

◆ Universal Registration Document ◆

2021

including the annual financial report



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◆ Universal Registration Document ◆

2021



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

On 18 March 2022 the French language version of the Universal Registration Document (URD) establish on xHTML 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.

The URD has been prepared by the issuer and its signatories are liable for its content. However, the xHTML version of the URD issued in French as mentioned above is the only binding version. The pdf version in English language is provided solely for the convenience of English speaking readers. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

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).



A message from Stéphane Pallez

Chairwoman and CEO

◆ **In 2021,
the FDJ Group
resumed its
pre-health
crisis growth
momentum for
all its business
activities.** ◆



How would you sum up 2021?

In 2021, the FDJ Group resumed its pre-health crisis growth momentum for all its business activities.

The Group was responsive in an environment which was still suffering from the health crisis, especially in the first half-year, and was able to adapt. Our employees, our distribution network, and all our partners did their utmost to ensure business continuity. The results are tangible and have allowed us to erase the impact of the crisis and come out of it even stronger.

FDJ has, therefore, recorded a very good performance with an increase in all its financial indicators, both in terms of activity and margin, compared to 2020 of course but also, and above all, compared to 2019.

What were the year's key milestones?

In 2021 we accelerated our strategic transformation for all our business activities.

Digital gaming has proven itself a success this year, online stakes have grown by 40% and now account for more than 11% of total stakes. We are now riding on an upward impetus, which will stabilise, and this is the result of our ongoing investments. This impetus is mainly driven by the lottery, which has benefited from long Loto and Euromillions cycles with record jackpots which are also encouraged by the significant changes that have made to how these games operate. As for sports betting, we continued to invest in our offer to help drive this business activity's momentum and, clearly, the UEFA Euro 2020 football tournament was the year's major event.

◆ The FDJ Group has both robust economic performance and is highly socially responsible ◆

The success of our omnichannel lottery strategy is reflected in our return to growth in points of sale, with stakes up by 5% compared to 2019 and 16% compared to 2020. We are continuing to invest in our network and have provided it with support throughout the entire health crisis: we are proud that our network included over 30,000 points of sale at the end of 2021, which is the same as pre-crisis.

Our international B2B business activities also reached a milestone this year with new contracts and especially the successful roll out of a comprehensive online and offline sports betting management service in North America, in Canadian provinces Ontario and Alberta.

As for our new Payment and Services activities we have reached two million transactions for offline payment services for public sector bills (tax payments, fines, public service bills, and so on). This service is now available at more than 12,000 of our retailers.

How do you combine financial and non-financial performance?

Combining both financial and non-financial performance is part of FDJ's *raison d'être*, which was adopted at the General Meeting on 16 June 2020 and included in the articles of association: "Gaming is our business, giving back to society is what drives us, and responsibility is our constant focus".

This three-part approach reflects how central Corporate Social Responsibility (CSR) is to the Group's strategy. The FDJ Group has both robust economic performance and is highly socially responsible. This redistributive business model has been the cornerstone of the Company since its inception, more than 85 years ago, and was created to help support major causes. Today, FDJ's CSR commitments are regularly assessed and recognised.

This model was rolled throughout 2021 to the benefit of numerous stakeholders. In this way we continued, therefore, to provide support for vulnerable members of the public who were especially affected by the health crisis. We provided support for our partner retailers and will continue to help them recover from the crisis by contributing to the Rebond fund. The FDJ Corporate Foundation was renewed with an increased budget of €25 million for 2023-2027. These initiatives are concrete proof of the Group's pledge to making a long-term contribution to society.

What is your mid-term vision for the Group?

The FDJ Group's recent results are proof that its strategy is relevant and we are very confident in our ability to maintain a sustainable growth momentum for the benefit of all our stakeholders. We have revised upwards our 2025 objectives which were set at the time of our IPO in autumn 2019.

The success of these objectives depends on three important projects:

- pursue online lottery development, as part of our omnichannel approach, to offer our customers an increasingly modern, comprehensive and streamlined gaming experience, whether they play online or offline;
- continue to invest in our range of games in the different distribution channels through ongoing strengthening of our responsible gaming policies, especially to tackle underage gambling;
- accelerate our business diversification to make our business model even more sustainable through new growth levers; our two key pillars are:
 - payments and services in France with two new types of services offered as from this year,
 - international B2B. Our recent successes in North America confirm our ability to become, beyond France, a key player on the international stage.

Our background

1933

THE FRENCH NATIONAL LOTTERY WAS CREATED UNDER STATE AUTHORISATION

(Law of 31 May 1933 and Decree of 22 July 1933). The profits were used to help First World War veterans reintegrate into society.

1976

LOTO® LAUNCH

1978

CREATION OF SOCIÉTÉ DE LA LOTERIE NATIONALE ET DU LOTO® NATIONAL

(SLNLN), a semi-public limited company.

1983

TAC O TAC LAUNCH

1985

LOTO® SPORTIF LAUNCH

1989

SLNLN BECAME FRANCE LOTO®

First scratch cards created.

1991

FRANCE LOTO® BECAME LA FRANÇAISE DES JEUX



2004

EUROMILLIONS LAUNCH



2010

ONLINE GAMING MARKET OPENED TO COMPETITION:

sports betting, horse-race betting, and poker.

2021

RECORD JACKPOTS FOR EUROMILLIONS (€220 M) AND LOTO (€30 M)

2020

RAISON D'ETRE ADDED TO COMPANY ARTICLES OF ASSOCIATION

2019

FDJ PRIVATISED THROUGH IPO

2018

"MISSION PATRIMOINE" GAMES LAUNCH

2017

ENTRY INTO THE WORLD OF E-SPORT

2016

LOTO® CELEBRATED ITS 40th ANNIVERSARY

2014

LA FRANÇAISE DES JEUX BECAME FDJ

2012

UMBRELLA BRAND ILLIKO LAUNCH, which groups all draw games.

FDJ: a successful Company working for the benefit of all, since 1933

Our raison d'être

◆ Gaming is our business,
giving back to society is what drives us,
and responsibility is our constant focus ◆

The Group adopted its *raison d'être* (corporate purpose) during the General Meeting on 18 June 2020 and added it to the foreword of FDJ's Articles of Association.

FDJ Group offers people who wish to experience the thrill of gaming and moments of emotion a wide range of responsibly designed games.

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 local business partners, 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 6 COMMITMENTS

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 responsibility

Step up our solidarity, societal and environmental initiatives.

5.

Network

Promote local businesses nationwide.

6.

International

Promote our responsible gaming model worldwide.

STAKEHOLDERS COMMITTEE

THE COMMITTEE, COMPRISED OF 13 MEMBERS, IS IN CHARGE OF:

- ◆ monitoring the implementation of the six *raison d'être* commitments;
- ◆ fostering high-level dialogue about FDJ's main business challenges between Group General Management and the Group's key stakeholders.

13

members

with a range of profiles which represent the group's main stakeholders or expertise in key areas (artificial intelligence, environment, etc.).

◆ Gaming is our business, giving back to society is what drives us, and responsibility is our constant focus ◆

Our business activities

FDJ's two core business activities are the lottery and sports betting. In parallel, investment in high-potential business diversification fosters the Group's future growth and reinforces its resilience.



€1,728m

in revenue

i.e. 76.6% of Group revenue

€14.7bn

in stakes

35.9% of revenue

contribution margin rate

Exclusive online and offline lottery rights.

The gaming offer is available online and offline (except for Amigo which is only available in points of sale, and online special offers which are only available online).

The lottery offer includes:

- ◆ draw games which offer high jackpots;
- ◆ instant games grouped under the Illiko® brand umbrella;

On average, one new game is launched or relaunched every month in points of sale.

◆ **Draw games**



◆ **Instant games**



€464m

in revenue

i.e. 20.6% of Group revenue

€4.2bn

in stakes

26.1% of revenue

contribution margin rate

FDJ has been running sports betting since 1985.

Exclusive rights for offline sports betting.

Competition for online sports betting.

The Parions Sport En Ligne offer is different to the Parions Sport Point de Vente offer in the depth of bets and the betting experience it offers..



BUSINESS DIVERSIFICATION



Business diversification initiatives reinforce the Group's resilient business model.



International

The offer is driven by the FDJ Gaming Solutions subsidiary

The Group offers different B2B solutions to operators, depending on the segments in which they operate:

- **sports betting:** global services offer which covers the entire value chain and the necessary requirements to operate online and offline sports betting (platform, technology operations, trading service, betting offer management and risk management);
- **the lottery:** the Group positions itself in the digital games distribution market in particular, in Europe and the United States, by leveraging the success of the LEIA alliance (Lottery Entertainment Innovation Alliance - a partnership with Nordic lotteries).



Payment & Services

FDJ is developing payment services for third parties through its distribution network and associated financial flow management expertise. These services enable the customers of companies and institutions who partner with FDJ to go to points of sale to pay invoices, taxes and fines, or to pay for online purchases via a simple and secure solution. FDJ, together with the Confederation of Tobacconists, has won a first contract as part of a call for tenders initiated by the French Treasury to outsource cash and bank card collections for public treasuries.

12,400

sales points offer FDJ's collection service

2 million

transactions carried out since the offer launch, to a total of **€186 million**

Entertainment

FDJ wants to focus on emerging segments and high-potential niches in this market. The Group has, therefore, identified three entertainment segments in which it can differentiate itself through its assets, know-how, and areas of expertise: e-Sport, and Digital Games and Media.

NCOVR



◆ Gaming is our business, giving back to society is what drives us, and responsibility is our constant focus ◆

Our governance model

Complementary bodies to define, steer and apply the Group's strategy.

THE BOARD OF DIRECTORS*



15
members

50%
Independence**

50%
Percentage
of women**

92%
Attendance rate

59 years
Average age

1/ Ms Stéphane Pallez –
Chairwoman and CEO

INDEPENDANT BOARD MEMBERS

2/ Pierre Pringuet – Independent
Board member,
Lead Director ■▲★

3/ Fabienne Dulac – Independent
Board member ●◆

4/ Xavier Girre – Independent
Board member ■★

5/ Françoise Gri – Independent
Board member ▲

6/ Corinne Lejbowicz –
Independent Board member ■

Predica – Independent
Board member – Represented
since 1 March, 2022 by
Florence Barjou ■

DIRECTOR REPRESENTING THE FRENCH STATE

7/ Charles Sarrazin ■●▲

MEMBERS APPOINTED BY THE GENERAL ASSEMBLY FOLLOWING FRENCH GOVERNMENT PROPOSAL

8/ Ghislaine Doukhan ■

9/ Didier Trutt ●

BOARD MEMBERS REPRESENTING VETERANS

**10/ Fédération Nationale André
Maginot (FNAM)** – Represented
by Jacques Sonnet since
22 October, 2021

**11/ L'Union des Blessés de la Face
et de la Tête (UBFT)** – Association
incorporated under 1901 Law,
represented by Olivier Roussel ●

BOARD MEMBERS

Representing employees

12/ Agnès Lyon-Caen ■▲

13/ Philippe Pirani ●

Representing employee shareholders

14/ David Chianese ■

ALSO ATTENDING THE FDJ'S BOARD OF DIRECTOR MEETINGS IN AN ADVISORY CAPACITY

15/ Pascal Chevremont – General
Economic and Financial Controller

16/ Sébastien Devillepoix*** –
Economic and Labour Relations
Council

17/ Alexandre Grosse – Government
Commissioner replaced by Philippe
Sauvage since 16 February, 2022

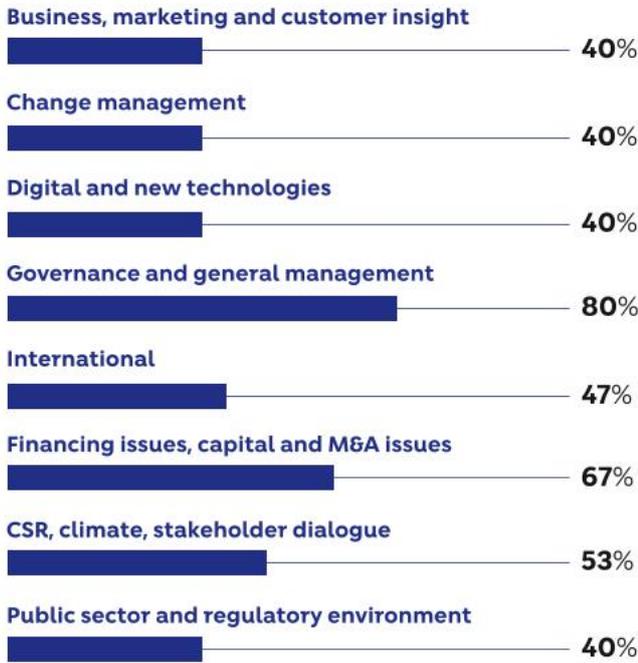
■ Audit and Risks Committee / ▲ Governance, Nominations and Remuneration Committee / ● Corporate Social Responsibility and Responsible Gaming Committee (CSR & RG) / ★ Committee Chair / ◆ GNRC permanent guest.

* Members on 31 December 2021.

** Excluding directors representing employees and employee shareholders.

*** Replacing Karim Dahdouh for the duration of his absence.

OVERVIEW OF BOARD MEMBERS' SKILLS



BOARD COMMITTEES

Audit and Risks Committee	Governance, Nominations and Remuneration Committee	Corporate Social Responsibility and Responsible Gaming Committee
◆ Number of members ◆		
8	4	4
◆ Independence rate* ◆		
67%	67%	33%
◆ Attendance rate ◆		
95%	100%	100%
◆ Number of meetings ◆		
8	3	5

* Excluding directors representing employees and employee shareholders.

BUSINESS STEERING COMMITTEE*



- 1/ Stéphane Pallez**
Chairwoman and CEO
 - 2/ Charles Lantieri**
Deputy Chief Executive Officer
 - 3/ Patrick Buffard**
Offline Distribution, Sport Business Unit, Media, TV Production and Events Executive Vice-President
 - 4/ Pascal Chaffard**
Finance, Performance and Strategy Executive Vice-President
 - 5/ Xavier Étienne**
Technology & International Executive Vice-President
 - 6/ Cécile Lagé**
Lottery Business Unit, and Customer Department Executive Vice-President
 - 7/ Raphaël Botbol**
Strategy, Innovation and New Business Activities Director
 - 8/ Raphaële Rabatel**
Communications & CSR Director
- Jonathan Gindt**, Chief of Staff to the Chairwoman and CEO, ensures the secretariat of the BSC.

* At the Date of the Universal Registration Document.

Key figures

Financial indicators

REVENUE

(in millions of €)

2021 (+ 10,1% vs 2019)

2,256

+ 17.5%

2020

1,920

STAKES

(in millions of €)

2021 (+ 10.8% vs 2019)

18,976

+ 18.9%

2020

15,959

EBITDA

(in millions of €)

2021 (+ 23.6% vs 2019)

522

+ 22.3%

2020

427

EBITDA
margin rate
23.1%

22.2%

EBITDA-TO-CASH CONVERSION RATIO

2021

95%

2020

91%

NB : Variations in comparison to 2019 are based on 2019 data and have been adjusted, net of tax, for the new fiscal and regulatory framework effective from the beginning of 2020, the impact of exceptional long lottery cycles, Sporting Group's full-year results, and expenses related to the Group's IPO.

NET PROFIT

(in millions of €)

2021

294

+ 37.6%

2020

214

NET CASH SURPLUS

(in millions of €)

2021

916

+ 58.8%

2020

577

DIVIDEND PER SHARE

(in €)

2021

1.24*

+ 37.8%

2020

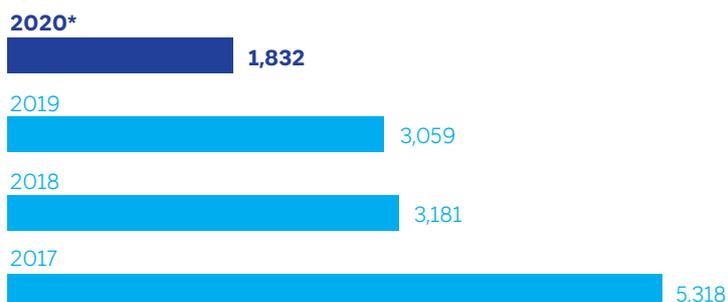
0.90

* Presented to the General Meeting on 26 April, 2022.

Non-financial indicators

CARBON EMISSIONS - SCOPES 1 AND 2

(in TCO₂e)⁽¹⁾



(1) 2021 data unavailable at the date of the Universal Registration Document.

* 2020 emission results are not relevant given the health crisis.

MOODY'S ESG RATING

2021

Out of the 3 best sector ratings* **A1+**

2020

Out of the 3 best sector ratings* **A1+**

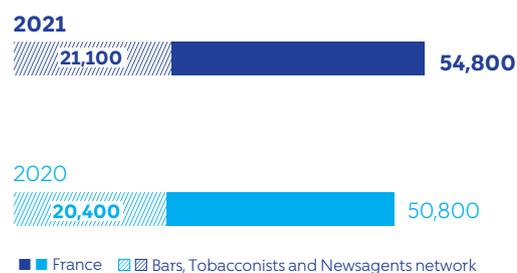
* The sector is comprised of 133 companies in 11 main sub-sectors: hotels; casinos; resorts; advertising operators, caterers and restaurants, cruise operators, online gambling, offline gambling, leisure, events management and sports venues.

CANADIAN PROBLEM GAMBLING INDEX (CPGI)



The CPGI is an international assessment standard which determines the percentage of problem gamblers within a player base. The index is measured through a questionnaire based on four profiles (recreational gamblers, low-risk gamblers, high-risk gamblers, pathological gamblers). The aim of the CPGI is to monitor a player base's risk profile and compare the results with those of the Observatoire des Jeux (ODJ - French Gaming Observatory) prevalence studies.

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



Data taken from a BDO-Bipe survey of FDJ's economic and social impact.

DISABILITY EMPLOYMENT RATE

5.21%
4.95% in 2020

FDJ CORPORATE FOUNDATION BUDGET

2018-2022 **€19.5M** 2023-2027 **€25M**

◆ Gaming is our business, giving back to society is what drives us, and responsibility is our constant focus ◆

2021 Highlights

RECORD JACKPOTS FOR LOTO AND EUROMILLIONS

Loto

€30M

won online on **4 December, 2021**, a record win since it was founded, 45 years ago.



Euromillions

€220M

A French woman won this record jackpot online on **15 October, 2021**.



IMPROVED SCRATCH GAME OFFER

La Grosse Roue Dedicated TV show

launched on **6 April, 2021**.

This game marks the return of a key element of the Illiko range: players spin a wheel to find out how much they have won. The player who reveals 3 stars on their ticket is invited to come to FDJ's premises for a unique experience: he/she spins the Grosse Roue (the Big Wheel) which will decide the amount he/she will win.



À Prendre ou À Laisser 3rd phygital game

launched on **2 November, 2021**.

More than just a simple scratch card, with this game, players can multiply their winnings thanks to a digital step.



AN INTENSE SPORTING CALENDAR

UEFA Euro 2020

from **11 June to 11 July**.

The UEFA Euro 2020 generated €260 million in bets for FDJ with average stakes per match of €5 million. During this flagship and high-profile championship, FDJ also took specific initiatives to reassert its commitments to preventing underage gambling (TV campaign as a reminder that sports betting is forbidden for minors) and to preventing excessive gambling through an online and offline campaign aimed at players and retailers.



SUPPLY CHAIN

2nd automated supply chain to prepare game orders for retailers



Inaugurated on **15 November, 2021**.

The addition of a second automated supply chain, a €9 million investment, met two objectives:

- increase in capacities related to growing FDJ's business activities;
- securing the Business Continuity Plan with two operational warehouses (the first automated supply chain was launched in January 2016).

INTERNATIONAL DEVELOPMENT

First successes in North America

FDJ Gaming Solutions, a fully-owned FDJ subsidiary, extended its B2B solutions offer to North America, for the first time, through a global sports betting management service for lotteries in Ontario and Alberta provinces. The Group operates in more than 20 countries and has over 75 clients.



Support for French heritage with Mission Patrimoine

Since their launch in 2018, Mission Patrimoine games have raised €100 million in support of French heritage and 627 sites have benefited from the initiative. A record of almost €28 million were collected during the 4th edition in 2021.

PAYMENT & SERVICES

Increasing business with retail partners

This initiative, in partnership with the Confederation of Tobacconists and for the benefit of the French Treasury, allows French people to pay their utility bills in FDJ's tobacconist network.

By the end of 2021, 50% of tobacconists will provide this local service which is an opportunity for additional traffic and revenue.



SOCIAL INITIATIVES

Increased social commitments in response to the health crisis

Partner retailers

Deployment of a relief fund for local businesses with almost €15 million injected by FDJ.

The aim of the fund is to support local businesses, via participating loans, which have been hit by the health crisis.

FDJ Corporate Foundation

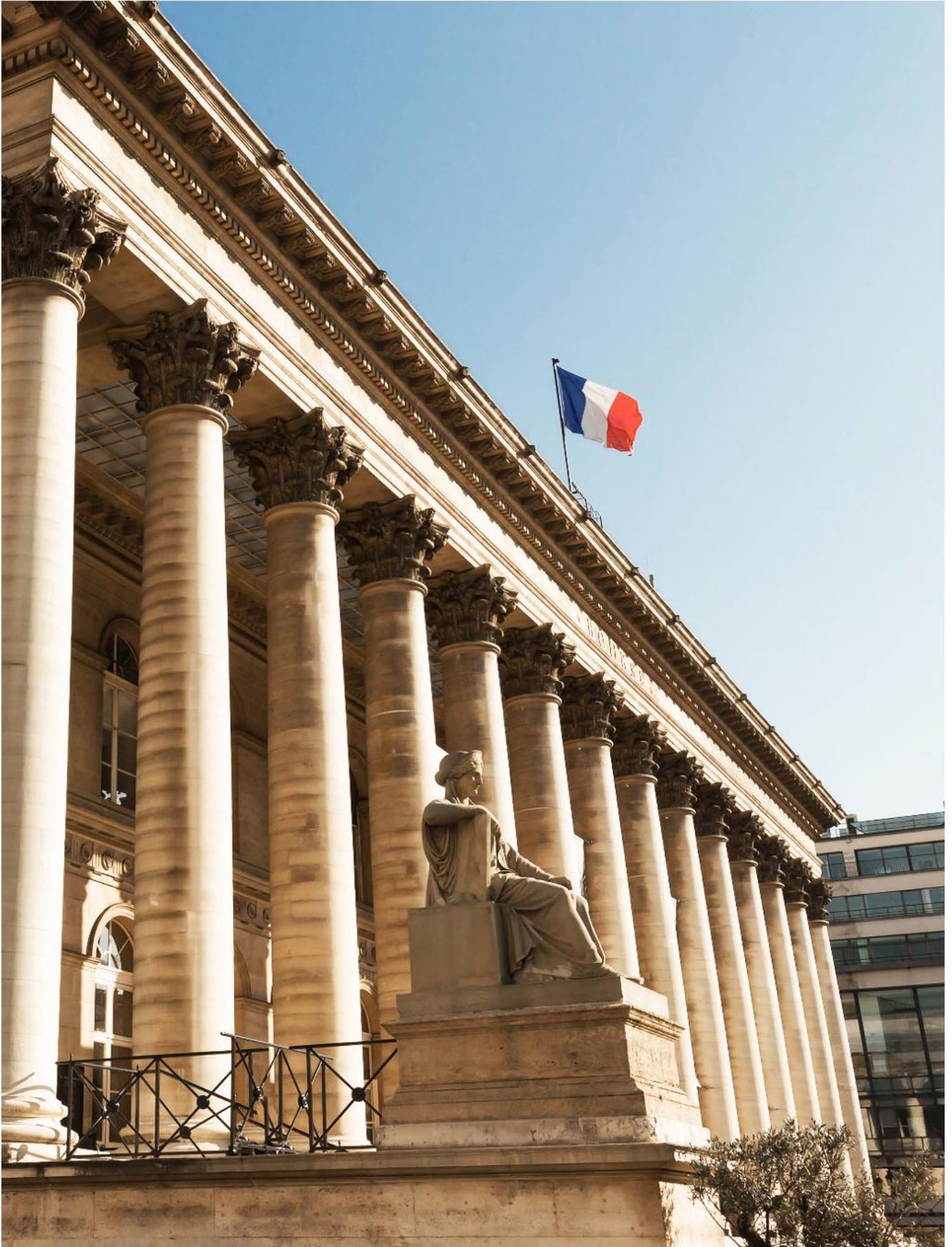
The FDJ Corporate Foundation was re-instated by its founder and allocated a €25 million budget for the five-year period between 2023-2027.

Since the beginning of the crisis, the FDJ Corporate Foundation has donated more than €5 million to associations to help people who have been affected by the crisis and raised €2 million in support of 15,000 struggling youths.

FINANCE

In May 2021, the French government granted promised free shares to individual shareholders who had kept their shares since the IPO

In his Decree of 6 November, 2019, the French Minister of Economy, Finance and Recovery pledged to award an extra share for every 10 shares bought by individual shareholders during La Française des Jeux's IPO, on the condition that they were held for 18 months following the settlement-delivery of the Open-Price Offer on 22 November, 2019, i.e. until 24 May, 2021 included.

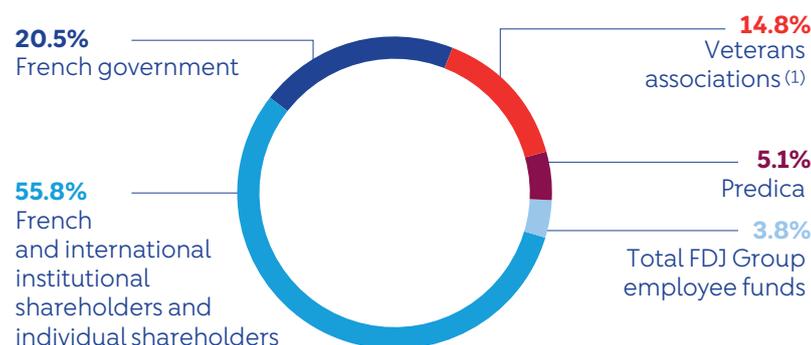


Stock market overview

Trust, transparency, and support are the cornerstone of the FDJ Group's business relations with its institutional and individual shareholders.

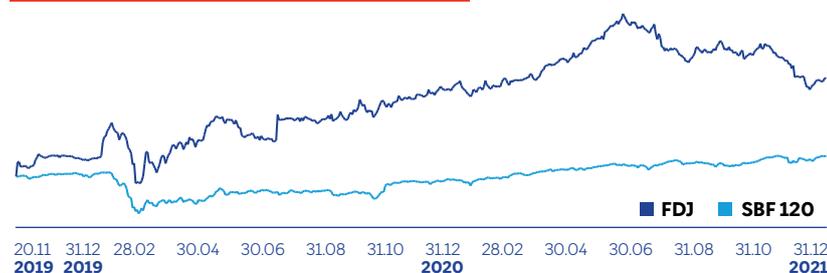
SHARE CAPITAL DISTRIBUTION

at 31 december 2021



(1) The veterans' associations block consists of the following entities: the Fédération Nationale André Maginot block (FNAM, AMGYO, Union Fédérale, CARAC, and France Mutualiste) and the Union des Blessés de la Face et de la Tête block (UBFT and Ailes brisées).

STOCK MARKET PERFORMANCE



Source: FDJ's share price and SBF 120 base 100 on 20 November, 2019

2022 FINANCIAL CALENDAR

21 April, 2022	Revenue 1 st quarter 2022
26 April, 2022	General Meeting 2022
28 July, 2022	Results 1 st half 2022
13 October, 2022	Revenue 9 months 2022

This calendar is provided for information purposes only and may be subject to change. Publications will be issued after the Euronext Paris market closes.

€1.24

DIVIDEND PER SHARE
PRESENTED AT THE GENERAL
MEETING ON 26 APRIL, 2022

80%

DISTRIBUTION RATE

€7.3bn

STOCK-MARKET
CAPITALISATION
ON 31 DECEMBER, 2021

+4%

SHARE PRICE INCREASE
IN 2021

Almost
15,000

FDJ SHAREHOLDER
CLUB MEMBERS



SHARE PROFILE

Market: Euronext Paris

ISIN code: FRO013451333

FDJ mnemonic

A Compartment

ICB classification: 5752 Gambling

FDJ shares are included in the stock market and non-financial indexes: SBF 120, Euronext Vigeo

France 20, STOXX Europe 600, EN EZ ESG L 80, MSCI Europe and FTSE Euro

Striving for sustainable and profitable growth

Strengthen our leadership position in the French gaming market and become a key international player in the games and services sector.

FDJ has defined its 2025 strategy based on four pillars, with its *raison d'être* at its core.

1.

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



2.

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



3.

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

4.

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



Objectives



For 2022

Almost
+ 5%
IN REVENUE INCREASE

> 23.5%
EBITDA MARGIN

> + 20%
INCREASE IN ONLINE STAKES

For 2025

from **+ 4% to + 5%**
IN AVERAGE ANNUAL REVENUE GROWTH 2021-2025

> 25%
EBITDA MARGIN

> 20%
SHARE IN ONLINE STAKES

> 80%
EBITDA-TO-CASH CONVERSION RATE

between **80%**
and **90%**
DISTRIBUTION RATE OF GROUP'S NET RESULT, FROM 2022

4 strategic focus points

Point 1

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. FDJ distributes its games via an omnichannel approach and adheres to an on-going customer loyalty strategy. This strategy is based on an enriched customer relationship policy, thanks to better knowledge of its customers. FDJ continues to innovate to recruit new players, while promoting recreational gaming practices.

Point 2

Gain market shares in online sports betting whilst maintaining a growth momentum in offline sports betting

The Group intends to significantly increase its sports betting market shares and reach critical size. To do this, it is accelerating the development of a distinctive and competitive offer and a more personalised customer relationship that is both value-creating and responsible. At the same time, FDJ aims to make its offline sports betting more attractive by enriching the offer, improving products and services and stepping up retailers' role as prescribers.

Point 3

Build a value-creating customer relationship, and reinforce FDJ's responsible gaming policy through customer identification and knowledge

FDJ wishes to accelerate online and offline player identification by means of exclusive offers and services, optimised gaming experiences and customer benefits. Improved customer knowledge will allow FDJ to offer a customised experience and step up responsible gaming services, in a different and proportionate way, depending on players' behaviour, to better prevent excessive gambling.

Point 4

Build on FDJ's robust economic model by developing new business activities

FDJ's aim is to leverage its technological assets and its awareness, as well as its distribution network, to develop new businesses and to make its model more resilient and sustainable, in the international B2B market it intends to position itself as a leader, with a service offer for lottery and/or sports betting operators. FDJ also intends to develop its entertainment offer, in preparation for future models.

3 transverse pillars to support the Group's strategic focus points

Pillar 1

Continue to offer multiple touch points with its customers in an omnichannel experience, by using its network and pursuing its business model transformation

Pillar 2

Roll out the technological strategy to allow the development of digitalisation, the game experience and omnichannel uses

Pillar 3

Improve the Group's agility and operating performance by developing the efficiency and flexibility of its financial model, as well as the engagement and skills of its employees

Business model

RESOURCES

FINANCIAL CAPITAL

- €829 million in equity
- €916 million in net cash surplus
- €76 million in investments

INDUSTRIAL CAPITAL

- 100,000 connected devices
- 2 integrated supply chains with 100% of direct distribution points of sale
- IT service and data centres

INTELLECTUAL CAPITAL

- A constantly renewed, diversified and omnichannel offer with 26 online game launches and relaunches and 12 in points of sale in 2021
- A responsible gaming approach which adheres to the highest of standards and which is in line with the Group's business activities
- Widely recognised brands
- A 14-patent portfolio

HUMAN CAPITAL

- More than 2,500 employees
- 91/100 employee engagement rate
- More than 90% of shareholder employees, who hold almost 4% of the capital
- More than 25 million players, who are representative of the French population

ENVIRONMENTAL CAPITAL

- 40% reduction in scope 1 and 2 emissions in 2019 compared to 2017
- 100% of gaming materials are printed on paper from FSC®-certified sources



LOTTERY GAMES

76.6%

in revenue
(exclusive rights
in points of sale
and online)



SPORTS BETTING

20.6%

in revenue
(exclusive rights
in points of sale
and online)



BUSINESS DIVERSIFICATION

(International, Payment & Services, Entertainment)

2.8%

in revenue

BUSINESS ACTIVITIES

RAISON D'ÊTRE

◆ Gaming is our business, giving back to society is

STRATEGY

Our ambition is to strengthen our leadership position in the French gaming market and become a key international player in the games and services sector.

FDJ has defined its 2025 strategy based on four pillars, with its *raison d'être* at its core.

- 1.** Digitalise the lottery by developing an omnichannel approach for a renewed gaming experience and loyal customers
- 2.** Gain market shares in online sports betting whilst maintaining a growth momentum in offline sports betting
- 3.** Build a value-creating customer relationship, and reinforce FDJ's responsible gaming policy through customer identification
- 4.** Build on FDJ's resilient economic model by developing new business activities

VALUE CREATION

FINANCIAL AND NON-FINANCIAL RESULTS

- €2.3 billion in revenue
- €19 billion in stakes
- 23.1% of the EBITDA margin
- €294 million in consolidated net profit
- 80% in payout of the consolidated net income for 2021
- 4% rise in stock market price in 2021
- Recognised CSR performance: rated A1+ by Moody's ESG for the past three years
- FDJ has been approved by The European Lotteries responsible gaming standards and adheres to the highest level of compliance

A REDISTRIBUTIVE AND RESPONSIBLE MODEL

- 68.4% redistributed to players and 178 millionaires in 2021, i.e., almost one millionaire every other day
- More than €1.2 million given to responsible gaming partnerships
- €4.1 billion in contribution to public finances
- €6.2 billion of shared wealth (FDJ's contribution to the GDP)

CONTRIBUTION TO GENERAL INTEREST CAUSES

- €19.5 million allocated to the FDJ Corporate Foundation for the 2018-2022 five-year period and €25 million allocated for the 2023-2027 five-year period
- €100 million collected since 2018 in support of France's heritage via "Mission Patrimoine" games
- €15 million in contribution to a support fund for local businesses ("Rebond" fund)

SUPPORT FOR REGIONAL DEVELOPMENT IN FRANCE

- More than 30,000 points of sale, accessible in 11,000 municipalities under 10 minutes by foot or car
- 54,800 jobs created or made permanent in the sector including 21,100 bars, tobacconists and newsagents jobs
- €901 million commissions paid to retailers
- 90% of purchases made in France in 2021 by French entities

A DIVERSITY AND INCLUSION POLICY AT THE HEART OF COMPANY STRATEGY

- 100/100 on the Gender Equality Index (FDJ SA)
- 34.3% of women at management level and 39.0% of all employees are women
- 5.21% of employees with disabilities

what drives us, and responsibility is our constant focus

1

Overview of the Group and its activities

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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. 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 currently the leading player in the French gaming sector, with more than 50% of the market's gross gaming revenue (GGR: stakes less players' winnings) in 2020, as in 2019, as well as the second-largest European lottery and the fourth-largest lottery globally in terms of GGR.

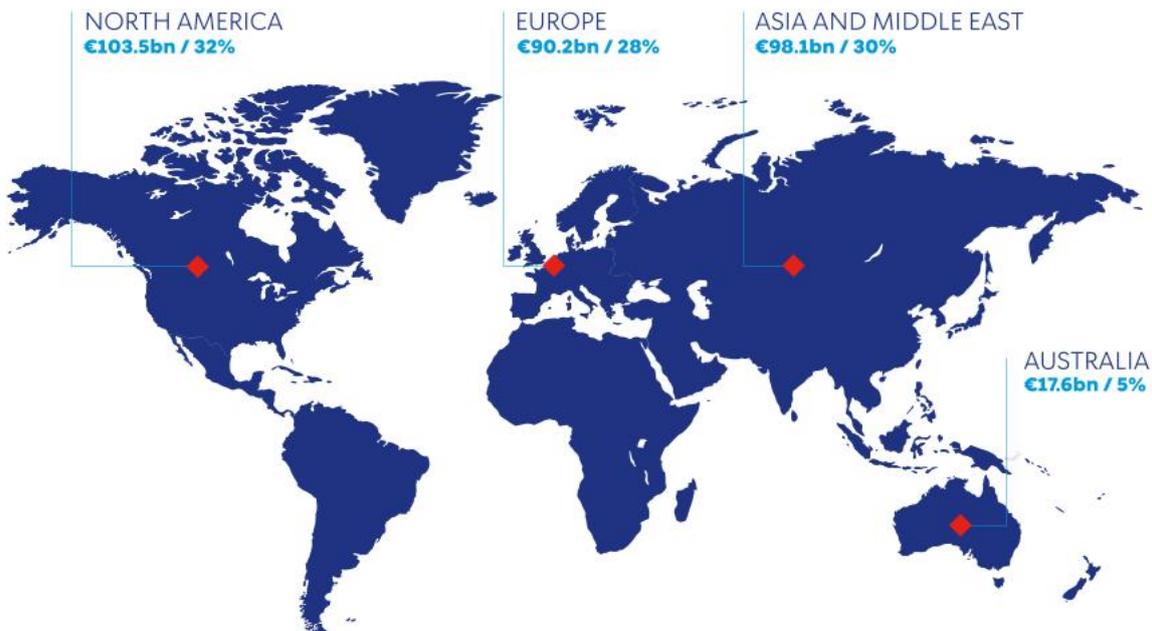
1.1.1 GLOBAL GAMING MARKET

The global gambling market represented €322.5 billion in 2020, up from €357.6 billion in 2015, i.e. a compound annual growth rate of 3.4% over the 2015-2019 period, making gaming the sixth-largest leisure industry (source: H2GC⁽²⁾). 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 market has been recovering since 2021. It is expected to exceed its pre-crisis level in 2022. GGR is set to reach €508.5 billion in 2025, i.e. a projected average annual growth rate of 9.5% over the 2020-2025 period.

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



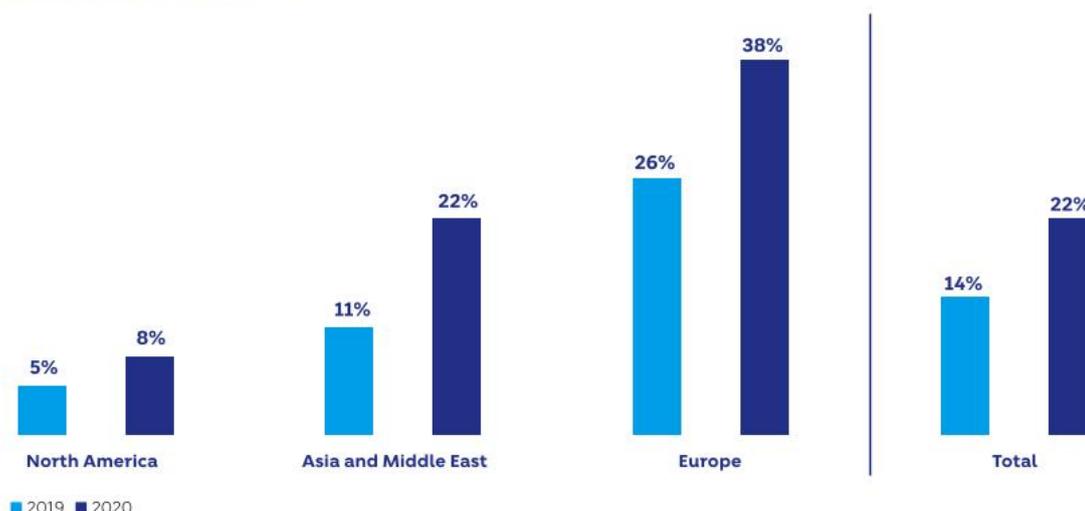
MAIN GLOBAL MARKETS IN TERMS OF GGR (GGR in billions of euros and % of global GGR)



(1) As 2021 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 2020.

(2) Unless otherwise stated, the source used in this section is H2GC, data as at 7 January 2022, applying the average annual exchange rate (OECD).

SHARE OF ONLINE GGR BY CONTINENT



The substantial increase in the online share in 2020 stems mainly from the health crisis, which resulted in the closure of or a drop in footfall in points of sale, and from work carried out by lotteries to digitalise their activities.

The global gaming market has three main segments:

- casinos and slot machines (48% in 2020 vs. 55% in 2019);
- lottery (32% in 2020 vs. 27% in 2019); and

- sports and horse-race betting (18%, with 10% for sports betting in 2020, vs. 16% in 2019, with 9% for sports betting).

The global lottery and sports betting market accounts for more than 50% of the global gaming market, representing GGR of €135.3 billion in 2020, up from €122.7 billion in 2015.

At the global level, the main operators (excluding China) within the scope of FDJ activities, are:

	Country of registered office	GGR* in 2020 (in €bn)	Business segment
	France	5.5	Lottery and sports betting
IGT Lottery (formerly Lottomatica)	Italy	ND**	Lottery and sports betting
Camelot	United Kingdom	4.1	Lottery
Tabcorp	Australia	2.0	Lottery and sports betting
Flutter	Ireland	3.3	Sports betting
Loteria Y Apuestas des Estado	Spain	2.7	Lottery
Entain	United Kingdom	2.0	Sports betting
Santa Casa da Misericórdia de Lisboa	Portugal	1.1	Lottery and Sports betting
Allwyn (formerly Sazka Group)	Czech Republic	1.5	Lottery and sports betting
William Hill	United Kingdom	0.8	Sports betting
Veikkaus	Finland	0.8	Lottery and sports betting
Norsk Tipping	Norway	0.7	Lottery and sports betting
Totalizator Sportowy	Poland	0.7	Lottery and sports betting

* GGR as per the scope of FDJ activities.

** 2020 GGR not available. For information, 2019 GGR as per FDJ's scope was approximately €5.0 billion (source: WLA). In 2021, the B2C sports betting and Video Lottery Terminals activities of Italy's leading lottery operator, IGT Lottery (formerly Lottomatica), were sold to Gamenet Group (renamed Lottomatica).

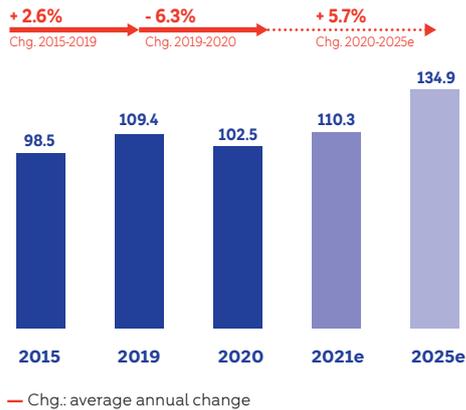
1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

Major trends in the gaming sector

GLOBAL LOTTERY MARKET

The lottery segment is growing steadily. Its GGR totalled €102.5 billion in 2020, up from €98.5 billion in 2015. The offline lottery offer represents the bulk of the global lottery market, with GGR of €93.6 billion in 2020. The online lottery offer is growing significantly, with GGR of €8.9 billion in 2020, up from €3.9 billion in 2015.

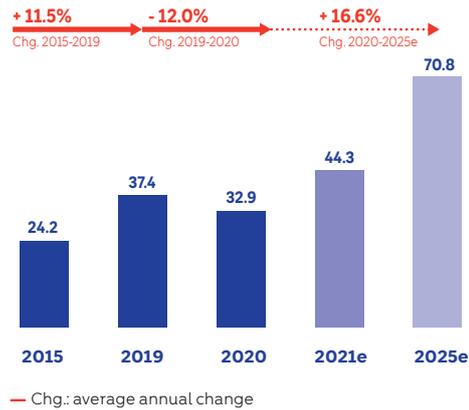
GLOBAL LOTTERY GAMES GGR FROM 2015 TO 2025e (in billions of euros)



GLOBAL SPORTS BETTING MARKET

The global market in sports betting is extremely buoyant and undergoing rapid growth. It represented GGR of €32.9 billion in 2020, compared with €24.2 billion in 2015, i.e. an average annual growth rate of 6.3% over the 2015-2020 period.

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



The global sports betting market is also the most buoyant and competitive segment, with some of the new online operators entering the market not having the licences required by the national authorities in the countries in question and therefore operating illegally.

REGULATIONS DIFFER FROM ONE COUNTRY TO ANOTHER

The regulation and supervision of gaming in France and the other EU Member States differs from one country to another. 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. Under certain domestic legislations, betting operators are only permitted to offer pooled betting (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.

2018 saw a major change for sports betting, with the opening of the US market. To date, some 30 states have opened up their markets. By 2025, with the gradual authorisation state by state, American sports betting may account for GGR of approximately €5.2 billion (based on estimates by H2GC), assuming sports betting is authorised in 46 of the 50 US states. Many players in the sports betting market within the European ecosystem have already positioned themselves in this market.

1.1.2 EUROPEAN GAMING MARKET

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

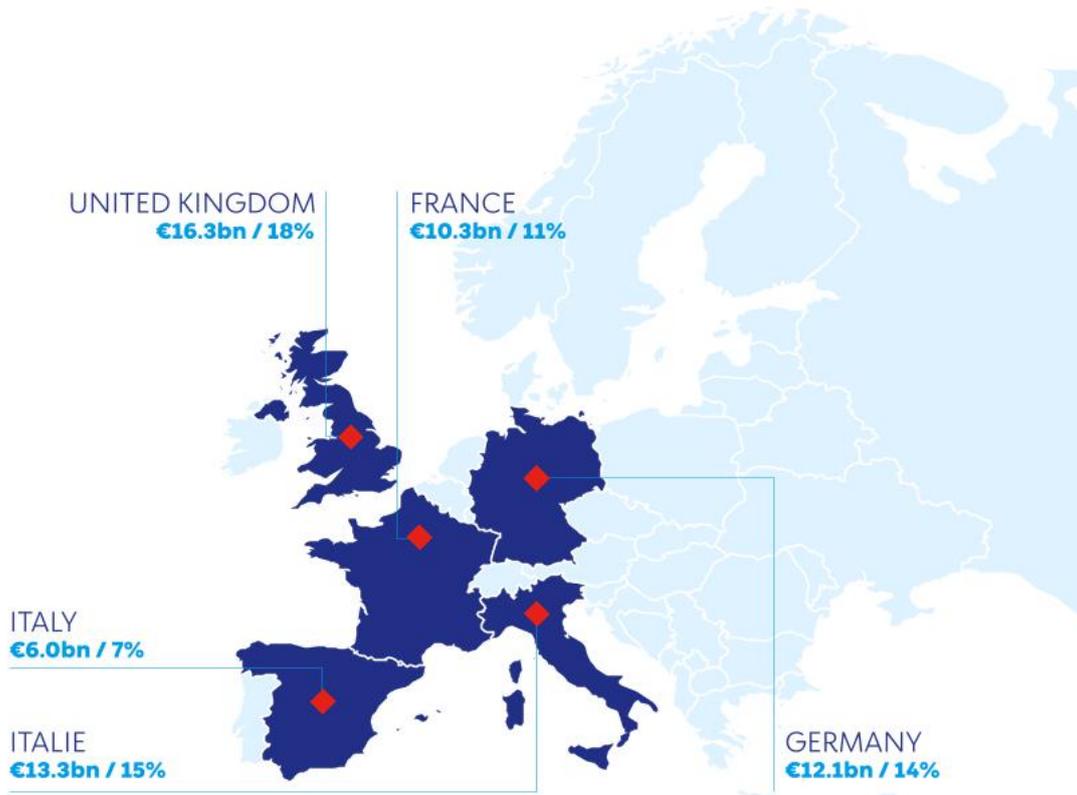


The European gaming market⁽¹⁾ represented GGR of €90.2 billion in 2020, compared with €95.7 billion in 2015. GGR is set to reach €135.4 billion in 2025, i.e. a projected average annual growth rate of 8.5% over 2020-2025⁽²⁾.

The lottery segment is growing steadily. Its GGR totalled €32.1 billion in 2020. The offline lottery offer accounts for most of the European lottery market, with GGR of €26.4 billion in 2020. The online lottery offer is recording significant growth, with GGR of €5.7 billion in 2020 (17.7% of total lottery GGR in 2020 vs. 8.2% in 2015), i.e. an average annual growth rate of 15.9% over the 2015-2020 period.

The European sports betting market is extremely buoyant and undergoing rapid growth. It represented GGR of €13.7 billion in 2020, compared with €9.8 billion in 2015, i.e. an average annual growth rate of 7.0% over the 2015-2020 period, with growth driven notably by the online offer.

MAIN EUROPEAN COUNTRIES IN TERMS OF GGR (GGR IN BILLIONS OF EUROS AND % OF GLOBAL GGR)



(1) Includes the European Union (including the United Kingdom), Russia, Norway and Switzerland; all international activities and illegal markets excluded.

(2) Source: H2GC.

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

Major trends in the gaming sector

Among the European lotteries, some are public (Loterie Nationale in Belgium, Loterie Romande in Switzerland and Santa Casa da Misericórdia de Lisboa in Portugal) and others are private (Lottomatica in Italy, Sazka in the Czech Republic, Camelot in the United Kingdom and OPAP in Greece).

In terms of regulation, different models predominate within the European countries, depending on the game segments in question⁽¹⁾:

- 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;
- for the sports betting segment, the majority of countries have opted for opening their markets 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. By way of example, Camelot, initially established in the United Kingdom, is also expanding into Ireland and the United States. Cirsa, established in Spain, is turning to Latin America. Sazka, the leader in the Czech Republic, now operates in Greece, Austria and Italy.

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 – at the point of sale, also reflecting the strengthening 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 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	Competition (ANJ approval)*
◆ POKER	Casinos and gaming clubs	Competition (ANJ approval)*
◆ CASINO – TABLE GAMES AND SLOT MACHINES	204 casinos in France and a few gaming clubs in Paris	Banned

* ANJ: French gaming regulatory authority (see 1.6 “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 1.6 “Regulatory environment”), whereas its online sports betting activities are operated in competition with other operators.

According to the 2021 Customer Market Barometer⁽¹⁾, the French gaming market has approximately 27.9 million players (+9.8% vs. 2020), of which nearly 25.3 million for lottery

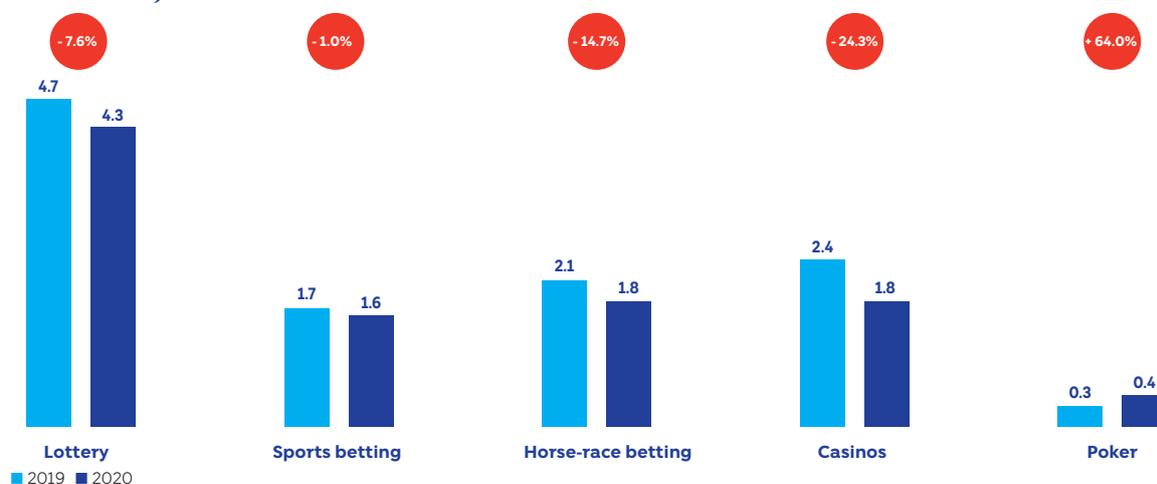
(vs. 23 million in 2020), 6.2 million for sports betting (vs. 5 million in 2020), over 3.3 million for horse-race betting (vs. 3 million in 2020), 2.1 million for poker (vs. 2 million in 2020) and nearly 4.1 million for casinos (vs. 4 million in 2020).

The closure of points of sale, casinos and racetracks, as well as the stoppage of certain sporting competitions due to the health crisis, resulted in a drop in the gaming market’s GGR in 2020, for the first time since 2013.

(1) Source: FDJ.

The French gaming market represented GGR of €10.3 billion in 2020, compared with €11.1 billion in 2019.

(in billions of euros)



Sports betting activities increased by 19.5% per annum between 2010 and 2020 (20.8% between 2010 and 2019), with stakes in points of sale having increased by 11.6% over the same period (13.1% between 2010 and 2019) and online stakes by 27.7% (30.9% between 2010 and 2019).

The online sports betting market is growing faster than offline sports betting. This is attributable chiefly to the swift adoption of digital technology by players, backed up by the development of new technological channels allowing for the emergence and permanent accessibility of new offers. In addition, the gap of more than 8 points between the maximum online player payout (PPO) ratio (85%) and the offline PPO (76.5%) in a market essentially governed by betting odds (known as a "price" market) and the limitation of the depth of the offline offer to 60% of sporting events and no more than 60% of the types of results on the list of games authorised by the ANJ (100% exploitable online), are beneficial to online sports betting. Lastly, the online segment comes with more service opportunities, including live betting.

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

As of 31 December 2021, 15 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 2020, the number of online players increased from 1.2 million to 4.5 million. Since 2017, stakes in the online sports betting market have been greater than those in the offline market.

In 2020, online and PoS sports betting activities represented nearly €8.2 billion in stakes (unchanged from 2019), with an acceleration of the online market (+6% compared with 2019) and a decline in the offline market induced by health measures to fight the coronavirus (closures of points of sale and travel restrictions).

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 Group assets and strategy

The Group's ambition is to strengthen its leadership in the French gaming market and to become a key international player in the games and services segment.

1.2.1 OUR ASSETS

The Group has significant assets in a rapidly digitalising French market. In this context, it has developed a unique business model with a robust financial profile in a market offering significant potential for growth.

1

The gaming leader in France and a player with global reach, present in the most buoyant market segments



FDJ is positioned in the two most dynamic segments of the fast-growing French gaming market, namely lottery and sports betting.

Other than the broad appeal of these segments, the French market offers compelling opportunities stemming notably from the fact that the net spend per player remains moderate compared with that seen in most other European countries. Growth is expected to remain particularly strong in the sports betting market, with growth in GGR seen averaging 10%⁽¹⁾ per annum over the 2021-2025 period, compared with 5%⁽¹⁾ for the lottery segment over the same period.

#2
EUROPEAN
LOTTERY
OPERATOR ⁽¹⁾

#4
GLOBAL LOTTERY
OPERATOR ⁽¹⁾

€6bn
2021 GGR

2

Activity carried out within a secure regulatory framework



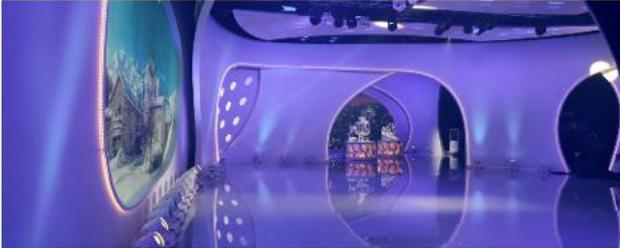
The reform of the French regulatory framework for the gaming sector initiated by the Pacte Law also secured exclusive rights, within their existing scope, for a period of 25 years from 23 May 2019.

> 95% OF STAKES RECORDED BY THE GROUP IN 2021 WERE UNDER EXCLUSIVE RIGHTS

(1) Sources: FDJ and H2GC.

3

A broad, diverse and constantly evolving games portfolio



6 GAMES HAVE STAKES EXCEEDING €1 BILLION (AMIGO, CASH, EUROMILLIONS, LOTO®, THE MOTS CROISÉS FAMILY AND PARIONS SPORT POINT DE VENTE)

FDJ has a broad and diversified portfolio, with numerous lottery games and a wide range of sports betting products, many of which are iconic (Loto®, Euromillions, instant games such as Cash and Astro, Parions Sport Point de Vente, Parions Sport En Ligne, Mission Patrimoine).

To preserve the appeal of its games and offer players an enhanced gaming experience, the Group uses its presence in an innovative ecosystem to anticipate market developments and trends. FDJ is accordingly creating new types of lottery games, including omnichannel games meeting the demands of players today. They are illustrated by Quitte ou Double, Qui Veut Gagner des millions and À Prendre ou À Laisser, three games launched in November 2019, 2020 and 2021 respectively (purchase in points of sale and continuation of the game online if the ticket is a winner).

4

An actor recognised for responsible gaming and corporate and environmental responsibility⁽¹⁾

100 %
COMPLIANCE WITH THE EUROPEAN LOTTERIES ASSOCIATION'S THREE-YEAR RESPONSIBLE GAMING CERTIFICATION since 2012

A1+
70/100 MOODY'S ESG RATING (APRIL 2021): FDJ ranks first in the "Leisure, Lodging & Entertainment" sector

€6.2bn
CONTRIBUTION FROM FDJ TO FRENCH GDP according to a BDO-Bipe⁽²⁾ in 2021 (vs. €5.2 billion in 2020)

54,800
JOBS CREATED OR MAINTAINED IN 2021 (vs. 50,800 in 2020) thanks to the Group's activities throughout France (including 21,100 jobs in the retail network)

Promoting an extensive, recreational and sustainable gaming model, FDJ is a recognised and strongly committed actor in the area of responsible gaming. This longstanding commitment has been built up through in-depth dialogue with the various stakeholders in the health and social sector, allowing the Group to integrate their expertise and experience and to continuously improve its work to prevent underage and excessive gambling, as was the case during UEFA Euro 2020 with the release of an intensified responsible gaming action plan.

Its recognised know-how in the area of responsible gaming, which was highlighted by the regulator in its opinion on the responsible gaming action plan for activities operated under exclusive rights, and its strong economic and social contribution throughout France, reinforce FDJ's status as a key player in the French gaming market.

