- fair value through other comprehensive income.

The classification of each financial asset is determined according to the management model defined by the Group and the characteristics of its cash flows.

Financial assets maturing in more than 12 months from the reporting date are classified as non-current. Those maturing in less than 12 months from the reporting date are classified as current.

An impairment model based on expected credit losses is applied to financial assets measured at amortised cost.

Financial liabilities include financial debt, security deposits received, and derivatives.

Investment securities

On initial recognition and on subsequent measurement, securities measured at fair value through profit or loss are marked to market using prices quoted on organised markets at the reporting date. For securities not traded on an active market, fair value is determined using measurement techniques (recent arm's length transactions, reference to the current market value of an equivalent instrument, discounted cash flow method or other valuation models).

Equity investments are measured on a line-by-line basis at fair value through profit or loss or, where they are not held for trading, at fair value through other comprehensive income that will not be reclassified to profit or loss. They are classified as non-current financial assets, current financial assets or cash equivalents (see Note 9.2) based on their liquidity, maturity and risk of changes in value.

Term deposits

Term deposits are measured at amortised cost and tested with regard to their expected credit losses. They are classified as non-current financial assets, current financial assets or cash equivalents (see Note 9.2) based on their liquidity, maturity and risk of changes in value.

Euromillions "My Million" deposits and security deposits

The deposit in relation to the Euromillions "My Million" game, along with other security deposits, is recorded under non-current financial assets. They are measured at amortised cost and disclosed under other non-current financial assets.

Financial debt

Financial debt is measured at amortised cost.

Derivative financial instruments

The FDJ Group still applies IAS 39 on hedging transactions.

It is the Group's policy to use the financial markets solely for the hedging of obligations associated with its business, never for speculative purposes. The Group therefore uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. Derivative financial instruments are designated by the Group as hedges if the following conditions are met:

- formal documentation from the inception of the hedging relationship;
- hedge effectiveness between 80% and 125% throughout the transaction, based on testing;
- where hedging a future event, occurrence of the event must be highly probable.

Derivative instruments are measured at fair value when initially recognised, and remeasured at each reporting date until settled. Changes in fair value are recognised in other comprehensive income.

Fair value is determined using measurement techniques involving mathematical methods based on recognised financial theories and parameters whose value is determined based on the prices of instruments traded on asset markets.

In millions of euros	31.12.2022	31.12.2021
Non-current financial assets at amortised cost	395.0	435.0
Non-current financial assets at fair value through profit or loss	443.0	433.2
Non-current derivatives	19.0	2.7
Other non-current financial assets	9.8	73.8
Total non-current financial assets	866.9	944.7
Current financial assets at amortised cost	192.2	52.4
Current financial assets at fair value through profit or loss	14.1	40.0
Current derivatives	0.7	0.5
Security deposits	0.7	0.7
Total current financial assets	207.7	93.7
TOTAL FINANCIAL ASSETS	1,074.6	1,038.3
Non-current financial debt	400.3	462.2
Non-current lease liabilities	28.4	23.6
Other non-current financial liabilities	2.4	0.5
Total non-current financial liabilities	431.1	486.3
Current financial debt	27.7	26.9
Current lease liabilities	9.3	6.2
Current derivatives	0.3	0.8
Bank overdrafts	2.5	-
Other current financial liabilities	34.6	26.6
Total current financial liabilities	74.4	60.6
TOTAL FINANCIAL LIABILITIES	505.5	546.9

Interest rates rose substantially in 2022. In this context, the Group renewed term deposits in order to benefit from this increase and improve investment performance. Term deposits of €425 million recorded in the financial assets were replaced, and new term deposits totalling €525 million were set up.

Financial assets at fair value through profit or loss mainly comprise bonds with a time to maturity of three years or less, including dedicated bond funds (€191 million), which the Group intends to hold to maturity.

The vast majority of the Group's financial investments remain highly liquid in the very short term.

Other non-current financial assets mainly include the Euromillions deposit (2022: €7 million; 2021: €7 million), which is measured at fair value through profit or loss. At 31 December 2021, they also included the €60 million paid under the secured trust agreement, which was valued at amortised cost. This deposit, which was intended to protect the credit balances of sports betting and lottery players, was replaced in September 2022 by a guarantee provided by three leading European insurance companies.

In millions of euros	Cash flows					Non-cash flows					31.12.2022	
	31.12.2021	Issue of long-term debt	Repayment of financial debt	Change in overdrafts	Lease payments – IFRS 16	Total cash flows	Change in cons. scope	Currency translation differences	Reclassification current/non-current financial debt	Other		Total non-cash flows
Non-current financial debt	462.2		-43.0			-43.0	9.4	-1.5	-27.0	0.2	-18.8	400.3
Non-current lease liabilities	23.6					-	4.9	-0.1	-8.4	8.4	4.8	28.4
Other financial liabilities	0.5					-	1.8				1.8	2.4
Total non-current financial liabilities	486.3	-	-43.0	-	-	-43.0	16.1	-1.6	-35.4	8.7	-12.2	431.1
Current financial debt	26.9		-27.0			-27.0	0.9		27.0		27.9	27.7
Current lease liabilities	6.2				-7.6	-7.6	2.4		8.4		10.8	9.3
Current derivatives	0.8					-			-0.5	-0.5	-0.5	0.3
Bank overdrafts	-			2.5		2.5					-	2.5
Other financial liabilities	26.6		-1.8			-1.8	9.8				9.8	34.6
Total current financial liabilities	60.6	-	-28.8	2.5	-7.6	-33.9	13.1	-	35.4	-0.5	47.9	74.4
TOTAL FINANCIAL LIABILITIES	546.9	-	-71.8	2.5	-7.6	-77.0	29.2	-1.6	-	8.2	35.7	505.5

Current and non-current financial debt of €463 million (2021: €489 million) consisted of:

- a loan of €325 million (net of €3 million issuance costs) to fund the securing of the exclusive operating rights, of which €305 million is non-current and €19 million is current. The loan was taken out on 1 April 2020 and had a nominal value of €380 million. It is repayable over 20 years and bears interest at a variable rate linked to Euribor. Interest rate hedges have been put in place, covering €166 million until June 2026 and €49 million until September 2027;
- a €72 million loan for the acquisition of the Group's head office, of which €64 million is non-current and €8 million is current. The nominal value of the loan was €120 million. It bears interest at a fixed rate and is repayable over the period until 24 November 2031;
- a £24 million loan (€27 million), all of which is non-current, taken out in May 2019 in connection with the acquisition of Sporting Group, with an original nominal value of £100 million. The loan is repayable in two tranches in 2024 and 2025. It bears interest at a variable rate (Sonia). A voluntary repayment of £31 million was made during the period.

In millions of euros	2022						Total
	Under one year	More than one year	More than 2 years	More than 3 years	More than 4 years	More than 5 years	
Non-current financial assets at amortised cost		225.0	25.0	35.0	110.0	-	395.0
Non-current financial assets at fair value through profit or loss		396.9	46.1	-	-	-	443.0
Non-current derivatives		0.2	-	13.9	4.9	-	19.0
Other non-current financial assets		9.5	-	-	-	0.3	9.8
Total non-current financial assets	-	631.5	71.1	48.9	114.9	0.3	866.9
Current financial assets at amortised cost	192.2						192.2
Current financial assets at fair value through profit or loss	14.1						14.1
Current derivatives	0.7						0.7
Security deposits	0.7						0.7
Total current financial assets	207.7	-	-	-	-	-	207.7
TOTAL FINANCIAL ASSETS	207.7	631.5	71.1	48.9	114.9	0.3	1,074.6
Non-current financial debt		36.4	27.1	46.9	27.2	262.6	400.3
Lease liabilities		8.8	8.0	4.5	2.1	5.0	28.4
Other non-current financial liabilities		0.7	0.6	0.2	0.1	0.8	2.4
Total non-current financial liabilities	-	46.0	35.7	51.6	29.4	268.4	431.1
Current financial debt	27.7						27.7
Lease liabilities	9.3						9.3
Current derivatives	0.3						0.3
Bank overdrafts	2.5						2.5
Other current financial liabilities	34.6						34.6
Total current financial liabilities	74.4	-	-	-	-	-	74.4
TOTAL FINANCIAL LIABILITIES	74.4	46.0	35.7	51.6	29.4	268.4	505.5

In millions of euros	2021						Total
	Under one year	More than one year	More than 2 years	More than 3 years	More than 4 years	More than 5 years	
Non-current financial assets at amortised cost		115.0	80.0	60.0	110.0	70.0	435.0
Non-current financial assets at fair value through profit or loss		433.2	-	-	-	-	433.2
Non-current derivatives		-	-	-	1.9	0.8	2.7
Other non-current financial assets		73.5	-	-	-	0.3	73.8
Total non-current financial assets	-	621.7	80.0	60.0	111.9	71.1	944.7
Current financial assets at amortised cost	52.4						52.4
Current financial assets at fair value through profit or loss	40.0						40.0
Current derivatives	0.5						0.5
Security deposits	0.7						0.7
Total current financial assets	93.7	-	-	-	-	-	93.7
TOTAL FINANCIAL ASSETS	93.7	621.7	80.0	60.0	111.9	71.1	1,038.4
Non-current financial debt		26.5	48.4	26.6	71.1	289.6	462.2
Non-current lease liabilities		5.5	5.0	4.1	3.9	5.1	23.6
Other non-current financial liabilities		-	0.1	-	-	0.3	0.5
Total non-current financial liabilities	-	32.0	53.5	30.7	75.0	295.0	486.3
Current financial debt	26.9						26.9
Current lease liabilities	6.2						6.2
Current derivatives	0.8						0.8
Bank overdrafts	-						-
Other current financial liabilities	26.6						26.6
Total current financial liabilities	60.6	-	-	-	-	-	60.6
TOTAL FINANCIAL LIABILITIES	60.6	32.0	53.5	30.7	75.0	295.0	546.8

9.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of sight deposits and short-term money-market investments that are fully liquid, have a maturity of three months or less on the acquisition date, and have a negligible risk of change in value, in accordance with the criteria set out in IAS 7.

Term deposits are measured at amortised cost and tested with regard to their expected credit losses.

On initial recognition and on subsequent measurement, securities measured at fair value through profit or loss are marked to market using prices quoted on organised markets at the reporting date.

Overdrafts are recognised as current financial liabilities.

In millions of euros	31.12.2022	31.12.2021
Investments, cash equivalents	353.0	221.2
Bank accounts and other	160.4	380.4
CASH AND CASH EQUIVALENTS	513.4	601.7

Investments classified as cash equivalents include interest-bearing term or sight deposits (2022: €42 million; 2021: €65 million) and UCITS fund units (2022: €311 million; 2021: €156 million). The latter include the Euromillions fund (2022: €105 million; 2021: €103 million).

The change in cash and cash equivalents is detailed in Note 9.3.

The Group is not aware of any major restrictions that would limit its access to the assets of any of the subsidiaries it controls.

9.3 CASH FLOWS

Depreciation, amortisation and impairment costs included asset impairments in 2021.

The change in provisions in 2021 included the reversal of a €34 million provision following the final ruling in favour of FDJ by the Court of Cassation in the proceedings brought by former agent-brokers.

The settlement terms for working capital items in 2022 were comparable to 2021:

- weekly settlement of distribution network receivables and payables;
- monthly payment of public levies, except unclaimed prizes;
- annual payment of advances on public levies (in December) and unclaimed prizes (paid to the State in the first half of the next year).

In 2022, the €64 million decrease in operating working capital was mainly due to the increase in net receivables from the distribution network, following a negative calendar effect and a higher level of stakes at the period end, and the fact that some large prizes won by players at the end of 2021 were cashed out in 2022.

In 2021, the €201 million increase in operating working capital was mainly driven by an increase in public levies due to unclaimed prizes and to large prizes won by players at the year-end that had not yet been cashed out.

Acquisitions of property, plant and equipment and intangible assets, net of corresponding payables and advances, amounted to €104 million ⁽¹⁾ in 2022 (2021: €76 million). ⁽²⁾ They mainly concerned IT and back office developments and PoS gaming terminals.

Acquisitions of €43 million in investments in 2022 represent the price paid for L'Addition and Aleda (including cash).

The change in current and non-current financial assets (2022: €105 million outflow; 2021: €216 million outflow) is due to the significant rise in interest rates in 2022, which led the Group to renew its stock of term deposits in order to improve the performance of its investments. New term deposits of €525 million were set up, while previous deposits of €425 million were closed. The movement in 2021 resulted from the establishment of dedicated bond funds (€200 million outflow) and the maturity (€210 million inflow) followed by the renewal (€165 million outflow) of term deposits.

The €60 million deposit paid under the secured trust agreement, which was intended to protect the credit balances of online players, was repaid in September 2022 and replaced by a bank guarantee.

A payment of €10 million was received following the final liquidation in 2022 of the Sporting Group companies, which had ceased operations. It is disclosed in cash flows from investing.

The repayment of €72 million of financial debt in 2022 mainly concerns the current portion of borrowings (€27 million) and the voluntary early repayment of £31 million (€37 million) of the borrowings taken out in connection with the Sporting Group acquisition. In 2021, the repayment of €189 million of financial debt included the payment of €156 million to the State following the closure of player funds in application of the Pacte Law, €27 million in current borrowings and the early repayment of £5 million (€6 million) of the borrowings taken out in connection with the acquisition of Sporting Group.

(1) €97 million before liabilities relating to non-current assets and payments in advance

(2) €102 million before liabilities relating to non-current assets and payments in advance.

Other cash flows from financing activities mainly relate to treasury shares held in connection with a liquidity agreement and the performance share scheme.

The participating Euromillions lotteries ⁽¹⁾ have established a trust governed by English law to cover counterparty and default risks. It is managed by a trustee, The Law Debenture

Trust Corporation. FDJ deposits collateral in a fund, which is managed by the trustee (which has sole authority to execute payments). FDJ's share of these amounts, which are held exclusively for the benefit of Euromillions winners, was €105 million at 31 December 2022 (2021: €103 million). This sum is presented in cash and cash equivalents.

9.4 NET FINANCIAL INCOME/EXPENSE

Net financial income includes :

- borrowing costs;
- income from financial investments;
- change in the value of derivatives;
- foreign exchange gains or losses.

In millions of euros	31.12.2022	31.12.2021
Cost of financial debt	-6.6	-5.8
Gains on disposals	-	2.3
Interest on investments	4.0	2.9
Derivatives (income)	-	-
Financial income on securities valued at fair value through profit or loss	8.4	19.7
Foreign exchange gains	2.6	0.6
Other financial income	0.9	2.3
Financial income	15.8	27.9
Derivatives (expenses)	-2.1	-0.4
Financial expenses on securities valued at fair value through profit or loss	-28.5	-
Foreign exchange losses	-4.1	-0.7
Other financial expenses	-0.8	-0.2
Financial expenses	-38.0	-1.3
NET FINANCIAL INCOME/EXPENSE	-28.7	20.8

The cost of financial debt mainly comprises the interest expense on the loans taken out to secure the exclusive operating rights and to acquire the registered office and Sporting Group.

- The changes in gains and losses on securities valued at fair value through profit or loss (2022: €20 million decrease; 2021: €20 million increase) resulted from the movements in the financial markets, which fell overall in 2022 but which had rebounded in 2021. This includes the €8.4 million fall in the value of the dedicated bond funds maturing in 2024, as well as the fall of €5.2 million in the structured bonds maturing in 2024 and 2025. These

decreases were caused by the rise in interest rates. The Group intends to hold these assets to maturity. They will be repaid at their nominal value, and will thus revert to their initial valuation. Despite a difficult global environment for tech, with declining investments in start-ups and diminished valuations, the financial performance of the Group's investments in venture capital funds remained positive (€6 million increase).

FDJ is exposed to foreign exchange risks, mainly on the US dollar and the pound sterling. Foreign exchange gains and losses result from currency translation differences on unhedged financial assets and liabilities.

(1) An Post (Ireland), Camelot (United Kingdom), FDJ, Belgian National Lottery, Luxembourg National Lottery, Österreichische Lotterien (Austria), Santa Casa (Portugal), Swisslos (Switzerland), Loterie Romande (Switzerland).

9.5 FINANCIAL RISK MANAGEMENT POLICY

In the management of its cash surplus, the Group faces four main categories of risk:

- credit risk (related to counterparty default risk);
- liquidity risk (in the event the Group is unable to meet its payment obligations);
- interest rate risk (mainly related to rises in interest rates);
- market risk.

A description of these risks is provided below, along with the initiatives taken by the Group to limit their impact.

9.5.1 Credit risk from investments and derivatives

The credit risk or counterparty risk on investments and derivatives is monitored by the Treasury Committee, which includes the Finance Director and members of the Treasury and Investments Department. This risk can be defined as the loss that the Group would bear in the

event of default by a counterparty, resulting in a failure to meet its obligations to the Group.

For investments and derivatives, the Group's policy is to limit transactions, weighted by the nature of the risks, to a maximum amount per authorised counterparty. The list of authorised counterparties is established by the Treasury Committee. Their selection is based on their rating and the maturity of the transaction. It is reviewed periodically, at least once every six months. If a counterparty is downgraded below the minimum rating, the Treasury Committee decides whether to maintain the existing transactions to maturity.

The Group considers that the risk of counterparty default, with a potentially material impact on its financial position and results is limited, due to the policy in place for managing counterparties and more particularly given the minimum long-term rating stipulated for these transactions.

In millions of euros	31.12.2022	31.12.2021
Non-current financial assets at amortised cost	395.0	435.0
Non-current assets at fair value through profit or loss (excluding innovation funds)	374.3	377.4
Non-current derivatives	19.0	2.7
Total non-current financial assets (excluding innovation funds)	788.3	815.1
Current financial assets at amortised cost	192.2	52.4
Current financial assets valued at fair value through profit or loss	14.1	40.0
Current derivatives	0.7	0.5
Total current investment securities	207.0	93.0
Investments, cash equivalents	353.0	221.2
TOTAL INVESTMENTS (EXCLUDING INNOVATION FUNDS)	1,348.3	1,129.3

As at 31 December 2022, investments principally comprised:

- UCITS and similar assets of €615 million (2021: €518 million);
- investments with counterparties of €712 million (2021: €606 million). These comprise €607 million in term

deposits (2021: €505 million), €20 million in interest-bearing demand deposits (2021: €45 million) and €85 million in EMTNs (2021: €56 million);

- derivatives of €20 million (2021: €3 million);
- accrued interest of €2 million (2021: €2 million).

Credit risk on investments with counterparties may be broken down as follows:

	Investments with counterparties at 31.12.2022 (in millions of euros)	Number of counterparties by size of exposure			
		€0-€25 million	€25-€50 million	€50-€100 million	€100-€150 million
AA/Financial institutions	294	-	1	-	2
A/Financial institutions	418	5	4	2	-
TOTAL	712				

9.5.2 Liquidity risk

Liquidity risk is defined as the Group's inability to meet its financial obligations at a reasonable cost. It includes in particular counterparty risks on certain games, the amounts of which may potentially be high and must be covered by cash that can be mobilised quickly. They are also covered by insurance (see Note 4.4.1 – "Management of counterparty risk").

FDJ's exposure to liquidity risk is limited, since under the Group's cash management policy at least 20% of financial investments must be held in money market instruments and at least 80% of financial investments must be held in money market instruments and other investments maturing within three years.

The Treasury Committee, headed by the Finance Director, monitors the liquidity position on a monthly basis and ensures compliance with defined limits.

The amounts invested in short-term instruments and bonds maturing within three years are consistent with FDJ's cash management policy.

As at 31 December 2022, financial investments averaged €1,591 million. Loans taken out with banks totalled €427 million. This comprised:

- €328 million (excluding issuance costs) related to the financing for the exclusive operating rights payment;
- €72 million of debt related to the purchase of the Group's head office;
- €27 million of debt related to the acquisition of Sporting Group.

Most of the short-term instruments and bonds maturing in three years or less can be recovered, without penalty or capital risk, following a notice period of 32 calendar days.

Furthermore, unused confirmed credit lines of €150 million have been in place since February 2021, repayable variously between February 2023 and February 2026.

Given the level of financial investments at 31 December 2022, and based on business, investment and debt repayment forecasts, the Group has determined it can meet its obligations over the next 12 months as from the review date of the annual financial statements by the Board of Directors.

9.5.3 Interest rate risk

The interest rate risk of a financial asset is the risk of generating a capital loss on a security or incurring an additional cost due to changes in interest rates. The interest rate risk of a financial liability is the risk of incurring an additional cost due to changes in interest rates.

The Group's exposure to interest rate fluctuations is associated with future financial investments and floating-rate borrowings. The Group implements a dynamic interest rate risk management policy supervised by the Treasury

Committee. The aim of the policy is to ensure a minimum short-term income arising from financial investments over a maximum of five years, and to hedge the interest rate risk on loans at a reasonable cost.

Sensitivity to interest rate risk arises from fixed income investments (bonds and negotiable debt instruments), interest rate derivatives and floating-rate debt.

At 31 December 2022, investments totalling €110 million were directly exposed to this risk; their purpose is to offset the effects of a possible rise in the interest rates payable on variable-rate borrowings. A 1% increase or decrease across the entire yield curve would have no material impact on the fair value of the investments. The borrowings incurred (excluding issuance costs) in connection with the exclusive operating rights payment (€328 million) and the acquisition of Sporting Group (€27 million) bear interest at variable rates.

Although the significant interest rate rises that occurred in 2022 have increased financing costs, the increase in interest costs was substantially limited by the existence of hedges covering 65% of the borrowings taken out to obtain the exclusive operating rights. At the same time, the unhedged portion of this loan (€114 million) is matched by variable-rate investments, further limiting interest rate sensitivity.

A 1% increase across the entire yield curve would have an impact of less than €1 million.

9.5.4 Market risk

Market risk is the risk of generating a capital loss on a security or incurring an additional cost due to changes in interest rates.

The Group is exposed to market risk in connection with movements in its financial investments.

The Group implements an investment strategy aimed at mitigating this risk. The main component of this strategy is the definition of an asset allocation regulating the amounts that may be invested in each major asset class.

This allocation sets upper limits on assets exposed to risk:

- no more than 4% of total assets may be invested in equities or similar instruments;
- no more than 8% of assets may be invested in "diversification" instruments (convertible bonds, senior loans, real estate, etc.);
- no more than 8% of assets may be invested in bonds with a time to maturity in excess of three years.

At least 80% of assets must be invested in money-market and bond investments with a time to maturity of three years or less.

In addition to these allocation rules, rules on geographic diversification are also applied. The strategies employed must ensure that volatility of the portfolio is materially lower than market volatility.

At 31 December 2022, investments subject to market risk amounted to €709 million (2021: €574 million).

9.6 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments consist of:

- assets: all financial investments (classified as non-current financial assets, current financial assets, and cash and cash equivalents), all business-related loans and receivables, derivatives and bank accounts;
- liabilities: all payables (business-related payables, derivatives and financial debt).

Financial assets and liabilities are recognised at fair value.

In millions of euros	IFRS 9 category and valuation	31.12.2022		31.12.2021	
		Level	Fair value	Level	Fair value
Cash	Fair value through profit or loss	Level 1	160.4		380.4
Cash equivalents			353.0		221.2
	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	247.6		118.5
	<i>Fair value through profit or loss</i>	<i>Level 2</i>	105.4		102.7
Non-current financial assets	-		867.0		944.5
<i>of which non-current financial assets at amortised cost</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	395.0		435.0
<i>of which non-current financial assets at fair value through profit or loss</i>	<i>Fair value through profit or loss</i>	<i>Level 2</i>	374.3		377.4
<i>of which non-consolidated securities (innovation fund)</i>	<i>Fair value through profit or loss</i>	<i>Level 2</i>	52.7		42.6
<i>of which non-consolidated securities (innovation fund)</i>	<i>Fair value through profit or loss</i>	<i>Level 3</i>	16.2		13.2
<i>of which other non-current financial assets</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	28.8		76.3
Current financial assets	-	Level 2	207.7		93.7
<i>of which current financial assets at fair value through profit or loss</i>	<i>Fair value through profit or loss</i>	<i>Level 2</i>	14.1		40.0
<i>of which current financial assets at amortised cost</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	192.2		52.4
<i>of which current derivatives</i>	<i>Fair value through OCI</i>	<i>Level 2</i>	0.7		0.5
<i>of which deposits and guarantees</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	0.7		0.7
Trade and distribution network receivables (net value)			465.8		358.5
<i>of which trade receivables</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	72.7		38.1
<i>of which distribution network receivables</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	393.1		320.4
Other operating assets (excluding tax and social security receivables and prepaid expenses)			202.4		212.4
TOTAL FINANCIAL INSTRUMENTS – ASSETS			2,256.2		2,210.7
Non-current financial liabilities	Financial liabilities at amortised cost	Level 2	431.1		486.3
Trade and distribution network payables			465.7		385.7
<i>of which suppliers</i>	<i>Financial liabilities at amortised cost</i>	<i>Level 2</i>	201.9		173.0
<i>of which distribution network payables</i>	<i>Financial liabilities at amortised cost</i>	<i>Level 2</i>	263.8		212.6
Current player funds	Financial liabilities at amortised cost	Level 2	304.6		256.6
Winnings payable/Player balances	Financial liabilities at amortised cost	Level 2	319.8		370.0
Other operating liabilities excluding tax and social security receivables and prepaid income	Financial liabilities at amortised cost	Level 2	78.2		68.6
Other current financial liabilities	Financial liabilities at amortised cost	Level 2	74.4		60.6
TOTAL FINANCIAL INSTRUMENTS – LIABILITIES			1,673.9		1,627.8

Level 1: Prices quoted in active markets.

Level 2: Use of directly or indirectly observable market data other than the quoted price of an identical instrument (data corroborated by the market: yield curve, swap rates, multiples method, etc.).

Level 3: Measurement techniques based on unobservable data such as projections or internal data.

Note 10 Investments in joint ventures

In millions of euros	Total
Value of securities at 31.12.2020	14.7
Change in scope	-
Share of net income for 2021	4.1
Dividends	-
Currency translation differences	1.8
Value of securities at 31.12.2021	20.6
Change in scope	-
Share of net income for 2022	1.1
Dividends	-2.7
Currency translation differences	-0.7
VALUE OF SECURITIES AT 31.12.2022	18.3

10.1 SOCIÉTÉ DE GESTION DE L'ÉCHAPPÉE (SGE)

SGE manages the Groupama-FDJ cycling team. A 50% share in SGE was sold to Groupama on 6 December 2018; since then, the company has been accounted for using the equity method. Responsibility for dealing with ethical issues, defining the sports programme and managing all activities associated with amateur cycling remains with the Association l'Échappée, which is separate from SGE. An expense of €8 million was recorded on the sponsorship contract between FDJ and SGE in 2022 (2021: €4 million).

10.2 LOTTERIES ENTERTAINMENT INNOVATION ALLIANCE (LEIA)

The Group holds a 20% stake in the Norwegian company Lotteries Entertainment Innovation Alliance AS, a digital gaming distribution platform located in Norway. The other shareholders are Danske Lotterie Spile, Denmark (20%), Norsk Tipping, Norway (20%), Veikkaus, Finland (20%) and Svenska Spel, Sweden (20%). The Group's business relationship with the company generated net income of €2.3 million in 2022 (2021: around €2.4 million).

10.3 BEIJING ZHONGCAI PRINTING (BZP)

The Group holds a 46.25% stake in Beijing ZhongCai Printing Co. Ltd (BZP), a lottery ticket printing company in China. It is accounted for using the equity method. The remaining 53.75% is held by CWL (China Welfare Lottery).

The Group had no material business relations with BZP in 2021 and 2022. BZP paid dividends to FDJ Group, net of currency effects and withholding taxes, of €3 million in 2022 (no dividend was paid in 2021).

10.4 SERVICES AUX LOTERIES EN EUROPE (SLE)

The Group holds a 26.57% stake in joint venture Services aux Loteries en Europe (SLE), a Belgian limited cooperative company located in Brussels which was established in October 2003 to organise joint operations in connection with Euromillions games (draws, centralised combinations, calculation of winnings and organisation of funds transfers between operators for prize payouts). The Company is jointly owned by the ten participating lotteries. In 2022, the Group earned income of €2 million from its business relations with SLE (2021: €2 million).

10.5 NATIONAL LOTTERIES COMMON SERVICES (NLCS)

The Group holds a 50% stake in the joint venture National Lotteries Common Services (NLCS), a French company established in February 2013 with the aim of pooling the expertise and resources of different lotteries in relation to sports betting. The other shareholder is the Portuguese state lottery SCML (Santa Casa de la Misericordia de Lisboa). No transactions with this company had a material impact on the Group. The Group's business transactions with the Company generated net income of nil in 2022 (2021: €1.6 million).

Note 11 Assets (and liabilities) held for sale

Assets and liabilities that qualify as "held for sale" are presented separately from other assets and liabilities in the statement of financial position. An impairment is recognised when the realisable value is lower than the net carrying amount.

The Group intends to sell the B2C assets operated by Sporting Group, which are presented within "adjacent activities" in the segment reporting. The assets and liabilities in question have therefore been reclassified as "assets held for sale" and "liabilities held for sale" in accordance with IFRS 5.

Note 12 Income tax

Income tax comprises the current tax expense and deferred tax expense. It is recognised in the income statement except insofar as it relates to items that are recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

The tax rates used are those enacted or substantively enacted for each tax jurisdiction at the end of the reporting period.

Current tax is the amount of tax due for the period. Deferred tax arises from temporary differences between

the carrying amounts of assets and liabilities and their tax bases, as well as from tax loss carryforwards. It is determined using the liability method. A deferred tax asset is only recognised insofar as it is probable that the Group will have future taxable profits against which to offset this asset in the foreseeable future or, beyond that, deferred tax liabilities of the same maturity. Deferred tax assets and liabilities are netted in the statement of financial position by tax entity.

12.1 INCOME TAX EXPENSE

In millions of euros	31.12.2022	31.12.2021
Deferred tax	-4.2	0.7
Current tax	-109.1	-123.1
TOTAL INCOME TAX EXPENSE	-113.3	-122.5

The change in the tax expense in 2022 resulted mainly from the decrease in the effective tax rate to 27.0% (2021: 29.7%).

12.2 CURRENT TAX ASSETS AND LIABILITIES

In millions of euros	31.12.2022	31.12.2021
Current tax assets	27.0	13.0
Current tax liabilities	1.3	1.1

Current tax assets and liabilities mainly comprise the net amount of income tax instalments paid and the income tax expense payable for the period.

12.3 DEFERRED TAX

In millions of euros	31.12.2022		31.12.2021	
	Assets	Liabilities	Assets	Liabilities
Non-deductible provisions	9.6		10.1	
Temporarily non-deductible expenses	7.3		6.2	
Other sources of temporary differences ⁽¹⁾	7.2	-59.0	3.3	-46.7
Tax loss carryforwards			6.1	
Total deferred tax	24.1	-59.0	25.6	-46.7
NET DEFERRED TAX		-34.9		-21.0

(1) Mainly accelerated depreciation and amortisation.

Given the prospects of utilisation, the deferred tax assets in relation to tax loss carryforwards were derecognised in 2022.

12.4 RECONCILIATION OF THE THEORETICAL TAX RATE AND THE EFFECTIVE TAX RATE

In millions of euros	2022	2021
Consolidated accounting profit before tax excluding income from joint ventures	420.1	412.5
Theoretical standard income tax rate	25.8%	28.4%
Theoretical income tax expense	108.5	117.2
Effects of items generating differences from theoretical tax expense:		
– Permanent differences	-1.8	17.3
– Effect of tax rates (differences between countries and application of reduced rates) on current and deferred tax	-5.1	-0.1
– Tax credits	-1.0	-12.4
– Taxable losses net of utilisations	13.1	-0.7
– Other items	-0.4	1.2
Total differences between effective tax and theoretical tax	4.9	5.3
EFFECTIVE INCOME TAX EXPENSE	113.3	122.5
Effective tax rate	27.0%	29.7%

In 2022, the difference between the theoretical and effective tax rates related mainly to the tax losses of foreign subsidiaries. In 2021, the main sources of differences were the impairments described in Note 4.2.3 "Other non-recurring operating income and expenses" and the tax losses of foreign subsidiaries.

Tax credits relate mainly to sponsorship activities.

Note 13 Earnings per share

Earnings per share are calculated according to the rules laid down in IAS 33.