5

An unparalleled distribution network in France



> 30,000
INDEPENDENT POINTS OF SALE IN MORE THAN 11,000 CITIES AND TOWNS

90%
OF THE POPULATION LOCATED WITHIN 10 MINUTES OF A POINT OF SALE

The Group has made significant modernisation and digitalisation investments totalling more than €150 million over the 2015-2020 period, with the objective of having a fully connected network now achieved. FDJ continues to invest in strengthening the attractiveness and resilience of its network within the framework of its 2020-2025 strategic plan.

In addition, to maintain a high level of coverage of the French population, the Group has successfully diversified its network, extending it notably to service stations, independent retailers and convenience food stores of less than 400 square metres.

(1) See Chapter 4 (Corporate social responsibility).

(2) To assess FDJ's economic and social contribution in France, a study using a methodology aligned with the international and academic benchmark for evaluating economic impacts used by international organisations (UN, European Commission, etc.), and which allows for sectoral and international comparability of results, is conducted each year by Bipe (Bureau d'informations et de prévisions économiques).

6

A burgeoning innovative digitalised offer



7 million
ONLINE VISITORS PER
MONTH

> 11%
OF TOTAL STAKES
DIGITALISED
(VS. 4% IN 2015)

In a context of continuous growth in the connectivity and mobility of the French population, FDJ has succeeded in increasing the digitalisation of its gaming offer and its distribution methods, and today offers a comprehensive range of products, both online and in points of sale.

This acceleration in the pace of the digitalisation of the offer and its distribution is an asset for FDJ's future development. It fosters customer knowledge, which allows for a better personalisation of the offer and the player experience, while at the same reflecting a responsible gaming approach through the analysis of players' data to prevent excessive gambling.

7

State-of-the-art, largely proprietary technological infrastructure



> 5 billion
TRANSACTIONS
PER YEAR

24/7
AVAILABILITY

1,000
TRANSACTIONS
PER SECOND
(AT PEAK)

The Group has state-of-the-art technological infrastructure that is mostly proprietary and supports all gaming operation processes. It has opted to selectively and strategically insource the essential functionalities that give it operational and secure end-to-end control of its activities.

The resulting agility and independence are a differentiating factor that the FDJ Group has made central to its innovation strategy. Moreover, the Group can also rely on this technological infrastructure to pursue the network digitalisation strategy and support the development of its international B2B activity.

8

A broad player base reflecting FDJ's strong brand awareness and its iconic games



> 25 million players

NEARLY ONE FRENCH ADULT IN TWO (MORE THAN HALF OF WHOM PLAY AT LEAST ONCE A MONTH)

Aside from the strong proximity with its player base due to the size of its offline distribution network, the Group relies on the strong appeal of its brands, as well as its positive public image.

As such, according to a measurement made in September 2021 (source: Kantar), 94% of French people were aware of FDJ in terms of assisted awareness. Awareness of the Group's game offer and its most iconic games is also very high: for games such as Loto® and Euromillions, it is 94% and 90% respectively; brand recognition stands at 64% for Illiko, while some scratch card games are also well known, as illustrated by recognition of 76% for the Astro game.

9

A robust economic model with a proven track record of generating long-term sustainable growth, resilient to economic cycles



+5%
ANNUAL INCREASE
IN STAKES BETWEEN
2010 AND 2021

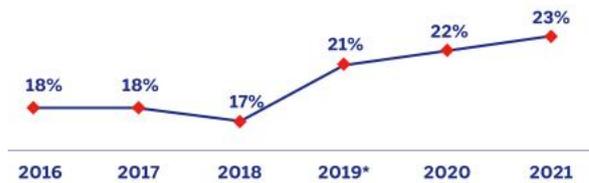
23%
EBITDA MARGIN
IN 2021

The Group has demonstrated its capacity for long-term growth with a strong resilience to economic cycles.

With the exception of 2020, a year marked by the health crisis, stakes have only fallen twice over the last 25 years⁽¹⁾. This limited sensitivity to economic cycles is mainly due to the moderate proportion of income spent by the French on games, as well as the appeal and success of FDJ's diversified offer among a large number of players.

The Group benefits from strong, cash-generating profitability:

- a sharp increase in EBITDA margin:



* Based on the new fiscal and regulatory framework effective since 1 January 2020.

- a flexible cost structure, with variable costs representing an average of 60% of operating expenses over the 2019-2021 period;
- a high EBITDA-to-cash conversion rate, above 90% in 2020 and 2021, and above 80% on average since 2016.

(1) In 2007, mainly due to the effect of an unfavourable comparative basis after an exceptional year for Euromillions in 2006, and in 2008 due to the ban on smoking in bars. The 2009 economic recession did not affect FDJ stakes, which, on the contrary, increased by 8.6%, propelled notably by the launch of the game Cash. In 2013, stakes increased less rapidly than in 2012 due to exceptional events (Euro 2012 and the Olympic Games in London) and to a long cycle for the Euromillions game. In the absence of such events, stakes would have grown by 4% (instead of 2%).

1.2.2 OUR STRATEGY

4 strategic focus points



Point 1

Digitise 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. FDJ distributes its games via an omnichannel approach and adheres to an on-going customer loyalty strategy. This strategy is based on an enriched customer relationship policy, thanks to better knowledge of its customers. FDJ continues to innovate to recruit new players, while promoting recreational gaming practices.



Point 2

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

The Group intends to significantly increase its sports betting market shares and reach critical size. To do this, it is accelerating the development of a distinctive and competitive offer and a more personalised customer relationship that is both value-creating and responsible. At the same time, FDJ aims to make its offline sports betting more attractive by enriching the offer, improving products and services and stepping up retailers' role as prescribers.



Point 3

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

FDJ wishes to accelerate online and offline player identification by means of exclusive offers and services, optimised gaming experiences and customer benefits. Improved customer knowledge will allow FDJ to offer a customised experience and step up responsible gaming services, in a different and proportionate way, depending on players' behaviour, to better prevent excessive gambling.



Point 4

Build on FDJ's robust economic model by developing new business activities

FDJ's aim is to leverage its technological assets and its awareness, as well as its distribution network, to develop new businesses and to make its model more resilient and sustainable, in the international B2B market it intends to position itself as a leader, with a service offer for lottery and/or sports betting operators. FDJ also intends to develop its entertainment offer, in preparation for future models.

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

1

Continue to offer multiple touch points with its customers in an omnichannel experience, by using its network and pursuing its business model transformation.

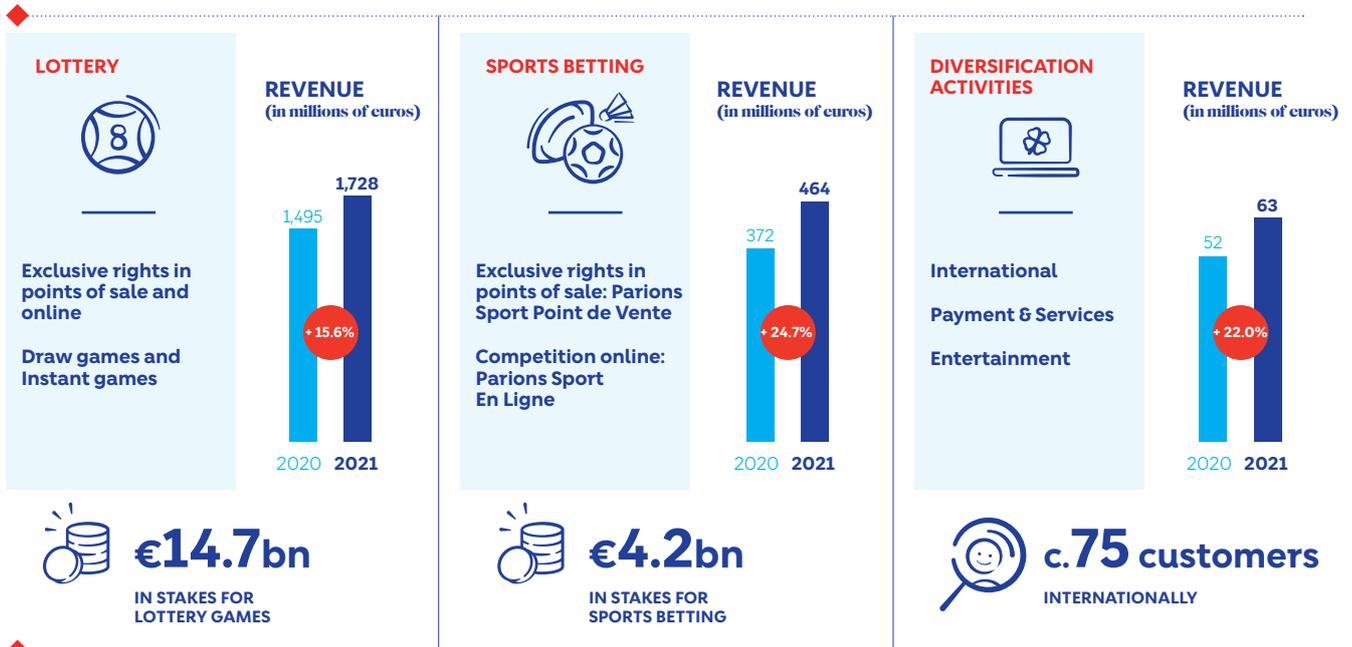
2

Roll out the technological strategy to allow the development of digitalisation, the game experience and omnichannel uses.

3

Improve the Group's agility and operating performance by developing the efficiency and flexibility of its financial model, as well as the engagement and skills of its employees.

1.3 The Group's core businesses



1.3.1 LOTTERY

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

In the year ended 31 December 2021, Lottery generated revenue of €1,728 million (or 76.6% of Group revenue) on stakes of €14.7 billion (or 78% of Group stakes in 2021), generating a contribution margin⁽¹⁾ of €621 million, or 35.9% of revenue.

STAKES BY RANGE (in billions of euros)



(1) Adjusted for the new tax and regulatory framework, exceptional long lottery cycles, and consolidating Sporting Group over a full year.

The very dynamic growth of the lottery BU was driven by:

- Instant games, with increases of 9.5% vs. 2019 and 16.4% vs. 2020; over the last two years, instant games have accounted for two-thirds of the lottery BU's overall growth (66% and 63% respectively);
- Draw games recorded all-time high stakes on increases of 7.5% vs. 2019 and 14.5% vs. 2020, thanks to regular special events on the range and numerous long cycles with very attractive record-breaking jackpots;
- The continued acceleration of digital gaming, which now accounts for 10.6% of lottery stakes (+122% vs. 2019 and +37% vs. 2020), thanks notably to the significant expansion of its player base;
- The return of growth in the point-of-sale network (+2.5% vs. 2019), despite persistent disruption for Amigo with the closure of bars during the first half.

In 2021, Lottery attracted approximately 25.3 million players according to the FDJ market survey (source: FDJ), with a relatively stable average weekly spend of €11.10, back at its 2019 level. The increase in the lottery player base is attributable to the combination of increased customer recruitment and a decline in dropouts. The growth observed in the lottery player base in 2021 was driven by strong growth in the base of draw players attracted by long cycles and the base of instant games players.

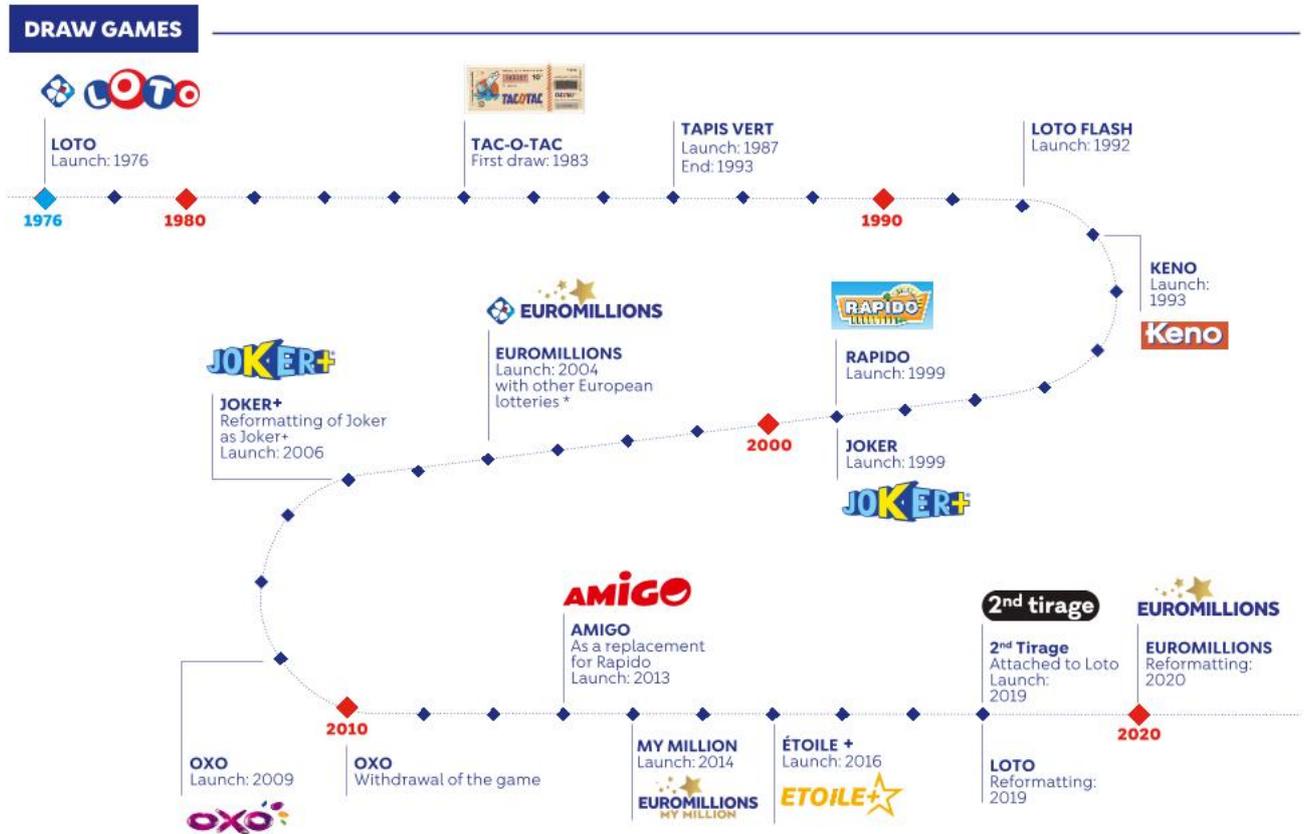
FDJ's player base is representative of the French population aged 18 and over.

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

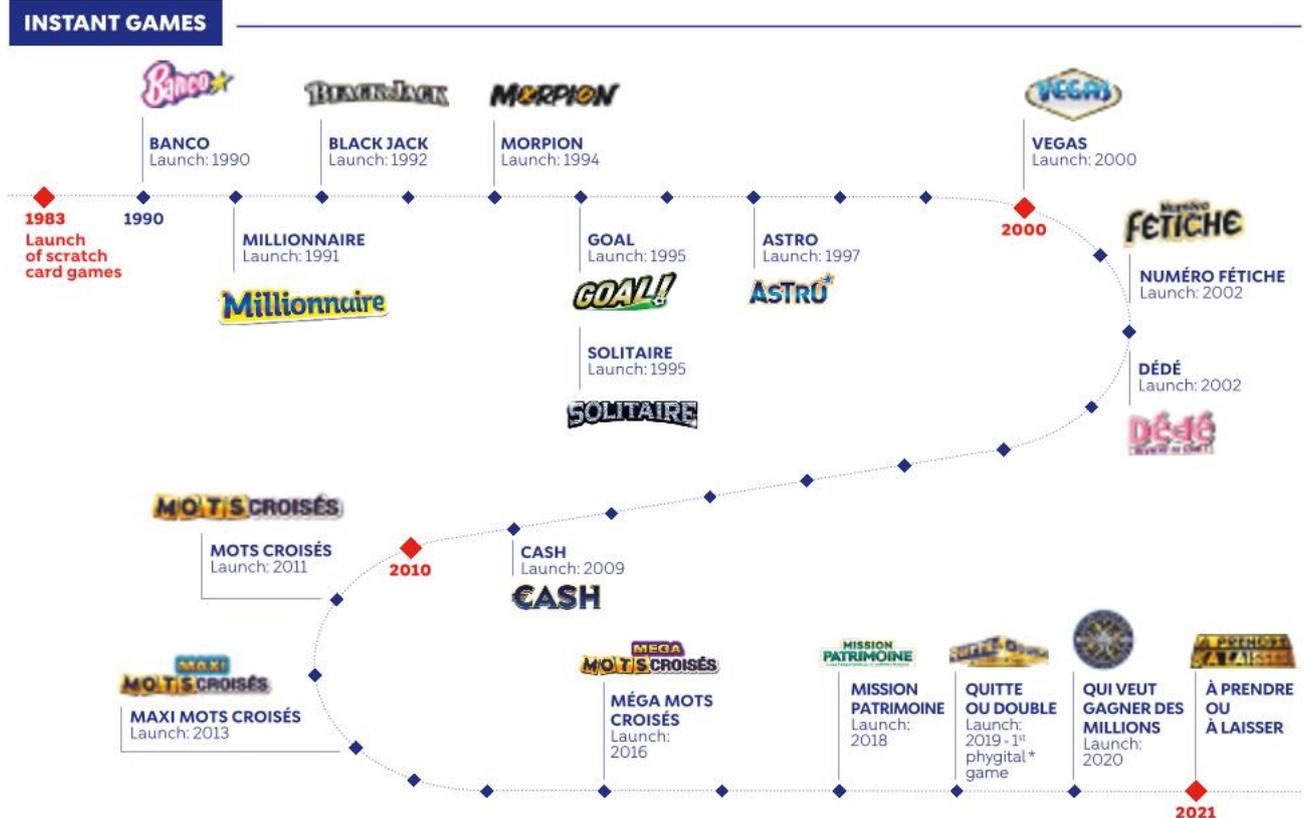
1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

The Group's core businesses

1.3.1.1 LOTTERY GAMES OFFER



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



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

The constantly evolving portfolio of both recent and well-established games, covering an extensive range of gaming experiences, is testament to FDJ's ability to diversify and renew its offer.

FDJ's lottery games offer is both diversified and attractive. It includes very widely known brands, and is constantly being enriched with new games (FDJ launched or reformatted 16 exclusive online games and 12 offline games in 2021). On average, one offline game is launched or reformatted every month.

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

- game mechanics: draw games are games in which chance, created by the draw, is the same for all players, whereas instant games are games in which chance is specific to each player within a pool of common tickets whose result can be known instantaneously as a result of a player's action;
- stakes: single stakes for traditional draw games range from €1 to €2.50, whereas instant games sell from €0.50 up to €15.

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

- in pooled games: total winnings, set as a percentage of stakes, are divided among the prize winners following the involvement of chance;
- in 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 2021, in addition to instant games based on the counterparty principle, FDJ operated four counterparty draw games (My Million, Amigo, Keno and Joker +), with the new Loto® format based on a pooling principle since its reformatting in November 2019.

All game offers are examined by means of analysis matrices serving to assess the attractiveness of a game in view of objective criteria, from the design phase.

The lottery game offer can also be divided into "playing fields". A playing field is a market segment whose boundaries are defined based on player expectations and a typical player profile, to which FDJ must provide an integrated value proposition to meet a promise made to customers.

Draw games

FDJ's draw games include six brands: Euromillions, Loto®, Keno Gagnant à Vie, 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 correspond to the "life changing" playing field and are characterised by high jackpots, for which stakes are usually driven by the following factors:

- the jackpot: the higher the jackpot (jackpots are rolled over when they are not won, a high jackpot implying no winners 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 – especially occasional players – through major events or calendar-related cultural curiosities such as Friday the 13th.

As such, in 2021, FDJ offered:

- for Loto®:
 - 4 Super Loto® games associated with Valentine's Day, the 45th anniversary of the Loto® brand, Friday 13th September and the New Year,
 - 1 grand Christmas Loto®,
 - 3 boosted jackpots for Easter, the summer holidays and Halloween,
 - 6 Loto® draws as part of the Mission Patrimoine operation in September,
 - 3 promotions to highlight the new 2nd Draw option;
- for Euromillions: 4 mega-jackpots, one per quarter.

Additional draw games

Additional draw games are games which 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 2nd Draw for Loto and for Joker+.

Successive draw games

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

Euromillions brand games: Euromillions, My Million and Étoile +

Euromillions (traditional draw game, with distributed winnings)

The price is €2.50 for a Euromillions game and a corresponding My Million code participating in a draw with a minimum jackpot of €17 million.

The player selects five numbers out of 50 and two stars out of 12 (it is also possible to use the flash system, which automatically selects a random combination). Jackpot winners must get all five numbers right, plus the two winning stars. In the absence of a first-level winner, the jackpot is put back in play and can ultimately reach a maximum of €250 million. If that jackpot is not won, it is played up to four times. If there is no first-level winner in the fifth draw, the prize money is split between the winners of the lower level.

Players can take out a subscription and play multiples (i.e. play more numbers); the Étoile + game is optional.

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

The Group's core businesses

My Million (additional automatic-entry draw game in the form of a raffle with counterparty winnings)

The price of €0.30 for this additional game is included in the €2.50 price of a Euromillions grid.

Draws are specific to France, carried out on the evenings of the Euromillions draw. For each Euromillions combination, a unique My Million alphanumeric code is automatically allocated to players validating a game. The mechanics of this additional game guarantee a €1 million winner in France for each draw.

Étoile + (additional optional draw game with distributed winnings)

When playing, Euromillions players choose whether or not to participate in the €1 Étoile + game option. For each game associated with the Étoile + option, 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. Étoile + winnings can be added to Euromillions winnings.

Loto® / Super Loto® / Grand Loto® / 2nd Tirage

Loto® (traditional draw game)

The price is €2.20 for a grid participating in one draw.

The player selects five numbers out of 49 and one lucky number out of 10 (it is also possible to use the flash system, which automatically selects a random combination). To win the jackpot of at least €2 million, players have to get all five numbers right, plus the lucky number.

If there is no first-level winner, the jackpot is rolled over to the next draw and €1 million is added, for up to 34 consecutive draws. If there is still no winner, it is shared among the prize winners of the next closest lower-level with at least one winner.

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 Loto® draw.

Players can take out a subscription, play a multiple grid, or play the additional Joker +® game in addition to the Loto® game.

Players can win amounts ranging from €2.20 (refund of the stake) to the jackpot (at least €2 million).

2nd Tirage (optional additional draw game with distributed winnings)

The selling price is €0.80.

This independent draw takes place directly after the regular Loto® draws on Mondays, Wednesdays and Saturdays. A player can enter all 5 numbers in the grid of a Loto® game in a specific draw known as the "2nd Tirage" ("2nd Draw"). The player is then entered into an additional draw with a minimum jackpot of €100,000 to be shared among level 1 winners. There is no 2nd Tirage for the Super Loto® or Grand Loto® Christmas draws.

Super Loto® (draws only take place on Friday the 13th or to mark specific events four to five times a year)

The sale price is €3 for a grid participating in one draw.

Players can win from €3 up to the jackpot (€13 million minimum). 50 Super Loto® codes are also generated, each worth €20,000.

Grand Loto®

The sale price is €5 for a grid participating in one draw.

Players can win from €5 up to the jackpot (€13 million minimum). 100 Grand Loto® codes are also generated, each worth €20,000. The Christmas Grand Loto® jackpot is always won, because the jackpot is divided among all the winners of the draw if there is no level one winner.

Other draw games

Keno, Gagnant à Vie (counterparty draw game with the player free to choose the game settings; two daily draws, midday and evening)

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. Players select their stake per grid, namely €1, €2, €3, €5 or €10, selecting from 2 to 10 numbers per grid out of the 70 numbers offered. They can select the Multiplier option to try to multiply their winnings by 2, 3 or 5 (this doubles the stake per grid), and can choose the number of draws they wish to take part in, namely midday and/or evening for up to 14 days (it is also possible to use the flash system, which automatically selects a random combination). They can also choose to play the additional Joker +® game.

The amount of the prize paid out ranges from €1 (refund of the lowest stake offered on the multigame slip) to €100,000 a year for life or €2 million immediately (for a €10 stake and 10 numbers checked off) – excluding the Multiplier.

Joker +® (additional counterparty draw game, available with Loto® or Keno Gagnant à Vie)

The player selects a combination of seven numbers, each number being between 0 and 9 (it is also possible to use the flash system, which automatically selects a random combination). Players can change one of their numbers after the draw by doubling their stake. When players select this option, the probability that they will win increases to 1 out of 2. A combination of seven numbers is drawn randomly for each draw (two per day). Players win a predefined amount of up to €500,000 depending on the matches between the numbers they selected and the numbers drawn.

Amigo (traditional point-of-sale draw game, with counterparty winnings)

The price is €2, €4, €6, €8, €10 or €20, with the possibility of subscribing for 1, 2, 3 or 4 consecutive draws.

The player selects a combination of 7 numbers from the 28 possible (it is also possible to use the flash system, which automatically selects a random combination). The draw has two stages: the first stage is the draw of 7 blue numbers and the second stage is the draw of 5 yellow numbers. Depending on the matches between the numbers selected by the player and the numbers drawn in the two stages of the draw, the player can win up to €250,000. Winnings start with 4 correct numbers among the 12 numbers revealed. Broadcast every 5 minutes on the Amigo screen between 5 a.m. and 11.55 p.m., during the opening hours of the point of sale, the draw is interspersed with short programmes and responsible gaming messages to create breaks, raise awareness and entertain players.

Bingo Live (multi-player pooled game, only available online on fdj.fr)

The sale price ranges from €0.20 to €3.00 depending on the game formula chosen by the player.

Several players challenge each other during a draw to win the jackpot and/or amount in play. Players select their game formula then one or more cards available in the game room. A computerised draw extracts a pre-set number of balls out of 75 or 90, in accordance with the procedure specific to each game formula. Each ball is numbered from 1 to 75 or from 1 to 90. The order in which the balls are drawn is decisive. The jackpot corresponds to a number on the prize table, which must be matched with fewer than "x" balls to win the jackpot and the first-level winnings; it increases incrementally if there are no winners. The game ends when all winnings (excluding the jackpot) have been won and/or the maximum number of balls to take the winnings and the jackpot has been met. Prizes vary depending on the formula played, with fixed jackpots of €10,000 and rolling jackpots ranging from a minimum of €500 to a maximum of €100,000.

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 between €0.50 and €15, and maximum winnings between €500 and €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 between €0.25 and €3, and the maximum prize between €1,000 and €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. Part of their stake is allocated to funding the progressive jackpot, which provides the right to

a participation token. The tokens increase the jackpot with every play. One or more draws are done instantly based on the number of tokens related to the stake. The single win level is progressive, with a minimum Super Jackpot of €10,000. Stakes range from €0.03 to €0.09 depending on the unit stakes of each game in the Super Jackpot offer.

There are several types of instant games:

Scratch games

Scratch games are games which are 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 part.

They include games such as Cash, Astro, Banco, millionaire, Crossword, Solitaire and Morpion.

Instant risk 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 which 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% (which is within the maximum authorised), and are mainly aimed at the "experience and winnings" and "little pleasures" playing fields:

- games up to €3, which are aimed more at occasional players and correspond to the "little pleasures" playing field, require a large distribution network, a significant portfolio of games and a prize table that fosters testing, discovery and reinvestment;
- games of €5 and more, which are aimed more at regular players and correspond to the "experience and winnings" playing field, are aimed at players who are familiar with instant games, attracted by winnings of up to 10 times their stake and regular special events with the launch of limited editions.

FDJ has significant expertise in designing games, particularly their financial mechanics. This expertise enables it to create one-off and permanent games to liven up the range of scratch card games in order to renew players' interest and meet their expectations for new features.

FDJ also designs core and one-off games to liven up the range of games and, in particular, to renew the interest of regular players.

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

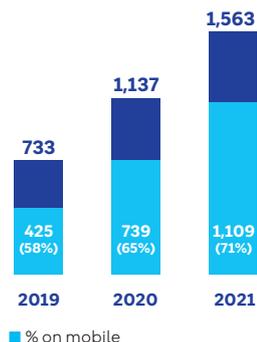
The Group's core businesses

1.3.1.2 ONLINE LOTTERY

In a growing online gaming market, FDJ has significantly strengthened its online lottery offer.

The development of online lottery has been driven by the significant increase in the number of players (a near-fourfold increase between 2016 and 2021, with a sustained increase in 2020 due notably to the health situation), 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 its lottery games, traditionally available in points of sale, to a digital format. It used the latest development technology available to provide the same game experience on all digital devices (computer, tablet and smartphone). Simplifying the distribution of its online offer with an optimised customer journey on its fdj.fr website and its mobile app (available on iOS and Android), FDJ offers an experience that encourages cross-selling between the various online lottery games, draw games and scratch cards. In line with FDJ's "mobile first" strategy, online stakes have increased significantly. In addition, the player experience was also rethought to enable playing in points of sale with a smartphone (preparation of the grid on a mobile phone and later validation of the grid at the point of sale of the player's choice).

In addition to its online lottery games, FDJ is developing new growth drivers by innovating and offering more in-game

interaction (e.g. scripted winnings) and more interaction between online players (multiplayer games, pooling of grids and stakes, etc.).

1.3.1.3 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, in compliance with the FDJ Group's responsible communication charter.

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 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 characters that are easy to identify with (sometimes in the shape of personified animals or tickets), in a joyful and positive tone underlying the fun, recreational and entertaining nature of FDJ games. Some of these films have contributed greatly to brand awareness by bringing slogans such as "Au revoir Président" (Bye bye Boss), "C'est le jeu ma pau' Lucette" (That's the game, my poor Lucette) into everyday language.

The commercial schedule is based on calendar events (Friday the 13th, Valentine's Day, Mother's Day, Christmas) and launches/reformatting, with an average of one event per month.

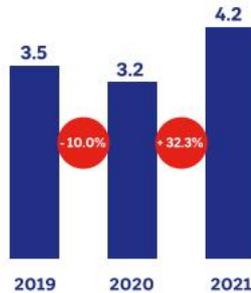
FDJ also uses promotional coupons (discount coupons) which are offered both in points of sale and online to increase the visibility of its games, of their benefits, of the options available, and of new products.

Improving the game experience

Online, FDJ regularly optimises and simplifies the registration process and the discovery of the game offer for players.

1.3.2 SPORTS BETTING

STAKES (in billions of euros)



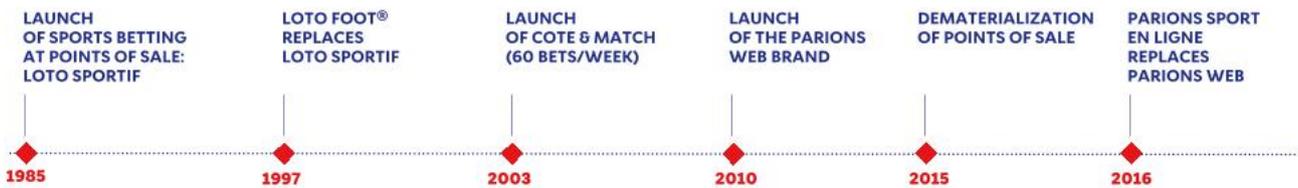
RATE OF DEMATERIALISATION OF SPORTS BETTING AT POINTS OF SALE



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 now the segment in which the Group is seeing the strongest increase in stakes (with an annual growth rate of 10.9% from 2016 to 2021).

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; the main operators generally offer several game verticals and operate in several geographical markets, unlike FDJ.

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

The Group's core businesses

1.3.2.1 FDJ'S SPORTS BETTING OFFERING

The table below provides a comparison between offline and online offers:

										
AVERAGE ANNUAL MAXIMUM PAYOUT RATIO										
PRODUCT OFFERING	<p>◆ FIXED-ODDS BETTING</p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> Pre-match for over 44 sports No live betting Over 73,000 events available Over 1,250,000 bets available </div> <p>◆ POOLED BETTING</p> <div style="border: 1px solid black; padding: 5px;"> Loto Foot®, Loto Rugby® and Loto Basket® </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> Pre-match for over 52 sports Live betting for over 33 sports Over 140,000 events available Nearly 12.8 million bets available </div> <div style="border: 1px solid black; padding: 5px;"> No pooled betting </div>								
SPECIFIC FEATURES OF THE OFFER	<table border="1"> <tr><td>Over 28,000 points of sale</td></tr> <tr><td>Digitalised stakes⁽¹⁾ iOS/Android apps</td></tr> <tr><td>Customer services</td></tr> <tr><td>Stats, Combi-bonus</td></tr> </table>	Over 28,000 points of sale	Digitalised stakes ⁽¹⁾ iOS/Android apps	Customer services	Stats, Combi-bonus	<table border="1"> <tr><td>Online</td></tr> <tr><td>iOS/Android/Web apps</td></tr> <tr><td>Customer services</td></tr> <tr><td>Video, Stats, Combi-boosted, Cash out, etc.</td></tr> </table>	Online	iOS/Android/Web apps	Customer services	Video, Stats, Combi-boosted, Cash out, etc.
Over 28,000 points of sale										
Digitalised stakes ⁽¹⁾ iOS/Android apps										
Customer services										
Stats, Combi-bonus										
Online										
iOS/Android/Web apps										
Customer services										
Video, Stats, Combi-boosted, Cash out, etc.										

The differences in player payout ratios and depth of offer between the offline and online channels stem from the various regulations.

Sports betting is included in the "expertise" playing field, which among other things is characterised by players having a more developed expertise.

The activity of sports betting operators is guided by sports events. Traditionally, even-numbered years are richer in sporting events, mainly the World Cup and Euro football tournaments. 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.

2021 benefited from the rescheduling of UEFA EURO 2020, and 2022 will benefit from the FIFA World Cup Qatar 2022™.

(1) Via an ADSL connection with the FDJ server.

Parions Sport Point de Vente

In points of sale, FDJ offers two distinct sports betting products: fixed-odds betting (on more than 40 sports) and sports Loto games (on football, basketball and rugby).

To remain competitive with the online market and offer its players an optimal gaming experience, Parions Sport is continuously improving and expanding its offer with the addition of new sports, new bets and new features.

The Parions Sport Point de Vente offer is accessible through a paper slip, but bets can also be prepared online, notably on mobile apps (83% of stakes in 2021).

	GAME MECHANICS	PRIZES
 (fixed-odds betting – FOB)	<p>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.</p> <p>The odds are greater or equal to 1 and include up to two decimal points. The minimum odds are 1.1 for single or combined bets.</p> <p>The fixed-odds betting offering in points of sale covers 44 sports, over 400 betting formulas (approved by the ANJ) and three game options (single, combined or multiple).</p>	<p>Cash winnings vary depending on the amount bet, the odds and the combination of bets.</p>
	<p>Loto Foot® consists of two independent prediction sports betting games based on the results of several sports events:</p> <ul style="list-style-type: none"> • Loto Foot® 7 • Loto Foot® 8 • Loto Foot® 12 • Loto Foot® 15 	<p>Winnings vary depending on the total stakes and are distributed to prize winners at each winnings tier.</p>
	<p>Loto Rugby® 7 comprises 7 games and Loto Rugby® 15 comprises 14 or 15 games.</p>	<p>A winner can win up to €2 million if they are the only player to complete the grid with the correct predictions on a Loto Foot® 15 grid with a Super Pactole of €2 million.</p>
	<p>Loto Basket® 7 comprises 7 games and Loto Basket® 15 comprises 12 or 15 games.</p>	

Parions Sport En Ligne

The Parions Sport En Ligne offer is different from the Parions Sport Point de Vente offer due to the range of bets available (over 52 sports available pre-match and 33 available live in 2021) and to the betting experience it provides. This gaming experience was enhanced in 2020 and 2021 by enriching the streaming offer, allowing players to watch the matches while betting on the event, and by the introduction of new bets matching players' expectations.

	GAME MECHANICS	PRIZES
 (online fixed-odds sports betting games)	<p>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.</p> <p>The odds are greater or equal to 1 and include up to two decimal points. The minimum odds are 1.01 for single or combined bets.</p> <p>The online fixed-odds betting offer covers over 52 sports, nearly 1,700 betting formulas (approved by the ANJ) and three game options (single, combined or multiple).</p>	<p>Cash winnings vary depending on the amount bet, the odds and the combination of bets.</p>

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

The Group's core businesses

The marketing mix of the sports betting offer continued to evolve in 2021 along the following five pillars:

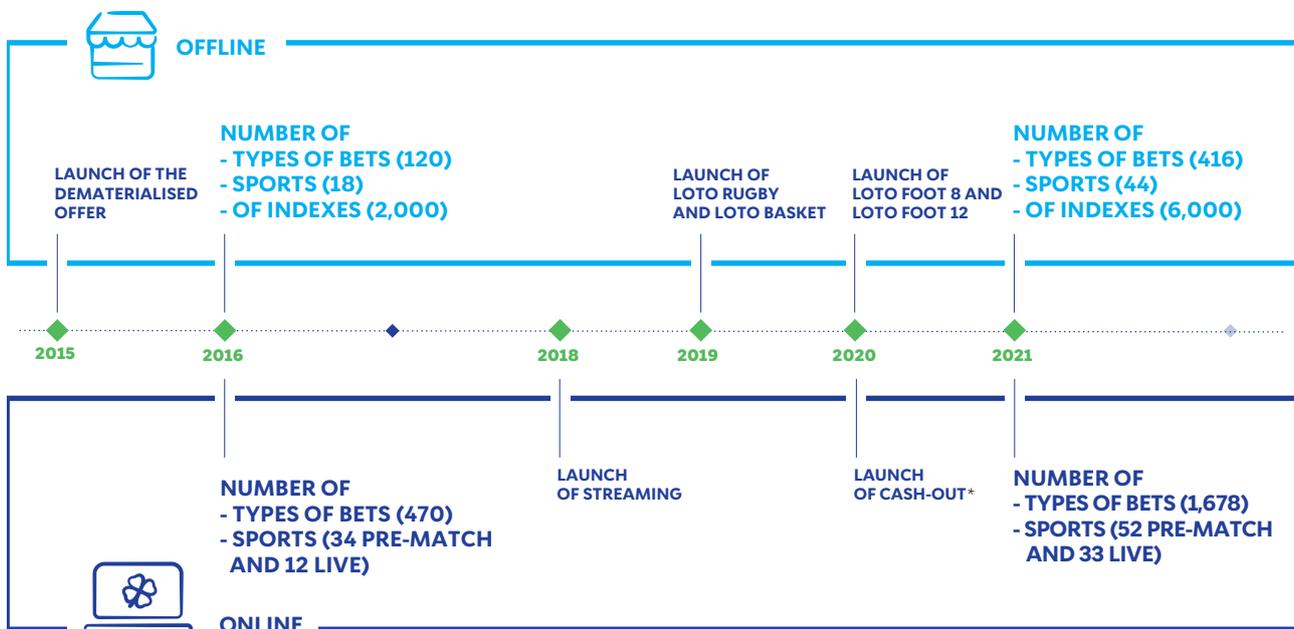
- brand: aided brand awareness reached 66% for men aged 18-49;
- design and functionality: FDJ redesigned all of its apps and its website, which are updated regularly; redesign of the Parions Sport En Ligne registration process;
- betting offer: since 2020, more than 140 new types of bets have been available in points of sale, and more than 340 online;

- price and promotion: FDJ has improved its promotional offers and its pricing policy (better odds);
- services and animation: implementation of a tailored customer service department and special assistance programmes.

The aim of the Sports Betting business is to continuously improve its positioning in each of these areas. This will enable it to provide an even more attractive offer to enable it to continue to recruit and retain players, both (i) offline and (ii) online.

1.3.2.2 PERMANENT ENRICHMENT OF THE OFFER

The Group's strategy is to constantly enrich the offer and 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.

1.3.3 DIVERSIFICATION ACTIVITIES

1.3.3.1 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. This related business is managed by the FDJ Gaming Solutions subsidiary, whose aim is to build its growth on strategic partnerships with other market operators.

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.

(1) Source: FDJ.

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		
<p>Turnkey services</p> <ul style="list-style-type: none"> - SCML (Portugal) – 2015 - ISBB (Israel) – 2018 - LORO (Switzerland) – 2018 - OLG* (Canada) – 2020 - AGLC* (Canada) – 2021 	<p>Trading services</p> <ul style="list-style-type: none"> - Over 40 customers - Arena Casino (Croatia) – 2021 - Dabble (Australia) – 2021 	<p>Digital content</p> <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 	<p>Instant games advisory services</p> <ul style="list-style-type: none"> - Lonase (Senegal) – 2020 	<p>Technology</p> <ul style="list-style-type: none"> - Lotto Baden Wurtemberg (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, in Ontario and Alberta.

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, and 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) 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 on this activity segment in the United Kingdom. Spread betting is forbidden 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 territories.

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

The Group's core businesses

1.3.3.2 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 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 two main types of offer:

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

FDJ 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. FDJ intends to provide a solution to public and private players who want to streamline their presence nationwide while maintaining their proximity to their customers and users. FDJ 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 pay invoices, taxes and fines or to pay for a shopping basket from an e-commerce website via a simple and secure solution.

FDJ entered into a technology partnership with Western Union in 2017. This has enabled it to develop Click&Pay, a simple and quick solution for money transfers from the FDJ point-of-sale game terminal. Thanks to a "mobile-to-store" solution, customers can now set up their transaction on their mobile phones, then go to the point of sale to complete the transaction.

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.



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.

FDJ also wishes to offer a service based on this invoice collection service model to reload electronic purses and manage deposits to payment accounts (e.g. prepaid cards, online accounts) from its points of sale. The service will be targeted at new payment players (neo-banks, fintech, online banks) who wish to develop an offline distribution network to reinforce their proximity and broaden the range of services they offer to their customers.

In the medium term, FDJ seeks to offer its own prepaid payment solutions based on the prepaid card and electronic purse model which would be reloadable at its points of sale. 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.

In addition, customer identification based on the applicable thresholds and data collection in compliance with the GDPR will enable FDJ to better understand its customers and, as a result, better address their needs and protect them.

1.3.3.3 ENTERTAINMENT

FDJ is aiming to expand into the entertainment market to strengthen its resilience by capturing players' attention and purchases 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 500,000 registered players.

New uses and disruptive technologies

FDJ is also working on high-potential disruptive models, with priority given to digital activities, generated notably by the emergence of new technologies or new operating models (NFT⁽¹⁾ technologies, Gaming as a Social Network, etc.).

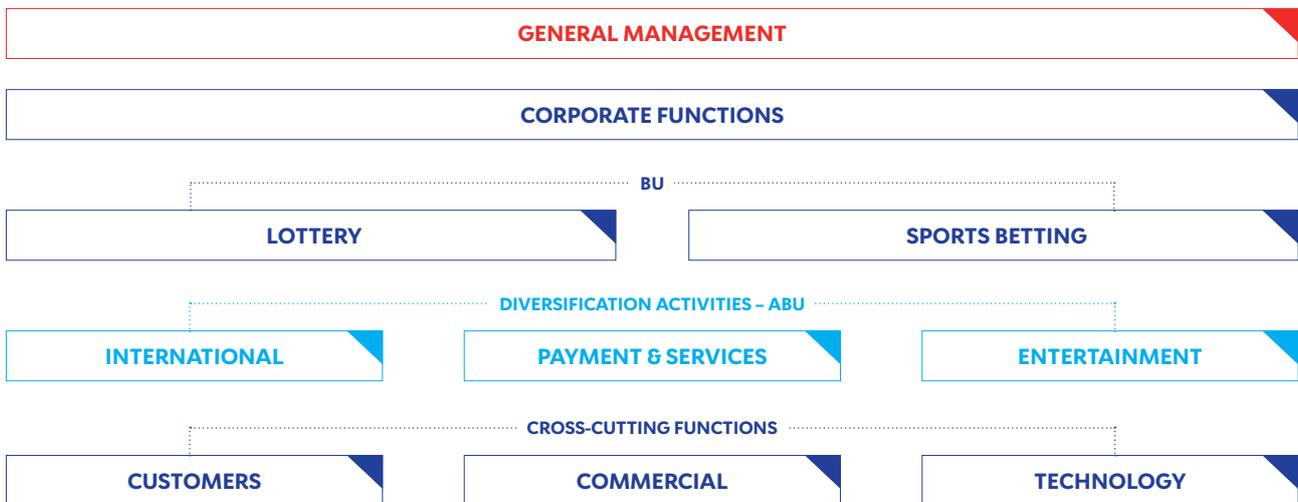
(1) NFT, for non-fungible token, is a type of cryptographic token that represents a digital object such as an image, video or audio file, to which a digital identity is attached. The NFT's authentication involves a blockchain protocol ensuring that tokens cannot be interchanged.

1.4 Operational organisation

FDJ has set up an operational organisation to implement its strategy.

In addition to its two business units (Lottery and Sports Betting BU), which manage well-established activities regulated by the ANJ and to its three business development units known as Acceleration Business Units (ABUs), which manage activities falling outside the scope of the ANJ's regulation of gaming and which face specific challenges as described in section 1.3 "The Group's core businesses", FDJ is organised around:

- three cross-cutting functions which manage the operational implementation of the strategy with the goal of optimising resources. Their role is to facilitate the implementation of the strategy. These are the Customer Service, Offline Distribution of Sales and Technology Departments; and
- corporate departments which define the Group's overall policy and ensure its global consistency. These corporate functions include the Innovation Department.



1.4.1 CROSS-CUTTING FUNCTIONS: CUSTOMER SERVICE, SALES AND TECHNOLOGY

1.4.1.1 CUSTOMER DEPARTMENT

Customer strategy

Customers are at the heart of the FDJ strategy. The Group has developed a model which enhances the customer relationship and client journey to create value, which are optimised by knowledge of the customers and guarantee integrity and a responsible approach. FDJ relies on three key components: the player base, gaming frequency and average stakes.

To optimise its growth, FDJ is developing detailed knowledge of its players by cross-referencing the segmentation based on gaming habits, player value and profile criteria with a segmentation of its points of sale based on the types of games and player types.

This knowledge enables the BUs to provide an optimised customer experience by using their three main action levers: products and services, distribution and activation.

Customer Department

The Customer Department, acting as an internal service provider to the two BUs, is in charge of developing the tools and services needed to gain customer knowledge and to develop the customer relationship. Its mission is to ensure the quality and consistency of the customer experience, the operational implementation of responsible gaming approaches, the consistency of data and management rules (regulatory and legal compliance, notably with the GDPR), the protection of customer data integrity and overall operational performance.

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

Operational organisation

The Customer Department consists of three business lines:

- customer knowledge, which is based on customer tools (marketing studies, satisfaction surveys, customer barometers, etc.), on the voice of the customer, and on customer experience and relations;
- customer service (classic customer service business), whose outsourced activity manages all incoming flows (level 1), via the various channels available to customers (telephone, e-mail, chat, etc.). Complex or sensitive cases requiring expertise are managed internally by the Customer Department or another FDJ Group department (Security Department, Legal Department, etc.);
- the multichannel platform, which consists in managing customer accounts, is intended to improve the registration process and player journey, while guaranteeing strict compliance with all regulatory constraints.

The Customer Department is also responsible for managing the overall customer knowledge and identification process, a priority cross-departmental challenge, which is intended to collect information about the players, notably in points of sale to:

- track and analyse player habits. This is an indispensable prerequisite for the development of a personalised customer relationship and the increase in customer value;

- propose personalised moderation tools to effectively address issues involving players whose gaming behaviour could put them at risk; and
- have the resources needed to effectively fight fraud and money laundering.

The Customer Department, in close cooperation with the Responsible Gaming Department, is also responsible for identifying players at risk with respect to excessive gambling, notably via the Playscan™ tool (designed by the Swedish lottery, which enables identification of these profiles based on behaviour monitoring and profile analysis) or the implementation of specific game moderators suited to the habits of each player (see section 3.6.3 "Responsible Gaming Policy").

FDJ continuously develops its customer relationship management (CRM) tools to improve:

- interaction with its players through the optimisation of relational and promotional marketing campaigns, based on targeted and personalised customer usage and behaviour;
- the quality of its customer reference data via a single real-time repository for all distribution channels;
- the registration and certification process for online players, and the differentiated management of customer relationships depending on their usage.

1.4.1.2 COMMERCIAL FUNCTION AND OFFLINE DISTRIBUTION NETWORK

A local network

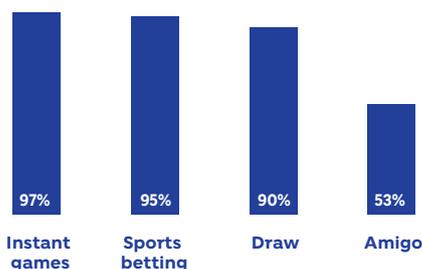
> 30,000
points of sale

With a network of over 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 points of sale, whether in urban, suburban or rural areas. This makes it the largest local network in France.

The network consists overwhelmingly of tobacconists (76%), bars (56%) and newsagents (55%), but FDJ has also begun to diversify its distribution into new types of points of sale so as to maintain its nationwide coverage. This complementary network now has more than 1,100 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.

WEIGHT OF APPROVALS IN THE NETWORK



A dynamic and resilient network

€16.8bn
in POS stakes
i.e. €10,720 in average weekly stakes per POS

At €16.8 billion, physical distribution in points of sale accounts for nearly 90% of stakes. That represents an average of €10,720 per POS per week of trading.

€3.1bn
in digitalised stakes

Stakes in the point-of-sale network are also highly 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.

€901 m
in commissions paid to retailers over the year
i.e. €29,900 in annual commission per POS

FDJ contributes to the economic and social activity of all French regions via its distribution network, with €901 million in commissions paid to retailers in 2021, i.e. an average annual commission of €29,900 per point of sale in 2021. This is often the second-largest source of income for retailers. Commissions have created or maintained 21,100 jobs 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
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 relate it to the performance level of the point of sale.

FDJ distributes and maintains more than 380,000 items of POS equipment, 100,000 of which are connected, throughout its network in order to provide a quality experience to both players and distributors in the points of sale.



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);
- to 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 verification of winnings (28,000 receipt checkers).

JOBS IN THE COMMERCIAL FUNCTION

The commercial function is responsible for managing independent distributors. It consists of five business lines:

 <p>Strategy, transformation and performance</p> <p>Tasked with defining the network strategy for five years, 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 building and managing the sales action plan in collaboration with the BUs; also in charge of training and communication for retailers; design of all the tools needed to market offers and services at the point of sale (merchandising, promotion, communication, animation); and management of the player customer experience at the point of sale.</p>	 <p>Supply chain and operations</p> <p>Tasked with overseeing product distribution (through courier operators operating out of two warehouses located in Ile-de-France); installation and maintenance of POS equipment, technical support to retailers, administrative management of retailer contracts and collection of offline stakes.</p>	 <p>Sales force</p> <p>Tasked with implementing action plans with retailers through calls and sales visits, managing files for the opening of points of sale or granting new game and service approvals to existing points of sale.</p>
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Commercial strategy:

FDJ's commercial strategy is organised around three pillars:

1

Support and revitalise the traditional bar-tobacconist-newsagent network

Support and revitalise the traditional bar-tobacconist-newsagent network by:

- building up the business by renewing its range of games on a regular basis, particularly with innovative games, and by maximising the number of approvals per point of sale;
- modernising 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 €150 million invested between 2015 and 2020);
- diversifying network revenue streams through the addition of new payment-related services.

2

Complement and diversify offline distribution channels

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.

3

Continue the transformation of the sales model in search of greater performance

Continue the transformation of 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.



1.4.1.3 TECHNOLOGY DEPARTMENT

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



The Technology Department consists of the teams managing the evolution of the information system (Information Systems Department), the technical engineering for its operation, including the management of operations (Technical

Department) and security (Information Systems Security 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.



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 develop 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.

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.

1.4.2 STRATEGY AND INNOVATION DEPARTMENT

The Strategy and Innovation Department has two main purposes:

- develop and manage the Group's strategy (see 1.2.2 "Our strategy") and ensure that it is implemented consistently at operational level;
- accelerate the Group's growth through innovative projects.

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

The department lays down the Group's strategy and manages 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) Accelerate the Group's growth through innovative projects

The department lays down the Group's innovation strategy and implements it through an open innovation and experimentation approach.

The innovation strategy is based chiefly on four main areas of innovation:

- customer identification and knowledge, particularly at the point of sale;
- phygital experiences, in particular the contribution of digital channels in the point of sale or the introduction of physical dimensions into digital journeys;

- the 2030 point of sale, to assist the physical distribution network as it works to enhance its attractiveness, modernity and digitalisation;
- emerging technologies, to anticipate the opportunities and risks of new technologies such as blockchain or artificial intelligence.

In implementing its innovation strategy, FDJ adopts an open innovation approach. Since 2015, it has formed partnerships with players in the innovation ecosystem, including venture capital funds, start-up incubators and think tanks. The aim is to give it special access to the most relevant innovative players (start-ups especially), with a view to helping it detect trends and be able to call on specific expertise. In 2019, FDJ even launched its own corporate investment 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.

Each year, FDJ identifies more than 1,000 start-ups, qualifies over 500 of them, performs diligence on more than 200 of them and conducts experiments centrally with about 15 of them.

In addition to the experiments carried out directly by the BUs and departments, FDJ has experimental capacities through an Inno Lab that tests and validates use cases before any move to industrial scale. It implements the Group's innovation strategy through POCs (proof of concept), some of which result from an intrapreneurial approach.

This culture of innovation irrigating all levels of the Company has resulted in numerous achievements since 2015, such as the digitalisation of point-of-sale game stakes thanks to a QR code, phygital lottery games, the digital game distribution marketplace (LEIA), eSport initiatives and, today, the possibility for French people to pay their taxes, utility bills and fines in points of sale.

1.5 Trademarks, patents and licences

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

1.5.1 BRANDS AND TRADEMARK LICENCES

The Group's brands, the most significant of which are FDJ and Loto®, are highly visible brands and are very important for FDJ's communication and brand recognition. The Group attaches great importance to the choice of brands for its games. 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 brands are usually developed in-house by the lottery and sports betting teams. FDJ's game brands contain strong markers often based on humour. Note that 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 agreement to develop themed games within its various game lines.

1.5.1.1 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. Most 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 2020, around a hundred prior-art searches were carried out and 39 trademarks were registered, including one in Switzerland. In addition, 52 trademarks were renewed.

1.5.1.2 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.

1.5.1.3 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 which are similar or identical to its own.

In 2020, this monitoring served to identify 319 similar trademarks registered by third parties. Of these 319 trademarks, FDJ decided to take action against 121 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. For example, in 2020, FDJ obtained the limitation of some 30 disputed trademarks and the withdrawal of a further eight.

1.5.1.4 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 license 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 licenses 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.

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

Regulatory environment

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.

1.5.2 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.

1.5.3 DESIGNS AND MODELS

The Group registers few designs and models. The only significant one is the jersey of the Groupama FDJ cycling team

which was registered in France on 16 March 2018 and in the European Union on 26 June 2018, within O202 class.

1.5.4 PATENTS

The FDJ Group's current patent portfolio includes 14 issued patents and 13 patents pending, mainly covering France, the rest of Europe, the United States, Canada, Australia and China.

In 2020 and 2021, the portfolio was expanded by seven 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.

1.6 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 activities abroad, including the laws and regulations applicable to the activities of Sporting Group (see section 1.3.3.1 "B2B international services"), and (ii) as part of its payment and services activities in points of sale.

1.6.1 SHARED REGULATION OF ALL ACTIVITIES CARRIED OUT UNDER EXCLUSIVE RIGHTS AND IN COMPETITION

FDJ operates in the gaming sector, a highly regulated sector and 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.

The gaming sector falls under a general prohibition principle set out in Article L. 320-1 of the French Internal Security Code.

This prohibition in principle is, however, subject to exceptions provided for by law in certain gaming segments:

- casino games operated in such establishments and gaming clubs;

- online and offline distribution network lottery games, subject to an exclusive rights regime;
- sports betting and horse-race betting in physical distribution networks, which are both subject to exclusive rights regimes;
- video game competitions in the physical presence of competitors that meet the criteria for gaming;
- the three online gaming and betting segments opened to competition since 2010, namely online sports betting, online horse-race betting and online poker.

Within the context of these exemptions, gaming operations are subject to a regime of exclusive rights, regime of prior authorisation or approval issued by the French State. In this framework, FDJ operates games under rights held exclusively (online lottery games and offline distribution networks, sports betting games in offline distribution networks) and in competition (online sports betting).

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;
- ensuring the integrity, reliability and transparency of gaming operations;
- preventing fraudulent or criminal activities as well as money laundering and terrorist financing.

Therefore, the games offered by these operators must help to channel the demand for gambling towards regulated offers controlled by the public authorities and prevent the development of illegal gambling offerings.

Since the first meeting of its college on 23 June 2020, the French gaming regulatory authority (ANJ) has been competent to regulate and control all gaming activities, except those operated by casinos and gaming clubs, or video gaming competitions, which remain under the control of the Ministry of the Interior.

PREVENTION OF EXCESSIVE AND UNDERAGE GAMBLING

The objective of preventing excessive gambling and underage gambling underlies a large number of obligations placed on all gaming operators subject to regulation by the ANJ.

FDJ is accordingly required to submit annual action plans in this area to the Authority for approval, both for its activities operated under exclusive rights and for its online betting activities operated in competition. Its submission must include a report on the implementation of the previous year's plan.

The annual action plans take into account the reference framework for the prevention of excessive or pathological gambling and the protection of minors contained in the Order of 9 April 2021, which sets out the obligations in terms of responsible gaming incumbent on gaming operators under the legislative and regulatory provisions in force, as well as the heightened obligations weighing on those holding exclusive rights.

The obligations in question relate in particular to:

- assessing the attractiveness and limiting the potentially addictive effects of games and betting at the design stage;
- supervising commercial communications in favour of gaming and betting operators via any channel, with the aim of preventing them from encouraging excessive or underage gambling;
- supervising the conditions for granting financial inducements to players (e.g. discount coupons at points of sale, online credits, free stakes);

- taking measures to prevent underage gambling, both online and offline;
- introducing moderators to maintain the recreational nature of players' gaming practices, as well as self-exclusion mechanisms or information to the player on the possibility of joining the register of banned players kept by the ANJ;
- identifying at-risk or problematic online and offline players, and providing them with support through information tools, self-assessment of their gaming practices and referral to specialised support, or even care services;
- implementing an organisation and means of all kinds sufficient for the proper execution of action to prevent underage and excessive gambling, and rolling out an appropriate training programme in this area, aimed at partner employees and retailers.

OBLIGATIONS IN THE FIGHT AGAINST FRAUD, MONEY LAUNDERING AND THE FINANCING OF TERRORISM

As a gaming operator, FDJ is subject to the anti-money laundering and terrorist financing obligations set forth in Chapter I of Title VI of Book V of the French Monetary and Financial Code, the proper execution of which is monitored by the ANJ.

FDJ is required to submit annual action plans in this area to the Authority for approval, covering the areas of combating fraud, money laundering and the financing of terrorism for its gaming activities operated under exclusive rights and in competition.

These action plans take into account the reference framework for the fight against fraud, money laundering and terrorist financing contained in the Order of 9 September 2021, which sets out the obligations incumbent on online gaming operators under exclusive rights and in competition under the legislative and regulatory provisions in force, as well as those specific to gaming activities at points of sale.

The obligations in question relate in particular to:

- carrying out analyses of money laundering risks on the one hand, and fraud risks on the other, as well as measures aimed at reducing them;
- establishing an organisation and mobilising sufficient means and resources of all kinds for the proper execution of obligations in terms of the fight against money laundering and fraud, establishing internal control mechanisms, as well as designing and rolling out an appropriate training programme for employees and retailers;
- implementing customer due diligence measures, which must be aligned with the risks and circumstances, including the identification and verification of the identity of players with player accounts, and the monitoring of the business relationship with them, as well as that of point-of-sale players betting or winning more than €2,000 per game or betting receipt;
- collaborating with the public authorities in the fight against money laundering and fraud, as well as the modalities for reporting suspicions to TRACFIN;
- implementing procedures and arrangements in relation to persons subject to asset freezes.

OBLIGATIONS REGARDING THE ADVERTISING AND PROMOTION OF GAMING

Like other gaming and betting operators with the exception of casinos, FDJ is required to submit each year to the ANJ the promotional strategy it plans to roll out to support the launch and marketing of games and betting activities operated under exclusive rights, particularly with regard to responsible gaming objectives. The terms and conditions of approval are set out in Decree No. 2020-1349 of 4 November 2020.

This prior control of operators' advertising and promotional activities is supplemented by a number of obligations laid down in various texts, including the Internal Security Code, in particular:

- any commercial communication in favour of an offer or an operator, whatever the medium, must comply with the restrictions relating to the content of the messages intended to prevent the encouragement of excessive gambling (Article D. 320-9) and underage gambling (Article D. 322-10);
- it must include warning messages (Articles L. 320-12 and D. 302-2 to D. 320-8) and refer to the ban on underage gambling ("under 18" pictogram);
- it must respect the rules on non-solicitation of persons who have excluded themselves or been banned from gaming (Article L. 320-11), as well as the rules on inclusion (Article L. 320-12) and bans (Article L. 320-12 and L. 320-14) aimed at protecting minors;
- it must comply with the 2013 recommendation of the French broadcasting regulator (Conseil supérieur de l'audiovisuel – CSA) on commercial communication in favour of gaming, as well as with the charters of television and radio broadcasters and agencies, and the charter on ethical commitments in terms of advertising, sponsorship and product placement in favour of gaming, signed under the auspices of the CSA in 2011 and 2013 respectively;
- it must also comply with the recommendation of the French Advertising Regulation Authority (ARPP) on gaming advertising and with the charter of the French National Union of Television Advertising (SNPTV).

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 inducement 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.

OTHER OBLIGATIONS IN THE GAMING SECTOR

The regulations in force impose a certain number of reporting obligations on online gaming and betting operators to the ANJ, whether carried out in competition (online sports and horse-race betting, online poker) or under exclusive rights (online lottery), as well as in points of sale (lottery, sports and horse-race betting). These obligations, the implementation of which takes into account the specific features of the various offers and distribution channels, are all intended to enable the Authority to monitor gaming activities, control the regularity and integrity of operations, and verify the proper performance of their obligations by operators.

Operators falling within the scope of regulation overseen by the ANJ must also comply with a certain number of obligations regarding the conditions under which their offer is made available to the public, especially when this provision is made by means of a player account, both online and offline. These obligations are laid down notably in Law No. 2010-476 of 12 May 2010 and Decree No. 2010-518 of 19 May 2010, as amended.

They cover the account holder's entire "journey", from registration to closure, and cover requirements aimed among other things at preventing underage gambling, ensuring that gaming remains recreational, and also guaranteeing the traceability and integrity of gaming operations, and compliance with the rules on the protection of players' personal data.

With regard to the protection of players' assets, in the context of its gaming and betting activities on player accounts, whether in monopoly or competition, FDJ must also provide evidence of the existence of a guarantee, a trust, an insurance policy, an escrow account or any other instrument or mechanism guaranteeing, under any circumstances, the repayment of all funds payable to players holding accounts.

Control of the proper implementation of these obligations is entrusted to the ANJ.

OTHER GENERAL OBLIGATIONS NOT SPECIFICALLY RELATED TO THE GAMING SECTOR

Fight against corruption

Pursuant to Law No. 2016-1691 of 9 December 2016 relating to transparency, the fight against corruption and the modernisation of economic life, FDJ is required to put in place procedures to protect whistleblowers.

FDJ's Chief Executive Officer and Deputy Chief Executive Officer must also ensure the implementation of:

- a code of conduct defining and illustrating the different types of behaviours to be banned as being likely to characterise acts of corruption or influence peddling;
- internal whistleblowing procedures to enable the collection of reports from employees concerning the existence of behaviours contrary to the code of conduct;
- risk mapping in the form of documentation to identify, analyse and prioritise the risks of FDJ's exposure to external solicitations for the purposes of corruption;
- procedures for evaluating the situation of customers, first-tier suppliers and intermediaries with regard to risk mapping;
- accounting control procedures designed to ensure that accounting items are not used to conceal acts of corruption or influence peddling;
- a training programme for management and employees most exposed to such risks; and
- a disciplinary regime to penalise violations of the code of conduct.

Likewise, they are required to set up a system for the internal control and evaluation of such measures.

Processing of personal data

FDJ collects and processes information classified as protected personal data.

As a result, FDJ is subject to compliance with (i) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ("GDPR") and (ii) Law No. 78-17 of 6 January 1978 relating to data, files and liberties ("French Data Protection Act").

In this context, FDJ is required to comply with the GDPR, which includes, in particular, maintaining governance of data, appointing a data protection officer, identifying the processing and establishment of registers of controllers and subcontractors, and analysing the legal basis for processing the personal data being processed.

Failure to comply with the provisions of the GDPR could lead to the imposition of fines of up to €20 million or 4% of global revenue, whichever amount is higher.

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

1.6.2.1 REGIME OF EXCLUSIVE RIGHTS ENTRUSTED TO FDJ

Paragraph 1 of Article 137 of the Pacte Law states that the rights to operate lottery games marketed both offline and online, and PoS sports betting games are entrusted for a limited period of time to a single legal person subject to the close control of the French State. Paragraph 2 of the same article designates FDJ as the sole legal person being granted these exclusive rights. As a result of the combination of these provisions and those of Order No. 2019-1015 of 2 October 2019 (Article 15) adopted for their application, the exclusive rights in question entrusted to FDJ were secured for a period of 25 years as from the entry into force of the Pacte Law (23 May 2019).

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 enshrines a convention between the French State and FDJ (the "Convention"). The Convention, published, like the Decree, in the Official Journal of the French Republic, expires on 22 May 2044, when the exclusive rights granted to FDJ will also expire.

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).

Its second purpose is to anticipate the end of the exclusive rights period. 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. Upon normal or early term

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 the exploitation of the exclusive rights, as well as a licence free of charge relating to the software and patents strictly necessary for their exploitation for a period limited to 18 months from the end 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.

The Close Control Decree approves the list of FDJ's requirements approved by Decree, also published in the Official Journal of the French Republic, which imposes obligations on FDJ in return for the exclusive rights entrusted to it (hereinafter the "Specification Document").

A number of these obligations contribute to the objectives of preventing underage gambling and excessive gambling, while others set out conditions for the operation of betting games under exclusive rights, such as the requirement to offer an attractive range of products throughout the country in order to distract players from illegal offers, or the requirement to take out the insurance necessary for adequate coverage of the counterparty risks relating to certain games.

Other obligations cover the measurement of the satisfaction of players and retailers, and the organisation of ongoing 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.

1.6.2.2 TERMS OF THE CLOSE CONTROL BY THE FRENCH STATE

As from the date of transfer of the majority of FDJ's share capital to the private sector, the Order provides for the implementation of close control of gaming activities operated by FDJ under exclusive rights and of the Company by the French State, through the following measures:

- the FDJ articles of association and amendments thereto must first be approved by decree;
- a 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 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 also on committees and commissions created by the Board of Directors of FDJ as from the transfer of the majority of its share capital to the private sector. He or she may request the inclusion of any matter on the agenda of an ordinary meeting of those bodies and is the intended recipient of their deliberations. The Government Commissioner may also challenge the decision of the deliberative body of FDJ for reasons derived from the objectives of the gaming policy mentioned above under conditions specified by decree and challenge proceedings relating to projected income and operating or investment expense statements. 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. Pursuant to the Close Control Decree, as from the date of transfer of the majority of FDJ's share capital to the private sector, the deliberations of the Board of Directors of FDJ are automatically enforceable, provided that the Government Commissioner has not opposed them on grounds relating to the objectives defined in Article L. 320-3 of the French Internal Security Code, within five days of the meeting of the Board of Directors attended or, failing that, upon receipt of the minutes of deliberations. Similarly, the deliberations 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 by the Government Commissioner of this prerogative is immediately reported to the minister in charge of the budget;
- the appointment of the Chairman and Chief Executive Officer of FDJ is subject to prior approval by the ministers in charge of the economy and the budget, after consultation with the ANJ. This approval may be withdrawn by order of the competent ministers, after consultation with the ANJ;

- FDJ is subject to the economic and financial control of the French State in accordance with the terms of Decree No. 55-733 of 26 May 1955. The purpose of this control is notably to analyse risks and evaluate the performance of FDJ (see section 1.6.4. "Control by administrative authorities"). FDJ is also subject to supervision by the Cour des Comptes (French Court of Audit);
- 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, shall require 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 as long as such shareholdings have not been approved by the ministers in charge of the economy and the budget.

Lastly, the French State monitors the proper execution of the obligations imposed by the Specification Document on FDJ, which reports on this matter in an annual report submitted to the ministers responsible for the economy and the budget. The ANJ contributes to the monitoring of compliance with the Specification Document and the Convention between FDJ and the French State. In this context, it informs the competent ministers of any failure by FDJ to comply with the Specification Document.

1.6.2.3 OPERATION OF GAMING ACTIVITIES UNDER EXCLUSIVE RIGHTS

Definition of lottery games and categories subject to 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 two distinct categories, which are themselves subdivided into several ranges.

Categories	Range of games	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)	Loto®, Euromillions
	Successive draw games (draws occur more than once a day)	Amigo, Keno, Bingo Live
	Additional draw games (games offered in addition to another game, optionally or otherwise)	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)	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)	Instant Loto, Keno Atlantia, Les Clés du Trésor
	Additional instant games (games which are only available as a complement to one or more other games, optionally or otherwise)	Super Jackpot

Articles D. 322-9 to D. 322-18 of the French Internal Security Code also provide for the following limitations on the offer of games:

- the number of lottery games, all ranges combined, simultaneously operated through an offline distribution network is limited to a maximum of 40 games;
- the number of lottery games, all ranges of games combined, simultaneously operated through an online distribution network is limited to a maximum of 100 games;
- the games' regulation limits the total amount of winnings actually paid to winners, for each intervention of chance, to a maximum amount of €250 million for the first pool rank winnings in each lottery game and to €100 million for lottery games based on the counterparty principle.

Lastly, Article D. 322-10 of the French Internal Security Code sets ranges and/or ceilings for the share of stakes going to the winners of lottery games, for which the mathematical expectation of winning must be between 45% and 75% of total stakes.

Under Article D. 322-10 of the French Internal Security Code, the shares of the amounts wagered in lottery games and allocated to the winnings are as follows:

- for draw games, the share allocated to winners ranges between 50% and 60% for each traditional draw game, between 59% and 70% for each additional draw game and between 65% and 72% for each successive draw game;
- for instant games, the share allocated to the winners ranges between 62% and 75% for each scratch game, between 65% and 75% for each immediate random game and between 60% and 70% for each additional instant game.

For all scratch games, offered both online and offline, the average share allocated to the winners amounts to at least 50% and at most 70.5% of the nominal value of the issues over a significant number of issues.

Definition of offline sports betting

- The sports betting that FDJ is authorised to operate under exclusive rights in a physical distribution network include, pursuant to the combined provisions of Articles L. 320-13 and L. 320-14, and D. 322-19 to D. 322-22 of the French Internal Security Code and Article 8 of the Exclusive Rights Decree: fixed-odds betting, i.e. betting for which the operator offers players odds corresponding to its assessment of the probabilities of the outcome of the competitions on which players are betting, and for which the winnings are fixed, expressed as a multiplier of the bet and guaranteed to players by the operator;
- pooled betting, or 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.

Forms of sports betting other than those falling within these two ranges are subject to prior authorisation by the ANJ, pursuant to Article 34 V of Law No. 2010-476 of 12 May 2010 (see "Control of the supply of games and stakes under exclusive rights").

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.

Article D. 322-19 of the French Internal Security Code also provides that for all offline sports betting, the maximum payout amounts to 76.5% of bets on average over a calendar year.

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, before 30 September, FDJ must submit its gaming and betting programme to the ANJ for approval, including a description of the new games it plans to operate for the following year and the terms for the continued operation of existing games. In this document, FDJ also reports on the execution of the previous year's Games and Betting Programme. The college of the ANJ shall issue its decision on this programme before 30 November of each year, specifying in its approval, where necessary, the conditions of its implementation.

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. In its decision 2020-024 of 8 September 2020, the college of the ANJ specified the procedures for submitting an application for authorisation and the content of the related file. 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.

Notice of the ANJ's decision to authorise or to refuse to authorise a lottery game must be provided to FDJ and to the minister in charge of the budget.

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.

1.6.3 REGULATION OF ACTIVITIES CARRIED OUT 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.

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

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 establishments and youth training or leisure establishments, within which new points of sale cannot be established, the acquired rights of the 30,000 existing FDJ points of sale being maintained. Within that perimeter, direct or indirect advertising for any form of gaming other than casino gaming is prohibited, with the exception of signs and promotional messages on the front of FDJ points of sale, as well as displays within them.

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.

Pursuant to Articles L. 320-8 and L. 320-9 of the French Internal Security Code, direct access to FDJ gaming terminals without human intermediation (i.e. terminals allowing games or bets to be taken without the intermediary of a retailer thanks to a player account) shall be reserved for players whose identity and date of birth have been previously verified for the purposes of controlling registration on the lists of persons prohibited from gaming. In addition, an order dated 31 October 2019 limits the maximum number of such gaming terminals in a single point of sale to one terminal for lottery games and one terminal for sports betting.

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.

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.

The ANJ is responsible for monitoring the proper implementation of the obligations imposed on approval holders by these texts.

1.6.4 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

As previously noted, 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 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 Government commissioner may oppose the deliberations of the corporate body that deliberates on 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)

Finally, 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 applicable in the event of the establishment of a new point of sale in violation of a perimeter set by the competent prefect around public or private educational establishments and youth training or recreation institutions, or if direct access is allowed to gaming terminals

with player accounts and without a human intermediary to a player whose identity and date of birth have not been previously verified.

A fine of €150,000 is provided 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 Sanction Committee may punish FDJ with various penalties, after the giving of 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 from 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 will be 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 Sanction 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 Sanction 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 license. This amount will be increased to 10% in the event of a repeat offence.

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

Regulatory environment

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 Sanction 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.

1.6.5 TAXATION OF GAMBLING OPERATED BY THE GROUP

Levy, tax or contribution	Applicable rates
Levy on lottery games for the benefit of the State General Budget (or of the Fondation du Patrimoine for games dedicated to this public interest cause)	54.5% of gross gaming revenue for traditional draw games for which the first prize level is distributed in a pooled way and 42% of gross gaming revenue for other lottery games
Prizes or winnings unclaimed after the expiry of the deadline (tax base: unclaimed prizes)	The terms and conditions of the levy are set out in Decree No. 2019-1456 of 26 December 2019
Levies on sports betting in physical distribution networks and online for the benefit of the State General Budget	27.9% of gross gaming revenue from online sports betting marketed in the offline distribution network and 33.7% of gross gaming revenue from sports betting
Levies paid to the French National Sports Agency, which is responsible for high-performance sports and the expansion of access to the practice of sport	5.1% of gross lottery revenue and 6.6% of gross revenue from sports betting marketed at points of sale and 10.6% for online sports betting up to a predetermined ceiling (surplus paid back to the general budget)
Generalised social contribution (<i>contribution sociale généralisée</i>)	6.2% of gross gaming revenue for lottery games marketed in points of sale and online
Social levy on sports betting, irrespective of the operating medium	6.6% of gross gaming revenue for sports betting marketed in points of sale and 10.6% of gross gaming revenue for online sports betting
Contribution to the reimbursement of the social debt (<i>contribution au remboursement de la dette sociale</i>)	2.2% of gross gaming revenue from lottery games, regardless of the format

1.6.6 REGULATION OF ACTIVITIES UNDER EXCLUSIVE RIGHTS IN OVERSEAS TERRITORIES AND MONACO

FDJ operates gambling activities in Guadeloupe, French Guiana, Martinique, Réunion, Saint-Barthélemy, Saint-Martin, Saint-Pierre-et-Miquelon and French Polynesia.

In accordance with Article 73 of the French Constitution, FDJ's activities in Guadeloupe, French Guiana, Mayotte, Martinique and Réunion are governed, by virtue of the principle of identity, by the same laws and regulations as in Metropolitan France. In these overseas departments and regions, FDJ operates gambling under the same conditions as in Metropolitan France.

In accordance with special laws and regulations, FDJ is authorised to operate online and offline lottery games and sports betting in Saint-Barthélemy and Saint-Martin on the basis of a convention between the company and those overseas territories⁽¹⁾.

Pursuant to special laws and regulations, FDJ is authorised to operate its games in Saint Pierre et Miquelon on the basis of a convention between FDJ and that territory concluded on 29 November 1994.

In French Polynesia, FDJ is authorised to offer gambling products pursuant to Article 43 of Law No. 89-935 of 29 December 1989 and Decree No. 90-1155 of 20 December 1990. As authorised by the provisions of the aforementioned Decree No. 90-1155 of 20 December 1990, for the operation of its games in French Polynesia, FDJ relies on its local subsidiary, La Pacifique des Jeux. The operating conditions for those gambling activities are determined by a convention between FDJ and French Polynesia entered into force on 27 December 2016. This convention was concluded for a period of five years starting on 1 January 2017 and is renewable automatically twice for the same period. At this stage, online lottery games and offline sport betting are not available in French Polynesia.

FDJ concluded an agreement with Société Hôtelière et de Loisirs de Monaco on 1 July 1995, under which it operates its gambling and betting activities under exclusive rights in the Principality of Monaco.

(1) Convention of 5 July 2011 between the collectivity of Saint-Barthélemy and FDJ and the convention between FDJ and the collectivity of Saint-Martin of 28 June 2013.

1 OVERVIEW OF THE GROUP AND ITS ACTIVITIES

2

Governance and remuneration

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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: <http://www.medef.com>. The Company always has copies of this Code available for members of its corporate bodies to review.

The Company complies with all recommendations of the Afep-Medef Code with the exception of the point detailed below concerning **the award of performance shares and purchase options**.

Indeed, in accordance with Article 25.3.3 of the Afep-Medef Code, it is recommended to avoid concentrating too large an award among the executive Corporate Directors. Boards will be responsible, depending on each company's own situation (size, business sector, varying scope of award, number of executives, etc.), for defining the maximum percentage of performance shares and options that may be awarded to executive Corporate Directors relative to the total amount approved by the shareholders. The resolution authorising the award plan put to a vote at the General Meeting of Shareholders must mention this maximum percentage in the form of an award limit for the executive Corporate Directors.

Concerning the Company, resolutions 24 and 25 of the Company's General Meeting of Shareholders held on 4 November 2019 on awarding those options does not mention the maximum percentage in the form of an award limit for the executive Corporate Directors since they were adopted before the Company's initial public offering, at a time when the incentive plan for executives had not been determined.

With regard to the award limit for the 2021 financial year, this is mentioned in sub-section 2.2.4.1. of this Universal Registration Document. This award limit was approved by the General Meeting of 16 June 2021 as part of the 2021 remuneration policy.

A resolution relating to the award of performance shares to eligible employees and Corporate Directors of the Company or its subsidiaries will be submitted to the General Meeting of 26 April 2022. In accordance with the recommendations of the Afep-Medef Code, this resolution will mention, in the form of an award limit, the maximum percentage of performance shares that may be allocated to executive Corporate Directors in relation to the total amount approved by the shareholders.

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 2021

			8 years	50%	92%										
			Average seniority	Percentage of women	Attendance at Board meetings										
													Audit and Risks Committee	Governance, Nominations and Remuneration Committee	Corporate Social Responsibility and Responsible Gaming Committee
			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 (calculated as at 31/12/2021)				
Chairwoman and CEO		Stéphane Pallez	62	2	1,628		21.10.2014	05.06.2019	5	AG 2024 ⁽³⁾	7				
Directors appointed by the General Meeting		L'Union des Blessés de la Face et de la Tête (UBFT), represented by Olivier Roussel	60	0	18,727,390		19.12.1978	05.06.2019	5	AG 2024 ⁽³⁾	41			◆	
		Fédération nationale André Maginot des anciens combattants (FNAM), represented by Jacques Sonnet	83	0	8,139,300		05.10.2009	05.06.2019	5	AG 2024 ⁽³⁾	12				
		Predica, represented by Françoise Debrus*	61	3	9,660,122	*	18.06.2020		4	AG 2024 ⁽³⁾	1	◆			
		Fabienne Dulac	54	2	500	*	04.11.2019		4	AG 2023 ⁽²⁾	2			P*	
		Xavier Girre	51	1	528	*	17.10.2014	21.11.2019	3	AG 2022 ⁽¹⁾	7	P			
		Françoise Gri**	64	3	440	*	16.12.2020		4	AG 2023 ⁽²⁾	1		◆		
		Corinne Lejbowicz	61	0	500	*	04.11.2019		4	AG 2023 ⁽²⁾	2	◆			
	Pierre Pringuet	71	0	1,011	*	04.11.2019		4	AG 2023 ⁽²⁾	2	◆	P			
Director representing the French State		Charles Sarrazin	47	0	0		09.03.2020		5	2022 ⁽⁴⁾	1	◆	◆		
Directors appointed by the General Meeting on the proposal of the French State		Ghislaine Doukhan	54	0	0		02.02.2017		5	AG 2022 ⁽¹⁾	4	◆			
		Didier Trutt	61	0	0		17.10.2014		5	AG 2022 ⁽¹⁾	7			◆	
Directors representing employees		Agnès Lyon-Caen	52	0	0		12.02.2018	13.12.2019	4	AG 2023 ⁽²⁾	3	◆	◆		
		Philippe Pirani	60	0	0		01.06.1999	13.12.2019	4	AG 2023 ⁽²⁾	22			◆	
Director representing employee shareholders		David Chianese	52	0	0		18.06.2020		4	AG 2024 ⁽³⁾	1	◆			

◆ Committee Member. P Committee Chairman. P* Chairwoman of the CSR Committee.

* As of 1 March 2022, Florence Barjou has been appointed as Predica's permanent representative, replacing Françoise Debrus.

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

*** As at the Date of the Universal Registration Document.

(1) General Meeting approving financial statements for the financial year ending 2021.

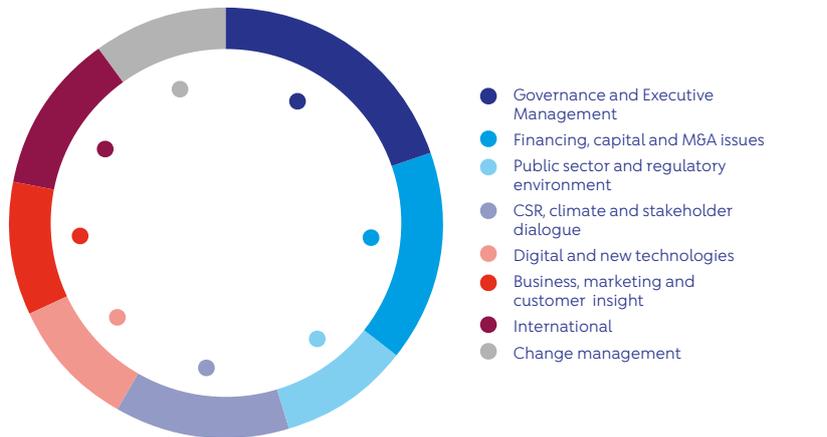
(2) General Meeting approving financial statements for the financial year ending 2022.

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

(4) Appointed by an initial decision in 2017 for a duration of five years.

ADDITIONAL EXPERIENCE

Mapping the skills of FDJ's directors



BUSINESS, MARKETING AND CUSTOMER INSIGHT
40%

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

CHANGE MANAGEMENT
40%

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

DIGITAL AND NEW TECHNOLOGIES
40%

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

GOVERNANCE AND EXECUTIVE MANAGEMENT
80%

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

INTERNATIONAL
47%

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

FINANCING, CAPITAL AND M&A ISSUES
67%

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
53%

Experience in addressing environmental, social and societal issues.

PUBLIC SECTOR AND REGULATORY ENVIRONMENT
40%

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 SINCE THE IPO

Composition of the Board post-IPO (November 2019)

- The Chairwoman and CEO, director:**
Stéphane Pallez
- 1 director representing the French State:**
Emmanuel Bossière
- 2 directors proposed by the French State:**
- Didier Trutt
- Ghislaine Doukhan
- 2 directors representing historical shareholders:**
- Henri Lacaille, director representing FNAM
- Olivier Roussel, director representing UBFT
- 5 independent directors:**
- Xavier Girre
- Fabienne Dulac
- Marie-Ange Debon
- Corinne Lejbowicz
- Pierre Pringuet
- 2 directors representing employees:**
- Agnès Lyon-Caen
- Philippe Pirani
- 1 General Economic and Financial Controller:** Denis Vilain
- 1 Government Commissioner:** Alexandre Grosse
- Secretary of the Social and Economic Committee:** David Chianese

Changes in the Board during 2020

- 1 new independent director:**
Predica, represented by Françoise Debrus
- 1 new director representing employee shareholders:**
David Chianese
- Replacement of the director representing the French State:**
Emmanuel Bossière replaced by Charles Sarrazin
- Replacement of an independent director:**
Marie-Ange Debon (who resigned) replaced by Françoise Gri
- New General Economic and Financial Controller:** Pascal Chèvremont
- New secretary of the Social and Economic Committee:** Karim Dahdouh

Changes in the Board during 2021

- Replacement of the permanent representative of the FNAM director:**
Henri Lacaille, replaced by Jacques Sonnet (22 October 2021)

DIVERSITY IN AGES

59 years
Average age of directors as at 31 December 2021

47 years
Youngest director (representative of the French State)

83 years
Oldest director (representative of FNAM)

INDEPENDENCE OF THE BOARD OF DIRECTORS

Afep-Medef recommendation:

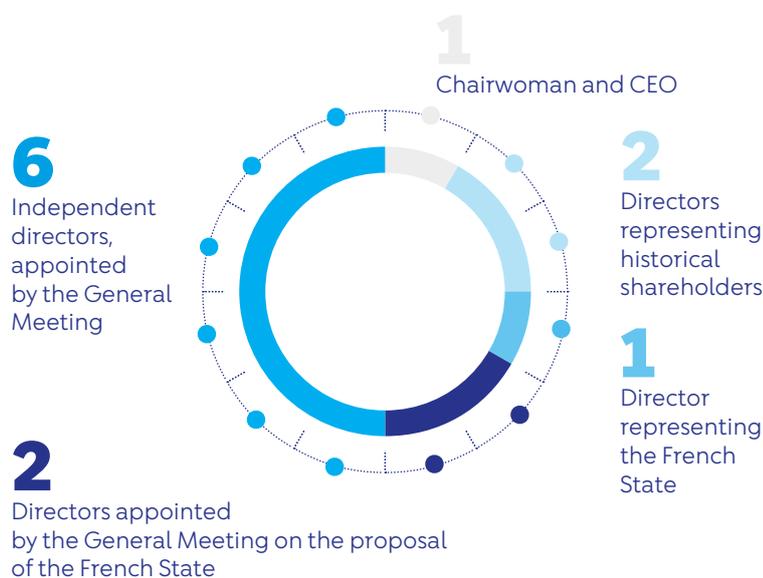
50% independent directors within the Board of Directors (Article 9.1 of the Afep-Medef Code)

50%*

6 DIRECTORS OUT OF 12**

are independent directors

The Board of Directors is composed of 15 members, 6 of whom are independent, i.e. a Board independence rate of 50%.



A BOARD MADE UP OF 15 MEMBERS

1 CHAIRWOMAN & 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 PROPOSAL BY 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)

* It should be noted that Article 9.3 of the Afep-Medef Code excludes the 3 employee directors from the basis for calculating the independence rate.

** Excluding 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.



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) appointed to assist her in her duties.

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 subdirectorate 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 and Eurazeo, where she also 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 economic 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 Télévision, 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 Ensae.

Terms of office



STÉPHANE PALLEZ

Offices held in 2021:

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 19.2 and 19.4 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 2021:

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 19.2 and 19.4 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 & CSR, namely:

- Stéphane Pallez, Chairwoman and CEO,
- Charles Lantieri, Deputy Chief Executive Officer of FDJ, President 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, President of FGS Gaming Solutions,
- Cécile Lagé, Executive Vice-President Lottery Business Unit, Customers Department,
- Raphaël Botbol, Director responsible for Strategy, Innovation and New Activities, President of FDJ Services,
- Raphaële Rabatel, Director in charge of Communication & CSR.

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 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,
 - Isabelle Bastien, Commercial Director,
 - Valérie Berche, Director of Audit, Risks, Control, Quality and,
 - Cédric Breton, Director of lottery operations,
 - Jean-Christophe Buvat, Director of Transformation and Employee,
 - 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 CSR.

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.

At the Date of the Universal Registration Document, there were no non-voting members on the Company's Board of Directors.

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

Term of office	Identity
Members of the Board of Directors appointed by the General Meeting of Shareholders	Stéphane Pallez (Chairwoman and Chief Executive Officer) L'Union des Blessés de la Face (UBFT) (Association incorporated under 1901 law), represented by Olivier Roussel Fédération nationale André Maginot des Anciens Combattants (FNAM), represented by Jacques Sonnet ⁽¹⁾ Fabienne Dulac Xavier Girre Françoise Gri Corinne Lejbowicz Pierre Pringuet Predica, represented by Florence Barjou ⁽²⁾
Representative of the French State	Charles Sarrazin
Members of the Board 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

(1) As of 22 October 2021, Jacques Sonnet was appointed permanent representative of the FNAM, replacing Henri Lacaille.

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

Also attending the meetings of the Company's Board of Directors in an advisory capacity only are the representative of the Economic and Labour Relations Council and the General Economic and Financial Controller. The Government Commissioner also sits on the Board of Directors in an advisory capacity (see above).

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 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 February 2022 took note of the annual analysis as at 31 December 2021 of the independence of each director appointed by the General Meeting⁽¹⁾ established by the CGNR of 3 February 2022, with regard to the criteria set out in the Afep-Medef Code:

Criteria*	Ms. Pallez	UBFT, represented by Mr. Roussel	FNAM represented by Mr. Sonnet	Ms. Dulac	Mr. Girre	Ms. Lejbowicz	Mr. Pringuet	Predica, represented by Ms. Debrus	Ms. Debrus	Ms. Gri	Ms. Doukhan	Mr. Trutt	Mr. Sarrazin
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. Balanced gender representation.

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 February 2022, thus deemed that at the end of the 2021 financial year, only: Fabienne Dulac, Xavier Girre, Corinne Lejbowicz, Françoise Gri and Pierre Pringuet, as well as Predica, represented by Françoise Debrus, meet all eight criteria set out in the Afep-Medef Code to qualify as independent directors. The independent directors 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.

At the Date of the Universal Registration Document, Florence Barjou was appointed as permanent representative of Predica, replacing Françoise Debrus, with effect from 1 March 2022.

(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.

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 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.

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

In accordance with Article 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 2021, they represented 42% of FDJ's managers and 43% 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 2020 and 2021, women represented 34.3% of the Group's managers and 39.5% 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 2021, 11% of women were promoted, compared to 12% of men.

Gender diversity in managerial positions remains a goal of the Company in its governance, as women accounted for 38% of Group Management Committee (CDG) members in 2021, as in 2020. For the first 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 fourth place in this ranking, and obtained the best 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 7.1 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 5.43% in 2021 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 second 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

The profile, experience and expertise of each director as of 31 December 2021 is provided below.

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



STÉPHANE PALLEZ

Age as of 31 December 2021 and nationality:

62, French national

First appointment:

21 October 2014

Expiry of the current term of office:

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

Shares held as at the Date of the Universal Registration Document*:

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 2021:

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 19.2 and 19.4 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 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".



OLIVIER ROUSSEL

Permanent representative of l'Union des Blessés de la Face (UBFT) (association incorporated under 1901 law)

Age as of 31 December 2021 and nationality:
60, French national

First appointment:
UBFT has been a member of the Board since 19 December 1978, represented by Mr. Roussel since 2002

Expiry of the current term of office:
2024 (General Shareholders' Meeting approving financial statements for the financial year ending 2023)

Shares held as at the Date of the Universal Registration Document*:
18,727,390 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 2021:

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 19.2 and 19.4 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
- Director of Association du Clos Pas Saint-Maurice

Offices expired within the last five years: n/a

* 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".



HENRI LACAILLE

Permanent representative of Fédération Nationale André Maginot des Anciens Combattants et Victimes de Guerre (FNAM) until 22 October 2021

Age as of 31 December 2021 and nationality:

85, French national

First appointment:

FNAM has been a member of the Board since 5 October 2009, represented by Henri Lacaille since 21 October 2014

Expiry of the current term of office:

2024 (General Shareholders' Meeting approving financial statements for the financial year ending 2023) Replacement of Henri Lacaille by Jacques Sonnet from 22 October 2021

Shares held as at the Date of the Universal Registration Document*:

8,139,300 shares held by FNAM

Involvement in Board committees:

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

Main activity:

President of FNAM from 2014 to 2020

Expertise – Experience – Other activities:

n/a

Offices held in 2021:

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 19.2 and 19.4 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):

Director and member of the standing committee of the Office National des Anciens Combattants

Offices expired within the last five years:

President of FNAM (Association) from 2014 to 2020

* 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".



JACQUES SONNET

Permanent representative of Fédération Nationale André Maginot des Anciens Combattants et Victimes de Guerre (FNAM) from 22 October 2021

Age as of 31 December 2021 and nationality:

83, 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 as at the Date of the Universal Registration Document*:

8,139,300 shares held by FNAM

Involvement in Board committees:

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

Main activity:

Currently: Director of FNAM

Expertise – Experience – Other activities:

n/a

Offices held in 2021:

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 19.2 and 19.4 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 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".



FABIENNE DULAC

Age as of 31 December 2021 and nationality:

54, 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 as at the Date of the Universal Registration Document*:

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 2021:

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 19.2 and 19.4 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 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".



XAVIER GIRRE

Age as of 31 December 2021 and nationality:

52, French national

First appointment:

17 October 2014

Expiry of the current term of office:

2022 (General Shareholders' Meeting approving the financial statements for the financial year ending 2021)

Shares held as at the Date of the Universal Registration Document:

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 2021:

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 19.2 and 19.4 of the Afep-Medef Code):

Listed French limited companies:

- Independent Director, member of the Strategy Committee and the Remuneration Committee, Chairman of the Audit Committee of CNIM⁽¹⁾

Unlisted French limited companies:

- Chairman of the Supervisory Board of RTE⁽²⁾
- Member of the Supervisory Board of Enedis⁽³⁾
- Director of EDF Renouvelables

Listed foreign companies:

- Director of Edison

* 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".

XAVIER GIRRE (cont.)

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

- Director of EDF Energy Holding
- Chairman of the Board of Directors of EDF Trading (UK)

Offices expired within the last five years:

- Director of Electricité de Strasbourg (until 2016)
- Member of the Supervisory Board of EDF Assurances (until 2016)
- Director of RATP (until 2016)
- Permanent Representative of EDF on the Board of Directors of EDEV (until 2016)
- 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 and Chairman of the Audit Committee of Dalkia (until 2021)

(1) This office came to an end in January 2022.

(2) This office is excluded from the principle of limiting the number of directorships (in accordance with paragraph 2 of Article L. 225-21 of the French Commercial Code), because RTE is wholly owned by CTE.

(3) 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.



FRANÇOISE GRI

Age as of 31 December 2021 and nationality:

64, 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 as at the Date of the Universal Registration Document*:

650

Involvement in Board committees:

Ms. Gri is 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 PVCP group, before creating a consulting activity.

Offices held in 2021:

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 19.2 and 19.4 of the Afep-Medef Code):

Listed French limited companies:

- Director of Crédit Agricole (since 2012), 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:

- Viadeo: Chairwoman of the Board of Directors (2016)
- Member of the High Committee on Corporate Governance (2013 to 2019)

* 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".



CORINNE LEJBOWICZ

Age as of 31 December 2021 and nationality:

61, 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 as at the Date of the Universal Registration Document*:

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.

Offices held in 2021:

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 19.2 and 19.4 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

Listed foreign companies:

n/a

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

- Director of Bird Office
- Director of Agriconomie.com
- Chairwoman of Qwant

Offices expired within the last five years:

- Director of Filae (until 2016)
- Director of Educlever (until 2017)
- Chief Executive Officer of PrestaShop (until 2018)
- Director of Lengow SAS (until 2021)

* 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".



PIERRE PRINGUET

Age as of 31 December 2021 and nationality:

71, 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 as at the Date of the Universal Registration Document*:

1011 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 2021:

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 19.2 and 19.4 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):

- Director of Agro Paris Tech
- President of Amicale du Corps des Mines
- Chairman of the association MichelROCARD.org

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)
- Director of Vallourec (until July 2021)
- Director of Cap Gemini (until May 2021)

* 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".



FRANÇOISE DEBRUS

Permanent representative of Predica

Age as of 31 December 2021 and nationality:

61, French national

First appointment:

Predica, Director since 18 June 2020, represented by Ms. Debrus.

Expiry of the current term of office:

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

Shares held as at the Date of the Universal Registration Document*:

9,660,122 shares held by Predica

Involvement in Board committees:

Since 29 July 2020, Predica, represented by Ms. Debrus, has been a member of the Audit and Risks Committee.

Main activity:

Chief Investment Officer at Crédit Agricole Assurances

Expertise – Experience – Other activities:

Ms. Debrus is a graduate of École nationale du génie rural des eaux et des forêts and Institut national agronomique Paris-Grignon. Joining the Crédit Agricole group in 1987, she served as Chief Financial Officer of the Ile-de-France Regional Bank from 2005 to 2009. She then joined Crédit Agricole Assurances as Chief Investment Officer.

Offices held in 2021:

Offices within the FDJ Group:

Permanent Representative of Predica, independent 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 19.2 and 19.4 of the Afep-Medef Code):

Listed French limited companies:

- Member of the Supervisory Board of Altarea
- Permanent representative of Predica, Director of Korian
- Permanent representative of Predica, Director of Aéroports de Paris

Unlisted French limited companies:

- Permanent representative of Crédit Agricole Assurances, Director of Semmaris

Listed foreign companies:

n/a

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

Director of Cassini

Offices expired within the last five years:

- Member of the Supervisory Board of Covivio Hotels (until 2020)
- Non-voting director of Frey SA (until 2019)

* 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".

Director representing the French State



CHARLES SARRAZIN

Age as of 31 December 2021 and nationality:

47, French national

First appointment:

09 March 2020

Expiry of the current term of office:

Appointed by an initial decision in 2017 for a duration of five years

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 2021:**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 19.2 and 19.4 of the Afep-Medef Code):

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 Investissement and Bpifrance Participations

Listed French limited companies:

n/a

Foreign companies:

n/a

Offices expired within the last five years:

Director representing the French State on the Board of Directors of CNP Assurances

Members appointed based on Government proposal



GHISLAINE DOUKHAN

Age as of 31 December 2021 and nationality:

54, French national

First appointment:

02 February 2017

Expiry of the current term of office:

2022 (General Shareholders' Meeting approving the financial statements for the financial year ending 2021)

Involvement in Board committees:

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

Main activity:

Executive Director of Safran Analytics

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 2021:

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 19.2 and 19.4 of the Afep-Medef Code):

Listed French limited companies:

– Independent director of Accor Acquisition Company (AAC)

Unlisted French limited companies:

– CEO of Safran Power Units
– Member of the Executive Committee of Safran Helicopter Engines

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



DIDIER TRUTT

Age as of 31 December 2021 and nationality:

61, French national

First appointment:

17 October 2014

Expiry of term of office:

2022 (General Shareholders' Meeting approving the financial statements for the financial year ending 2021)

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 engineer (École nationale 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 2021:

Offices within the FDJ Group:

Director of FDJ appointed 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 19.2 and 19.4 of the Afep-Medef Code):

Listed French limited companies:

n/a

Unlisted French limited companies:

– Chairman and Chief Executive Officer of IN group

Listed 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 since July 2019
– French Foreign Trade Advisor since 1992

Offices expired within the last five years:

n/a

Directors representing employees



AGNÈS LYON-CAEN

Age as of 31 December 2021 and nationality:

52, French national

First appointment:

12 February 2018

Expiry of the current term of office:

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

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 2021:

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 19.2 and 19.4 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



PHILIPPE PIRANI

Age as of 31 December 2021 and nationality:

60, French national

First appointment:

1 June 1999

Expiry of the current term of office:

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

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 2021:

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 19.2 and 19.4 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

Director representing employee shareholders



DAVID CHIANESE

Age as of 31 December 2021 and nationality:

52, 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 2021:

Offices within the FDJ Group:

Director of FDJ representing employee

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 19.2 and 19.4 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 termination of duties of members of the Board of Directors during financial year 2021

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 are subject to ratification at the next Ordinary General Meeting of Shareholders. If not ratified, earlier deliberations and actions by the Board are still considered 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.

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

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;

(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 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."

- 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 organization 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 forecast management 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, 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, 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 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, provisional management 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.

2021 annual evaluation

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.

Individual interviews with all of the Company's directors were conducted during November 2021.

The responses to the interviews are kept confidential and the overall results were reported anonymously to the CGNR and the Board of Directors.

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.

The directors noted the following positive points:

- The pedagogy, availability and involvement of FDJ's management team, enabling them to better understand the complexity of the Company's businesses and transformations;
- The sharing of information with them by the Chairwoman and Chief Executive Officer and the transparency of this information;
- The pivotal role of the Lead Director and the Committee Chairpersons, which promotes the good governance of the Company.

(1) Mr. Pringuet was appointed Lead Director of the Company by the Board of Directors of 16 December 2020.

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. In their mission, the directors act with the will to challenge the management team on the various subjects presented during the meetings. Their expertise and the complementarity of their skills enable them to cover all the subjects discussed within the Board. The good understanding between the directors and the management team favours a good dynamic within the Board. However, it is clear that the directors have an appetite for strategic issues that they would like to see dealt with in greater depth, in addition to the Board's much appreciated strategy seminar meetings.

The summary of this evaluation was presented to the Governance, Nominations and Remuneration Committee on 10 December 2021 before being discussed at the Board of Directors' meeting on 16 December 2021.

The recommendations and areas for improvement resulting from this evaluation have been taken into account and an action plan will be implemented accordingly.

Overview of Board of Directors' activity

In 2021, the Board of Directors met 10 times, 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,
 - tracking risks and prevention mechanisms, including more deeply investigating certain risks based on the work of the Audit and Risks Committee and the CSR and Responsible Gaming Committee,
 - 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;
- **remuneration of Corporate Directors:**
 - determination of the annual variable portion of the remuneration of Stéphane Pallez and Charles Lantieri for financial year 2020 and first estimation for financial year 2021 (ex post),
 - breakdown of the remuneration package for directors for the financial years 2020 and 2021 (ex post);
 - remuneration policy 2022 for executive Corporate Directors (ex ante): annual and long-term variable remuneration for 2022,
 - proposal for the remuneration policy for directors for financial year 2022 (ex ante),
 - implementation of a long-term incentive plan (LTI 2021-2023);
- **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:**
 - evaluation of the Board of Directors by the Lead Director assisted by an external service provider and report on the evaluation to the Board of Directors;
- **miscellaneous:**
 - strategic shifts,
 - liquidity contract,
 - sureties, endorsements and guarantees,
 - revised budget,
 - Company policy with respect to professional and wage equality.

Directors' individual attendance rate at Board and Committee meetings in 2021

In accordance with Article 11.1 of the Afep-Medef Code, directors' individual attendance rate at Board and Committee meetings in 2021 was as follows:

	Attendance rate at Board of Directors meetings	Attendance rate at Audit and Risks Committee meetings	Attendance rate at Governance, Nominations and Remuneration Committee meetings	Attendance at CSR and Responsible Gaming Committee meetings	Overall average for each director
Stéphane PALLEZ	100%	-	-	-	100%
French State (represented by Charles SARRAZIN)	100%	100%	100%	-	100%
Ghislaine DOUKHAN	90%	87.5%	-	-	89%
Didier TRUTT	100%	-	-	100%	100%
Fabienne DULAC	80%	-	-	100%	90%
Pierre PRINGUET	100%	87.5%	100%	-	96%
Corinne LEJBOWICZ	100%	100%	-	-	100%
Xavier GIRRE	100%	100%	-	-	100%
Françoise GRI	90%	-	100%	-	95%
Predica (represented by Françoise Debrus)	90%	87.5%	-	-	89%
FNAM (represented by Jacques SONNET ⁽¹⁾)	40%	-	-	-	40%
UBFT (represented by Olivier ROUSSEL)	100%	-	-	100%	100%
Philippe PIRANI	100%	-	100%	100%	100%
Agnès LYON-CAEN	90%	100%	100%	-	97%
David CHIANESE	100%	100%	-	-	100%
Average participation per body	92%	95%	100%	100%	
Overall average Board and committee attendance rate					93%

(1) Jacques Sonnet was appointed permanent representative of the FNAM on 22 October 2021, replacing Henri Lacaille.

2.1.2.3 THE BOARD OF DIRECTORS' COMMITTEES

The composition of the Board of Directors and its various committees is valid as at the Date of the Universal Registration Document

BOARD OF DIRECTORS 15 members 10 meetings 50% Independent* 92% attendance rate	AUDIT AND RISKS COMMITTEE 8 members 8 meetings 67% independent 95% attendance rate
	GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE 4 members 3 meetings 67% independent 100% attendance rate
	CORPORATE SOCIAL RESPONSIBILITY AND RESPONSIBLE GAMING COMMITTEE 4 members 5 meetings 33% independent 100% attendance rate

* Excluding directors representative of employees and employee shareholders.

AUDIT AND RISKS COMMITTEE

8 members 8 meetings	67% independent* 95% attendance rate	Chairman Xavier Girre (independent director) Members Charles Sarrazin (director representative of the French State) Ghislaine Doukhan (director appointed by the French State) Corinne Lejbowicz (independent director) Predica, represented by Florence Barjou (independent director) ** Pierre Pringuet (independent director, Chairman of the CGNR) Agnès Lyon-Caen (director representative of employees) David Chianese (director representative of employee shareholders)
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* Excluding directors representative of employees and employee shareholders.
** As of 1 March 2022, Florence Barjou has been appointed as Predica's permanent representative, replacing Françoise Debrus.

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 must have finance or accounting expertise.

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.

The Government Commissioner sits on the Audit and Risks 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;
- 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 question 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 eight times in 2021 with an attendance rate of 95%.

The Committee particularly dealt with the following matters:

Finance and Treasury

- presentation of closing options;
- 2020 parent company and consolidated financial statements;
- follow-up on asset allocation management and 2021 forecast;
- update on innovation funds;
- half-yearly financial report;
- presentation of the preliminary work by the statutory auditors for closing the 2020 financial year;
- statutory auditors' programme;
- budget/business plan;
- financial communication - 2020 results.

Management:

- management report;
- management planning documents;
- review of ongoing agreements.

Shareholders

- Appropriation of earnings and dividend payment date.

Risk analysis

- Presentation of the 2021 Group risk map;
- Strengthening the anti-corruption programme;
- Review of the work of the Audit, Risks, Controls, Quality and Ethics Department.

Remuneration criteria

- Review of the achievement of financial criteria for variable remuneration (ex post);
- Determination of the financial criteria for variable remuneration (ex ante).

Acquisitions

- Review of M&A projects.

GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE

5 members	67% independent*	Chairman Pierre Pringuet (independent director)
3 meetings	100% attendance rate	Members Charles Sarrazin (director representative of the French State) Fabienne Dulac, as Chairwoman of the CSR and Responsible Gaming Committee (independent director) permanent guest Françoise Gri (independent director) Agnès Lyon-Caen (director representative of employees)

* Excluding directors representative of employees and employee shareholders.

The CGNR is comprised of at least four directors. 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.

The Government Commissioner sits on the CGNR in an advisory capacity.

The CGNR met three times in 2021 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 2020 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 2020 and 2021 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 2022 remuneration policy for executive Corporate Directors (ex ante): annual and long-term variable remuneration for 2022;
- Proposal for the remuneration policy for directors for financial year 2022 (ex ante);
- Proposal for the implementation of a long-term incentive plan (LTI 2022-2024).

Independence of directors

- Annual review of the independence of directors.

Evaluation of the Board of Directors

- Report on the evaluation of the Board of Directors presented to the Committee by an external service provider.

THE CORPORATE SOCIAL RESPONSIBILITY AND RESPONSIBLE GAMING COMMITTEE

4 members	33% independent*	Chairman Fabienne Dulac (independent director) Members Didier Trutt (director appointed on proposal by the French State) UBFT, represented by Olivier Roussel (director appointed by the General Meeting) Philippe Pirani (director representative of employees)
5 meetings	100% attendance rate	

* Excluding directors representative of employees and employee shareholders.

Composition

The CSR and Responsible Gaming Committee comprises at least four directors. It must include at least one independent director.

The Government Commissioner sits 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;
- examine 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.

Operation

The CSR and Responsible Gaming Committee meets at least twice a year.

The CSR and Responsible Gaming Committee met five times in 2021 with an attendance rate of 100%.

The Committee particularly dealt with the following matters:

Responsible gaming

- Study on responsible gaming, scratch games and guidelines;
- Responsible gaming Euro 2020 plan - procedure and initial results;
- Main guidelines of the responsible gaming action plan, exclusive rights, 2021-2022;
- Responsible gaming plan, online sports betting.

Non-financial ratings

- Summary of the results of the non-financial ratings and results of the Moody's ESG ratings ⁽¹⁾ (April 2021);
- Presentation of the SAM rating process.

Environment

- Actions in terms of biodiversity;
- Results of the life cycle analysis of gaming material;
- Initial guidelines of the Biodiversity Action Plan;
- Environmental criteria for remuneration.

Raison d'être

- Feedback on FDJ's Stakeholder Committee meetings.

Remuneration criteria

- Review of the achievement of CSR and responsible gaming criteria for annual variable remuneration (ex post);
- Determination of the CSR and responsible gaming criteria for variable remuneration (ex-ante).

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;
- 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 2021, the Board of Directors met in the Strategic Committee on 8 and 9 November 2021.

(1) Previously Vigeo.

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 had 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 had 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 had 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 26 April 2022:

- 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 2021 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 2021, will only be paid after approval by the General Meeting of Shareholders on 26 April 2022;

- the items of the remuneration of any kind and benefits granted during or paid in respect of the 2021 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 26 April 2022 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 SBF80 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 SBF80, 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 SBF80 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 director remuneration policy, as well as how to revise and implement it.

Within this context, the CGNR describes and explains any changes in the corporate director 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 SBF80 companies, distinguishing between the functions of executive Corporate Directors no.1 (CEO, chairman of the management board, managing director in structures with a non-executive chairman) and executive Corporate Directors 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 SBF80 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 rests 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 executive's 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 SBF80.

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 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:

- 1/ 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.
- 2/ 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.

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 quantitative or qualitative 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 COMPANY'S EXECUTIVE CORPORATE DIRECTORS FOR THE YEAR 2022

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.

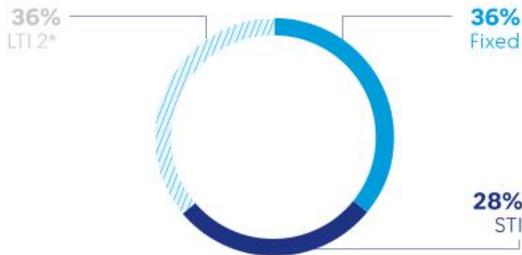
FIXED ITEMS	Annual fixed remuneration (in cash)	It is determined based on: <ul style="list-style-type: none"> - the level and complexity of the responsibilities given to the ECDs, particularly in light of the economic and social aspects of the Company (market capitalisation, revenue, number of employees); - 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 SBF80, 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).
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VARIABLE ITEMS ⁽¹⁾	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 (EBITDA margin, EBITDA to cash conversion ratio) targets.</p> <p>Only these financial criteria can be outperformed.</p> <p>The weight accorded to the non-financial criteria (40% of which 30% for the CSR & responsible gaming criterion) reflects the Company's commitment as well as 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 (see the table in the section "Annual variable remuneration").</p> <p>This gradual and conditional change in annual variable remuneration was approved by the General Meeting of Shareholders on 16 June 2021.</p>
	Long-term variable remuneration (FDJ shares)	<p>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 (LTI 2021-2023). The description of the LTI is set out in sub-section 2.2.4.</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 2022-2024, it is subject to:</p> <ul style="list-style-type: none"> - performance criteria over three years (2022, 2023, 2024) <ul style="list-style-type: none"> - 1 financial criterion, - 1 shareholder return criterion (broken down into three indicators) - 1 strategic criterion, - 1 CSR and responsible gaming criterion; - a continuous presence condition, from the date of award until 31 December 2024; - 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 2022"</p>
	Employee benefits	<p>The ECDs do not benefit from any additional 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 2022".</p>

(1) The change in performance criteria conditioning the payment of the variable remuneration is explained in the section "Variable remuneration" of 2.2.1.2.

**THEORETICAL STRUCTURE OF 2022
REMUNERATION FOR ECDS ASSUMING 100%
OF OBJECTIVES ARE ACHIEVED**

EX ANTE 2022 WITH OBJECTIVES ACHIEVED



* LTI to be allocated in 2022, delivery of which is scheduled for 2025.

**THEORETICAL STRUCTURE OF 2022
REMUNERATION FOR ECDS IN THE EVENT OF
OUTPERFORMANCE**

EX ANTE 2022 WITH OUTPERFORMANCE



* LTI to be allocated in 2022, delivery of which is scheduled for 2025.

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, 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 25.3.1 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, a gradual change in the annual variable remuneration of the ECDS will be implemented in order to remedy the significant discrepancy between the remuneration of the two ECDS and market practices, both in terms of amount (the Chairwoman had the lowest remuneration of the SBF 80 in 2020), and in terms of structure (target variable remuneration equal to 25% of annual fixed remuneration, compared with a market standard of around 100%⁽¹⁾).

As a result, from 2021 onwards, the annual variable remuneration, the STI (Short Term Incentive) of Corporate Directors will consist of:

1. the "base STI", corresponding to 25% of their fixed remuneration multiplied by the STI achievement rate for year N;
2. 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.

As the overall STI (i.e. the base STI and the reintegrated STI) is subject to quantitative and qualitative objectives, its achievement rate can vary from 0% to 130% (in the event of outperformance).

As a result, the overall STI can represent, for the 2022 financial year, from 0% to 102% of the annual fixed salary of the ECDS. If objectives are met, it would represent 79% of the annual fixed salary of the ECDS (see illustration in point 2 below).

(1) These findings are based on a study carried out by FDJ on the companies making up the SBF 80 (SBF 120 restated from the CAC 40).

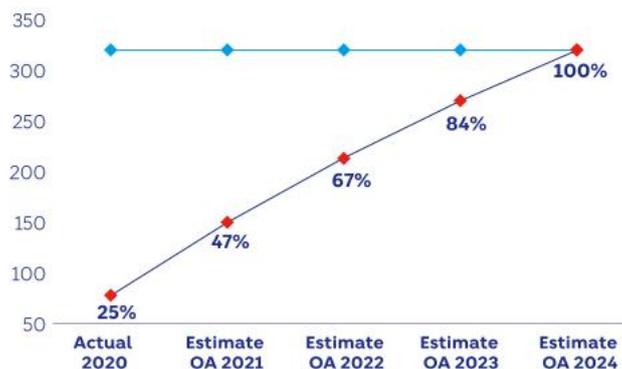
1. This first table recalls the mechanism for reintegrating part of the STI N-1 into the STI N, as decided at the Board of Directors meeting of 11 February 2021, in order to achieve the target objective of a remuneration structure consisting of an STI representing 100% of the annual fixed salary by 2024, with 100% of the objectives achieved (hereinafter "OA").

This is a theoretical illustration for Stéphane Pallez, assuming that the STI objectives are met at 100% each year between 2021 and 2024. The total STI 2024 (i.e. the base STI 2024 + reintegrated STI 2024) of the Corporate Directors would thus correspond to 100% of their annual fixed salary.