The figure is obtained from the weighted average number of shares outstanding during the year, excluding the weighted number of treasury shares deducted from the equity.

Basic earnings per share are calculated by dividing net profit attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing net profit attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period, adjusted for the impact of any potential dilutive ordinary shares.

If including deferred equity instruments in the calculation of diluted earnings per share generates an anti-dilutive effect, they are excluded from the calculation.

	31.12.2022	31.12.2021
Net profit attributable to owners of the parent (<i>in millions of euros</i>)	307.9	294.2
Weighted average number of ordinary shares* over the period	190,816,794	190,956,080
Effect of dilutive instruments (performance shares)	0	0
Weighted average number of ordinary shares (diluted) over the period	190,816,794	190,956,080
Basic earnings per share (<i>in euros</i>)	1.61	1.54
Diluted earnings per share (<i>in euros</i>)	1.61	1.54

* net of treasury shares.

FDJ considers that it has acquired the shares previously held by Soficoma. However, in view of the ongoing litigation with Soficoma, the weighted average number of ordinary shares does not take this transaction into account (see Note 14 below).

Note 14 Equity

14.1 SHARE CAPITAL

In 2020, FDJ's share capital amounted to €76,400,000, consisting of 191,000,000 fully subscribed and paid-up shares each with a par value of €0.40.

A breakdown of share ownership is provided in Note 1.1.

14.2 TREASURY SHARES ⁽¹⁾

Treasury shares are recorded at their acquisition cost as a deduction from equity. Gains and losses on sales of treasury shares, net of tax, are charged directly to equity and do not contribute to the income for the period.

A share purchase and sale programme authorised by the Board of Directors at its meeting of 19 December 2019 has been implemented, pursuant to the authorisation granted by the General Meeting of Shareholders of 4 November 2019, for the purpose of concluding a liquidity agreement to facilitate trading in FDJ shares. The maximum amount of €6 million has been allocated to the liquidity agreement, which runs until 19 December 2023.

This programme is covered by a liquidity agreement in accordance with the provisions laid down by the Autorité des marchés financiers (AMF).

Shares are also purchased in connection with the performance share awards made on 30 June 2021 and 26 April 2022.

At 31 December 2022, there were 185,319 treasury shares, representing a deduction of €6.7 million from consolidated equity (2021: 112,063 shares representing a deduction of €4.5 million).

14.3 RESERVES

The Group's business, i.e. organising and operating gaming activities, involves specific risks and obligations of a substantial magnitude which must be covered by suitable resources.

Until early 2022, rare risks (very low frequency of occurrence with a very high amount – multiple game events occurring over a given period) and extreme risks (extremely low frequency of occurrence, very high amount) were covered by a statutory reserve. Following an updated evaluation of these risks and the associated insurance cover, the shareholders of FDJ resolved at the Combined Ordinary and Extraordinary General Meeting of 26 April 2022 to abolish the statutory reserve and cover the residual risks via the optional reserve. The €97 million balance (including a €5 million increase made immediately prior to the transfer) was therefore transferred to the optional reserve.

14.4 PAYMENT OF DIVIDENDS

The dividend in respect of 2022, which was submitted to the vote at the General Meeting of Shareholders of 27 April 2023 approving the financial statements for the year ended 31 December 2022, is €262 million, or €1.37 per share.

Dividends in respect of the year ended 31 December 2021, as approved by the General Meeting of 26 April 2022, amounted to €237 million, i.e. €1.24 per share. They were paid on 4 May 2022.

(1) Note that 5,730,000 of the Company's shares are the subject of litigation with Soficoma before the Aix-en-Provence Court of Appeal (see Note 15 "Proceedings and other disputes"). FDJ considers that it purchased these shares on 18 May 2017. The General Meeting of Shareholders of 18 June 2018 resolved to cancel the shares in question, on conditions that the application made to the Commercial Court is granted, i.e. that the Court finds that (i) Soficoma, pursuant to Article 15(b) of the Articles of Association, was required to sell its shares within three months of the meeting of the Board of Directors that found it to be in breach of the conditions governing its capacity to remain a shareholder of FDJ, (ii) FDJ has satisfied its obligation to pay the price of the shares by depositing the price with the Caisse des Dépôts et Consignations, (iii) Soficoma forfeited its status of shareholder on the date of that deposit, i.e. on 18 May 2017, and (iv) FDJ is authorised to enter the transfer of those shares from Soficoma to FDJ in its registers.

Note 15 Related-party transactions

15.1 FRENCH STATE

The State exercises strict control over FDJ. It has a right of veto (granted to the Government Commissioner) over decisions taken by FDJ's decision-making bodies, while amendments to FDJ's Articles of Association require State approval (by decree), and the appointment of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers is subject to prior approval by Ministers of the Economy and the Budget, following consultation of the national gaming regulatory authority (ANJ).

The Exclusive Rights Decree of 17 October 2019 set ranges and/or caps on payout ratios by type of game, while Article 138 1° of the Pacte Law established a levy in favour of the French State, applicable on stakes wagered from 1 January 2020 and calculated on the basis of gross gaming revenue, i.e. stakes wagered less the amounts payable to winners. The rate of this levy is set at 54.5% for traditional draw games whose first-ranking winnings are distributed in pari-mutuel form, and at 42% for other lottery games. The terms and conditions for the annual collection of the levies are defined by decree.

The associated amounts recorded in the income statement and the statement of financial position are as follows:

In millions of euros		31.12.2022	31.12.2021
Statement of financial position – Assets	Exclusive operating rights (gross value)	380.0	380.0
Statement of financial position – Assets	Advance payment of public levies	202.2	202.1
In millions of euros		31.12.2022	31.12.2021
Statement of financial position – Liabilities	Public levies (including unclaimed prizes)	459.0	501.7
In millions of euros		31.12.2022	31.12.2021
Income statement	Public levies	4,147.4	3,816.0

According to the agreement concluded between the French State and FDJ on 17 October 2019, when the exclusive rights expire or are terminated early, the assets strictly necessary for the operation of exclusive rights will revert to the State in exchange for compensation at the market value of the buildings and the net carrying amount of other fixed assets.

Transactions between FDJ and other public sector entities (France Télévisions, EDF, SNCF, La Poste etc.) are all carried out under normal market conditions.

15.2 OTHER RELATED PARTIES

Transactions between FDJ and its fully consolidated subsidiaries, which are related parties, are eliminated on consolidation and are not described in this note.

On 15 December 2016, the Board of Directors elected to renew the FDJ Corporate Foundation for a term of five years from 5 January 2018 until 2 January 2023. The multi-year action plan provides for €19.5 million, of which €7 million was donated in 2016, €8 million in 2017, €3 million in 2019 and €1.5 million in 2021.

On 16 December 2021, the Board of Directors elected to renew the FDJ Corporate Foundation for a term of five years from 3 January 2023, with a €25 million multi-year action plan for the period from 2023 to 2027. The amount committed by FDJ is covered by a bank guarantee.

No material transactions have been entered into with any member of the management bodies having a significant influence on the Group.

15.3 EXECUTIVE COMPENSATION

The compensation of senior executives forms part of the information provided in respect of related parties.

The main executive managers sit on the Group Management Committee, which has 22 members.

In the consolidated income statement, executive compensation is limited to the following items:

In millions of euros		31.12.2022	31.12.2021
Short-term employee benefits		6.7	5.8
Long-term employee benefits		2.0	0.8
TOTAL		8.7	6.6

Short-term benefits include all forms of compensation. Other long-term benefits include post-employment benefits (retirement benefits and health coverage), long-service awards and performance shares.

In the consolidated statement of financial position, amounts payable to executives were as follows:

In millions of euros	31.12.2022	31.12.2021
Short-term employee benefits	2.1	1.8
Long-term employee benefits	2.3	2.9

The fair value of the free shares awarded during the period to the principal executives under the share-based payment schemes was €3.3 million.

Post-employment benefits do not apply to Corporate Directors (the Chairwoman & CEO and the Deputy CEO), given their status as civil servants on secondment.

Note 16 Ongoing legal proceedings and other disputes (see Note 7)

LEGAL PROCEEDINGS BROUGHT BY 84 AGENT-BROKERS

Members of the French gaming retailers' syndicate (UNDJ – Union nationale des diffuseurs de jeux) sued La Française des Jeux in May 2012 before the Commercial Court of Nanterre, requesting that the 2003 rider to the agent-broker contract be terminated by a court decision. The case is currently pending before the Court.

SOFICOMA PROCEEDINGS

On 23 May 2017, FDJ filed a lawsuit against Soficoma, a non-trading company, requesting a finding that Soficoma had lost its status as a shareholder of FDJ. On 23 May 2019, the Commercial Court of Marseille granted FDJ's application. Soficoma appealed this ruling on 20 June 2019 to the Court of Appeal of Aix-en-Provence. By a judgment dated 17 November 2022, the Court of Appeal of Aix-en-Provence upheld the ruling of the Commercial Court of Marseille in its entirety and dismissed all claims against the French Republic, represented by the Agence des participations de l'État. Soficoma filed an appeal to the Court of Cassation on 13 December 2022.

Concurrently, Soficoma filed a lawsuit against FDJ on 27 December 2017 in the Commercial Court of Nanterre, requesting confirmation of its status as a shareholder in FDJ and an order against FDJ for the payment of its dividends. Proceedings are stayed due to the case currently pending before the Court of Appeal of Aix-en-Provence.

PROCEEDINGS BEFORE THE COUNCIL OF STATE

By letter of 20 May 2021, the Council of State called FDJ to present observations in proceedings brought by four applicants in December 2019. These applicants – The Betting and Gaming Council, Betclac Enterprises Limited, the European Gaming and Betting Association and SPS Betting France Limited – have brought fourteen actions for ultra vires against Ordinance no. 2019-1015 of 2 October 2019 reforming the regulation of games of gambling and chance, Decree no. 2019-1060 of 17 October 2019 on the terms of application of strict State control over the company La Française des Jeux, Decree no. 2019-1061 of 17 October 2019 on the framework for the gaming offer of La Française des Jeux and Pari Mutuel Urbain, Decree no. 2019-1105 of

30 October 2019 on the transfer to the private sector of the majority of the share capital of the société anonyme La Française des Jeux, the Order of 6 November 2019 setting the terms of the transfer to the private sector of the majority of the share capital of the company La Française des Jeux, the Order of 20 November 2019 setting the price and terms of allocation for shares in the company La Française des Jeux, Decree no. 2019-1563 of 30 December 2019 on the approval of the articles of association of the company La Française des Jeux and Decree no. 2020-494 of 28 April 2020 on the terms of provision of the gaming offer and gaming data. The applicants seek the annulment of the statutory instruments reforming the regulation of gambling games. These actions are pending before the Council of State. FDJ filed an initial submission on 6 August 2021, a second on 23 September 2022 and a third on 18 November 2022. The applicants made new submissions on 11 October 2021, 24 June 2022, 1 August 2022, 12 September 2022 and 23 November 2022. The case is currently being considered.

PROCEEDINGS BEFORE THE EUROPEAN COMMISSION

Following the privatisation of FDJ, two complaints were lodged with the European Commission, recorded by the Commission as State aid cases SA. 56399 and SA. 56634, for the alleged granting of State aid in the form of guarantees, preferential tax treatment, and the granting of exclusive rights for insufficient remuneration. The complainants were the Association française des jeux en ligne (AFJEL), in a complaint dated 31 January 2020, and The Betting and Gaming Council (BGC), in a complaint dated 5 March 2020.

On 26 July 2021, the European Commission announced that it would conduct a detailed investigation of France regarding the adequacy of the €380 million payment made in "remuneration of the exclusive rights awarded" for point-of-sale sports betting and for lottery. The Commission's decision to open the investigation was published on 3 December 2021 in the list of State aid cases on its website and in the Official Journal of the European Union. The decision sets out the grounds that led it to query the arrangements from the perspective of the law on State aid. The case is ongoing and the parties are exchanging statements of position. FDJ submitted its observations to the European Commission on 3 January 2022. No timetable has yet been announced by the Commission.

The Commission has closed the matter of the guarantee, confirming that there was no guarantee in the sense of State aid. With respect to the matter of preferential tax treatment,

the preliminary inquiry in response to the complaints remains ongoing.

Note 17 Off-balance-sheet commitments

Other commitments are detailed in the table below:

In millions of euros	31.12.2022	31.12.2021
Commitments given		
Deposits and first-demand guarantees	38.0	40.9
Sponsorship agreement	15.6	22.6
Investment funds	47.1	45.7
Performance bonds*	203.4	102.8
Image rights for cyclists and commitment to the Association l'Échappée	1.0	0.8
Property rent	3.3	4.9
Mortgage on goods acquired	77.4	86.4
Other commitments given	0.9	0.8
TOTAL COMMITMENTS GIVEN	387.9	305.0
Commitments received		
Performance bonds and commitments to return advance payments	172.7	140.4
Guarantees for remittance of stakes and payment of winnings	498.8	459.6
Counterparty risk insurance	130.0	130.0
Confirmed credit facilities	150.0	150.0
Online players insurance	110.0	-
TOTAL COMMITMENTS RECEIVED	1,061.5	880.0

* Includes printing contracts worth €59.5 million in 2022 (2021: €23.6 million).

17.1 COMMITMENTS GIVEN

The performance bonds given represent irrevocable purchase commitments made by the Group to its suppliers.

The mortgage allocation commitment taken out by the Group in 2016 (including the principal, interest and related amounts) concerned the purchase of its head office.

Investment funds are mainly venture capital funds geared towards supporting the development of start-ups in activities close to FDJ's core business. These funds include Partech and Raise, as well as CVC V13 (in partnership with Séréna), Level-up (specialising in e-sports), Trust e-sport, OneRagtime – ARIA, Origins and Sista Fund.

17.2 COMMITMENTS RECEIVED

Guarantees received for the remittance of stakes and payment of winnings relate to the financial guarantees provided by new retailers doing business with FDJ. Newly approved retailers are required to provide a financial guarantee to cover the risk of payment defaults. Under this system, retailers provide their guarantees directly to FDJ, which is responsible for debt collection.

The commitment of €130 million comprises the aggregate insurance cover for the counterparty risk on lottery games, as from 1 January 2020, following the reform of FDJ's tax and regulatory framework, which put an end to the counterparty fund system.

The commitment of €110 million concerns a surety agreement that guarantees the repayment of all funds due to players holding online accounts. The agreement covers a maximum amount of €110 million. It is provided by three leading European insurance companies and renews automatically on an annual basis.

Unused confirmed lines of credit totalling €150 million have been in place since February 2021.

17.3 RECIPROCAL COMMITMENTS

At the end of 2020, as part of the partnership between FDJ and Groupama via Société de Gestion de l'Échappée (50% owned by each shareholder), FDJ and Groupama signed reciprocal pledges to buy and sell the remaining SGE shares.

In connection with the acquisition of L'Addition, FDJ and the vendor signed undertakings respectively to buy and sell the remaining 5% of L'Addition shares still held by the vendor. The commitment was reflected in the recognition of a liability in the statement of financial position.

17.4 SCHEDULE OF LEASE COMMITMENTS

Lease commitments at 31 December 2022 and 31 December 2021 were payable as follows:

In millions of euros	31.12.2022	31.12.2021
Less than 1 year	1.2	1.7
Less than 5 years	2.1	3.2
More than 5 years	-	-
Lease commitments*	3.3	4.9

* Lease commitments relate to vehicles and low-value leases that are not included in IFRS 16 lease liabilities (see Note 6.2).

IFRS 16 lease liabilities totalled €38 million at 31 December 2022 (2021: €30 million).

Note 18 Post-closing events

With effect from 2023, the Group is putting in place a five-year, €10 million programme to raise awareness of the risks of gambling among high school pupils, designed in conjunction with a non-profit organisation working in prevention.

Note 19 Scope of consolidation

The ownership interest (the share of the consolidated entity held directly or indirectly by the Group) is identical to the percentage of control for all controlled entities.

Name of entity	Head-quarters	Activity	Consolidation method 2022 ⁽¹⁾	Consolidation method 2021 ⁽¹⁾	Percentage of interest 2022	Percentage of interest 2021
La Française des Jeux	France	Organisation of lottery games and sports betting	FC	FC	100%	100%
FDJ Gaming Solutions France (FGS France)	France	Development and supply of digital lottery technologies	FC	FC	100%	100%
FDJ Gaming Solutions (FGS)	France	Holding	FC	FC	100%	100%
Beijing ZhongCai Printing	China	Printing of lottery tickets	EM	EM	46.25%	46.25%
La Pacifique des Jeux	France	Operation of games of chance in French Polynesia	FC	FC	99.99%	99.99%
FDJ Développement	France	Distribution of lottery and betting games in the French Antilles and Guiana	FC	FC	100%	100%
La Française d'Images	France	Technical audiovisual services	FC	FC	100%	100%
Société de Gestion de l'Échappée	France	Management and promotion of a cycling team	EM	EM	50%	50%
FDP	France	Distribution of lottery and betting games in mainland France	FC	FC	100%	100%
Services aux Loteries en Europe	Belgium	Provision of services for national lottery agents in connection with the operation of Euromillions	EM	EM	26.57%	26.57%
FDJ Gaming Solutions UK (FGS UK)	United Kingdom	Development of sports betting technology	FC	FC	100%	100%
National Lotteries Common Services (NLCS)	France	Provision of services associated with the operation of sports betting	EM	EM	50.00%	50.00%
Lotteries Entertainment Innovation Alliance AS (LEIA)	Norway	Operation of digital gaming platforms	EM	EM	20.00%	20.00%
Sporting Group Holdings Limited (formerly Sporting Index Holdings Ltd)	United Kingdom	Holding	FC	FC	100%	100%
Sporting Index Ltd	United Kingdom	Sports betting (fixed and variable odds)	FC	FC	100%	100%
Sporting Solutions Services Limited (formerly SPIN Services Ltd)	United Kingdom	Development of sports betting technology	FC	FC	100%	100%
Spin Services Canada Inc.	Canada	Development of sports betting technology	FC	FC	100%	100%
FGS Canada	Canada	Development of sports betting technology	FC	FC	100%	100%
FDJ Services	France	Finance and payment services	FC	FC	100%	100%
DVRT 13	France	Entertainment services	FC	FC	100%	100%
FGS New Market	France	Development of sports betting technology	FC	-	100%	-
Sporting Solution America Inc.	United States	Development of sports betting technology	FC	-	100%	-
FDJ Services Holding	France	Finance and payment services	FC	-	100%	-
Adstellam (L'Addition)	France	Finance and payment services	FC	-	95%	-
Aleda	France	Finance and payment services	FC	-	100%	-

(1) Full consolidation (FC) – Companies over which the Group has exclusive control; Equity method (EM) – Companies over which the Group has significant influence or joint control.

Changes in the consolidation scope are described in Note 3.1.

Note 20 Statutory auditors' fees

The statutory auditors' fees for 2022 and 2021 were as follows:

In thousands of euros	31.12.2022			
	Audit services		Non-audit services	
	Pricewaterhouse Coopers Audit	Deloitte & Associés	Pricewaterhouse Coopers Audit	Deloitte & Associés
FDJ (issuer)	462	449	50	108
Subsidiaries (controlled entities)	135	146	-	-
STATUTORY AUDITORS' FEES	597	595	50	108

In thousands of euros	31.12.2021			
	Audit services		Non-audit services	
	Pricewaterhouse Coopers Audit	Deloitte & Associés	Pricewaterhouse Coopers Audit	Deloitte & Associés
FDJ (issuer)	449	427	51	105
Subsidiaries (controlled entities)	275	148	5	21
STATUTORY AUDITORS' FEES	724	575	56	126

Non-audit services in 2022, as in 2021, mainly concerned the independent third party review of the non-financial

performance report, work on internal controls and various certifications.

6.2 Statutory auditors' report on the consolidated financial statements`

(For the year ended 31 December 2022)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

OPINION

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of La Française des Jeux for the year ended 31 December 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risks Committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2022 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

INFORMATION SYSTEMS, AUTOMATED PROCESSING AND CONTROLS RELATED TO THE RECOGNITION OF NET GAMING REVENUE (SEE NOTE 4.1. TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Description of risk

The Group's main activity consists in developing and operating lottery games and sports betting within a highly regulated framework. This activity is characterised by a high volume of low-value individual transactions. La Française des Jeux's remuneration (net gaming revenue – NGR) is based on the players' stakes placed at points of sale and online, after deducting the prize winners' share as well as public levies at variable rates depending on the games. The Group's revenue for 2022 amounted to €2.46 billion, of which €2.39 billion derived from NGR.

The processing of gaming transactions, their recognition according to the methods described in Note 4.1 to the consolidated financial statements and the determination of NGR are highly automated. They are based on a highly complex information system specific to La Française des Jeux, which covers all the steps in the processing of games from the validation of gaming transactions at points of sale and online to the recognition of the different components of NGR.

Given the high volume of transactions processed, the significance of automated processing in determining and recognising the different components of NGR and the reliability of the internal controls organised by management in a regulated environment, we deemed the information systems, automated processing and controls related to the recognition of NGR to be a key audit matter.

HOW OUR AUDIT ADDRESSED THIS RISK

With the assistance of our information systems specialists, we gained an understanding of the process for recognising the various stakes and components of NGR and assessed the design and effectiveness of the internal control system relating, in particular, to the information systems and automated processing underlying NGR recognition.

Our work consisted primarily in:

- familiarising ourselves with the internal control procedures, identifying the most relevant manual and automated controls for our audit and testing their design and operational efficiency;
- testing the effectiveness of the IT general controls of each application system used as part of the recognition of the components of NGR and which we deemed of key importance to our audit, notably including access management, change management and automated controls;
- evaluating the effectiveness of the interfaces linked to the transactions and relevant for recognising flows from stakes to NGR;
- analysing material changes and unexpected trends observed, if any, in the allocation of the various components of NGR.

SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the Group management report includes the consolidated non-financial information statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

Presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairwoman and Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of the consolidated financial statements in the

European single electronic reporting format, the content of certain tags in the notes to the financial statements may not be rendered identically to the consolidated financial statements attached to this report.

In addition, it is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of La Française des Jeux by the General Meetings held on 25 May 2016 for PricewaterhouseCoopers Audit and on 3 June 2003 for Deloitte & Associés.

At 31 December 2022, PricewaterhouseCoopers Audit and Deloitte & Associés were in the seventh and twentieth consecutive year of their engagement, respectively, and the fourth year since the Company's securities were admitted to trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated

financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit and Risks Committee

We submit a report to the Audit and Risks Committee, which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risks Committee.

Neuilly-sur-Seine and Paris-La-Défense, 16 February 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Jean-Paul Collignon

Deloitte & Associés

Jean-François Viat

Nadège Pineau

6.3 Parent company financial statements for the year ended 31 December 2022

6.3.1 PARENT COMPANY FINANCIAL STATEMENTS

The financial statements are presented in millions of euros, rounded to the nearest hundred thousand. Rounding differences may occur between the different statements.

Unless otherwise stated, all amounts are in millions of euros.

6.3.2 INCOME STATEMENT

In millions of euros	Note	31.12.2022	31.12.2021
Stakes	3.1	20,592.1	18,942.1
Player payout	3.1	-14,068.1	-12,938.8
Gross revenue from other activities		1.5	-
Gross gaming revenue	3.1	6,525.5	6,003.3
Public levies	3.1	-4,147.1	-3,815.5
Net gaming revenue	3.1	2,378.4	2,187.7
Revenue from other activities	3.1	27.9	27.9
Revenue	3.1	2,406.3	2,215.6
Capitalised development expenses	3.2	56.1	36.5
Reversals of provisions and transfers of expenses		14.1	13.7
Other operating income		1.0	0.9
Total operating income		2,477.6	2,266.8
Inventory purchases used		-36.6	-32.5
Purchases and external expenses	3.2	-1,592.1	-1,484.0
Taxes		-20.7	-18.9
Personnel expenses	4	-192.4	-173.6
Depreciation and amortisation	5	-94.9	-109.0
Provisions	6	-33.9	-13.9
Other operating expenses		-19.5	-19.7
Total operating expenses		-1,990.1	-1,851.4
Operating profit	3.2	487.5	415.3
Total financial income		28.8	16.6
Total financial expenses		-56.3	-42.5
Net financial expense	7.4	-27.5	-25.9
Recurring profit		460.0	389.4
Total non-recurring income		46.5	89.7
Total non-recurring expenses		-74.4	-52.2
Net non-recurring profit	8	-27.9	37.5
Employee profit-sharing and incentives	4.2	-28.6	-25.6
Income tax expense	9	-99.4	-115.8
NET PROFIT	10	304.0	285.6

6.3.3 BALANCE SHEET

ASSETS

In millions of euros	Note	31.12.2022			31.12.2021
		Gross	Amortisation, depreciation and provisions	Net	Net
Exclusive operating rights	5.1	380.0	54.9	325.1	340.3
Other intangible assets	5.2	397.2	247.6	149.6	131.8
Property, plant and equipment	5.3	684.0	373.6	310.4	321.3
Non-current financial assets	7.1	298.1	98.8	199.3	201.2
Fixed assets		1,759.3	774.9	984.4	994.6
Inventories	3.3.6	14.6	0.1	14.5	12.6
Advances and payments on account		4.9	-	4.9	2.4
Trade and distribution network receivables	3.3.1	506.3	31.0	475.3	380.4
Other receivables	3.3.2	255.3	0.1	255.3	241.4
Transferable securities	7.3	714.5	18.1	696.4	558.6
Cash and cash equivalents	7.3	720.9	-	720.9	903.3
Prepaid expenses	3.5	20.6	-	20.6	18.5
Current assets		2,237.2	49.3	2,187.9	2,117.1
Expenses deferred over multiple periods		4.1	-	4.1	4.6
Unrealised exchange gains		0.2	-	0.2	3.2
TOTAL ASSETS		4,000.7	824.2	3,176.6	3,119.5

LIABILITIES

In millions of euros	Note	31.12.2022	31.12.2021
Share capital		76.4	76.4
Legal reserve		7.6	7.6
Statutory reserve		-	91.7
Optional reserve		411.0	268.1
Retained earnings		0.2	2.5
Net profit for the period		304.0	285.6
Regulated provisions		139.9	122.4
Equity	10	939.2	854.3
Provisions for risks		2.6	8.4
Provisions for liabilities		66.3	57.5
Provisions for risks and liabilities	4.3 and 6.1	68.9	65.9
Loans from credit institutions	7.3	427.1	492.6
Trade and distribution network payables	3.3.3	462.6	392.8
Public levies and winnings payable and distributable	3.3.4	1,064.9	1,118.2
Other payables	3.3.5	181.1	159.3
Prepaid income (stakes)	3.5	32.6	36.4
Payables		2,168.3	2,199.2
Unrealised exchange losses		0.2	-
TOTAL LIABILITIES		3,176.6	3,119.5

6.3.4 STATEMENT OF CASH FLOWS

In millions of euros	Note	31.12.2022	31.12.2021
Operating activities			
Net profit		304.0	285.6
Elimination of non-cash and non-operating income and expenses		152.9	96.2
Amortisation and impairments		155.3	96.5
Disposal gains or losses		0.9	1.2
- Other		-3.3	-1.5
Impact of changes in the cash position on operating activities		-89.6	188.5
Management & administration		-18.7	7.1
Gaming		-70.9	181.4
Net cash flow from operating activities		367.3	570.3
Investing activities			
Cash outflows from acquisitions of property, plant and equipment and intangible assets	5	-95.5	-64.8
Cash inflows from disposals of fixed assets (prop. plant & eqmt., intangible and financial)		0.7	0.1
Cash outflows from acquisitions of financial assets		-82.2	-1.8
Cash inflows/outflows from loans and security deposits		60.1	-13.9
Net cash flow used in investing activities		-116.9	-80.4
Financing activities			
Repayment of funds to the French State		-	-155.9
Dividends paid to shareholders of the parent company		-229.5	-166.7
Issue of long-term debt	7.3	-	-
Repayments of borrowings	7.3	-65.4	-32.9
Net cash flow used in financing activities		-294.9	-355.5
Net increase in cash and cash equivalents		-44.5	134.4
Cash and cash equivalents at opening		1461.9	1,327.5
Cash and cash equivalents at closing	7.3	1,417.3	1,461.9
<i>Cash and transferable securities</i>		1,417.3	1,461.9
<i>Bank overdrafts</i>		-	-

6.3.5 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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Unless otherwise stated, all amounts are in millions of euros.

Note 1 Overview of the Company

1.1 GENERAL INFORMATION

La Française des Jeux (FDJ) is a public limited company (société anonyme) governed by French law, subject to all regulations on commercial companies in France, and in particular the provisions of the French Commercial Code, in accordance with the provisions of the legal framework as described in Note 1.2. Its registered office is located at 3/7, quai du Point du Jour, 92650 Boulogne-Billancourt. It has been admitted to trading on the Euronext Paris market since 21 November 2019. As at 31 December 2022, its share ownership structure can be broken down as follows: the French State (20%), veterans' associations⁽¹⁾ (15%), employee share investment funds (4%), Predica (5%) and other holdings of less than 5%, including French and international institutional investors and private shareholders. The State exerts strict control over the Company. As a result, the appointment of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers, as well as any threshold-crossing of 10% or a multiple of 10% of the share capital, are subject to approval by the Ministers for the Budget and the Economy.

As at 31 December 2022, the Group runs a gaming operation and distribution business in France (metropolitan and overseas departments), four French overseas territories and Monaco. It operates internationally, mainly through its equity investments in the following companies:

- Sporting Group, a UK group comprising five companies, with two core businesses: i) betting and risk management services for sports betting operators, and ii) sports betting (spread betting and fixed odds);
- Beijing ZhongCai Printing (BZP), a scratch card printer located in China;
- Services aux Loteries en Europe (SLE), a Belgian cooperative established to hold and administer draws for participating lotteries in connection with Euromillions;
- Lotteries Entertainment Innovation Alliance AS (LEIA), a Norwegian company that operates a digital gaming platform;
- FGS Canada, a Canadian company that develops sports betting technology.

1.2 REGULATORY ENVIRONMENT OF THE COMPANY

FDJ operates in the gaming sector, an highly regulated industry under strict State control. Gaming in France is generally prohibited, subject to restricted exemptions.

The online sports betting and online poker businesses, which are open to competition, are governed notably by Law no. 2010-476 of 12 May 2010 and conducted within the framework of a five-year agreement. FDJ's licence for sports betting was last renewed by the ANJ in 2020, while its licence for online poker was granted by the ANJ in October 2022.

The Pacte Law of 23 May 2019 confirmed FDJ's exclusive rights to operate online and point-of-sale lottery games (draw games and instant games) and point-of-sale sports betting activities for a period of 25 years. It also defines the basis, rates and territorial scope of the public levies on all lottery games and sports betting, regulates the payout ratios for lottery games and sets upper limits on payouts for online and point-of-sale sports betting.

Applicable regulations set goals for FDJ to prevent the development of addiction and underage gambling; ensure the integrity, security and reliability of gaming operations; funnel demand into a channel controlled by the State; prevent the risk of fraudulent or criminal gambling operations particularly for money-laundering purposes; and help combat illegal gambling and manipulation of competitions or sports events in connection with betting.

1.3 HIGHLIGHTS

1.3.1 Very strong results

In 2022 FDJ recorded solid performance, with revenue up 9% to €2,461 million, in line with the growth in stakes. After a first half of the year that continued to benefit from the post-Covid recovery, revenue growth was also strong in the second half of the year, at a level close to historical growth rates.

FDJ's recurring operating profit was up by 17% to €488 million, following strong improvements in point-of-sale activity and dynamic online growth.

1.3.2 Growth in all business lines

In lottery, revenue grew by 11% to €1,916 million, reflecting the strong intrinsic momentum of the games and the return to normal in the point-of-sale network. Positive performance in draw games was due notably to the attractiveness of Loto® and Euromillions, with a high number of large jackpots. In instant games, performance was driven by promotional activities, especially the launches and relaunches of individual games such as Cash, x10 and x20, and As de Cœur.

Revenue from sports betting and online gaming open to competition came in at €467 million, a rise of 1%. Although the first half fared less well than the same period in 2021, when the UEFA Euro 2020 championships were held, business bounced back in August and September as the European football leagues restarted and climbed further at the end of the year with the FIFA World Cup. The good run enjoyed by the French team led to a very high player payout, with the competition accounting for 6% of the annual revenue for this activity.