	Actual 2020	Estimate 2021 OA	Estimate 2022 OA	Estimate 2023 OA	Estimate 2024 OA
Fixed salary	320	320	320	320	320
Base STI	78 ⁽¹⁾	80 ⁽²⁾	80 ⁽²⁾	80 ⁽²⁾	80 ⁽²⁾
Reintegrated STI		70 ⁽³⁾	133 ⁽⁴⁾	190 ⁽⁵⁾	240 ⁽⁶⁾
TOTAL STI	78	150	213	270	320
<i>as % of fixed salary</i>	25%	47%	67%	84%	100%

- (1) Corresponds to the actual STI for the year 2020 (achievement rate = 98%) = €320k * 25% * 98% = €78k.
 (2) Corresponds to the base STI with objectives achieved (i.e. achievement rate = 100%) = €320k * 25% * 100% = €80k.
 (3) Reintegrated STI 2021 = Total STI 2020 * 89% * 100% = €78k * 89% = €70k.
 (4) Reintegrated STI 2022 = Total STI 2021 * 89% * 100% = €150k * 89% = €133k
 (5) Reintegrated STI 2023 = Total STI 2022 * 89% * 100% = €213k * 89% = €190k.
 (6) Reintegrated STI 2024 = Total STI 2023 * 89% * 100% = €270k * 89% = €240k.

STI TOTAL FOR ANNUAL FIXED WITH OBJECTIVES ACHIEVED (OA) (IN €K)

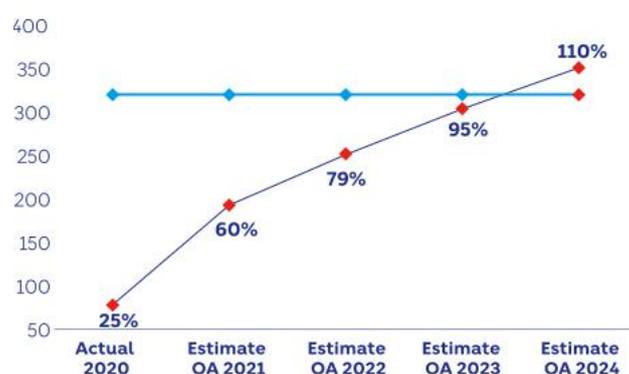


2. This second table updates the theoretical illustration - for Stéphane Pallez - of the change in the STI, taking into account the actual achievement rate of the STI 2021 (129%), and considering as before that the STI objectives are achieved at 100% each year between 2022 and 2024:

	Actual 2020	Actual 2021	Estimate 2022 OA	Estimate 2023 OA	Estimate 2024 OA
Fixed salary	320	320	320	320	320
Base STI	78 ⁽¹⁾	103 ⁽²⁾	80 ⁽⁴⁾	80 ⁽⁴⁾	80 ⁽⁴⁾
Reintegrated STI		90 ⁽³⁾	172 ⁽⁵⁾	224 ⁽⁶⁾	271 ⁽⁷⁾
TOTAL STI	78	193	252	304	351
<i>as % of fixed salary</i>	25%	60%	79%	95%	110%

- (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 base STI with objectives achieved (i.e. achievement rate = 100%) = €320k * 25% * 100% = €80k
 (5) Reintegrated STI 2022 = Total STI 2021 * 89% * 100% = €193k * 89% = €172k
 (6) Reintegrated STI 2023 = Total STI 2022 * 89% * 100% = €252k * 89% = €224k.
 (7) Reintegrated STI 2024 = Total STI 2023 * 89% * 100% = €304k * 89% = €271k.

STI TOTAL FOR ANNUAL FIXED WITH OBJECTIVES ACHIEVED (OA) (IN €K)



This system has two advantages:

- the interests of ECDs and shareholders with much more variable remuneration;
- 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).

In addition, the Board of Directors of 15 February 2022 decided:

- **With regard to the three financial criteria:** to maintain the indicators and weightings used to determine the variable remuneration for the 2021 financial year;
- **With regard to the two non-financial criteria:**
 - 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 (scope 1 and 2⁽¹⁾) and non-financial rating indicator (Moody's ESG⁽²⁾ rating), 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.

(1) Scope 1: direct emissions. Scope 2: indirect emissions (energy purchases).
 (2) Previously Vigeo.

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
EBITDA	2022 Group EBITDA margin⁽¹⁾ Achieved compared to the budgeted 2022 EBITDA margin achieved in 2021 and forecast in the 2023 business plan, as determined by the Board of Directors	30%	45% ⁽²⁾	15%	<ul style="list-style-type: none"> - < actual n-1: 0% - between actual n-1 and budget n: from 50% to 100% - between budget n and business plan n+1: from 100% to 150% - Business plan n+1: 150%
Development	Group 2022 revenue⁽³⁾ over budgeted Group revenue, as determined by the Board of Directors	20%	30% ⁽⁴⁾	10%	<ul style="list-style-type: none"> - < 98%*budget n: 0% - between 98%*budget n and budget n: from 50% to 100% - between budget n and 102%*budget n: from 100% to 150% - > 102%*budget n: 150%
Cash	2022 EBITDA to cash conversion ratio⁽⁵⁾ achieved compared to the budgeted and guidance EBITDA to cash conversion ratio, as determined by the Board of Directors	10%	15% ⁽⁶⁾	5%	<ul style="list-style-type: none"> - < guidance: 0% - between guidance and budget n: from 50% to 100% - between budget n and budget n +5 points: from 100% to 150% - > budget n + 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 3% over the whole year - 50% if the share of the GGR carried by high-risk online lottery players is more than 3% over the whole year but less than or equal to 3% for at least two quarters of the year - 0% if the share of GGR carried by high-risk online lottery players is greater than 3% over the whole year and for at least three quarters of the year
	Environment Reduction in carbon emissions 2021 vs. 2017 (scope 1 and 2)	5%	5%	5%	<ul style="list-style-type: none"> - 0% achievement if the reduction in carbon emissions in 2021 (scope 1 and 2) is less than 45% - 100% achievement if the reduction in carbon emissions in 2021 (scope 1 and 2) is greater than or equal to 45%
	Non-financial rating Moody's ESG rating ⁽⁷⁾ 2021 and ranking (available March 2022)	5%	5%	5%	<ul style="list-style-type: none"> - 0% achieved if FDJ's Moody's ESG 2021 rating (available at the end of March 2022) is below A1+. - 100% achieved if FDJ's Moody's ESG 2021 rating (available at the end of March 2022) is A1+.
Managerial performance	Growth rate of online lottery stakes 2022 vs. 2021 ⁽⁸⁾	10%	10%	10%	<ul style="list-style-type: none"> - < budget n: 0% - >= budget n: 100%
TOTAL		100%	130%		

- (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) 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, subject to the approval of the Board of Directors, 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, subject to the approval of the Board of Directors, and excluding major decisions that may be made during the year.
EBITDA to cash conversion rate = free cashflow (= EBITDA + WC change - CAPEX) / EBITDA.
- (6) 10% (weight) X 150% (% maximum of target achieved) = 15% (maximum achievable).
- (7) Previously Vigeo.
- (8) Online lottery stakes = stakes recorded on "fdj.fr" and the "FDJ" mobile application.

Long-term variable remuneration: (“LTI 2022-2024”)

The long-term variable remuneration takes the form of a free allocation of performance shares.

The General Meeting of 26 April 2022 is asked to authorise the Board of Directors to implement performance share plans, including for the ECDs (LTI 2022), the characteristics of which are detailed below.

The total performance shares to be 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.

Subject to the approval of the General Meeting of 26 April 2022, a performance share plan will be implemented by the Board of Directors. These shares will be subject to a three-year vesting period, subject to performance conditions. In this allocation, the ECDs will have to comply with: (i) the commitment to retain 20%, for the duration of their term of office, of shares acquired annually; the commitment not to use hedging transactions during their term of office and the formalisation of said commitment by appropriate means.

Performance criteria

The awarding of these performance shares in 2022 shall be based on the following criteria:

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Financial criterion	Cumulative Group EBITDA 2022 + 2023 + 2024 ⁽¹⁾ as a % of the sum of Group 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, Tabcorp, 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 (from 24th to 46th) - FDJ is below the median (from 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 at the end of 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 at the end of 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 at the end of 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 at the end of 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 at the end of March 2022)
TOTAL		100%	145%		

- (1) Excluding the impact of new 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 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 the external growth project, 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)
- (6) Reference price: Q4 2024 average price vs. Q4 2021 average price; with dividends reinvested.
- (7) 7.5% (weight) X 150% (% maximum of target achieved) = 11.25% (maximum achievable).
- (8) Total shareholder return (TSR)
- (9) Reference price: Q4 2024 average price vs. Q4 2021 average price; with dividends 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.

With regard to the "TSR relative to comparable companies" indicator linked to the shareholder return criterion, the Board of Directors may adjust the composition of the panel of companies initially selected if one or more companies no longer meets the conditions for comparing FDJ's performance with that of the companies in its business sector.

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 2022 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 2024, 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 2022, 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 2022, 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 supplemental 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 2022

On the recommendation of the CGNR, the Board of Directors meeting of 15 February 2022 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 Board of Directors meeting of 16 June 2021; 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: €251,961 Maximum amount in the event of outperformance: €327,549	In accordance with the remuneration policy presented to the General Meeting of Shareholders on 26 April 2022: – the target amount (i.e. assuming objectives are achieved) of the 2022 annual variable remuneration of Stéphane Pallez corresponds to 79% of her fixed remuneration; – the maximum amount the 2022 annual variable remuneration of Stéphane Pallez corresponds to 102% 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 2022 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 2022 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 2022 long-term remuneration plan, the principles of which are subject to the approval of the General Meeting of Shareholders on 26 April 2022: – 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 2022 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 2022 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, assuming 100% of her objectives are achieved, will correspond to 100% of her fixed annual remuneration for 2022 divided by the fair value ⁽¹⁾ of the FDJ share defined in application of IFRS 2 with regard to the conditions of the LTI 2022 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 performance shares of the LTI 2022.

(1) Share price on the date of allocation less the present value of dividends for the vesting period and adjusted for the TSR criterion of the LTI.

	Amount	Presentation
Benefits in kind	€5,160	Stéphane Pallez 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 Stéphane Pallez receives for her term of office.	Stéphane Pallez receives the same life and health insurance as all FDJ employees.

On the recommendation of the CGNR, the Board of Directors meeting of 15 February 2022 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 Board of Directors meeting of 16 June 2021; 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: €195,267 Maximum amount in the event of outperformance: €253,848	In accordance with the remuneration policy presented to the General Meeting of Shareholders on 26 April 2022: <ul style="list-style-type: none"> - the target amount (i.e. assuming objectives are achieved) of the annual variable remuneration of Charles Lantieri corresponds to 79% of his fixed remuneration. - the maximum amount of the annual variable remuneration of Charles Lantieri corresponds to 102% of his fixed remuneration. <p>The terms for calculating these amounts are detailed in the illustrative tables in the section "Annual variable remuneration" above.</p> <p>The amounts to be allocated for the 2022 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 2022 annual variable remuneration, as set out in the section "Annual variable remuneration" above, have been met.</p>
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 2022 long-term remuneration plan, the principles of which are subject to the approval of the General Meeting of Shareholders on 26 April 2022: <ul style="list-style-type: none"> - 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. <p>The amounts to be allocated for the 2022 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 2022 long-term variable remuneration, as set out in the table in the section "Long-term variable remuneration" above, have been met.</p>

Amount	Presentation
Long-term variable remuneration (cont.)	<p>The number of shares attributable to Charles Lantieri, assuming 100% of his objectives are achieved, will correspond to 100% of her fixed annual remuneration for 2022 divided by the fair value ⁽¹⁾of the FDJ share defined in application of IFRS 2 with regard to the conditions of the LTI 2022 plan.</p> <p>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 performance shares of the LTI 2022.</p>
Benefits in kind	€1,548 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.

2.2.1.3 REMUNERATION POLICY FOR DIRECTORS: REMUNERATION GRANTED TO DIRECTORS FOR 2022

The remuneration policy for directors is established in accordance with the principles and procedure described in 2.2.1.1. above.

As decided in 2021, the Board of Directors meeting of 15 February 2022 decided, on the proposal of the CGNR, to maintain the remuneration criteria for directors defined by the General Meeting of 4 November 2019, subject to the condition precedent of the Company's IPO.

Accordingly, a maximum annual amount of €600,000 has been allocated to the remuneration of the members of the Board of Directors since 2020 and until the General Meeting of Shareholders decides otherwise, in accordance with distribution rules centred 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.

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.

(1) Share price on the date of allocation less the present value of dividends for the vesting period and adjusted for the TSR criterion of the LTI.

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 half a day or less €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	-	€2,000
Chairman	€5,000	€3,000
Other committees	Annual fixed share	Per meeting (variable portion)
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.

Furthermore, 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 2021 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 2021 will be subject to a vote at the General Meeting of 26 April 2022 ("ex post" vote).

Variable or exceptional remuneration items, granted in respect of the 2021 financial year, will only be paid after approval by the General Meeting of 26 April 2022.

The 2021 remuneration policy for the ECDs was decided on by the Board of Directors meeting of 11 February 2021, on the proposal of the CGNR, and approved by the General Meeting of 16 June 2021 by 99.58% of the votes cast.

Changes in the 2021 remuneration policy compared to the 2020 remuneration policy

As a reminder, the changes in the remuneration policy applicable to the financial year 2021 compared to the remuneration policy for the financial year 2020 were as follows:

Annual variable remuneration	<ul style="list-style-type: none"> - An initial revaluation step ⁽¹⁾ increasing the maximum amount of total annual variable remuneration due in respect of 2021 to: <ul style="list-style-type: none"> - 47% of annual fixed remuneration if objectives are achieved vs. 25% for 2020; - 61% of annual fixed remuneration in the event of outperformance vs. 32.5% for 2020. - the adjustment of the CSR/responsible gaming criterion to take account of uncertainties related to the impacts of the health crisis on the implementation of certain action plans - the change to the 3rd economic quantitative criterion by replacing free cash flow with the "EBITDA to cash conversion ratio"; this indicator is one of the Company's financial communication elements.
Long-term variable remuneration	<p>The Board of Directors meeting of 20 April 2020 had decided to postpone to 2021 the long-term incentive plan as decided at its meeting of 19 March 2020.</p> <p>The Board of Directors meeting of 11 February 2021, on the recommendation of the CGNR, decided to implement such a plan while changing the criteria of the incentive plan that had been presented in the corporate governance report for financial year 2019:</p> <ul style="list-style-type: none"> - introduction of the criterion "total shareholder return -TSR" in order to incorporate a relative stock market criterion into long-term variable remuneration criteria; - change in the strategic criterion, which now corresponds to the "2023 identified stakes ratio" rather than the "Digitalised stakes ratio"; the identification of players being central to the FDJ Group's strategic plan for 2025.

(1) Approved by the General Meeting on 16 June 2021.

As provided for in the remuneration policy for financial year 2020, the Board of Directors could, in accordance with the provisions of III of Article L. 22-10-8 of the French Commercial Code, adjust the weighting, the triggering threshold and the maximum percentage attainable of the annual variable remuneration criteria to take into account the Covid-19 health crisis if it continued into 2021, and correct its effects on those performance criteria, taking into account the quality of the management of this exceptional situation.

The Board of Directors did not make use of this possibility

Deviations from the remuneration policy approved by the General Meeting of Shareholders on 16 June 2021

Amendment of a performance condition of the LTI plan of 30 June 2021 (LTI 1)

On 30 June 2021, the Board of Directors made an allocation of performance shares and adopted the plan rules defining the vesting conditions, in particular performance conditions, for the FDJ shares thus allocated.

Among the performance conditions set by the Board is a performance condition linked to a Total Shareholder Return (TSR) objective for the Company for the years 2021 to 2023 measured against the TSR of a panel of companies over the same period.

The purpose of this performance condition is to assess FDJ's TSR performance in relation to a panel of companies in the same business sector as FDJ.

Since June 2021, one of the companies on the panel, Scientific Games, has made a number of business disposals that call into question the objective of comparing FDJ's performance under this performance condition with companies in the same business sector.

Consequently, on 16 December 2021, the Board of Directors decided to remove Scientific Games from the panel of companies to which FDJ's TSR will be compared at the end of the vesting period for the performance shares granted on 30 June 2021.

2.2.2.1 REMUNERATION ITEMS PAID OR AWARDED DURING OR IN RESPECT OF THE 2021 FINANCIAL YEAR TO THE CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER

As a reminder, the General Meeting of Shareholders on 16 June 2021 approved by a majority of 99.47% 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 2020 to the Chairwoman and CEO.

Remuneration items subject to a vote	Amounts granted in respect of financial year 2021 <i>(paid during this year or subsequent financial years)</i>	Amounts paid during financial year 2021 <i>(granted during this year or previous financial years)</i>	Presentation/Comments
Fixed remuneration	€320,000	€320,004	Ms. Pallez' fixed remuneration for financial year 2021 was approved by the General Meeting of Shareholders on 16 June 2021 after being adopted by the Board of Directors on 11 February 2021 on the proposal of the CGNR. Stéphane Pallez's fixed remuneration remained stable compared with that of 2020.
Annual variable remuneration	€193,211	€78,400	Stéphane Pallez' annual variable portion could amount to €149,776 (without outperformance), or 47% of her fixed remuneration for financial year 2021. If the objectives giving rise to outperformance are achieved, the maximum annual variable portion would reach €194,709, i.e. 61% of her fixed remuneration for 2021. 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 97.5% with a total achievement rate of 129%. It was unnecessary for the Company to use the option to request the repayment of variable remuneration during financial year 2021 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 2021.
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 2021.
Performance share allocations	€320,008	n/a	On 30 June 2021, the Board of Directors awarded Stéphane Pallez long-term variable remuneration in the form of performance shares allocated free of charge (LTI 2021). Under the LTI 2021, Stéphane Pallez was awarded 7,240 FDJ shares. This number of shares is based on the 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 attributable to Stéphane Pallez, assuming 100% of her objectives are achieved, corresponds to 100% of her fixed annual remuneration for 2021 divided by the fair value ⁽¹⁾ of the FDJ share defined in application of IFRS 2 with regard to the conditions of the LTI plan: €44.20 (320,008/44.2 = 7,240 shares).

(1) Share price on the date of allocation less the present value of dividends for the vesting period and adjusted for the TSR criterion of the LTI.

Remuneration items subject to a vote	Amounts granted in respect of financial year 2021 <i>(paid during this year or subsequent financial years)</i>	Amounts paid during financial year 2021 <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 30 June 2021, the date of allocation of the performance shares of the LTI 2021.</p> <p>The definitive acquisition of this remuneration will take place in 2024 and will depend on both performance conditions assessed over three financial years (2021-2022-2023) and a condition of presence on 31 December 2023 as an employee or corporate director of FDJ or the FDJ Group.</p> <p>The performance conditions and other conditions applicable to the LTI 2021 are detailed in section 2.2.4 of this document.</p>
Exceptional remuneration	n/a	n/a	No exceptional remuneration was allocated to Stéphane Pallez for financial year 2021.
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	€13,460	€13,460	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 2021.
Remuneration as a director	n/a	n/a	Stéphane Pallez did not collect any remuneration as a director of the Company for financial year 2021.
Additional pension scheme	n/a	n/a	Stéphane Pallez did not benefit in 2021 from any additional pension commitments.

2.2.2.2 REMUNERATION ITEMS PAID OR AWARDED DURING OR IN RESPECT OF THE 2021 FINANCIAL YEAR TO THE DEPUTY CHIEF EXECUTIVE OFFICER

As a reminder, the General Meeting of Shareholders on 16 June 2021 approved by a majority of 99.67% 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 2020 to the Deputy Chief Executive Officer.

Remuneration items subject to a vote	Amounts granted in respect of financial year 2021 <i>(paid during this year or subsequent financial years)</i>	Amounts paid during financial year 2021 <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 2021 was approved by the General Meeting of Shareholders on 16 June 2021 after being adopted by the Board of Directors on 11 February 2021 on the proposal of the CGNR.</p> <p>Charles Lantieri's fixed remuneration remained stable compared with that of 2020.</p>
Annual variable remuneration	€149,738	€60,760	<p>Charles Lantieri's annual variable portion could amount to €116,076 (without outperformance), or 47% of his fixed remuneration for financial year 2021. If the objectives giving rise to outperformance are achieved, the maximum annual variable portion would reach €150,899, i.e. 61% 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 by 97.5% with a total achievement rate of 129%.</p> <p>It was unnecessary for the Company to use the option to request the repayment of variable remuneration during financial year 2021 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 2021
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 2021.
Performance share allocations	€248,006	n/a	<p>On 30 June 2021, the Board of Directors awarded Charles Lantieri long-term variable remuneration in the form of performance shares allocated free of charge (LTI 2021).</p> <p>Under the LTI 2021, Charles Lantieri was allocated 5,611 shares. This number of shares is based on the 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 attributable to Charles Lantieri, assuming 100% of his objectives are achieved, corresponds to 100% of his fixed annual remuneration for 2021 divided by the fair value ⁽¹⁾ of the FDJ share defined in application of IFRS 2 with regard to the conditions of the LTI plan. €44.20 (248,006 / 44.2 = 5,611 shares).</p>

(1) Share price on the date of allocation less the present value of dividends for the vesting period and adjusted for the TSR criterion of the LTI.

Remuneration items subject to a vote	Amounts granted in respect of financial year 2021 <i>(paid during this year or subsequent financial years)</i>	Amounts paid during financial year 2021 <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 30 June 2021, the date of allocation of the performance shares of the LTI 2021.</p> <p>The definitive acquisition of this remuneration will take place in 2024 and will depend on both performance conditions assessed over three financial years (2021-2022-2023) and a condition of presence on 31 December 2023 as an employee of FDJ or the FDJ Group.</p> <p>The performance conditions and other conditions applicable to the LTI 2021 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 2021.
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	€2,635	€2,635	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 2021.
Remuneration as a director	n/a	n/a	Charles Lantieri did not collect any remuneration as a director of the Company for financial year 2021.
Additional pension scheme	n/a	n/a	Charles Lantieri did not benefit in 2021 from any additional pension commitments.

2.2.2.3 EVALUATION OF THE PERFORMANCE OF EXECUTIVE CORPORATE DIRECTORS FOR THE 2021 FINANCIAL YEAR IN THE CONTEXT OF THE ALLOCATION OF THE ANNUAL VARIABLE PORTION (STI 2021).

The principles and criteria of the 2021 variable portion, decided by the Board of Directors on 11 February 2021, were approved by the General Meeting of Shareholders on 16 June 2021.

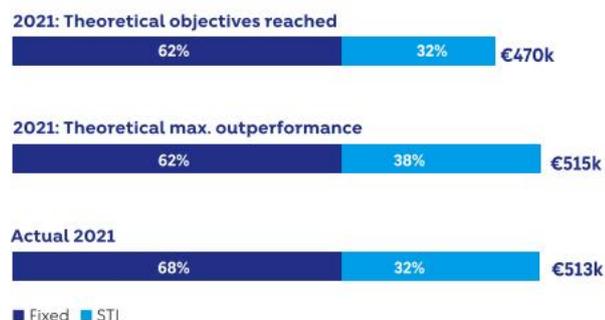
In accordance with the procedure described in sub-section 2.2.1 of this document, the CGNR evaluated, at the end of the financial year, the extent to which the ECDs had achieved the performance criteria provided for the annual variable remuneration, attributable in respect of the 2021 financial year.

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	Maxi- mum weight	Evaluation	Achie- vement rate	Actual weight
EBITDA	Group 2021 EBITDA margin: over budgeted EBITDA margin rate, as determined by the Board of Directors	30%	150%	45%	Actual Group 2021 EBITDA margin above the upper bound of the 2021 criteria giving rise to outperformance	150%	45%
Develop- ment	Group 2021 revenue over budgeted Group revenue, as determined by the Board of Directors	20%	150%	30%	Actual Group 2021 revenue above the upper bound of the 2021 criteria giving rise to outperformance	150%	30%
Cash	2021 EBITDA to cash conversion ratio over budgeted EBITDA to cash conversion ratio , as determined by the Board of Directors	10%	150%	15%	Actual 2021 EBITDA to cash conversion ratio above the upper bound of the 2021 criteria giving rise to outperformance	150%	15%
CSR/ responsi- ble gaming	CSR/Responsible Gaming: CSR and responsible gaming: multicriteria assessment for CSR and responsible gaming, as determined by the Board of Directors based on a proposal by the CSR and Responsible Gaming Committee and in particular: – the measures taken by the Company to combat underage gambling; – actions to prevent excessive gambling and detect people in vulnerable situations implemented by the Company. The Committee will also assess the Company's actions in terms of: – combating fraud and money laundering; – identifying players at points of sale; – customer focus and promotion of an extensive gaming model; – non-financial performance with an objective of maintaining the Moody's ESG A1+ rating obtained by the Company in 2020.	25%	100%	25%	During the course of 2021, FDJ implemented structural initiatives: – full roll-out of its new action plan to combat underage gambling (the launch initially planned for 2020 could not be rolled out due to the health crisis); – resumption of compliance visits to points of sale to ensure respect of the ban on underage gambling, with a marked increase in the compliance rate; – implementation of a specific action plan to combat underage and excessive gambling in the context of the Euro Championship; – strengthening of the telephone outreach programme to online gamblers with risky practices (more than 2,000 outgoing calls during the year); – ongoing implementation of its approach to raise awareness of responsible gambling among the general public through both institutional and commercial communication; more than 10% of the TV advertising budget devoted to responsible gambling; – stabilisation of the player base in relation to 2020, enabling an extensive and responsible gaming model to be guaranteed; – Maintaining the A1+ rating issued by Moody's ESG.	96%	24%

Criteria	Indicators	Nomi- nal weight	Maximum achieve- ment rate	Maxi- mum weight	Evaluation	Achie- vement rate	Actual weight
Gover- nance	Governance: specific governance targets as determined by the Board of Directors on the proposal of the CGNR and in particular: feedback from the Board's evaluation, the effectiveness of the financial communication put in place and the development of quality relationships with the various stakeholders	15%	100%	15%	<p>In an environment still affected by the consequences of the health crisis during the first quarter of 2021, the 2021 results confirm the relevance:</p> <ul style="list-style-type: none"> – of the main strategic focuses identified at the end of November 2020, one of the priorities of which is the digitalisation of the company; – of FDJ's sustainable growth strategy, which combines financial performance with a commitment to responsible gaming. <p>During 2021, FDJ has:</p> <ul style="list-style-type: none"> – maintained close ties with the financial community despite the near impossibility of holding face-to-face meetings by (i) hosting numerous post-communication conference calls and virtual <i>roadshows</i> and (ii) participating in numerous investor forums – provided good visibility on its strategy and outlook to the market; – nurtured its special relationship with individual shareholders. <p>Exchanges with the Board of Directors were as numerous in 2021 as in 2020, despite the ongoing complicated context.</p> <p>The evaluation of the Board, carried out by a specialist firm in 2021, shows that the exchanges and work carried out by the Board are still as qualitative and satisfactory.</p> <p>The areas for improvement identified in the 2020 evaluation have been followed up and implemented.</p>	100%	15%
TOTAL		100%		130%			129%

Theoretical target and maximum remuneration, including fixed and annual variable portions, allocated to the Chairwoman for financial year 2021 compared to the actual remuneration, including fixed and annual variable portions, allocated to the Chairwoman for financial year 2021



Theoretical target and maximum remuneration, including fixed and annual variable portions, allocated to the Deputy Chief Executive Officer for financial year 2021 compared to actual remuneration, including fixed and annual variable portions, allocated to the Deputy Chief Executive Officer for financial year 2021



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 2021 financial year in respect of 2020, benefits in kind and the LTI awarded in 2021 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

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 2021 in respect of 2020, 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 2021 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
Change (in %) in Stéphane Pallez' remuneration	0.37%	- 0.08%	5.98%	19.00%	80.64%
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%
Ratio to average employee remuneration	4.41	4.31	4.44	5.23	8.63
Change in the ratio (in %) compared to the previous year	- 0.75%	- 2.32%	2.91%	17.93%	64.97%
Ratio to median employee remuneration	4.96	4.79	4.96	5.75	9.74
Change in the ratio (in %) compared to the previous year	- 1.26%	- 3.44%	3.44%	15.95%	69.50%
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%
Ratio to average employee remuneration	4.94	4.68	4.76	5.60	9.24
Change in the ratio (in %) compared to the previous year	1.48%	- 5.27%	1.75%	17.54%	65.11%
Ratio to median employee remuneration	5.61	5.31	5.41	6.21	10.55
Change in the ratio (in %) compared to the previous year	1.91%	- 5.28%	1.83%	14.84%	69.92%
Company performance					
Revenue	1,762	1,803	1,956	1,920	2,256
Change in %	3.90%	2.30%	8.51%	- 1.84%	17.50%
EBITDA	316	319	346	427	522
Change in %	4.98%	0.95%	8.46%	23.41%	22.25%

	2017	2018	2019	2020	2021
Change (in %) to the remuneration of Charles Lantieri	0.42%	- 0.22%	5.69%	18.30%	78.49%
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%
Ratio to average employee remuneration	3.45	3.36	3.45	4.05	6.60
Change in the ratio (in %) compared to the previous year	- 0.71%	- 2.45%	2.63%	17.24%	63.01%
Ratio to median employee remuneration	3.88	3.74	3.86	4.45	7.45
Change in the ratio (in %) compared to the previous year	- 1.21%	- 3.57%	3.16%	15.26%	67.49%
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%
Ratio to average employee remuneration	3.86	3.65	3.71	4.33	7.07
Change in the ratio (in %) compared to the previous year	1.52%	- 5.40%	1.47%	16.84%	63.16%
Ratio to median employee remuneration	4.38	4.14	4.21	4.80	8.06
Change in the ratio (in %) compared to the previous year	1.96%	- 5.41%	1.55%	14.16%	67.91%

	2017	2018	2019	2020	2021
Company performance					
Revenue	1,762	1,803	1,956	1,920	2,256
Change in %	3.90%	2.30%	8.51%	-1.84%	17.50%
EBITDA	316	319	346	427	522
Change in %	4.98%	0.95%	8.46%	23.41%	22.25%

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 2020 AND 31 DECEMBER 2021

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 2020 and 31 December 2021.

TABLE NO. 1 (AMF NOMENCLATURE) - SUMMARY TABLE OF THE REMUNERATION AND OPTIONS AND SHARES ALLOCATED TO EACH EXECUTIVE CORPORATE DIRECTOR

	2020 financial year	2021 financial year
Stéphane Pallez, Chairwoman and Chief Executive Officer		
Remuneration due in respect of the reporting period (<i>detailed in table 2</i>)	€403,651	€526,675
Value of the options allocated during the reporting period (<i>detailed in table 4</i>)	None	None
Value of the performance shares allocated during the reporting period (<i>detailed in table 6</i>)	None	€320,008
Value of the other long term remuneration plans	None	None
TOTAL	€403,651	€846,683

	2020 financial year	2021 financial year
Charles Lantieri, Deputy Chief Executive Officer		
Remuneration due in respect of the reporting period (<i>detailed in table 2</i>)	€313,251	€400,377
Value of the options allocated during the reporting period (<i>detailed in table 4</i>)	None	None
Value of the performance shares allocated during the reporting period (<i>detailed in table 6</i>)	None	€248,006
Value of the other long term remuneration plans	None	None
TOTAL	€313,251	€648,383

TABLE NO. 2 (AMF NOMENCLATURE) – SUMMARY TABLE OF THE REMUNERATION PAID TO EACH EXECUTIVE CORPORATE DIRECTOR

	2020 financial year		2021 financial year	
	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	€320,004	€293,337 ⁽¹⁾	€320,004	€320,004
Annual variable remuneration	€78,400	€66,581	€193,211 ⁽²⁾	€78,400
Exceptional remuneration	None	€40,000	None	None
Remuneration as a director	None	None	None	None
Benefits in kind	€5,247	€5,247	€13,460	€13,460
TOTAL	€403,651	€405,165	€526,675	€411,864

(1) After the deduction of one month's fixed remuneration (€26,667 gross), which Stéphane Pallez waived in a gesture of solidarity in the context of the health crisis.

(2) The variable remuneration to be received by Stéphane Pallez in 2022 in respect of 2021 represents 25% of the annual fixed remuneration due, i.e. €320,004, in accordance with the decision of the Board of Directors on 15 February.

	2020 financial year		2021 financial year	
	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	€248,004	€227,337 ⁽¹⁾	€248,004	€248,004
Annual variable remuneration	€60,760	€51,578	€149,738 ⁽²⁾	€60,760
Exceptional remuneration	None	€30,000	None	None
Remuneration as a director	None	None	None	None
Benefits in kind	€4,487	€4,487	€2,635	€2,635
TOTAL	€313,251	€313,402	€400,377	€311,399

(1) After the deduction of one month's fixed remuneration (€20,667 gross), which Charles Lantieri waived in a gesture of solidarity in the context of the health crisis.

(2) The variable remuneration to be received by Charles Lantieri in 2022 in respect of 2021 represents 25% of the annual fixed remuneration due, i.e. €248,004, in accordance with the decision of the Board of Directors on 15 February 2022.

TABLE NO. 4 (AMF NOMENCLATURE) – SHARE SUBSCRIPTION OR PURCHASE OPTIONS ALLOCATED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE DIRECTOR

	2021 financial year					
	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

	2021 financial year		
	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

	2021 financial year					
	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 ⁽¹⁾	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

(1) ECDs are required to hold 20% of the shares acquired under the 2021 allocation 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

	2021 financial year	
	No. and date of plan	Number of shares becoming available during the financial year
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		Additional 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-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive Corporate Directors								
Stéphane Pallez Chairwoman and CEO Start of term of office: 21 October 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 July 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 2021 are in accordance with the remuneration policy decided on by the Board of Directors meeting of 11 February 2021, on the proposal of the CGNR, and approved by the General Meeting of 16 June 2021 with 99.58% 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 2020 by a majority of 99.93% 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 2020 and 31 December 2021:

TABLE NO. 3 (AMF NOMENCLATURE) – TABLE ON REMUNERATIONS RECEIVED BY CORPORATE DIRECTORS

Directors	2020 financial year			2021 financial year			Attendance rate in meetings of the Board of Directors and its committees
	Remuneration due gross amount ⁽¹⁾			Remuneration due gross amount ⁽¹⁾			
	Amount of remuneration due	State portion	Director portion	Amount of remuneration due	State portion	Director portion	
Charles Sarrazin (from 09/03/2020)	€49,610	€49,610	-	€53,500	€53,500	-	100%
Emmanuel Bossière (until 09/03/2020)	€11,890	€11,890	-				
Didier Trutt	€43,500	€6,525	€36,975	€41,500	€6,225	€35,275	100%
Ghislaine Doukhan	€49,500	€7,425	€42,075	€43,500	€6,525	€36,975	89%
UBFT	€37,500	-	€37,500	€41,500	-	€41,500	100%
FNAM	€18,000	-	€18,000	€19,500	-	€19,500	40%

Directors	2020 financial year			2021 financial year			Attendance rate in meetings of the Board of Directors and its committees
	Remuneration due gross amount ⁽¹⁾			Remuneration due gross amount ⁽¹⁾			
	Amount of remuneration due	State portion	Director portion	Amount of remuneration due	State portion	Director portion	
Marie-Ange Debon (until 16/12/2020)	€44,468	-	€44,468				
Françoise Gri (since 16/12/2020)	€2,438	-	€2,438	€35,500	-	€35,500	95%
Fabienne Dulac	€41,922	-	€41,922	€44,500	-	€44,500	90%
Xavier Girre	€67,500	-	€67,500	€60,500	-	€60,500	100%
Corinne Lejbowicz	51,500	-	€51,500	€47,500	-	€47,500	100%
Pierre Pringuet	€64,500	-	€64,500	€56,500	-	€56,500	96%
Predica	As a non-voting member: €16,000	-	€16,000	€43,500	-	€43,500	89%
	As director: €16,855	-	€16,855				
Agnès Lyon-Caen	n/a	n/a	n/a	n/a	n/a	n/a	97%
Philippe Pirani	n/a	n/a	n/a	n/a	n/a	n/a	100%
David Chianese (since 18/06/2020)	n/a	n/a	n/a	n/a	n/a	n/a	100%
	€515,184	€75,450	€439,734	€487,500	€66,250	€421,250	

(1) 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 2021 are the same as those described in the sub-section 2.2.1.3 "Remuneration policy for directors: Remuneration granted to directors for financial year 2022".

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.

After noting the number of meetings of the Board of Directors and the committees during the past year and that the maximum remuneration package was €600,000 (on an annual basis), the Board of Directors, at its meeting of 15 February 2022, on the proposal of the CGNR, allocated the directors' remuneration package as shown in the table on remunerations received by Corporate Directors.

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⁽¹⁾, 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 private sector 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.

(1) Emmanuel Bossière from 3 September 2019 to 9 March 2020. Then, Charles Sarrazin from 9 March 2020.

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, appointed by the General Meeting of Shareholders on 18 June 2020.

The non-executive directors did not collect any remuneration from the Company for serving as directors, or from a company within its scope of consolidation:

- no exceptional remuneration;

- no share subscription or purchase options;
- no free share allocations;
- no 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

Plan 30 June 2021: LTI 2021

The Company's General Meeting of Shareholders of 4 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.

The implementation of this plan is 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 plan is part of an annual award target.

Performance conditions

The performance conditions of the LTI 2021 are the same for all beneficiaries, including Corporate Directors.

It is based on a dedicated staff review, integrated into the Group's talent management system.

It is 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.

Pursuant to the decision of the General Meeting of 4 November 2019, the Board of Directors on 30 June 2021 conditionally allocated 95,867 shares, i.e. 0.05% of the share capital.

The FDJ shares allocated may be actually vested by the beneficiaries

- at the end of a three-year vesting period;
- on the level of achievement of performance conditions, measured over the financial years 2021 to 2023, in the financial, operational and CSR fields;
- subject to a condition of presence at the end of the performance measurement period.

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Financial criterion	Accumulated EBITDA 2021 + 2022 + 2023 ⁽²⁾ 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 criterion	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%

Criteria	Indicators	Nominal weight	Maximum weight	Weight corresponding to the triggering threshold	Achievement rate grid
Shareholder return criteria	TSR ⁽³⁾ relative to comparable companies: Flutter, Entain, Tabcorp, OPAP, Kindred, Betsson, 888 and IGT ⁽⁴⁾⁽⁵⁾	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%
	TSR ⁽⁶⁾ relative to the SBF 120 restated for financials, real estate and energy, i.e. withdrawal of 24 stocks out of 120 ⁽⁷⁾	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 (from 25th to 47th) – FDJ is below the median (from 49th to 96th): 0%
Strategic criterion	2023 identified stakes ratio ⁽⁸⁾ 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 at the end of 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 at the end of 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 at the end of 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 at the end of 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 at the end of March 2021)
TOTAL		100%	145%		

- (1) Excluding the impact of new 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 years 2021 to 2023.
- (2) Excluding the impact of new 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 years 2021 to 2023.
- (3) Total shareholder return (TSR)
- (4) Reference price: Q4 2023 average price vs. Q4 2020 average price; with dividends reinvested.
- (5) On 16 December 2021, the Board of Directors decided to remove Scientific Games (SG) from the panel of companies initially selected. The explanations relating to this change are set out in the section entitled "Amendment of a performance condition of the LTI plan of 30 June 2021 (LTI 1)" in section 2.2.2 of this document.
- (6) Total shareholder return (TSR)
- (7) Reference price: Q4 2023 average price vs. Q4 2020 average price; with dividends reinvested.
- (8) 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.

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. This number of shares to be held corresponds to 20% of the shares included in the 2021 award.

No retention obligation applies to the other beneficiaries of the LTI 2021.

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 31 December 2023, 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 of this first plan has been defined by taking into account, simultaneously, the level of responsibility, key competences and impact on the company's strategy. This list will be reviewed and may be amended each year.

The list concerns 92 employees (excluding ECDs), i.e. nearly 4% of the Group's workforce (median of 1.78% in other SBF80 companies).

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, i.e. 30 June 2024.

The number of shares allocated to each beneficiary, for a performance objective of 100%, is defined by applying a percentage to the 2021 fixed annual remuneration of each beneficiary (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 30 June 2021, the date of allocation of the performance shares.

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.

The Board wanted the shares delivered to the beneficiaries to be at least in part existing shares purchased by FDJ on the market. It therefore decided to entrust an investment services provider (ISP) with one or more mandates to purchase a maximum of 190,000 shares over three years.

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

(1) €4.6m in IFRS costs + €0.9m employer cost = €5.5m pre-tax IFRS costs.

SUMMARY TABLE - TABLE NO. 10 (AMF NOMENCLATURE) – PAST PERFORMANCE SHARE ALLOCATIONS

	Plan of 30.06.2021
Date of meeting	04.11.2019
Date of Board meeting	30.06.2021
Total number of shares allocated, including those allocated:	95,867
• to Stéphane Pallez, Chairwoman and CEO	7,240
• to Charles Lantieri, Deputy Chief Executive Officer	5,611
• to the first 10 employees who are not Corporate Directors	25,350
Total number of allocations/beneficiaries (including ECDs)	94
Share vesting date	30.06.2024
Holding period end date (only for executive Corporate Directors and up to 20% of their shares)	2024 (General Shareholders' Meeting approving the financial statements for the financial year ending 2023)
Performance conditions	See performance conditions set out above
Number of shares vested on 31 December 2021	0
Cumulative number of cancelled or void shares on 31 December 2021	0
Number of free performance shares outstanding as at 31 December 2021	95,867

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)			

3

Risk factors

3.1 Presentation of risk factors	138	3.3 Group insurance	159
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3 RISK FACTORS

Presentation of risk factors

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" 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.

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 customer knowledge	■ ■ □ Moderate
◆ Risks related to the organisation of the point-of-sale network	■ ■ □ Moderate
◆ Risks related to the strategy for developing diversification activities	■ ■ □ Moderate
Risks related to the Group's operations	
◆ Risk 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 of the current sector regulatory framework	■ ■ ■ High
◆ Risks related to Responsible Gaming [CSR]	■ ■ □ Moderate
◆ Money laundering risk [CSR]	■ □ □ Low
◆ Risks related to changes in the sector regulatory framework (taxation, advertising, supply of authorised games, etc)	■ □ □ Low
Legal risks and non-compliance risks	
◆ Risks related to litigation, disputes and claims	■ ■ □ Moderate
◆ Risk of infringement of the security of personal data [CSR]	■ □ □ Low
◆ Legal risks related to the coexistence of activities carried out under exclusive rights and in competition	■ □ □ Low

IMPACTS OF THE COVID-19 PANDEMIC ON FDJ'S MAIN RISK FACTORS AND OUTLOOK

Since 2020, the health crisis triggered by the Covid-19 pandemic and its impact on the global socioeconomic environment have prompted increased vigilance by the Group on a certain number of risks (cyberattacks, supply-chain disruptions, organisation of the point-of-sale network, etc.).

The main impact of the health crisis lies in the disruption of activities during the periods of health restrictions affecting the offline points of sale of FDJ's distribution network, with, by way of illustration, nearly 10% of the Group's points of sale, chiefly bars, closed between January and May 2021.

Since the beginning of the health crisis, and throughout 2021, FDJ has maintained measures allowing it to:

- protect the health and safety of its employees, service providers and partners by rigorously applying the recommendations of the French and local authorities to stem the Covid-19 epidemic;
- ensure business continuity and the control of logistical and commercial risks;
- maintain dynamic management of its business in line with its responsible gaming model.

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 sports betting market, 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 sports betting operators, especially in terms of attracting new players, with particularly high levels of communication and promotional expenses.</p> <p>Competition between online sports betting operators is also very intense in terms of odds setting policies and new offers, and new features are developed quickly. This competition could further intensify with the arrival of new international players on the market.</p> <p>FDJ competes with specialised larger operators which are offering not only online sports betting but also other types of online offers, such as online horse-race betting and online poker, both in France and internationally. These other online offers also benefited from significant enthusiasm in France at the time of the lockdown period in the second quarter of 2020, while the online sports betting offer was severely affected by massive cancellations or late resumptions of sports events. In 2021, as the health crisis continued, the French regulatory authority for gaming (ANJ) confirmed growth in online poker and online horse-race betting in France (source: ANJ – third-quarter 2021 activity report).</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, sometimes reinforced by events related to the Covid-19 health crisis.</p>	<ul style="list-style-type: none"> - Decline in existing market share. - Decline in the attractiveness of FDJ offers. - Difficulties in recruiting new sports betting 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 and offline 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.

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. In 2020, the Covid-19 crisis greatly accelerated this transformation, with the significant use by French people of e-commerce sites, in line with the health measures that were then in force. This trend continued into 2021, driving significant growth for gaming operators across all digital channels. Moreover, within the context of a health crisis, the online lottery offer is also a lever for resilience complementing other lottery offers currently available exclusively at points of sale (Amigo).</p> <p>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. <p>MAIN RISK-MANAGEMENT SYSTEMS</p> <p>In addition to the point-of-sale offer, the development of the online offer is one of the Group's four 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).

RISKS RELATED TO CUSTOMER KNOWLEDGE

Net criticality:  Moderate

DESCRIPTION OF THE RISK FACTOR	POTENTIAL IMPACT FOR THE GROUP
<p>To achieve its strategic growth objectives, FDJ has initiated a process of differentiated renewal of its gaming offer, notably in order to consolidate its player base. However, the tastes and aspirations of players, especially younger generations of players, change very rapidly. Moreover, gaming activities compete with other types of discretionary spending, and in particular with other forms of leisure and entertainment offering other types of rewards or satisfaction.</p> <p>In the absence of a strategy and tools allowing for good customer knowledge, FDJ may not be able to adapt its gaming offer with sufficient agility and speed.</p> <p>In addition, FDJ has set itself the goal of ultimately implementing a point-of-sale identification system in order to better meet the needs of its customers and develop a Responsible Gaming policy adapted to their gaming practices. However, players or potential players may not naturally adhere to it as being too restrictive or intrusive.</p>	<ul style="list-style-type: none"> - Decline in the attractiveness of FDJ offers. - Difficulties in recruiting new customers. - Impact on the achievement of the Group's growth and profitability objectives. <p>MAIN RISK-MANAGEMENT SYSTEMS</p> <p>In response to this risk, FDJ is implementing a strategy of progressive and proportionate customer knowledge and identification, particularly at the point of sale, based 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 THE ORGANISATION OF THE POINT-OF-SALE NETWORK

Net criticality:  Moderate

DESCRIPTION OF THE RISK FACTOR	POTENTIAL IMPACT FOR THE GROUP
<p>To stay close to its customers, the Group relies on a network of more than 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 increase in the price of tobacco and the application of the "neutral packaging" law, as well as due to the weakening of the printed press market.</p> <p>The health context has also accentuated the difficulties of certain points of sale, with, for instance, the application in 2021 of various restrictions imposed by the French authorities to stem the Covid-19 epidemic (e.g. closure of outdoor and indoor seating, particularly important for bars, which accounted for nearly 10% of the Group's points of sale, and the imposition of a curfew in the first half of 2021).</p> <p>The medium- and long-term effects of the health crisis on points of sale are being monitored by FDJ, but remain uncertain at this stage, with some points of sale benefiting from the government-guaranteed loan scheme, which has been extended until June 2022.</p> <p>Furthermore, the arrival of new operators and new games and services, or new forms of 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. - Confusion of players as to the various types of offers due to the proliferation of offers within sales areas. - 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); - 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; - remuneration of FDJ points of sale consistent with the Group's marketing and Responsible Gaming challenges.

RISKS RELATED TO THE STRATEGY FOR DEVELOPING DIVERSIFICATION 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"> - a B2B offer of international services for lottery and/or sports betting operators; - payment and other services for retailers and the general public; - exploration of segments in the entertainment sector. <p>These three diversification activities each raise risks:</p> <ul style="list-style-type: none"> - risks related to the implementation of the development strategy in these diversification activities, 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: new difficulties in winning new contracts and adapting to local regulatory constraints; - operational constraints related to regulatory obligations (e.g. obtaining approval for the FDJ Services subsidiary as a Payment Institution, issued by the ACPR, in 2021); 	<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 achievement of the Group's growth and profitability objectives. <p>MAIN RISK-MANAGEMENT SYSTEMS</p> <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.

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 computerised gaming systems.</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 competing offers. - 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; - IT continuity plan. <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).

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; - a 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>	<ul style="list-style-type: none"> - Disputes with players or even a sanction from the regulator. - Payment 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>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.

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 over 30,000 points of sale in 2021. 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>This risk also includes the problems of pressures or even shortages affecting raw materials (inks, paper, containers, etc.), which can result in supply issues, for scratch cards for instance.</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 part of the lottery games, which can result in image risks and, in some cases, potential disputes with retailers. - Impact on the achievement of 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 one supplier; - 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 (such as Amigo or Keno) are based on the fixed-odds 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 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 1.6 "Regulatory environment" in Chapter 1 "Overview of the Group and its activities").</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. The ANJ could also change its operational control methods, bringing in new constraints related to the conditions of operation of games.</p> <p>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>In addition, 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"> - Refusal, suspension or withdrawal of the authorisation of a game. - Authorisation of a game subject to the implementation of certain recommendations within a short timeframe, which may make it hard for FDJ to quickly adapt its games and information systems. - 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. - 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 modalities of the application of the regulations.</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; - this department also ensures compliance with the regulatory framework for the gaming and betting activities offered in competition and under exclusive rights by the company, in particular by convening a dedicated Steering Committee that brings together and coordinates all the internal entities of the company concerned; - on a day-to-day basis, it supports operational teams in anticipating and implementing regulatory and statutory obligations.

RISKS RELATED TO RESPONSIBLE GAMING [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 - 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 Responsible Gaming and the administrative and criminal penalties for non-compliance have recently been strengthened (e.g. Order issued in application of the 2019 Pacte Law, 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 an approval 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 approval, 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 . 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.</p> <p>Actions to manage these risks are taken at all stages of the game's life cycle according to a principle known as "JR Inside" 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, either through initial training or regular updates or supplements, 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.

RISKS RELATED TO RESPONSIBLE GAMING [CSR]

Net criticality:  Moderate

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. For example, FDJ has strengthened its commitment in this area and plans to devote 10% of its overall media buying budget to Responsible Gaming messages from 2022. The Responsible Gaming policy also relies on numerous partnerships with healthcare professionals and social workers, with more than €1.2 million devoted to partnerships to support research in addictionology and prevention initiatives in 2021.

[Further details are provided in Chapter 4 "Corporate Social Responsibility", in section 4.3 "Responsible Gaming" of this Universal Registration Document]

MONEY LAUNDERING RISK [CSR]

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 (notably 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.</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 2021, FDJ sent 282 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>	<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", in section 4.4.2 "Prevention of money laundering" of this Universal Registration Document]</i></p>

RISKS RELATED TO CHANGES IN THE SECTOR REGULATORY FRAMEWORK (TAXATION, ADVERTISING, SUPPLY OF AUTHORISED GAMES, ETC.)

Net criticality: ■■■ Low

DESCRIPTION OF THE RISK FACTOR	POTENTIAL IMPACT FOR THE GROUP
<p>Although the legislative and regulatory framework applicable to the gambling sector has recently been reformed (see Note 1.6 "Regulatory environment" in Chapter 1 "Overview of the Group and its activities"), the adoption of further constraints cannot be ruled out.</p> <p>By way of example, potential changes in the sector regulatory framework could concern:</p> <ul style="list-style-type: none"> - operating conditions for games or betting under exclusive rights and in competition; - a tightening of restrictions on advertising for gaming, as observed in other European countries (Belgium, Spain, Italy (see Note 1.1.2 "European gaming market" in Chapter 1 "Overview of the Group and its activities"); - 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; - the authorisation of new forms of gaming or betting in France; - a change in the tax regime applicable to gaming in France and in the countries in which the Group operates. 	<ul style="list-style-type: none"> - New regulatory constraints or stricter operating conditions for games, potentially impacting the FDJ Group's results. - Limitation of FDJ's ability to communicate on its offers and as such to promote their sale and recruit new players. - Economic destabilisation of existing gaming sectors through the authorisation or opening up to competition of segments previously prohibited or operated under exclusive rights. - Negative impact on net gaming revenue (NGR) and on the achievement of the Group's growth or profitability targets. - Limiting or questioning of the growth strategy.
	<p>MAIN RISK-MANAGEMENT SYSTEMS</p> <p>A very large part of FDJ's activity is carried out within a regulatory and fiscal framework that has recently been clarified and strengthened.</p> <p>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. The Pacte Law also modified the taxation of gaming, with the new regime applicable since 1 January 2020.</p> <p>On a day-to-day basis, FDJ has an organisation and governance that enable it to anticipate, monitor and address changes in the sector regulatory framework. 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.</p> <p>By way of example, FDJ took an active part in exchanges between the ANJ and sports betting operators following UEFA Euro 2020, particularly as regards advertising.</p>

3.1.4 LEGAL RISKS AND NON-COMPLIANCE RISKS

RISKS RELATED TO LITIGATION, DISPUTES AND CLAIMS

Net criticality:  Moderate

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 was opened on 26 July 2021.</p>	<ul style="list-style-type: none"> - Convictions against FDJ. - Damage to the value, image or reputation of the Group. <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 the "Provisions for liabilities and charges" section of this Universal Registration Document.</p>

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.
MAIN RISK-MANAGEMENT SYSTEMS	
<p>FDJ is fully committed to protecting the data of the persons 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><i>[Further details are provided in Chapter 4 "Corporate Social Responsibility", in section 4.4.3 "Ensuring the protection of personal data" of this Universal Registration Document]</i></p>	

LEGAL RISKS RELATED TO THE COEXISTENCE OF ACTIVITIES CARRIED OUT UNDER EXCLUSIVE RIGHTS AND IN COMPETITION

Net criticality:  Low

DESCRIPTION OF THE RISK FACTOR	POTENTIAL IMPACT FOR THE GROUP
<p>Since the opening of part of the online gaming sector (sports betting, horse-race betting and poker) up to competition, FDJ carries out most of its activities under exclusive rights (sports betting in the physical network and lotteries), but has also obtained a licence to operate sports betting 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>	<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.
MAIN RISK-MANAGEMENT SYSTEMS	
<ul style="list-style-type: none"> - Implementation of accounting separation. - Absence of commercial solicitations of monopoly customers to an activity operated in competition. - Absence of cross offers. - Separate websites and applications. - Organisation of awareness-raising sessions for employees. 	

Information bearing on financial risks (liquidity risk, interest rate risk, market risk, etc.) and the associated management systems is provided in Note 8.5 "Financial risk management policy" in Chapter 6 "Consolidated financial statements for the year ended 31 December 2021" of this Universal Registration Document.

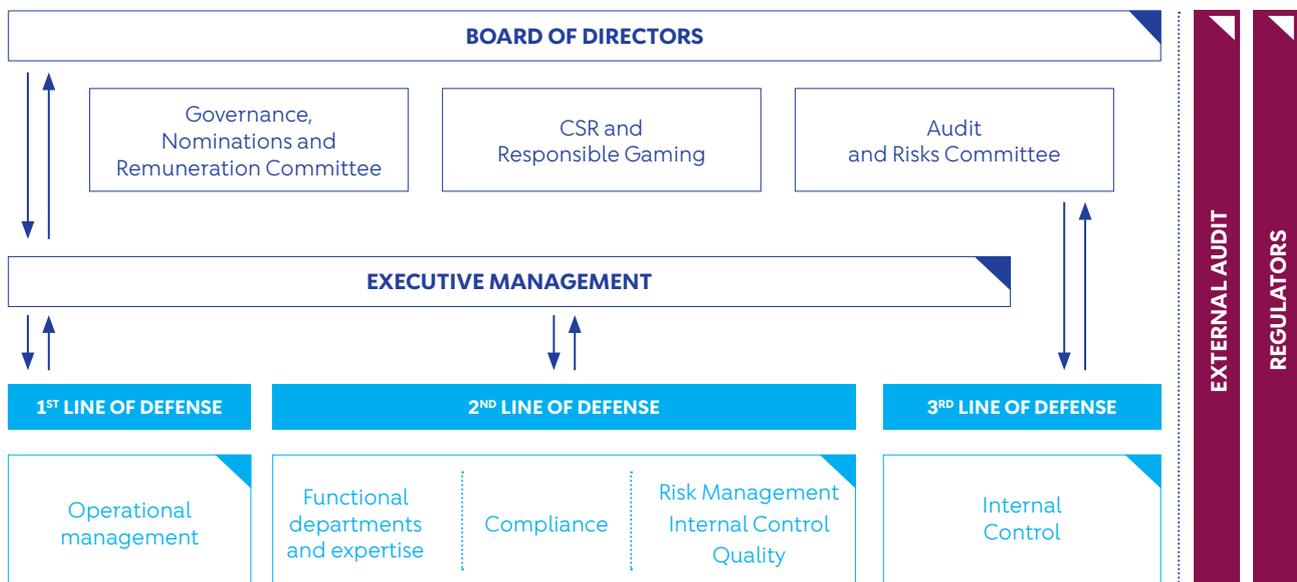
3.2 Internal control and risk management system

3.2.1 PRESENTATION OF THE GENERAL FRAMEWORK FOR CONTROLLING THE BUSINESS AND RISKS

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 2.1.2.3.1 "The Audit and Risks Committee" of Chapter 2 "Governance and compensation" 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 combating corruption and breaches of probity in accordance with the Sapin II law and extra-territorial foreign laws on combating 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) which 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 Communication & CSR Department (DCRSE);
- The Finance, Performances and Strategy 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 combating 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;
- 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 combating 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 notes or reports (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, in particular by convening a dedicated Steering Committee which brings together and coordinates 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.

The Finance, Performance and Strategy division 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

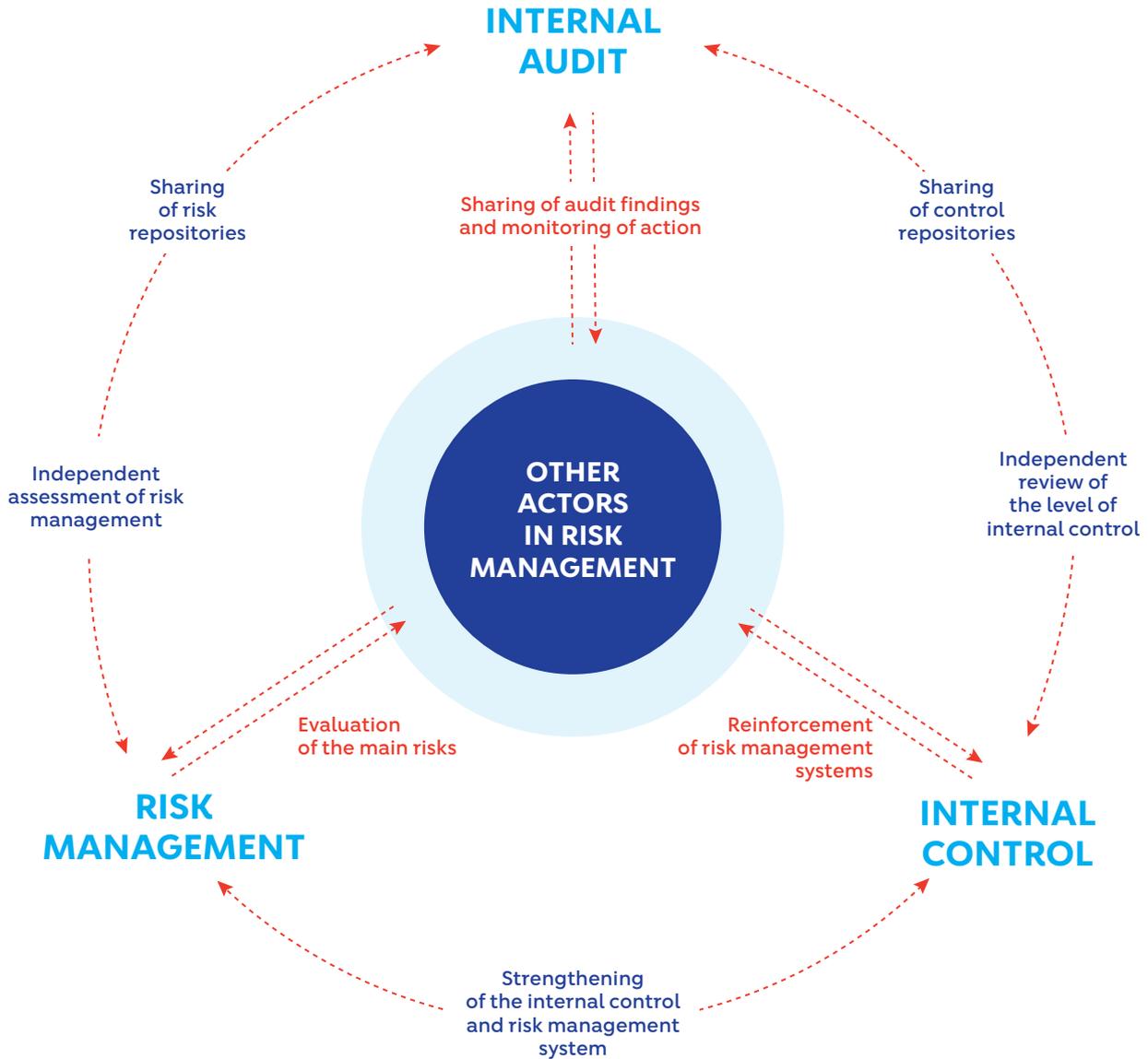
Within the various subsidiaries, the teams adapt and strengthen the Group's systems so as better to respond to the specific nature of the activities and the requirements of the applicable regulations (e.g. local regulations, activities subject to approval, etc.), including for subsidiaries conducting diversification activities.

The Group's "Payment and 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.

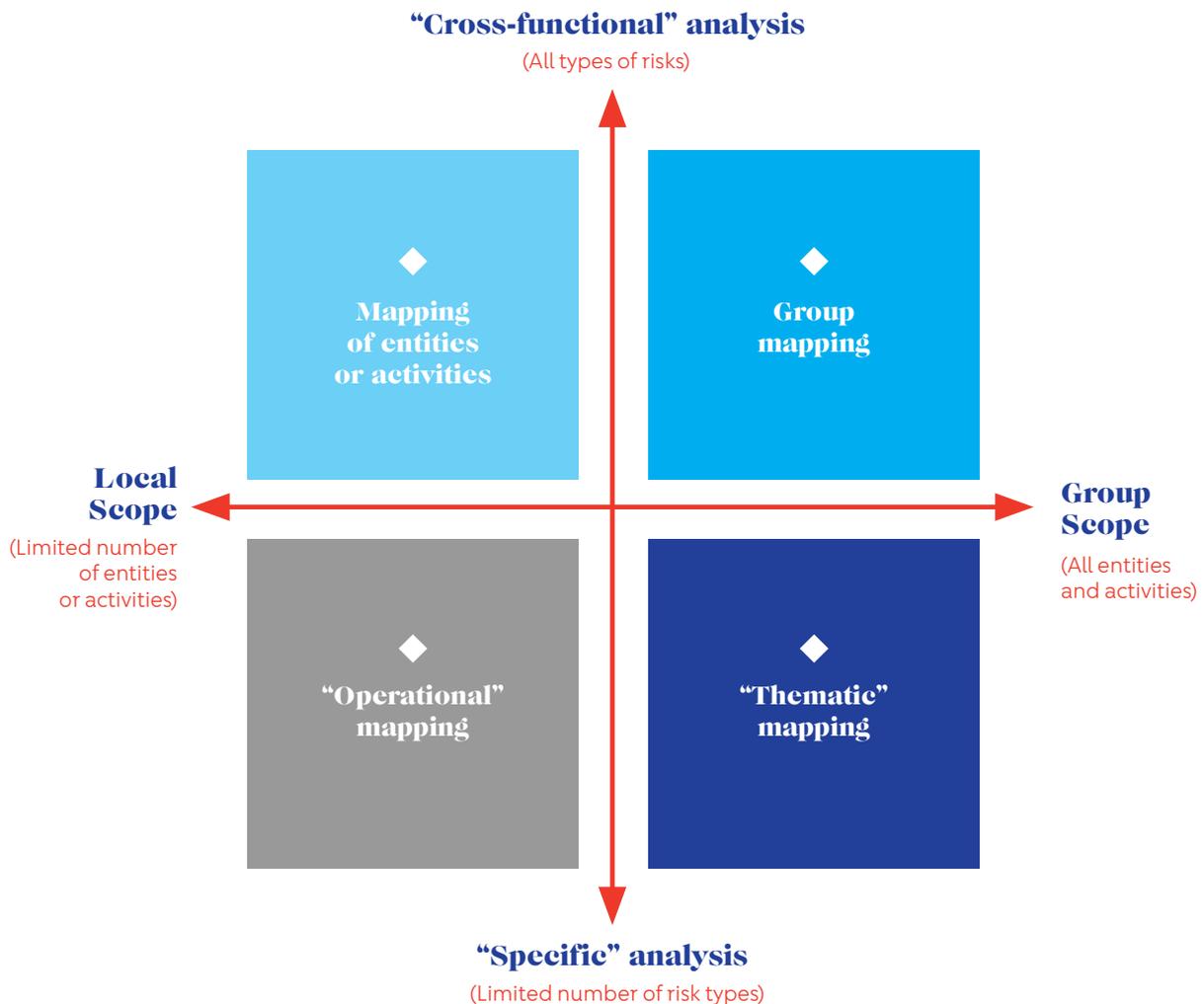
These risks, which are constantly changing and are characterised by a high degree of uncertainty, can be detected as part of prospective analysis of the business or the collection of “weak signals”, and are then analysed and dealt with within the overall risk management system. This approach thereby 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, 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 the 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 2021 amounted to approximately €4.2 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 2021, counterparty risk for lottery games was covered by an annual insurance

policy, providing for the coverage under certain conditions of cumulative counterparty risks. As of 1 January 2021, the policy has an annual ceiling of €130 million, with an excess of €6 million.

3.3.2 PROPERTY/OPERATING LOSS INSURANCE

The Group's property insurance policy is based on the "all risks except" principle. material damages excluded. This contract is effective from 1 January 2021 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 €220 million per claim, with the exception of equipment located in the validation points, particularly at retailers' outlets, for which the claim limit is specific. Property, buildings and equipment are insured at their "replacement cost", with up to 33% of their value deducted for obsolescence. 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. This contract was renewed with

effect from 1 January 2021 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 insurance policy is €25 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.

4

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4.1 Corporate Social Responsibility (CSR)

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 it has secured under the Pacte Law – is to funnel public demand for gaming into a controlled channel, thereby preventing the risks and potentially negative effects of gaming and gambling activities.

In this context, both historical and regulatory, 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 2021, nearly 90% of stakes collected were redistributed to players (i.e. €13 billion) or transferred to central government finances (i.e. €3.8 billion) in respect of specific taxes on gaming activities. The Group pays its retailers between 4% and 6% of stakes, depending on the game, with an average payment that equated to 5.4% of stakes in 2021 (€901 million).

4.1.1 CSR GOVERNANCE ⁽¹⁾

Developed in accordance with the international 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"), 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, stemming notably from responsible gaming initiatives, among the factors that determine the short and long-term variable compensation of corporate officers.

The CSR department is tasked with overseeing the preparation and implementation of 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 Communication & CSR and the Group Head of CSR, before being submitted to the CSR and RG Committee⁽²⁾. 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 2021, the 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;
- UBFT, represented by Olivier Roussel, director appointed by the General Meeting of Shareholders;
- 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 sits on the CSR and RG Committee in an advisory capacity.

Internal audit (see chapter 3 "Risk factors") implements a multi-year audit plan that incorporates the themes covered by the CSR policy. In 2022, there will be a particular focus on services and support for big prize-winners and on the compliance-related anti-money laundering mechanism.

(1) See chapter 2 "Governance and remuneration".

(2) Specialised committee of the Board of Directors.

4.1.2 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* and featured it in the preamble to its articles of association, at the Combined General Meeting of Shareholders held in June 2020 (see "Our *raison d'être*").

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 involving its stakeholders, and particularly its staff (more than 200 employees took part in workshops to that end), as well as the members of the Social Laboratory⁽¹⁾, and outside specialists.

4.1.2.1 THE SIX COMMITMENTS RELATING TO FDJ'S RAISON D'ÊTRE

<p>1. Offer</p> <p>Develop a range of entertaining, upstanding and responsible games.</p>	<p>2. Customers</p> <p>Assist our customers at every stage of their online and offline gaming experience.</p>	<p>3. Responsible gaming</p> <p>Limit excessive gambling and prevent underage gambling.</p>	<p>4. Social responsibility</p> <p>Step up our solidarity, societal and environmental initiatives.</p>	<p>5. Network</p> <p>Promote local businesses nationwide.</p>	<p>6. International</p> <p>Promote our responsible gaming model worldwide.</p>
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The Group established its *raison d'être* commitments in line with CSR considerations, but not exclusively. Initiatives associated with these commitments can be found in each CSR theme (responsible gaming, integrity, human resources, solidarity, territories and environment) presented in this report.

4.1.2.2 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, 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 the Baden-Wurtemberg Lottery;

- Caroline Cayeux, Mayor of Beauvais, Chairwoman of the Agence Nationale de la Cohésion des Territoires and of the Villes de France association of elected officials;
- Philippe Coy, Chairman of the Confédération des Buralistes;
- Laurence Devillers, Professor of Artificial Intelligence – CNRS⁽²⁾, member of the digital ethics committee;
- Benoit Halgand, Student – Ecole Polytechnique, co-founder of the Manifeste Etudiant pour un Réveil Ecologique⁽³⁾;
- 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.

The Chairwoman and CEO and the Deputy Chief Executive Officer attend the committee meetings, as do any representatives of the Company that might have an interest in the topics on the agenda.

In 2021, FDJ convened three meetings of the Stakeholder Committee:

- in February, to discuss the impact of the public health crisis on player behaviour and how online and offline gaming practices have evolved, and to present the initiatives that FDJ had taken to honour its commitment towards local businesses to support its point-of-sale network, particularly during the pandemic;

(1) Forum for discussion between FDJ and its stakeholders, particularly civil society organisations (CSOs), on issues relating to its responsible gaming policy.
 (2) CNRS - *Centre national de recherche scientifique*: National Center of Scientific Research.
 (3) Wake up call on the environment - a student manifesto.

- in June, to discuss the measures taken by FDJ to ensure that it develops games that are both entertaining and responsible, with a focus on the responsible gaming action plan rolled out for the UEFA Euro 2020 football championship and on games with a societal impact that rally public support, such as "Mission Patrimoine". The committee members also discussed the initiatives that FDJ had taken to honour its commitment to step up efforts to tackle climate change and protect biodiversity;
- in October, the members discussed the offline and online customer experience, particularly regarding the use of data on gaming habits to promote responsible gaming

(Playscan™); and also looked at the actions taken by the FDJ Corporate Foundation, the Company's support for French sport and its locally-rooted activities.

A report may be submitted on these meetings to the FDJ Board of Directors' CSR and RG Committee. The Chair of the Stakeholder Committee will meet the members of the CSR and RG Committee sometime in 2022 to present the work that has been completed so far. The CSR and RG Committee Chair will then report on this presentation to the Board of Directors.

4.1.3 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

CIVIL SOCIETY

- Experts in key CSR areas
- NGO
- Media
- General public
- Rating agencies

PLAYERS

SUPPLIERS AND PARTNERS

DISTRIBUTION NETWORK

- Intermediaries
- Retailers

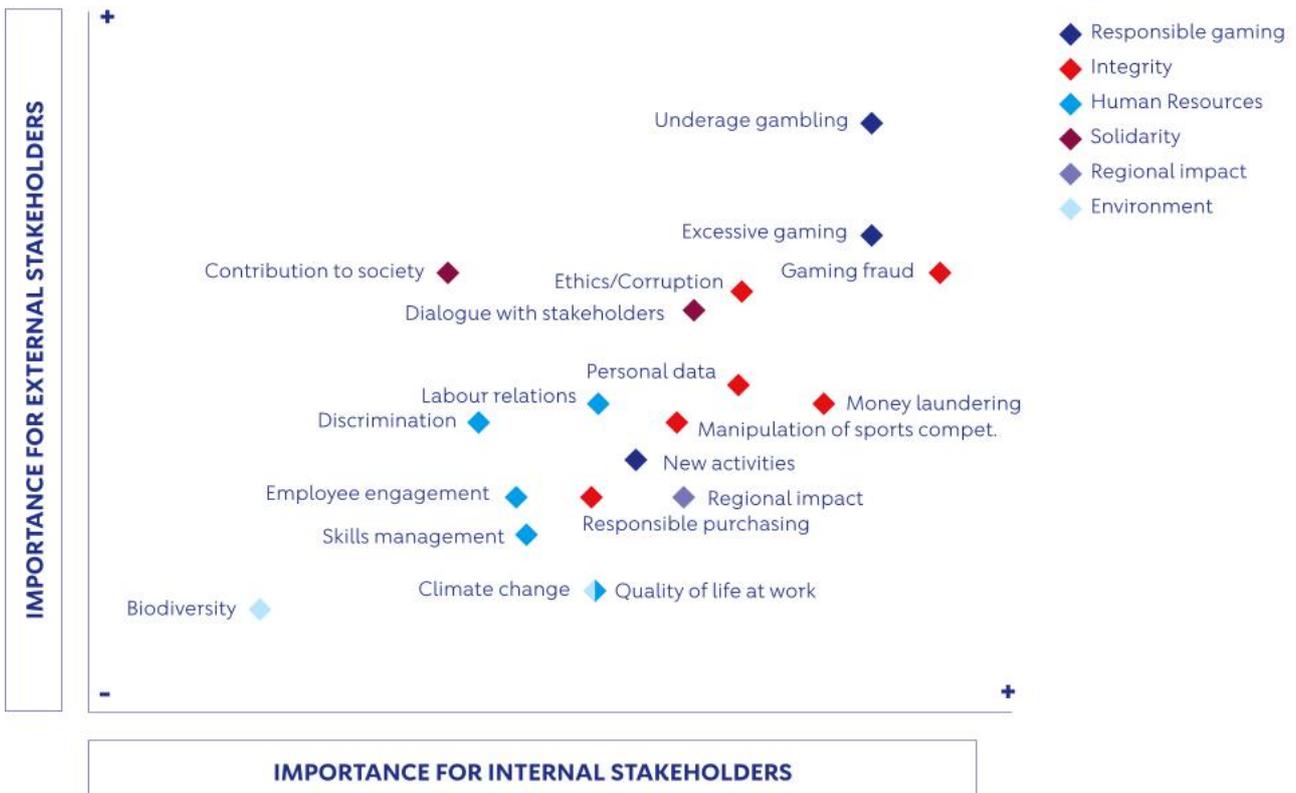


FDJ updated its materiality matrix in 2021 to ensure that CSR issues are always commensurate with stakeholders' expectations. This involved sending out an online questionnaire to around thirty stakeholders (shareholders, suppliers, members of civil society, members of the Social Laboratory and Stakeholder 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 CSR TRAINING FOR GROUP EMPLOYEES

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

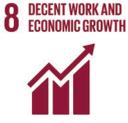
efforts to combat corruption, diversity and inclusion, responsible purchasing, personal data management, support for territories, societal commitments and environmental issues. By the end of 2021, 76.4% of Group employees had completed the programme.

4.1.5 SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The 17 Sustainable Development Goals (SDGs) 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:

STRUCTURE OF THE NON-FINANCIAL INFORMATION STATEMENT (NFIS) AND LINKS WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDG)

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>4.7 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>4.5 Human resources</p> <p>4.6 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>4.6 Solidarity</p> <p>4.7 Territories</p>

(1) SDG (Sustainable Development Goals) 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>4.3 <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>4.8 <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>4.8 <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>4.4 <i>Integrity</i></p>

4.2 CSR performance serving the Group's business model

4.2.1 THE GROUP'S BUSINESS MODEL

FDJ's business model hinges on the dynamic and on the diversity of its core businesses and the strengthening of its diversification activities. Responsibility is a core component of FDJ Group's business model, through which it pursues a proactive policy of preventing excessive and underage gambling.

The Group's business model is in keeping with the recommendations of the International Integrated Reporting Framework. It includes a presentation of the Group's main resources and assets (capital), activities and strategy, as well as a description and measurement of the value it creates for each stakeholder.

The Group's business model is described in the section of this report entitled "Our business model".

4.2.2 CSR TARGETS FOR 2025

FDJ continued its work in 2021 to set priority CSR targets for 2025. These targets are a core aspect of the Group's strategy and set tangible medium-term commitments. They cover three priority engagement themes for FDJ and are aligned with stakeholders' expectations:

- responsible gaming, and particularly the prevention of excessive gambling;
- the environment, and specifically 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 ⁽¹⁾ to come from high-risk online lottery players
Environment	50% reduction in scope 1 and 2 carbon emissions relative to 2017
ESG performance	FDJ has kept its A1+ score and is one of the three highest-rated operators in the gambling industry (Moody's ESG)

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

The CSR and RG Committee and the Governance, Nominations and Remuneration Committee (the "CGNR") signed off on these CSR targets at the end of 2021. The targets are applied annually and incorporated into the executive Corporate Directors' annual compensation packages (see chapter 2 "Governance and remuneration").

(1) Environmental, social and governance.

4.2.3 NON-FINANCIAL RATINGS

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
OVERALL ESG RATING (environnement, social, governance rating)	 Vigeo-Eiris (Moody's) - US	A1+ 66/100	A1+ 66/100	A1+ 70/100
	 ISS-Oekom – Frankfurt Stock Exchange	-	C+ "Prime" status	C+ "Prime" status
	 MSCI - US	-	-	A
	 RobecoSAM (S&P) - US	-	53/100	57/100
	 Sustainalytics – Netherlands	-	-	1st /82 company in the "Casino & gaming" sector
	 Refinitiv - UK	B-	B-	B
SPECIALIST RATING	 Humapact - France Specialised in listed companies' impact on employment in France	-	Overall score 5/5 2nd Top 3 in the category "Gender balance"	Overall score 4,5/5 1st Top 3 in the category "Gender balance"
	 Ecovadis - France Specialised in CSR and responsible purchasing performance	70/100	70/100	Assessment slated for February 2022
	 Gaia Rating - France Specialised in ESG analysis and ratings for small/mid-caps	-	82/100	85/100
	 Alignment with the TCFD recommendations	-	-	B- (Management level)

4.2.4 ASSESSMENTS AND CERTIFICATIONS

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 Association, renewed in 2021 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.

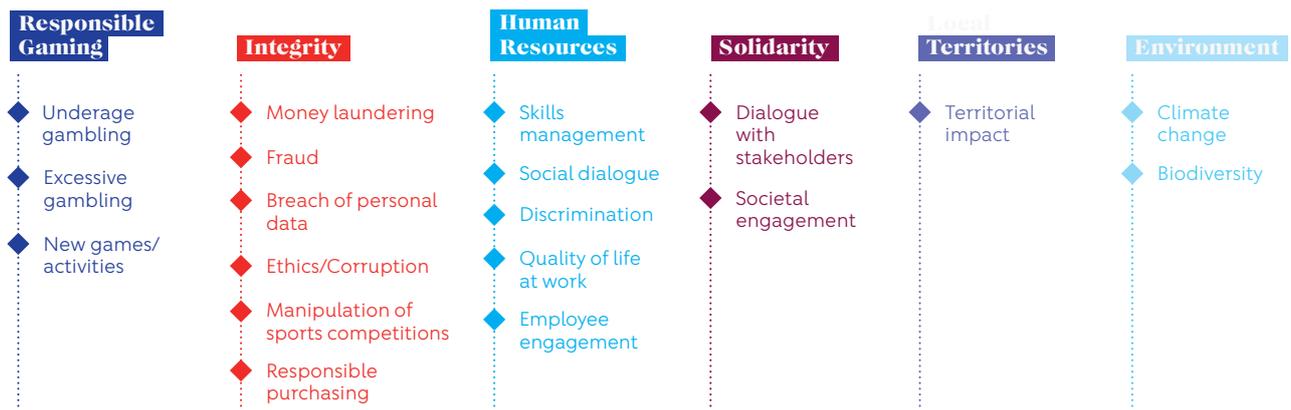
4.2.5 CSR RISK ANALYSIS

In accordance with regulations stipulating the content to be provided in the non-financial performance report, 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. 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. Nothing significant occurred in 2021 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.

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.

This chapter has been prepared in accordance with reporting protocol described on FDJ Group's corporate website.

(1) Decree No. 2017-1265 of 9 August 2017.

(2) Order No. 2017-1180 of 19 July 2017.

4.3 Responsible gaming

FDJ operates in the gaming and gambling industry, a regulated sector in terms of the specific risks it entails, particularly in terms of maintaining public and social order.

2021 marked the fourth time in a row since 2012 in which AFNOR awarded FDJ a 100% compliance rating as part of the three-year certification programme for responsible gaming conducted by the European Lotteries Association.

This is the highest possible certification level and confirms FDJ as the French leader in responsible gaming in the field of gambling, and as one of the European leaders in the lottery sector.

In accordance with regulatory provisions applicable 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 (Autorité nationale des jeux - ANJ) each year.

In 2021, 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 encompass its lottery operations and its sports betting operations.

Specifically regarding sports betting, the UEFA Euro 2020 football championship was staged between 11 June and 11 July 2021. FDJ Group took action through its sports betting brand *Parions Sport* (*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 championship kicked off. This plan had three key focuses:

- providing preventive information to players and the general public regarding the risks involved in betting, namely through a television campaign reminding viewers that underage sports betting was prohibited, and an online awareness video produced by YouTuber Julien Ménielle on excessive gambling and best practices;
- organising specific training ahead of the championship on excessive gambling for sales teams and points of sale that accept sports bets, supplementing the broader responsible gaming training programmes already held;
- stepping up the telephone outreach campaign for players with high-risk gambling habits, prioritising sports betting players during the Euro 2020 championship.

4.3.1 FIGHTING UNDERAGE GAMBLING

FDJ is required by law to prevent minors, even emancipated minors, from participating in the gaming and gambling activities it provides⁽²⁾. 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 sector.

Preventing underage gambling is one of the pillars of FDJ's responsible gaming policy. The roll-out of the new action plan, heavily disrupted in 2020 due to public health measures, resumed in 2021. Jointly developed with retailers' industry organisations, the plan provides for greater penalties for retailers who sell gambling products to underage players. It also expands the training programme for retailers in the network, together with information campaigns targeting the general public.

The Group has introduced three practical mechanisms to tackle underage gambling:

- training for the retailers in the network and the sales force;
- audits of the point-of-sale network;
- preventive information campaigns for the general public.

TRAINING RETAILERS AND THE SALES FORCE

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. A major component of the new anti-underage gambling action plan involves training on how to refuse to sell gaming products to minors. It is aimed at further adapting approaches to the needs and specific characteristics of points of sale, through different targeted actions that will vary depending on the profile of the point of sale, and at promoting workshop and round-table formats to facilitate the sharing of best practices among retailers.

(1) The responsible gaming action plan ("RGAP") for activities exercised under exclusive operating rights was submitted to the ANJ on 30 September 2021 and approved by ANJ Ruling No. 2021-227 of 25 November 2021. The RGAP for online sports betting activities was submitted to the ANJ on 30 November 2021 and approved under Ruling No. 2022-008 of 20 January 2022.

(2) Article 139 of the Pacte Law stipulates that it is prohibited to sell, or to offer free of charge, gambling products to minors at points of sale authorised to sell lottery and sports betting games, and Article L. 320-7 of the French code of domestic security (Code de la sécurité intérieure) stipulates that minors, even emancipated minors, are prohibited from participating in online and offline gambling activities.

FDJ continued to adapt its online training actions, testing out a digital training feature in the first half of 2021, and resumed in-person sessions with retailers in the second half of the year, providing 2,000 retailers with techniques to refuse sales to underage players.

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, such as the presence of posters and stickers stating that the sale of gambling products to minors is prohibited. 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

	2020	2021
FDJ Group excl. PDJ	92.4%	93.8%

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 over the past two years in conjunction with the representatives of retailers and the sales force, and has all but done away with disreputable practices.

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.

Mystery shopper visits resumed in the second half of 2021 after being put on hold in March 2020 due to public health restrictions. This new campaign has set a new penalty system in motion, involving higher and increasing amounts, mainly targeting retailers who repeatedly sell gambling products to underage customers.

If a mystery shopper operation finds that they are selling to minors, retailers will first receive a warning and be required to display another poster to encourage players to present proof of identity. They will then undergo an automatic

inspection the following year using the same procedure. If they are again found to be contravening the law, they will lose their FDJ licence 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 "2nd 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, course - and 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. More than 1,000 inspections were carried out in the second half of 2021. The licence suspensions will be enforced in 2022.

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. It also supports awareness initiatives launched by health and social experts and geared towards minors, such as the "Bien Jouer" programme tested by SEDAP, which seeks to educate high-school students about the risks involved in gambling and games of chance.

In 2021, FDJ continued to step up its awareness efforts to prevent underage gambling:

- at retailers by displaying point-of-sale advertisements - for the first time ever at all points of sale selling sports bets - specifically aimed at preventing underage gambling, to coincide with the UEFA Euro 2020 championship;
- with the general public through a television campaign aired before, during and after the Euro 2020 competition, aimed at preventing underage sports betting, as part of an initiative first tested in 2019. A special media broadcasting plan was enhanced, specifically targeting males in the 18-49 age group, to continue to inform the public that underage gambling is prohibited; a clip was aired in 2021 portraying FDJ's responsible gaming actions as part of the "Et voir la France gagner" advertising campaign, which called attention to the prohibition of gambling by minors;
- through continued actions to limit the exposure of minors to the Group's advertising campaigns, relying on 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.

4.3.2 PREVENTING EXCESSIVE GAMBLING

Gambling, which can be addictive, may create a risk of addiction for some players. For many years, in keeping with its commitment to a gaming model that is intended to be recreational and responsible, the Group has deployed significant efforts to prevent excessive or even addictive gambling behaviour. In accordance with applicable legislative and regulatory provisions, FDJ is required to implement an ANJ-approved action plan specifically aimed at preventing excessive gambling and promoting reasonable gaming habits.

The prevention of excessive gambling behaviour and the detection and support of persons in vulnerable situations is the second major focus of FDJ's actions to promote responsible gaming. FDJ is continuing to strengthen its actions in this area based on five areas of focus:

- evaluation of the range of gaming products and advertising/promotional initiatives;
- monitoring gaming habits and providing specific support for online players;
- training for retailers and the sales force;
- providing preventive information on the risks associated with excessive gambling;
- the detection and support of persons in vulnerable situations.

EVALUATION OF THE RANGE OF GAMING PRODUCTS 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 authorisation by the ANJ, to which all games and bets are subject under the exclusive rights held by FDJ.

The responsible gaming teams analyse the appeal of each new game under development, based on each aspect of the game (design, name, etc.), with a particular emphasis on the mechanics of the game, which is assessed using matrices that FDJ has been developing for around ten years (see section 4.3.3 "Developing new responsible games").

A committee of responsible gaming experts, which FDJ elected to set up on its own initiative, is asked to issue an opinion on the most innovative or potentially sensitive new games. The members of this committee specialise in different areas: addictive behaviour, psychiatry, psychology and human sciences. The committee is consulted regularly on the development of gaming products, as well as new services developed to help players control and monitor their gaming habits, throughout their gaming experience (e.g. game moderators, tool to analyse gaming habits).

MONITORING GAMING HABITS AND PROVIDING SPECIFIC SUPPORT FOR ONLINE PLAYERS

Measuring gaming behaviour

FDJ has been experimenting with the assessment of the risk profile of its player base since 2019, based on the Canadian Problem Gambling Index (CPGI). The CPGI is a questionnaire-based globally-recognised index used to assess which of four risk profiles a player falls into: non-problem gambler, low risk gambler, moderate risk gambler or problem gambler. The public health crisis prompted FDJ to continue with this innovative experiment in 2020 and make it a more permanent feature in 2021. 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 (gaming observatory - ODJ).

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 (excessive gamblers representing 1.6%). Given the predominance of FDJ players in the overall gambling population in France, this means that the proportion of excessive gamblers is far lower among the FDJ player base than among players in other gambling categories in France.

In particular, a comparative analysis of the prevalence of problem gambling in the different gambling segments in France found that the proportion of problem 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.

PERFORMANCE INDICATOR: PLAYER DISTRIBUTION ACCORDING TO THE CANADIAN PROBLEM GAMBLING INDEX

	2020	2021
% of recreational or non-problem gamblers	92.8%	93.1%
% of moderate risk gamblers	6.0%	5.8%
% of excessive gamblers	1.1%	1.2%

The percentage of problem gamblers remained stable between 2020 and 2021, despite a large influx of players in 2021. This is confirmation that FDJ's business model is extensive.

Providing specific support for online players

FDJ provides online players with a number of ways to monitor and control their online gambling habits:

- Playscan™, developed by the Swedish lottery, assesses the level of risk associated with a player’s gaming habits (classified as green, yellow or red) and maps out a behaviour profile (and any changes in this profile), which is then shared with the player. In 2021, 92.67% of players were identified as having a “green” risk level, down slightly on 2020. The percentage of players rated “yellow” or “red” was up slightly (at 5.38% and 1.95%, respectively, up from 5.23% and 1.69% in 2020);

PERFORMANCE INDICATOR: DISTRIBUTION OF ONLINE LOTTERY AND SPORTS BETTING PLAYERS AS ASSESSED BY PLAYSAN™

	2020	2021
Green	93.09%	92.67%
Yellow	5.23%	5.38%
Red	1.69%	1.95%

- game moderators allow players to set limits for themselves. In addition to the mandatory game moderators required by law (namely a mandatory stake-capping moderator, with online players being required to set their own amount), FDJ has taken active steps to develop more restrictive and targeted moderators. One particular moderator targets players whose gaming habits present the greatest risk. It forces them to set a daily limit that cannot exceed €140;
- 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.

TRAINING OF EMPLOYEES, RETAILERS AND THE SALES FORCE

All employees and retailers are trained in the prevention of excessive gambling. A variety of programmes have been developed (induction or ongoing training, with a general or specific focus, in situ or remotely) and the content is determined with partner healthcare and social services (S.O.S. Joueurs, the committee of responsible gaming experts, the *Institut de Recherche et d’Enseignement des Maladies Addictives*⁽¹⁾, 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 detection requirement and as stipulated in the reference framework⁽²⁾.

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. 80% of employees completed the responsible gaming section of the CSR training programme during the year (see section 4.1.4 “CSR training for Group employees”).

FDJ also holds more extensive training sessions for employees and helpline staff who are in direct contact with players, prize-winners and retailers.

RETAILERS AND SALES FORCE

Alongside the induction and ongoing training programmes geared towards its retailers, FDJ has been testing ways to tackle money laundering, fraud, excessive gambling and underage gambling since 2020 with points of sale that take in the largest sports betting stakes. FDJ saw the UEFA Euro 2020 championship as an opportunity to round out its excessive gambling awareness and training programmes for retailers. The trials were carried out as part of mandatory training sessions ahead of Euro 2020 for points of sale with the largest sports betting operations.

FDJ worked with SEDAP to develop new addiction-related content in order to enhance knowledge and understanding of such issues within the sales force and throughout the retailer network, and encourage a gradual upskilling process to enable them to detect players in potentially vulnerable situations very early on.

PREVENTIVE INFORMATION ON EXCESSIVE GAMBLING RISKS

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 2021, trials conducted to improve the visibility of responsible gaming mechanisms highlighting advice and services found that messages containing advice tended to engage customers more than messages relating to tools.

In keeping with its commitment to devote 10% of its television advertising spend to responsible gaming messages, FDJ continued to regularly focus on prevention in 2021 through marketing campaigns, institutional campaigns and dedicated spots.

(1) Addictive behaviours research and learning institute.

(2) 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.

In 2021, FDJ aired an institutional campaign dubbed "Et voir la France gagner" designed, among other things, to communicate on its responsible gaming commitments. The campaign included a 60-second clip, together with a series of four 20-second themed clips. One of them specifically addressed responsible gaming by focusing on the prevention of excessive gambling.

Throughout the UEFA Euro 2020 championship, FDJ displayed excessive gambling prevention messages on its corporate website, which involved sending specific prevention messages to online players.

FDJ decided to test a specific digital awareness initiative through its "Parions Sport" brand. This led to the creation of a prevention video dubbed "Paris sportifs comment jouer sans perdre", filmed with YouTuber Julien Ménielle and aired on his YouTube channel "Dans ton corps", which focuses on health issues and has over 700,000 subscribers.

PERFORMANCE INDICATOR: PERCENTAGE OF TOTAL TV ADVERTISING SPEND DEVOTED TO RESPONSIBLE GAMING MESSAGES

	2020	2021
FDJ Group	10.1%	11.8%

In 2021, responsible gaming messages made up 11.8% of total television advertising spend (up from 10.1% in 2020).

DETECTION AND SUPPORT OF PERSONS IN VULNERABLE SITUATIONS

For several years, the Group 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.

To detect and manage atypical situations and risks, 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 offer specialised information pages 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 they 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 right tools.

The number of alerts flagged and the number of vulnerable gambling situations detected declined by comparison with 2020, with 132 vulnerable situations handled in 2021 out of a total of 367 cases reported and processed (compared with 153 in 2020 out of a total of 447). The application of more specific criteria in detection and analysis tools in 2021 removed cases that had been mistakenly qualified as vulnerable, thereby reducing the number of alerts. The introduction of State aid mechanisms also helped reduce the volume of alerts. The number of vulnerable situations managed has remained stable (excluding 2020, which was impacted by the Covid-19 pandemic, and during which a special support mechanism was tested that led to an increase in the number of cases).

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. At the time, online lottery games were the only activity not to have been hit by the public health crisis. In 2021, FDJ was keen to build 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 2021, more than 2,000 outreach calls were made.

The outreach call approach has been developed in conjunction with the committee of responsible gaming experts and the FDJ Social Laboratory, which recognise that FDJ can legitimately take a proactive approach with players within a specific conceptual 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.

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 (see section 4.4.5 "Promoting ethical business management and fighting corruption"). This policy helps strengthen expertise and circulation of knowledge in the fields of gambling and addictive behaviour. It draws on the guidelines for the 2018-2022 Mildeca⁽¹⁾ anti-addiction plan and hinges on three main focuses:

- helplines for vulnerable players;
- research in addictive behaviour and in human and social sciences;
- harm and risk prevention and reduction initiatives and trials (see section 4.3.3 "Developing new responsible games").

(1) Mission interministérielle de lutte contre les drogues et les conduites addictives (Government programme aimed at combating drug use and addictive behaviour).

FDJ Group has set a goal of continuing to provide responsible gaming partners with aid of more than €1 million by 2025.

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 ODJ are currently finalising the conditions under which this new requirement will be enforced, with one particular provision stipulating that, for any research project selected for financing by gaming operators, the theme and methodology must first be approved by the ODJ.

PERFORMANCE INDICATOR: AMOUNTS PAID IN THE FRAMEWORK OF RESPONSIBLE GAMING PARTNERSHIPS

In thousands of euros	2020	2021
FDJ Group	1,211	1,234

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 2021, amounts paid in the framework of these partnerships remained stable at more than €1.2 million:

- 25% went to helplines;
- 31% went to risk and harm prevention and reduction initiatives;
- 44% 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.

4.3.3 DEVELOPING NEW RESPONSIBLE GAMES

FDJ Group takes care to ensure that its development strategy is perfectly aligned with its responsible business model.

The FDJ responsible gaming policy applies to all stages of the business. 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 behaviours are taken into consideration when new products and features are being developed. A trial phase is also run for new products to ascertain their impact on player behaviour and to identify and consider possible changes to a game with a view to fostering recreational gaming habits.

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 generic matrix enabling the evaluation of all games sold by FDJ (*universal Serenigame*® matrix developed in 2012);
- a dedicated matrix for the evaluation of scratch games (*Serenigame*® scratch card), commissioned in 2018;
- a matrix used to assess sports betting products (*Serenisport*), rolled out 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. This matrix is used to analyse all new or reformatted games without exception.

Alongside the matrices developed to assess how attractive its gaming products are, FDJ is working on a new tool to analyse the appeal of its promotional offers.

FDJ Group also supports trials. For instance, Fédération Addiction has been conducting a trial since 2016 aimed at limiting high-risk behaviour and harm resulting from excessive gambling. To that end, it calls on care centres (CSAPA) involving two-person teams of professionals specialising in non-substance addiction. These two healthcare providers hold "meet-ups" at participating points of sale. The purpose of the trial is to:

- facilitate the work of healthcare providers, FDJ and its retailers to help vulnerable players;
- direct these players to organisations capable of offering them help.

This initiative is related to action research to improve knowledge and develop the detection of problem gamblers in points of sale.

The ODJ published a positive scientific assessment⁽¹⁾ of this work in 2019, which is fully in line with the requirements introduced by the ANJ reference framework in relation to the detection and support of problem gamblers.

A webinar organised in December 2021 by Fédération Addiction for CSAPAs and representatives of the FDJ network provided an update on the outcome of the first trials and marked the official launch of a request for applications for the third phase of the trials, with a view to extending the number of participating CSAPAs.

(1) Link to the assessment (in French): <https://www.ofdt.fr/BDD/publications/docs/epfxczm3.pdf>.

FDJ launched the “Europair” programme at points of sale to coincide with the UEFA Euro 2020 championship. This programme, led by SEDAP, was designed to identify and recruit “peer-gamblers” and to train them to detect and limit risky and harmful gambling habits at points of sale. Building on the trials conducted at points of sale and in order to verify the benefits of “peer-gambler” involvement, the “Europair” programme has trained fourteen “peer-gamblers”, who have been dispatched across France in two-person teams. The trials proved very effective when a major sporting event was being held.

RESULT: NUMBER OF NEW OR REFORMATTED GAMES SUBJECT TO THE UNIVERSAL SERENIGAME® MATRIX

	2020		2021	
	Number	Share	Number	Share
FDJ	40	100%	38	100%

In 2021, all new and reformatted games were subject to the universal Serenigame® matrix.

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.

SUPPORT FOR BIG PRIZE-WINNERS

In 2021, 388 players won more than €500,000 by playing FDJ games (i.e. more than one winner every day).

FDJ offers the winners of €1 million or more the chance 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 vast 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 (finances, legal

In 2022, FDJ will continue to enhance its responsible gaming mechanisms in four main areas:

- in the prevention of underage gambling, FDJ will conduct a new “mystery shopper” campaign throughout its point-of-sale network in order to ensure that retailers are refusing to sell gambling products to minors. The first penalties for retailers repeatedly found to be in breach of underage gambling prevention obligations will be issued in 2022, in keeping with the even more stringent FDJ action plan to tackle underage gambling;
- in the prevention of excessive gambling, FDJ will continue to closely monitor the risk profile of its player base and apply targeted preventive measures, drawing on the models that are being tested to analyse the behaviour of online players, with a view to preventing risky behaviours;
- in the detection and support of vulnerable people, FDJ will continue to step up its initiatives to detect potential problem gamblers very early on, by consolidating its telephone outreach campaign for online players and continuing to support trials led in conjunction with stakeholders at points of sale, in an effort to reduce the harm and the risks caused by excessive gambling;
- lastly, FDJ will further enhance the preventive information contained in its marketing material by devoting 10% of its overall media budget (television, radio, display, printed press, etc.) to the prevention of excessive and underage gambling. It will continue to incorporate preventive content into its campaigns, together with short clips designed to prevent underage gambling. FDJ’s approach is unparalleled in the gambling sector in France.

aspects, personal growth, etc.). 17 workshops were held in 2021, 7 of them remotely. FDJ also developed social impact workshops that focused on philanthropy and the consideration of environmental issues when making an investment.

The Group provides a specific, entirely digital, support programme for the winners of between €500,000 and €999,999 in prize money. This involved two finance-related workshops in 2021.

In 2022, FDJ plans to look at ways to harmonise and optimise support for the winners of prize money worth €30,000 and more. The Group will also work on designing and implementing tools to support players who win €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.

4.4 Integrity

FDJ is fully committed to reducing the risks associated with the integrity of its business, with the goal of setting a good example and building trust in its gaming model. To that end, it is deploying and ensuring compliance with rules and procedures shared with its stakeholders.

4.4.1 COMBATING GAMBLING FRAUD

As a gaming and gambling operator, FDJ is exposed to various fraud risks 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.

FDJ strengthened its anti-fraud action plan in 2021. The measures are based on a three-pronged approach: anticipate, monitor and check.

The ANJ has endorsed FDJ's action plan to tackle fraud, money laundering and terrorist financing. The ANJ found that the action plan covering all the activities for which FDJ Group has been granted exclusive gaming rights or a licence reflected efforts to meet the objectives set to combat fraud and money laundering in its gaming and gambling operations. The regulator also found FDJ to display a very satisfactory level of compliance with the applicable legislative and regulatory obligations.

ANTICIPATE

All of the Company's plans in terms of products, infrastructures, 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 gaming fraud scenarios.

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.

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.

CONTROL

Apart from real-time detection, the three-pronged approach also provides for ex-post checks. A set of 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 binding FDJ and its retailers requires compliance with procedures and training materials, and is subject to a penalty system applied in the event of breaches. When a fraud is discovered, the Company may terminate the contract. Furthermore, a 0.2% responsible gaming bonus is granted to retailers that observe transparency measures and behavioural measures aimed at protecting against the risk of gaming fraud and enhancing the security of the retailer-customer relationship.

OUTLOOK

In 2022, the Group will launch a more secure authentication feature (multi-factor authentication) for certain types of sensitive operations on player accounts. The aim is to avoid data theft from player accounts and identity theft.

FDJ will continue with its training programme for retailers, with plans to train nearly 10,500 retailers in 2022 to combat money laundering and terrorist financing. Training measures for employees, the sales force and service providers will also be continued.

PERFORMANCE INDICATOR: FRAUD RATE (NON-PAYMENTS) ON REMOTE DEBIT CARD PAYMENTS

	2020	2021
FDJ	0.038%	0.009%

The decline in the rate of fraud was attributable to the optimisation of functionalities on the payment platform (latest version of the 3DS authentication protocol). FDJ remained significantly below the national fraud rate of 0.174%⁽¹⁾ in 2020 (taken from most recent annual report published by the OSMP – observatory for the security of payment means).

(1) Source: <https://www.banque-france.fr/rapport-annuel-de-lobservatoire-de-la-securite-des-moyens-de-paiement-2020>.

4.4.2 PREVENTION OF MONEY LAUNDERING

Money laundering risks are inherent in the gaming and gambling industry, which 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 point-of-sale gaming activities, as the players are anonymous and substantial cash payments are in circulation. Against this backdrop, because sports betting is a game of skill, it is highly exposed to money laundering risk.

Accordingly, FDJ has introduced Anti-Money Laundering and Counter-Terrorist Financing (AML-CTF) measures⁽¹⁾, in accordance with a risk-based approach tailored to its business, customer base, products, transactions, establishments and the distribution channels used. 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 or controls potentially suspicious activity ("anomalies") arising in transactions and games, particularly those conducted in points of sale.

In 2021, the new AML-CTF reference framework contextualised and clarified which provisions of the French monetary and financial code applied to FDJ. In early 2021, FDJ submitted its annual action plan to tackle fraud and money laundering to the ANJ. This plan was centred on four issues:

- consolidating the risk-based approach to combating money laundering, terrorist financing and fraud (review of higher-risk customer profiles and higher-risk retailer profiles);
- accelerating the awareness-raising and training programme, with the launch of the three-year training plan for 10,500 retailers, coupled with employee, service provider and sales force training;
- data mining using a data science approach;
- enhancing internal AML-CTF controls.

The ANJ found that the action plan submitted for 2021 reflected FDJ's efforts to meet the objectives set to combat fraud and money laundering in its gaming and gambling operations. The regulator also found FDJ to display a very satisfactory level of compliance with the applicable legislative and regulatory obligations.

PREVENT

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.

The employee CSR training programme now incorporates four new modules on money laundering and fraud. A programme has been implemented for employees with the greatest exposure to these risks that covers, more broadly, the efforts to combat financial crime, encompassing internal fraud and corruption.

In order to address the major challenges posed by the UEFA Euro football championship held in 2021, FDJ took steps to ensure that its sales teams had completed the latest training programmes on money laundering, terrorist financing and fraud. All designated AML-CTF and anti-fraud officers at FDJ sales agencies completed a refresher course on these issues starting in 2020.

In 2021, FDJ embarked on a three-year plan to train all its point-of-sale retailers by the end of 2023.

Additionally, FDJ raises AML-CTF awareness throughout its network of retailers in a variety of ways (induction training for new retailers, "STIM" contest, articles in the "Profession Jeux" magazine, etc.). In 2021, the measures that FDJ took to adapt its training programmes (e-learning, virtual round tables) meant that more than 11,000 retailers were able to complete refresher courses in these areas despite public health restrictions.

FDJ asked a representative sample of 1,000 retailers to complete a survey for the third year in a row to ascertain how familiar they were with money laundering risks and their associated obligations. Overall, 82% of retailers said to be well-versed in money laundering risks (compared with 69% in 2020). In addition to the survey, an AML self-assessment is available in the "Profession Jeux" magazine.

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 in 2018 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.

(1) 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 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. Some major sporting events were staged in 2021, such as the UEFA Euro 2020 football tournament and the Tokyo Olympic and Paralympic Games. FDJ stepped up the vigilance procedures in place for sports betting during these competitions.

These procedures involve enhanced investigations to assess the 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 2021, the Group filed 282 suspicious transaction reports (up from 252 in 2020).

RESULT: NUMBER OF SUSPICIOUS TRANSACTION REPORTS FILED WITH TRACFIN

	2020	2021
FDJ Group	252	282

The sharp rise in suspicious transaction reports can be attributed to a number of online customer records for which FDJ has no information on the origin of the funds.

CONTROL

Enhanced reviews conducted in the interests of due diligence may at times call for point-of-sale inspections. These on-the-spot controls make it possible to provide contextual information that often helps to qualify the suspicion of money laundering. On-site inspections also provide an opportunity to determine if retailers are meeting their regulatory and contractual obligations.

Checkpoints related to responsible gambling obligations are also planned. The point-of-sale compliance rate was 93.8% in 2021, up slightly on the 92.4% recorded for 2020 (see section 4.4.3 "Responsible gaming"). FDJ has set a goal to keep this rate above 90% by 2025.

4.4.3 PERSONAL DATA PROTECTION

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.

Improving KYC data to better meet the needs of its customers is a cornerstone of FDJ Group's strategy, which 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.

Data protection, particularly personal data protection, is one of the pillars of the security strategy for the information systems (IS) identified in the Group Information System Security Policy. This strategy aims in particular to protect the personal data of players, retailers, employees and applicants.

PERFORMANCE INDICATOR: OVERALL COMPLIANCE RATE WITH RESPONSIBLE GAMING AND SECURITY CRITERIA

	2020	2021
FDJ Group excl. PDJ	92.4%	93.8%

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 over the past two years 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 2021, FDJ furthered its AML-CTF internal control mechanism by setting up a specific team to coordinate second-level permanent controls and prepare a detailed risk map of AML-CTF processes, together with a control plan. The second line of defence continuously monitors the compliance of FDJ's AML-CTF mechanism.

The Group published its policy on financial crime on its corporate website in 2021 in order to highlight its constant commitment to ensuring the integrity of games and sport and to preventing fraud and money laundering.

OUTLOOK

FDJ is drawing on its annual fraud and money laundering action plan to develop an innovative approach that harnesses data mining to make its anomaly detection system even more effective. It embarked on a far-reaching data initiative in 2020, with a particular focus on fraud and money laundering.

It will also have added focuses, such as the development of new products, the expansion of digital operations, up-to-date KYC data and secure authentication for player accounts to counter the risk of cyber fraud.

FDJ implemented its information security management system (ISMS) in 2008 and had it ISO 27001-certified. 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 security strategy for the information systems identified in this policy. This covers data belonging to customers, retailers, employees and applicants alike. The personal data protection policy goes into specific detail on FDJ's data protection requirements. In 2021, the Group published a "Privacy" charter on its corporate website in which it highlighted 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 regularly updates the set of standard security measures used to protect personal data. 2021 also marked the introduction of new security measures for player accounts, particularly regarding authentication. 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.

In 2021, FDJ led awareness initiatives geared towards an audience with the greatest exposure, with a view to clarifying secure development best practices and the potential risks arising from a failure to observe these rules. Some of the development activities covered relate to the management of personal data. This first phase follows on from an initial awareness campaign towards the end of 2020 targeting a smaller audience. One particular module in the employee CSR training programme relates to the GDPR. It was completed by 78.3% of staff in 2021. In the last quarter of the year, 684 employees were briefed on the risk of a cyber attack through a series of videoconferences.

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 an initiative called "Privacy by Customers", 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 multi-initiative approach will continue long into the future, and findings will be shared with other companies belonging to industry associations, and with the CNIL (French data protection agency). In 2021, FDJ notably worked on improving the manner in which employees' personal data is processed.

FDJ is constantly improving the process for obtaining user consent to install cookies. In 2021, to coincide with European

Data Protection Day, FDJ invited a CNIL agent to speak to employees about the importance of obtaining consent to use cookies and, more generally, about the GDPR. This person talked about the CNIL's work on the processing of customer complaints, cookies and data privacy. More than two hundred employees followed the live stream of this presentation, which was uploaded to the FDJ intranet portal for all employees to view.

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.

FDJ applies security best practices in terms of:

- user information and awareness: persons in charge of handling personal data are duly informed and made aware of the associated risks. They are required to sign a confidentiality agreement in their employment contract. The charter governing the use of IT resources and digital tools, containing an item addressing the confidentiality of personal data, forms one of the appendices to the rules of procedure. This charter is presented to all new employees as they take part in the general security awareness process conducted by the Security department. 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.

In 2022, FDJ will continue to enhance authentication processes on the fdj.fr website to prevent identity theft, and will pursue phishing and cyber attack training for employees.

PERFORMANCE INDICATOR: NUMBER AND SHARE OF FDJ EMPLOYEES TARGETED BY GDPR AWARENESS INITIATIVES

	2020	2021	
	Number	Number	Share
Group	102 ⁽¹⁾	2,061	76%

(1) Data for FDJ only.

The significant increase in the number of employees trained stemmed from the fact that a GDPR module was incorporated into the CSR training programme for all employees, enabling them to familiarise themselves with data protection rules at their convenience and remotely.

4.4.4 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 of sports competitions. 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 sports industry and government authorities aimed at improving the effectiveness of sports integrity policies.

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 2021, awareness-raising initiatives were also carried out with representatives of sports federations (the French basketball federation and the French handball federation), professionals, managers and young athletes at the Olympique de Marseille and Olympique Lyonnais football clubs, as well as young athletes and managers of football training centres involved in the FondAction du Football programme. This means that, in 2021, almost 650 members of the French sports industry took part in awareness initiatives conducted by FDJ regarding the manipulation of sports competitions.

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 2021, the members of the Groupama-FDJ cycling team participated in an awareness session on the manipulation of sporting competitions. Initially earmarked for 2020, the session had been postponed to 2021 due to public health measures.

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.

Since 2019, the Group has been a major driver behind the development of Signale!, a French digital multi-sport system for reporting manipulation suspicions as part of a national platform. Signale! is a secure website. It was launched in July 2021 ahead of the Tokyo Olympic and Paralympic Games and can be used to report suspicions of manipulation in all sporting competitions. With Signale!, people directly involved in sports competitions (athletes, referees, coaches, managers, etc.) and anyone in their family or their circle, can rapidly report any person who has approached them with a proposition to manipulate a competition. These reports will help in investigations, which are crucial to protecting competitions and athletes, by making it possible to identify individuals who seek to manipulate sporting events and, where necessary, take action against them. Signale! is a joint initiative taken by the French sports ministry, the CNOSF (French Olympic and sports committee), the ANLSP (national association of professional sports leagues), the FNASS (national federation of sports associations and unions), the FFF (French football federation) and FDJ.

There are plans to extend the Signale! platform 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 (Défenseure des Droits).

(1) A movement designed to defend clean cycling, transparency and accountability, that strives to rally its members behind these causes.

FDJ is working with the people involved in the organisation committee for the Paris 2024 Olympic and Paralympic Games to raise their awareness about integrity in sports. The possible extension of these awareness initiatives is currently under review.

Furthermore, in accordance with the Pacte Law and the new regulatory framework published in 2019, the amendment of the French sports code (Code du sport) authorises FDJ to monitor compliance with the ban on the placing of bets in points of sale by sports industry professionals, in cooperation with participating federations (Order No. 2019-1015 of 2 October 2019). In 2021, FDJ continued its discussions on this subject with the French Professional Football League (LFP) and initiated cooperation with the French Rugby Federation.

Also in 2021, the Company developed a specific ethics and anti-manipulation policy to coincide with the organisation of esports competitions by its subsidiary DVRT 13. This policy involves addressing integrity issues and questions, assessing the procedures in place and issuing recommendations on how the regulatory framework should evolve. DVRT 13 has become a member of the Esport Integrity Commission (ESIC), a self-regulating international association that promotes and monitors competitive integrity in esports.

MONITOR

After overhauling the manner in which audits of its sports betting activity are organised in 2020, which expanded its capability for detecting anomalies, FDJ went on to improve monitoring of the integrity of sports competitions. Monitoring of sports betting in the offline distribution network led FDJ to submit 24 major anomaly alerts to the national platform in 2021 (up from 20 in 2020).

FDJ was appointed vice-president of the Executive Committee of the Global Lottery Monitoring System (GLMS) 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 played a part in stricter monitoring procedures during major events held in 2021 (Tokyo Olympics and UEFA Euro 2020). In 2021, its subsidiary Sporting Solutions Services (sports betting operator in the UK and Canada) joined the GLMS as an associate member.

PERFORMANCE INDICATOR: NUMBER OF ALERTS TRANSMITTED TO THE NATIONAL PLATFORM

	2020	2021
FDJ Group	20	24

COOPERATION

FDJ has also been involved in creating a framework for national sports integrity standards, under the impetus of the French sports ministry and the coordination of AFNOR. This framework is part of the "Héritage Paris 2024" programme⁽¹⁾, which covers two themes relating to sports integrity: a whistleblowing system and the creation of an ISO standard on sports integrity by 2024. FDJ is something of a trailblazer, being the only sports betting operator to be involved in these two working groups.

In the international arena, FDJ continued to provide financial and human resources to the Council of Europe's KCOOS+ (Keep Crime Out of Sport) programme. KCOOS+ is designed to facilitate the implementation of the Convention on the Manipulation of Sports Competitions, also known as the Macolin Convention, aimed at harmonising international regulations and practices to combat the manipulation of sports competitions.

FDJ is also a stakeholder in Copenhagen Group, run by the Council of Europe, which comprises around 30 national platforms aimed at facilitating operational cooperation between existing platforms and helping to create new national platforms. Copenhagen Group is working on the practical implementation of the Macolin Convention.

4.4.5 PROMOTING ETHICAL BUSINESS MANAGEMENT AND FIGHTING CORRUPTION

FDJ Group is subject to the French Sapin II Act and, accordingly, is required to implement a programme to prevent and detect corruption and influence peddling. 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 with the help of experts and compliance officers.

The impact of potential acts of corruption on the Group are not limited to sanctions due to failure to comply with laws, but also include consequences affecting the reputation of the Company and the trust of its customers, shareholders, investors, partners and employees.

FDJ has also been working closely with its partners and stakeholders for many years to combat corruption in sports (see section 4.4.4 "Preventing the outside manipulation of sports competitions").

ANTI-CORRUPTION MEASURES AT FDJ GROUP

The Group's anti-corruption compliance programme hinges on an ethics charter, an anti-corruption code of conduct and special procedures.