(1) Union des Blessés de la Face et de la Tête (UBFT) and Fédération Nationale André Maginot (FNAM).

1.3.3 Significant growth in point-of-sale stakes and continued momentum of online stakes

Stakes via the distribution network, comprising around 30,000 points of sale in both years, were up by 8% at €18.1 billion.

The momentum was driven by high traffic, reflecting both the attachment of consumers to this local network, which FDJ is helping to transform and diversify, and the attractiveness of FDJ's gaming offering, which is a major driver of traffic.

After two years of very strong growth, with digital stakes doubling between 2019 and 2021, accelerated by changes in behaviour caused by the health crisis, the growth in digital stakes is normalising. In 2022, they exceeded €2.5 billion, up 16% from 2021, representing more than 12% of total stakes. In the fourth quarter alone, FDJ's digital business set a new record with an increase compared with the same period in 2021. In addition, FDJ's share of the online sports betting market, cumulatively at the end of September and during the FIFA Football World Cup, increased.

The rise in online stakes continues to be essentially driven by the increase in the number of players. There are now nearly 5 million online lottery players, twice as many as in 2019, two-thirds of whom also play at points of sale. The share of gross revenue from online lottery games derived from high-risk players was 2.3%.

1.3.4 Strengthening of sports betting and online gaming open to competition

FDJ is continuing to implement its strategy of strengthening its position in the French market of online gaming open to competition. In November, it consequently:

- launched a poker offering on the ParionsSport En Ligne app;
- entered into an agreement to acquire the ZÉturf Group, the second largest online horse racing betting operator in France, which also offers online sports betting under the Zebet brand. This group generated revenue of close to €50 million in 2021. This transaction is expected to complete in the second half of 2023, once the conditions precedent are satisfied, in particular approval from the French competition authorities.

1.3.5 Development of the Payment & Services business

With the aim of becoming one of the leading local payment and collection networks in France, in 2022 FDJ:

- recorded a 46% increase in the number of payments collected on behalf of DGFiP (the French treasury department), a service now available at more than 14,000 points of sale;
- launched the Nirio brand for routine bill payment services (landlords, energy companies, etc.) in the FDJ network;
- acquired two companies with a view to expanding into the field of point-of-sale management and payment solutions: Aleda, a specialist in point-of-sale payment solutions for local shops, and L'Addition, a specialist in payment equipment and services for cafés, bars, hotels and restaurants.

1.3.6 International strategic partnership

In late 2022, FDJ and Scientific Games, a leading provider of lottery products, technology and services, announced a partnership to market a range of phygital instant games. FDJ is a pioneer in these innovative games, which offer point-of-sale scratch card players the option to continue their play experience and potentially expand their winnings in a digital game. FDJ has already launched three phygital games since 2019 and a fourth is set to be introduced in 2023.

1.3.7 Consolidated social commitments

In 2022, Moody's ESG Solutions awarded FDJ an A1+ rating for the fourth consecutive year, with a score of 72/100, up 2 points from 2021.

FDJ also maintained, for the third time, its 100/100 rating on the Pénicaud gender equality index. It is also one of the 5% best rated companies rated by Ecovadis, with its score rising to 71/100, and retaining its Gold medal.

FDJ continues in particular to:

- consistently strengthen its efforts to prevent excessive and underage gambling, to which it devoted just under €15 million in 2022:
 - more than 10% of the overall advertising budget was dedicated to responsible gaming, with new preventive information campaigns and an enhanced action plan before and during the football World Cup. In January 2023, FDJ also launched a new campaign with Paris Saint-Germain (PSG) football club, aimed at broadening the reach of its prevention messaging and promoting recreational sports betting;
 - point-of-sale audits were performed, notably through mystery visits linked to a range of sanctions in the event of non-compliance with the prohibition on sales to minors, which is unique in France. In 2022, nearly 2,700 mystery visits were carried out, with around a hundred retailers receiving sanctions in the form of licence suspensions.
 - as of 2023, a further €10 million has been committed over a five-year period to support initiatives to prevent underage gambling led by non-profit organisations.
- be committed to reducing its environmental impact and contributing to the conservation of biodiversity, through:
 - implementing a new energy use savings plan (buildings, IT, travel);
 - partnering with the Gestes Propres association aimed at broadcasting an awareness campaign on screens in points of sale encouraging customers to throw scratch cards and gaming receipts into recycling bins;
 - relocating a significant portion of instant game printing to Europe;
 - donating €200,000 to the French Office national des forêts (ONF - National Forests Office) via its "ONF-Act for the Forest" fund to help restore forests destroyed by the wildfires that affected French forests last summer;

1.3.8 Growth benefiting all stakeholders

For the seventh successive year, advisory firm Bureau d'information et de prévision économique BDO-Bipe assessed the FDJ Group's contribution to the economy and society in France.

- In 2022, FDJ's contribution to national wealth amounted to €6.5 billion, or 0.25% of France's gross domestic product (GDP);
- In terms of employment, the FDJ Group's business created or sustained 55,300 jobs in France, including 22,000 in the network of bars, tobacconists and newsagents.

FDJ's growth benefits the national collectivity, in particular the **public finances**, with an overall contribution of over €4.4 billion, including €4.1 billion in gaming levies, benefiting:

- France's vulnerable heritage: thanks to the 2022 edition of the Mission Patrimoine lottery games, over €26 million was paid out to the Fondation du Patrimoine (French Heritage Foundation); and
- French sport at both the amateur and professional level, via the action of the Agence nationale du sport (ANS).

The value created by FDJ is shared between **employees and shareholders**, through:

- personnel expenses of €192 million, including payments under profit-sharing and incentive schemes equal to 24% of payroll⁽¹⁾; and
- €237 million in dividends in respect of the 2021 financial year, which benefit veterans' associations, who are long-standing shareholders, to finance their social initiatives, and nearly 400,000 individual shareholders.

The Group has an economic impact nationwide, benefiting:

- **local retail trade**, with fees of €961 million paid to its 30,000 retailers; and
- **French suppliers**, through purchases of €684 million, overwhelmingly from SMEs and intermediate-sized enterprises, representing over 90% of procurement.

The **FDJ Foundation**, which celebrates its 30th anniversary in 2023, is also committed to promoting equal opportunities by supporting a hundred or so projects per year throughout France with a five-year budget of €25 million (2023-2027).

Note 2 Accounting standards and policies

2.1 BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of FDJ are prepared in accordance with the legal and regulatory provisions applicable in France, including ANC Regulation 2016-07 of 4 November 2016 and the subsequent opinions and recommendations of the ANC.

The notes to these parent company financial statements describe the accounting policies in the same sections as the comments on the figures themselves, to make them easier to understand for the reader.

The Board of Directors approved the parent company financial statements for the year ended 31 December 2022 at its meeting of 14 February 2023.

2.2 ACCOUNTING POLICIES

Unless otherwise noted, these policies have been applied consistently to all periods presented. The financial statements have been prepared on a going concern basis in accordance with the independence of financial periods. They have been drawn up on the historical cost basis.

2.2.1 Foreign currency translation

The financial statements are presented in euros, FDJ's functional currency. They are presented in millions of euros, unless otherwise stated.

Where currency hedges are in place, income and expenses in a foreign currency are recorded at their equivalent value in euros at the hedging rate. In the absence of currency hedges, they are recognised at their equivalent value in euros on the transaction date.

Payables and receivables in foreign currency carried on the balance sheet at the year-end are translated at the closing rate. Differences arising on translation are recognised in the balance sheet under "Currency translation differences". Any unrealised exchange losses are subject to a provision, except in cases in which a hedging contract has been taken out.

2.2.2 Estimates and judgements

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, assess positive and negative risks, and measure income and expenses at the reporting date.

Due to the uncertainties inherent in any valuation process, FDJ reviews its estimates based on regularly updated information. The future results of the transactions concerned may differ from these estimates.

Material estimates made by FDJ mainly cover the following items:

- discount rate and initial assumptions for employee benefits (Note 4.3);
- assessment and quantification of legal risks to determine provisions for risks and litigations (Notes 6 and 11);
- the useful lives and recoverable value of intangible assets, property, plant and equipment and participating interests (Notes 5 and 7);
- assessment of the risk associated with non-recovery of past-due payments for the purpose of measuring the recoverable value of receivables from the distribution network (Note 3.3);
- measurement assumptions used to value performance shares (recurring EBITDA, profit per share, probability of achieving targets, risk-free rate, share price) (Note 4.4).

(1) Before social security (URSSAF) contributions

Note 3 Operating data

3.1 NET GAMING REVENUE AND OTHER REVENUE

Stakes are divided up between players, public levies and FDJ.

Since 1 January 2020, payout ratios have been governed by Article 8 of Decree No. 2019-1061 of 17 October 2019 on the supervision of the gaming offer of La Française des Jeux and Pari Mutuel Urbain.

Player payout

The payout ratio is subject to a cap set by current regulations.

Player payout (as a % of stakes)

Draw games	50%-72% depending on the game range
All instant games	60%-75% depending on the game range, with a maximum annual average of 70.5% for certain games
PoS sports betting	maximum annual average of 76.5%
Online sports betting	maximum annual average of 85%

Gross gaming revenue (GGR)

GGR is the difference between stakes and player payout. For poker, the GGR takes the form of a commission levied on stakes.

Public levies

Under the Pacte Law, the tax and social charges applicable to lottery games and sports betting are levied on the basis of the GGR, except in locations where local tax regulations apply (French overseas territories and the Principality of Monaco).

Public levies on gaming (excluding corporation tax) are charged at the following rates:

As % of GGR	Loto®/Euromillions	Other lottery games
ANS	5.1%	5.1%
CSG	6.2%	6.2%
CRDS	2.2%	2.2%
General State Budget	54.5%	42.0%
TOTAL	68.0%	55.5%

As % of GGR	PoS sports betting	Online sports betting
Tax levies on sports betting	27.9%	33.7%
ANS	6.6%	10.6%
Social security levies on sports betting	6.6%	10.6%
TOTAL	41.1%	54.9%

Online poker is taxed on the basis of stakes. The overall charge comprises a tax levy of 1.8% of stakes (capped at €0.90 per deal for cash games) and a social security levy of 0.2% of stakes (capped at €0.10 per deal for cash games).

General State Budget

Public levies intended for the General State Budget are governed by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation (Pacte Law)**.

Social security levies on lottery games (CRDS and CSG)

The social security levies are the CRDS (Contribution au remboursement de la dette sociale – social security debt repayment contribution) and the CSG (Contribution sociale généralisée – general social contribution).

CRDS: imposed by Article 18 of Order no. 96-50 of 24 January 1996, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation**.

CSG: imposed by Articles L.136-7-1 and L.136-8 of the French Social Security Code, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation**.

Tax and social security levies specific to sports betting

Tax levy: imposed by Articles 302 bis ZH, ZK and ZL of the French Tax Code, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation**.

Social security levy: imposed by Article L.137-21 of the French Social Security Code, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation**.

National Sports Agency (Agence nationale du sport – ANS)

Levy imposed by Articles 1609 (29) and 1609 (30) of the French General Tax Code, as amended by Article 138 of **Law no. 2019-486 of 22 May 2019 on business growth and transformation** and Article 46 of Law no. 2011-1977 of 28 December 2011 (2012 Budget Law), subject respectively to upper limits of €72 million and €35 million (for the entire sports betting market) above which the payments are allocated to the General State Budget.

VAT

VAT, as governed by Chapter 1 of Title II of Book 1 of the General Tax Code, is charged on net gaming revenue. The applicable rate is 20%.

Net gaming revenue (NGR)

FDJ is a service provider that develops and operates lottery games and sports betting in a highly regulated environment. The revenue earned by FDJ for the organisation and placement of games is called net gaming revenue or NGR.

NGR is gross gaming revenue less public levies. It thus varies according to the payout ratio for each game (margin effect) and according to the volume of stakes wagered in each game category (volume and mix effects).

NGR is recognised once FDJ has met all its obligations. Performance obligations vary by type of game:

- for **draw games**, FDJ's service is completed when it has recorded the placing of the stakes, held the draw that determines the winning numbers, calculated the winnings and published the results and prizes.
- for **instant games** sold at points of sale, FDJ recognises stakes as income when a given number of tickets has been sold, i.e. when said tickets are placed in the gaming terminals. Accordingly, the sale is recognised before the booklet (batch of tickets), which has a value of between €150 and €300, is completely used up. Given how fast the booklets are sold, revenue recognised on a per-unit basis would be very close to the amount of revenue recorded in the financial statements. Online sales are recognised as soon as the player's stake is recorded;
- for **sports betting**, the principles are similar to draw games. FDJ has met its obligations when, once the sporting event has taken place, the winnings have been calculated and the results and prizes have been published. For poker, FDJ has met its obligations when the tournament or the hand ends.

NGR is thus gaming revenue net of the winnings paid or payable to players and net of the levies collected on behalf of the French State.

The processing of gaming operations, their accounting and the determination of NGR are very highly automated. They rely on a complex IT system, which handles all game operations from the validation of stakes at points of sale and online to the recognition of NGR.

In millions of euros	31.12.2022	31.12.2021	Change %
Stakes	20,592.1	18,942.1	9%
Player payout	-14,068.1	-12,938.8	9%
Gross revenue from other activities	1.5	-	
Gross gaming revenue (GGR)	6,525.5	6,003.3	9%
Public levies	-4,147.1	-3,815.5	9%
Net gaming revenue (NGR)	2,378.3	2,187.7	9%
Revenue from other activities	27.9	27.9	0%
REVENUE	2,406.3	2,215.6	9%

NGR was €2,378.3 million, a rise of 9%.

Revenue from other activities essentially derives from the re invoicing of costs to subsidiaries. It totalled €27.9 million, the same as in 2021.

3.2 OPERATING PROFIT

Operating profit was €487.5 million, €72.2 million higher than in 2021.

Owing to the continued high level of investment in the company's digital and commercial transformation, capitalised development expenses were €56.1 million, €19.6 million higher than in 2021.

Operating expenses linked to the remuneration of the offline distribution network (retailers and commercial sectors, including FDP), were €1,092 million, 7% (€70 million) higher than in 2021, as a result of the increase in stakes placed at points of sale.

Other than offline distribution network costs, other external purchases and expenses (€500.1 million) rose by €38.3 million, mainly due to the increase in third-party IT costs in connection with the increase in capitalised development expenses in the period.

Increases to provisions were €20.1 million higher than in 2021, mainly due to the write-down of the shareholder loan receivable from Sporting Group Holdings Ltd (see Note 3.3.1) and the €7.5 million allocated to the early retirement leave provision (see Note 4).

3.3 WORKING CAPITAL

Receivables

Receivables are recognised at their nominal value. They are impaired if the debtor's situation indicates that the amount may not be recoverable.

Stakes collected from players, net of prizes paid out to players and commissions, are collected weekly from game retailers by direct debit. Stakes are recorded as assets, while prizes and fees are taken to liabilities.

Player funds

Player funds include pooled top prizes and winnings on pooled sports betting and traditional pooled draw games, as well as top prizes and winnings from additional games.

Other game organisation funds (e.g. rollover funds or super jackpot funds) contain sums that are carried forward to subsequent draws if there is no prize winner for certain classes of prize, as provided for in the rules of the games concerned.

Inventories

Inventories are valued at the lower of cost (determined using the "first in, first out" method) and net realisable value (estimated selling price net of associated selling costs). They are impaired in line with their technical or commercial obsolescence.

Inventories predominantly comprise gaming materials, i.e. scratch cards for instant games.

3.3.1 Trade and distribution network receivables

In millions of euros	31.12.2022			31.12.2021		
	Gross	Impairments	Net	Gross	Impairments	Net
Distribution network receivables	423.0	16.0	407.0	333.2	15.2	318.0
Trade receivables	16.4	-	16.4	18.2	-	18.2
Subsidiary current accounts	67.0	15.0	52.0	44.6	0.3	44.3
TOTAL TRADE AND DISTRIBUTION NETWORK RECEIVABLES	506.3	31.0	475.3	395.9	15.5	380.4

Stakes collected from players, net of prizes paid out to players and commissions, are collected weekly from the distribution network by direct debit. Stakes are recorded as assets, while prizes and fees are taken to liabilities.

Distribution network receivables represent stakes paid to retailers at the end of the year but not yet debited from the retailers by FDJ. The year-end amount varies, depending on the day of the week on which 31 December falls. The growth

in the amount in 2022 is due to a calendar effect and to an increase in stakes wagered during the final few days of the year.

Impairments on subsidiary current accounts mainly concern the current account with Sporting Group Holdings Ltd, the parent company of the Sporting group.

Receivables are due within one year.

3.3.2 Other receivables

In millions of euros	31.12.2022			31.12.2021		
	Gross	Impairments	Net	Gross	Impairments	Net
Other operating receivables	53.1	0.1	53.1	39.3	0.1	39.2
Advance payments on State levies	202.2	-	202.2	202.1	-	202.1
TOTAL OTHER ACCOUNTS RECEIVABLE	255.3	0.1	255.3	241.4	0.1	241.3

Other receivables mainly include the December advance payment on public levies, as provided for by the Pacte Law. This figure is steady relative to 2021.

Other operating receivables have risen mainly as a result of an increase in tax receivables.

3.3.3 Trade and distribution network payables

In millions of euros	31.12.2022	31.12.2021
Trade accounts payable	169.1	168.5
Distribution network payables	293.5	224.2
TOTAL TRADE AND DISTRIBUTION NETWORK PAYABLES	462.6	392.8

Amounts payable to the distribution network consist of prizes paid to players by retailers and network commissions for the year-end period. These amounts are paid weekly. The year-end amount varies, depending on the day of the week on which 31 December falls. This calendar effect,

together with a higher level of business during the final few days of the year, is the main reason for the change in 2022.

Trade and distribution network payables are due within one year.

3.3.4 Public levies and winnings payable and distributable

In millions of euros	31.12.2022	31.12.2021
Public levies	458.9	501.3
Winnings payable and distributable (including player funds)	606.0	616.9
TOTAL	1,064.9	1,118.2

Public levies comprise amounts payable to the State, social security agencies, local authorities and other public bodies (see 3.1).

In millions of euros	31.12.2022	31.12.2021
Liabilities – General State budget	235.1	243.2
Liabilities – Sports betting levies	62.0	63.0
Liabilities – Other public levies	44.7	45.2
Sub-total	341.8	351.4
Unclaimed prizes	117.2	150.2
TOTAL PUBLIC LEVIES	459.0	501.7

The change in public levies liabilities (excluding unclaimed prizes) between the two year-ends reflects the movement in the gross gaming revenue of the various ranges of games.

Unclaimed prizes fell by €33.1 million between the two period-ends. Public levies are paid over on a monthly basis, except in the case of unclaimed prizes, which are paid during the first half of the next financial period. At 31 December 2021, the level of unclaimed prizes was affected by the extension of claim periods granted by FDJ following the closure of points of sale during the health crisis.

Winnings payable and distributable were €606.0 million at 31 December 2022 (2021: €616.9 million). This fall of €10.8 million is mainly due to a large Euromillions prize that had not yet been paid out at 31 December 2021 and by the life

cycles of the draws, with increases in rollover and super jackpot funds serving to offset the decrease in winnings payable.

These amounts are payable within one year.

3.3.5 Other payables

Other payables mainly comprised tax and social security payables.

3.3.6 Inventories

Inventories had a gross value of €14.6 million, less impairments of €0.1 million. They consisted of game materials.

3.4 RECEIVABLES AND PAYABLES WITH SUBSIDIARIES AND EQUITY INVESTMENTS

In millions of euros At 31 December 2022	Receivables			Payables	
	Advances and payments on account	Trade receivables	Gross current account receivable	Trade payables	Current account payable
1 – Subsidiaries (≥ 50%):	0.1	8.6	18.7	15.5	26.2
FGS (FDJ Gaming Solutions)	-	-	0.8	-	-
La Pacifique des Jeux	-	-	-	0.2	-
La Française d'Images	-	0.4	4.3	2.1	-
FDJ Services	-	2.4	9.6	-	-
DVRT 13	-	0.2	3.0	0.1	-
FDP	0.1	1.2	-	12.6	24.7
FDJ Développement	-	0.1	-	0.2	15
NLCS	-	4.3	-	0.3	-
Adstellam (L'Addition)	-	-	1.0	-	-
2 – Equity investments (> 10% and < 50%):	-	2.6	-	0.2	-
Services aux Loteries en Europe	-	-	-	0.2	-
LEIA (Lotteries Entertainment Innovation Alliance)	-	2.6	-	-	-
TOTAL	0.1	11.2	18.7	15.7	26.2

3.5 PREPAID INCOME

In millions of euros	31.12.2022	31.12.2021
Prepaid income (prepaid stakes)	32.6	36.4

Prepaid gaming income comprises stakes wagered in one year for draws or events taking place in the subsequent year. The change between the two period ends is attributable to the draw calendar.

3.6 PREPAID EXPENSES

In millions of euros	31.12.2022	31.12.2021
Prepaid expenses	20.6	18.5

Prepaid expenses of €20.6 million mainly related to insurance premiums, rental expenses, IT maintenance and sponsorship agreements.

Note 4 Personnel expenses and employee benefits

4.1 AVERAGE WORKFORCE DURING THE PERIOD

The full-time equivalent (FTE) workforce during the financial year, all types of contracts combined, was 1,767, compared with 1,630 in 2021, breaking down as 1,470 managers, 206 non-managers and 91 apprentices or professional training contracts.

4.3 EMPLOYEE BENEFITS

Employee benefits include short-term and long-term benefits.

Short-term benefits are composed of paid leave, sickness leave, bonuses and other benefits. They are recognised as expenses for the period and within operating liabilities.

Long-term benefits comprise:

- retirement benefits (defined-benefit scheme), which are post-employment benefits determined on the basis of employees' salaries and years of service at the end of their career. The contributions paid are recognised in social security expenses for the financial year. A provision is recognised for retirement obligations, which are administered under a defined benefit plan;
- health cover, also a post-employment benefit. FDJ employees continue to receive healthcare coverage when they retire (or in the event of disability/redundancy), in accordance with the requirements of the Evin Law of 31 December 1989 and the national inter-occupational collective bargaining agreement of 11 January 2008. The scheme for current and former employees is in deficit and represents a liability;
- long-service awards. Long-service awards consist of days of paid leave and are subject to social security charges. The annual expense is equal to the net change in the obligation, including any actuarial gains or losses.

To determine the present value of the defined benefit plan obligation, the Group uses the projected unit credit method, a retrospective method involving projections of final salaries on retirement. The obligations are measured annually, taking account of seniority, life expectancy, employee turnover by category, benefits negotiated under collective bargaining agreements, and economic assumptions such as inflation and the discount rate. The discount rate used is determined based on the iBoxx € Corporate AA+ index.

4.2 EMPLOYEE PROFIT-SHARING AND INCENTIVES

An exceptional profit-sharing agreement was signed for 2021, 2022 and 2023 on 29 June 2021. The provision for employee profit-sharing was €20 million in 2022, €3 million higher than the figure for 2021 due to the improvement in Group results. The net provision for incentives totalled €8.6 million in 2022, similar to the figure for 2021.

The expense recognised in the income statement for the year incorporates:

- additional benefits earned by employees;
- the change in the discounted value of benefits existing at the start of the year, taking account of the passage of time;
- the impact of any plan amendments or new plans over the year.

Actuarial gains or losses resulting from changes in assumptions or experience adjustments are recognised where they exceed 10% of the value of the obligations. They are then amortised over the average remaining period of employment of the plan beneficiaries.

Expenses related to defined benefit plans are recorded in the income statement as follows:

- current service cost, which reflects the increase in obligations stemming from the acquisition of an additional year of seniority, is recognised in operating profit;
- the net financial expense for the period is recognised under "financial expenses". It is determined by applying the discount rate to the amount recognised in the statement of financial position at the beginning of the period, taking into account any variation during the period resulting from contributions paid and benefit payments.

The overall obligation in relation to FDJ's net commitments is recognised in the balance sheet under "Provisions for risks and charges", except for the accumulated actuarial gains or losses, which represent off-balance-sheet commitments.

In 2021, the calculation of retirement benefits was adjusted to take account of the method for recognising certain defined benefit obligations over time authorised by the ANC pursuant to the decision of the IFRS IC.

In millions of euros	31.12.2021	Increases	Reversals		31.12.2022
			Utilised	Not utilised	
Retirement benefits	21.9	2.7	0.5	0.4	23.7
Healthcare costs	8.7	0.5	0.1	-	9.2
Long-service awards	7.4	0.1	0.2	1.3	6.0
Long-term and post-employment benefits	38.1	3.3	0.8	1.8	38.9
Early retirement leave	-	7.8	-	-	7.8
Other provisions for risks and liabilities	10.1	7.3	6.9	0.3	10.1
TOTAL	48.2	18.4	7.7	2.1	56.7
Operating profit		17.6	6.8	2.0	
Financial income		0.6	-	-	
Non-recurring income		0.2	0.9	0.1	

In April 2022, FDJ signed an early retirement leave agreement for a three-year period starting 1 September 2022, under which staff members who wish to do so can take early retirement. This led to the recognition of a liability of €8.0 million. The agreement applies to employees aged 57 or older, provided that they have worked for the Group for at least five years and are entitled to claim their retirement

benefit at the end of the plan. The plan enables them to receive between 60% and 90% of their salary for a period of up to three years.

It is assumed that 25% of those eligible will accept the offer. The discount rate is 3.70%. A change in the discount rate of 100 basis point would lead to a 1% change in the liability.

The main assumptions used in relation to employee benefits are as follows:

	31.12.2022	31.12.2021
Discount rate	3.70%	0.80%
Wage growth*	3.00%	3.00%
of which inflation	2.20%	2.00%
Employee turnover rate*		
- management	0.95%	0.95%
- non-management	0.57%	0.57%
Mortality table	INSEE TH-TF 2000-2002	INSEE TH-TF 2000-2002

* Age-adjusted.

The change in the total obligation and the provision for long-term benefits, and the net expense for the period, break down as follows:

Change in obligation	31.12.2022	31.12.2021
Actuarial obligation at the beginning of the period	43.1	47.8
Effect of change in accounting policy (update to ANC recommendation 2013-02)	-	-3.7
Current service cost	2.8	2.7
Interest on the actuarial obligation	0.3	0.1
Off-balance sheet items (actuarial gains/losses, costs for past service, etc.)	-15.8	-3.5
Transfers	0.1	0.2
Benefits paid	-0.8	-0.5
Actuarial obligation at the end of the period	29.7	43.1
Accumulated actuarial losses	-9.1	5.0
PROVISION AS AT 31 DECEMBER	38.9	38.1

Accumulated actuarial losses are an off-balance sheet commitment.

The results of sensitivity tests indicate that a 100 bp increase or decrease in the discount rate would lead respectively to a decrease of 9.2% or an increase of 6.7% in the actuarial obligation for retirement benefits.

Change in provision	31.12.2022	31.12.2021
Opening provision	38.1	38.1
Effect of change in accounting policy (update to ANC recommendation 2013-02)	-	-2.5
Current service cost	2.9	3.0
Interest on the actuarial obligation	0.3	0.1
Amortisation of actuarial gains and losses	-1.8	-0.5
Benefits paid	-0.8	-0.5
Transfers	0.2	0.3
Net expense	0.8	-
<i>Operating profit</i>	0.5	2.3
<i>Financial income</i>	0.3	0.1
PROVISION AS AT 31 DECEMBER	38.9	38.1

Other provisions for risks and liabilities are primarily related to employee departures and labour disputes.

4.4 SHARE-BASED PAYMENT

Two performance-based share schemes are in operation. Shares have been allocated to the Chairwoman and CEO, the Deputy CEO and certain FDJ SA employees. Over the term of the plans, an amount representative of the benefit granted to the beneficiaries plus the employer's social security contribution is recorded in personnel expenses, equal to 20% of the value of the shares on their acquisition date, based on the price at which the shares are purchased in the market (applied as a reduction of the value of shares held, or as an estimate of the future purchase price based on the quoted price on the last stock exchange trading day of the year). The expense is recognised over the course of the vesting periods of the plans and, during those periods, may be corrected during that three-year period for departures, dismissals or changes in the estimated probability of achieving the performance criteria.

The value of the performance share entitlements was measured on the basis of the purchase price of shares on the market, in accordance with the principles set out above.

Entitlements to 270,631 shares (estimate as at 31 December 2022) have been awarded under the two plans to the corporate directors and certain employees. The entitlements have a vesting period of three years from the date of attribution and are conditional on continued service with the Group during that period. Share awards are subject to the achievement of performance targets (recurring EBITDA, profit per share, total shareholder return for FDJ shareholders, sustainable development target). If these targets are not met, the number of shares delivered and the expense will be reduced. In the event of outperformance, the number of shares delivered will be increased, up to a maximum of 145% of the entitlements awarded.

The performance targets are assessed over three financial years, starting in the year in which the shares are awarded. The shares are delivered in the year after the three-year period, i.e. shares awarded in 2021 will be delivered in 2024 and shares awarded in 2022 will be delivered in 2025.

During the company purchased 150,000 shares for a total of €5.5 million for distribution to the beneficiaries when the plan matures. A total expense of €3.2 million was recorded in 2022 in respect of the two plans.

Note 5 Property, plant and equipment and intangible assets

5.1 EXCLUSIVE OPERATING RIGHTS

FDJ secured exclusive rights to operate lottery activities both online and in the offline distribution network, and to operate sports betting activities in the offline distribution network, for a period of 25 years. Amounting to

€380 million, this asset is being amortised over this term from 23 May 2019, the date of enactment of the Pacte Law (Law no. 2019-486).

Cumulative amortisation of €54.9 million had been charged to this asset as at 31 December 2022.

5.2 OTHER INTANGIBLE ASSETS

Intangible assets are measured at their cost of acquisition or production. They mainly comprise software programs purchased and the development costs incurred to bring them into use.

Research and development costs and intangible assets in progress

Research expenses incurred by the Company for proprietary activities are recognised as expenses as and when incurred.

Development costs are capitalised, provided they relate to projects with serious prospects for technical success and economic viability. These include the value of internal man-days and subcontracting. They cover internally

developed projects aimed mainly at digitising and expanding the product and service range, both online and in points of sale.

Software

Software is initially recognised at cost, comprising the purchase price and incidental costs.

Intangible assets in progress and other intangible assets

Intangible assets in progress represent the development costs (see above) of assets not yet commissioned. Other intangible assets are initially recognised at cost, comprising the purchase price and incidental costs.

Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives, unless those lives are indefinite. Development costs are amortised on a straight-line basis over the expected useful life of the asset, starting at the commissioning date. Development costs are amortised on a straight-line basis over a period of between three and 15 years, with an average of five years. Assets relating to online-only lottery games and to sports betting open to competition are amortised over three years. Software is amortised over a period of five years.

These periods are reviewed at the end of each financial year. Any change in the expected useful life or the expected rate of consumption of the future economic benefits represented by the asset is taken into account prospectively.

Impairment of intangible assets

When there is an indication of impairment, the Company conducts impairment testing on the relevant assets. The value in use and the net carrying amount are then compared, and the asset is impaired if the value in use falls below the net carrying amount.

In millions of euros	31.12.2022			31.12.2021		
	Gross	Amortisation and impairments	Net	Gross	Amortisation and impairments	Net
Exclusive operating rights	380.0	-54.9	325.1	380.0	-39.7	340.3
Trademarks, copyrights and similar assets	39.6	-20.8	18.8	39.6	-12.0	27.6
Research and development expenditure	205.2	-156.0	49.2	187.8	-131.7	56.1
Software	75.1	-71.3	3.8	73.6	-68.6	5.0
Other intangible assets	0.4	-	0.4	-	-	-
Assets in progress	76.9	-	76.9	43.1	-	43.1
TOTAL EXCLUSIVE OPERATING RIGHTS AND OTHER INTANGIBLE ASSETS	777.2	-302.5	474.7	724.1	-252.0	472.1

In millions of euros	31.12.2021	Acquisitions Allowances	Disposals Reversals	Reclassifications	31.12.2022
Exclusive operating rights	380.0	-	-	-	380.0
Trademarks, copyrights and similar assets	39.6	-	-	-	39.6
Research and development expenditure	187.8	5.9	-4.1	15.5	205.2
Software	73.6	1.5	-	-	75.1
Other intangible assets	-	0.4	-	-	0.4
Assets in progress	43.1	50.2	-0.9	-15.5	76.8
Gross amounts	724.1	58.0	-5.1	-	777.2
Amort. / Impairment – Exclusive operating rights	39.7	15.2	-	-	54.9
Amort. / Impairment – Trademarks, copyrights and similar assets	12.0	8.8	-	-	20.8
Amort. / Impairment – Development expenses	131.7	28.4	-4.5	-	155.5
Amort. / Impairment – Software	68.6	2.7	-	-	71.3
Amort. / Impairment – Other intangible assets	-	-	-	-	-
Depreciation and impairments	252.0	55.1	-4.6	-	302.5
NET INTANGIBLE ASSETS	472.2	2.9	-0.5	-	474.7

The main increase concerns research and development expenditure (see Note 3.2).