(1) <https://www.paris2024.org/fr/leguer-un-heritage/>

In the course of conducting its business and, as stated in its ethics charter⁽¹⁾, 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 anti-corruption code of conduct⁽²⁾ is an extension of the ethics charter, 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 employee. It identifies circumstances that might equate to acts of corruption, influence peddling and other breaches of fairness. It describes what to do and what not to do in high-risk situations and encourages the right attitude to adopt in order to comply with the "zero tolerance" policy on acts of corruption.

The anti-corruption code of conduct is supplemented by in-house procedures made available to staff. These include:

- handling gifts and invitations;
- preventing, reporting and managing conflicts of interest;
- the ethics-driven whistle-blowing system;
- third-party assessments;
- managing institutional relations and the representation of interests.

ANTI-CORRUPTION PROGRAMME AT FDJ GROUP

In accordance with the provisions of the Sapin II Act, 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;
- 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 the provision of 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, the provision of an ethics-driven whistle-blowing system and an internal control and assessment mechanism;
 - **actions to address risks** through the enforcement of system of disciplinary procedures relating to corruption risks.

The Group reinforced the entire anti-corruption programme in 2021 by:

- updating the corruption risk map;

- updating the anti-corruption code of conduct in order to make the content more accessible and provide practical examples;
- enhancing the third-party assessment procedure at Group level. The anti-corruption Compliance team participates in the committee tasked with selecting responsible gaming sponsorships;
- holding training sessions geared towards an audience with the greatest exposure to risks of corruption and influence peddling, together with specific on-site sessions;
- continuing to roll out the three-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. Specific controls are also implemented to prevent risks of internal fraud.

The anti-corruption Compliance team has stepped up the anti-corruption procedures at all Group subsidiaries through a community of internal officers.

PERFORMANCE INDICATOR: NUMBER AND SHARE OF EMPLOYEES HAVING COMPLETED ETHICS AND ANTI-CORRUPTION TRAINING

	2020		2021	
	Number	Share	Number	Share
FDJ Group	738	39%	2,094	77%

Overall, in 2020-2021, 77% of employees were trained in ethics and anti-corruption procedures, i.e. 2,094 in all. FDJ has further enhanced its anti-corruption training programme, continuing in-person sessions and incorporating an e-learning module into its mandatory CSR training programme.

OUTLOOK

Efforts in 2022 will predominantly focus on:

- implementing and monitoring the action plans identified in the corruption risk mapping exercise;
- reinforcing the ethics-driven whistle-blowing system, factoring in the provisions of the new European directive on whistle-blowers;
- continuing training for populations identified as presenting the greatest exposure to risks of corruption and influence peddling;
- providing added support for subsidiaries and all other Group entities;
- looking at the issues involved in the digitalisation of the anti-corruption programme;
- strengthening anti-corruption governance (committees, indicators, etc.);
- strengthening and automating controls through growing data analysis.

(1) The ethics charter and anti-corruption code of conduct can be found on the Group's website at: www.groupefdj.com

(2) 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.

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 2021, the Group's tax expense amounted to €122 million, compared with €85 million in 2020. This corresponds to an effective tax rate of 29.7%, compared with 28.6% in 2020. FDJ's contribution to Group tax was €119 million, up from €81 million in 2020.

PERFORMANCE INDICATOR: EFFECTIVE TAX RATE

	2020	2021
FDJ Group	28.6%	29.7%

PREVENTION OF CONFLICTS OF INTEREST IN RESEARCH PARTNERSHIPS

Partnerships formed for research and trials are an essential pillar of FDJ's responsible gaming policy (see section 4.3.2 "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. To guarantee the independence of research and protect parties against potential conflicts of interest, these initiatives are conducted in accordance with ethical guidelines that ensure the independence of supported entities. These guidelines hinge on the following:

- the examination of projects in accordance with the Sapin II Act (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, 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 4.3 "Responsible "gaming"). Accordingly, a special ethics charter has been signed with SEDAP, a highly committed organisation that intervenes directly at points of sale alongside FDJ employees when players with potential gambling problems are identified. This ethical programme was expanded with Fédération Addiction to include day-long presentations of risk and harm reduction trials across French regions.

OUTLOOK

FDJ will continue to apply these ethical guidelines in 2022 to all new partnerships formed to conduct research and to support prevention initiatives as part of its responsible gaming policy.

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, esport, 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.

Training sessions on anti-competitive practices resumed in 2021, with a priority focus on activities that FDJ conducts in open competition. These sessions raise awareness among employees about the various situations in which they may find themselves in the course of their duties and provide tips on how to avoid situations that pose a risk of collusion or abuse of a dominant position.

The Group will continue to provide this training in 2022 and will update the competitive practices handbook to incorporate a section on abuse of collective dominance.

4.4.6 PROMOTING RESPONSIBLE PURCHASING

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.

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 responsible supplier relations charter.

In a reflection of its efforts to continuously improve its sourcing practices, FDJ secured the "Responsible Supplier Relations and Purchasing" label in 2021. This label is awarded by the French ministry of the economy, finance and the recovery for a three-year period and follows on from FDJ's responsible purchasing actions. It rewards best practices in procurement and supplier relations by incorporating CSR-driven environmental, social and ethical dimensions into purchases. The label is aligned with the guidelines set out in ISO 20400.

FDJ gauges the environmental and social impact of the activities exercised by its suppliers and service providers through CSR performance assessments, e.g. Ecovadis assessments and CSR surveys. Based on the outcome of these assessments, FDJ then works hand in hand with its suppliers to put continuous improvement plans in place with a view to controlling risks and identifying opportunities. In 2021, FDJ assessed fifty strategically-important and major suppliers. On average, the suppliers assessed in 2021 scored 56/100⁽¹⁾ in the four social, environmental, ethics-related and responsible purchasing themes.

The variable remuneration components of all FDJ buyers is indexed to responsible purchasing objectives, so as to guarantee and promote responsible sales and partnership practices with suppliers.

In response to the public health crisis, which has had far-reaching consequences for many economic agents over the past two years, some of them service providers or suppliers to the Group, FDJ teamed up with a specialised partner in 2021 to provide counselling for those that have been hit hardest as part of the "FDJ is committed" programme. This follows on from the financial support mechanisms introduced in 2020. The programme is designed to improve the quality of life at work and the work/life balance for the Group's suppliers. Psychologists, social workers and coaches are on hand to help suppliers in all aspects of their lives. The service is free of charge and people are able to talk in the strictest confidence.

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. The Group took action in a number of areas in 2021 to improve payment times, through the:

- continued enrolment of suppliers in the Tradeshift invoice automation system;
- optimisation of expense approval thresholds.

FDJ introduced a discount platform in 2021 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 of 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 suppliers was 37 days at the end of 2021 (under the required legal 60-day period, barring exceptions), compared with 42 days in 2020.

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 2021, FDJ Group's French subsidiaries contributed to the economic, social and societal vitality of regions throughout the country, making nearly 90% of their purchases (in value) in France (i.e. €620 million) and 58% with small and medium-sized enterprises (SMEs) and intermediate-sized enterprises (ISEs) (i.e. nearly €323 million) (see section 4.7 "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 2021, €924 thousand in purchases were invoiced by ESATs (vocational rehabilitation centres) and EAs (disability-inclusive companies), compared with €745 thousand in 2020, and around 7% of FDJ's suppliers were located in priority urban policy districts.

(1) Global Ecovadis basis: 43/100.

IMPROVING SUPPLIERS' ENVIRONMENTAL PRACTICES

FDJ Group is taking steps to shrink its carbon footprint as part of its responsible purchasing approach. With this in mind, it wants to encourage suppliers to reduce their greenhouse gas emissions in accordance with the Science Based Targets initiative (see section 4.8 "Environment").

With Ecovadis, FDJ 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 2021 scored 55/100 in the environmental category.

PERFORMANCE INDICATOR: SHARE OF STRATEGICALLY-IMPORTANT AND MAJOR SUPPLIERS ASSESSED BASED ON CSR PERFORMANCE

	2020		2021	
	Number	Share	Number	Share
FDJ	65	36%	123	68.0%

In 2021, CSR performance was assessed for 123 of the 181 suppliers that were considered to be strategically important and major.

PERFORMANCE INDICATOR: AVERAGE PAYMENT TIMES

	2020	2021
FDJ	42 days	37 days

FDJ shortened the average payment time for suppliers by five days between 2020 and 2021.

PERFORMANCE INDICATOR: SHARE OF INVOICES SETTLED LATE

	2021
FDJ	2.8%

By 2025, FDJ aims to achieve a "zero payment default" rate on supplier invoicing to protect the financial viability of its suppliers. In 2021, 2.8% of invoices were paid late.

PERFORMANCE INDICATOR: AMOUNT OF GROUP PURCHASES FROM ESATS AND EAS

In thousands of euros	2020	2021
FDJ	667	811
FDJ Group	745	924

The amount of purchases from disability-inclusive businesses rose in 2021, thanks in particular to a series of actions relating to IT services purchases.

OUTLOOK

Building on the supplier CSR performance assessments, FDJ will put together a supplier CSR risk map in 2022 and include an assessment process that will be adapted to the level of risk.

FDJ will also continue its efforts to shrink the carbon footprint relating to its purchases in 2022, by getting more suppliers to adhere to the Science Based Targets initiative.

4.5 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 employee experience and transformation policy to ensure the success of the strategic plan. There are four main challenges:

- strengthening the performance culture within the employee experience and transformation function**, by harnessing the agile practices and collective engagement displayed during the lockdown periods (daily managerial rituals, transparent and frequent communication, more efficient meetings, etc.), while propelling a new collective dynamic to accelerate the creation of social and economic value;
- providing an optimised and inclusive employee experience to ensure everyone is engaged**, by reinventing the balance between working from home and working in the office, in order to be more flexible and efficient; in a context in which a healthy workforce has become a strategic asset;
- ensuring that responsiveness is at a strong level within the Group** by capitalising on new, more empowering, ways of doing things, by developing new governance methods and by giving managers a role as a coach, a leader and a performance manager;
- pushing forward with the development of digital uses** by switching to digital processes (for hiring, training, etc.) and tools, and by rethinking the type of investment made in employee work spaces.

In order to rise to these challenges, FDJ is actively focusing on every area that can contribute to the success and sustainable performance of the Group, by drawing on a wealth of diverse profiles in its workforce to develop:

- the anticipation, appeal and growth of talent and career paths, both as regards expertise and management as part of a distinctive employer brand policy;
- diversity and inclusion in terms of gender equality, people with disabilities, people in different age groups;
- a high degree of social dialogue, reflected in a series of agreements reached to support the necessary transformations of the Group;
- recognition and remuneration designed to sustain individual and collective performance, as well as loyalty to the Group by combining internal fairness and market competitiveness;
- the continuous optimisation of employee experience and transformation processes.

During the public health crisis, the Group built on the actions set in motion in 2020 and was able to keep operations going by demonstrating agility and by concentrating on the health of its employees above all else (mask-wearing requirements since the beginning of the crisis, distribution of masks, extension of remote working arrangements, maintenance of full pay, constant internal communication, maintenance and adaptation of social dialogue, etc.).

The HR component of the CSR strategy covers five specific CSR risks: skills management, social dialogue, diversity and professional equality, quality of life at work, and employee engagement.

PROFILE OF HUMAN RESOURCES AT THE GROUP

RESULT: NUMBER OF PERMANENT AND FIXED-TERM EMPLOYEES AT 31 DECEMBER ⁽¹⁾

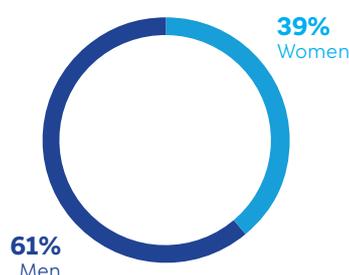
Entity	Country	2020			2021		
		Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
FDJ	France	1,452	62	1,514	1,531	72	1,603
FDP	France	437	17	454	452	15	467
FDI	France	27	0	27	28	0	28
FDM	France	5	2	7			
PDJ	French Polynesia	19	0	19	17	3	20
FGS France	France	99	1	100	102	3	105
FGS Canada	Canada	1	0	1	2	-	2
FDJ Développement	France	14	2	16	16	1	17
FGS UK	United Kingdom	53	0	53	36	-	36
Sporting Group	United Kingdom	255	2	257	246	3	249
FDJ Services	France				9	-	9
FDJ GROUP		2,362	86	2,448	2,439	97	2,536

(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.

As at 31 December 2021, the Group employed 2,536 people at the companies within its scope of consolidation. FDJ, with 1,603 employees, represented almost 63.2% of the Group headcount, while the commercial subsidiary FDP employed 467 people, representing 18.4% of the total Group headcount. FDJ Gaming Solutions France and FDJ Gaming Solutions UK, technology subsidiaries which develop game software, had 141 employees. Sporting Group, which specialises in sports betting technology and trading, employed 249 people. The 3.6% increase in the Group workforce in 2021 was fuelled by FDJ (with growth of 5.9%).

More than 300 people were hired on permanent contracts in 2021 (of which 119 by FDJ). Most of these new employees were recruited to roles relating to digital projects (customer experience managers, data analysts, web engineers and developers, project managers, traders for sports betting, logistics coordinators, sales employees, etc.), with a view to acquiring new customers and developing the Group's business, and to factor in the strategic shifts made by the Group in response to the changing environment and the impact of the public health crisis on its operations.

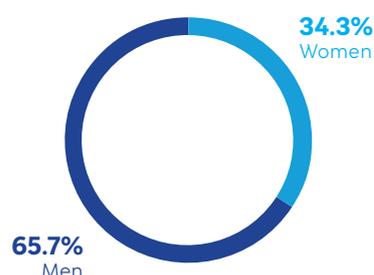
WORKFORCE DISTRIBUTION BY GENDER



WORKFORCE DISTRIBUTION BY GRADE



DISTRIBUTION OF MANAGERS BY GENDER



RESULT: PROFILE OF THE WORKFORCE AT 31 DECEMBER

	2020		2021	
	Management	Non-management	Management	Non-management
FDJ	1,282	232	1,391	212
FDJ Group	1,548	900	1,664	872

In 2021, management-level employees accounted for 65.6% of the Group's total workforce, compared to 63.2% in 2020.

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	76	191	201	256	257	227	254	135	6	0	42.8
FDJ Group	101	286	363	412	398	349	376	219	32	0	42.7

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

	2020	2021
FDJ	11.7 years	11.3 years
FDJ Group	11.2 years	11.1 years

The manner in which seniority at the Group evolves is connected to the recruitment dynamic.

RESULT: GENDER DISTRIBUTION IN THE WORKFORCE

	2020				2021			
	Men	%	Women	%	Men	%	Women	%
FDJ	837	56.8%	629	43.2%	920	57.4%	683	42.6%
FDJ Group	1,483	60.6%	965	39.4%	1,548	61.0%	988	39.0%

4.5.1 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 expertise in order to develop its operations and meet its performance objectives. The employment and skills planning policy that FDJ has been developing for more than ten years is designed to anticipate changes in jobs and the skills the Group needs and optimise the management of career paths and the development of talent.

Each year, the Group devotes a substantial part of its budget to training. A total of €2.2 million was set aside in 2021, representing 3.35% of payroll expense. The Group made a point of maintaining and developing the employability (hard skills and soft skills) of all employees in 2021, by continuing to hold most of its training sessions remotely. This meant that 97.5% of employees were able to complete at least one training course. On average, each employee completed 16 hours of training in 2021.

Training requirements cover many areas:

- hard skills directly relating to the job, particularly in IT, cybersecurity, data, digital technologies and sales. At the FDP commercial subsidiary, 2021 was a chance for the sales force to continue to acquire professional qualifications and to support the commercial transformation;
- soft skills: behavioural skills (e.g. capacity to work with others, interpersonal skills) are just as important to individual and collective performance as hard skills;
- management: in order to support managerial practices at the Group and apply its managerial model (developing managers who are coaches, leaders and performance managers), the emphasis was placed during the year on helping new managers take on a managerial role (through digital training and in-person or remote group

practice tests), giving them an opportunity to familiarise themselves with the fundamentals of management;

- foreign languages (mainly English): the expansion of foreign operations, the integration of UK subsidiaries and the stock-market listing warrant efforts to develop the use of English in-house.

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 (e.g. returning to work after maternity leave).

OUTLOOK

FDJ will pursue its initiatives to transform managerial practices in order to support changing work methods (structural increase in remote working, "hybrid" working, more empowerment, etc.).

The Group will continue to invest in the development of IT, data and digital skills. 2022 will mark a fresh milestone in the transformation of the Group's sales model, underpinned by a specific human resources plan and targeted training initiatives. The Group's international expansion also means that intercultural work methods will need to be developed, and upskilling measures will be needed so that the use of business English becomes natural.

PERFORMANCE INDICATOR: NUMBER OF TRAINING HOURS

	2020	2021
FDJ	16,538	26,792
FDJ Group	26,672	39,417

The increase in the number of training hours completed at FDJ Group in 2021 (up 47.8%) mainly stemmed from the roll-out of CSR training for employees at FDJ and at the subsidiaries (FDP, FGS France, FDI and FDJ Services), together with a more substantial training budget.

PERFORMANCE INDICATOR: PERCENTAGE OF PAYROLL EXPENDITURE DEVOTED TO TRAINING

	2020	2021
FDJ	2.96%	3.80%
FDJ Group	-	3.35%

The share of payroll expenditure set aside for training rose at FDJ in 2021 (by 0.84 of a point). As a reminder, the share of payroll expenditure at FDJ had decreased in 2020 because of public health restrictions, with a halving of the training budget.

PERFORMANCE INDICATOR: PERCENTAGE OF EMPLOYEES WHO COMPLETED TRAINING DURING THE YEAR

	2020	2021
FDJ	76.2%	96.1%
FDJ Group	-	97.5%

The increase in the share of the workforce that completed training (up by 19.9 points) was mainly driven by the roll-out of CSR training for employees at FDJ and at the subsidiaries FDP, FGS France, FDI and FDJ Services. This calculation includes employees who left the Company during the year, but had completed training beforehand.

4.5.2 PROMOTING A CONSTRUCTIVE SOCIAL DIALOGUE

FDJ has undertaken to develop and maintain a high standard of social dialogue for the purposes of the HR transformations it has initiated. For instance, FDJ adheres to and enforces the principles and fundamental rights of the International Labour Organisation at all of its entities: freedom of association, effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labour, effective abolition of child labour and elimination of discrimination in respect of employment and occupation.

Due to the diversity of its operations and locations, the Group has organised its social dialogue with employee representation bodies on a national level or at the level of the relevant entities.

To that end, each Group entity has its own employee representative body depending on its configuration. A list of the main employee representative bodies in the Group's main entities is provided below:

- a Group Committee, bringing together employee representatives from FDJ, FDP and FGS France, and representing all Group entities, which meets three times a year;
- within FDJ:
 - at a central level: a central social and economic committee (CSEC) and an occupational health and safety commission (CSSCT), in addition to the statutory and conventional commissions;
 - at the level of each establishment: a social and economic committee (CSE) and an occupational health and safety commission (CSSCT);
 - 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, Société de Gestion de l'Échappée, FDJ Développement and La Française de Motivation: a social and economic committee (CSE).

All projects with a bearing on the general running of the Company are regularly presented and discussed by these bodies. In this context, for example, the capital development project and numerous organisational development projects were regularly discussed in 2019. 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. The procedure is as follows:

- 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 all 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, FDJ's strategy and strategic directions are regularly presented and discussed at CSEC meetings.

In 2020 and 2021, employee representatives were kept regularly informed and were consulted on measures taken by the Company to stop the spread of Covid-19, including the economic measures (cost-saving plan with no job losses) decided at the time. They were convened for each new step decided by the Company, attending either ordinary/extraordinary meetings of decision-making bodies, or meetings that brought together all Group employee representatives on a supra-legal basis.

Alongside these employee representative meetings, negotiation meetings are regularly organised at Group companies with union representatives (FDJ, FDP, FGS France 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. As a result, agreements have been signed over the last five years on the right to

disconnect, wages, work time (on-call periods), remote working, the procedures for CSE and CSEC meetings, etc.

In 2021, these meetings led to the signature of three agreements or amendments at FDJ: the wage agreement in which the wage policy was set for 2021, the incentive agreement for 2021 and the amendment terminating the employee savings plan agreement and simplifying the employee savings mechanism.

It is also worth noting that 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;
- employment and skills planning;
- gender equality, gender diversity and social and cultural diversity.

Over the medium term, management is keen to harmonise the various measures, practices and agreements in

conjunction with the trade unions at the Group level, i.e. FO, CFE-CGC and CFDT.

Similarly to 2020, there was an increase in the number of agreements signed in 2021. Five Group-level agreements were signed. These included the agreement on “gender equality, quality of work life and diversity”, the three-year agreement on profit-sharing, the three-year agreement on incentives and amendment No. 2 to the Group savings plan, making switching and voluntary contributions possible in the employee shareholding fund, and amending the matching contribution system for voluntary contributions.

At the end of 2021, one Group negotiation was ongoing, relating to the pension system and the conversion of the existing PERCO retirement savings plans into a Group PERCOL plan. Talks will also soon get under way on the employment and skills planning policy and will probably continue throughout 2022.

Other matters that may be negotiated in 2022 at FDJ include the amendment on remote working arrangements, wages and the setting of criteria for the 2022 incentive plan.

OVERVIEW OF THE AGREEMENTS SIGNED DURING THE YEAR

Scope	Theme	Brief description	Signature
Group	Group union representatives	Enable union representatives to sign agreements that cover the entire scope of the Group, including newly acquired/formed companies	2 March 2021
Group	Gender equality	Adoption of the first ever Group agreement on gender equality. Continued actions to further gender equality at FDJ (hiring, training, etc.) and application of these measures at Group level. Adoption of innovative measures relating to parenthood, diversity and inclusion, particularly for people with disabilities.	05 March 2021
Group	Employee savings scheme – Group savings plan	– Allowing switching and voluntary contributions in the employee shareholding fund – Facilitating the matching contribution system for voluntary contributions	6 April 2021
Group	Profit-sharing	Renegotiation of the three-year agreement on profit-sharing	29 June 2021
Group	Incentive plan	Implementation of the first three-year agreement on incentives, setting common rules for all incentive plan agreements and introducing a common criterion	29 June 2021
FDJ	Wage agreement	2021 wage policy agreement	25 February 2021
FDJ	Employee savings plan	Amendment terminating the employee savings plan agreement to simplify the employee savings mechanism (transfer of all the different plans to a single Group plan)	9 April 2021
FDJ	Incentive plan	2021 agreement setting the incentive plan criteria	30 June 2021

PERFORMANCE INDICATOR: NUMBER OF LABOUR AGREEMENTS SIGNED DURING THE YEAR

	2020	2021
FDJ	4	3
FDJ Group	3	5

4.5.3 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, inclusion of people from multiple generations and from diverse social backgrounds. Two additional focuses were introduced in 2021, i.e. raising awareness of respect for sexual preferences and religious affiliation.

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.

The Group continued to develop new actions in 2021, maintaining a constant dialogue with its stakeholders against a public health backdrop that remained difficult. It is especially committed to youth employment (particularly through the "1jeune1solution.gouv.fr" platform and measures to step up the recruitment of interns and work-study applicants) and on efforts to keep people with a disability in the workforce and to give them the support they need.

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. During the year, the actions mainly involved taking stock of existing measures in order to adapt the strategy and redirect governance, perform a diversity and QWL risk analysis (incorporating respect for human rights, from a discrimination angle) and steer and manage business indicators.

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:

- CSR training (e-learning), mandatory in 2021 for all Group employees, was introduced with a comprehensive section on discrimination;
- the members of the Group Management Committee completed diversity and inclusion training in December 2021 (training/awareness);
- a systematic training programme was introduced for managers called "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 interviews in a manner that is respectful towards applicants.

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 (e.g. on cognitive bias) available to all, rounding out the diversity and inclusion awareness measures.

4.5.3.1 GENDER EQUALITY IN THE WORKPLACE

FDJ is particularly committed to gender equality in the workplace, a cause that is supported at the highest level of the Company. A large number of awareness initiatives have been taken to promote gender equality.

For instance, the Group stages an annual event on 8 March to coincide with International Women's Day. Since 2015, books are handed out to all members of staff (men and women) to raise awareness about the importance of gender equality.

The Group updated its guide for new parents in 2021. This guide contains information on the provisions made for parents in the Group agreement. It has a section on paternity leave (28 days), during which employees are entitled to receive their full pay ⁽¹⁾; the application of measures such as parental leave specific to FDJ Group (parents can take a leave of up to six months and receive between 50% and 75% of their gross monthly salary, depending on what system they choose, and this measure is also available for parents who have used a surrogate to have a child) and support services to help all employees returning to work after maternity/parental leave.

For the first time ever, FDJ joined the top ranks of SBF 120-listed companies in terms of female representation on its governance bodies⁽²⁾, taking 4th 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.

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 will take 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.

(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 company (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>

PERFORMANCE INDICATORS: PROPORTION OF WOMEN IN THE TOTAL GROUP WORKFORCE AND IN THE GROUP OF EXECUTIVE MANAGERS

	2020	2021
Proportion of women in the total Group workforce	39.4%	39.0%
Proportion of women in the GEM	31.3%	33.8%

The percentage of women in the GEM has risen by 2.7 points since this Board decision was made, going from 31.3% on 31 December 2020 to 33.8% on 31 December 2021.

FDJ Group has continued to show its strong support for this issue by putting its name to the "StOpE au Sexisme" charter (December 2020) to combat everyday acts of sexism, together with the SISTA charter (October 2020) to promote gender diversity in digital industries and enable more women entrepreneurs to secure financing from investment funds for their start-ups, and the "Jamais sans Elles" charter (earmarked for early 2022).

More than 130 employees (men and women) have joined the in-house AllIn network formed in 2016 to promote gender 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. AllIn 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 AllIn 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⁾.

PERFORMANCE INDICATOR: PROPORTION OF WOMEN IN THE TOTAL GROUP WORKFORCE AND PROPORTION OF WOMEN MANAGERS

	2020		2021	
	Proportion of women	Proportion of women managers	Proportion of women	Proportion of women managers
FDJ	43.2%	42.2%	42.6%	41.8%
FDJ Group	39.4%	34.3%	39.0%	34.3%

RESULT: WORKPLACE GENDER EQUALITY INDEX ("PÉNICAUD" INDEX)

	2020	2021
FDJ	100/100	100/100
FDP	92/100	92/100
FGS France	75/100	84/100

RESULT: RATE OF PROMOTION AMONG EMPLOYEES WITH PERMANENT CONTRACTS (CHANGE OF GRADE)

	2020			2021		
	Women	Men	Combined	Women	Men	Combined
FDJ	11.2%	12.5%	12.0%	13.2%	10.6%	11.7%

FDJ is pursuing specific actions to equally distribute promotions among men and women.

4.5.3.2 INTEGRATING PERSONS WITH DISABILITIES

FDJ has been striving to integrate persons with disabilities into the workforce since 2008, which marked the first labour agreement on the employment of people with a recognised disability. As part of this, it has led a series of recruitment initiatives and awareness campaigns.

In 2021, as part of a continued commitment to recruit people with disabilities, FDJ set a target to keep the proportion of disabled employees above 5.50% in the criteria set for incentive bonuses, in a bid to get all employees to rally behind this issue.

FDJ has been very active in terms of recruitment to speed up the integration of people with a disability, through its involvement in specialised job fairs/forums⁽²⁾, its decision to set a target percentage to have people with "RQTH" status⁽³⁾ representing 6% of the workforce, the allocation of a special budget to hire young work-study applicants with "RQTH" status, its work with new specialised recruitment agencies to identify applicants for high-level positions, and by further developing its partnerships with EAs (disability-inclusive companies) and ESATs (vocational rehabilitation centres)⁽⁴⁾.

(1) This agreement is available on the corporate website at: www.groupefdj.com.
 (2) Paris Pour l'Emploi, Talent Handicap and Hello Handicap.
 (3) Reconnaissance de la qualité de travailleur handicapé (recognition of disabled worker status).
 (4) See section 4.f "Promoting responsible purchasing".

Alongside this recruitment plan, a number of awareness initiatives have been taken with Group employees, for example through Duoday⁽¹⁾, workshops on invisible disabilities (psychological disabilities), a series created in conjunction with actors and neuroscience specialists, training and coaching sessions to develop inclusion among the teams and managers who work with "RQTH" employees.

As part of an effort to improve by drawing on best practices already tried and tested at other companies, and to interact with various diversity stakeholders, the Hangagés association founded by FDJ in 2009 works to further awareness of disabilities in corporate settings and include disabled people in the workforce.

PERFORMANCE INDICATOR: RATE OF DIRECT EMPLOYMENT OF PERSONS WITH DISABILITIES

	2020	2021
FDJ	5.52%	5.22%
FDJ Group	4.95%	5.21%

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 mainly attributable to the growth registered by the commercial subsidiary FDP. The rate shown for FDJ reflects an increase in the overall workforce (tied to new recruits) and the fact that many employees with "RQTH" status retired in 2021.

4.5.3.3 INTER-GENERATIONAL INITIATIVES

For many years, FDJ has supported the employment and training of young people. 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 stepped up its recruitment and training drive in 2021 for interns and work-study participants from all types of backgrounds. There were 169 young people on work-study contracts in 2021.

FDJ Group went further in its commitment to the employment of young people by providing information on the "1 jeune, 1 solution" pathway-into-work platform at 23,000 points of sale. Information on the platform was displayed on the screens of FDJ terminals over a period of four weeks (from 20 September to 17 October 2021). The website 1jeune1solution.gouv.fr contains information on training, together with job offers, internships and work-study opportunities for young people, a category of the population that has been hit very hard by the public health crisis.

For the fourth consecutive year, FDJ has been certified Happy Trainees by Choose My Company⁽²⁾ by the Group's work-study students and interns. With a score of 4.45/5, this label is the result of the integration and daily support of the work-study students and interns as well as their tutors.

"Jeniors" and seniors

"Jenior" employees (aged 45 and up) and senior employees (those in the process of actively preparing for retirement) accounted for 45.8% of the FDJ Group workforce in 2021. They make a significant contribution to the collective Group dynamic.

They have access to the same training as employees in other age categories, together with 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 to take a look at intergenerational work opportunities and existing retirement arrangements; while the "Cap 60" programme allows them to anticipate their retirement in concrete terms.

The engagement rate among seniors⁽³⁾ stands at 93%, which is slightly higher than for the overall workforce (see section 4.5.5 "Ensuring employee engagement").

PERFORMANCE INDICATOR: NUMBER AND PERCENTAGE OF WORK-STUDY PARTICIPANTS

	2020		2021	
	Number of work-study participants	Percentage of work-study participants	Number of work-study participants	Percentage of work-study participants
FDJ	112	6.9%	130	7.5%
FDJ Group	146	5.6%	169	6.2%

(1) An event staged to change people's perceptions of disabilities (and providing a good talent pool).

(2) ChooseMyCompany, founded in 2011 by human resources, IT and digital specialists, helps develop companies' performance and appeal based on reviews submitted by employees, interns, applicants and customers.

(3) The measurement of the engagement rate among seniors encompasses employees aged between 51 and 60.

4.5.3.4 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+ areas⁽¹⁾, with 39 interns brought in through the Alliance pour l'Education – United Way association for the 2020-2021 school year;
- 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. In 2021, FDJ went further in its partnership with Mozaïk RH for the recruitment of work-study applicants and young graduates from diverse social backgrounds. In all, 26 of the applicants hired (under permanent, fixed-term, work-study and internship contracts) were from socially-diverse backgrounds;
- purchasing, with a view to developing responsible and inclusive procurement from businesses operating in socially disadvantaged areas. In 2021, around 7% of FDJ's suppliers were located in priority urban policy districts.

In November 2021, FDJ took part in the first economic inclusion summit organised by Mozaïk to discuss, draw on and share best economic inclusion practices.

4.5.4 DEVELOPING QUALITY OF WORK LIFE

Quality of work life (QWL) is a key aspect of the Group's philosophy and commitments. 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 a fulfilling work life and individual and collective success.

Health, safety and quality of work life are fundamental to the lasting growth of the Group. With this in mind, 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.

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. In 2021, the health crisis was a focus yet again of the social climate barometer, with 96% of employees expressing their satisfaction with the manner in which the Company has handled the situation since the start of the crisis.

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. FDJ Group is improving access to support services, which has led it to adapt the manner in which its in-house support units operate, by assigning representatives of the subsidiaries to the support unit; by pooling tools (pooled whistle-blowing system, also facilitating the escalation of corruption suspicions); and by furthering the *FDJGroupForMe*

external support service for Group employees in English-speaking countries.

This 24/7 service has been up and running since 2019 and provides healthcare assistance, social assistance and psychological support⁽²⁾.

FDJ also continued to honour its commitments in a variety of areas:

- prevention training and awareness campaigns geared towards managers, employees, service providers and suppliers. A total of 453 employees were able to complete training under the annual training plan in 2021. New hires complete occupational health and safety training as part of the onboarding programme;
- internal and external audits of the occupational health and safety management system⁽³⁾
- regular work-related risk assessments;
- the implementation of OHS action plans at each site;
- 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.

(1) Réseau d'éducation prioritaire (priority education network).

(2) 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.

(3) The last internal IMS (Integrated Management System) audit on occupational health and safety was completed in 2019. The next audit is scheduled for 2022, having been postponed in 2021 due to public health restrictions.

In keeping with its OHS policy, FDJ raises awareness about QWL throughout the entire Group workforce. In 2021, FDJ provided information and training through conferences and workshops on meditation; a conference on neurosciences,

sleep and orthoptics with Ryadh Sallem on “bouncing back from a crisis”; a full day of events with sports coaches, sophrologists and nutritionists (as part of QWL week in June 2021); and a holistic programme to support managers.

RESULT: FREQUENCY AND SEVERITY RATES

	2020						2021					
	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	2,170,571	4	5	138	1.84	0.03	2,265,112	2	4	100	0.88	0.01
FDJ Group	-	-	-	-	-	-	3,831,562	5	7	159	1.30	0.02

Frequency rate: number of lost-time incidents per million hours worked. Severity rate: number of days lost per 1,000 hours worked. These rates are significantly lower than national rates ⁽¹⁾.

PERFORMANCE INDICATOR: ABSENTEEISM RATE

	2020	2021
FDJ	2.84%	2.43%
FDJ Group	-	2.50%

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.

RESULT: AVERAGE WELL-BEING AT WORK SCORE GIVEN BY EMPLOYEES

	2019	2021
FDJ Group	84 ⁽¹⁾ /100	85/100

(1) Adjusted.

The well-being score shows that 85% of Group employees are satisfied with their well-being at work (compared with 84% in the 2019 FDJScope survey). Well-being is measured every year, except in 2020, when the survey focused on the public health situation.

4.5.5 ENSURING EMPLOYEE ENGAGEMENT

Employee engagement is a key contributor to company performance. FDJ measures employee engagement by surveying all Group employees every two years, based on an organisational climate survey. The engagement indicator covers 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.

The engagement indicator stood at 91/100 in 2021 (up 4 points on 2019), reflecting a solid foundation of employee engagement, strong loyalty to the Company and pride in working for FDJ Group. This also reflects an excellent level of satisfaction, generated by how the Group managed the government-ordered lockdowns, particularly the aspects that enabled employees to get through those periods under

the best possible conditions and to work as normally as possible (wages paid in full, resources put in place for remote working, teams led by their managers). This is a much higher score than at other companies according to the results of a *Harris Interactive* survey across a sample of 500 employees working at intermediate-sized enterprises (250 to 5,000 employees) in the service sector. Most of the staff at these companies are management-level employees or employees in intermediate occupations, and their profile is comparable with FDJ profiles in terms of age and seniority.

There was a continued focus on the public health situation in the 2021 survey, with 96/100 of employees expressing their satisfaction with the manner in which the Company has handled the situation since the start of the crisis.

(1) Based on data provided by the occupational risk department of the CNAM (national health insurance office).

PERFORMANCE INDICATOR: EMPLOYEE ENGAGEMENT RATE

	2019	2020	2021
FDJ Group	87/100	92/100	91/100

The engagement indicator that emerged from the 2021 social climate survey came to 91/100 (up 4 points on 2019). For the record, 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.

4.6 Solidarity

4.6.1 SOCIETAL ENGAGEMENT

FDJ has been committed to the greater good since its inception. 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: engagement through its Corporate Foundation, support for French sports, and contributing to the preservation and renovation of French heritage sites.

PERFORMANCE INDICATOR: CONTRIBUTIONS TO GENERAL INTEREST CAUSES

In millions of euros	2021
FDJ Group	108

FDJ donated €108 million to general interest causes in 2021, 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.

In keeping with its efforts to support vulnerable people since the beginning of the public health crisis (the Group has donated more than €5 million to associations since the Covid-19 pandemic began), FDJ Group donated €500,000 to Fédération des Acteurs de la Solidarité (FAS) at the end of 2021 to help people in need.

This donation is aimed at helping associations belonging to the FAS network that work with people in need in a number of ways: access to digital technologies, access to food and women's rights.

OUTLOOK

By 2025, the Group aims to keep the employee engagement rate at a high level of more than 85/100.

4.6.1.1 FDJ CORPORATE FOUNDATION

The FDJ Corporate Foundation has strived to develop equal opportunities through gaming in all its forms since 2018. The Foundation has been focusing on two specific areas over the five-year period covering 2018-2022: education and social and/or professional inclusion of persons experiencing hardship, for whatever reason (disability, economic/social/cultural vulnerability, etc.). Through such initiatives, it continues to invest specifically in the integration and reintegration of persons with disabilities.

The FDJ Corporate Foundation has received an €18 million endowment over five years (2018-2022), together with an additional €1.5 million to address the problems faced by young people in connection with the public health crisis (see below). In 2021, the Foundation provided nearly €5 million to its partner associations.

In the last four years, more than 200,000 people have received integration or education assistance from the FDJ 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 Foundation.

In 2021, the FDJ Foundation invited its last round of applications for the 2018-2022 period to select projects serving the greater good, promoting equal opportunities, with a proven social impact and ready to be rolled out on a larger scale. To strengthen ties with territories, the general public was invited to vote on social media in order to choose a project. A total of €2.3 million will be shared among the five chosen causes over two years:

- **"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 an active and positive “three-project” methodology: school-related, social and sports-related. It uses football as an educational tool to train future adults.

At FDJ's request, the Foundation has jointly developed a €2 million programme geared towards young people, who have been deeply affected by the public health restrictions in place since March 2020. These funds will be used to meet basic needs (housing, food, etc.) and to prevent young people from becoming isolated and dropping out of school. This exceptional programme will help support around 15,000 struggling young people through the actions of four associations:

- Les Restos du Cœur;
- Apprentis d'Auteuil;
- AFEV;
- Article 1.

The Foundation has also helped get off the ground projects that were successfully submitted by seven associations in 2020: 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” and “Sport à l'emploi” programmes 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.

Dedication to serving territories and promoting equal opportunities

FDJ Group's network of more than 30,000 points of sale nationwide gives the Foundation special access to agents who are working to develop territories in order to promote equal opportunities.

Each year, the 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 2021, this

campaign helped fund nearly 80 associations, through donations 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 2021, 137 employees got involved in the 191 solidarity initiatives proposed by the FDJ Foundation. April marked the Group's very first solidarity week, with one of the key actions being the commitment made by the Group Management Committee to mentoring initiatives.

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 2021, ten associations received between €3,000 and € 15,000 their projects, five of them relating to disability initiatives and the other five to social inclusion actions.

In April 2021, the Foundation launched a solidarity engagement platform grouping together all the possible skills sponsorship actions, together with access to the “Arrondi sur Salaire” facility, through which employees can request that their pay be rounded down to the nearest euro and that the remaining cents be donated to charity. Many types of skills sponsorship opportunities are posted to the platform, of varying durations (one-off assignments lasting a few hours, short-term assignments of up to 20 days, or longer ones of up to two years).

In 2022, the FDJ Foundation will continue to support changes in the scale of existing projects and the roll-out of the programme for young people affected by the crisis. It will also work to develop responsible engagement initiatives among retailers and FDJ Group employees. Employees will be encouraged to become mentors to guide young people in shaping their career path and preparing for their entry into the workforce, by showing them what the future can hold. The Foundation will prepare the next five-year action plan for 2023-2027, for which a minimum budget €25 million will be set aside. It will also unveil the findings of a study conducted in 2021 into its social impact, based on feedback from the associations it has backed and from the ultimate beneficiaries of the initiatives supported.

PERFORMANCE INDICATOR: AMOUNT OF FINANCIAL AID GRANTED BY THE FDJ CORPORATE FOUNDATION

In millions of euros	2020	2021
FDJ Group	3,974	4,765

In 2021, the Foundation made nearly €5 million in donations, of which €1.5 million allocated to the exceptional youth programme.

4.6.1.2 SPORTS

FDJ has for many years been committed to developing French sports and promoting their 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 the "Buts pour Elles" initiative, the "Performances pour Elles" call for projects, partnerships with the "La Course By Le Tour" cycling competitions, the Paris-Roubaix Femmes cycling race organised for the first time in 2021, and sponsorship for a women's FDJ Nouvelle-Aquitaine-Futuroscope cycling team.

In 2021, FDJ renewed the "Buts pour Elles" initiative with its two partner football clubs, Olympique Lyonnais and Olympique de Marseille. Every goal scored by the two clubs in their last 11 league matches will be converted into a €500 donation, which will go towards women's football initiatives.

All funds collected are donated to the associations selected as part of an initiative launched by Fondation du Football. Eight associations across France have been supported so far. The selected projects focus on providing access to football for all women and girls, increasing female representation in managerial and sports governance structures, and performance.

With the "Performance Pour Elles" programme, FDJ has been committed to developing women's sport at the highest level since 2018. In 2021, it selected five sporting federations working to improve women's involvement in high-performance sports in preparation for the Beijing 2022 Olympic and Paralympic Winter Games and the Paris 2024 Summer Olympics and Paralympics. Seventeen French sports federations submitted applications in this fourth year of the "Performance Pour Elles" programme. Each of the five selected federations received €20,000:

- the French boxing federation, to conduct a study into the impact of the menstrual cycle on the performance of female boxers and on their weight, in preparation for Paris 2024;
- the French roller-skating and skateboarding federation, to finance training programmes with a view to forming a team of five or six female skaters and to perform data analysis using the stats provided by power sensors embedded in skateboards to track their progress;
- the French rowing federation, to purchase and use a mechanical measurement tool for its boats, in order to enhance the performance of four female rowers in preparation for Paris 2024;
- the French sailing federation, to purchase equipment for female windsurfers, with the introduction of new

windsurfing equipment for the Paris 2024 Olympics, and to organise training camps to help them become familiar with the new equipment;

- the French ice sports federation, to support five high-potential short-track athletes ahead of the Beijing 2022 Winter Games (competitions, training programmes).

Support for elite athletes

Building on its work to support young champions for nearly 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. The Group is also supporting the French Olympic and Paralympic team, and was particularly attentive to the journey of the four champions who had participated in the FDJ Sport Factory and competed in the Tokyo Games in August 2021. In 2021, 24 athletes from the FDJ Sport Factory qualified for the Tokyo Olympic and Paralympic Games and won 10 medals between them.

Four FDJ-backed teams who competed in team sports during the Tokyo Games (women's and men's handball, women's and men's basketball) also secured medals.

4.6.1.3 HERITAGE

In 2021, FDJ launched the fourth annual "Mission Patrimoine" operation. The Group sold specific games (one scratch game and six Loto® draws) 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 €100 million has been collected for the heritage foundation since the games were launched and 627 sites have benefited from the programme.

In April 2021, FDJ decided to extend its cooperation with the heritage foundation until 2024, with a plan to allocate €2 million to the programme. Each year, FDJ will choose a site from a selection put forward by the heritage foundation and allocate €500,000 to help with its restoration. The FDJ Foundation will also donate €200,000 annually in 2021 and 2022. These funds will be intended to finance the social inclusion and pathway-to-work programmes that the selected restoration sites will be required to incorporate.

The first project supported by the Group as a sponsor of the heritage foundation will be the restoration of the YMCA'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 Foundation.

4.6.2 DIALOGUE WITH STAKEHOLDERS

The risks inherent in the gaming and gambling sector associated with the Group's activities, and challenges related to FDJ's various commitments, call for vigilance, close dialogue and ongoing cooperation with all stakeholders, be they local, national or international.

FDJ's CSR policy is built and coordinated in close collaboration with its various stakeholders (players, sales network, employees, suppliers, civil society, etc.). The Social Laboratory has been responsible for dialogue with civil society since 2014, with the objective of fostering dialogue and co-building CSR initiatives. Consultations are organised by a specialised agency acting as a third-party facilitator. Based on the Chatham House rule⁽¹⁾, a dozen civil society organisations (CSOs) and as many contacts within the FDJ Group regularly examine sensitive topics related to the Company's CSR and responsible gaming policy.

Two sessions were held remotely in 2020, keeping the Laboratory's momentum going during the public health restrictions. Information was shared on the measures taken by FDJ in response to the crisis and the responsible gaming action plan was unveiled. The in-person co-building workshops were postponed to 2021, when the public health context improved.

The Social Laboratory therefore met three times in 2021 to address matters chiefly relating to the responsible gaming policy (see section 4.3 "Responsible gaming"):

- in April, the session covered the prevention of problem gambling and the findings of the SEDAP "Enigm" study. This study, across more than 5,000 players, measured the impact that a "big" win can have on the actions of recreational or pathological gamblers (misconceptions, illusion of control, etc.). FDJ incorporated the notion of "big" wins in the special training programme set up for retailers to coincide with the UEFA Euro 2020 football championship;
- in June, FDJ presented its telephone outreach campaign (see section 4.3.2 "Preventing excessive gambling"). The members of the Social Laboratory noted the benefits that this scheme can hold for players and stressed the

importance of establishing a link with support services after such calls. FDJ informs players of the existence of special helplines (SOS Joueurs, CRESUS, etc.) and tells them how to contact them;

- in October, FDJ set a collaborative social innovation project in motion that focused on the notion of vulnerability. This project combined academic research and community needs. This was a useful session for the members of the Social Laboratory to come up with various courses of action to enhance psychosocial expertise in the prevention of addictive behaviours. Project scoping has been earmarked for 2022, as has the related research work.

The feasibility of the Laboratory's recommendations in these areas will be looked at in 2022. The Laboratory will also meet for another three sessions in 2022, which will focus on new ways in which gaming is used (among young adults and minors) and the role that retailers can play in social connection.

A Stakeholder Committee is in place to further the dialogue between the Group and organisations in its socioeconomic environment on the key aspects of its operations, and to monitor the efforts made to honour the commitments made following the publication of the Group's *raison d'être* (June 2020). This committee met three times in 2021 (see section 1.2.2 "A Stakeholder Committee to monitor the efforts made to honour the commitments relating to FDJ's *raison d'être*").

In 2021, FDJ surveyed its stakeholders with a view to updating the materiality matrix (see section 4.1.3 "Stakeholders").

PERFORMANCE INDICATOR: NUMBER OF CIVIL SOCIETY ORGANISATIONS (CSOS) BELONGING TO THE SOCIAL LABORATORY

2020-2021 cycle	2021-2022 cycle
12 CSOs	12 CSOs

(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.

4.7 Territories

FDJ relies on a network of more than 30,000 points of sale across France to distribute its products. The Group's social and economic development has been impacted by the closure of local retailers. The sale of FDJ games represents a major portion of the business generated by the bar-tobacconist-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.

The Group helps upgrade these points of sale through the digitalisation of the customer journey, where stakes are

collected digitally. It also invests more than €15 million each year in the renewal of equipment. In 2021, new FDJ systems that enhance the player experience were rolled out at 200 points of sale.

Through its activity, FDJ contributes to the economic development of territories, and notably supports local points of sale in rural and/or disadvantaged areas.

In 2021, retailers received total net point-of-sale commissions of €901 million (compared with €772.2 million in 2020).

4.7.1 SUPPORT FOR THE POINT-OF-SALE NETWORK DURING THE CRISIS

In a difficult economic environment, FDJ supported its point-of-sale network during the lockdown periods by maintaining contact with all retailers through its sales force.

In 2021, the Group continued the actions it took in 2020 to address challenges that arose with the public health crisis. These included:

- maintaining commercial relations by phone or in person with social distancing, particularly during the lockdowns;
- providing financial support to points of sale whose business came to a halt or declined dramatically and who experienced cash flow problems, by introducing more flexible conditions for collecting payments and for managing past-due payments;
- passing on public health advice to retailers and making adjustments to the lay-out of points of sale in accordance with public health advice.

FDJ extended the support programme launched in the greater Paris area in 2020 with Impact Partners to the rest of France in 2021. This far-reaching support mechanism has been developed to advise and empower retailers in struggling neighbourhoods. The programme covers three themes:

- 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 500 points of sale received assistance in the last quarter of 2020 and throughout 2021.

In August 2021, FDJ launched the €35 million "Rebond" investment fund in conjunction with BPI France. Managed by Impact Partners and deployed over two to three 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 programme). This involves a system of participating loans or unsecured bonds, with a unit value of anywhere between €20,000 and €250,000. The aim is to enable hundreds of retailers to continue to operate as a going concern and/or develop further.

FDJ has entered into a partnership with an association called Crésus to help struggling retailers find an arrangement with their creditors. 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.

A cash management solution has been provided to help retailers manage their day-to-day tasks. This helps save time for retailers by transferring information from the games terminals to their cash registers.

When all public spaces were reopened to the public after the lockdowns, FDJ prepared a television spot to applaud its 30,000 retailers. The 25-second clip was aired on television between 9 and 20 June and was a fitting nod to the Group's latest institutional campaign "Et voir la France gagner", launched in January 2021.

4.7.2 DIVERSIFICATION OF SERVICES AT POINTS OF SALE

In 2019, FDJ and the Confédération des Buralistes (tobacconists confederation) secured an outsourcing contract with the French Treasury (DGFIP) to collect payments on tax and public service bills and fines of less than €300 in cash or via debit/credit card.

In 2021, FDJ increased the number of points of sale providing this service to 12,400 (compared to 8,500 in 2020), bringing to two million the number of transactions since the service was launched in July 2020.

The success of the payment collection service for the Treasury prompted FDJ to extend it to private sector organisations.

In December 2021, the ACPR (Autorité de Contrôle Prudentiel et de Résolution - French prudential supervision and resolution authority) issued approval ⁽¹⁾ for FDJ Services, the Company's "Payment and Services" subsidiary, to operate as a payment institution. Payment services can only be provided to private sector organisations by ACPR-approved

institutions. This licence provides assurance that the rules set forth in the French monetary and financial code are observed.

In 2022, once they have been registered with the ACPR, FDJ Services participating points of sale will be entitled to offer new services to their customers, such as cash deposits or the payment of bills issued by private sector organisations.

OUTLOOK

In 2022, and in an effort to give its retailers more visibility, FDJ will test a system to improve online search engine optimisation for points of sale and will continue to register new retailers who wish to provide payment collection services.

With the "Rebond" investment fund, FDJ will also support the financial restructuring, transfer and reorganisation of small retail outlets in vulnerable areas.

4.7.3 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 2017. In 2021, FDJ's contribution to France's gross domestic product (GDP) was evaluated at €6.2 billion, with 54,800 jobs created or made permanent throughout the country (o/w 21,100 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	2020	2021
FDJ Group	5.2	6.2

PERFORMANCE INDICATOR: NUMBER OF JOBS CREATED OR MADE PERMANENT

	2020	2021
FDJ Group	53,700	54,800

PERFORMANCE INDICATOR: FDJ'S CONTRIBUTION TO JOBS IN THE BAR-TOBACCONIST-NEWSAGENT SECTOR

	2020	2021
FDJ Group	20,400	21,100

FDJ's operations involved the employment of the equivalent of 21,100 people through the business generated by retailers (mainly bars, tobacconists and newsagents) within the network of points of sale that were active in 2021.

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 90% of their purchases (in value) in France, i.e. close to €620 million.

PERFORMANCE INDICATOR: PERCENTAGE OF PURCHASES

(IN VALUE TERMS) MADE FROM SUPPLIERS LOCATED IN FRANCE

	2020	2021
FDJ	87%	90%
Group, France	-	90%

For 2021, the data relating to purchases is aligned with the data contained in the financial statements. 90% 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.

(1) Oversight body for the banking and insurance sectors.

PERFORMANCE INDICATOR: PERCENTAGE OF PURCHASES (IN VALUE TERMS) MADE FROM SMES AND ISES (OF THE PURCHASES MADE IN FRANCE)

	2020	2021
FDJ	61%	58%
Group, France	-	58%

For 2021, the data relating to purchases is aligned with the data contained in the financial statements. 58% of the purchases made by the Group's French entities were sourced from SMEs and ISEs.

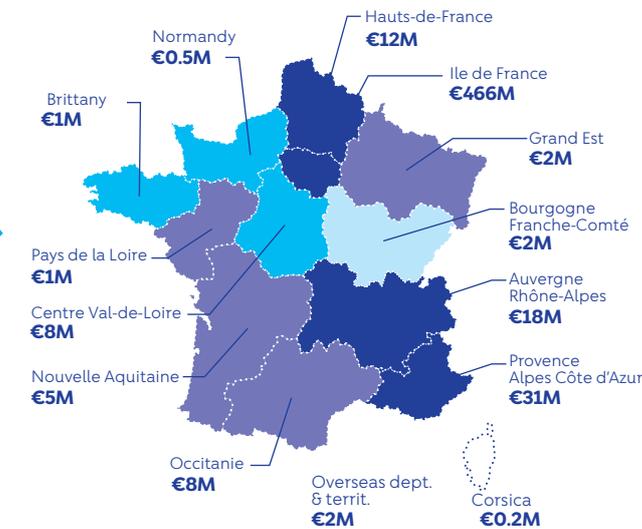
◆ ANNUAL PURCHASES €620.0M ◆

SHARE OF PURCHASES MADE IN FRANCE
(based on invoices)



TERRITORIALITY OF FDJ PURCHASES
(in value and volume – based on invoices)

2,305 active suppliers**



◆ ≥ 84 suppliers ◆ ≥ 40 to 83 suppliers
◆ ≥ 24 to 39 suppliers ◆ ≥ 1 to 23 suppliers

BREAKDOWN BY BUSINESS TYPE
(Source INSEE)



* 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 2021.

4.8 Environment

FDJ has been working for many years to reduce its environmental footprint in order to combat climate change and help meet the challenges of preserving the planet's biodiversity.

4.8.1 COMBATING CLIMATE CHANGE

FDJ Group has been taking steps for more than ten years now to cut the carbon emissions caused directly and indirectly by its operations.

4.8.1.1 MEASURING THE GROUP'S CARBON EMISSIONS

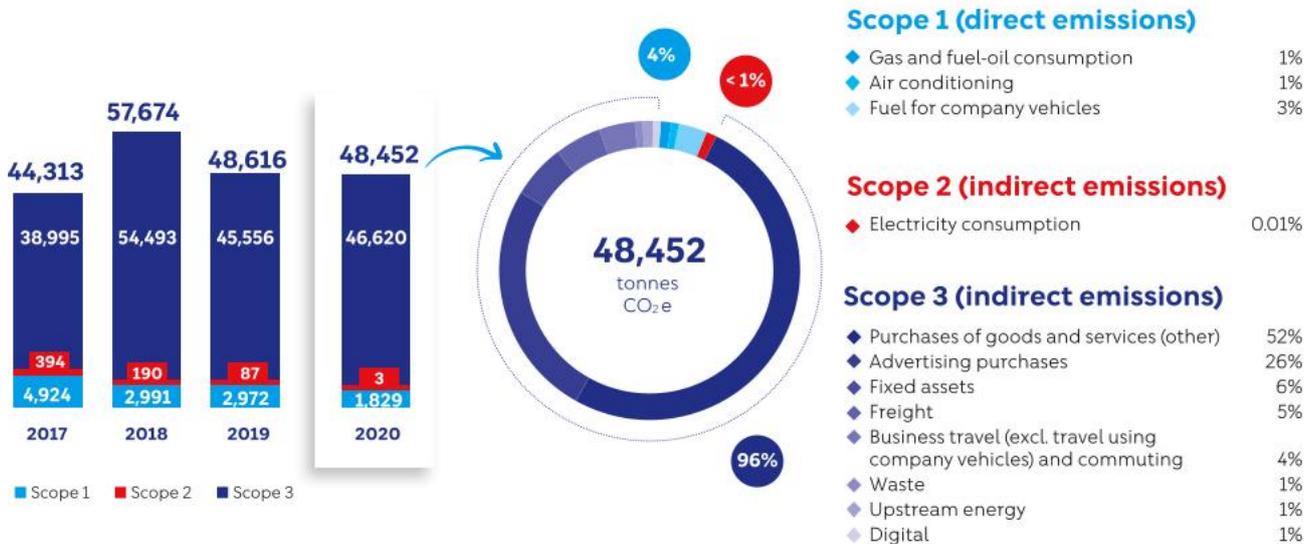
FDJ has been pursuing a policy since 2008 of lowering carbon emissions throughout its area of responsibility.

Prior to 2017, it carried out a carbon review every three years. Since it signed up to the Science Based Targets (SBT) initiative in 2019, an annual carbon review has become imperative. The SBT initiative, launched in 2015 on the heels of COP 21, sets targets for companies to reduce their carbon

emissions in accordance with the Paris Agreement. The measurement of carbon emissions falls into two distinct areas: emissions under the Company's direct control (Scopes 1 and 2: energy consumption of buildings and fuel for company vehicles) and emissions under its indirect control (Scope 3: purchases 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 carbon emissions are measured using the *GHG Protocol* methodology, a unit of measurement 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



In 2020, the Group recorded emissions representing 48,452 tonnes of CO₂e across all scopes (based on the *GHG Protocol* methodology). 96% of these were Scope 3 emissions. The subsidiaries acquired or formed since 2017, i.e. Sporting Group, FGS UK and FGS Canada, have not been included so as to keep track of the progress made with the emissions reduction targets set in the reference year 2017.

4.8.1.2 LOWERING CARBON EMISSIONS

FDJ Group raised its ambitions when it aligned its targets with the SBT initiative in 2019 and set a course for bringing 2025 carbon emissions down from the levels recorded in 2017.

Four carbon reduction targets were specifically approved by the SBT initiative and are measured for the purposes of the annual carbon review.

1. Reduce carbon emissions by 20% (Scopes 1 and 2) by 2025

The 20% emissions reduction target has been significantly exceeded to date. Scope 1 and 2 emissions decreased by 66% between 2017 and 2020, partly because of the pandemic but also due to reduction measures. For one thing, electricity consumption in buildings decreased. For another, the Group purchases electricity that is produced using entirely renewable sources for all its sites, with guarantees of origin. The Group has also introduced a new company car policy that involves gradually replacing existing combustion engine vehicles with rechargeable electric and hybrid vehicles. By the end of November 2021, 21% of the fleet was made up of rechargeable hybrid vehicles and 13% of electric vehicles.

2. Take renewable energy purchases to 100% by 2025

In 2020, 99% of the Group's electricity came from renewable sources thanks to the purchase of guarantee of origin (GoO) certificates from EDF for all FDJ sites and for the FDP sales agencies, and the use of solar panels at Pacifique des Jeux. The Group has set a goal to extend this initiative to FDJ Développement 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

Since 2017, FDJ Group has cut all indirect emissions by 63% connected with business travel, excluding those relating to company vehicles and employee commutes, as well as energy use upstream.

In 2020, travel-related emissions were down 65% on 2017. Much of this reduction was due to the pandemic. To maintain this downward trend, FDJ has established a series of initiatives to promote low-emissions travel, not only for business trips (reducing the number of trips, increasing the use of videoconferences and rail travel) but also for personal travel (maintaining remote working arrangements, promoting the use of bicycles instead of personal cars, 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 target to apply the SBT initiative to 65% of their emissions by 2024. This target covers three categories of purchases: advertising, gaming materials and intellectual/IT services. In 2020, 9% of carbon emissions by Group suppliers were covered by the SBT initiative. A number of other suppliers signed up to the initiative in 2021, which should drive up this percentage in the next carbon review.

In addition to these SBT targets, FDJ has set an overall target (Scopes 1, 2 and 3) to bring carbon emissions down by 20% in 2025 from the levels recorded in 2017.

In 2020, the Group recorded emissions of 48,452 tonnes of CO₂ equivalent across all scopes (based on the *GHG Protocol* methodology), representing a 9% increase in emissions on an absolute value basis and a 4% increase for every euro staked ⁽¹⁾ by comparison with the 2017 reference year. This increase was essentially due to higher spending in recent years and a change of method to account for carbon emissions.

FDJ will be updating its SBT emissions reduction targets in 2022 to reflect changes within the Group. It will be incorporating the subsidiaries acquired or formed since 2017 (Sporting Group, FGS UK and FGS Canada) and revising up its reduction targets to come into line with the global warming trajectory of 1.5°C. With this in mind, it has already begun to adjust the method used to measure Scope 3 emissions. This means that suppliers' carbon emissions will no longer be calculated using an ADEME monetary emissions factor (by type of purchase). Instead, the measurement will incorporate actual supplier emissions attributable to FDJ. This change of methodology will place a greater emphasis on the actions that FDJ Group is taking with its suppliers to lower carbon emissions.

4.8.1.3 IMPLEMENTING A GREEN IT APPROACH

FDJ is continuing to roll out the action plan drawn up in 2019 based on the results of the environmental impact assessment relating to its IT equipment. These actions cover two areas: data centres and user environment (employee IT equipment).

(1) Stake: the amount paid by the player in consideration for his or her participation in a game. At a point of sale, the player pays the stake to the retailer in the form of money or a promotional coupon. Online, the stake is paid via the customer's "electronic wallet", which itself is filled by customer payments, winnings from previous games and promotional credits received (ecredits).

Data centre initiatives implemented in 2021:

- increasing the density of physical servers with a view to making the data centres more energy-efficient;
- improving the way in which the application life cycle is managed.

User environment initiatives implemented in 2021:

- adding the *Fairphone* to the company phone catalogue so that employees can opt for a sustainably-produced smartphone made from recycled materials;
- making a systematic standby mode possible for workstations (laptops) in order to reduce energy consumption;
- doing away with needless or energy-intensive applications;
- standardising workstations at Group level to facilitate the in-house reallocation of hardware;
- introducing containers that all employees can use to deposit hardware for recycling.

4.8.1.4 OFFSETTING RESIDUAL EMISSIONS

FDJ has decided to use carbon offsets to supplement its efforts to shrink its carbon footprint. 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 through two projects. These projects are certified under the *Verified Carbon Standard* because they are both reliable and internationally-recognised by the United Nations:

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 (notably in Porbandar), where 56% of energy demand is covered by coal, as well as developing a more stable and more accessible power grid (one in four inhabitants has no access to electricity in India) by developing wind energy. The project will not only reduce dependence on coal, but will also improve the environment and air quality.

4.8.1.5 ALIGNING WITH TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) RECOMMENDATIONS ⁽¹⁾

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. In 2021, 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 4.1.1 “CSR governance”)

The CSR and Responsible Gaming Committee examines FDJ's CSR policy as a whole, including its environmental policy and the initiative implemented 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 2020 carbon review, carbon emissions reduction targets and associated action plans to the CSR and RG Committee in July 2021.

Duties of departments

Several Group departments are actively involved in identifying and managing climate-related risks and opportunities. They include the CSR department, the Audit, Risk, Control, Quality and Ethics department, the Technical department, the Commercial Operations department, the Sourcing 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 Group Head of CSR 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.

(1) The Task force on Climate-related Financial Disclosure (TCFD) is an international common standard through which companies can make informed choices regarding the climate-related risk exposure and opportunities relating to their activities and capital allocation plans.

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 or opportunity	Some FDJ Group achievements
Transition risks	Loss of brand appeal due to mounting consumer expectations regarding responsible engagement	<ul style="list-style-type: none"> - Surveys to gain more insight into customer expectations regarding CSR issues - 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 was. - Awareness campaign in 2017 at all points of sale to educate players about the harmful waste-related impact of game slips.
	Taxation of greenhouse gas emissions	<ul style="list-style-type: none"> - FDJ has set ambitious GHG emissions reduction targets for 2025 (see section 4.8.1.2 "Lowering carbon emissions"). - FDJ helps to achieve carbon neutrality by offsetting residual emissions (see section 4.8.1.4 "Offsetting residual emissions").
	Investor expectations	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: a 50% reduction in Scope 1 and 2 carbon emissions relative to 2017 (see section 4.2.2 "CSR targets for 2025").
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 or opportunity	Some FDJ Group achievements
Climate-related opportunities	Decrease in operating expenses thanks to the implementation of a responsible digital policy	<ul style="list-style-type: none"> – FDJ assesses the environmental impact of its IT equipment through a <i>WeGreenIT</i> survey 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	<ul style="list-style-type: none"> – Purchase from EDF of electricity from entirely renewable sources with guarantees of origin for all FDJ sites and for all FDP sales agencies. – FDJ signed an energy performance agreement (“contrat de performance énergétique”) set up at the Group’s headquarters; negotiations are in progress to expand the scope of these agreements to all Group sites in 2022. – 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.

In 2021, the CSR department worked closely with the Risk Management function to update the mapping of climate-related financial risks and opportunities, and the CSR risk universe was updated as a result. It also prepared the associated roadmaps.

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 chapter. Greenhouse gas emissions in Scopes 1, 2 and 3 are assessed once a year using the ADEME Bilan Carbone™ (carbon review) methodology and the *GHG Protocol* methodology (see section 4.8.1.2 “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.

4.8.2 TAKING ACTION TO PRESERVE BIODIVERSITY

4.8.2.1 REDUCING THE IMPACT ON BIODIVERSITY

In 2020, FDJ conducted a second Life Cycle Assessment (LCA)⁽¹⁾ 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)⁽²⁾, developed by CDC Biodiversité (Caisse des Dépôts et Consignations).

In 2021, once it had completed this LCA and prepared the associated roadmap, FDJ launched studies to assess the feasibility of a reduction in scratch card size and grammage in order to shrink their biodiversity-related footprint.

FDJ also initiated a project, 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 on biodiversity.

4.8.2.2 SUPPORTING INITIATIVES TO PROTECT 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.

Since 2012, 100% of gaming materials have been printed on paper from FSC®-certified sources. The FSC (*Forest Stewardship Council*)[®] label aims to preserve the world's forests. It promotes the diversity of species, preserves the soil, fauna and flora and helps combat the destruction of habitats and wetlands.

In addition to international carbon offset projects, FDJ finances a new "FSC Biodiversity Ecosystem Services" project each year (for 10 years). These globally-pioneering projects to protect the biodiversity of French forests are supported by FDJ and being developed in conjunction with FSC France and International Paper Forêts Services. Jointly-developed with all stakeholders, they help protect forests and ecosystem services while holding an economic interest for forest owners through associated conservation initiatives:

- in 2019, FDJ funded a conservation project covering several hectares of the forest of Saint Sylvestre, with a view to protecting old trees that provide shelter for many species of wildlife 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 continued partnership initiatives to protect biodiversity in France by financing a restoration project in the forest of Gravière in the Cantal region. Varieties of trees that are best suited to the changing climate were planted across several hectares of forest that had been destroyed by insects.

FDJ aired advertorials on France Télévision channels (France 2, France 5, France 24 and TV5 Monde) showing the protective actions supported by the Group. FDJ also took part in the IUCN World Conservation Congress held in Marseille in September 2021.

PERFORMANCE INDICATOR: PERCENTAGE OF GAMING MATERIALS PRINTED ON PAPER FROM FSC®-CERTIFIED RESPONSIBLE SOURCES

	2020	2021
FDJ Group	100%	100%

(1) The first LCA on gaming materials was conducted in 2009 and examined FDJ's impact on the environment only, not on biodiversity.

(2) *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.

4.9 First-time 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% by 2030 compared to 1990, 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 2021, to disclose the proportion of the revenue, capital expenditure (CapEx) and operating expenditure (OpEx) that is associated with environmentally sustainable economic activities, 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 (Human Rights and Fundamental Principles and Rights at Work).

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 sustainable 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 first assessment to ascertain whether FDJ's

activities qualified as sustainable. To do this, they relied on a methodological approach that involved analysing the Group's revenue and capital and operating expenditure.

PROPORTION OF TAXONOMY-ELIGIBLE REVENUE

Activities that qualify as environmentally sustainable 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 or reduce greenhouse gas emissions or improve their absorption.

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;
- Diversification activities (international, 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 diversification 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 diversification activities are not "Taxonomy-eligible" either.

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.

PROPORTION OF TAXONOMY-ELIGIBLE CAPITAL EXPENDITURE (CAPEX)

According to the *Taxonomy*, CapEx⁽⁴⁾ 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 2021, 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.

(1) Delegated Regulation (EU) 2021/2139 of 4 June 2021 and its Annexes I and II, Art. 8 of 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.

(4) CapEx covers property, plant and equipment (IAS 16), intangible assets (IAS 38) and leases (IFRS 16).

4 CORPORATE SOCIAL RESPONSIBILITY

First-time application of the Green Taxonomy: methodological approach and KPIs

“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.

As stated above, the Group does not produce “eligible” revenue, such that the *Taxonomy-eligible* capital expenditure corresponds to CapEx relating to individual measures. These represent around 10% of total Group CapEx and mainly relate to the renewal of property leases.

PROPORTION OF TAXONOMY-ELIGIBLE OPERATING EXPENDITURE (OPEX)

According to the *Taxonomy*, 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. These charges, as defined in the *Taxonomy*, represent less than 5% of the Group’s total operating expenditure. Accordingly, the Group does not consider the OpEx ratio relating to the *Taxonomy* to be material.

4.10 Notes: additional monitoring indicators

Indicators	Scope	2020	2021
Fuel oil consumption during the year	Boulogne-Billancourt (Delta, Aguesseau), Saint-Mard, Saint-Witz, Villepinte and Vitrolles sites	1,101 litres	0 litres
Fuel oil is used by power generators			
Gas consumption during the year	FDP agencies and Saint-Mard site	1,340,022 kWh	2,155,085 kWh
Electricity consumption during the year	FDP agencies, Boulogne-Billancourt (Delta, Aguesseau), Saint-Mard, Saint-Witz, Villepinte and Vitrolles sites	19,574,467 kWh	18,904,467 kWh
Water consumption during the year	Vitrolles, Villepinte, Saint-Witz, Saint-Mard, Boulogne-Billancourt (Delta and Aguesseau) sites	20,969 m ³	14,965 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	40%	74%
The rate of recycled waste breaks down as follows: reuse: 0.65%, recycling: 72.33%, composting: 0.70%			
Proportion of Taxonomy-eligible revenue	FDJ Group	-	0
Proportion of Taxonomy-eligible CapEx	FDJ Group	-	≈ 10%
Proportion of Taxonomy-eligible OpEx	FDJ Group	-	1.3
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	100%	86%
One factory was unable to accommodate an audit at one of its sites due to the public health restrictions. However, an audit is scheduled for February 2022 once restrictions have been lifted.			
Percentage of UCITS investments in SRI funds	FDJ	31.6%	23.4%
Due to the unique circumstances in 2020, the percentage of investments in socially responsible investment (SRI) funds was particularly high. The relative weight of this product decreased in 2021, during which FDJ had set up new products, of which a significant proportion were not SRI products. The share is up by three points compared to 2019 (20.4% in 2019).			
Percentage of women on the Board of Directors at 31 December	FDJ	50%	50%
At 31 December 2021, 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.			

Indicators	Scope	2020	2021
Female representation on the Group Management Committee at 31 December		38%	38%
Eight of the 21 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. Debrus) and Ms. Gri. This percentage does not include the directors representing the employees and employee shareholders.			
Attendance rate at board of directors meetings	FDJ	93%	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	3.9%	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, FGS France and FDJ).

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 is in the process of being negotiated with a view to amending the initial agreement entered into in 2019. 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 (two set days or adaptable days, with 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 agreement was signed during the year to introduce specific remote working arrangements for staff at the commercial subsidiary FDP, based on the same principles as the FDJ SA 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 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 for 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. It 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 setting the wage policy 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 on 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	2020			2021		
	Fixed	Variable	Total	Fixed	Variable	Total
FDJ	126,879	29,805	156,684	145,391	32,849	178,240
FDJ Group	205,079	41,773	246,852	219,090	45,714	264,804

A reminder of the overall performance evaluation of each employee is included in each manager's wage policy decision tables, so 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	2020		2021	
	Average	Median	Average	Median
FDJ	4.39	4.02	4.46	4.06
FDJ Group	4.21	3.73	4.29	3.78

Furthermore, for the last five years, a variable component system linked to performance has been gradually introduced and revised at FDJ for all managers on permanent contracts, i.e. 80% of employees. Given the activity of FDP and FGS France, all employees already have a variable wage component.

In 2021, an LTI (*Long-Term Incentive*) plan was incorporated into the remuneration system. 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. A total of 94 employees, i.e. nearly 4% of the Group's workforce (median of 1.78% at other SBF 80 companies) have benefited from the plan.

This new system is an integral part of the performance policy introduced by FDJ.

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").

A supplemental incentive amount was allocated to the Group's employees in 2021. This measure was designed to reward employees for their performance and resilience in 2020.

Number of new hires on permanent and fixed-term contracts

	2020	2021			
		Permanent		Fixed-term	
		M	F	M	F
FDJ	94	90	67	40	40
FDJ Group	161	200	101	63	55
		301		118	

Number of departures during the year

		Resignation	Dismissal on economic grounds	Dismissal for other reasons	Departure during trial period	Retirement/Mandatory retirement	Death	Contractual termination	Subsidiaries transfer	Suspended contracts	Expiration of contract (incl. temp. summer)	Total excl. expiration of contracts
2020	FDJ	15	-	37	5	7	-	10	2	6	39	82
	FDJ Group	48	-	90	11	7	-	15	19	9	41	199
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

Trade union representation

FDJ	FO	57.52%
	CFE-CGC	37.30%
	UNSA	5.18%
FDJ Group	FO	46.84%
	CFE-CGC	34.12%
	CFDT	15.77%
	UNSA	3.27%

4.11 Report by one of the statutory auditors, appointed as an independent third party, on the consolidated non-financial information statement

For the year ended 31 December 2021

This is a free translation into English of the statutory auditor's report 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.

In our capacity as statutory auditor of La Française des Jeux (hereafter "the entity"), appointed as an independent third party, and certified by COFRAC under number 3-1060 (whose scope is available at www.cofrac.fr), we carried out our work in view of providing a reasoned opinion expressing a limited assurance conclusion on historical information (whether observed or extrapolated) contained in the consolidated non-financial information statement (hereinafter the "Information" and the "Statement" respectively), prepared in accordance with the entity's procedures (hereinafter the "Guidelines") for the year ended 31 December 2021, included in the Group's management report pursuant to Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

CONCLUSION

Based on our work, as described in the section "Nature and scope of our work", as well as the audit evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

PREPARATION OF THE NON-FINANCIAL INFORMATION STATEMENT

The lack of a generally accepted and commonly used reference framework or established practice on which to base the assessment and measurement of the Information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the main elements of which are available on the entity's website.

Limitations inherent in the preparation of the Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information presented in the Statement is sensitive to methodological choices, assumptions and/or estimates made in its preparation.

The entity's responsibility

The Board of Directors is responsible for:

- selecting or setting appropriate criteria for the preparation of the Information;
- pursuant to legal and regulatory requirements, preparing the Statement, which must include a presentation of the business model, a description of the principal nonfinancial risks, a presentation of the policies implemented in light of those risks, the outcome of said policies, including key performance indicators, and the information provided for in Article 8 of Regulation (EU) 2020/852 (EU Taxonomy-);
- implementing the internal control procedures it deems necessary for the preparation of information that is free of material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the aforementioned Guidelines of the entity.

Responsibility of the statutory auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the consistency of the Statement with the provisions of Article R. 225-105 of the French Commercial Code (*Code de commerce*);
- the fairness of the information provided in accordance with Article R.225105 I, 3 and II of the French Commercial Code, i.e., the outcome of the policies, including key performance indicators, and the measures implemented -in light of the principal risks (hereinafter the "Information").

As it is our responsibility to express an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of the Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular in relation to the information provided for in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy), the French duty of care law and anti-corruption and tax evasion legislation;
- the truthfulness of the information provided for in Article 8 of Regulation (EU) 2020/852 Green Taxonomy);
- the consistency of products and services with the applicable regulations.

Regulatory provisions and applicable French professional standards

The work described below was performed in accordance with the provisions of Articles A.2251 -*et seq.* of the French Commercial Code and with the professional standards applicable in France to such engagements, as well as with 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.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) for statutory auditors. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements, and the French professional standards for statutory auditors applicable to such engagements.

Means and resources

Our work was carried out by a team of five people between November 2021 and February 2022 and took a total of five weeks.

- We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 20 interviews with the people responsible for preparing the Statement, representing the CSR, Administration and Finance, Risk Management, Compliance, Human Resources, Health and Safety, Environmental and Purchasing departments.

NATURE AND SCOPE OF OUR WORK

We planned and performed our work taking into account the risks of material misstatement of the Information.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion:

- we obtained an understanding of the activities of all the entities included in the scope of consolidation and the description of the principal risks;

- we verified that the Statement includes each category of human resources 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 evasion legislation;
- we verified that the Statement provides the information required by Article R.225-105 II when it is relevant to the principal risks and includes an explanation for the absence of the information required under Article L.225-102-1 III, 2;
- we verified that the Statement presents the business model and a description of the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented; and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important (detailed in the appendix). For certain risks, those relating to Responsible Gaming, Integrity, Good Causes and Territorial Development, our work was carried out at the level of the consolidating entity; for the other risks, work was carried out at the level of the consolidating entity and in a selection of entities: the consolidating entity and Française de Proximité;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with Article L.233-16;
- we examined the internal control and risk management procedures the entity has put in place and assessed data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important (detailed in the appendix), we 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 or other methods of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities, namely La Française des Jeux SA and Française de Proximité, and covered over 80% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities;

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement carried out in accordance with professional standards applicable in

France; a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, 17 February 2022

**One of the statutory auditors,
PricewaterhouseCoopers Audit**

Jean-Paul Collignon
Partner

Pascal Baranger
Director, Sustainable Development department

APPENDIX: LIST OF INFORMATION THAT WE CONSIDERED TO BE THE MOST IMPORTANT

KEY PERFORMANCE INDICATORS AND OTHER QUANTITATIVE OUTCOMES:

- Headcount in FDJ, FDP and the FDJ Group as at 31 December 2021;
- Amount and proportion of FDJ and FDJ Group payroll allocated to training;
- Number and proportion of FDJ and FDJ Group employees who have received training;
- Total number of training hours at FDJ and the FDJ Group;
- Number of agreements signed within FDJ and the FDJ Group;
- Number of managers at FDJ and the FDJ Group;
- Number and percentage of women and women managers at FDJ, FDP and the FDJ Group;
- Score on the "gender equality" index with regard to entities with 50 or more employees for FDJ, FDP and FGS France;
- Number and direct employment rate of employees with disabilities within FDJ, FDP and FDJ Groupe;
- Number and percentage of employees on work-study contracts within FDJ, FDP and the FDJ Group;
- Total number of days of absence within FDJ, FDP and the FDJ Group;
- Number of theoretical days worked at FDJ, FDP and the FDJ Group;
- Absenteeism rate within FDJ, FDP and the FDJ Group;
- Number of lost-time workplace and commuting accidents at FDJ, FDP and the FDJ Group;
- Frequency and severity rate at FDJ, FDP and the FDJ Group;
- Group employee engagement rate;
- Rate of employee satisfaction with the management of the health crisis;
- Average level of well-being at work among employees;
- Number of civil society organisations that are members of the Social Laboratory (*Laboratoire sociétal*);
- Amount of financial aid granted by the FDJ Corporate Foundation;
- Number of associations supported by the FDJ Corporate Foundation under the "Tremplin détaillants solidaires" and the "Tremplin collaborateurs solidaires" projects;
- Amount of contributions to public interest causes;
- Overall compliance rate with Responsible Gaming and Security criteria;
- Percentage of the overall budget for purchasing television advertising space dedicated to gambling;
- Share of red/yellow/green Playscans™;
- Amounts paid with respect to responsible gaming partnerships;
- Breakdown of low-risk, at-risk, and pathological gamblers according to the Canadian Problem Gambling Index;
- Number of alerts reported;
- Number of vulnerable situations identified;
- Number and proportion of games or game relauches subject to the Universal Serenigame matrix;
- Number of major-prize winners and millionaires;
- Number of workshops for major-prize winners and millionaires;
- Number of suspicious transaction reports to TRACFIN;
- Rate of uncollected remote card payments;
- Number and percentage of employees that have received awareness-raising on the GDPR;
- Number and percentage of employees that have received ethics and anti-corruption training;
- Group tax expense and tax rate;

4 CORPORATE SOCIAL RESPONSIBILITY

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement

- Number of alerts transmitted to the National Platform;
- Average payment time;
- Percentage of invoices paid late;
- Amount and percentage of purchases in France;
- Amount and proportion of purchases from SMEs, vocational rehabilitation centres (ESATs) and disability-inclusive companies (EAs);
- Average supplier rating in environmental performance;
- Number and proportion of key strategic suppliers assessed on their CSR performance;
- Percentage of revenue from orders placed for promotional items;
- Total and change in GHG emissions;
- Percentage of gaming materials printed on paper from certified responsible sources;
- Gas, electricity, renewable energy and water consumption during the year;
- Number and proportion of waste recycled: total waste;
- FDJ's contribution to gross domestic product;
- Number of jobs created or made permanent;
- FDJ's contribution to jobs in the bar-tobacconist-newsagent sector.

QUALITATIVE INFORMATION (MEASURES AND OUTCOMES)

- Advertising campaign "Et voir la France gagner";
- Trials to improve the visibility of responsible gambling schemes;
- "Paris sportifs comment jouer sans perdre" prevention video;
- Webinar organised by Fédération addiction;
- "Europair" project;
- Finance workshops for winners from €500 thousand to €999 thousand;
- Anti-fraud and money laundering action plans;
- Enhancing AML/CFT controls;
- Privacy policy charter;
- New measures to secure player accounts;
- Presentation of the Commission's work on customer complaints, cookies and privacy by a CNIL official;
- Raising the awareness of nearly 650 French stakeholders in the sporting world about sports manipulation;
- Awareness-raising session for the cycling team on the manipulation of sporting competitions;
- DVRT13 membership in the Esports Integrity Commission;
- Update of the Code of Conduct;
- Update of the corruption risk map;
- Attaining the "Responsible Supplier Relations and Purchasing" label;
- "FDJ engagée" programme;
- Training on taking on a managerial role;
- Signature of the three agreements or amendments within FDJ;
- Awareness of respect for sexual preferences and religious affiliation;
- Commitment to youth employment: "1jeune1solution" platform;
- Circulation of the "Discrimination-free hiring" guide;
- Conferences and workshops on "bouncing back in times of crisis";
- Deployment of the "Platform of solidarity commitments";
- €2 million programme in support of young people;
- Qualification of 24 athletes from the FDJ Sport Factory for the Olympic Games;
- Workshop session of Laboratoire Sociétale in April 2021;
- Launch of the €35 million Rebond funds;
- Advertising film dedicated to partner retailers;
- Approval of FJ Services as a payment institution by the ACPR;
- Inclusion of the Fairphone in the catalogue;
- "Ghandi" programme to develop wind energy in India;
- Drawing up a climate risk map;
- Financing of a restaurant project in the Gravière forest in the Cantal department;
- Participation in the IUCN World Conservation Congress in Marseille.

5

Analysis of financial position

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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;
- long cycles⁽¹⁾ in the Loto[®] and Euromillions draw games, which lead to rises in stakes, notably from new players attracted by the large jackpots;
- the calendar of sports events;
- the tax and regulatory framework, which determines inter alia the payout ratios,⁽²⁾ the rates of public levies, and the amount earned by FDJ.⁽³⁾ The current framework is defined by the Pacte Law of 22 May 2019 (see Chapter 1, Note 1.6 "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;
- long game cycles at the year-end, leading to increases in player funds (see 5.1.1.2 "Specific funds provided for by game rules").

5.1 Highlights 2021

ACTIVITY

Return of the environment to normal

- The entire network of over 30,000 points of sale open as from early June;
- A standard calendar, for both sporting competitions and lottery marketing and promotional events.

Business growth across all product ranges

- Strong growth for Loto and Euromillions, driven notably by record jackpots and numerous long cycles;
- Success for new instant games available at points of sale, such as "La grosse roue" and "A prendre ou à laisser", the third phygital game;
- Growth in Parions Sport Point de Vente stakes thanks to the continued enrichment of the offer and digitalisation, which now accounts for nearly 85% of stakes. Parions Sport En Ligne continues to record strong growth, reflecting the attractiveness of its offer, amid a fast-developing market.

Business growth across all sales channels

- stakes in the sales network were up 5% vs. 2019. Strong momentum continued in the digital channel, with stakes up 42% vs. 2020. Online stakes accordingly represent 11% of total stakes, significantly above the 6% figure for 2019.

- in lotteries alone, online stakes were 37% higher than in 2020, having risen by 55% in 2020 relative to 2019. This performance is still mainly attributable to the increase in the player base, which exceeded 4 million at year-end. More than two years ahead of pre-health crisis expectations, online lottery stakes now amount to nearly €1.6 billion and account for nearly 11% of total lottery stakes twice the level in 2019.

Acceleration of adjacent activities

- internationally, a B2B offering was successfully launched in North America. This involved the rollout of a comprehensive service to manage a point-of-sale and online sports betting offering in two Canadian provinces, Proline+ in Ontario and PlayAlberta in Alberta;
- the roll-out of point-of-sale payment services for public sector bills (tax payment, fines collection, public service bills, etc.) continued. This service is now available in more than 12,000 points of sale, up from 9,000 at the end of 2020. Moreover, the French Prudential Control and Resolution Authority (ACPR), which is attached to the Banque de France, has given FDJ's Payment and Services activity accreditation as a payment institution, enabling it to develop a collection activity on behalf of third parties in addition to the French Public Treasury (DGFiP).

(1) A long cycle begins when the Loto[®] jackpot reaches €8 million (i.e. after 6 consecutive draws without a winner) and when the Euromillions jackpot reaches €75 million (after 6 consecutive draws without a winner).

(2) Player payout as a percentage of stakes.

(3) The amount earned by FDJ is equal to total stakes less player payout and public levies.

● CSR commitments assessed and strengthened

In 2021, FDJ strengthened its social commitments and maintained a very high level of non-financial performance, with:

- A strengthened commitment to responsible gaming and the fight against underage and excessive gambling, with:
 - 10% of the Group's total advertising purchases to be devoted to this commitment from 2022, compared with 10% of the television advertising budget previously;
 - Intensification of the action plan during UEFA Euro 2020, with TV campaigns to prevent underage gambling and digital video to raise awareness about excessive gambling;
- A €25 million endowment to the FDJ Corporate Foundation for its 2023-2027 programme, a 28% increase vs. the previous endowment;
- The implementation of the Rebond fund, a fund to support local businesses in vulnerable areas, to which FDJ has contributed nearly €15 million;
- A €2 million donation from the FDJ Corporate Foundation to support 15,000 young people in difficulty. This brings FDJ Group's total exceptional donations to various associations supporting vulnerable people to nearly €5 million since the beginning of the health crisis;
- Moody's ESG A1+ rating maintained, and a 100/100 rating obtained on the "Pénicaud" gender equality index.

PROCEEDINGS BROUGHT AGAINST FDJ BY 67 AGENT-BROKERS CONCLUDED

On 6 August 2015, 67 agent-brokers brought proceedings against FDJ seeking damages following the termination of their broker-agent contracts. In a judgment issued on 10 November 2021, the Court of Cassation (the highest court of appeal) dismissed the 67 agent-brokers' appeal and so put a definitive end to the proceedings. The reversal of the associated €34 million provision was recorded in other non-recurring operating income.

IMPAIRMENT TESTING

Impairment tests carried out at the year-end revealed an impairment on the Sporting Group CGU.⁽¹⁾ At 31 December 2021, the CGU's value in use was measured at £37 million (€44 million), with net assets of £60 million. Based on these figures, an impairment of £24.2 million (€28.8 million), covering the whole remaining goodwill, was recorded in other non-operating expenses.

(1) Cash-generating unit.

ENDOWMENT TO THE FDJ CORPORATE FOUNDATION

On 16 December 2021, the Board of Directors decided to renew the FDJ Corporate Foundation for a term of five years from 3 January 2023, with a €25 million action plan for the period from 2023 to 2027. This undertaking has been recorded in expenses for the current period.

CLOSED PLAYER FUNDS (€156 MILLION) PAID TO THE STATE UNDER THE PACTE LAW

Under the Pacte Law, player funds – i.e. counterparty funds, permanent funds and reserve funds – closed on 1 January 2020 must be paid to the State by 30 December 2022. FDJ paid these funds (€156 million) in 2021. They had been disclosed under financial debt as at 31 December 2020. In 2020, FDJ paid €380 million to the French State as financial consideration to secure exclusive operating rights and €165 million as an advance payment of public levies.

EUROPEAN COMMISSION INQUIRY

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.

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 regarding the guarantee, confirming that there was no guarantee in the sense of State aid, while the preliminary inquiry pursuant to the complaints on tax treatment remains in course.

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. Gaming in France is generally prohibited, subject to restricted exemptions.

The online sports betting business, which is a non-exclusive activity, is governed by Law no. 2010-476 of 12 May 2010 and conducted within the framework of a five-year agreement which was last renewed by the ANJ in 2020.

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 GAMES

	Payout ratio
Loto	55.35%
Euromillions	50.00%
Amigo	67.55%
Cash	71.00%

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) (social security debt repayment contribution)	6.20%	6.20%
Contribution au Remboursement de la Dette Sociale (CRDS) (generalised social contribution)	2.20%	2.20%
General State Budget	54.50%	42.00%
TOTAL	68.00%	55.50%

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%

(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.

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⁽¹⁾ are fed by top-tier prizes (jackpots) when there is no jackpot winner. They can notably be used to fund Loto and Euromillions rolling jackpots and decrease when a draw produces at least a top-prize winner;
- Super Jackpot funds⁽²⁾ 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 2021.

In millions of euros	31.12.2021	31.12.2020	Change vs. 2020	
Stakes	18,975.6	15,959.2	3,016.3	18.9%
Player payout	-12,971.1	-10,851.8	-2,119.3	19.5%
Gross gaming revenue (GGR)	6,004.5	5,107.5	897.0	17.6%
Public levies	-3,816.0	-3,242.7	-573.3	17.7%
Other revenue from sports betting	13.7	13.9	-0.3	-1.8%
Net gaming revenue (NGR)	2,202.1	1,878.7	323.5	17.2%
Revenue from other activities	53.5	40.9	12.6	30.8%
Revenue	2,255.7	1,919.6	336.1	17.5%
Cost of sales	-1,232.8	-1,079.0	-153.8	14.3%
Marketing and communication expenses	-414.7	-329.7	-85.0	25.8%
General and administrative expenses	-199.4	-172.5	-26.8	15.5%
Other operating income and expenses	-15.6	-13.6	-2.0	14.7%
Recurring operating profit	393.2	324.7	68.5	21.1%
EBITDA	521.8	426.6	95.1	22.3%
Operating profit	391.8	292.7	99.1	33.8%
Net financial income	20.8	4.6	16.1	n/a
Share of net income from joint ventures	4.1	1.3	2.7	n/a
Income tax expense	-122.5	-85.0	-37.5	44.1%
NET PROFIT	294.2	213.7	80.5	37.7%

(1) 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.

(2) 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

The Group's **stakes** totalled €18,976 million, a rise of 18.9% compared to 31 December 2020.

The trend in stakes by product range is as follows:

In millions of euros	31.12.2021	31.12.2020	Change vs. 2020		31.12.2019 adjusted ⁽²⁾	Change vs. 2019 adjusted	
Instant games	8,982.4	7,718.4	1,264.0	16.4%	8,204.6	777.8	9.5%
Draw games	5,744.0	5,014.7	729.3	14.5%	5,344.1	399.9	7.5%
Lottery	14,726.3	12,733.1	1,993.2	15.7%	13,548.7	1,177.7	8.7%
Sports betting	4,215.7	3,185.7	1,030.0	32.3%	3,537.8	677.9	19.2%
Other ⁽¹⁾	33.5	40.4	-6.9	-17.1%	44.5	-11.0	-24.8%
Stakes	18,975.6	15,959.2	3,016.3	18.9%	17,131.0	1,844.5	10.8%
online stakes	2,172.5	1,534.8	637.7	41.5%	1,097.6	1,074.9	97.9%
digitalised stakes	5,245.1	3,815.6	1,429.5	37.5%	3,398.2	1,846.9	54.3%

(1) Traditional fixed odds sports betting provided by Sporting Group.

(2) Restated with the new tax framework in force from 1 January 2020, the impact of exceptional long cycles on the lottery and consolidating Sporting Group over the full year.

Lottery (€14,726 million; increase of €1,993 million, +16%)

Stakes on lottery games rose by 16% relative to 2020. This was driven by a rapid growth in digital stakes, which rose by 37% to reach €1.6 billion – over 10% of the total. This performance is essentially attributable to the increase in the player base, which exceeded 4 million at the year-end.

Stakes on **instant games** rose by 16.4% relative to 2020 to reach €9.0 billion. The upward trend in instant games is due notably to continued active management of the portfolio, including the successful point-of-sale launches of games such as the €3 game "La grosse roue", and the €5 game "A prendre ou à laisser", the third phygital game to be launched since 2019. The Covid prevention measures enacted in early 2020 led to the closure of nearly 20% of all points of sale during the first lockdown and a large drop in footfall at those which remained open.

Draw games recorded stakes of €5.7 billion, 14.5% higher than in 2020. This growth was largely due to Loto[®] and Euromillions, which saw record jackpots and numerous long cycles in 2021. For example, a record €210 million Euromillions jackpot was won in the beginning of 2021, followed by another record jackpot of €220 million at the year-end. A record €26 million Loto[®] jackpot was won during the fourth Mission Patrimoine games, followed by another new record of €30 million at the very end of the year.

Sports betting (€4,216 million; increase of €1,030 million, +32%)

Sports betting stakes totalled €4.2 billion, a rise of 32% compared to 2020. The business benefited in 2021 from the return to a "normal" sports events calendar relative to 2020, as well as from the UEFA Euro 2020 football tournament, which took place from 11 June to 11 July 2021.

By comparison, in 2020 the available range of bets was substantially reduced between mid-March and mid-May following the cancellation of almost all sports competitions.

Online stakes

Driven in particular by the strong growth in online lottery gaming, the Group's online stakes recorded a further annual increase of 42%, rising to €2.2 billion. Online gaming now accounts for over 11% of total stakes.

Digitalised stakes

Digitalised stakes include online stakes and PoS digitalised stakes, i.e. stakes that are prepared using a digital service or app before being registered by the retailer.

Thanks to the performance of online lottery stakes and digitalised PoS sports betting, overall digitalised stakes increased by 37.5% to €5.2 billion. As of the end of December 2021, digitalised stakes accounted for 27.6% of total stakes (2020: 23.9%).

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 business⁽¹⁾ (spread betting⁽²⁾ and fixed odds betting). NGR for 2021 was €2.2 billion, a rise of €323.5 million (+17.2%) relative to 2020.

Player payout was €12,971.1 million in 2021, 19.5% higher than in 2020. The average payout ratio for the period was 68.4% (2020: 68.0%).

(1) B2C: commercial and marketing activities aimed at end consumers.

(2) 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 trader.

Gross gaming revenue (GGR) is the difference between stakes and player payout. GGR was €6,004.5 million in 2021, 17.6% higher than in 2020.

Public levies amounted to €3,816.0 million, 17.7% (€573.3 million) higher than in 2020. 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.

5.2.2.3 REVENUE

Revenue comprises NGR, revenue from other activities (mainly comprising sales of software maintenance and development services and the provision of B2B⁽¹⁾ services to sports betting operators in other countries. Revenue from other activities was €53.5 million in 2021, a rise of €12.6 million (30.8%) over 2020.

The Group's **revenue** was thus €2,255.7 million in 2021, a rise of €336.1 million (17.5%) relative to 2020.

5.2.2.4 RECURRING OPERATING PROFIT/EBITDA

Cost of sales was €1,233 million (+14.3%). This includes €901 million (+16.7%) of commissions paid to retailers, which are correlated with the increase in PoS stakes.

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. They amounted to €415 million (+25.8%), the rise being driven by the increase in development costs for the gaming offering amidst very strong growth in digital channels, as well as by communication campaigns on lottery games, sports betting and the Group's image.

General and administrative expenses mainly include personnel expenses and operating costs for central corporate functions, as well as building costs and IT infrastructure costs. They came to €199 million (+15.5%).

Note that some operating expenses, notably advertising/promotional and administration costs, were reduced in 2020 as a result of the plan put in place at the beginning of the health crisis to reduce costs by over €80 million.

The Group's **recurring operating profit** was thus €393 million, a rise of 21.1%.

Net depreciation and amortisation was €129 million. The increase of €27 million was mainly driven by the shortening of the amortisation periods for certain capitalised development costs against a backdrop of constant technological innovation, and by the start of amortisation in January 2021 of the partnership agreement on the Paris Olympic and Paralympic Games in 2024.

EBITDA(recurring operating profit before depreciation and amortisation) was €522 million, a rise of 22.3%.

5.2.2.5 SEGMENT REPORTING

In millions of euros	31.12.2021						Group total
	Lottery BU	Sports Betting BU	ABUs	Holding	Total before dep./ amort.	Dep./ amort.	
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
EBITDA					522		
Depreciation and amortization						-129	
Recurring operating profit							393

(1) B2B: commercial and marketing activities carried out between businesses.

31.12.2020							
In millions of euros	Lottery BU	Sports Betting BU	ABUs	Holding	Total before dep./ amort.	Dep./ amort.	Group total
Stakes	12,733	3,186	40	-	15,959		15,959
Gross gaming revenue (GGR)	4,337	769	2	-	5,107		5,107
Net gaming revenue (NGR)	1,492	372	15	-	1,879		1,879
Revenue	1,495	372	52	1	1,920		1,920
Cost of sales	-847	-183	-9	-	-1,039	-40	-1,079
Marketing and communication expenses	-145	-86	-46	-24	-301	-28	-330
Contribution margin	502	103	-3	-23	579	-68	511
General and administrative expenses & Other operating income and expenses				-152	-152	-34	-186
EBITDA					427		
Depreciation and amortization						-102	
Recurring operating profit							325

Lottery BU

Lottery games performed well, generating revenue of €1,728 million (+15.6%). Stakes rose by 15.7% to €14,726 million, the rise being attributable to both draw games and instant games:

- Stakes on instant games were €8,982 million, a rise of 16.4%. The upward trend is due notably to continued active management of the portfolio, including the successful point-of-sale launches of games such as the €3 game "La grosse roue", and the €5 game "A prendre ou à laisser", the third phygital game to be launched since 2019;
- Draw games recorded stakes of €5,744 million, 14.5% higher than in 2020. This growth was largely due to Loto and Euromillions, which saw record jackpots and numerous long cycles in 2021;
- Online lottery stakes grew strongly, rising by 37% to reach €1.6 billion – over 10% of the total. This performance remains essentially due to the expanding player base, with more than four million players at the year-end.

The contribution margin for lottery games was €621 million. The margin on stakes was 35.9%, higher than the 33.6% figure for 2020.

- Cost of sales was €949 million (+12%). They mainly comprised remuneration paid to the PoS network, which moved in line with the change in PoS stakes during the period.
- Marketing and communication expenses were €159 million, a rise of 9.7%. The Group continues to invest significant effort in developing its gaming offering, particularly in relation to digitalisation.

Sports Betting BU

Sports betting benefited in 2021 from the return to a "normal" sporting calendar relative to 2020, when business in the first half-year 2020 was severely hit by the health crisis,

as well as from the UEFA Euro 2020 football tournament, which took place from 11 June to 11 July 2021.

Revenue was €464 million, 24.7% higher than in 2020, on stakes of €4,216 million, a figure that was 32.3% higher than in 2020. The payout ratio, at 77.1%, was higher than the 75.9% ratio in 2020.

The contribution margin on sports betting was €121 million, representing a margin on stakes of 26.1%. This reflects the rise in the payout ratio, combined with an increase in operating costs, which had been reduced in 2020 due to the savings plan.

- Cost of sales was €234 million. They mainly comprised remuneration paid to the PoS network, which moved in line with the change in PoS stakes during the period.
- Marketing and communication expenses were €109 million. The rise of 26.7% reflects the development of the product offering as well as the marketing and communication expenses in relation to the year's sports events, notably UEFA Euro 2020, and the associated responsible gaming campaigns.

ABUs

The adjacent activities (International, Payments & Services and Entertainment) recorded revenue of €63 million. The €11 million increase compared to 2020 is attributable to the International business and to the growth of the point-of-sale bill payment service launched in 2020. The contribution margin on adjacent activities was -€2 million, a slight improvement (+€1 million) compared to 2020.

Holding

Holding costs were €218 million. The €41 million increase compared to 2020 reflects in particular the endowment allocated to the FDJ Foundation for the 2023-2027 period and the rise in advertising and promotional costs linked to the corporate image campaign.

5.2.2.6 OPERATING PROFIT

In 2021, non-recurring operating 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 5.1 "Highlights");
- the reversal of an unused provision (€34 million income) following the dismissal by the Court of Cassation of the appeal brought by the agent-brokers (see 5.1 "Highlights").

In 2020, non-recurring operating income and expenses produced a net expense of €32.0 million. This mainly consisted of asset impairments (€25.8 million) and restructuring costs (€4.4 million) related to the discontinuation of Sporting Group's proprietary trading activity.

Operating profit was €391.8 million in 2021, a rise of €99 million (33.8%) relative to 2020.

5.2.2.7 NET FINANCIAL INCOME

Net financial income for the years ended 31 December 2021 and 2020 breaks down as follows:

In millions of euros	2021	2020
Cost of financial indebtedness	-5.8	-5.4
Financial income	27.9	14.4
Other financial expenses	-1.3	-4.3
NET FINANCIAL INCOME	20.8	4.6

The improvement in **net financial income** (2021: €20.8 million; 2020: €4.6 million) is due chiefly to favourable trends in the financial markets and the performance of the innovation funds in which FDJ has invested to support the development of start-ups in fields closely linked to FDJ's core business.

5.2.2.9 NET PROFIT

Consolidated net profit was thus €294.2 million in 2021 (2020: €213.7 million).

5.2.2.8 INCOME TAX EXPENSE

The rise in the income tax expense in 2021 resulted mainly from the rise in profit before tax. The effective tax rate was 29.7% (2020: 28.6%).

5.2.3 FINANCIAL STRUCTURE OF THE GROUP

5.2.3.1 SIMPLIFIED STATEMENT OF FINANCIAL POSITION

In millions of euros	31.12.2021	31.12.2020*	Change
Non-current assets	1,847.2	1,508.3	339.0
<i>of which goodwill</i>	-	26.9	-26.9
<i>of which exclusive operating rights</i>	340.3	355.5	-15.2
<i>of which intangible assets</i>	182.1	165.7	16.4
<i>of which property, plant and equipment</i>	359.6	374.2	-14.5
<i>of which non-current financial assets</i>	944.7	571.4	373.3
Current assets	1,341.1	1,389.8	-48.7
<i>of which trade and distribution network receivables</i>	358.5	255.4	103.2
<i>of which other current assets</i>	261.3	214.8	46.5
<i>of which current financial assets</i>	93.7	215.7	-122.1
<i>of which cash and cash equivalents</i>	601.7	673.2	-71.5
TOTAL ASSETS	3,188.3	2,898.0	290.3

In millions of euros	31.12.2021	31.12.2020*	Change
Shareholders' equity	829.1	702.1	127.0
Non-current liabilities	567.4	627.5	-60.0
<i>of which non-current financial liabilities</i>	486.3	510.0	-23.7
Current liabilities	1,791.8	1,568.5	223.3
<i>of which trade and distribution network payables</i>	385.7	249.0	136.7
<i>of which current player funds</i>	256.6	192.4	64.2
<i>of which public levies liabilities</i>	501.7	412.0	89.7
<i>of which winnings payable</i>	370.0	288.8	81.2
<i>of which other current liabilities</i>	203.2	194.4	8.8
<i>of which current financial liabilities</i>	60.6	218.2	-157.6
TOTAL LIABILITIES	3,188.3	2,898.0	290.3

* The consolidated statement of financial position as at 31 December 2020 incorporates the change of accounting policy concerning the apportionment over time of the cost of retirement benefits under IAS 8, which has been applied retrospectively following the decision of the IFRS IC in May 2021.

The **goodwill** relates to Sporting Group (see 6.1 "Consolidated financial statements", Note 5). Impairment tests carried out at the year-end revealed an impairment on the Sporting Group CGU, which was consequently written down.

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. 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).

The growth of €251 million in **current and non-current financial assets** is primarily due to the establishment of dedicated bond funds (+€200 million) and the net increase in term deposit accounts (+€45 million).

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 €72 million. The cash flow from operating activities (+€603 million) was offset by new financial investments (-€216 million), notably in the dedicated bond funds, capital expenditure (-€76 million), the payment of the 2020 dividend (-€167 million) and the payment of current financial liabilities (-€189 million, comprising €156 million paid to the French State and the repayment of €33 million of borrowings).

Non-current financial liabilities mainly comprise:

- the portion due in more than one year (€328 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 €228 million);

- the portion due in more than one year (€72 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 £55 million (€65 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 nominal value of £100 million, of which £40 million was repaid during the second half of 2020 and £5 million during the second half of 2021;
- lease liabilities of €24 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 placed in the final few days of the year.

Public levies of €502 million at 31 December 2021 (2020: €412 million) consisted of:

- public levies on activities of €352 million at 31 December 2021 (2020: €341 million), mainly comprising:
 - amounts payables to the General State Budget of €243 million at 31 December 2021 (2020: €225 million); an advance of €202 million on these payables was paid at the end of December 2021 and is disclosed in current assets (2020: €165 million),
 - social security (CSG, CRDS) tax payables, public levies on sports betting, and payables to other local authorities of €108 million at 31 December 2021 (2020: €117 million);
- unclaimed lottery and sports betting prizes of €150 million recognised in 2021 (2020: €71 million), which will be paid to the French State in the first half of 2022.

Winnings payable and player balances totalled €370 million at 31 December 2021 (2020: €289 million). They mainly comprise:

- winnings payable, i.e. unexpired, unpaid winnings owed to players (2021: €229 million; 2020: €241 million);
- available funds in player wallets held in accounts on fdj.fr or parionssportenligne.fr (2021: €51 million; 2020: €40 million);

- winnings due to online players in course of payment (2021: €81 million; 2020: €1 million); the change is due to large prizes won at the year-end that had not yet been cashed out.

Current financial liabilities fell by €158 million in 2021, of which €156 million relates to the payment by FDJ of the balance of player funds closed as of 1 January 2020.

5.2.3.2 BORROWINGS

	Interest rate	Hedging	Purpose	Schedule	Specific terms and conditions	Principal remaining due
Bred Banque Populaire (nominal €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⁾ /EBITDA) exceeds 3.	€88 million at 31 Dec. 2020 €80 million at 31 Dec. 2021
Syndicated loan with nominal amount of £100 million ⁽²⁾	Floating	Interest rate hedged 100%	Financing for the acquisition of Sporting Group	Start: May 2019 Repayments in 2020 (£40 million), 2021 (£5 million), 2024 (£18 million), and 2026 (£37 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.	€67 million at 31 Dec. 2020 €65 million at 31 Dec. 2021
Syndicated loan with nominal amount of €380 million ⁽³⁾	Floating	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.	€366 million at 31 Dec. 2020 €347 million at 31 Dec. 2021

(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 Ile-de-France, Caisse d'Epargne Hauts-de-France, Caisse Régionale de Crédit Agricole de Paris et d'Ile-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	31.12.2021	31.12.2020
Non-current financial assets at amortised cost	435.0	320.0
Non-current financial assets at fair value through profit or loss	433.2	182.1
Non-current derivatives	2.7	-
Other	73.8	69.2
Total non-current financial assets	944.7	571.4
Current financial assets at amortised cost	52.4	210.0
Current financial assets at fair value through profit or loss	40.0	5.0
Current derivatives	0.5	0.5
Security deposits	0.7	0.2
Total current financial assets	93.7	215.7
Total financial assets	1,038.3	787.1
Investments, cash equivalents	221.2	218.5
Bank accounts and other	380.4	454.7
Total cash and cash equivalents	601.7	673.2
Non-current financial debt	-462.2	-490.2
Non-current lease liabilities	-23.6	-19.3
Other financial liabilities	-0.5	-0.5
Total non-current financial liabilities	-486.3	-510.0
Current financial debt	-53.5	-26.9
Current lease liabilities	-6.2	-6.8
Current derivatives	-0.8	-1.7
Bank overdrafts	-	-0.3
Other financial liabilities	-0.1	-182.6
Total current financial liabilities	-60.6	-218.2
Total financial liabilities	-546.9	-728.2
Security deposits received/paid (current and non-current)	-69.8	-64.0
Cash subject to restrictions	-4.2	-5.0
Amounts set aside exclusively for Euromillions winners	-102.8	-85.8
NET CASH SURPLUS	916.3	577.3

5.2.3.4 CASH FLOWS

The table below summarises the Group's consolidated cash flows for the years ended 31 December 2021 and 2020.

1/ Net cash flow from operating activities

The table below summarises net cash flow from operating activities for 2021 and 2020.

In millions of euros	31.12.2021	31.12.2020
OPERATING ACTIVITIES		
EBITDA	521.8	426.6
Change in provisions (recurring profit)	11.3	4.9
Other non-recurring operating income/expenses (cash)	-5.8	-5.9
Other non-cash items included in the income statement	1.1	0.1
Interest received	3.1	9.6
Utilisation of provisions – payments	-10.0	-10.7
Income taxes paid	-119.7	-91.8
Change in operating working capital	201.1	360.5
NET CASH FLOW FROM OPERATING ACTIVITIES	602.9	693.3

In 2021, the €201 million increase in operating working capital was mainly driven by:

- the increase in public levies, which was largely attributable to unclaimed prizes;
- unclaimed prizes won at the year end that had not yet been cashed out.

In 2020, the €360 million increase in operating working capital was mainly driven by:

- initial application of the Pacte Law, which led to a payment of €108 million to the French State following the

abolition of player funds, as well as to a switch from weekly to monthly payment of public levies, the latter being offset by the requirement to make an advance payment;

- the extension of the deadlines for claiming prizes and winnings offered by FDJ during the second lockdown; and
- a calendar effect concerning distribution network receivables and payables.

2/ Net cash flow used in investing activities

The table below summarises net cash flow used in investing activities for 2021 and 2020.

In millions of euros	31.12.2021	31.12.2020
INVESTING ACTIVITIES		
Acquisitions of property, plant and equipment and intangible assets	-75.5	-459.8
Disposals of property, plant and equipment and intangible assets	0.1	0.1
Change in current and non-current financial assets	-216.0	110.0
Change in loans and advances granted	-9.9	-36.8
Dividends received from joint ventures	0.1	0.9
Other	-0.2	-9.7
NET CASH FLOW USED IN INVESTING ACTIVITIES	-301.4	-395.1

Acquisitions of property, plant and equipment and intangible assets, net of corresponding payables and advances, amounted to €76 million in 2021 (2020: €460 million). They mainly concerned IT and back office developments and PoS gaming terminals. In 2020, they also included the €380 million payment made to secure the exclusive operating rights.

The change in current and non-current financial assets (2021: -€216 million; 2020: +€110 million) is mainly the result of the maturity (+€210 million) and renewal (-€165 million) of term deposits and the establishment of dedicated bond funds (-€200 million). The change in 2020 was mainly due to maturing term deposits (+€163 million).

3/ Net cash flow used in financing activities

In millions of euros	31.12.2021	31.12.2020
FINANCING ACTIVITIES		
Issue of long-term debt	-	380.0
Repayment of the current portion of long-term debt	-188.9	-66.6
Payment of lease liabilities	-7.6	-7.4
Dividends paid to ordinary shareholders of the parent company	-166.7	-83.4
Interest paid	-5.5	-8.3
Other	-3.6	-0.2
NET CASH FLOW USED IN FINANCING ACTIVITIES	-372.3	214.2

The repayment of €189 million of financial debt includes 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). The amounts comprise:

- sums set aside exclusively for Euromillions winners (2021: €103 million; 2020: €86 million), included in cash and cash equivalents;

- the guarantee deposit (2021: €7.5 million; 2020: €11 million), presented under non-current financial assets;
- restricted cash linked to an insurance deductible (2021: €1 million; 2020: €1 million), presented under non-current financial assets.

A trust has been established to guarantee the assets of online players in France (2021: €60 million; 2020: €50 million). It is presented under non-current financial assets.

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 31 December 2020 and are 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 and digitalised

stakes (ii) contribution margin of operating segments, (iii) EBITDA, (iv) CAPEX, (v) 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 42%, rising to over €2.2 billion. Online stakes now accounts for over 11% of total stakes.

In millions of euros	2021	2020
Total stakes	18,975.6	15,959.2
Online stakes	2,172.5	1,534.8
Online stakes ratio (%)	11.4%	9.6%

DIGITALISED STAKES RATIO

The digitalised stakes ratio corresponds to digitalised stakes as a percentage of total stakes. Digitalised stakes include online stakes and digitalised stakes placed at points of sale (prepared or executed using a digital service or app).

In millions of euros	2021	2020
Total stakes	18,975.6	15,959.2
Digitalised stakes	5,245.1	3,815.6
Digitalised stakes ratio (%)	27.6%	23.9%

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 5.2.2.5 "Segment reporting").

In millions of euros	2021	2020
Lottery BU	620.5	502.4
Sports Betting BU	120.9	103.0
ABUs	-2.0	-3.3

EBITDA

EBITDA (see 5.2.2.4) is recurring operating profit excluding depreciation and amortisation expenses.

In millions of euros	2021	2020
Recurring operating profit	393.2	324.7
Net depreciation and amortisation	-128.6	-101.9
EBITDA	521.8	426.6

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	2021	2020
Acquisitions of property, plant and equipment and intangible assets	75.5	459.8
Acquisition of investments	-	-
TOTAL CAPEX	75.5	459.8

EBITDA-TO-CASH CONVERSION RATIO

The EBITDA-to-cash conversion ratio represents EBITDA net of capital expenditure (CAPEX) and changes in working capital as a percentage of total 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	2021	2020
EBITDA	522	427
CAPEX (adjusted) ⁽¹⁾	-76	-80
Change in working capital (adjusted) ^{(2) (3)}	49	39
Free cash flow	495	386
<i>EBITDA - CAPEX (adjusted) +/- Change in working capital (adjusted)</i>		
EBITDA-to-cash conversion (%)	95%	91%

(1) CAPEX adjusted in 2020 in respect of the payment for exclusive operating rights (€380 million).

(2) Change in working capital adjusted in 2021 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 wallets (trust), which was extended in 2020 to the full value of those amounts (-€10 million), and the change in the Euromillions liquidity fund (-€13 million).

(3) Change in working capital adjusted in 2020 in respect of calendar effects on public levies and unclaimed prizes (-€142 million), winnings payable (-€85 million) and trade and distribution network receivables and payables (€69 million), and including the change in the coverage mechanism for player wallets (trust), which was extended in 2020 to the full value of those amounts (-€15 million), and the change in the Euromillions liquidity fund (-€10 million).

Net cash surplus

The "net cash surplus" is the indicator that represents the net cash position generated by the Group. The net cash surplus stood at €916 million au 31 December 2021 (2020: €577 million). The change in this figure mainly results from cash flows generated by operating activities (+€603 million), investing activities (-€75 million) and the payment of dividends (-€167 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 at 31 December 2021 amounted to €986 million (2020: €1,117 million).