5.3 PROPERTY, PLANT AND EQUIPMENT

Initial measurement

Property, plant and equipment are recognised at acquisition cost (purchase price plus incidental costs). Where individual components of property, plant and equipment have different useful lives, they are recognised as separate assets.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis, apart from IT equipment, which is depreciated using the reducing balance method. The estimated useful lives are as follows:

- 20 to 60 years for buildings;
- 10 to 30 years for building improvements;

- 5 to 8 years for PoS terminals;
- 5 to 10 years for furniture and equipment.

The residual values and useful lives of the assets are reviewed, and modified if necessary, at the end of each financial year.

Borrowing costs

Borrowing costs incurred to finance major investments during the construction period are considered part of the acquisition cost.

Impairment of property, plant and equipment

See accounting policies for intangible assets, Note 5.2.

In millions of euros	31.12.2022			31.12.2021		
	Gross	Depreciation and impairments	Net	Gross	Depreciation and impairments	Net
Land and improvements	98.3	-1.5	96.9	98.3	-1.5	96.8
Buildings	157.9	-34.7	123.2	155.9	-28.5	127.4
Technical installations, materials, equipment	187.7	-159.1	28.6	175.5	-143.5	32.0
Other property, plant and equipment	223.3	-178.3	44.9	229.2	-178.1	51.2
Property, plant and equipment in progress	13.6	-	13.6	13.0	-	13.0
Advances and payments on account	3.1	-	3.1	1.0	-	1.0
TOTAL PROPERTY, PLANT AND EQUIPMENT	684.0	-373.6	310.4	672.8	-351.5	321.3

In millions of euros	31.12.2021	Acquisitions Allowances	Disposals Reversals	Reclas-sifications	31.12.2022
Land and improvements	98.3	0.1	-	-	98.3
Buildings	155.9	1.7	-	0.3	157.9
Technical installations, materials, equipment	175.5	7.8	-0.8	5.2	187.7
Other property, plant and equipment	229.2	9.6	-19.0	3.5	223.3
Property, plant and equipment in progress	13.0	9.4	-	-8.7	13.7
Advances and payments on account	1.0	2.4	-	-0.3	3.1
Gross amounts	672.8	31.0	-19.9	-	684.0
Dep. / Impairment – Land and improvements	1.5	-	-	-	1.5
Dep. / Impairment – Buildings	28.5	6.2	-	-	34.7
Dep. / Impairment – Technical installations, materials, equipment	143.5	16.4	-0.8	-	159.1
Dep. / Impairment – Other property, plant and equipment	178.1	18.3	-18.0	-	178.4
Dep. / Impairment – Property, plant and equipment in progress	-	-	-	-	-
Dep. / Impairment – Advances and payments on account	-	-	-	-	-
Amortisation and impairments	351.5	40.9	-18.8	-	373.6
NET PROPERTY, PLANT AND EQUIPMENT	321.3	-9.9	-1.0	-	310.4

Acquisitions relate mainly to IT equipment.

Disposals and scrapping mainly concern fully depreciated point-of-sale equipment.

Note 6 Other provisions and contingent liabilities

A provision is recognised if, at the close of the financial year, the company has an obligation to a third party arising from a past event, the settlement of which is expected to result in an outflow of resources from the company without receiving equivalent or greater resources in return, and the amount of which can be estimated reliably. The amount given is the best estimate of the risk.

With the exception of the provisions for employee benefits, provisions are not discounted.

A **contingent liability** is a possible obligation resulting from a past event for which the outcome is uncertain, or a present obligation resulting from a past event for which the amount cannot be reliably estimated.

Other provisions

In millions of euros	Note	31.12.2021	Increases	Reversals		31.12.2022
				Utilised	Not utilised	
Provisions related to personnel	4.3	48.2	18.4	7.7	2.1	56.7
Other provisions for risks and liabilities		17.8	0.3	-	5.8	12.2
TOTAL PROVISIONS FOR RISKS AND LIABILITIES		65.9	18.6	7.7	7.9	68.9
<i>Operating profit</i>			17.6	6.8	2.0	
<i>Financial income</i>			0.6	-	3.1	
<i>Non-recurring income</i>			0.4	0.9	2.8	

Other provisions for risks and liabilities are primarily related to ongoing litigation and other legal disputes (Note 11).

The change since 31 December 2021 mainly concerns reversals in relation to the individual disputes with agent-brokers.

Note 7 Financial assets and cash

Equity investments

The gross value of equity investments is the purchase price excluding acquisition-related costs, which are recorded under expenses. When there is an indication of impairment, the Company carries out impairment testing. The carrying amount is compared with value in use based on the current and projected profitability of the subsidiary in question, determined on the basis of the present value of future cash flows or the share of equity held, or an analysis carried out by external experts using a multi-criteria approach to capital valuation adjusted for the Company's net debt. An impairment is recorded if the value in use falls below the carrying amount, firstly on the equity interest and then on the related receivables if need be.

Transferable securities

Transferable securities are recorded on the balance sheet at historical cost. However, if an impairment is recognised if their market value is less than their carrying amount at the reporting date (with the exception of securities with guaranteed capital and securities with a maturity of less than six months). Market value is determined (i) for listed securities, by reference to the stock market price at the year-end, and (ii) for unlisted securities, by reference to the most recent net asset value published or the estimated realisable value.

Borrowings

Borrowings are recorded at their repayment value. The issuance costs of borrowings are amortised over the term of the loan.

7.1 EQUITY INVESTMENTS AND RECEIVABLES RELATED TO INVESTMENTS

In millions of euros	31.12.2021	Increase	Decrease	31.12.2022
Equity investments	155.4	75.5	-	230.9
Impairment of equity interests	-74.5	-23.5	-	-98.0
NET AMOUNT	80.9	52.0	-	132.9

The increase of equity interests is due to:

- the establishment during the period of FDJ Services Holding, a subsidiary with share capital of €35.5 million, which holds the shareholding in Aleda; The 100% acquisition of Aleda was finalised on 17 November 2022, after conditional approval for the transaction was granted by the French competition authority. Aleda specialises in point-of-sale payment solutions for neighbourhood retailers.
- the acquisition of 95% of Adstellam (L'Addition), a specialist in payment equipment and services for cafés, bars, hotels and restaurants, for €34 million paid in 2022. An additional amount is potentially payable, subject to

the achievement of targets. FDJ SA and the vendor have signed mutual undertakings to buy and sell the remaining L'Addition shares still held by the vendor.

- a €6 million capital increase at FDJ Services;

Impairment tests carried out at the year-end on equity investments recorded as assets in the balance sheet resulted in the recognition of impairments of €23.5 million. This charge essentially relates to FGS Holding, which holds the company's interests in Sporting Group.

The impairment reflects the reduction in the value in use of Sporting Group and thus that of FGS Holding, which holds the shareholding in Sporting Group.

In millions of euros	Equity as at 31.12.2022	Share capital	Share of capital held by FDJ	Carrying amount of securities held		Current account and receivables related to investments	Revenue 2022	Profit/(Loss) 2022	Dividends collected in 2022
				Gross	Net				
1 – Subsidiaries (≥ 50%):				230.6	132.6	-6.7	129.9	-11.0	17.5
FDJ Gaming Solutions	12.7	76.3	100.00%	145.2	48.7	0.8	-	-28.3	-
La Pacifique des Jeux	3.2	1.3	99.99%	1.3	1.3	0.7	7.0	1.8	15
La Française d'Images	0.4	0.2	100.00%	0.3	0.3	4.3	13.8	0.2	-
FDP	20.0	0.0	100.00%	4.4	4.4	-24.7	83.6	16.6	15.0
FDJ Développement	1.5	0.2	100.00%	0.3	0.3	-1.4	2.5	-	1.0
FDJ Services	8.1	3.5	100.00%	9.5	8.1	9.6	8.6	-0.7	-
DVRT 13	-1.0	0.1	100.00%	-	-	3.0	1.5	-0.7	-
NLCS	0.8	0.2	50.00%	0.1	-	-	11.9	0.1	-
FGS New Markets	0.0	0.0	100.00%	-	-	-	-	-	-
FDJ Services Holding	35.5	35.5	100.00%	35.5	35.5	-	-	-	-
Adstellam (L'Addition)	2.2	0.2	95.00%	34.0	34.0	1.0	1.0	-	-
2 – Equity investments (> 10% and < 50%):				0.3	0.3	-	32.6	0.9	0.1
Services aux Loteries en Europe	0.9	0.4	26.57%	0.1	0.1	-	4.8	0.8	0.1
Société de Gestion de l'Échappée	0.7	0.1	50.00%	0.1	0.1	-	21.6	0.1	-
Lotteries Entertainment Innovation Alliance	1.5	0.5	20.00%	0.1	0.1	-	6.2	-	-
TOTAL				230.9	132.9	-6.7	162.5	-10.1	17.6

7.2 LOANS AND OTHER FINANCIAL ASSETS

In millions of euros	Gross amount	
	31.12.2022	31.12.2021
Portfolio fixed assets	42.3	35.6
Security deposits	9.3	69.4
Treasury shares	15.6	15.6
TOTAL	67.2	120.6

Portfolio fixed assets mainly comprise investments in innovation funds geared towards supporting the development of start-ups in activities close to FDJ's core business.

The deposit paid under the secured trust agreement, which was intended to protect the credit balances of online players, was €60 million as at 31 December 2021. It was

repaid in September 2022 and has been replaced by a specific insurance contract. Other security deposits mainly concern the Euromillions guarantee deposit.

In 2017, FDJ repurchased the shares previously held by Soficoma, which disputes the loss of its status as a shareholder (see Note 11). The price of the shares (€15.6 million) was paid to the Caisse des Dépôts et Consignations.

7.3 CASH AND CASH EQUIVALENTS AND FINANCIAL LIABILITIES

In millions of euros	31.12.2022			31.12.2021
	Gross	Impairments	Net	Net
Shares in investment funds	624.5	-18.1	606.4	503.6
Transferable debt securities	90.0	-	90.0	55.0
Total transferable securities	714.5	-18.1	696.4	558.6
Cash and cash equivalents	720.9	-	720.9	903.3
TOTAL GROSS CASH	1,435.4	-18.1	1,417.3	1,461.9

Net cash decreased by €44.6 million during the period to €1,417.3 million.

Long-term debt of €427.1 million (2021: €492.6 million) includes a loan taken out during 2020 to fund the payment for the exclusive rights, of which €328 million was outstanding at the end of 2022, a loan taken out in 2019 for the acquisition of Sporting Group, of which €27 million remained outstanding, and €72 million of debt in relation of the acquisition of the Group's headquarters.

The loan taken out for the acquisition of the new headquarters is at a fixed rate and matures on 29 November 2031, with payments due on 29 May and 29 November of each year starting in 2017.

The balance of the loan taken out for the acquisition of Sporting Group was £24 million, or €27 million (2021: €65 million). This floating-rate loan is repayable in a single instalment of 15 May 2024, repayment of one third of the debt having been deferred by two years. The company made an early repayment of £31 million (€35 million) during 2022.

A syndicated loan to finance the payment made to secure the exclusive operating rights was established on 1 April 2020 with a syndicate of banks (Bred Banque Populaire, Caisse d'Epargne Ile-de-France, Caisse d'Epargne Hauts-de-France, Caisse Régionale de Crédit Agricole de Paris et d'Ile-de-France and Crédit Lyonnais). The initial nominal amount of the loan was €380 million. It is subject to regular repayments, bears interest at a floating rate and has a term of twenty years. A six-year hedge has been taken out, covering nearly 50% of the debt.

The main features of the loan are:

- repayment in quarterly instalments;
- voluntary early repayment without penalty possible after 18 months;
- compulsory early repayment in the event of loss of the exclusive rights, loss of the French State's close control, or a change of control (i.e. if the State's shareholding falls below 10% of the share capital and/or a third party comes to hold more than 33.33% of the share capital or voting rights);
- a variable interest margin based on the Group's consolidated debt ratio.

In 2022, the Company repaid €19 million in accordance with the schedule of instalments.

7.4 NET FINANCIAL EXPENSE

The net financial expense was impacted by impairment charges of €23.5 million on equity investments, essentially in connection with FGS Holding.

If items related to subsidiaries and equity investments are excluded, the company recorded a net financial expense of €21.2 million for the year (2021: expense of €4.3 million). The change is mainly due the impairment charge of €17.9 million

on marketable securities, recognised due to the more difficult conditions in the financial markets. The impairment concerns in particular the dedicated bond funds maturing in 2024 (€8.4 million) and the structured bonds maturing in 2025 (€5.2 million). These decreases were caused by the rise in interest rates. FDJ intends to hold these assets to maturity. They will be repaid at their nominal value, and will thus revert to their initial valuation.

In millions of euros	31.12.2022	31.12.2021
Interest and similar income	6.3	4.0
Dividends received	17.9	8.1
Reversals of provisions and transfers of charges	4.4	0.4
Realised exchange gains	-	1.0
Net proceeds from the sale of transferable securities	0.1	3.1
Total financial income	28.8	16.6
Interest and similar expenses	7.2	7.3
Depreciation, amortisation and provisions	42.5	34.2
Realised exchange losses	3.9	0.2
Net expenses on the sale of transferable securities	2.6	0.7
Total financial expense	56.3	42.5
NET FINANCIAL EXPENSE	-27.5	-25.9
Amount related to subsidiaries and equity investments	-6.4	-21.6

Financial risk management policy

In the management of its cash surplus, the Group faces four main categories of risk:

- credit risk (related to counterparty default risk);
- liquidity risk (in the event that FDJ is unable to meet its payment obligations);
- interest rate risk (mainly related to rises in interest rates);
- market risk.

A description of these risks is provided below, along with the actions taken to limit their impact.

Credit risk on investments and derivatives

The credit risk or counterparty risk on investments and derivatives is monitored by the Treasury Committee, which includes the Finance Director and members of the Treasury and Investments Department. This risk can be defined as the loss that the Company would bear in the event that a counterparty defaults on its obligations to the Company.

For financial investments and derivatives, FDJ's policy is to limit transactions to a maximum amount per authorised counterparty, weighted according to the

nature of the risks. The list of authorised counterparties is established by the Treasury Committee. Their selection is based on their rating and the maturity of the transaction. It is reviewed periodically, at least once every six months. If a counterparty is downgraded below the minimum rating, the Treasury Committee decides whether to maintain the existing transactions to maturity.

The Company considers that the risk of counterparty default, with a potentially material impact on its financial position and results; limited, due to the policy in place for managing counterparties and more particularly given the minimum long-term rating stipulated for these transactions.

As at 31 December 2022, investments principally comprised:

- UCITS and similar assets of €615 million (2021: €518 million) and investments with counterparties of €712 million (2021: €606 million). These comprise €607 million in term deposits (2021: €505 million), €20 million in interest-bearing demand deposits (2021: €45 million) and €85 million in EMTNs (2021: €56 million);
- derivatives of €20 million (2021: €3 million);
- accrued interest of €2 million (2021: €2 million).

Credit risk on investments with counterparties may be broken down as follows:

Encours	Investments with counterparties at 31.12.2022 (in millions of euros)	Number of counterparties by size of exposure			
		€0-€25 million	€25-€50 million	€50-€100 million	€100-€150 million
AA/Financial institutions	294	-	1	-	2
A/Financial institutions	418	5	4	2	-
TOTAL	712				

Credit risk on trade receivables

FDJ considers the risk of retailer default with a potentially material impact on its financial position and results to be limited due to its credit risk mitigation policy, which requires all new retailers to provide a guarantee issued by a bank or insurance company or a security deposit in cash.

Liquidity risk

Liquidity risk is defined as FDJ's inability to meet its financial obligations at a reasonable cost. It includes in particular the counterparty risk on certain games, the amounts of which may be high and must be covered by cash that can be mobilised immediately. They are also hedged.

FDJ's exposure to liquidity risk is limited, since under the Company's cash management policy at least 20% of financial investments must be held in money market instruments and at least 80% of financial investments must be held in money market instruments and other short-term investments.

The Treasury Committee, headed by the Finance Director, monitors the liquidity position on a monthly basis and ensures compliance with defined limits.

The amounts invested in short-term instruments are consistent with FDJ's cash management policy.

During the year ended 31 December 2022, financial investments averaged €1,591 million. Loans taken out with banks totalled €427 million. This comprised:

- €328 million (excluding issuance costs) related to the financing for the exclusive operating rights payment;
- €72 million of debt related to the purchase of the Group's head office;
- €27 million of debt related to the acquisition of Sporting Group.

Most of the short-term instruments can be recovered, without penalty or capital risk, following a notice period of 32 calendar days.

Furthermore, unused confirmed credit lines of €150 million have been in place since February 2021, repayable variously between February 2023 and February 2026.

Given the level of financial investments at 31 December 2022, and based on business, investment and debt repayment forecasts, the Group has determined it can meet its obligations over the next 12 months as from the review date of the annual financial statements by the Board of Directors.

Interest rate risk

The interest rate risk of a financial asset is the risk of generating a capital loss on a security or incurring an additional cost due to changes in interest rates. The interest rate risk of a financial liability is the risk of incurring an additional cost due to changes in interest rates.

FDJ's exposure to interest rate fluctuations is associated with future financial investments and floating-rate borrowings. FDJ implements a dynamic interest rate risk management policy supervised by the Treasury Committee. The aim of the policy is to ensure a minimum return on financial investments over a maximum of five years, and to hedge the interest rate risk on loans at a reasonable cost.

Sensitivity to interest rate risk arises from fixed income investments (bonds and negotiable debt instruments), interest rate derivatives and floating-rate debt.

At 31 December 2022, investments totalling €110 million were directly exposed to this risk; their purpose is to offset the effects of a possible rise in the interest rates payable on variable-rate borrowings. A 1% increase or decrease across the entire yield curve would have no material impact on the fair value of the investments. The borrowings incurred in connection with the exclusive operating rights payment (€328 million) and the acquisition of Sporting Group (€27 million) bear interest at variable rates.

Although the significant interest rate rises that occurred in 2022 have increased financing costs, the increase in interest costs was substantially limited by the existence of hedges covering 65% of the borrowings taken out to obtain the exclusive operating rights. At the same time, the unhedged portion of this loan (€114 million) is matched by variable-rate investments, further limiting interest rate sensitivity.

A 1% increase across the entire yield curve would have an impact of less than €1 million.

Financial transaction with subsidiaries and equity investments had the following impact on the net financial expense:

In millions of euros	31.12.2022	31.12.2021
Dividends received	17.6	8.0
Provisions on investments and related receivables (net of reversals)	-24.0	-29.5
NET FINANCIAL EXPENSE RELATED TO SUBSIDIARIES AND EQUITY INVESTMENTS	-6.4	-21.6

Market risk

Market risk is the risk of generating a capital loss on a security or incurring an additional cost due to changes in interest rates.

The Group is exposed to market risk in connection with movements in its financial investments.

The Group implements an investment strategy aimed at mitigating this risk. The main component of this strategy is the definition of an asset allocation regulating the amounts that may be invested in each major asset class.

This allocation sets upper limits on assets exposed to risk:

- no more than 4% of total assets may be invested in equities or similar instruments;

- no more than 8% of assets may be invested in "diversification" instruments (convertible bonds, senior loans, real estate, etc.);
- no more than 8% of assets may be invested in bonds with a time to maturity in excess of three years.

At least 80% of assets must be invested in money-market and bond investments with a time to maturity of three years or less.

In addition to these allocation rules, rules on geographic diversification are also applied. The strategies employed must ensure that volatility of the portfolio is materially lower than market volatility.

At 31 December 2022, investments subject to market risk amounted to €709 million (2021: €574 million).

Note 8 Net non-recurring profit

In millions of euros		
At 31 December 2022	Expenses	Income
TOTAL	-74.4	46.5
Non-recurring income and expenses in relation to operations	-11.4	0.2
Non-recurring income and expenses in relation to capital transactions	-1.6	0.7
Increases and reversals of depreciation, amortisation and provisions	-61.4	45.5
– <i>asset impairments</i>	-1.7	-
– <i>provisions for risks and liabilities (see Note 6)</i>	-0.4	3.7
– <i>regulated provisions (see Note 10)</i>	-59.3	41.8
NET NON-RECURRING PROFIT	-27.9	

Non-recurring expenses mainly comprise accelerated depreciation and amortisation charges or reversals thereof (see Note 10), as well as costs incurred in relation to mergers & acquisitions.

Note 9 Income tax expense

9.1 TAX CONSOLIDATION AGREEMENT

La Française des Jeux and certain subsidiaries in which it holds direct interests of more than 95% (FDJ Développement, FDJ Gaming Solutions, La Française d'Images, FDP, FDJ Service, DVRT 13 and FGS France) together form a tax consolidation group as defined in Articles 223A et seq. of the French General Tax Code. FDJ Services, DVRT 13 and FGS France joined this group with effect from the 2022 financial year.

The tax position of the subsidiaries in question is not affected by the agreement: it is the same as it would be if they were taxed separately. The tax saving resulting from the difference between the tax recognised by each consolidated entity and the tax calculated on the basis of consolidated income is recognised by La Française des Jeux. The Company is liable to the French Treasury for the tax calculated on the total taxable income of the consolidated entities.

9.2 BREAKDOWN OF TAX EXPENSE

In millions of euros Year ended 31 December 2022	Recurring profit	Non-recurring income and expenses, employee profit-sharing and incentives
Accounting income before tax	460.0	-56.5
Taxable income	473.3	-53.4
FDJ tax	119.3	-13.8
Net profit before tax consolidation	340.7	-42.7
Effect of tax consolidation		-6.0
NET PROFIT		304.0

The tax saving resulting from the tax consolidation in 2022 stems mainly from the use of the 10% rule for software licences for FGS France.

9.3 CONTINGENT TAXES

In millions of euros	31.12.2022	31.12.2021
Increase of future tax liability bases	172.7	162.0
Regulated provisions	139.9	122.4
Other items	32.8	39.6
Reduction of future income tax base	77.0	101.4
Employee benefits	32.9	30.6
Employee profit-sharing	20.0	16.9
Other items	22.0	23.4
Tax decrease	2.2	30.5

Note 10 Equity

10.1 SHARE CAPITAL

FDJ has share capital of €76,400,000, consisting of 191,000,000 fully subscribed and paid-up shares with a par value of €0.40 each.

A breakdown of share ownership is provided in Note 1.1.

10.2 TREASURY SHARES ⁽¹⁾

Treasury shares are recorded as an asset on the balance sheet at their acquisition cost. Gains and losses on sales of these shares are recognised in net financial income and contribute to profit or loss for the year.

A share purchase and sale programme authorised by the Board of Directors at its meeting of 19 December 2019 has been implemented, pursuant to the authorisation granted by the General Meeting of Shareholders of 4 November 2019, for the purpose of concluding a liquidity agreement to facilitate trading in FDJ shares. The maximum amount of €6 million has been allocated to the liquidity agreement, which runs until 31 December 2022.

This programme is covered by a liquidity agreement in accordance with the provisions laid down by the Autorité des marchés financiers (AMF).

Shares are also purchased in connection with the performance share awards made on 30 June 2021 and 26 April 2022.

At 31 December 2022, there were 185,319 treasury shares with a value of €6.8 million (2021: 112,063 shares with a value of €4.5 million).

10.3 PAYMENT OF DIVIDENDS

The dividend in respect of 2022, which was submitted to the vote at the General Meeting of Shareholders of 27 April 2023 approving the financial statements for the year ended 31 December 2022, is €262 million, i.e. €1.37 per share.

The dividend in respect of 2021, which was submitted to the vote at the General Meeting of Shareholders of 26 April 2022 approving the financial statements for the year ended 31 December 2021, is €237 million, i.e. €1.24 per share. It was paid on 4 May 2022.

In millions of euros

EQUITY AS AT 31 DECEMBER 2021 BEFORE ALLOCATION OF 2021 NET PROFIT	854.3
Income allocated to dividends	-236.8
2022 profit	304.0
Retained earnings	0.2
Change in regulated provisions (accelerated depreciation and amortisation)	17.4
EQUITY AS AT 31 DECEMBER 2022 BEFORE ALLOCATION OF 2022 NET PROFIT	939.2

10.4 RESERVES

FDJ's business of organising and operating gaming activities involves specific risks and commitments of particular significance, which must be anticipated through appropriate coverage.

Until early 2022, rare risks (very low frequency of occurrence with a very high amount – multiple game events occurring over a given period) and extreme risks (extremely low

frequency of occurrence, very high amount) were covered by a statutory reserve. Following an updated evaluation of these risks and the associated insurance cover, the shareholders of FDJ resolved at the Combined Ordinary and Extraordinary General Meeting of 26 April 2022 to abolish the statutory reserve and cover the residual risks via the optional reserve. The €97 million balance of the statutory reserve (including a €5 million increase made immediately prior to the transfer) was therefore transferred to the optional reserve.

(1) Note that 5,730,000 of the Company's shares are the subject of litigation with Soficoma before the Aix-en-Provence Court of Appeal (see Note 11 "Proceedings and other disputes"). FDJ considers that it purchased these shares on 18 May 2017. The General Meeting of Shareholders of 18 June 2018 resolved to cancel the shares in question, on conditions that the application made to the Commercial Court is granted, i.e. that the Court finds that (i) Soficoma, pursuant to Article 15(b) of the Articles of Association, was required to sell its shares within three months of the meeting of the Board of Directors that found it to be in breach of the conditions governing its capacity to remain a shareholder of FDJ, (ii) FDJ has satisfied its obligation to pay the price of the shares by depositing the price with the Caisse des Dépôts et Consignations, (iii) Soficoma forfeited its status of shareholder on the date of that deposit, i.e. on 18 May 2017, and (iv) FDJ is authorised to enter the transfer of those shares from Soficoma to FDJ in its registers.

10.5 REGULATED PROVISIONS

Regulated provisions consist of accelerated depreciation and amortisation charges. The amount has increased, notably due to the increase in research and development expenditure capitalised during the period.

In millions of euros	31.12.2021	Increases	Reversals	31.12.2022
Accelerated depreciation and amortisation	122.4	59.3	41.8	139.9
TOTAL REGULATED PROVISIONS	122.4	59.3	41.8	139.9

Note 11 Ongoing legal proceedings and other disputes

LEGAL PROCEEDINGS BROUGHT BY 84 AGENT-BROKERS

Members of the French gaming retailers' syndicate (UNDJ – Union nationale des diffuseurs de jeux) sued La Française des Jeux in May 2012 before the Commercial Court of Nanterre, requesting that the 2003 rider to the agent-broker contract be terminated by a court decision. The case is currently pending before the Court.

SOFICOMA PROCEEDINGS

On 23 May 2017, FDJ filed a lawsuit against Soficoma, a non-trading company, requesting a finding that Soficoma had lost its status as a shareholder of FDJ. On 23 May 2019, the Commercial Court of Marseille granted FDJ's application. Soficoma appealed this ruling on 20 June 2019 to the Court of Appeal of Aix-en-Provence. By a judgment dated 17 November 2022, the Court of Appeal of Aix-en-Provence upheld the ruling of the Commercial Court of Marseille in its entirety and dismissed all claims against the French Republic, represented by the Agence des participations de l'État. Soficoma filed an appeal to the Court of Cassation on 13 December 2022.

Concurrently, Soficoma filed a lawsuit against FDJ on 27 December 2017 in the Commercial Court of Nanterre, requesting confirmation of its status as a shareholder in FDJ and an order against FDJ for the payment of its dividends. Proceedings are stayed due to the case currently pending before the Court of Appeal of Aix-en-Provence.

PROCEEDINGS BEFORE THE COUNCIL OF STATE

By letter of 20 May 2021, the Council of State called FDJ to present observations in proceedings brought by four applicants in December 2019. These applicants – The Betting and Gaming Council, Betclik Enterprises Limited, the European Gaming and Betting Association and SPS Betting France Limited – have brought fourteen actions for *ultra vires* against Ordinance no. 2019-1015 of 2 October 2019 reforming the regulation of games of gambling and chance, Decree no. 2019-1060 of 17 October 2019 on the terms of application of strict State control over the company La Française des Jeux, Decree no. 2019-1061 of 17 October 2019 on the framework for the gaming offer of La Française des Jeux and Pari Mutuel Urbain, Decree no. 2019-1105 of 30 October 2019 on the transfer to the private sector of the majority of the share capital of the société anonyme La Française des Jeux, the Order of 6 November 2019 setting

the terms of the transfer to the private sector of the majority of the share capital of the company La Française des Jeux, the Order of 20 November 2019 setting the price and terms of allocation for shares in the company La Française des Jeux, Decree no. 2019-1563 of 30 December 2019 on the approval of the articles of association of the company La Française des Jeux and Decree no. 2020-494 of 28 April 2020 on the terms of provision of the gaming offer and gaming data. The applicants seek the annulment of the statutory instruments reforming the regulation of gambling games. These actions are pending before the Council of State. FDJ filed an initial submission on 6 August 2021, a second on 23 September 2022 and a third on 18 November 2022. The applicants made new submissions on 11 October 2021, 24 June 2022, 1 August 2022, 12 September 2022 and 23 November 2022. The case is currently being considered.

PROCEEDINGS BEFORE THE EUROPEAN COMMISSION

Following the privatisation of FDJ, two complaints were lodged with the European Commission, recorded by the Commission as State aid cases SA. 56399 and SA. 56634, for the alleged granting of State aid in the form of guarantees, preferential tax treatment, and the granting of exclusive rights for insufficient remuneration. The complainants were the Association française des jeux en ligne (AFJEL), in a complaint dated 31 January 2020, and The Betting and Gaming Council (BGC), in a complaint dated 5 March 2020.

On 26 July 2021, the European Commission announced that it would conduct a detailed investigation of France regarding the adequacy of the €380 million payment made in "remuneration of the exclusive rights awarded" for point-of-sale sports betting and for lottery. The Commission's decision to open the investigation was published on 3 December 2021 in the list of state aid cases on its website and in the Official Journal of the European Union. The decision sets out the grounds that led it to query the arrangements from the perspective of the law on state aid. The case is ongoing and the parties are exchanging statements of position. FDJ submitted its observations to the European Commission on 3 January 2022. No timetable has yet been announced by the Commission.

The Commission has closed the matter of the guarantee, confirming that there was no guarantee in the sense of state aid. With respect to the matter of preferential tax treatment, the preliminary inquiry in response to the complaints remains ongoing.

Note 12 Other information

12.1 EXECUTIVE COMPENSATION

In 2022, the senior management (Corporate Directors) received a total of €0.9 million (2021: €0.7 million). This was made up exclusively of short-term benefits.

12.2 FRENCH STATE

The French State is no longer FDJ's majority shareholder, but nevertheless continues to exercise close control over it, with specific prerogatives including a right of veto granted to the Government commissioner over decisions taken in FDJ's governing bodies, approval by decree of the modifications of the Articles of Association of FDJ and also the obtaining of a licence from the ministers in charge of the economy and

the budget, after consultation with the French gaming regulatory authority (ANJ) for the appointment of a Chairman, CEO or Deputy CEO of FDJ.

The Exclusive Rights Decree of 17 October 2019 set ranges and/or caps on payout ratios by type of game, while Article 138 I° of the Pacte Law established a levy in favour of the French State, applicable on stakes wagered from 1 January 2020 and calculated on the basis of gross gaming revenue, i.e. stakes wagered less the amounts payable to winners. The rate of this levy is set at 54.5% for traditional draw games whose first-ranking winnings are distributed in pari-mutuel form, and at 42% for other lottery games. The terms and conditions for the annual collection of the levy will be set by decree.

The associated amounts recorded in the income statement and the statement of financial position for each of the last two years are as follows:

In millions of euros		31.12.2022	31.12.2021
Statement of financial position – Assets	Exclusive operating rights (gross value)	380.0	380.0
Statement of financial position – Assets	Advance payment of public levies	202.2	202.1

In millions of euros		31.12.2022	31.12.2021
Statement of financial position – Liabilities	Public levies (including unclaimed prizes)	459.0	501.7

In millions of euros		31.12.2022	31.12.2021
Income statement	Public levies	4,147.4	3,816.0

According to the agreement concluded between the French State and FDJ on 17 October 2019, when the exclusive rights expire or are terminated early, the assets strictly necessary for the operation of exclusive rights will revert to the State in exchange for compensation at the market value of the buildings and the net carrying amount of other fixed assets.

Transactions between FDJ and other public sector entities (France Télévisions, EDF, SNCF, La Poste etc.) are all carried out under normal market conditions.

12.3 TRANSACTIONS WITH OTHER RELATED PARTIES

Transactions with other related parties were carried out on an arm's length basis and mainly concerned transactions entered into between FDJ and its subsidiaries.

On 15 December 2016, the Board of Directors elected to renew the FDJ Corporate Foundation for a term of five years from 5 January 2018 until 2 January 2023. The multi-year action plan provides for €19.5 million, of which €7 million

was donated in 2016, €8 million in 2017, €3 million in 2019 and €1.5 million in 2021.

On 16 December 2021, the Board of Directors elected to renew the FDJ Corporate Foundation for a term of five years from 3 January 2023, with a €25 million multi-year action plan for the period from 2023 to 2027. The amount committed by FDJ is covered by a bank guarantee.

Note 13 Details of accrued expenses and income

In millions of euros	31.12.2022	31.12.2021
Assets – Accrued income	-	-
Miscellaneous accrued income	-	-
TOTAL ASSETS	-	-
Liabilities – Accrued employee expenses	22.3	20.0
Time saving account	4.0	3.5
Variable share	9.6	7.7
Provision for incentives	8.8	8.8
Liabilities – Expenses due to social security agencies	20.0	17.9
Expenses due	20.0	17.9
Liabilities – Accrued expenses	0.8	0.8
Other accrued expenses – HR	0.6	0.6
Other accrued expenses – Management	0.1	0.2
Liabilities – Miscellaneous accrued expenses	723.7	767.5
Miscellaneous accrued expenses	0.5	0.4
Unclaimed top prizes	3.3	3.2
Unclaimed prizes to be paid to the State	117.2	150.2
Booster/Super Jackpot funds	270.0	234.7
Prizes carried forward	31.3	18.6
Winnings payable	233.8	226.6
Other accrued winnings	1.6	1.4
Player balances	54.1	42.4
Player balances (blocked)	11.8	89.8
TOTAL LIABILITIES	766.8	806.1

Note 14 Post-closing events

With effect from 2023, FDJ SA is putting in place a five-year €10 million programme to raise awareness of the risks of gambling among high school pupils, designed in conjunction with a non-profit organisation working in prevention.

Note 15 Off-balance-sheet commitments

15.1 COMMITMENTS GIVEN

La Française des Jeux forms a tax consolidation group with the following entities, in which it holds interests of more than 95%: FDP, FDJ Développement, FDJ Gaming Solutions, La Française d'Images, DVRT 13, FDJ Services and FGS France. The tax consolidation agreement allows for offset payments to be made in the event that a subsidiary leaves the tax

group or incurs additional tax expenses due to its membership of the group. This compensation would correspond to the tax effect of losses arising during the tax consolidation period, which amounted to €2.9 million for La Française d'Images, €68.1 million for FDJ Gaming Solutions, €1 million for FDJ Services and €1 million for DVRT 13 at 31 December 2022.

Other commitments given are as follows:

In millions of euros	31.12.2022	31.12.2021
Mortgage on goods acquired	77.4	86.4
Performance bonds*	184.8	89.3
Sponsorship agreement	15.1	22.6
Accumulated actuarial losses (Note 4.3)	-9.1	5.0
Sports Partnership	17.9	13.5
Investment funds	47.1	45.7
Operating leases	30.5	12.5
Joint surety undertaking under Aguesseau lease – FDI	8.2	-
First-demand guarantees	1.7	1.7
OLG contract guarantee (FGS)	10.4	10.4
French Tax administration contract guarantee	5.0	5.0
ACPR contract guarantee	10.0	10.0
Image rights for cyclists and commitment to the Association l'Échappée	1.0	0.8
Other commitments given	399.8	302.8

* Including printing contracts: €59.5 million.

The performance bonds given represent irrevocable purchase commitments made by FDJ to its suppliers.

The mortgage allocation commitment was signed in connection with the loan taken out to purchase the Group's new head office. The balance outstanding on the loan is €77.4 million (principal, interest and charges).

Investment funds are mainly venture capital funds geared towards supporting the development of start-ups in activities close to FDJ's core business. These funds include Partech and Raise, as well as CVC V13 (in partnership with Séréna), Level-up (specialising in e-sports), Trust e-sport, OneRagtime – ARIA, Origins and Sista Fund.

15.2 COMMITMENTS RECEIVED

In millions of euros	31.12.2022	31.12.2021
Performance bonds and commitments to return payments on account	172.7	140.4
Counterparty risk insurance	130.0	130.0
Guarantees for remittance of stakes and payment of winnings	496.2	457.0
Confirmed overdraft facilities	150.0	150.0
Guarantee replacing the secured trust agreement	110.0	-
Commitments received	1,058.8	877.4

Guarantees received for the remittance of stakes and payment of winnings relate to the financial guarantees provided by new retailers doing business with FDJ. Newly approved retailers are required to provide a financial guarantee to cover the risk of payment defaults. Under this system, retailers provide their guarantees directly to FDJ, which is responsible for debt collection.

The commitment of €130 million comprises the aggregate insurance cover for the counterparty risk on lottery games, as from 1 January 2020, following the reform of FDJ's tax and

regulatory framework, which put an end to the counterparty fund system.

Unused confirmed lines of credit totalling €150 million have been in place since February 2021.

The commitment of €110 million concerns a surety agreement that guarantees the repayment of all funds due to players holding online accounts. The agreement covers a maximum amount of €110 million. It is provided by three leading European insurance companies and renews automatically on an annual basis.

15.3 RECIPROCAL COMMITMENTS

In millions of euros - Currency hedges	31.12.2022	31.12.2021
Forward purchases of US dollars with a maximum maturity at 25 September 2024 for an overall amount of:	34.0	30.1
Hedge forward sale sterling	-	10.1

At the end of 2020, as part of the partnership between FDJ and Groupama via Société de Gestion de l'Échappée (50% owned by each shareholder), FDJ and Groupama signed reciprocal pledges to buy and sell the remaining SGE shares.

In connection with the acquisition of L'Addition, FDJ and the vendor signed undertakings respectively to buy and sell the remaining 5% of the equity still held by the vendor.

6.4 Statutory auditors' report on the financial statements

(For the year ended 31 December 2022)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

OPINION

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of La Française des Jeux for the year ended 31 December 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risks Committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from 1 January 2022 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

JUSTIFICATION OF ASSESSMENTS- KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

INFORMATION SYSTEMS, AUTOMATED PROCESSING AND CONTROLS RELATED TO THE RECOGNITION OF NET GAMING REVENUE (SEE NOTE 3.1 TO THE FINANCIAL STATEMENTS)

Description of risk

The main activity of La Française des Jeux (FDJ) consists in developing and operating lottery games and sports betting within a highly regulated framework. This activity is characterised by a high volume of low-value individual transactions. FDJ's remuneration (net gaming revenue – NGR) is based on the players' stakes placed at points of sale and online, after deducting the prize winners' share as well as public levies at variable rates depending on the games. The Company's revenue for 2022 amounted to €2.41 billion, of which €2.38 billion derived from NGR.

The processing of gaming transactions, their recognition according to the methods described in Note 3.1 to the financial statements and the determination of NGR are highly automated. They are based on a highly complex information system specific to FDJ, which covers all the steps in the processing of games from the validation of gaming transactions at points of sale and online to the recognition of the different components of NGR.

Given the high volume of transactions processed, the significance of automated processing in determining and recognising the different components of NGR and the reliability of the internal controls organised by management in a regulated environment, we deemed the information systems, automated processing and controls related to the recognition of NGR to be a key audit matter.

How our audit addressed this risk

With the assistance of our information systems specialists, we gained an understanding of the process for recognising the various stakes and components of NGR and assessed the design and effectiveness of the internal control system relating, in particular, to the information systems and automated processing underlying NGR recognition.

Our work consisted primarily in:

- familiarising ourselves with the internal control procedures, identifying the most relevant manual and automated controls for our audit and testing their design and operational efficiency;
- testing the effectiveness of the IT general controls of each application system used as part of the recognition of the components of NGR and which we deemed of key importance to our audit, notably including access management, change management and automated controls;

- evaluating the effectiveness of the interfaces linked to the transactions and relevant for recognising flows from stakes to NGR;
- analysing material changes and unexpected trends observed, if any, in the allocation of the various components of NGR.

MEASURING EQUITY INVESTMENTS (SEE NOTE 7 TO THE FINANCIAL STATEMENTS)

Description of risk

At 31 December 2022, equity investments represented a net amount of €132.9 million in the balance sheet. Equity investments are recognised at historical cost excluding transaction expenses, which are expensed in the year in which they are incurred. They are measured on the basis of their value in use and an impairment loss is recognised if the value in use is less than the carrying amount.

As indicated in Note 7 to the financial statements, value in use is estimated by management based on the current and projected profitability of the subsidiary concerned, determined on the basis of discounted estimated cash flows or an analysis by external experts using a multi-criteria approach to measure the equity of the subsidiary, as adjusted for the Company's net debt or the share of net assets held by the Company.

Based on the impairment tests performed, the Company recognised additional impairment of €23.5 million on equity investments at 31 December 2022.

Estimating the value in use of equity investments requires management to exercise judgement when selecting the inputs to be taken into account for each investment. Accordingly and due to the inherent degree of judgement required with regard to certain inputs, in particular the likelihood of management's projections materialising, we deemed the measurement of equity investments to be a key audit matter.

How our audit addressed this risk

We examined the assumptions used by management to measure equity investments, notably by:

- examining the methodology used to determine the value in use, and assessing the relevance of the measurement inputs used (discount rates and long-term growth rates) with the support of our valuation experts, where applicable;
- assessing the reasonableness of future cash flow projections, including revenue growth rates and operating margin rates, based on our knowledge of the relevant business segments and the strategic, economic and financial environment in which the subsidiaries operate, and comparing them with past performance and market data when available;
- performing sensitivity analyses on the key assumptions.

SPECIFIC VERIFICATIONS

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remuneration and benefits paid or awarded to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L.22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

Presentation of the financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairwoman and Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of La Française des Jeux by the General Meetings held on 25 May 2016 for PricewaterhouseCoopers Audit and on 3 June 2003 for Deloitte & Associés.

At 31 December 2022, PricewaterhouseCoopers Audit and Deloitte & Associés were in the seventh and twentieth consecutive year of their engagement, respectively, and the fourth year since the Company's securities were admitted to trading on a regulated market.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE FINANCIAL STATEMENTS

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can

arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risks Committee

We submit a report to the Audit and Risks Committee, which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.



FINANCIAL INFORMATION ON ASSETS AND LIABILITIES, THE FINANCIAL POSITION AND RESULTS
Statutory auditors' report on the financial statements

Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risks Committee with the declaration provided for in Article 6 of Regulation

(EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risks Committee.

Neuilly-sur-Seine and Paris-La-Défense, 16 February 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Jean-Paul Collignon

Deloitte & Associés

Jean-François Viat

Nadège Pineau

6.5 Statutory auditors' special report on related-party agreements

General Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2022

This is a free translation into English of the Statutory Auditors' special report on related party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of La Française des Jeux, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the General Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

Agreements authorised and entered into during the year

In accordance with Article L.225-40 of the French Commercial Code, we were informed of the following agreements entered into during the year and authorised in advance by the Board of Directors.

Agreement with the French National Sports Agency (ANS)

Persons concerned:

- La Française des Jeux (hereinafter "FDJ"),
- The French National Sports Agency, a public interest group comprising French State representatives,
- The French State, as a shareholder of FDJ holding more than 10% of the voting rights, and Charles Sarrazin, director of FDJ representing the French State.

Nature, purpose and conditions

On 29 July 2021, the Board of Directors of FDJ authorised the conclusion of an agreement between FDJ and the ANS, the purpose of which is to define the terms and conditions for the organisation of the "Gagnons du Terrain - FDJ" programme and the financial support provided by FDJ to the

winning projects under the programme, for which the ANS has been appointed the main operator responsible for its implementation and execution.

With the agreement, signed on 20 September 2021 for a term of one year, the ANS and FDJ undertake to financially support the Projects of the Organisations chosen by the Selection Committee. In this respect, FDJ undertook to contribute €130,000 in financing.

At its meeting on 21 April 2022, the Board of Directors authorised the renewal of this scheme for 2022 and the implementation of a new agreement with the ANS for €350,000.

Reasons why the agreement is beneficial for the Company

This agreement was concluded to maximise the impact of the gaming sector in France and demonstrate the commitment of FDJ to the Paris 2024 Olympic Games for the benefit of as many people as possible.

Impact on income for the period: In 2022, the expense recognised by FDJ amounted to €78,000 in respect of the agreement entered into in 2021 (see agreements already approved by the General Shareholders' Meeting that were implemented during the year) and €350,000 in respect of the agreement entered into in 2022.

Agreement with the National Sports Agency (ANS), the Paris 2024 Endowment Fund (FDD Paris 2024), the French National Olympic and Sports Committee (CNOSF), and the French Paralympic and Sports Committee (CPSF)

Persons concerned:

- La Française des Jeux (hereinafter "FDJ"),
- The French National Sports Agency, a public interest group comprising French State representatives,
- The French State, as a shareholder of FDJ holding more than 10% of the voting rights, and Charles Sarrazin, director of FDJ representing the French State.

Nature, purpose and conditions

On 28 July 2022, the Board of Directors authorised FDJ to enter into an agreement with the ANS, the FDD Paris 2024, the CNOSF and the CPSF. The purpose of this agreement is to define the terms and conditions for the organisation of the "Impact 2024" call for projects and for the financial support of the winning projects.

FDJ wished to be associated with the "Impact 2024" call for projects by creating a specific category for the development of women's sports. The aim is to support as many structuring projects as possible that respond to women's preferences and needs (well-being, health, physical), to their personal situation and to their wish to practise physical activity more freely.

The ANS, the Paris 2024 Organising Committee for the Olympic and Paralympic Games (Paris 2024), the CNOSF and the CPSF organised the first two editions of the Impact 2024 call for projects in 2020 and 2021, operated by the ANS and financed by Paris 2024, the CNOSF and the CPSF. For this third edition, FDJ has joined the call for projects and the FDD Paris 2024 has replaced Paris 2024. The ANS acts as the main operator of the call for projects.

The agreement concerns the 2022 edition of the call for projects, i.e., a single year.

FDJ's financial commitment under this agreement is a grant of €100,000. The total budget of the 2022 edition was €6 million.

Reasons why the agreement is beneficial for the Company

As part of the company's gender balance policy and its commitment to promoting and supporting women's sports, FDJ wished to get involved in the Paris 2024 "Legacy" initiative. FDJ and Paris 2024 have joined forces to launch the third *Sport féminin* barometer, which measures women's participation in sports in France.

Impact on income for the period:

An operating expense of €100,000 was recognised during the year in respect of this agreement.

AGREEMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

Agreements approved in previous years

A) THAT WERE IMPLEMENTED DURING THE YEAR

In accordance with Article R.225-30 of the French Commercial Code, we were informed of the following agreements, approved by the General Shareholders' Meeting in previous years, which were implemented during the year.

Set up of a surety by FDJ in view of the setting up of a bank guarantee of €19 million granted to the DGFIP

Nature, purpose and conditions

On 23 July 2019, the Board of Directors authorised the setting up of a surety by FDJ for the purpose of securing a bank guarantee of €19 million granted to the DGFIP. In the event the DGFIP contract for the outsourcing of cash was awarded, FDJ is authorised to stand surety for the bank issuing the bank guarantee provided for under the contract, in order to counter-guarantee the bank guarantee granted by the bank to the DGFIP, in an amount of €19 million. The surety was granted for the duration of the contract and until July 2024 at least.

During 2020, a surety of €4 million, which was shown within off-balance sheet commitments given, was granted by FDJ. This surety was valid until 31 December 2021. It has been renewed for a further term from 28 December 2021 to 31 December 2023, for an amount of €5 million, which is shown within off-balance sheet commitments in the 2021 financial statements.

On 16 December 2021, the Board of Directors of FDJ authorised the amendment of the bank counter-guarantee (surety) granted by FDJ to the DGFIP, as requested by the bank, in order to cover FDJ Services' commitments before the issue of a new bank guarantee to the DGFIP.

Reasons why the agreement is beneficial for the Company

The setting up of the surety was one of the conditions set out in the call for tenders initiated by the DGFIP, in the event that the contract for the outsourcing of cash was awarded.

Impact on income for the period

This agreement had no impact on the financial statements for the year ended 31 December 2022.

Agreement entered into with the French State on FDJ's exclusive rights

Persons concerned:

- La Française des Jeux (hereinafter "FDJ"),
- The French State, a shareholder of FDJ, holding more than 10% of the voting rights, and the director representing the French State, E. Bossière.

Nature, purpose and conditions

On 16 October 2019, the Board of Directors authorised FDJ to enter into an agreement (the "Convention") with the French State, the purpose of which was to anticipate the consequences of the occurrence of events likely to deteriorate the economic conditions for the operation of FDJ's exclusive rights (changes in laws or regulations) and to anticipate the end of the exclusive rights period.

The Convention was entered into on 17 October 2019 and terminates on 22 May 2044. On this date, the exclusive rights granted to FDJ pursuant to the Pacte Law will terminate.

The Convention provides that in the event of a significant change in legislation or regulations either directly related to the taxation of lottery games or sports betting operated through the offline distribution network, or likely to affect such operation or, finally, reducing the scope or duration of the exclusive rights held by FDJ, the Group shall approach the French State in order to examine whether this change is likely to substantially deteriorate the economic conditions under which FDJ operates its business, assessed on a consolidated basis. If so, FDJ may propose to the French State the measures it deems necessary to enable it to continue its activities under economic conditions that are not substantially deteriorated. The French State undertakes to examine such proposal.

With respect to the provisions governing the consequences of termination of exclusive rights, the Convention provides that the assets strictly necessary for the operation of the exclusive rights are to be taken over by the French State in return for compensation amounting to the market value of the buildings and the net book value of other fixed assets. The list of these assets will be determined jointly by the French State and FDJ, within one year of the date of entry into force of the Convention.

Upon normal or early termination of the exclusive rights, FDJ guarantees to the French State or to any holder of the exclusive rights, the transfer or use, on a free-of-charge basis, of all copyrights, trademarks and trademark filing applications, rights to designs, logos, domain names, effective in France and relating to activities operated under exclusive rights. Similarly, for software and patents, upon normal or early termination of the exclusive rights, FDJ grants to the French State, or to the possible new holder of the exclusive rights, a free license to use the software and patents strictly necessary for the operation of these rights in France and owned by FDJ, for a limited period of 18 months from the expiry date of FDJ's exclusive rights.

The Convention also specifies that, upon normal or early termination of the exclusive rights, the French State and FDJ shall come together to examine the situation of employees

assigned to the operation of exclusive rights and, in particular, the conditions for their reclassification and takeover, as the case may be, by the potential holder of the exclusive rights. To the extent feasible, FDJ reclassifies the employees in question.

The Convention terminates the convention currently in place between FDJ and the French State dated 29 December 1978, as amended, which now contains, as a result of successive amendments, only one residual provision relating to compensation for land, buildings, facilities and real property belonging to FDJ in the event of termination of the exclusive rights.

This agreement had no impact on the financial statements for the year ended 31 December 2022.

Reasons why the agreement is beneficial for the Company

This Convention should make it possible to anticipate the consequences of the occurrence of events likely to deteriorate the economic conditions for the operation of FDJ's exclusive rights (changes in laws or regulations) and the end of the exclusive rights period.

Impact on income for the period:

This agreement had no impact on the financial statements for the year ended 31 December 2022.

Agreement entered into with the French online gambling regulator (*Autorité de Régulation des Jeux En Ligne - ARJEL*), which was replaced by the French National Gaming Authority (ANJ), a French State public body, as from 23 June 2020

Persons concerned:

- La Française des Jeux (hereinafter "FDJ"),
- ARJEL, a French State public body, which was replaced by the French National Gaming Authority (ANJ), a French state public body, as from 23 June 2020,
- The French State, a shareholder of FDJ holding more than 10% of the voting rights, directors of FDJ representing the French State.

Nature, purpose and conditions

On 1 July 2015, the Board of Directors authorised FDJ to sign an agreement with the French Minister of Finance and Public Accounts and ARJEL providing for the free-of-charge exchange of information on preventing the betting-related manipulation of sporting competitions. The agreement was signed on 1 July 2015 and will continue indefinitely.

Since 23 June 2020, the ANJ has succeeded ARJEL as the co-contracting party to this agreement, in accordance with the terms of Article 49 of French government order No. 2019-1015, according to which: "*As of the first meeting of its board, the French National Gaming Authority shall succeed to the rights and obligations of the French online gambling regulator.*"

Reasons why the agreement is beneficial for the Company

The agreement facilitates the implementation of a cross-alert system between ARJEL and FDJ for atypical and suspicious bets detected by the former on the online betting segment and/or the latter on the sports betting segment operated under exclusive rights in its offline distribution network. The agreement aims to enhance the effectiveness

of measures to prevent betting-related match fixing. In accordance with the provisions applicable to the Company, the agreement constitutes a means for FDJ to monitor the integrity of gambling operations and combat fraud, money laundering and all related criminal activities.

Impact on income for the period

The expenses incurred in connection with securing the whistle-blowing and information exchange system with ARJEL are the only financial impacts for the Company.

B) THAT WERE NOT IMPLEMENTED DURING THE YEAR

In addition, we have been informed of the following agreements and commitments approved by the General Shareholders' Meeting in previous financial years, which remained in force but were not implemented in 2022.

Information and data exchange agreement with the French gambling observatory

Persons concerned:

- La Française des Jeux (hereinafter "FDJ"),
- The French gambling observatory (*Observatoire des Jeux - ODJ*), a French government agency,
- The French State, a shareholder of FDJ holding more than 10% of the voting rights, directors of FDJ representing the French State.

Nature, purpose and conditions

On 22 March 2016, the Board of Directors authorised FDJ to sign a framework agreement with the ODJ providing for the free-of-charge exchange of information and data, in particular with a view to improving analysis and knowledge of players' behaviour and thus enhancing its measures to prevent excessive gambling. The agreement was signed on 3 March 2016 and will continue indefinitely.

The regulations providing for the existence of the French gambling observatory (*Observatoire des Jeux - ODJ*) have been repealed, and some of its missions have been transferred to the French observatory for drugs and addictive tendencies (*Observatoire français des drogues et tendances addictives - OFDT*).

However, the provisions extending the OFDT's missions to behavioural addictions do not give rise to any transfer of the rights and obligations of the ODJ, which had no legal status.

Due to the disappearance of the co-signatory, the agreement entered into in 2016 is therefore ineffective.

The expenses incurred in the production and transmission of the relevant information and data are the only financial impacts for the Company.

This agreement had no impact on the financial statements for the year ended 31 December 2022.

Reasons why the agreement is beneficial for the Company

The agreement enables FDJ to enhance its measures to prevent excessive gambling, in accordance with the provisions to the Company, by strengthening its collaboration with the ODJ.

Impact on income for the period

This agreement had no impact on the financial statements for the year ended 31 December 2022.

Agreements that have been approved during the year

We were informed that the following agreements, already approved by the General Shareholders' Meeting of 26 April 2022, following the Statutory Auditors' special report of 17 February 2022, were implemented during the year.

Amendment to the three-party agreement between MDB Services and the French Treasury (Direction Générale des Finances Publiques – DGFIP) – Transfer of FDJ to its subsidiary FDJ Services

Persons concerned

- La Française des Jeux (hereinafter "FDJ"),
- FDJ Services, a wholly-owned subsidiary of FDJ,
- The French State, a shareholder of FDJ holding more than 10% of the voting rights, and Charles Sarrazin, director of FDJ representing the French State.

Nature, purpose and conditions:

On 23 July 2019, the Board of Directors of FDJ authorised a three-party agreement between FDJ, MDB Services and the DGFIP, for a minimum term of 5 years, to outsource the collection of fines, local public sector collection invoices and taxes.

On 15 April 2021, the Board of Directors of FDJ authorised the transfer of this contract for collection services on behalf of third parties from FDJ to its subsidiary FDJ Services, and authorised FDJ to be jointly and severally liable with FDJ Services in order to take over the rights and obligations of its subsidiary, as defined by the agreement that was transferred to it, in the event of default by FDJ Services.

This agreement provides for the payment to FDJ Services of a minimum amount of €3.50 per transaction and the balance of the project management services.

In 2021, this agreement generated €5.1 million in operating income for FDJ Services.

On 16 December 2021, the Board of Directors of FDJ authorised the amendment of the bank counter-guarantee (surety) granted by FDJ to the DGFIP, as requested by the bank, in order to cover FDJ Services' commitments before the issue of a new bank guarantee to the DGFIP. The first bank guarantee and the corresponding surety were valid until 31 December 2021 and were renewed on 28 December 2021 for a period ending on 31 December 2023.

Reasons why the agreement is beneficial for the Company

This agreement allowed for the transfer to its subsidiary FDJ Services of the contract for collection services provided on behalf of third parties, the purpose of which was to offer collection services on behalf of third parties and, in particular, payment services for public or private invoices.

Impact on income for the period

This agreement had no impact on the financial statements for the year ended 31 December 2022.

Agreement with the French National Sports Agency (ANS)

Persons concerned:

- La Française des Jeux (hereinafter "FDJ"),
- The French National Sports Agency, a public interest group comprising French State representatives,
- The French State, as a shareholder of FDJ holding more than 10% of the voting rights, and Charles Sarrazin, director of FDJ representing the French State.

Nature, purpose and conditions

On 29 July 2021, the Board of Directors of FDJ authorised the conclusion of an agreement between FDJ and the ANS, the purpose of which is to define the terms and conditions for the organisation of the "Gagnons du Terrain – FDJ" programme and the financial support provided by FDJ to the winning projects under the programme, for which the ANS has been appointed the main operator responsible for its implementation and execution.

With the agreement, signed on 20 September 2021 for a term of one year, the ANS and FDJ undertake to financially support the Projects of the Organisations chosen by the Selection Committee. In this respect, FDJ undertakes to contribute €130,000 to financing in 2021.

Over the year, the expense recognised by FDJ amounted to €78,000.

Reasons why the agreement is beneficial for the Company

This agreement was concluded to maximise the impact of the gaming sector in France and demonstrate the commitment of FDJ to the Paris 2024 Olympic Games for the benefit of as many people as possible.

Neuilly-sur-Seine and Paris-La-Défense, 16 February 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Jean-Paul Collignon

Deloitte & Associés

Jean-François Viat

Nadège Pineau

A photograph of a man and a woman embracing. The man, on the right, is wearing glasses and a striped shirt. The woman, on the left, is wearing a green polka-dot shirt. They are both smiling. In the background, a hand is holding a box of the board game 'CASH!'. The box is orange and yellow with the word 'CASH!' in large letters. The background is a plain, light-colored wall.

Information

ABOUT THE COMPANY,
ITS CAPITAL AND
SHAREHOLDING STRUCTURE



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7.1 Legal information about the Company

7.1.1 CORPORATE NAME/TRADE NAME

The corporate name is "La Française des Jeux". Its trade name is "FDJ".

7.1.2 TRADE AND COMPANIES REGISTER AND LEI

The Company is registered in the Trade and Companies Register of Nanterre under number 315 065 292. Its LEI number is 969500R4CLSQFTYYI535.

7.1.3 DATE OF INCORPORATION AND DURATION

The Company was incorporated on 19 December 1978 for a term of 99 years and registered on 19 February 1979. It will expire on 18 February 2078, unless it is dissolved early or its term is extended. The financial year begins on 1 January and ends on 31 December of each year.

7.1.4 REGISTERED OFFICE, LEGAL FORM, APPLICABLE LEGISLATION, TELEPHONE NUMBER AND WEBSITE

The Company's registered office is located at 3-7 Quai du Point du Jour, 92100 Boulogne-Billancourt, France.

The Company is a public limited company (société anonyme) governed by a board of directors.

The Company's telephone number is +33 (0)1 41 10 35 00.

The Company's website is www.groupefdj.com. Readers should note that the information on that website is not part of the Universal Registration Document.

As of the Date of the Universal Registration Document, FDJ is subject to Order no. 2014-948 of 20 August 2014 respecting the governance and capital transactions of companies with public shareholding and to the provisions of the French Commercial Code. For a description of the legislation governing FDJ's activities, see Chapter 1, section 1.5 "Regulatory environment" of this document.

7.1.5 CORPORATE PURPOSE AND RAISON D'ÊTRE

7.1.5.1 CORPORATE PURPOSE

The General Meeting of the Company's Shareholders held on 4 November 2019 adopted the corporate purpose of the Company as follows:

"The purpose of the Company is the design, organisation and operation of gambling games, within the framework of the laws and regulations in force providing it with the necessary authorisations in this matter. More broadly, it can pursue any entertainment activity to the public's attention.

Its corporate purpose, in France and abroad, directly or indirectly, also consists of:

- *the provision of products and services in relation to the activities it operates, in particular provision of products and services through its technological assets, know-know or distribution network;*
- *the acquisition of stakes and any interests in any company whose corporate purpose relates to gambling activity or any other activity which tends to promote its development, whether alone, or in an association, joint-venture, grouping or company, with any other persons.*

It may pursue any real or personal property transactions and any commercial or financial transactions useful for the accomplishment of the above purposes, or for any similar or related purposes, or any purpose that may facilitate the functioning or growth of the Company."

7.1.5.2 RAISON D'ÊTRE

The Combined General Meeting of Shareholders of 18 June 2020 decided to amend the Company's Articles of Association and to add a preamble prior to Article 1 in order to adopt a *raison d'être* of the Company. This is as follows:

"FDJ Group offers people who wish to experience the thrill of gaming and moments of emotion a wide range of responsibly-designed games. Gaming is our business, giving back to society is what drives us, and responsibility is our constant focus.

We promote recreational gaming by accompanying our customers, creating games with built-in integrity, and reducing the risks and consequences which arise from our activity. We actively help prevent addictive behaviour and underage gambling.

Faithful to the legacy of the French national lottery – created to help wounded World War One soldiers – we continue to support social and community initiatives, and fund good causes.

As key partners of local businesses, we ensure that our games and services are widely available through a dense network of neighbourhood retailers.

Thanks to our committed employees and capacity for innovation we are pursuing our goal of sustainable growth,

underpinned by a responsible and socially useful business model, and close collaboration with our stakeholders."

A Stakeholder Committee was created in 2020 to foster dialogue between the Group and organisations in its socioeconomic environment, and to monitor the implementation of commitments made following the publication of the *raison d'être* (for more information see Chapter 4 "Corporate Social Responsibility: Non-Financial Information Statement").

7.1.6 SHARE CAPITAL

As at 31 December 2022, the Company's share capital totalled €76,400,000, divided into 191,000,000 ordinary shares with a nominal value of forty cents (€0.40) each, fully paid-up and all of the same class.

With regard to changes in the Company's share capital, see section 7.2.1.1 "Breakdown of share capital and voting rights", it being specified that the share capital has not changed over the past three years.

7.1.7 EMPLOYEE INCENTIVES

7.1.7.1 EMPLOYEE INCENTIVE AND PROFIT-SHARING AGREEMENTS

On 29 June 2018, FDJ signed with all its subsidiaries a framework agreement defining the arrangements for profit-sharing, incentives and employer contributions for the first time on the Group-wide level. This agreement is part of building a Group employee base, a factor in developing fairness for all and engagement of everyone in the Group.

In 2021, FDJ continued this trend by signing a new three-year Group profit-sharing agreement and, for the first time, a Group incentives framework agreement, concluded for three years.

Incentives

The aforementioned framework agreement states for each Group company that the total amount of incentives may reach up to 6% of the payroll concerned. The targets and criteria are negotiated each year, on an entity by entity basis.

At 31 December 2022, the Group paid a total of €9 million acquired in 2021, representing an average amount per beneficiary employee of around €3,500.

In addition, employees who pay all or part of their incentives into one of the savings plans (Group PEG and/or PERCOL), can benefit from an additional incentive contribution that can represent up to 4% of the total payroll.

Profit-sharing

The framework agreement of 29 June 2018, and the new 2021 agreement concluded for a period of three years, provide for an exceptional arrangement that is more favourable than the legal arrangement for calculating profit-sharing, which is calculated based on the Group's consolidated results. This Group profit-sharing agreement applies to all subsidiaries that are more than 50% owned by FDJ.

In 2022, the Group paid the amount of the profit-sharing acquired in 2021, i.e. €23 million, representing an average amount per beneficiary employee of around €8,800.

7.1.7.2 EMPLOYEE SAVINGS SCHEMES AND EMPLOYEE SHAREHOLDING POLICY

Employee savings

All Group employees have company savings plans (PEG – Plan d'Épargne Groupe), in particular to hold the amounts saved as incentives and profit-sharing.

The vast majority of Group companies, namely those applying French law (FDJ, FDP, FDJ Développement, La Française d'Images and FDJ Gaming Solutions France), also allow for voluntary payments into the company savings plan (PEG) to be matched in accordance with the rules laid down in the agreements (matching contribution of €900 gross per year for any employee paying in €300, €600 or €900).

With regard to retirement savings plans, a Group agreement was negotiated and signed in 2022 to set up a Group collective retirement savings plan (Group PERCOL) to replace the PERCO plans that existed in the following three entities: FDJ, FDP and FDJ Développement.

This agreement provides for the Group PERCOL to be funded by employee savings (profit-sharing and incentive schemes), days from the time savings account (CET) with a company contribution, free voluntary payments and programmed voluntary payments with a matching company contribution following an established grid (annual payments of €300 to €1,200 with a matching company contribution of 175% to 300%).

Initially, only three companies (FDJ, FDP and FGS France) had a time savings account (CET). In 2022, a Group agreement was signed to implement the CET in each of the Group's companies, with advantageous provisions for employees (repurchase of CET days, purchase of retirement contributions, etc.).

Employee shareholders

Historically, only FDJ employees had access to an "Actionnariat" (shareholding) mutual fund.

A Group Shareholding fund (FCPE Actionnariat Groupe) was set up for all the Group's employees, in the context of the Pacte Law and the Employee Offering (ORS), when the Company was listed on the stock market in November 2019.

In 2021, FDJ's FCPE Actionnariat fund was absorbed by the FCPE Actionnariat Groupe fund.

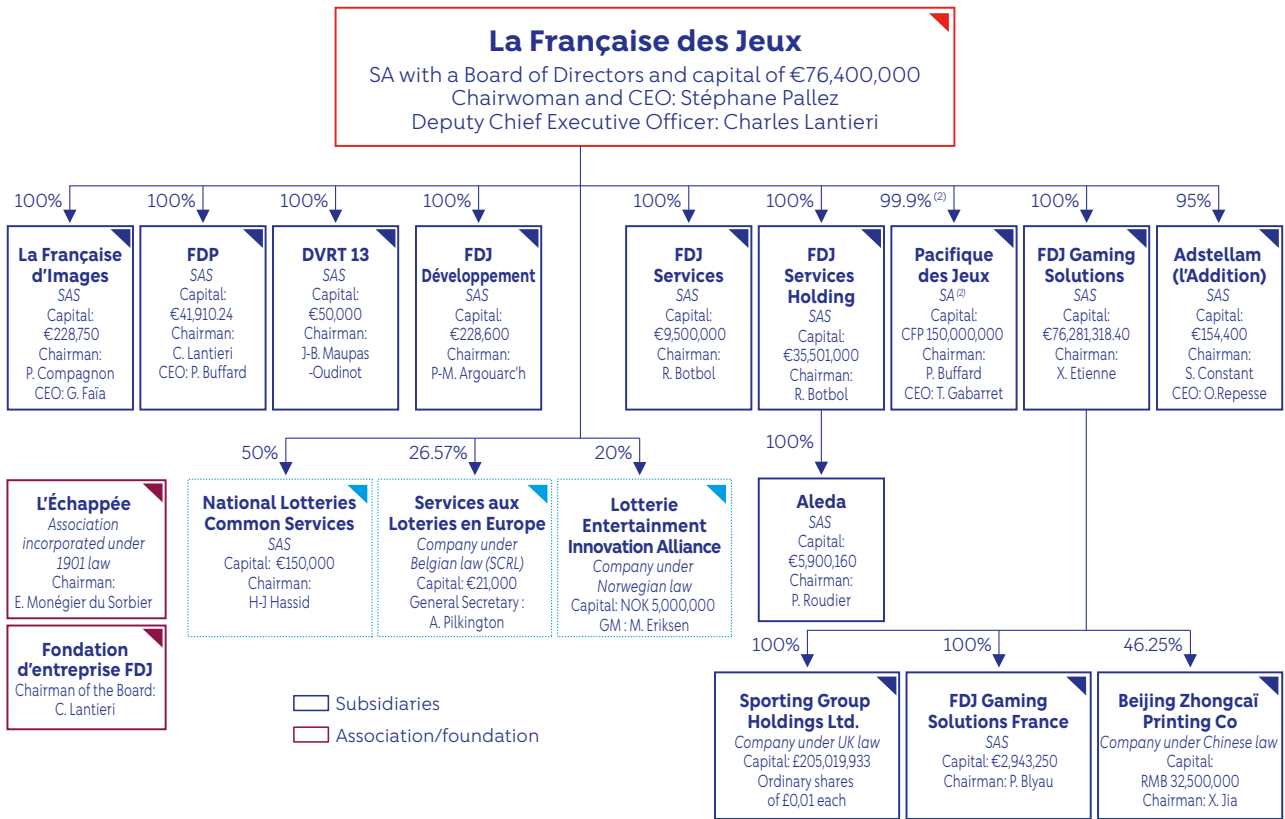
In addition, since the summer of 2021, this fund has also been open for any inflows, outflows and arbitrage transactions.

This fund can also, like the other funds of the company savings plan (PEG), be funded by voluntary programmed and matching contributions (matching contribution of €900 per year with employee contributions of €300, €600 or €900 - see section 7.1.7.2 above).

7.1.8 SUBSIDIARIES AND SHAREHOLDINGS

7.1.8.1 GROUP ORGANISATION CHART AS AT 31 DECEMBER 2022

Below is the simplified Group organisation chart, including the main subsidiaries⁽¹⁾:



(1) For the complete organisation chart, please see Chapter 6, Consolidated financial statements, note 19.

(2) Pacifique des Jeux was transformed into an SAS (société par actions simplifiée - simplified joint stock company) effective 1 January 2023. On this occasion, all the shares of the company were transferred to FDJ. As a result, as at the Date of the Universal Registration Document, Pacifique des Jeux is wholly-owned by FDJ.

Main changes in the organisation chart in 2022:

- as part of its strategy to diversify into payment services, the Company acquired 95% of the shares of Adstellam on 27 July and 27 December 2022 and 100% of the shares of Aleda on 17 November 2022; both companies specialise in management and payment software for cafés, hotels, restaurants and tobacconists;

- as part of these acquisitions and internal restructuring, FDJ Services Holding was created to hold Adstellam and Aleda in place of FDJ. As at 31 December 2022, FDJ Services Holding holds 100% of the shares of the company Aleda. On 6 March 2023, FDJ sold its shares in Adstellam to FDJ Services Holding.

7.1.8.2 LIST OF MAIN DIRECT AND INDIRECT SUBSIDIARIES AND SHAREHOLDINGS

The table below summarises the list of the FDJ Group's main subsidiaries as of the date of the Universal Registration Document ⁽¹⁾:

Name of entity	Shareholder	Description of the business
Payment & Services		
FDJ Services	100% owned by FDJ	The activity of FDJ Services is the provision of payment services, including collection services on behalf of third parties, requiring authorisation* as a payment institution issued by the ACPR, which was obtained by a decision of the aforementioned authority dated 14 December 2021. On 23 December 2022, the ACPR granted FDJ Services an extension of its authorisation to collect bills on behalf of third parties.
L'Addition	95% owned by FDJ Services Holding	L'Addition joined the FDJ Group on 27 July 2022 in order to strengthen the diversification strategy of the Payment & Services business. It offers management, collection and payment solutions in the network of cafés, hotels and restaurants.
Aleda	100% owned by FDJ Services Holding	Aleda joined the FDJ Group on 17 November 2022 and, like L'Addition, strengthens the diversification strategy of the Payment & Services business. It offers management, collection, and payment solutions in the network of tobacconists and newsagents.
Distribution of lottery and betting games		
FDP	100% owned by FDJ	Created in 2013 from the merger of 14 distribution companies, it has taken over nearly 60 sectors formerly operated by broker-agents and is developing the relationship with the points of sale.
FDJ Développement	100% owned by FDJ	FDJ Développement is responsible for the commercial management and steering of the FDJ network in the French Antilles and French Guiana.
Pacifique des Jeux (PDJ)	99.9% owned by FDJ ⁽²⁾ (the remainder concerns consumer loans to employees)	PDJ operates the Group's gaming products in French overseas communities.
International activities		
Services aux Loteries en Europe (SLE)	26.57% owned by FDJ	SLE which carries out shared operations for the Euromillions game run by FDJ and nine other European lotteries (Camelot – UK, Loterias y Apuestas del Estado – Spain, Premier Lotteries Ireland Dac – Ireland, LNL Services – Belgium, Departamento de Jogos da Santa Casa da Misericordia de Lisboa – Portugal, Osterreichische Lotterien GmbH – Austria, Loterie de la Suisse Romande – Switzerland, Swisslos Interkantonale Landeslotterie – Switzerland, Œuvre Nationale de Secours Grande-Duchesse Charlotte – Luxembourg).
Lotteries Entertainment Innovation Alliance (LEIA)	20% owned by FDJ	LEIA is a company governed by Norwegian law, created on 1 October 2018, equally owned (20% each) by FDJ, Danske Lotterie Spil A/S, Veikkaus OY, Norsk Tipping AS and AB Svenska Spel, and operates the Interactive Factory game platform, (see section 6.1, Note 9.2 "Lotteries Entertainment Innovation Alliance AS (LEIA)").
FDJ Gaming Solutions (FGS)	100% owned by FDJ	FGS is a company under French law and the holding company for the Group's international activities. Its tasks consist in developing FDJ Group's strategic core technologies and marketing B2B services internationally.
FDJ Gaming Solutions France (FGS France)	100% owned by FGS	FGS France is a company under French law that is responsible for developing digital lottery and point-of-sale technologies within the Group and for third-party operators throughout the world (see Chapter 1, section 1.3.3 "Technology function").

(1) For an exhaustive list of the FDJ Group's subsidiaries, please see Chapter 6, Consolidated financial statements, note 19 and the institutional website of the FDJ Group.

(2) Pacifique des Jeux was transformed into an SAS (société par actions simplifiée - simplified joint stock company) effective 1 January 2023. On this occasion, all the shares of the company were transferred to FDJ. As a result, as at the Date of the Universal Registration Document, Pacifique des Jeux is wholly-owned by FDJ.

Name of entity	Shareholder	Description of the business
Sporting Group Holdings Ltd.	100% owned by FGS	Sporting Group Holdings Ltd is a company under UK law, acquired in May 2019 and based in the UK, South Africa, Canada and whose various subsidiaries are responsible for (i) the development of the Group's sports betting technology and for the benefit of third party operators worldwide, (ii) the provision of services to sports betting operators and (iii) <i>spread betting</i> (B2C activity) (see section 1.3.3 "Technology function").
Beijing Zhong Cai Printing Co (BZP)	46.25% owned by FGS	BZP is a company under Chinese law whose activity is the printing of scratch cards (see Chapter 6, "Consolidated financial statements for the year ended 31 December 2022", note 10.3 "Beijing Zhongcai Printing Co.").
Audiovisual content production		
La Française d'Images	100% owned by FDJ	La Française d'Images produces audiovisual works, mainly to meet the Group's internal needs (Loto® and Euromillions draws, Keno Gagnant à Vie; in addition to the production of films for seminars etc.) and is also responsible for managing the sets for programmes produced by FDJ. It works with all Euromillions partner lotteries.
Entertainment		
DVRT 13	100% owned by FDJ	DVRT 13's main activities are consulting, design, production, marketing and distribution of entertainment and leisure products, offers, events and services, both physical and digital, for the general public or professionals in all sectors of activity. The company is developing its activities in the eSports, mobile games, digital media content and experiential leisure sectors.

* Except for the French Treasury (DGFIP) activity carried out in 2021, which does not require ACPR approval.

7.1.8.3 FDJ CORPORATE FOUNDATION

On 6 January 1993, FDJ incorporated the FDJ Corporate Foundation.

Over the 2018-2023 five-year period, the Foundation has supported numerous projects that have helped 300,000 beneficiaries.

On 16 December 2021, the Board of Directors of FDJ decided to renew the FDJ Corporate Foundation for an additional period of five years from 3 January 2023 until 3 January 2028. The multi-year action plan associated with this five-year period amounts to €25 million.

In addition, and in response to changes in French society and the Group's new challenges, the FDJ Corporate Foundation changed its purpose in 2022 and is now committed to promoting equal opportunity by supporting general interest projects for people in difficulty, for whatever reason (disability, economic, social, or cultural insecurity), so that they can realise their potential and express their talents. It is committed to supporting innovative projects for education and insertion in society, to be rolled out throughout the French territory, and to measure their social impact.

More than 120 community-based projects have received support from the FDJ Foundation.

7.1.8.4 ASSOCIATION L'ÉCHAPPÉE

The association L'Échappée founded Société de Gestion de l'Échappée (see Chapter 6 section 6.1 "Consolidated financial statements for the year ended 31 December 2022", note 10.1 "Société de Gestion de L'Échappée") pursuant to Article L. 122-2 3 of the French Sport Code.

On 6 December 2018, the association sold all of its shares in Société de Gestion de l'Échappée which, as at the Date of the Universal Registration Document, is owned equally by FDJ and Groupama.

The association L'Échappée, which is affiliated with the French Cycling Federation, aims primarily to promote cycling as a sport as well as (i) the establishment of ethical rules and moral control of compliance with these rules, (ii) the management of all activities related to amateur cycling and (iii) the procurement and management of individual licences for the members of the Groupama-FDJ cycling team.

7.1.9 MAIN INTRA-GROUP AGREEMENTS

The main intra-group flows correspond to the flows resulting from the following intra-group agreements:

7.1.9.1 CASH-POOLING AGREEMENT

On 2 September 2019, FDJ signed a cash-pooling agreement allowing it to manage the Group's cash by centralising its subsidiaries' requirements and surpluses.

7.1.9.2 TAX CONSOLIDATION AGREEMENT

Along with certain subsidiaries held directly at more than 95% (FDP, FDJ Développement, La Française d'Images, FDJ Services, DVRT 13, FDJ Gaming Solutions and FDJ Gaming Solutions France), FDJ has formed a tax consolidation group as defined by Articles 223 A et seq. of the French Tax Code.

7.1.9.3 SERVICES AGREEMENT

FDJ provides consulting, support and expertise services on financial, legal and purchasing matters to certain subsidiaries. In exchange for the services provided, it receives a flat-rate fee computed based on the last known daily internal rate, increased by a margin rate for non-consolidated subsidiaries for tax purposes. It is renewable by tacit consent for periods of one year.

This agreement, effective as at 1 January 2018, concerns the following subsidiaries: FDP, National Lotteries Common Services, FDJ Gaming Solutions, Pacifique des Jeux, Société de Gestion de l'Échappée, La Française d'Images, FDJ Gaming Solutions France, DVRT 13, FDJ Services and FDJ Développement.

7.2 Shareholding and share capital

7.2.1 INFORMATION ON SHAREHOLDING

7.2.1.1 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

The General Meeting of Shareholders held on 4 November 2019 decided, subject to the condition precedent and with effect on the date of approval by the Financial Markets Authority of the prospectus for admission of FDJ's shares on the regulated exchange of Euronext Paris (i) to confer double

voting rights to registered shares held for over two years then (ii) divide the par value of Company shares by 955 by exchanging 191,000,000 new shares at a par value of €0.40 each for 200,000 old shares with a par value of €382.

As at 31 December 2022, the Company's share capital is allocated as follows:

FDJ ownership as at 31 December 2022	Number of shares	% of capital	% of voting rights	Number of actual voting rights
French State	39,074,508	20.46%	27.11%	78,148,269
Veterans' associations, together (including UBFT's share 10.1%) ⁽¹⁾	28,956,088	15.16%	19.82%	57,129,778
Total FDJ Group employee funds	7,249,634	3.80%	4.68%	13,497,020
Other (individual ownership below 5% as at 31 December 2022)	99,620,859	52.16%	37.52%	108,146,991
Treasury shares	185,319	0.10%	n/a	n/a
Company / Soficom ⁽²⁾	5,730,000	3.00%	3.98%	11,460,000
Predica	10,183,592	5.33%	6.88%	19,843,714
TOTAL	191,000,000	100%	100%	288,225,772

(1) The group of veterans' associations comprises: FNAM, AMGYO, Union Fédérale, CARAC, France Mutualiste (making up the FNAM block) and UBFT and Ailes Brisées (making up the UBFT block).

(2) See section 7.3 "Legal and arbitration proceedings".

It should be noted that as at the Date of the Universal Registration Document there has been no significant change in the capital since the end of the financial year.

7.2.1.2 AGREEMENTS BETWEEN SHAREHOLDERS

In accordance with Article L. 233-11 of the French Commercial Code, on 14 November 2019 the AMF was notified (with a supplemental letter received on 5 December 2019) by FNAM and UBFT of their finalisation of the terms and conditions of a shareholders' agreement constituting a concerted action within the meaning of Article L. 233-10 I of the French Commercial Code, in order to govern their relations within Française des Jeux (the "Shareholders' Agreement").

Under AMF opinion 219C2633, this Shareholders' Agreement, which came into effect on the date of the Company's IPO, has an initial term of 10 years, renewable in five-year periods.

The objectives pursued by FNAM and UBFT shall consist of implementing a common and sustainable policy towards FDJ, in order to preserve the common values that have animated the historical relations between FNAM and UBFT, as well as the asset value and the return on their respective holdings in FDJ, which condition the continuation of their general interest activities. This Shareholders' Agreement shall include provisions relating to governance and to securities transfers:

- FNAM and UBFT undertake to exercise their votes at the Board of Directors meetings and all their voting rights at shareholders meetings and, more generally, to do everything in their power to ensure that representatives of FNAM and UBFT sit on FDJ's Board of Directors;
- the parties to the Shareholders' Agreement shall consult each other in order to prepare for the meetings of the Board of Directors and the General Meetings of Shareholders of FDJ, and in particular with respect to strategic decisions relating to (i) the distribution policy and investment value protection, (ii) the determination of the strategy of FDJ and (iii) the governance and control of the financial statements;
- the parties agree not to transfer any shares if this would cause their equity stake in the Company to be lower than it was once the initial public offering had taken place, by the following percent:
 - a cumulative 10% within the two years following the IPO,
 - a cumulative 25% within the five years following the IPO,
 - a cumulative 50% at any point in the duration of the Shareholders' Agreement;
- for the entire duration of the agreement, the parties agree to not acquire or subscribe for shares of the Company, directly or indirectly, that would cause the parties to collectively own more than 29% of the Company's capital and/or voting rights at any point in the duration of the concerted action;
- unless otherwise stipulated, each party agrees to register all shares that it owns currently or subsequently, in a registered account;
- a mutual pre-emptive right applicable to certain transfers of the Company's shares is instituted between UBFT and FNAM and, if applicable, the FNAM block (see below).

In those same letters, the AMF received a shareholders' agreement entered into on 8 November 2019 between FNAM, the Union fédérale des associations françaises d'anciens combattants et victimes de guerre (the "Union Fédérale"), and the Association des mutilés de guerre des yeux et des oreilles (AMGYO) that counts as a concerted action between them with respect to the Company, to govern their relations within the Company.

On the same day, two mutual insurers for veterans, CARAC and France Mutualiste, signed this second agreement, thereby forming the "FNAM block" alongside FNAM, Union fédérale, and AMGYO.

This second agreement has an initial term of 10 years, renewable in five-year periods for a maximum duration of 25 years beginning 21 November 2019.

The objectives pursued by the FNAM block consist of enacting a shared, lasting policy with respect to the Company, in order to protect the earning potential of their stakes and ensure stable ownership for veterans' organisations, a historic stakeholder in the National Lottery.

This Shareholders' Agreement shall include provisions relating to governance and to securities transfers:

- FNAM is the FNAM block's representative on the Company's Board of Directors, and within it will defend the common interests of the FNAM block, and more generally speaking, veterans' organisations;
- FNAM will retain a dominant role within the FNAM block;
- the parties to the Shareholders' Agreement will cooperate to prepare for the Company's General Meeting of Shareholders, in particular on strategic decisions related to dividends, returning value to shareholders, and other important decisions;
- each member of the FNAM block commits to retaining 75% of its stake in the Company for the duration of the agreement, and for that duration, the members of the FNAM block will keep all of their shares in the Company in a registered account;
- subject to free transfers, a mutual pre-emptive right will be instituted within the FNAM block;
- in the event that FNAM wishes to give or sell more than 50% of its shares in the Company to a third party, then subject to the exercise of the aforementioned pre-emptive right, the other members of the FNAM block will have a tag-along right for all or some of their own shares, under the same conditions.

In those same letters, the AMF received a shareholders' agreement entered into on 24 October 2019 between UBFT and the association Ailes Brisées, which counts as a concerted action between them with respect to the Company, to govern their relations within the Company.

This Shareholders' Agreement has an initial duration of 10 years beginning 21 November 2019, renewable for a five-year period.

The goals pursued by UBFT and Ailes Brisées consist of enacting a shared, lasting policy with respect to the Company, in order to preserve both the common values that guided their historic ties. This Shareholders' Agreement shall include provisions relating to governance and to securities transfers:

- UBFT and Ailes Brisées, if they believe it necessary, will cooperate in advance on draft resolutions included on the agenda of any General, Ordinary, Extraordinary, or Special Shareholders' Meeting of the Company;
- a mutual pre-emptive right applicable to certain transfers of the Company's shares has been instituted between UBFT and Ailes Brisées; this pre-emptive right granted to Ailes Brisées is a second-tier pre-emptive right, inferior to the pre-emptive right granted by UBFT to the FNAM block under the conditions of the Shareholders' Agreement entered into by UBFT and FNAM on 16 October 2019 (see above);
- unless otherwise stipulated, each party agrees to register all shares that it owns currently or subsequently, in a registered account.

In the same letters, the collective formed by the FNAM block, UBFT and Ailes Brisées, stated that it owned 28,233,690 shares of the Company, representing 53,939,425 voting rights, or 14.78% of its capital and 18.63%⁽¹⁾ of its voting rights (on the basis of share capital comprised of 191,000,000 company shares representing 289,508,341 voting rights).

During financial year 2022, the collective declared that it had exceeded the regulatory threshold of 15% of the Company's share capital (see section 7.2.2.10 on thresholds crossed).

7.2.1.3 SHAREHOLDINGS OF CORPORATE DIRECTORS AND TRANSACTIONS CARRIED OUT BY MEMBERS OF THE BOARD OF DIRECTORS INVOLVING COMPANY SHARES

Article 2.1 of the Rules of Procedure stipulates that:

"With the exception of directors representing employees, directors representing employee shareholders, the member of the board representing the French State and members of the Board appointed upon proposal by the French State, each member of the Board must own at least 500 shares. Any director that does not own the requisite number of shares when appointed must acquire them within one year of being appointed.

The directors, as well as their permanent representatives, are required, within one month of their appointment to

these functions, to register or deposit with an authorised intermediary the shares belonging to themselves or to their non-emancipated minor children and issued by the Company itself, by its subsidiaries, by the Company of which the Company itself is the subsidiary, or by the other subsidiaries of the latter when these shares are admitted to trading on a regulated market, as well as the said shares which they may acquire during their term of office.

The Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers, when they are also shareholders, are subject to the obligations mentioned in the previous paragraph."

As at 31 December 2022, the directors holding shares in the Company are as follows:

Directors	Number of shares
Stéphane Pallez	1,628
FNAM	8,139,300
UBFT	19,310,362
Predica	10,183,592
Fabienne Dulac	500
Xavier Girre	528
Françoise Gri	650
Corinne Lejbowicz	500
Pierre Pringuet	1,011

7.2.1.4 STATEMENT REGARDING CONTROL OF THE COMPANY

As at 31 December 2022, the French State holds 20.46% of the Company's capital. Pursuant to the Pacte Law, the French State preserves close control over the Company (see Chapter 1, section 1.5 "Regulatory environment").

7.2.1.5 AGREEMENTS THAT COULD LEAD TO A CHANGE IN CONTROL OF THE COMPANY

As of the Date of the Universal Registration Document, there was no agreement in place whose implementation would result in a change in control of the Company.

(1) Calculated on the date of the threshold breach with a different denominator of number of voting rights from that used to calculate the percentage of voting rights of the collective at 31 December 2022.

7.2.1.6 ELEMENTS THAT COULD BE RELEVANT IN THE EVENT OF A PUBLIC OFFERING

Pursuant to Article L. 225-37-5 of the French Commercial Code, the following points may have an impact on a public offering:

Control mechanisms set out in a potential employee ownership system, when control rights are not exercised by that system

A company mutual fund (FCPE), the "FCPE Actionnariat FDJ", was created for the purposes of preserving and managing the shares acquired by company employees as part of its Employee Savings Plan (PEE).

Another company mutual fund (FCPE), the "FCPE Actionnariat Groupe FDJ Invest", was created at the time of the offer reserved for employees when the Company was privatised through an initial public offering, for the purposes of preserving and managing the shares acquired by employees of the Company and of the companies participating in the Group Savings Plan (PEG) and the International Group Savings Plan (PEGI).

In the first quarter of 2021, the assets of the fund FCPE Actionnariat FDJ were transferred to the fund FCPE Actionnariat Groupe FDJ Invest, after approval by the AMF and informing unitholders.

The Supervisory Board of the fund "FCPE Actionnariat Groupe FDJ Invest" is made up of five employees representing unitholders, those employees themselves being unitholders, and three representatives of Management. The unitholder employee representatives have been chosen by the unitholders, from among the unitholders. The Supervisory Board exercises the voting rights attached to the shares held in the fund, and as such, appoints a representative to represent the fund at the Company's General Meeting of Shareholders.

Rules that apply to the appointment and replacement of Board of Directors members and to the amendment of the Company's Articles of Association

The terms for appointing and replacing Board of Directors members are detailed in Article 14 of the Company's Articles of Association, reproduced below:

"14.1 Directors elected with effect from the transfer of the majority of the Company's capital to the private sector and directors elected after that date shall be appointed for a period of no more than four years. Within that limit, the General Meeting can decide to appoint directors for different terms in order to stagger the length of their respective terms of office. The term of office of directors shall end at the end of the annual Ordinary General Meeting held in the year in which their term of office expires. Directors can be re-elected and are subject to the legislative and regulatory provisions applicable to the cumulative number of directorships held.

The number of directors over the age of 70 years may not exceed one third of the directors in office.

14.2 In the event of a vacancy due to the death or resignation of one or more directors appointed by the General Meeting, the Board of Directors can make

provisional appointments between two General Meetings under the conditions laid down by the Commercial Code, save as regards: (i) the representative of the State, who is appointed as per Article 4 I of the 2014 Order and (ii) the directors representing the employees and the employee shareholders, appointed in accordance with the legislative and regulatory provisions in force, as well as these Articles of Association. A director co-opted by the Board of Directors to replace an outgoing director shall only remain in office for the remainder of his predecessor's term of office. Appointments made by the Board shall be subject to ratification by the next Ordinary General Meeting. In the absence of ratification, resolutions passed and actions taken beforehand by the Board shall nevertheless remain valid.

In the event of a vacancy for the director representing employee shareholders, he shall be replaced under the conditions provided by Article 13.1 (a) above, this director being appointed by the Ordinary General Meeting for a further period of four years.

In the event of a vacancy for the director elected by employees, the vacancy will be filled in accordance with the provisions of Article L. 225-34 of the Commercial Code.

14.3 The General Meeting can at any time dismiss the directors that it has appointed."

The specific system for appointing the Chairman, the CEO, and Deputy Chief Executive Officers of the Company should be specified, in accordance with Article 20 of the Pacte Order of 2 October 2019 cited above. Indeed, in accordance with this Order, the assumption of office of the Chairman, the CEO and the Deputy Chief Executive Officers of FDJ shall be subject to prior licence by the Ministers in charge of the Budget and Finance, after consulting the French gaming regulatory authority (ANJ). Such licences may be withdrawn by decree of the competent Ministers, after consulting the French gaming regulatory authority (ANJ). Decree no. 2019-1060 of 17 October 2019 related to the terms of direct Government control of the Company provides that the Ministers have 30 days to respond when asked for approval. Failure by the Ministers in charge of the Economy and Budget to provide an answer by the end of such 30-day period amounts to a licence decision. Any refusal or withdrawal of authorisation shall be motivated and delivered after the person concerned has been invited to provide comments.

Furthermore, Article 18 of the same Order states that amendments to the Company's Articles of Association must be approved by decree.

Agreements to compensate members of the Board of Directors or employees if they resign or are dismissed without real and serious cause, or if their employment ends due to a public offering of purchase or exchange

No corporate agreement provides for such compensation. The compensation set out in the collective agreement is applied.

The executives who are members of the Group Management Committee benefit from a severance clause in their employment contract that exceeds the collective agreement.

Capital structure of the Company: see "7.2.1.1 Breakdown of share capital and voting rights".

Statutory restrictions on the exercise of voting rights and transfers of shares or clauses in agreements brought to the Company's attention pursuant to Article L. 233-11: see "7.2.1.2 Agreements between shareholders", "7.2.2.9: Legislative and regulatory provisions delaying, deferring or preventing a change of control", "7.2.2.10 Crossing of thresholds".

Direct or indirect stakes in capital pursuant to Articles L. 233-7 and L. 233-12: see "7.2.2.10 Crossing thresholds".

List of holders of all shares containing special control rights and description thereof: see "7.2.2.7 Voting rights".

Agreements entered into by the Company that are amended or terminated in the event of a change in control of the Company, unless such disclosure, other than in cases where disclosure is required by law, would be seriously prejudicial to its interests: see "7.2.1.5 Agreements that could lead to a change in control of the Company".

7.2.1.7 TERMS OF SHAREHOLDER PARTICIPATION IN THE GENERAL MEETINGS OF SHAREHOLDERS

Article 24 of the Company's Articles of Association sets out the procedures for holding General Meetings:

General or Special Meetings shall be convened and shall deliberate under the conditions, in the forms and within the time limits provided by law.

Meetings shall take place at the registered office or in any other place specified in the notice of meeting.

Upon a decision of the Board of Directors, the conduct of meetings can be broadcast by any means of videoconferencing or remote transmission. If applicable, this shall be mentioned in the notice of meeting.

Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a director specially appointed for this purpose by the Board. Otherwise, the meeting itself shall elect its Chairman.

Meetings shall appoint a panel comprising the Chairman of the meeting, two scrutineers and a secretary, who need not be a shareholder.

The functions of scrutineers shall be performed by the two members of the meeting representing the largest number of votes, and in the event that they refuse to do so, by the members representing the next largest number of votes, until the role is accepted.

Article 25 of the Company's Articles of Association sets out the specific procedures for the participation of the shareholders in the General Meeting. These procedures are set out below.

All shareholders may participate in any meeting, either in person, physically or by mail, or by proxy, upon proof of

identity and registration of their shares in their name or in the name of the intermediary registered on their behalf pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code, no later than midnight, Paris time, on the second business day prior to the meeting, either in the registered share accounts held by the Company or in the bearer share accounts held by an authorised intermediary. The entry or registration of shares in bearer accounts held by an authorised intermediary shall be proved by a certificate of shareholding issued by that intermediary within the time limits and under the conditions provided by the regulations in force.

If the Board of Directors so provides, shareholders participating in any General or Special Meeting, whether in person or through a representative, by videoconferencing or by means of electronic communication enabling them to be identified, such as the internet, shall be deemed to be present for the purposes of calculating the quorum and majority, according to the procedures defined by the Board in advance in accordance with the law and regulations in force.

If applicable, this competence and the address of the site arranged for this purpose shall be mentioned in the notice of meeting published in the Bulletin of Mandatory Legal Announcements (Bulletin des Annonces Légales Obligatoires).

Postal or proxy voting

Hard copy postal or proxy voting forms that have not effectively been received at the registered office of the Company or at the location specified in the notice of meeting no later than three days prior to the date of the general or special meeting shall be disregarded. This period may be shortened by decision of the Board of Directors.

Electronic forms for remote or proxy voting may be received by the Company up to one day before the meeting no later than 3pm Paris time.

Any shareholders who have cast their votes remotely, sent a proxy or requested their admission card or a certificate of shareholding, may nevertheless sell some or all of the shares for which they have cast their remote vote, sent a proxy or requested their admission card or a certificate of shareholding. However, if the sale occurs before the second working day preceding the meeting at midnight, Paris time, the Company, upon notification by the authorised intermediary account holder, will accordingly invalidate or modify, as the case may be, the vote cast remotely, proxy, admission card or certificate of shareholding.

Notwithstanding any convention to the contrary, no sale or transaction made after the second working day preceding the meeting at midnight, Paris time, regardless of the means used, shall be notified by the authorised intermediary or taken into consideration by the Company.

Shareholder representation

A shareholder may be represented under the conditions set by the laws and regulations in force.

7.2.2 INFORMATION ABOUT THE SHARE CAPITAL

7.2.2.1 SHARES HELD BY THE COMPANY OR ON ITS BEHALF

Shares held at 31 December 2022

Pursuant to the authorisations granted by the General Meeting, the Board of Directors implemented the share buyback programme during financial year 2022 as follows:

- **Liquidity contract**

As a reminder, FDJ has mandated a financial intermediary to act on its behalf on the Market, in order to promote the liquidity of transactions and the regularity of the quotation of the Securities and to avoid price shifts that are not justified by the market trend. This mandate became effective on 19 December 2019 and has been renewed for the following years. As of 31 December 2022, 35,319 shares were included in the liquidity contract.

- **Grant of performance shares to employees and corporate officers**

FDJ has mandated a financial intermediary to purchase its own shares on its behalf, with a view to subsequently allocating them to the beneficiaries of performance share plans (LTI). During financial year 2022, purchases were made as follows:

- under LTI 1 (2021-2023): from 22 March to 6 April 2022, FDJ acquired 45,000 shares;
- under LTI 2 (2022-2024): from 19 May to 31 August 2022, FDJ acquired 65,000 shares.

In total, as of 31 December 2022, and taking into account the 40,000 shares purchased during financial year 2021 under LTI 1, the number of treasury shares held was 185,319. For details of transactions, see the tables in the section below entitled "Implementation of the share buyback programme".

Legal framework

In accordance with the provisions of Article 241-2 of the AMF's General Regulations and Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the purpose of this description is to describe FDJ's share buyback programme proposed to the Ordinary and Extraordinary General Meeting of 27 April 2023.

Maximum proportion of the capital to be acquired, maximum purchase price, maximum number and characteristics of shares that may be acquired under the share buyback programme

Maximum proportion of the Company's capital that may be bought back: 10% of the number of shares comprising the Company's share capital and 5% of the number of shares comprising the Company's share capital if they are acquired with a view to their retention and subsequent remittance in payment or exchange in the context of external growth

transactions. In accordance with Article L. 225-210 of the French Commercial Code, the number of shares held by the Company at any time may not exceed 10% of the shares comprising the Company's share capital at the relevant date.

Maximum purchase price per share: €70 excluding acquisition costs.

Maximum amount of the authorised programme: €700 million.

The securities that the Company proposes to acquire are exclusively ordinary shares.

Duration of the buyback programme

The authorisation would be granted for a period of 18 months from the approval of the resolution presented to the General Meeting.

Implementation of the share buyback programme

Annual review of transactions carried out under the liquidity contract

Under the liquidity contract entrusted by the Company to Exane BNP Paribas, as at 31 December 2022, the following assets appeared on the liquidity account:

- 635,319 La Française des Jeux shares;
- €5,336,872.
- During the first half of 2022, a total of:
 - 548,936 shares were purchased for €19,316,767 (4,384 transactions);
 - 524,913 shares were sold for €18,550,573 (4,711 transactions).
- During the 2nd half of 2022, a total of:
 - 429,032 shares were purchased for €14,352,896 (3,473 transactions);
 - 487,300 shares were sold for €16,498,225 (4,177 transactions).

As a reminder, as at 23 December 2019, the date of entry into force of the liquidity contract, the following assets appeared on the liquidity account: €3,000,000.

Annual review of share buyback transactions with a view to allocating performance shares

Under the mandate given by the Company to Société Générale, as at 31 December 2022, Société Générale purchased:

- 45,000 shares under the 2021 LTI for a total amount of €1,610,130;
- 65,000 shares under the 2022 LTI for a total amount of €2,113,035.

A total of 110,000 shares were purchased for a total amount of €3,723,165.

New share buyback programme

The Annual Ordinary and Extraordinary General Meeting to be held on 27 April 2023 is invited to authorise the Board of Directors to implement a new share buyback programme and to adopt a new resolution authorising the Board of Directors to cancel shares:

The main conditions of these financial authorisations are described in the table below:

Purpose	Duration	Possible objectives of the Company's share buyback programme	Special ceiling	Price or terms of price determination
Authorisation to trade in the Company's shares	18 months	<ul style="list-style-type: none"> - Implementation of the Company's stock option plans. - Allocation or assignment of shares to employees. - Allocation of free shares to employees or Corporate Directors. - Cancellation of some or all of the shares repurchased in this manner. - Delivery of shares in the context of external growth transactions, mergers, demergers or contributions. - Transactions on the secondary market or the liquidity of the Company's shares through an investment services provider under a liquidity agreement in accordance with the Code of Ethics recognised by the AMF. 	<ul style="list-style-type: none"> - The Company may not hold a number of shares representing more than 10% of its share capital as adjusted to the result of transactions modifying it after this meeting. - The number of shares acquired for the purposes of retention or subsequent delivery in the context of a merger, demerger or contribution may not exceed 5% of the share capital. - Total amount allocated to the share buyback programme: €700 million. 	Maximum purchase price per share: €70
Reduction of the Company's capital	18 months	Cancellation of treasury shares	No cancellation of more than 10% of capital per 24-month period	

7.2.2.2 AUTHORISED UNISSUED SHARE CAPITAL

The Annual Ordinary and Extraordinary General Meeting is invited to grant the Board of Directors certain delegations of authority and powers, the summary of which is shown in the table below:

TABLE OF DELEGATIONS TO THE GENERAL MEETING OF 27 APRIL 2023

Resolution no.	Type of authorisation	Authorised amount	Global Cap	Duration of authorisation
13	Authorisation to be given to the Board of Directors to trade in the Company's shares under the terms of Article L. 22-10-62 of the French Commercial Code	Maximum purchase price per share: €70 excluding acquisition costs Cumulative amount of acquisitions: €700 million Maximum holding: 10% of the share capital	This amount constitutes an overall maximum limit allocated to the share buyback programme.	18 months
14	Delegation of authority to the Board of Directors to issue ordinary shares and/or other securities giving immediate or deferred access to the share capital of the Company or one of its subsidiaries, with preferential subscription rights	20% of the share capital+€700m in nominal value of securities representing debt instruments Setting up a Global Cap of 20% of the share capital	The Global Cap of 20% constitutes a maximum Global Cap for share capital increases that may be carried out under this resolution and under the 15th, 16th, 17th, 18th, 20th, 21st and 22nd resolutions.	26 months

Resolution no.	Type of authorisation	Authorized amount	Global Cap	Duration of authorisation
15	Delegation of authority to be granted to the Board of Directors in order to issue ordinary shares and/or securities giving immediate or deferred access to the share capital of the Company or one of its subsidiaries without preferential subscription rights, by way of public offering (other than the offering referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code)	10% of the share capital+€700m in nominal value of securities representing debt instruments	Deducted from the Global Cap of the 14th resolution	26 months
16	Delegation of authority to the Board of Directors to issue ordinary shares and/or securities giving immediate and/or deferred access to the capital of the Company or one of its subsidiaries, without preferential subscription rights, by way of an offering referred to in section 1 of Article L. 411-2 of the French Monetary and Financial Code, intended exclusively for qualified investors and/or a restricted circle of investors	10% of the capital +€700m in nominal value of securities representing debt instruments	Deducted from the Global Cap of the 14th resolution and the sub-Cap of the 15th resolution	26 months
17	Authorisation to be given to the Board of Directors, in the event of an issue without preferential subscription rights, to set the issue price in accordance with the terms approved by the General Meeting, within the limit of 10% of the capital per year	Relating to the 15th and 16th resolutions Within the limit of 10% of the share capital of the Company	Cap provided for in the resolution pursuant to which the issue is made, as well as the Global Cap set in the 14th resolution	26 months
18	Delegation of authority to the Board of Directors to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights	Limit provided by the applicable regulation (i.e. to date 15% of the initial issue)	Cap provided for in the resolution pursuant to which the issue is made, as well as the Global Cap set in the 14th resolution	26 months
19	Delegation of authority to the Board of Directors to increase the share capital by incorporation of premiums, reserves, profits or other items	Cap fixed at the amount that can be legally incorporated	Not deducted from the Global Cap of the 14th resolution or any other ceiling	26 months
20	Delegation of powers to the Board of Directors to issue ordinary shares and/or securities giving immediate or deferred access to the capital, without preferential subscription rights, in consideration for contributions in kind to the Company	Within the limit of 10% of the share capital of the Company	Deducted from the Global Cap of the 14th resolution and the sub-Cap of the 15th resolution	26 months
21	Delegation of authority to the Board of Directors to issue ordinary shares or securities giving access to the capital of the Company, without preferential subscription rights, in the event of a public exchange offer initiated by the Company	Within the limit of 10% of the share capital of the Company	Deducted from the Global Cap of the 14th resolution and the sub-Cap of the 15th resolution	26 months

Resolution no.	Type of authorisation	Authorized amount	Global Cap	Duration of authorisation
22	Delegation of authority to be granted to the Board of Directors to increase the capital by issuing ordinary shares and/or securities giving access to the Company's capital reserved for members of Employee savings plans, with cancellation of preferential rights in their favour, pursuant to Articles L. 3332-18 et seq. of the French Labour Code	Within the limit of 1% of the share capital of the Company	Deducted from the Global Cap of the 14th resolution and the sub-Cap of the 15th resolution	26 months
23	Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling shares purchased by the Company pursuant to Article L. 22-10-62 of the French Commercial Code	Within the limit of 10% of the share capital in 24-month periods	n/a	18 months

Also listed below are the delegations of authority and powers granted by the General Meeting of Shareholders to the Board of Directors, and still in force at the Date of the Universal Registration Document:

AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS BY THE GENERAL MEETING OF SHAREHOLDERS ON 26 APRIL 2022

Resolution no.	Type of authorisation	Authorized amount	Global Cap	Duration of authorisation	Use of the authorisations
14	Authorisation given to the Board of Directors to trade in the Company's shares under the terms of Article L. 22-10-62 of the French Commercial Code	Maximum purchase price per share: €70 excluding acquisition costs Cumulative amount of acquisitions: €700 million Maximum holding: 10% of the share capital	This amount constitutes an overall maximum limit allocated to the share buyback programme	18 months	<p><i>Transactions carried out under the liquidity contract:</i></p> <ul style="list-style-type: none"> - Average share price: €33,545 - Total number of shares⁽¹⁾: 1,335,302 - Cumulative amount of acquisitions: €21,482,086.81 - Percentage of share capital held: non-significant as at 31 December 2022 <p><i>Transactions carried out with a view to granting performance shares:</i></p> <ul style="list-style-type: none"> - Average share price: €33,8470 - Total number of shares⁽²⁾: 110,000 - Cumulative amount of acquisitions: €3,723,165.19 - Percentage of share capital held: non-significant as at 31 December 2022
15	Authorisation to be granted to the Board of Directors to allocate, free of charge, subject to performance conditions, existing or future ordinary shares of the Company to eligible employees and Corporate Directors of the Company or its subsidiaries, without preferential subscription rights	Within the limit of 0.6% of the share capital of the Company Award limit of 0.09% of the share capital for executive Corporate Directors	n/a	38 months	174,764 shares allocated, i.e. approximately 0.091% of the Company's capital

Resolution no.	Type of authorisation	Authorised amount	Global Cap	Duration of authorisation	Use of the authorisations
16	Delegation of authority to be granted to the Board of Directors to increase the capital by issuing ordinary shares and/or securities giving access to the Company's capital reserved for members of Employee savings plans, with cancellation of preferential rights in their favour, pursuant to Articles L. 3332-18 et seq. of the French Labour Code	Within the limit of 1% of the share capital of the Company	Deducted from the Global Cap of the 14th resolution and the sub-Cap of the 15th resolution	26 months	
17	Authorisation to be granted to the Board of Directors to reduce the share capital by cancelling shares purchased by the Company pursuant to Article L. 22-10-62 of the French Commercial Code	Within the limit of 10% of the share capital in 24-month periods	n/a	18 months	

(1) Total shares purchased and shares sold over the period.

(2) Total shares purchased during the period as no shares were sold in these transactions.

AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS BY THE GENERAL MEETING OF SHAREHOLDERS ON 16 JUNE 2021

Resolution no.	Type of authorisation	Authorised amount	Global Cap	Duration of authorisation	Use of the authorisation or delegation of authority
14	Delegation of authority to the Board of Directors to issue ordinary shares and/or other securities giving immediate or deferred access to the share capital of the Company or one of its subsidiaries, with preferential subscription rights	20% of the share capital +€700m in nominal value of securities representing debt instruments Setting up a Global Cap of 20% of the share capital	The Global Cap of 20% constitutes a maximum Global Cap for share capital increases that may be carried out under this resolution and under the 15th, 16th, 17th, 18th, 20th, 21st and 22nd resolutions	26 months	
15	Delegation of authority to be granted to the Board of Directors in order to issue ordinary shares and/or securities giving immediate or deferred access to the share capital of the Company or one of its subsidiaries without preferential subscription rights, by way of public offering (other than the offering referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code)	10% of the share capital +€700m in nominal value of securities representing debt instruments	Deducted from the Global Cap of the 14th resolution	26 months	

Resolution no.	Type of authorisation	Authorised amount	Global Cap	Duration of authorisation	Use of the authorisation or delegation of authority
16	Delegation of authority to the Board of Directors to issue ordinary shares and/or securities giving immediate and/or deferred access to the capital of the Company or one of its subsidiaries, without preferential subscription rights, by way of an offering referred to in section 1 of Article L. 411-2 of the French Monetary and Financial Code, intended exclusively for qualified investors and/- or a restricted circle of investors	10% of the capital +€700m in nominal value of securities representing debt instruments	Deducted from the Global Cap of the 14th resolution and the sub-Cap of the 15th resolution	26 months	
17	Authority to be given to the Board of Directors, in the event of an issue without preferential subscription rights, to set the issue price in accordance with the terms approved by the General Meeting, within the limit of 10% of the capital per year	Relating to the 15th and 16th resolutions Within the limit of 10% of the share capital of the Company	Cap provided for in the resolution pursuant to which the issue is made, as well as the Global Cap set in the 14th resolution	26 months	
18	Delegation of authority to the Board of Directors to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights	Limit provided by the applicable regulation (i.e. to date 15% of the initial issue)	Cap provided for in the resolution pursuant to which the issue is made, as well as the Global Cap set in the 14th resolution	26 months	
19	Delegation of authority to the Board of Directors to increase the share capital by incorporation of premiums, reserves, profits or other items	Cap fixed at the amount that can be legally incorporated	Not deducted from the Global Cap of the 14th resolution or any other ceiling	26 months	
20	Delegation of powers to the Board of Directors to issue ordinary shares and/or securities giving immediate or deferred access to the capital, without preferential subscription rights, in consideration for contributions in kind to the Company	Within the limit of 10% of the share capital of the Company	Deducted from the Global Cap of the 14th resolution and the sub-Cap of the 15th resolution	26 months	
21	Delegation of authority to the Board of Directors to issue ordinary shares or securities giving access to the capital of the Company, without preferential subscription rights, in the event of a public exchange offer initiated by the Company	Within the limit of 10% of the share capital of the Company	Deducted from the Global Cap of the 14th resolution and the sub-Cap of the 15th resolution	26 months	

(1) Total shares purchased and shares sold over the period.

(2) Total shares purchased during the period as no shares were sold in these transactions.

7.2.2.3 OTHER SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

As of the Date of the Universal Registration Document, the Company has not issued any securities giving access to the share capital other than the shares.

7.2.2.4 CHANGES IN SHARE CAPITAL

Below is a table summarising changes in the Company's shareholder base over the last two financial years:

Holders	For the year ended 31 December 2021			For the year ended 31 December 2022		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
French State	39,074,508	20.46%	27.42%	39,074,508	20.46%	27.11%
Veterans' associations, together (including UBFT's share 10.1%)	28,233,690	14.78%	19.31%	28,956,088	15.16%	19.82%
Total FDJ Group employee funds	7,279,498	3.81%	4.03%	7,249,634	3.80%	4.68%
Other (individual ownership below 5% as at 31 December of each year)	100,910,119	52.83%	38.49%	99,620,859	52.16%	37.52%
Treasury shares	112,063	n/a	n/a	185,319	0.10%	n/a
Company/Soficoma	5,730,000	3.00%	4.02%	5,730,000	3.00%	3.98%
Predica	9,660,122	5.06%	6.72%	10,183,592	5.33%	6.88%
TOTAL	191,000,000	100%	100%	191,000,000	100%	100%

7.2.2.5 OPTIONS ON THE COMPANY'S SHARE CAPITAL

As of the Date of the Universal Registration Document, there are no options on the Company's share capital. The Company is not aware of any pledge on a significant portion of its capital.

7.2.2.6 NON-EQUITY SECURITIES

The Company has not issued any non-equity securities.

7.2.2.7 VOTING RIGHTS

In accordance with Article 9, "Rights and obligations attached to the shares" in the Company's Articles of Association, double voting rights relative to those of other shares, considering the percentage of capital that they represent, were granted effective 4 November 2019 to all fully paid shares which could be proven to be held in the registered account of the same shareholder for at least two years.

7.2.2.8 CHANGES IN SHARE CAPITAL AND VOTING RIGHTS

The share capital may be increased, depreciated or reduced pursuant to the conditions and means provided for in the laws and regulations in force.

7.2.2.9 LEGISLATIVE OR REGULATORY PROVISIONS DELAYING, DEFERRING OR PREVENTING A CHANGE OF CONTROL

In accordance with the Pacte Law and the Order, regardless of its stake, the French State exercises close control over FDJ starting as from the date of transfer of the majority of FDJ's share capital to the private sector, which will take the form of:

- the obligation that the Chairman, Chief Executive Officer and Deputy Chief Executive Officers of FDJ be approved by the Ministers in charge of the Economy and the Budget (who may refuse to grant their approval solely for reasons

relating to the existence of certain criminal convictions or the failure to comply with the objectives mentioned in the Order); and

- the obligation that shareholders, both individuals and corporate entities, acting alone or in concert, that wish to hold more than 10% or a multiple of 10% of share capital or voting rights of FDJ, obtain prior approval by the Ministers in charge of the Economy and the Budget (authorisation may be refused solely on grounds of protection of public order, the fight against money laundering and the financing of terrorism, the needs of public safety and the fight against excessive or pathological gambling).

7.2.2.10 CROSSING OF THRESHOLDS

• Crossing of legal thresholds

Pursuant to the provisions of the French Commercial Code, any individual or legal entity, acting alone or in concert, that comes to own a number of shares representing more than 5%, 10%, 15%, 20%, 30%, 33.3%, 50%, 66.6%, 90% or 95% of the share capital or voting rights must inform the Company, at the latest before the close of trading on the fourth trading day following the day on which the shareholding threshold is crossed, of the total number of shares or voting rights that he or she owns (Articles L. 233-7 and R. 233-1 of the French Commercial Code). They must also inform the AMF before the close of trading, no later than the fourth trading day after the shareholding threshold is crossed (Article 233-14 of the AMF General Regulation). The AMF will make public any thresholds crossed.

In accordance with Article L. 233-7 of the French Commercial Code, in a letter dated 17 June 2022, the sub-concert composed of the Union des blessés de la face et de la tête (UBFT) and Ailes Brisées declared that on 16 June 2022, it had exceeded the regulatory threshold of 10% of FDJ's share capital and that it held 19,105,010 shares, i.e. 10.003% of the capital and 13.17% of the voting rights. On this occasion, the collective composed of UBFT, Ailes Brisées and the FNAM block⁽¹⁾ did not exceed any thresholds.

(1) Namely the Fédération nationale André Maginot (FNAM), the Association des mutilés de guerre des yeux et des oreilles (AMGYO), the Union Fédérale des Associations françaises d'anciens combattants et victimes de guerre (Union Fédérale), the CARAC and France Mutualiste.

In accordance with Article L. 233-7 of the French Commercial Code, in a letter dated 28 July 2022, the collective formed by UBFT, Ailes Brisées and the FNAM block⁽¹⁾, declared that on 25 July 2022 it had exceeded the regulatory threshold of 15% of FDJ's capital and held 28,658,077 shares, i.e. 15% of the capital and 19.48% of the voting rights.

In accordance with Article L. 233-7 of the French Commercial Code, in a letter dated 17 August 2022, UBFT declared that on 16 August 2022 it had individually exceeded the regulatory threshold of 10% of FDJ's capital and individually held 19,107,888 shares, i.e. 10% of the capital and 13.15% of the voting rights.

To the best of the Company's knowledge, as at 31 December 2022, no other declaration of crossing the legal threshold has been made.

- **Crossing of thresholds set by the Articles of Association**

Pursuant to Article 11 of the Company's Articles of Association, in addition to declarations of crossing of legal thresholds, any individual or corporate entity, acting alone or in concert, that comes to hold, or ceases to hold, directly or indirectly, a fraction of the share capital or voting rights of the Company:

- greater than or equal to 1% of share capital or voting rights of the Company, or any multiple of that percentage up to 5% of the share capital or voting rights; and
- greater than or equal to 0.5% of the share capital or voting rights of the Company, or any multiple of that percentage above 5% of the share capital or voting rights, including above the reporting thresholds stated in the laws and regulations in force, must inform the Company of the total number of shares and voting rights that it owns and of the securities giving access to the share capital and voting rights potentially attached thereto by means of a registered

letter with acknowledgement of receipt sent to the registered office by the closing of the fourth trading day following the day that the threshold is crossed.

For the purpose of determining the thresholds referred to above, indirectly held shares or voting rights and shares or voting rights similar to the shares or voting rights held as defined by the provisions of Articles L. 233-7 and following of the French Commercial Code will be taken into account.

In the event that the provisions of this article are not observed, on a request recorded in the minutes of the General Meeting of Shareholders by one or several shareholders holding at least 5% of the share capital or voting rights of the Company, the shareholder who has not made the aforementioned declaration within the prescribed time shall be deprived of the voting right in any meeting of shareholders that would be held until the expiry of a period of two years following the date of a declaration of regularisation.

The Company reserves the right to inform the public and shareholders of the information notified to it, as well as, where applicable, the failure to comply with the aforementioned obligation by the person or entity in question.

7.2.2.11 IDENTIFICATION OF HOLDERS OF SECURITIES

In accordance with Article L. 228-2 of the French Commercial Code, for the purpose of identification of holders of bearer shares, the Company or its agent is entitled to request at any time, in return for compensation at its own expense, that either the central depository who keeps the account having issued the securities, or one or more of the intermediaries mentioned in Article L. 211-3 of the French Monetary and Financial Code directly, give information concerning the owners of its shares and securities conferring immediate or future voting rights in its own shareholders' meetings.

7.3 Legal and arbitration proceedings

The main disputes in which the Group is involved are detailed below. The Company is not aware of other governmental, judicial or arbitration procedures (including any procedure of which the Company is aware of, that is imminent or threatened), for the 12-month period preceding the Date of the Universal Registration Document, which

could have or have recently had material effects on the financial situation or profitability of the Group. As at the Date of the Universal Registration Document, when the amounts claimed against FDJ were very significant, FDJ has always been sentenced to pay much smaller amounts.

7.3.1 BROKER-AGENT LITIGATION RELATED TO FDJ'S DISTRIBUTION NETWORK

Until 2015, FDJ used an intermediate distribution network of broker-agents to market its games to the offline distribution network.

Over the past 20 years, the agreements entered into with each broker-agent have been subsequently amended, decreasing the number of sectors from over three hundred to one hundred in 2014. As a result of negotiations conducted in 2003, an amendment to the standard broker-agent agreement was signed that improved the efficiency of the distribution channel by reducing the number of geographical sectors. Seeking to continue streamlining and modernising its sales structure, FDJ entered into new negotiations with the broker-agent network in 2010 and 2011, but an agreement could not be reached.

In 2012, further modifications were made to its geographical sectors, following a severance package proposed by FDJ providing for an increased contractually stipulated compensation, and on the expiration of a number of broker-agent contracts, on their 66th birthday. The new geographical sectors resulted in the departure of 25 broker-agents out of a total 133 broker-agents.

In 2014, FDJ made the decision to restructure its distribution network and to implement its new sales policy. On 22 May 2014, it sent the broker-agents a letter terminating their contracts with 18 to 30 months' notice and the payment of a contractual indemnity.

INDIVIDUAL DISPUTE

Following the changes in sectoring implemented in 2012, one legal proceeding was brought by a broker-agent on an individual basis in 2015. This broker made claims based on FDJ's contractual liability for non-compliance with the provisions relating to the assignment of its contract and its potential resumption. The broker demanded the payment of an indemnity in excess of the stated contractual rate. The broker-agent whose contracts were assigned also considered FDJ's rejection of the assignee to be allegedly abusive. The dispute is currently pending before the Court of Cassation.

COLLECTIVE DISPUTES

Broker-agents also brought two collective proceedings.

84 broker-agents (BA) dispute

On 16 May 2012, 106 broker-agents initiated proceedings against FDJ before the Nanterre Commercial Court seeking a ruling on the court-ordered termination of the amendment implementing the sectoring agreement negotiated in 2003. Some broker-agents withdrew from proceedings. 84 plaintiffs currently remain.

A stay was issued pending the decision to be taken in the UNDJ dispute described below.

On 11 December 2011, the French gaming retailers' syndicate (UNDJ - Union nationale des diffuseurs de jeux), the

professional association representing the broker-agents' interests, summoned FDJ to appear before the Paris Tribunal de Grande Instance Court seeking an order whereby the July 2003 amendment would be ruled invalid. The UNDJ claimed that the amendment created a significant imbalance between the rights and obligations of the parties and asked that FDJ be ordered to pay damages. In a judgement dated 27 March 2018, the Paris Tribunal de Grande Instance Court declared the UNDJ's claims inadmissible for lack of right of action and dismissed them. The UNDJ appealed against the decision. The Paris Court of Appeal declared the UNDJ's declaration of appeal invalid in an order dated 19 December 2018.

As the UNDJ dispute is now over, but only the question of the admissibility of the action by the professional association has been settled, the 84 broker-agents filed a motion to reopen the case before the Nanterre Commercial Court on 21 February 2020 in order to have the merits of the dispute settled. The case is currently pending before the Commercial Court.

4 broker-agents (BA) dispute

On 28 June 2016, six retired broker-agents summoned FDJ to appear before the Paris Commercial Court.

The brokers claimed that by improperly terminating the contracts of all active broker-agents on 22 May 2014, FDJ made it impossible to assign the contracts of the brokers who were retiring. Their claim for damages is valued at four times the amount of the commissions perceived in the year preceding the termination. Since two broker-agents withdrew from the proceedings, there are currently four claimants.

A stay was issued pending the decision to be taken in the 67 BA dispute described below.

On 6 August 2015, 67 broker-agents summoned FDJ to appear before the Paris Commercial Court to challenge the termination of their contracts and to claim damages for failure to observe the notice period related to the seniority of the commercial relationship and brought an additional claim related to the value of their sector, which was valued at four times the previous year's commissions. By judgement of 3 October 2016, the Court dismissed their claims in their entirety. On 23 November 2016, the broker-agents appealed against this judgement to the Paris Court of Appeal, which upheld all provisions of the judgement in a decision dated 27 March 2019. On 14 June 2019, the broker-agents then filed an appeal against this judgement in the Court of Cassation. In a decision dated 10 November 2021, the Court of Cassation rejected their appeal.

As the 67 broker-agents dispute is now definitively over, the four broker agents filed a motion to reopen the case before the Nanterre Commercial Court on 17 June 2022. By decision dated 30 January 2023, the Nanterre Commercial Court dismissed all of the claims of the four broker agents and ordered them to pay the sum of €20,000 each under Article 700 of the French Code of civil procedure.

7.3.2 SOFICOMA DISPUTE INVOLVING FDJ SHARE OWNERSHIP

Before the Company's IPO, the share capital of FDJ was strictly closed and reserved for five categories of individuals or corporate entities, all of which are listed in the Articles of Association. This list included partnerships or commercial companies whose capital is held exclusively by individuals or corporate entities with broker-agent status. The broker-agents purchased a 3% stake in FDJ in 1988 through Soficoma, a company which was incorporated for that purpose.

The reorganisation of its distribution network caused FDJ to notify its broker-agents on 22 May 2014 of the termination of their contracts. On 21 November 2016, the notice period for the termination of the most recent broker-agents contracts expired. As of that date, FDJ no longer had broker-agents in its network.

On 15 December 2016, the Board of Directors therefore found that Soficoma no longer met the requirements to be a shareholder of the Company and decided that FDJ should buy the shares held by Soficoma at a price of €2,607.99 per share, for a total of €15,647,940 which corresponded to the price set at the most recent FDJ General Meeting held on 25 May 2016, in accordance with Article 15 of FDJ's Articles of Association. Soficoma contested the requirement to sell its FDJ shares and rejected the sale. On 18 May 2017, FDJ registered the sale price at the Caisse des Dépôts et Consignations.

In this context, on 23 May 2017, FDJ summoned Soficoma to appear before the Marseille Commercial Court seeking a ruling that, pursuant to FDJ's Articles of Association, Soficoma was required to sell its 6,000 FDJ shares for a total price of €15,647,940 within three months of the decision of the Board of Directors stating that Soficoma had lost its status of FDJ shareholder on the date of registration of the sale price, and authorising the transcription of the share transfer in its records.

On 10 January 2018, Soficoma summoned the French State, represented by the Agence des Participations de l'Etat, to appear as a third party before the Marseille Commercial Court for abuse of its voting rights and requested that the decisions of the General Meetings of 27 May 2015, 25 May 2016 and 15 June 2017 be declared null and void. Soficoma further requested the convening of a new General Meeting in order to vote on a resolution setting the value of the FDJ shares, the appointment of a proxy before the meeting for the purpose of voting at the General Meeting in lieu of the French State and the appointment of an expert before the meeting to value the shares comprising the capital of FDJ.

By decision dated 23 May 2019, the Marseille Commercial Court found that Soficoma no longer met the requirements to

remain a shareholder of FDJ given the termination of the broker-agent contracts on 22 May 2014 and the expiry of the most recent notice period on 21 November 2016; declared that Soficoma was required to sell the 6,000 shares that it held to FDJ for a total price of €15,647,940 within the three-month period following the meeting of the Board of Directors on 15 December 2016; declared the undertaking to sell contained in the FDJ Articles of Association valid, found that Soficoma lost its status of FDJ shareholder as from the date of deposit of the funds with the Caisse des Dépôts et Consignations (18 May 2017) and authorised FDJ to transcribe in its records the transfer by Soficoma of the 6,000 shares to FDJ.

On 20 June 2019, Soficoma lodged an appeal against that decision before the Court of Appeal of Aix en Provence. By a judgement dated 17 November 2022, the Court of Appeal of Aix en Provence upheld the ruling in its entirety and dismissed all claims against the French Republic. Soficoma filed an appeal to the Court of Cassation on 13 December 2022.

In the meanwhile, on 27 December 2017 Soficoma summoned FDJ to appear before the Nanterre Commercial Court seeking confirmation of its FDJ shareholder status on the day of the Annual General Meeting of 15 June 2017 and ordering FDJ to pay it the sum of €3,720,000 corresponding to the amount of its dividends due for the 6,000 shares corresponding to its shareholding. A stay of proceedings was issued on the matter of dividends on 26 December 2018, pending the outcome of the dispute before the Marseille Commercial Court. In its conclusions of 9 April 2021, Soficoma requested that the case be reinstated on the grounds that the Marseille Commercial Court had ruled on the merits and updated the amount of dividends that would be due to it by requesting, in addition to the payment of dividends for the financial year ended 31 December 2016, that of the financial years ended 31 December 2017, 2018 and 2019. FDJ again requested a stay of proceedings pending the outcome of the main proceedings currently underway before the Court of Appeal of Aix en Provence. On 23 May 2022, the Commercial Court of Nanterre again stayed the proceedings. Soficoma applied to the First President of the Court of Appeal of Versailles for permission to appeal this decision to stay proceedings. By a summary order on 9 June 2022, the First President of the Court of Appeal of Versailles rejected Soficoma's application.

As at the Date of the Universal Registration Document, and following the split of the Company's shares, these 6,000 shares represent 5,730,000 shares.

7.3.3 ADMINISTRATIVE PROCEEDINGS THE BETTING AND GAMING COUNCIL, BETCLIC ENTERPRISES LIMITED, EUROPEAN GAMING AND BETTING ASSOCIATION AND SPS BETTING FRANCE LIMITED RELATING TO CERTAIN ACTS CONCERNING FDJ'S ACTIVITIES UNDER EXCLUSIVE RIGHTS

By letter of 20 May 2021, the Council of State called FDJ to present observations in proceedings brought by four applicants in December 2019. These applicants - The Betting and Gaming Council, Betclik Enterprises Limited, European Gaming and Betting Association and SPS Betting France Limited - brought fourteen actions for excess of power against Order no. 2019-1015 of 2 October 2019 reforming the regulation of gambling, Decree no. 2019-1060 of 17 October 2019 relating to the terms and conditions for the application of close State control over La Française des Jeux, Decree

no. 2019-1061 of 17 October 2019 relating to the supervision of the gaming range of La Française des Jeux and Pari Mutuel Urbain, Decree no. 2019-1105 of 30 October 2019 deciding on the transfer to the private sector of the majority of the capital of the public limited company La Française des Jeux, the Order of 6 November 2019 setting the terms and conditions for the transfer to the private sector of the majority of the capital of La Française des Jeux, the Order of 20 November 2019 setting the price and terms of allocation of shares in La Française des Jeux, Decree no. 2019-1563 of 30 December 2019 on the approval of

the Articles of Association of La Française des Jeux and Decree no. 2020-494 of 28 April 2020 on the terms and conditions for making the gaming range and gaming data available. The applicants seek the annulment of the statutory instruments reforming the regulation of gambling games. These actions are pending before the Council of State. FDJ filed an initial

submission on 6 August 2021, a second on 23 September 2022 and a third on 18 November 2022. The applicants made new submissions on 11 October 2021, 24 June 2022, 1 August 2022, 12 September 2022 and 23 November 2022. The date for oral pleadings has been set at 17 March 2023.

7.3.4 EUROPEAN PROCEDURES

Following the privatisation of FDJ, two complaints were lodged with the European Commission, recorded as State aid cases SA. 56399 and SA. 56634, for the alleged granting of State aid in the form of guarantees, preferential tax treatment, and the granting of exclusive rights for insufficient remuneration. The complainants were the Association française des jeux en ligne (AFJEL), in a complaint dated 31 January 2020, and The Betting and Gaming Council (BGC), in a complaint dated 5 March 2020.

On 26 July 2021, the European Commission announced that it would conduct a detailed investigation of France regarding the adequacy of the €380 million payment made in "remuneration of the exclusive rights awarded" for point-of-sale sports betting and for lottery for a period of 25 years. The European Commission's decision to open the

investigation was published on 3 December 2021 in the list of State aid cases on its website and in the Official Journal of the European Union. The decision sets out the grounds that led it to query the arrangements from the perspective of the law on State aid. The case is ongoing and the parties are exchanging statements of position. FDJ submitted its observations to the European Commission on 3 January 2022. No timetable has yet been announced by the Commission.

The Commission has closed the matter of the guarantee, confirming that there was no guarantee in the sense of State aid. With respect to the matter of preferential tax treatment, the preliminary inquiry in response to the complaints remains ongoing.

7.4 FDJ and the stock market

7.4.1 SECURITIES MARKET

FDJ SHARE OVERVIEW

Corporate name	La Française des Jeux
ISIN code	FR0013451333
Mnemonic code	FDJ
Place of listing	Euronext Paris – compartment A
ICB classification	5752 Gambling
Main stock market and non-financial indices	SBF 120, CAC Mid 60, Euronext Vigeo France 20, Euro Stoxx 600, MSCI Europe, FTSE Euro
Share eligibility	Equity savings plan (PEA)
Nominal value	€0.40
Number of shares in circulation as at 31.12.2022	191,000,000
Share price as at 31.12.2022	€37.58
Stock market capitalisation as at 31.12.2022	€7,177,780,000 ⁽¹⁾

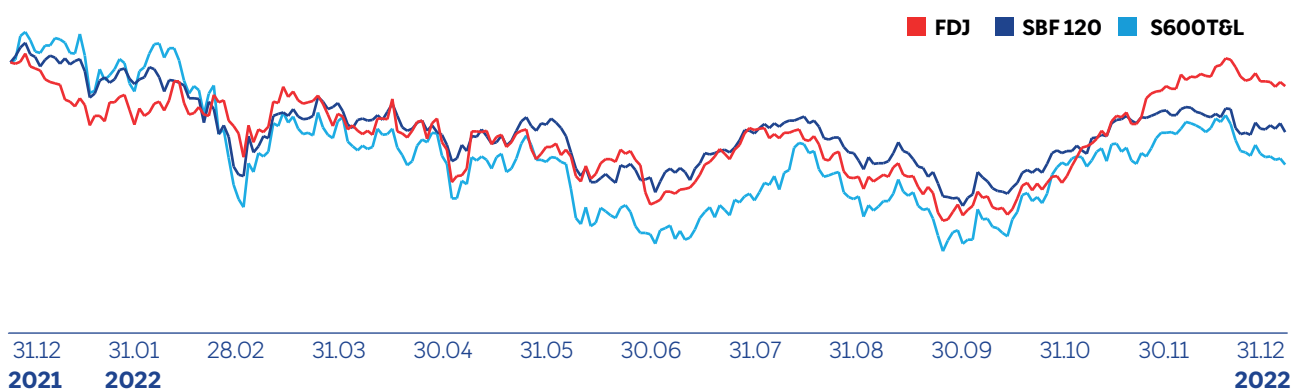
(1) At end-2022, FDJ was the 38th company in the SBF 120 in terms of stock market capitalisation.

STOCK MARKET DATA

2022 annual change

FDJ	- 3%
SBF 120	- 10%
Stoxx 600 Travel & Leisure	- 15%
As at 31 December 2022, the weight of the FDJ share is:	
- In the SBF 120	0.2558%
- In the CAC Mid 60	4.352%
- In the Stoxx 600 Travel & Leisure	4.45%

CHANGE IN FDJ'S SHARE PRICE OVER 2022 COMPARED TO THE SBF 120 INDEX AND THE STOXX 600 TRAVEL & LEISURE INDEX, ON 100 BASE VALUE AT 31 DECEMBER 2021



7.4.2 2023 FINANCIAL CALENDAR

19 April 2023 (after trading) Revenue 1 st quarter 2023 <i>Quiet period*: from 3 April 2023 before trading to 20 April after trading</i>	27 April 2023 2023 General Meeting	27 July 2023 (after trading) Results 1 st half 2023 <i>Quiet period*: from 26 June 2023 before trading to 28 July after trading</i>	19 October 2023 (after trading) Revenue 9 months 2023 <i>Quiet period*: from 2 October 2023 before trading to 20 October after trading</i>
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* Period during which the Company no longer interacts with financial analysts and institutional investors.

This calendar is given as an indication; it may be modified if necessary.

7.4.3 COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Since its IPO on 21 November 2019, FDJ has maintained a relationship of trust with its investors and shareholders, both individual and institutional, based on dialogue and transparency.

The Group informs its institutional and individual shareholders and, more broadly, the financial community about its activity and results, as well as about its strategy and outlook, on a regular and accurate basis, notably on the basis of the schedule of its periodic publications available on its website.

Today, FDJ is regularly monitored by more than 10 French and international analysts (<https://www.groupefdj.com/en/investors/analysts.html>).

In 2022, with a more favourable health environment than in 2021, more face-to-face exchanges were able to take place. Thus, FDJ's General Management and the Investor relations department further increased the interactions with French and international institutional investors and financial analysts, through participation in numerous seminars and broker forums, by organising conference calls and roadshows as well as individual exchanges.

On 17 November 2022, FDJ held its first *Investor Day* in a hybrid format: investors were invited to come to the Boulogne-Billancourt studios (where the Loto® and Euromillions draws are held) or to follow the presentation remotely. Three years after its IPO, this event was an opportunity for FDJ to review its achievements and performance as well as its sustainable value creation drivers and to reaffirm its medium-term financial objectives. The Group also externalised its medium-term non-financial

objectives. The Q&A session that closed the event was of course open to all investors, both present and remote.

The publications of annual and half-yearly results, as well as first and third quarter revenue, are the subject of press releases distributed in French and English, and presentations to investors during dedicated conference calls. All of these documents are simultaneously posted on the Group's website and transmitted through the usual regulatory channels (wire).

FDJ also makes all financial information available to stock market stakeholders, in French and/or English, in the Investors section of its website: <https://www.groupefdj.com/en/investors.html>.

Dialogue with individual shareholders (nearly 400,000 at the end of 2022) is handled by a dedicated team attached to the Group Communications and Sponsorship department. All information for individual shareholders, in French, can be found in the individual shareholders section: <https://www.groupefdj.com/en/shareholders.html>. It includes quarterly newsletters, information on how to become a shareholder and information on the Shareholders' Club, which has almost 15,000 members.

Information and all documents relating to the General Meeting are also available on the Group's website. Prior to the General Meeting, FDJ discusses with its shareholders, in particular, the main resolutions that will be presented.

In 2022, and for the first time since its IPO, FDJ held its General Meeting in person. The *replay* of the General Meeting is still available on the Group's website.

For any questions, please contact the teams:

Investor relations	Individual shareholder relations
+33 (0)1 41 04 19 74	0 805 650 660
invest@fdj.com	contact@actionnaires-fdj.com

A photograph of a woman with blonde, wavy hair, smiling and clapping her hands. She is in the foreground, slightly to the right. In the background, other people are visible, also clapping, though they are out of focus. The overall scene suggests a celebratory or positive event.

Additional

INFORMATION



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8.1 Persons responsible

8.1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Stéphane Pallez, Chairwoman and CEO of the company.

8.1.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"I hereby certify that the information contained in this Universal Registration Document is, to my knowledge, accurate and free from any omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements are prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and all the companies included in the consolidation, and that the items of the management report contained in this document, as specified in the concordance table in section 8.5.3, present a true and fair picture of business developments, the results and financial position of the company and all the companies included in the consolidation, as well as a description of the main risks and uncertainties they face."

16 March 2023

Stéphane Pallez
Chairwoman and CEO

8.1.3 EXPERT REPORTS AND DECLARATIONS OF INTEREST

Not applicable.

8.1.4 FINANCIAL REPORTING OFFICER

Pascal Chaffard, Executive Vice-President, Finance, Performance and Strategy

8.2 Statutory auditors

STATUTORY AUDITORS

DELOITTE & ASSOCIÉS

Member of the Compagnie régionale des commissaires aux comptes de Versailles

Represented by Jean François Viat and Nadège Pineau

Tour Majunga, 6 place de la Pyramide
92908 Paris-la-Défense Cedex

Deloitte & Associés was appointed as statutory auditor for the first time by the Annual General Meeting of Shareholders held on 3 June 2003. Its term was renewed most recently by the Annual General Meeting of 16 June 2021, for a period of six years, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2026.

PRICEWATERHOUSECOOPERS AUDIT

Member of the Compagnie régionale des commissaires aux comptes de Versailles

Represented by Jean-Paul Collignon

63, rue de Villiers
92200 Neuilly-sur-Seine

PricewaterhouseCoopers Audit was appointed as statutory auditor for the first time by the Annual General Meeting of Shareholders held on 25 May 2016. Its term was renewed by the Annual General Meeting of 26 April 2022, for a period of six years, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2027.

8.3 Definitions

The terms below, used in this document, are defined as follows:

“Acceleration Business Unit” or “ABU”	means one of the Group’s three adjacent activities under development: (i) international activities (provision of services to foreign lottery and sports betting operators ⁽¹⁾), (ii) payment and services in point of sale, and (iii) entertainment.
“Licence”	means the authorisation granted by FDJ to a retailer for the promotion and marketing of all or some of its games and services at a point of sale. Distributors holding a licence act in the name and on behalf of FDJ in accordance with contractually agreed conditions.
“ANJ”	means the French gaming regulatory authority (Autorité nationale des jeux), an independent authority that regulates lottery, sports betting and horse-race betting activities, both online and in physical distribution networks, as well as online poker (see Note 1.5 “Regulatory environment” in Chapter 1 “Overview of the Group”).
“FDJ market survey”	means the survey carried out annually by Médiamétrie at the request of the company on a sample of 7,500 people representative of the French population aged 18 and over. Data are collected online over a period of three weeks (from 3 to 29 October 2022). The study also includes a telephone survey of 20,000 people representative of the French population aged 18 and over. The estimated statistical margin for error is plus or minus 2% on the FDJ player base.
“B2B”	means commercial and marketing activities carried out between businesses.
“B2C”	means commercial and marketing activities carried out between a business and a consumer.
“Business Unit” or “BU”	means one of the two core activities of FDJ: lottery and sports betting.
“Specification Document”	means the specification document (cahier des charges) of FDJ, approved by the Close Control Decree.
“Revenue”	means the combination of NGR and revenue from the Group’s other activities, mainly international services, and the Payment & Services business.
“Afep-Medef Code”	means the corporate governance code established by Afep and Medef for publicly traded companies.
“Convention”	means the convention entered into between FDJ and the French State on 17 October 2019 in relation to the operation of lottery games distributed through offline and online networks, as well as sports betting games distributed through offline networks and approved by the Close Control Decree (see section 1.5.1. “Exclusive rights regime and submission of FDJ to close control by the French State”).
“Close Control Decree”	means Decree No. 2019-1060 of 17 October 2019 relating to the terms of implementation of the close control of the French State over FDJ.
“Exclusive Rights Decree”	means Decree No. 2019-1061 of 17 October 2019 relating to the supervision of the gaming offer of FDJ and PMU.
“Date of the Universal Registration Document”	means the date on which the Universal Registration Document was filed with the Autorité des Marchés Financiers.
“Universal Registration Document”	means this Universal Registration Document filed with the Autorité des Marchés Financiers.
“Recurring EBITDA”	means operating profit adjusted for depreciation and amortisation expense. The term EBITDA has been replaced by recurring EBITDA throughout this document, but the definition is unchanged from last year’s document.
“eSport”	means the competitive playing of video games (alone or in teams, online or offline).
“Group”	means the group of companies made up of FDJ and all of its subsidiaries.

(1) The International ABU is also intended to examine international B2C development opportunities and has done so since the acquisition of the operator Sporting Group which carries out both B2B and B2C activities.

"Extensive gaming"	means gaming by a large number of players making low level stakes.
"Draw games"	means games for which the element of chance, in the form of a draw, is shared by all players. They include traditional draw games, successive draw games and additional draw games.
"Instant games"	means games for which the element of chance is unique to each player. They include scratch games, instant risk games and other instant games.
"Responsible Gaming"	means all measures aimed at preventing underage and excessive gambling (see Chapter 4, section 4.6 "Responsible gaming").
"Occasional players"	means FDJ players who have stated that they play FDJ games less than once a month, according to the FDJ annual market survey (FDJ players are considered Occasional Players only if they state that they have played an FDJ game at least once during the past 12 months).
"Regular players"	means FDJ players who have stated that they play FDJ games at least once a month, according to the FDJ annual market survey.
"Pacte Law"	means Law No. 2019-486 of 22 May 2019 on business growth and transformation.
"Stake"	means the amount paid by the player in consideration for his or her participation in a game. In a point of sale, the stake is paid by the player to the distributor in the form of money or a promotional coupon. Online, the stake is paid via the customer's "electronic purse", which itself is filled by customer payments, winnings from previous games and promotional credits received (ecredits).
"Digitalised stakes"	means digital stakes made by players, in full or in part, with a digital device (laptop, tablet, smartphone, terminal). They comprise stakes made either online or in points of sale using, for all or part of the stakes placed, a digital device (smartphone/tablet/laptop or terminal).
"Order"	means Order No. 2019-1015 of 2 October 2019 reforming the regulation of the gaming sector.
"Sports Betting"	means bets with a stake of monetary value where the potential winnings of the players depend on the accuracy of their predictions of the outcome of any genuine sports competition lawfully held in France or abroad.
"GGR" or "Gross Gaming Revenue"	see Chapter 5, section 5.2.2.2 "Gross gaming revenue (GGR)".
"POS"	means the points of sale offering FDJ games.
"NGR" or "Net Gaming Revenue"	see Chapter 5, section 5.2.2.2 "Net gaming revenue (NGR)".
"PR" or "Payout Ratio"	see Chapter 5, section 5.2.2.2 "Player payout (PPO) ratio".
"Theoretical Payout Ratio"	means the theoretical percentage of stakes allocated to players.

8.4 Documents available to the public

The Articles of Association, minutes of General Meetings and other corporate documents of the company, as well as historical financial information and any valuation or statement prepared by an expert at the request of the company, to be made available to the shareholders in

accordance with the regulations in force, may be consulted at the headquarters of the company.

Regulated information within the meaning of the General Regulation of the Autorité des Marchés Financiers will also be available on the company's website (www.groupefdj.com).

8.5 Cross-reference tables

8.5.1 CROSS-REFERENCE TABLE WITH THE HEADINGS IN ANNEXES 1 AND 2 OF DELEGATED REGULATION (EU) 2019/980

This cross-reference table lists the main headings provided for in Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, and references the sections of this Universal Registration Document where the information relating to each of those headings is mentioned.

Cross-reference table with the headings in Annexes 1 and 2 of Delegated Regulation (EU) 2019/980		Section of the URD
1	Persons responsible, third party information, experts' reports and competent authority approval	8.1
1.1	Persons responsible for the information	8.1
1.2	Declaration by the person responsible	8.1
1.3	Expert declarations and declarations of interest	n/a
1.4	Information sourced from a third party	n/a
1.5	Statement on the competent authority approving the document	Insert
2	Statutory auditors	8.2
2.1	Information about the statutory auditors	8.2
2.2	Information relating to any resignation or non-reappointment of the statutory auditors	8.2
3	Risk factors	3
4	Information about the issuer	7
4.1	Legal and commercial name of the issuer	7.1.1
4.2	Place of registration of the issuer and its legal entity identifier	7.1.2
4.3	Date of incorporation and length of life of the issuer	7.1.3
4.4	Domicile and legal form of the issuer, legislation under which the issuer operates	7.1.4
5	Business overview	1
5.1	Principal activities	1.2
5.2	Principal markets	1.1
5.3	Important events in the development of the issuer's business	1.2
5.4	Description of the issuer's business strategy and objectives	Integrated report
5.5	Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	1.4.4
5.6	Basis for any statements made by the issuer regarding its competitive position	1.1
5.7	Investments	
5.7.1	<i>Description of the issuer's material investments</i>	5.5.1
5.7.2	<i>Description of any material investments of the issuer that are in progress, including their geographic distribution, and the investments the issuer plans to make</i>	5.5.2
5.7.3	<i>Information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses</i>	7.1.8/6.1 (Note 10)
5.7.4	<i>Description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets</i>	4.11

Cross-reference table with the headings in Annexes 1 and 2 of Delegated Regulation (EU) 2019/980		Section of the URD
6	Organisational structure	
6.1	Description of the Group	7.1.8
6.2	List of the issuer's significant subsidiaries	7.1.8
7	Operating and financial review	
7.1	Financial condition	
7.1.1	<i>Fair review of the development and performance of the issuer's business for the periods presented</i>	5.2 and 5.6
7.1.2	<i>Indication of the issuer's likely future development and its activities in the field of research and development</i>	5.4 and 5.7
7.2	Operating results	
7.2.1	<i>Events materially affecting the issuer's income from operations</i>	5.2 and 5.6
7.2.2	<i>Explanations for material changes in net sales or revenues</i>	5.2 and 5.6
8	Capital resources	
8.1	Information concerning the issuer's capital resources	5.2.3.1 and 5.2.3.3
8.2	Sources and amounts, and narrative description of the issuer's cash flows	5.2.3.4
8.3	Information on the borrowing requirements and funding structure of the issuer	5.2.3.2
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	5.2.3.5
8.5	Information regarding the anticipated sources of funds needed to fulfil its commitments	5.2.5
9	Regulatory environment	
9.1	Description of the governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	1.5
10	Trend information	
10.1	Most significant trends in production, sales and inventory, and costs and selling prices since the end of the last financial year Significant change in the financial performance of the issuer	5.4
10.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	5.4
11	Profit forecasts or estimates	5.4
12	Administrative, management and supervisory bodies and senior management	
12.1	Information concerning the members of the administrative and management bodies of the issuer	2.1.2
12.2	Conflicts of interest within administrative, management and supervisory bodies, and senior management	2.1.5
13	Remuneration and benefits	2.2
13.1	Amount of remuneration paid and benefits in kind granted	2.2
13.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	2.2
14	Board practices	
14.1	Date of expiration of the current terms of office	2.1.2
14.2	Service contracts for members of the administrative, management or supervisory bodies	2.1.4
14.3	Information about the issuer's audit committee and remuneration committee	2.1.2.3
14.4	Statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to it	2.1.1
14.5	Potential material impacts on the corporate governance, including future changes in the board and committees composition	2.1.3

Cross-reference table with the headings in Annexes 1 and 2 of Delegated Regulation (EU) 2019/980		Section of the URD
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15.2	Shareholdings and stock options	7.1.7.1/7.2.2.5
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17.1	Details of related party transactions	5.9
18	Financial information concerning the issuer's assets, financial position and profits and losses	
18.1	Historical financial information	6.1/6.3
18.2	Interim and other financial information	n/a
18.3	Audited annual historical financial information	6.2/6.4
18.4	Pro forma financial information	n/a
18.5	Dividend policy	5.10
18.6	Legal and arbitration proceedings	7.3
18.7	Significant change in the issuer's financial position	5.2.2
19	Additional Information	
19.1	Share capital	7.2.2
19.1.1	<i>Amount of issued capital, and information for each class of share capital</i>	7.2.2.4
19.1.2	<i>Number and main characteristics of shares not representing capital</i>	7.2.2.4
19.1.3	<i>Number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by its subsidiaries</i>	7.2.2.1
19.1.4	<i>Amount of any convertible securities, exchangeable securities or securities with warrants</i>	n/a
19.1.5	<i>Information about and terms of any acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase the capital</i>	n/a
19.1.6	<i>Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option</i>	n/a
19.1.7	<i>History of share capital for the period covered by the historical financial information</i>	7.2.2
19.2	Memorandum and articles of association	
19.2.1	<i>Description of the issuer's objects and purposes, and registration number</i>	7.1.2/7.1.5
19.2.2	<i>Description of the rights, preferences and restrictions attaching to each class of shares</i>	7.2.2
19.2.3	<i>Provisions of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer</i>	7.2.2.9
20	Material contracts	1.5/3.3
21	Documents available	8.4

Pursuant to Article 19 of Regulation (EU) 2017/1129, the following information is included by reference in this Universal Registration Document:

- the consolidated financial statements, the annual financial statements and the corresponding audit reports, as well as the review of the Group's financial position and results, and the other items relating to the company's financial statements, appearing on pages 93 to 128, and 257 to 354 of the Universal Registration Document R. 21-006 (<https://www.groupefdj.com/fr/investisseurs/publications-financieres.html> > DEU2020 - available in French only);
- the consolidated financial statements, the annual financial statements and the corresponding audit reports, as well as the review of the Group's financial position and results, and the other items relating to the company's financial statements, appearing on pages 221 to 343 of the Universal Registration Document D. 22-0124 (<https://www.groupefdj.com/en/investors/financial-publications.html> > 2021 Universal Registration Document).

8.5.2 CROSS-REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT

The cross-reference table below identifies the information in this Universal Registration Document that constitutes the Annual Financial Report in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulation of the Autorité des Marchés Financiers.

Themes		URD
1	Declaration by the natural persons responsible for the annual financial report	8.1.2
2	Management report	
2.1	Objective and comprehensive analysis of the development of the company's business, results and financial position, including its debt position, in relation to the volume and complexity of the business and/or the Group	5.2 and 5.6
2.2	Foreseeable development of the company and/or the Group	5.4
2.3	Key financial and non-financial indicators of the company and the Group	5.2.4/4
2.4	Indicators on the financial risks related to the effects of climate change and presentation of the measures the company is taking to reduce them by implementing a low-carbon strategy in all parts of its business	4.11.1 and 6.8
2.5	Indications of its objectives and policies for hedging each major category of forecast transactions for which hedge accounting is used, as well as its exposure to price, credit, liquidity and treasury risks. These indications include the company's use of financial instruments	6 (Notes 4.4 and 9.5 to the consolidated financial statements)
2.6	Main characteristics of the internal control and risk management procedures implemented by the company for the preparation and processing of accounting and financial information	3.2.3
2.7	Description of the main risks and uncertainties facing the Company	3
2.8	Purchase and sale by the company of its own shares (share buybacks)	5.8.1 and 5.8.2
3	Financial statements and reports	
3.1	Parent company financial statements	6.3
3.2	Statutory auditors' report on the parent company financial statements	6.4
3.3	Consolidated financial statements	6.1
3.4	Statutory auditors' report on the consolidated financial statements	6.2

8.5.3 CROSS-REFERENCE TABLE WITH THE MANAGEMENT REPORT (FRENCH COMMERCIAL CODE)

The cross-reference table below identifies the information in this Universal Registration Document that constitutes the Management Report in accordance with the applicable legal and regulatory provisions, and Articles L. 225-100 et seq. of the French Commercial Code.

Themes		URD
1	Information on the company's business	
1.2	Analysis of the development of the business, the results, the financial position and in particular the indebtedness of the company and the Group	5.2 and 5.6
1.3	Foreseeable development of the company and/or the Group	5.4
1.4	Key financial and non-financial indicators of the company and the Group	5.2.4/4
1.5	Significant post-balance sheet events of the company and the Group	5.3
1.6	Indications of its objectives and policies for hedging each major category of forecast transactions for which hedge accounting is used, as well as its exposure to price, credit, liquidity and treasury risks. These indications include the company's use of financial instruments	6 (Notes 4.4 and 9.5 to the consolidated financial statements)
1.7	Description of the main risks and uncertainties facing the company and the Group	3
1.8	Indicators on the financial risks related to the effects of climate change and presentation of the measures the company is taking to reduce them by implementing a low-carbon strategy in all parts of its business	4.11.1 and 8
1.9	Information on the R&D of the company and the Group	5.7
1.10	Main characteristics of the internal control and risk management procedures implemented by the company for the preparation and processing of accounting and financial information	3.2.3
1.11	Mention of existing branches	n/a
1.12	Activity and results of the Company as a whole, of the Company's subsidiaries and of the companies it controls by business line	5.2.2.5
2	Legal, financial and tax information on the company	
2.1	Breakdown, identity of individuals and changes in shareholdings	5.8.1
2.2	Name of controlled companies participating in the company's treasury stock and their share of the capital	n/a
2.3	Significant shareholdings acquired during the year in companies with their registered office in France	5.1
2.4	Disposal of cross-shareholdings	n/a
2.5	Share buyback	5.8.1
2.6	Purchase and sale by the company of its own shares for allocation to its employees (share buyback)	5.8.2
2.7	Employee share ownership statement	5.8.1
2.8	Works Council opinion on changes in the economic or legal organisation	n/a
2.9	Table of results for the last five years	5.6.3
2.10	Result for the year and proposed allocation of the result	5.6.3
2.11	Issue of securities giving access to the capital – Indication of the elements for calculating the adjustment; and – Results of this adjustment	n/a
2.12	Amounts of dividends paid for the previous three years	5.6.3
2.13	Amount of non-tax-deductible expenses and charges	5.8.4

Themes		URD
2.14	Payment terms and breakdown of trade payables and receivables by due date	5.8.5
2.15	Injunctions or financial penalties for anti-competitive practices	n/a
2.16	Information on related party agreements whose effects continue to exist during the financial year	5.9.2
2.17	Changes in the presentation of the consolidated financial statements, valuation methods and scope of consolidation	6 (Notes 2.2 and 3.1 to the consolidated financial statements)
2.17	Securities acquired by employees within the framework of an employee buyout	n/a
3	Information on Corporate Directors	
3.1	In the event of the allocation of stock options, the information on which the board of directors based the decision: – either to prohibit executives from exercising their options before leaving office; – or to require them to keep all or part of the shares resulting from options already exercised in registered form until the end of their office (specifying the fraction thus determined)	n/a
3.2	Summary statement of transactions by executives and related persons in company securities	5.8.3
3.3	In the event of the allocation of free shares, the information on which the board of directors based the decision: – either to prohibit executives from selling the shares allocated to them free of charge before leaving office; – or to set the quantity of those shares that they are required to keep in registered form until they leave office (specifying the fraction thus determined)	7.2.1.3
4	The company's CSR information	
4.1	Non-financial information statement	4
4.2	Information on facilities classified as being at risk	n/a
5	Other information	
5.1	Amount of loans with a maturity of less than two years granted by the company, as ancillary to its main business, to micro-enterprises, SMEs or mid-sized companies with which it has economic links justifying such loans	n/a
5.2	Information on payments made to the authorities of each of the states or territories in which the company carries out the following activities: exploration, prospecting, discovery, exploitation or extraction of hydrocarbons, coal and lignite, metal ores, stones, sands and clays, chemical minerals and mineral fertilisers, peat, salt or other mineral resources, or the exploitation of primary forests	n/a
5.3	Information on the use of the competitiveness and employment tax credit	n/a
5.4	Special report on share subscription or purchase options concerning share subscription or purchase options granted to Corporate Directors and employees	n/a
5.5	Special report on grants of free share to Corporate Directors and employees during the year	n/a
5.6	Duty of care plan: – risk mapping to identify, analyse and prioritise risks; – procedures for the regular assessment of the situation of subsidiaries, subcontractors or suppliers with which an established business relationship is maintained, with regard to risk mapping; – appropriate actions to mitigate risks or prevent serious harm; – mechanism for alerting and collecting reports on the existence or occurrence of risks, established in consultation with the representative trade unions in the company; – system for monitoring the measures implemented and evaluating their effectiveness.	n/a

8.5.4 CROSS-REFERENCE TABLE WITH THE CORPORATE GOVERNANCE REPORT

The cross-reference table below identifies the information in this Universal Registration Document that constitutes the Corporate Governance Report as required by Articles L. 225-37 et seq. of the French Commercial Code.

Themes		Section of the URD
1	List of offices and positions held by each corporate director in any company during the year	2.1.2.2
2	Agreements entered into, directly or through an intermediary, between one of the Corporate Directors or a shareholder representing more than 10% of the capital and another company of which the former directly or indirectly owns more than half of the capital	n/a
3	Summary table of currently valid delegations of authority granted by the general meeting of shareholders in respect of capital increases and showing the use made of those delegations of authority during the year	7.2.2.2
4	Choice of management arrangements	2.1.2.1
5	Remuneration policy for managers and directors (Say on Pay)	2.2.1
6	Information on the remuneration of Corporate Directors (Say on Pay)	2.2.2
7	Equity ratio and information on remuneration differentials between Corporate Directors and employees	2.2.2.4
8	Remuneration and conditions of preparation and organisation of the work of the board	2.1.2.2
9	Any limitations that the board of directors places on the powers of the chief executive officer	2.1.2.2
10	Corporate governance code chosen and any provisions of the code that have been set aside	2.1.1
11	Special arrangements for participation in general meetings	7.2.1.7
12	Information concerning items likely to have an impact in the event of a public takeover bid	7.2.1.6
13	Application of the principle of balanced representation of women and men on the board of directors or the supervisory board	2.1.2.2



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