RECONCILIATION BETWEEN THE VARIOUS CASH INDICATORS

In millions of euros	31.12.2021	31.12.2020
CASH AND CASH EQUIVALENTS	601.7	673.2
Amounts set aside exclusively for Euromillions winners	-102.8	-85.8
Non-current financial assets at amortised cost	435.0	320.0
Current financial assets at amortised cost	52.4	210.0
Financial assets at amortised cost	487.4	530.0
AVAILABLE CASH	986.2	1,117.4
Innovation funds	55.7	31.4
Other non-current investments at fair value through profit or loss	377.4	150.7
Non-current financial assets at fair value through profit or loss	433.2	182.1
Current financial assets at fair value through profit or loss	40.0	5.0
Financial assets at fair value through profit or loss	473.2	187.1
Financial debt and other financial liabilities	-515.7	-699.7
Non-current derivatives (assets)	2.7	-
Current derivatives (assets)	0.5	0.5
Current derivatives (liabilities)	-0.8	-1.7
Derivatives	2.4	-1.2
Lease liabilities	-29.8	-26.0
Bank overdrafts	-	-0.3
NET CASH SURPLUS	916.3	577.3

5.3 Post-closing events

On 8 February 2022, a repayment of £25 million (€30 million) was made on the loan taken out to finance the acquisition of Sporting Group.

Spynsol Ltd, Spynsolln Ltd and BGPH Ltd were put into liquidation following the restructuring of Sporting Group in 2019 and 2020. Liquidation has been closed and the funds held in guarantee of this liquidation were paid to the Group on 17 February 2022.

In the context of the proceedings before the Nanterre Commercial Court in the Soficom dispute, the date for deliberation on whether or not to maintain the stay of proceedings, initially set for 15 February 2022, has been postponed to 29 March 2022.

5.4 Outlook

5.4.1 TARGETS FOR 2022

In 2022, based on a stable environment, the Group is aiming for:

- Revenue growth of nearly 5%. Growth in online stakes is expected to exceed 20%;
- An EBITDA margin of over 23.5%. In line with the Group's strategy, investments in the development of the games and services offered to players, along with advertising and promotional expenses, will continue to grow faster than the business;

- An EBITDA to free cash flow conversion rate⁽¹⁾ always over 80%.

These targets have been established on a basis comparable with the historical financial information and in accordance with the accounting methods applied to the Group's consolidated financial statements for the year ended 31 December 2021.

5.4.2 UPWARD REVISION OF THE GROUP'S 2025 TARGETS

The FDJ Group's 2020-2021 performance, in particular the substantial acceleration of the growth of online lottery, confirms the relevance of its strategy and has prompted it to revise up its 2025 targets, initially issued at the time of its IPO in late 2019. These targets notably included:

- Average annual revenue growth of between 3% and 4%;
- A 2025 EBITDA margin of over 20%.

This revision is mainly attributable to the accelerated growth of the digital activity. The relating stakes expected to account for more than 20% of the Group's total stakes in 2025 and double the 2020 level.

Point-of-sale activity is also expected to increase.

At the same time, the Group plans to maintain a high level of investment to:

- Continue to develop the range of games and services;
- Ensure the rollout of its customer identification and knowledge strategy;
- 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, and by adopting a new visual identity. The Group also plans to continue the transformation of its commercial organisation, with full effect expected in 2026.

Overall, by 2025, FDJ is aiming for:

- Average annual revenue growth of between 4% and 5% over the 2021-2025 period, with sports betting growing faster than lottery and the development of adjacent activities;
- An EBITDA margin increasing steadily to over 25% by 2025;
- Cumulative investments maintained at €600 million over the 2020-2025 period;
- An EBITDA to free cash flow conversion rate of over 80% over the 2022-2025 period;
- A payout ratio between 80% and 90% of the FDJ Group's net profit from 2022;
- The Group also aims not to exceed a financial debt ratio (net financial debt to EBITDA) of 2, including external growth, over the 2022-2025 period.

(1) Free cash flow = cash flow from operations less investing activities related to operations.

5.5 Investments

5.5.1 MATERIAL INVESTMENTS DURING 2020 AND 2021

The Group's total capital expenditure was €76 million in the year ended 31 December 2021 (2020: €460 million). These investments include acquisition of property, plant and equipment, intangible assets and financial assets, as well as the securing of the exclusive operating rights for €380 million (recognised as an intangible asset).

The figures for acquisitions of property, plant and equipment and intangible assets represent investments net of payables and advances.

EXCLUSIVE OPERATING RIGHTS

The €380 million payment made in 2020 represents the financial consideration for the securing of the exclusive operating rights for a period of 25 years from 23 May 2019.

OTHER INVESTMENTS

These mainly comprise

- costs related to point-of-sale equipment;
- project costs associated with the development of the Group's various BU and ABU, compliance with current regulations, and boosting the capacity and efficiency of information systems;
- costs related to customer identification and knowledge, which all better support to be provided to players in a responsible gaming environment.

They break down as follows:

- investments in intangible assets of €46 million in 2021 and €48 million in 2020. 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 €29 million in 2021 and €32 million in 2020. These mainly represent the acquisition costs of point-of-sale equipment and the cost of IT equipment (hosting and servers).

5.5.2 MATERIAL INVESTMENTS IN PROGRESS

None.

5.6 Analysis of parent company results

5.6.1 COMMENTS ON THE INCOME STATEMENT

In millions of euros	31.12.2021	31.12.2020	Change vs. 2020	
Stakes	18,942.1	15,918.8	3,023.3	19.0%
Player payout	-12,938.8	-10,813.0	-2,125.7	19.7%
Gross gaming revenue	6,003.3	5,105.8	897.5	17.6%
Public levies	-3,815.5	-3,242.2	-573.4	17.7%
Net gaming revenue	2,187.7	1,863.6	324.1	17.4%
Revenue from other activities	27.9	21.6	6.3	29.4%
Revenue	2,215.6	1,885.2	330.5	17.5%
Capitalised development expenses	36.5	32.1	4.3	13.5%
Reversals of provisions and transfers of expenses	13.7	20.3	-6.5	-32.2%
Other operating income	0.9	1.0	-0.1	-6.0%
Total operating income	2,266.8	1,938.6	328.2	16.9%
Inventory purchases used	32.5	28.2	4.3	15.1%
Purchases and external expenses	1,484.0	1,260.2	223.7	17.8%
Taxes	18.9	20.6	-1.8	-8.6%
Personnel expenses	173.6	162.9	10.7	6.6%
Depreciation and amortisation	109.0	88.4	20.6	23.3%
Provisions	13.9	16.5	-2.7	-16.3%
Other operating expenses	19.7	17.3	2.4	14.1%
Total operating expenses	1,851.4	1,594.2	257.2	16.1%
Operating profit	415.3	344.3	71.0	20.6%
Total financial income	16.6	21.6	-5.0	-23.3%
Total financial expenses	42.5	44.6	-2.1	-4.7%
Net financial expense	-25.9	-23.0	-2.9	-12.8%
Recurring profit	389.4	321.3	68.1	21.2%
Total non-recurring income	89.7	99.8	-10.1	-10.1%
Total non-recurring expenses	52.2	97.0	-44.8	-46.2%
Net non-recurring profit	37.5	2.9	34.7	n/a
Employee profit-sharing and incentives	25.6	23.4	2.2	9.2%
Income tax expense	115.8	85.4	30.4	35.6%
NET PROFIT	285.6	215.4	70.2	32.6%

Stakes: See comments on the consolidated income statement (the difference of €33.5 million relates to Sporting Group).

Net gaming revenue rose by €324 million over 2021, due to growth in business. Operating expenses rose by €257 million, mainly from other purchases and external expenses, which notably included a €141 million increase in commissions payable to the distribution network and increases in sponsorship and advertising costs. Operating profit consequently rose by €71 million over the period.

The **net financial expense** of €26 million was impacted by an impairment charge of €29 million on equity investments, essentially in connection with FGS Holding.

Net non-recurring income in 2021 is essentially made up of the €34.4 million reversal of the provision established in connection with the proceedings brought by 67 agent-brokers, whose appeal was definitively rejected by the Court of Cassation in November 2021.

5.6.2 COMMENTS ON THE BALANCE SHEET

ASSETS

In millions of euros	31.12.2021			31.12.2020		
	Gross	Depreciation, amortisation and impairments	Net	Net	Change vs. 2020	
Exclusive operating rights	380.0	39.7	340.3	355.5	-15.2	-4.3%
Other intangible assets	344.1	212.3	131.8	122.5	9.4	7.6%
Property, plant and equipment	672.8	351.5	321.3	338.9	-17.5	-5.2%
Non-current financial assets	276.0	74.8	201.2	158.2	43.0	27.2%
Fixed assets	1,672.9	678.3	994.6	975.1	19.5	2.0%
Inventories	13.4	0.8	12.6	14.5	-2.0	-13.5%
Advances and payments on accounts	2.4	-	2.4	2.4	-	-0.2%
Trade and distribution network receivables	395.9	15.5	380.4	324.9	55.5	17.1%
Other receivables	241.4	0.1	241.4	200.2	41.1	20.5%
Transferable securities	560.1	1.4	558.6	281.7	276.9	98.3%
Cash and cash equivalents	903.3	-	903.3	1,046.3	-143.0	-13.7%
Prepaid expenses	18.5	-	18.5	18.8	-0.4	-1.9%
Current assets	2,134.9	17.8	2,117.1	1,888.9	228.2	12.1%
Expenses deferred over multiple periods	4.6	-	4.6	4.7	-0.1	-2.4%
Unrealised exchange gains	3.2	-	3.2	0.1	3.0	n/a
TOTAL ASSETS	3,815.6	696.1	3,119.5	2,868.8	250.7	8.7%

In the year ended 31 December 2021, the main changes in assets concerned current assets, notably:

- trade receivables, which increased by €55.5 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 €133.9 million higher than at 31 December 2020.

SHAREHOLDERS' EQUITY AND LIABILITIES

In millions of euros	31.12.2021	31.12.2020	Change vs. 2020	
Share capital	76.4	76.4	-	0.0%
Legal reserve	7.6	7.6	-	0.0%
Statutory reserve	91.7	91.7	-	0.0%
Optional reserve	268.1	224.5	43.5	19.4%
Retained earnings	2.5	-	2.5	n/a
Net profit for the period	285.6	215.4	70.2	32.6%
Regulated provisions	122.4	135.8	-13.3	-9.8%
Shareholders' equity	854.3	751.5	102.9	13.7%
Provisions for risks	8.4	4.9	3.5	70.6%
Provisions for liabilities	57.5	90.5	-33.0	-36.5%
Provisions for risks and liabilities	65.9	95.4	-29.6	-31.0%
Borrowings	492.6	521.1	-28.5	-5.5%
Trade and distribution network payables	392.8	259.7	133.0	51.2%
Player funds to be repaid to the French State	-	155.9	-155.9	-100.0%
Public levies and winnings payable and distributable	1,118.2	886.0	232.1	26.2%
Other payables	159.3	151.7	7.5	5.0%
Prepaid income (stakes)	36.4	46.0	-9.6	-20.9%
Payables	2,199.2	2,020.4	178.8	8.8%
Unrealised exchange losses	-	1.4	-1.4	-98.6%
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,119.5	2,868.8	250.7	8.7%

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 payment of player funds repaid to the French State during 2021;
- a rise in public levies and unclaimed prizes, mainly due to the rise in activity, 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	2021	2020	2019	2018	2017
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	200,000	200,000
Number of bonds convertible into shares					
Transactions and results					
Gaming commissions					
Stakes ⁽¹⁾	18,942,063	15,918,806	17,222,191	15,817,043	15,144,448
Revenue	2,215,642	1,885,152	1,930,433	1,786,909	1,753,435
Profit before tax and employee profit sharing, depreciation and provisions	515,856	381,237	326,428	338,338	315,785
Income taxes	115,765	85,352	73,277	80,794	74,042
Employee profit-sharing	16,929	16,851	11,580	11,813	12,103
Net profit	285,617	215,448	138,105	172,085	167,769
Dividends paid ⁽²⁾	236,840	171,900	85,950	122,000	130,000
Earnings per share (in euros)					
Profit after tax and employee profit-sharing and before depreciation and provisions	2.01	1.46	1.46	1,228.66	1,148.20
Net profit	1.50	1.13	0.72	860.43	838.84
Dividends awarded ⁽²⁾	1.24	0.90	0.45	610.00	650.00
Personnel					
Headcount at 31 December					
Average headcount					
Weighted average headcount	1,630	1,569	1,517	1,443	1,377
Payroll	107,054	101,642	95,138	87,444	82,517
Amounts paid for employee benefits	58,747	55,005	51,260	47,805	43,599
Amounts paid for employee benefits, including taxes on wages	66,492	61,462	57,664	54,195	50,143

(1) Stakes correspond to the sums staked by players, irrespective of the distribution channel.

(2) Proposal for the distribution of dividends for the 2021 financial year submitted to the General Shareholders' Meeting of 26 April 2022 to approve the financial statements for the financial year ended 31 December 2021.

5.7 R&D activities

The Company incurred research and development costs of €75.2 million in 2021 (of which €36.5 million was capitalised as an intangible asset), compared with €62.2 million in 2020 (of which €26.9 million was capitalised).

5.8 Legal, financial and tax information on the Company

5.8.1 SHAREHOLDING/TREASURY SHARES

At 31 December 2021, 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.

At 31 December 2021, 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 31 December 2022.

At 31 December 2021, there were 112,063 treasury shares representing a deduction of €4.5 million from consolidated equity.(2020: 26,333 shares representing a deduction of €0.9 million).

5.8.2 PURCHASE AND SALE OF OWN SHARES FOR EMPLOYEE SHARE AWARDS (PERFORMANCE SHARES)

In 2021, 40,000 shares were purchased for €1.7 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 2021 BY CORPORATE DIRECTORS AND PERSONS CLOSELY RELATED TO THEM

Corporate Director/Director concerned	Nature of the transactions	Number of FCPE shares/units	Unit price (in euros)
APE	Sale	2,777,526.0000	45.1300
Cécile Lagé	Sale	5,080.0102	39.6100

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 2021 amounted to €602,000 and related solely to lease charges for passenger vehicles.

(1) Union des Blessés de la Face et de la Tête (UBFT) and Fédération Nationale André Maginot (FNAM).

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	1,908					1,570
Total amount of invoices (including tax)	37.9	0.4	0.2	-	1.5	2.1
% of purchases (including tax)	2.2%	0.0%	0.0%	0.0%	0.1%	0.1%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables						
Number of invoices excluded	18	-	-	-	-	16
Amount of invoices excluded (including tax)	0.3	0.0	0.0	0.0	0.1	0.1

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	209					846
Total amount of invoices (including tax) <i>(in millions of euros)</i>	5.8	2.1	0.3	0.7	3.8	6.8
% of total revenue (including tax)	0.3%	0.1%	0.0%	0.0%	0.2%	0.3%
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables						
Number of invoices excluded	47	210	49	71	2,809	3,139
Net amount of invoices excluded (including tax) <i>(in millions of euros)</i>	-	0.2	0.1	0.1	15.7	16.2

The majority of invoices received or issued that are more than 90 days overdue relate to reciprocal intragroup transactions.

5.8.6 STATEMENT OF SURETIES, ENDORSEMENTS AND GUARANTEES GIVEN BY FDJ AND STATE OF THE GUARANTEES GRANTED BY IT

- CA\$15 million (€10 million) guarantee: in connection with a contract, FDJ has asked BNP Paribas for a guarantee of CA\$15 million for FGS France for the benefit of the Canadian lottery operator OLG.
- €1.5 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 their 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 €87 million: taken out by the Group in 2016 (including the principal, interest and related amounts), it relates to the purchase of its new headquarters.

5.9 Regulated agreements and transactions with related parties

5.9.1 NEW REGULATED AGREEMENTS AUTHORISED IN 2021

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 in connection with a call for tenders issued by the Treasury. 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 French Treasury.

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 Treasury. 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 29 JULY 2021

This meeting authorised the signing of an agreement between FDJ and the ANS. The purpose of the agreement is to provide funds to ANS so that it can give financial support to local authorities wishing to increase free public access to sport by installing sports equipment that is freely accessible to all.

The agreement provides for the installation in 2021 of an additional set of equipment in the form of a "warm up and get active" zone at sites that already received ANS funding in 2020. These are sites in the "Terre de Jeux 2024" local authority areas with an FDJ point of sale.

This one-year agreement is 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.

This scheme is funded entirely by FDJ, with funding of €130,000 provided in 2021.

5.9.2 REGULATED AGREEMENTS APPROVED DURING PREVIOUS FINANCIAL YEARS THAT WERE CONTINUED IN 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

This meeting authorised:

- FDJ to sign a tripartite agreement (the "Convention") with MDB Services, a subsidiary of the Confédération des Buralistes (Tobacconists Confederation), and the French Treasury for the outsourcing of the collection of fines, local public sector recovery notices and taxes. This Convention is part of the approach taken by the Company to develop additional sources of revenue for its commercial network and share the use of its point-of-sale infrastructure. It is concluded for a minimum period of five years;
- FDJ to act as surety, in the event of the awarding of the French Treasury outsourcing contract, in the amount of €19 million in favour of the bank issuing the bank guarantee provided for under the terms of the tender, as a counter-guarantee for the guarantee granted by the bank in favour of the French Treasury. 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 22 MARCH 2016

The Board of Directors authorised La Française des Jeux to sign a framework agreement with the Observatoire des Jeux 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.

BOARD OF DIRECTORS MEETING OF 1 JULY 2015

The Board of Directors authorised La Française des Jeux to sign a protocol with the French Minister of Finance and Public Accounts and the online gambling regulatory authority (ARJEL) providing for the free-of-charge exchange of information on preventing the betting-related manipulation of sporting competitions. The Company is subject to the regulatory provisions applying to such monopolies, and as such must monitor the integrity of gambling transactions and to the combating of fraud, money laundering and all related 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: "With effect from the first meeting of its board, the ANJ shall succeed the ARJEL in its rights and obligations."

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 8.5 "Financial risk management policy."

6

Financial information concerning assets and liabilities, financial position and results

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6.1 Consolidated financial statements for the year ended 31 December 2021

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	31.12.2021	31.12.2020
Stakes	4.1	18,975.6	15,959.2
<i>Player payout</i>	4.1	-12,971.1	-10,851.8
Gross gaming revenue	4.1	6,004.5	5,107.5
<i>Public levies</i>	4.1	-3,816.0	-3,242.7
<i>Other revenue from sports betting</i>	4.1	13.7	13.9
Net gaming revenue	4.1	2,202.1	1,878.7
Revenue from other activities	4.1	53.5	40.9
Revenue	4.1	2,255.7	1,919.6
Cost of sales	4.2.1	-1,232.8	-1,079.0
Marketing and communication expenses	4.2.1	-414.7	-329.7
General and administrative expenses	4.2.1	-199.4	-172.5
Other operating income	4.2.1	0.6	2.7
Other operating expenses	4.2.1	-16.3	-16.3
Recurring operating profit	4.2.1	393.2	324.7
Other non-recurring operating income	4.2.3	35.3	2.2
Other non-recurring operating expenses	4.2.3	-36.8	-34.2
Operating profit		391.8	292.7
Cost of financial debt		-5.8	-5.4
Other financial income		27.9	14.4
Other financial expenses		-1.3	-4.3
Net financial income	8.4	20.8	4.6
Share of net income from joint ventures	9	4.1	1.3
Profit before tax		416.6	298.7
Income tax expense	10.1	-122.5	-85.0
NET PROFIT FOR THE PERIOD		294.2	213.7
- attributable to owners of the parent		294.2	213.7
- attributable to non-controlling interests		0.0	0.0
Basic earnings per share (in euros)	11	1.54	1.12
Diluted earnings per share (in euros)	11	1.54	1.12

6.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	31.12.2021	31.12.2020
Net profit for the period	294.2	213.7
Cash flow hedging (before tax)	2.2	-1.5
Net investment hedging on foreign activities (before tax)	-4.6	5.7
Net change in currency translation differences (before tax)	6.5	-2.8
Tax on items subsequently transferred or transferable to profit or loss	0.5	-1.1
Items subsequently transferred or transferable to profit or loss	4.5	0.2
Actuarial gains and losses	3.4	2.4
Tax on items that may not be subsequently transferred to profit or loss	-1.3	-0.6
Items that may not subsequently be transferred to profit or loss	2.1	1.8
Other comprehensive income	6.6	1.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	300.8	215.6
- attributable to owners of the parent	300.8	215.6
- attributable to non-controlling interests	0.0	0.0

6.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of euros	Note	31.12.2021	31.12.2020
ASSETS			
Goodwill	5	0.0	26.9
Exclusive operating rights	6.1	340.3	355.5
Other intangible assets	6.1	182.1	165.7
Property, plant and equipment	6.2	359.6	374.2
Non-current financial assets	8.1	944.7	571.4
Investments in joint ventures	9	20.6	14.7
Non-current assets		1,847.2	1,508.3
Inventories		13.0	14.9
Trade and distribution network receivables	4.6.1	358.5	255.4
Other current assets	4.6.2	261.3	214.8
Current tax assets	10.2	13.0	15.8
Current financial assets	8.1	93.7	215.7
Cash and cash equivalents	8.2	601.7	673.2
Current assets		1,341.1	1,389.8
TOTAL ASSETS		3,188.3	2,898.0
LIABILITIES			
Share capital		76.4	76.4
Statutory reserves		91.7	91.7
Retained earnings (including profit for the period)		654.1	533.7
Reserves of other comprehensive income		6.9	0.3
Equity attributable to owners of the parent	12	829.1	702.1
Non-controlling interests		0.0	0.0
Shareholders' equity		829.1	702.1
Provisions for retirement benefits and similar commitments	4.8.3	47.7	48.6
Non-current provisions	7	12.5	47.6
Deferred tax liabilities	10.3	21.0	21.3
Non-current financial liabilities	8.1	486.3	510.0
Non-current liabilities		567.4	627.5
Current provisions	7	12.8	13.3
Trade and distribution network payables	4.7.1	385.7	249.0
Current tax liabilities	10.2	1.1	0.3
Current player funds	4.5	256.6	192.4
Public levies liabilities	4.7.2	501.7	412.0
Winnings payable/Player balances	4.7.3	370.0	288.8
Other current liabilities	4.7.4	203.2	194.4
Current financial liabilities	8.1	60.6	218.2
Current liabilities		1,791.8	1,568.5
TOTAL LIABILITIES		3,188.3	2,898.0

The consolidated statement of financial position as at 31 December 2020 incorporates the change of accounting policy concerning the apportionment over time of the cost of retirement benefits under IAS 8, which has been applied retrospectively following the decision of the IFRS IC in May 2021. The effect of retrospective application is set out in Note 2.2.1 "Change of accounting policy".

6.1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of euros	Note	31.12.2021	31.12.2020
OPERATING ACTIVITIES			
Consolidated net profit for the period		294.2	213.7
Change in asset depreciation, amortisation and impairment of non-current assets		157.6	127.8
Change in provisions		-23.4	3.9
Capital gains or losses on disposal		1.3	1.3
Income tax expense		122.5	85.0
Other non-cash items included in the consolidated income statement		1.1	0.1
Net financial income		-20.8	-4.6
Share of net income from joint ventures		-4.1	-1.3
Non-cash items		234.2	212.1
Use of provisions - payments		-10.0	-10.7
Interest received		3.1	9.6
Income taxes paid		-119.7	-91.8
Change in trade receivables and other current assets		-146.6	54.5
Change in inventories		1.9	-4.3
Change in trade payables and other current liabilities		346.6	312.3
Change in other components of working capital		-0.9	-2.0
Change in operating working capital		201.1	360.5
Net cash flow from operating activities	8.3	602.9	693.3
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets		-75.5	-459.8
Disposals of property, plant and equipment and intangible assets		0.1	0.1
Change in current and non-current financial assets		-216.0	110.0
Change in loans and advances granted		-9.9	-36.8
Dividends received from joint ventures and shareholdings		0.1	0.9
Other		-0.2	-9.7
Net cash flow used in investing activities	8.3	-301.4	-395.1
FINANCING ACTIVITIES			
Issue of long-term debt		0.0	380.0
Repayment of the current portion of long-term debt		-188.9	-66.6
Payment of lease liabilities		-7.6	-7.4
Dividends paid to ordinary shareholders of the parent company		-166.7	-83.4
Interest paid		-5.5	-8.3
Other		-3.6	-0.2
Net cash flow used in financing activities	8.3	-372.3	214.2
Impact of changes in foreign exchange rates		-0.6	-0.9
Net increase/decrease in net cash		-71.3	511.5
Cash and cash equivalents at 1 January		673.2	201.5
Cash and cash equivalents at 31 December		601.7	673.2
Current bank overdrafts at 1 December		-0.3	-40.2
Current bank overdrafts at 31 December		0.0	-0.3

6.1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of euros	Share capital	Statutory reserves	Retained earnings (incl. profit for the period)	Cash flow hedges	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 31.12.2019	76.4	87.5	407.4	-0.1	1.9	-3.9	-2.1	569.2	0.0	569.2
Effects of changes in accounting policy*			2.9			0.5	0.5	3.4		3.4
Equity at 01.01.2020 (restated)	76.4	87.5	410.4	-0.1	1.9	-3.4	-1.6	572.6	0.0	572.6
Net profit 31 December 2020			213.7					213.7	0.0	213.7
Other comprehensive income				-1.1	1.2	1.8	1.9	1.9		1.9
Total comprehensive income for the period			213.7	-1.1	1.2	1.8	1.9	215.6	0.0	215.6
Allocation of prior year net profit		4.2	-4.2							
2019 dividends paid			-86.0					-86.0		-86.0
Other			-0.2					-0.2		-0.2
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 31 December 2021			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			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
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

* See Note 2.2.1 "Change of accounting policy".

Income and expenses recognised in other comprehensive income mainly consist of actuarial gains and losses on retirement benefit obligations (2021 and 2020).

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.

6.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 2021, 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 2021, the Group, which comprises 20 consolidated entities, runs a gaming operation and distribution business in France (metropolitan and overseas departments), four French overseas territories and Monaco. It operates internationally, notably 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 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 THE FDJ GROUP (THE 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 business, which is a non-exclusive activity, is governed by Law no. 2010-476 of 12 May 2010 and conducted within the framework of a five-year agreement which was last renewed by the ANJ in 2020. 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

Activity

- **Return of the environment to normal**
 - The entire network of over 30,000 points of sale open as from early June;
 - A standard calendar, for both sporting competitions and lottery marketing and promotional events.
- **Business growth across all product ranges**
 - Strong growth for Loto[®] and Euromillions, driven notably by record jackpots and numerous long cycles;
 - Success for new instant games available at points of sale, such as "La grosse roue" and "A prendre ou à laisser", the third phygital game;
 - Growth in Parions Sport Point de Vente stakes thanks to the continued enrichment of the offer and digitalisation, which now accounts for nearly 85% of stakes. Parions Sport En Ligne continues to record strong growth, reflecting the attractiveness of its offer, amid a fast-developing market.
- **Business growth across all sales channels**
 - Stakes in the sales network were up 16%. Strong momentum continued in the digital channel, with stakes up 42% vs. 2020. Online stakes accordingly represent more than 11% of total stakes.
 - In lotteries alone, online stakes were up 37% vs. 2020. This performance is still mainly attributable to the increase in the player base, which exceeded 4 million at the year-end. More than two years ahead of pre-health crisis expectations, online lottery stakes now amount to nearly €1.6 billion and account for nearly 11% of total lottery stakes.

(1) Union des Blessés de la Face et de la Tête (UBFT) and Fédération Nationale André Maginot (FNAM).

● **Acceleration of adjacent activities**

- Internationally, a B2B offer was successfully launched in North America. This involved the rollout of a comprehensive service to manage a point-of-sale and online sports betting offering in two Canadian provinces, Proline+ in Ontario and PlayAlberta in Alberta.
- The rollout of point-of-sale payment services for public treasury bills (tax payment, fines collection, public service bills etc.) continued. This service is now available in more than 12,000 points of sale, up from 9,000 at the end of 2020. Moreover, the French Prudential Control and Resolution Authority (ACPR), which is attached to the Banque de France, has given FDJ's Payment and Services activity accreditation as a payment institution, enabling it to develop a collection activity on behalf of third parties in addition to the French Public Treasury (DGFIP).

● **CSR commitments assessed and strengthened**

In 2021, FDJ strengthened its social commitments and maintained a very high level of non-financial performance, with:

- A strengthened commitment to responsible gaming and the fight against underage and excessive gambling, with:
 - 10% of the Group's total advertising purchases to be devoted to this commitment from 2022, compared with 10% of the television advertising budget previously,
 - Intensification of the action plan during UEFA Euro 2020, with TV campaigns to prevent underage gambling and digital video to raise awareness about excessive gambling;
- A €25 million endowment to the FDJ Corporate Foundation for its 2023-2027 programme, a 28% increase vs. the previous endowment;
- The implementation of the Rebond fund, a fund to support local businesses in vulnerable areas, to which FDJ has contributed nearly €15 million;
- A €2 million donation from the FDJ Corporate Foundation to support 15,000 young people in difficulty. This brings FDJ Group's total exceptional donations to various associations supporting vulnerable people to nearly €5 million since the beginning of the health crisis;
- Moody's ESG A1+ rating maintained, and a 100/100 rating obtained on the "Pénicaud" gender equality index.

Proceedings brought against FDJ by 67 agent-brokers concluded

On 6 August 2015, 67 agent-brokers brought proceedings against La Française des Jeux, seeking damages following the termination of their agent-broker contracts. In a judgment issued on 10 November 2021, the Court of Cassation (the highest court of appeal) dismissed the 67 agent-brokers' appeal and so put a definitive end to the proceedings. The reversal of the associated €34 million provision was recorded in other non-recurring operating income.

Impairment testing

Impairment tests carried out at the year-end revealed an impairment on the Sporting Group CGU.⁽¹⁾ At 31 December 2021, the CGU's value in use was measured at £37 million (€44 million), with net assets of £60 million. Based on these figures, an impairment of £24.2 million (€28.8 million), covering the whole remaining goodwill, was recorded in other non-operating expenses (see Note 5).

Endowment to the FDJ Corporate Foundation

On 16 December 2021, the Board of Directors decided to renew the FDJ Corporate Foundation for a term of five years from 3 January 2023, with a €25 million action plan for the period from 2023 to 2027. This undertaking has been recorded in expenses for the current period.

Closed player funds (€156 million) paid to the State under the Pacte Law

Under the Pacte Law, player funds – i.e. counterparty funds, permanent funds and reserve funds – closed on 1 January 2020 must be paid to the State by 30 December 2022. FDJ paid these funds (€156 million) in 2021. They had been disclosed under financial debt as at 31 December 2020. In 2020, FDJ paid €380 million to the French State as financial consideration to secure exclusive operating rights and €165 million as an advance payment of public levies.

European Commission inquiry

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.

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 regarding the guarantee, confirming that there was no guarantee in the sense of State aid, while the preliminary inquiry pursuant to the complaints on tax treatment remains in course.

(1) Cash-generating unit.

Note 2 Accounting policies and framework

2.1 BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of FDJ and its subsidiaries ("the Group"), published for the 2021 financial year, were prepared in accordance with *International Financial Reporting Standards* (IFRS) as adopted in the European Union at 31 December 2021.

The Board of Directors approved the consolidated financial statements for the year ended 31 December 2021 on 15 February 2022.

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 2021 are available on the website groupefdj.com (under Finance/Financial Publications).

2.1.1 New standards, interpretations and amendments applicable in 2021

The amendments and interpretations approved by the European Union whose application was mandatory as of 1 January 2021 (amendments to IFRS 4 Insurance Contracts, provisional exemption from application of IFRS 9, phase 2 of the amendments to IFRS 9, IAS 39, IFRS 4 and IFRS 16 in connection with interbank benchmark rate reform,⁽¹⁾ amendments to IFRS 16 regarding Covid-19-related rent concessions after 30 June 2021) had no material impact on the Group's financial statements. The IFRS IC decision published in 2021 on configuration and customisation costs in software-as-a-service (SaaS) arrangements had no effect on the Group's financial statements. The IFRS IC decision on apportioning the costs of lump-sum retirement benefits over time constitutes a change of accounting policy, as set out in Note 2.2.1, "Change of accounting policy".

2.1.2 Standards, interpretations and amendments not yet adopted by the European Union

- IFRS 14 "Regulatory Deferral Accounts".
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between the Group and its associates or joint ventures".
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17.
- Amendments to IAS 1 "Classification of liabilities as current or non-current; presentation of financial statements".
- Amendments to IAS 1 "Disclosure of accounting policies".
- Amendments to IAS 8 "Definition of accounting estimates".
- Amendments to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction".

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 applied early by the Group

The Group has not applied any standards or interpretations early as at 31 December 2021. 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 4.6, 4.7, 8.1 and 8.2 below).

Assets and liabilities are presented in the statement of financial position, broken down between current and non-current items.

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 Change of accounting policy

Application of the IFRS IC decision of April 2021 on apportioning the costs of lump-sum retirement benefits over time constitutes a change of accounting policy. This change has been applied retrospectively in accordance with IAS 8.

The impact of retrospective application has been recognised in the Group's equity as at 1 January 2020 without the presentation of pro forma financial statements as at 31 December 2020. This change affects retirement benefit obligations. It led to an increase of €3.4 million in consolidated reserves (net of tax), a decrease of €4.6 million in provisions for retirement benefits and similar commitments, and an increase of €1.3 million in deferred tax liabilities as at 1 January 2020.

(1) The necessary contractual amendments have been made for the instruments concerned.

2.2.2 Consolidation

The consolidated financial statements for the year ended 31 December 2021 include the financial statements of the parent company, FDJ, controlled subsidiaries and joint ventures (see Note 17).

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.

2.2.3 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.

2.2.4 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 in its estimates, such as business plans and the 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 regarding employee benefits (Note 4.8.3);
- assessment and quantification of legal risks to determine provisions for risks and litigations (Note 7);
- discount rate and business plan assumptions for the purpose of measuring the recoverable amount of goodwill (Note 5);
- useful lives and recoverable amounts for the purpose of measuring the recoverable amount of intangible assets and property, plant & equipment (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 4.6);
- fair value of financial assets not listed on active markets (Note 8);
- measurement assumptions used to value performance shares (EBITDA, profit per share, probability of achieving targets, risk-free rate, share price) (Note 4.8);
- 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 6.2 "IFRS 16");
- operating segment combinations for the presentation of sectors (Note 4.3).

Note 3 Changes in consolidation scope

3.1 CHANGES IN THE CONSOLIDATION SCOPE DURING 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.

3.2 CHANGES IN THE CONSOLIDATION SCOPE DURING 2020

Certain Sporting Group entities ceased operations and were consequently liquidated during the second half of the year. These were Romney, Betstat, Touchbet and RPA Software (Malta), and Spynsol, Spynsolln and BGPH (United Kingdom). RPA AB (Sweden) was sold to a non-Group company with a view to its liquidation.

All of these actions followed on from the decisions taken to strategically refocus the business in 2019 and discontinue the proprietary trading activities of Sporting Group, which in 2020 was made up of Sporting Index Ltd, Spin Services Ltd and Spin Services Canada Inc., all of them held by Sporting Index Holdings Ltd.

After Svenska Spel (Sweden) acquired a stake in LEIA on 1 October 2020, the Group's equity interest in this company fell from 25% to 20%. This transaction had no material impact on the Group's financial statements as at 31 December 2020.

FDJ Services, a French company that provides payment and payment-related services⁽¹⁾ within the meaning of the French Monetary and Financial Code, was established on 16 December 2020. The company is wholly owned by FDJ and is fully consolidated. There was no material impact on the Group's financial statements as at 31 December 2020.

DVRT 13, a French company providing entertainment services, was established on 28 December 2020. The company is wholly owned by FDJ and is fully consolidated. There was no material impact on the Group's financial statements at 31 December 2020.

(1) Within the terms of the licence in the process of being issued by the Autorité de Contrôle Prudentiel et Résolution (ACPR, the French supervisory authority for the banking and insurance sector, which oversees financial system stability and client protection and is tasked with the prevention of money laundering).

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 % of stakes)

Draw games	between 50% and 72% depending on the game range
All instant games	between 60% and 75% of stakes 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.

Public levies (see Note 4.7.2 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%

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 – generalised 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 L136-7-1 and L136-8 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 on 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 L137-21 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 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.

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 business⁽¹⁾ (spread betting⁽²⁾ and fixed odds betting).

(1) B2C: commercial and marketing activities aimed at end consumers.

(2) 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 trader.

In millions of euros	31.12.2021	31.12.2020
Draw games	740.1	643.7
Instant games	983.6	847.9
Total lottery	1,723.7	1,491.6
Sports betting	464.0	372.0
Other	14.4	15.1
Total NGR	2,202.1	1,878.7
Revenue from other activities	53.5	40.9
Revenue	2,255.7	1,919.6

The net gaming revenue represents FDJ Group's remuneration on its gaming activities. It is monitored by product range. NGR for 2021 was €2,202.1 million, a rise of €323.5 million relative to 2020 (+17.2%). Revenue from other activities, predominantly consisting of international services

and the payment & services business, was €53.5 million in 2021, a rise of €12.6 million relative to 2020 (+30.8%). Total Group revenue was thus €2,255.7 million in 2021, a rise of €336.1 million relative to 2020. This rise of 17.5% reflects the rise in NGR.

4.2 OPERATING PROFIT

4.2.1 Recurring operating profit

Cost of sales was €1,233 million (+14.3%). This includes €901 million (16.7%) of commissions paid to retailers, which are correlated with the increase in PoS stakes.

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. They amounted to €415 million (+25.8%), the rise being driven by the increase in development costs for the game offering amidst very strong growth in digital channels, as well as by communication campaigns on lottery games, sports betting and the Group's image.

General and administrative expenses mainly include personnel expenses and operating costs for corporate functions, as well as building costs and IT infrastructure costs. They came to €199 million (+15.5%).

Note that some operating expenses, notably advertising, promotional and running expenses, had been reduced in 2020 as a result of the savings plan of over €80 million implemented at the outset of the health crisis.

The Group's recurring operating profit accordingly amounted to €393 million, an increase of 21.1%.

EBITDA (recurring operating profit before depreciation and amortisation) was €522 million, a rise of 22.3%.

4.2.2 Income statement items by nature of costs

In millions of euros	2021	2020
Personnel expenses	293.2	268.1
Net depreciation and amortisation	128.6	101.9
IT outsourcing expenses	53.5	40.9

See Note 4.8.2 for comments on the change in personnel expenses.

The increase in net depreciation and amortisation costs is due to purchases of new property, plant and equipment and intangible assets, as presented in Notes 6.1 and 6.2, and to the revision of the expected useful life of certain capitalised development costs.

4.2.3 Other non-recurring 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 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 Highlights, Note 1.3 and Note 5);
- the reversal of an unutilised provision (€34 million income) following the dismissal by the Court of Cassation of the lawsuit brought by the agent-brokers (see section 1.3 Highlights)

In 2020, non-recurring operating income and expenses produced a net expense of €32.0 million. This primarily consisted of asset impairments (€25.8 million) and restructuring costs (€4.4 million) related to the discontinuation of Sporting Group's proprietary trading activity.

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, which includes online and point-of-sale sports betting activities; and
- ABUs (Acceleration Business Units), which comprise activities under development (international services, 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.

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. 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	31.12.2021						
	Lottery BU	Sports Betting BU	ABUs	Holding	Total before depreciation and amortisation	Depreciation and amortisation	Group total
Stakes	14,726	4,216	33	0.0	18,976		18,976
Gross gaming revenue (GGR)	5,037	966	1	0.0	6,004		6,004
Net gaming revenue (NGR)	1,724	464	14	0.0	2,202		2,202
Revenue	1,728	464	63	0.0	2,256		2,256
Cost of sales	-949	-234	-9	0.0	-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
EBITDA					522		
Depreciation and amortisation						-129	
RECURRING OPERATING PROFIT							393

In millions of euros	31.12.2020					Total before depreciation and amortisation	Depreciation and amortisation	Group total
	Lottery BU	Sports Betting BU	ABUs	Holding				
Stakes	12,733	3,186	40	0		15,959		15,959
Gross gaming revenue (GGR)	4,337	769	2	0		5,107		5,107
Net gaming revenue (NGR)	1,492	372	15	0		1,879		1,879
Revenue	1,495	372	52	1		1,920		1,920
Cost of sales	-847	-183	-9	0		-1,039	-40	-1,079
Marketing and communication expenses	-145	-86	-46	-24		-301	-28	-330
Contribution margin	502	103	-3	-23		579	-68	511
General and administrative expenses & Other operating income and expenses				-152		-152	-34	-186
EBITDA						427		
Depreciation and amortisation							-102	
RECURRING OPERATING PROFIT								325

The proportion of Group revenue generated outside the Group's home country (France) was marginal and remained steady (2021: 2%; 2020: 2%).

Given the nature of its business, the Group does not have key accounts.

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	31.12.2021	31.12.2020
Recurring operating profit	393	325
Net depreciation and amortisation	-129	-102
EBITDA	522	427

Net depreciation and amortisation was €129 million. The increase of €27 million was mainly caused by the shortening of the amortisation periods for certain capitalised development costs against a backdrop of constant technological innovation, and by the start of amortisation in January 2021 of the partnership agreement on the Paris Olympic and Paralympic Games in 2024.

4.4 OPERATING RISK MANAGEMENT

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;
- for sports betting: repeated winnings over extensive periods on competitions won by the favourite athletes.

The counterparty risk of lottery games is hedged by an insurance policy. The policy was taken out by FDJ within the framework of an annual policy with several insurance companies to cover the aggregate counterparty risks for

lottery games based on a counterparty mechanism. In 2021, the policy covered the cumulative net impact on NGR of potential counterparty losses over the financial year, subject to a deductible of €6 million and capped at €130 million in aggregate, subject to the limit of €100 million winnings per prize draw pursuant to Article 8 of Decree 2019-1061 of 17 October 2019 on the framework for the gaming offer of La Française des Jeux and Pari Mutuel Urbain. The insurance premium is disclosed in general and administrative expenses. Any claims payments are included in other operating income. No claims were paid under this policy in 2021 or 2020. In addition to this insurance policy, rare and extreme counterparty risks may also be covered by the statutory reserve (see Note 12.3).

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 4.6.2), are as follows:

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	0.0	239.8	3.7	2.7	0.0	0.2	0.8
CURRENT RECEIVABLES	574.8	40.3	-16.8	598.3	23.5	18.3	2.1	1.9	1.2

In millions of euros	31.12.2020								
	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	245.7	27.9	-18.3	255.4	9.6	7.7	0.9	0.7	0.3
Other current receivables	190.9	2.3	0.0	193.2	2.3	1.4	0.3	0.5	0.1
CURRENT RECEIVABLES	436.7	30.3	-18.4	448.6	11.9	9.2	1.1	1.2	0.4

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 materially exposed are the US dollar (in 2021 and 2020), for a maximum amount of \$29.1 million (2020: \$32.4 million), and the pound sterling (in 2021 and 2020), for a maximum amount of £9.1 million (2020: £6.4 million).

The fair value of USD hedging derivatives was €0.5 million at the end of December 2021 (2020: -€1.6 million). This exposure mainly arose from foreign-currency purchases of gaming materials. The fair value of GBP hedging derivatives was -€0.7 million at the end of December 2021 (2020: -€0.1 million). This relates to the hedging of purchases and receivables denominated in GBP.

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. An increase of £0.10 per €1 in the EUR/GBP exchange rate on derivatives held and classified as hedging derivatives would have increased the valuation of the instruments by €1.1 million. A decrease of £0.10 would have reduced their valuation by €1.5 million.

In 2020, 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 €2.2 million. A decrease of \$0.10 would have increased their valuation by €2.7 million. An increase of £0.10 per €1 in the EUR/GBP exchange rate on derivatives held and classified as hedging derivatives would have increased

the valuation of the instruments by €0.5 million. A decrease of £0.10 would have reduced their valuation by €0.7 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 PLAYER FUNDS

Reserve 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 comprise funds intended for the organisation of games. They amounted to €257 million at 31 December 2021 (2020: €192 million).

4.6 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.

4.6.1 Trade and distribution network receivables

In millions of euros	31.12.2021	31.12.2020
Trade receivables (gross)	38.1	24.7
Distribution network receivables (gross)	337.1	249.0
Impairment	-16.7	-18.3
TOTAL TRADE AND DISTRIBUTION NETWORK RECEIVABLES	358.5	255.4

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 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 2021 is due to a calendar effect and to an increase in stakes wagered during the final few days of the year.

4.6.2 Other current assets

In millions of euros	31.12.2021	31.12.2020
Prepaid expenses	21.6	21.6
Other current receivables	239.8	193.2
TOTAL OTHER CURRENT ASSETS	261.3	214.8

Other current receivables at 31 December 2021 include an advance payment of €202 million on public levies liabilities (2020: €165.4 million).

4.7 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.

4.7.1 Trade and distribution network payables

In millions of euros	31.12.2021	31.12.2020
Trade payables	173.0	105.5
Distribution network payables	212.6	143.5
TOTAL TRADE AND DISTRIBUTION NETWORK PAYABLES	385.7	249.0

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 2021.

4.7.2 Public levies liabilities

In millions of euros	31.12.2021	31.12.2020
Liabilities – General State budget	243.2	224.8
Liabilities – Sports betting levies	63.0	75.2
Liabilities – Other public levies	45.2	41.5
Sub-total	351.5	341.4
Unclaimed prizes	150.2	70.6
PUBLIC LEVIES LIABILITIES	501.7	412.0

Public levies are paid over on a monthly basis, except in the case of unclaimed prizes, which are paid during the first half of next financial period. The €80 million year-on-year increase in unclaimed prizes is due to an extension of the claim period in 2020.

- available funds in player balances held in accounts on fdj.fr or parionssportenligne.fr (2021: €51 million; 2020: €40 million);
- winnings due to online players in course of payment (2021: €81 million; 2020: €1 million); the change is due to large prizes won at the year-end that had not yet been cashed out.

4.7.3 Winnings payable/Player balances

Winnings payable and player balances totalled €370 million at 31 December 2021 (2020: €289 million). They mainly comprise:

- winnings payable, i.e. unexpired, unpaid winnings owed to players (2021: €229 million; 2020: €241 million);

4.7.4 Other current liabilities

In millions of euros	31.12.2021	31.12.2020
Prepaid income	38.0	46.7
Other payables	165.2	147.8
OTHER CURRENT LIABILITIES	203.2	194.4

Deferred gaming income comprises stakes wagered in one year for draws or events taking place in the subsequent year. The amount at 31 December 2021 was €38 million (2020: €47 million). They are recognised as stakes within a maximum period of five weeks. The amount in 2020 included Euromillions stakes for a draw held on 1 January 2021.

Other payables mainly comprise tax and social security payables. The amount at 31 December 2021 was €145 million (2020: €133 million).

4.8 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

4.8.1 Group headcount

Group weighted average headcount, covering all types of employment contracts including temporary staff, was as follows in 2021 and 2020:

	31.12.2021	31.12.2020
WEIGHTED AVERAGE HEADCOUNT	2,697	2,614

Year-end headcount was as follows:

	31.12.2021	31.12.2020
TOTAL YEAR-END HEADCOUNT	2,732	2,611

4.8.2 Personnel expenses

In addition to salaries and the corresponding social security charges, personnel expenses include the current service cost of retirement benefits as well as temporary staff, training and other related employee-related expenses.

In millions of euros	31.12.2021	31.12.2020
Wages and salaries	154.7	143.3
Social security contributions	75.5	71.8
Employee profit-sharing and incentives	34.6	31.8
Long-term benefits	2.8	-1.8
Other	25.5	23.1
TOTAL PERSONNEL EXPENSES	293.2	268.1

The rise in personnel expenses was largely due to the increase in the weighted average headcount.

4.8.3 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.

Long-term 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.

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.

Post-employment benefits 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.

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.

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	31.12.2021	31.12.2020*
Retirement benefits	32.1	33.2
Long-service awards	8.7	8.3
Healthcare costs	6.8	7.1
PROVISIONS FOR RETIREMENT BENEFITS AND SIMILAR COMMITMENTS	47.7	48.6

* After change of accounting policy, see Note 2.2.1.

The inputs used to determine the provision for retirement benefit obligations are as follows:

	31.12.2021	31.12.2020
Discount rate	0.80%	0.35%
Wage growth ⁽¹⁾	3.00%	3.00%
of which inflation	2.00%	2.00%
Employee turnover rate ⁽¹⁾		
– management	0.95%	0.95%
– non-management	0.57%	0.57%
Mortality table	INSEE TH-TF 2000-2002	INSEE TH-TF 2000-2002

(1) Age-adjusted.

In millions of euros	31.12.2021	31.12.2020
Actuarial obligation⁽¹⁾ at the beginning of the period	48.6	56.9
Effects of changes in accounting policy (IFRIC)	-	-4.6
Current service cost ⁽²⁾	2.8	-1.8
Interest on the actuarial obligation	0.2	0.4
Actuarial gains (losses)	-3.4	-2.4
Benefits paid	-0.5	-
ACTUARIAL OBLIGATION AT THE END OF THE PERIOD	47.7	48.6

(1) Actuarial obligation relating to retirement benefits, long-service awards and health costs.

(2) The current service cost in 2021 included a reversal of €1.0 million, offset by departure costs (2020: €5.5 million).

There has been a change of accounting policy, in application of the IFRS IC decision on the calculation method for obligations in respect of retirement benefits (see Note 2.2.1 "Change of accounting policy"). Provisions for retirement benefits were reduced by €4.6 million (before tax), with a corresponding reduction in consolidated reserves. The change of accounting policy does not have a material impact on current service costs.

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.

According to the results of the sensitivity tests performed on both financial years, a 25 bp increase or decrease in the discount rate would lead respectively to an increase or decrease of 2.5% in the current provision for retirement benefits.

The average duration was 13 years at 31 December 2021 (2020: 12 years).

4.8.4 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.

Performance shares were awarded on 30 June 2021 to the Corporate Directors and certain Group employees. The performance share entitlements were measured at fair value as at the award date, i.e. 30 June 2021, in accordance with the principles set out above. The entitlements awarded were estimated at 115,520 shares as at 31 December 2021. The entitlements have a vesting period of three years and are conditional on continued service.

Share awards are subject to the achievement of performance targets (EBITDA, profit per share, total shareholder return for FDJ shareholders, identified stakes ratio and Moody's ESG rating). If the 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 fair value of the free shares, calculated as at the award date of 30 June 2021, was €44.20 per share. This was based on the assumptions below:

Share price	€49.58
Expected dividends during the vesting period	5.3%
Volatility of FDJ shares	23.0%
Weighting for non-market performance targets (base 100%)	85.0%
Weighting for performance targets linked to total shareholder return (base 100%)	15.0%
Valuation method	Monte Carlo

The estimated expense is €6.5 million (including employer's social security contributions) over the term of the plan, of which €1.1 million is expensed in 2021. During the year, 40,000 shares were purchased for a total of €1.7 million for distribution to the beneficiaries when the plan matures.

4.9 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 2021 was €13 million (2020: €15 million).

Note 5 Goodwill

Goodwill is the difference between the acquisition price and the fair value of the identifiable assets acquired and 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 value in use or the fair value less costs of disposal (where higher).

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	31.12.2020	Acquisitions Impairment	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	-

In millions of euros	31.12.2019	Acquisitions Impairment	Currency translation differences	31.12.2020
Goodwill (gross)	70.4	-	-3.4	67.0
Impairments	-14.0	-26.8	0.7	-40.0
GOODWILL (NET)	56.4	-26.8	-2.7	26.9

HISTORICAL NOTES

FDJ Group acquired Sporting Group in May 2019. Goodwill of €57.2 million was recognised upon the transaction.

A first impairment of €10 million was recognised in December 2019, following the results of impairment testing based on the Group's new strategy plan.

An additional impairment of €23.5 million was recognised in 2020 against the backdrop of the health crisis, which had a significant effect on Sporting Group's business due to the cancellation or postponement of most sports events.

UPDATE AS AT 31 DECEMBER 2021

While the first six months of 2021 were in line with forecasts, the performance of the Sporting Group CGU deteriorated in the second half of the year. The performance of the UK sports betting market was affected by unexpected sports results and by stricter rules imposed by the Gambling Commission (the UK regulator) on the source of gamers' funds, amid ongoing difficult conditions due to the pandemic.

Against this backdrop, the new management put in place during 2021 carried out a strategy update, which led to a

reorganisation of the company, decisions on the future of certain projects and increased capital expenditure. Although the long-term vision remains unchanged, these decisions, which are reflected in the new business plan approved by the Business Steering Committee, will be a drain on cash flow generation over the course of the next few years.

At 31 December 2021, the impairment test carried out on the basis of the foregoing yielded an enterprise value of €37 million. As a result, the remaining goodwill of €24.2 million (€28.8 million) was written off in full.

The impairment test was based on the new business plan and incorporated the assumptions below:

- incorporation into the B2B business of FGS UK's managed services offering together with its historic clients, with an upward revision of the growth outlook for B2B (potential in the North American market, new partnerships, etc.);
- downward revision of the outlook for the B2C business, due to market conditions and the revision of some operational projects;
- increased capital expenditure on the B2B business throughout the business plan period in connection with the development of the managed services offering;

- revised UK tax rates (corporation tax increasing from 19% to 25% from 2023, social security contributions rising by 1.25% from 2022).

The new business plan assumes that the business will progressively expand, as the Group considers that the long-term outlook and strategic rationale have not been called into question.

The terminal value represents the total enterprise value.

The discount rate used was 14.8% after factoring in IFRS 16 (2020: 14.3%), and the average weighted long-term growth rate was 1.75% (2020: 2.0%).

A sensitivity test was performed on the enterprise value:

- a 1% change in the discount rate would affect the enterprise value by around £5 million;
- a one-quarter-point change in the growth rate represents £0.8 million;
- a three-point drop in the marginal rate in the final year would reduce the enterprise value by £9 million.

Amid the current highly uncertain environment, these assumptions represent the Group's best estimates based on the internal and external data available to date.

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 person-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 one and 15 years, mostly over five years in 2020. With effect from 2021, the amortisation period for certain capitalised development costs was reduced from five years to three years. Certain such assets now have shorter useful lives, becoming obsolete more quickly as a result of the technological environment, constant innovation in practices and competitive trends. The assets concerned relate to digital-only lottery games and competitive sports betting. 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

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	31.12.2021			31.12.2020		
	Gross	Amortisation Impairments	Net	Gross	Amortisation Impairments	Net
Exclusive operating rights	380.0	-39.7	340.3	380.0	-24.5	355.5
Development costs	220.1	-144.4	75.7	191.4	-104.5	86.9
Software	78.4	-69.4	9.0	138.8	-128.4	10.5
Intangible assets in progress and other intangible assets	111.8	-14.4	97.3	71.7	-3.3	68.3
TOTAL INTANGIBLE ASSETS	790.3	-267.9	522.3	781.9	-260.7	521.2

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 "assets in progress" to "available for use".
(2) Currency translation differences.

The main acquisitions made in the period concerned the parent company and related to the development of production and back-office IT systems and point-of-sale terminals.

An intangible asset has been recognised in relation to a partnership and licence agreement for the Paris Olympic and Paralympic Games in 2024. It is being amortised on a straight-line basis over four years from 1 January 2021.

The effect of the change in the estimation methods for development costs has been recognised prospectively at €12.2 million.

No material impairment losses were recognised on intangible assets in 2021 or 2020.

In millions of euros	31.12.2019	Acquisitions Allowances	Disposals Reversals	Reclassifications ⁽¹⁾	Change in scope	Other movements ⁽²⁾	31.12.2020
Exclusive operating rights	380.0	-	-	-	-	-	380.0
Development costs	155.4	16.3	-1.5	29.0	-6.9	-0.9	191.4
Software	137.0	0.5	-	1.6	-	-0.2	138.8
Advances and payments on account	-	6.4	-	6.4	-	-	12.8
Intangible assets in progress and other intangible assets	67.2	24.1	-0.1	-30.5	-	-1.8	58.9
Gross amounts	739.6	47.4	-1.7	6.4	-6.9	-3.0	781.9
Amort. / Impairment – Exclusive operating rights	-9.3	-15.2	-	-	-	-	-24.5
Amort. / Impairment – Development expenses	-86.8	-26.2	1.4	-	6.9	0.2	-104.5
Amort. / Impairment – Software	-123.0	-5.5	-	-	-	0.2	-128.4
Amort. / Impairment – Other intangible assets	-1.4	-2.0	-	-	-	0.1	-3.3
Amortisation and impairments	-220.6	-49.0	1.4	-	6.9	0.5	-260.7
NET INTANGIBLE ASSETS	519.0		-0.2	6.4	-	-2.5	521.2

(1) Includes 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 modified retrospective approach provided for in IFRS 16 and 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	31.12.2021			31.12.2020		
	Gross	Amortisation Impairments	Net	Gross	Amortisation Impairments	Net
Land	96.6	-	96.6	96.6	-	96.6
Building facilities and amenities	240.0	-83.1	156.9	236.2	-77.7	158.5
Rights of use (IFRS 16)	46.4	-18.1	28.2	39.6	-14.8	24.8
Furniture, technical installations & PoS equipment	236.6	-191.8	44.7	236.4	-175.6	60.9
Hardware	81.8	-70.6	11.2	74.8	-64.9	9.9
Local services equipment	24.1	-21.7	2.4	23.5	-20.4	3.1
Other property, plant and equipment	45.5	-40.2	5.3	43.7	-38.2	5.5
Property, plant and equipment in progress	13.3	-	13.3	14.3	-0.4	13.9
Advances and payments on account	1.0	-	1.0	1.0	-	1.0
TOTAL PROPERTY, PLANT AND EQUIPMENT	785.2	-425.5	359.6	766.1	-391.9	374.2

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 installations 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) Includes reclassifications from "in progress" to "available for use".
(2) Currency translation effects and new leases (IFRS 16).

In millions of euros	31.12.2019	Acquisitions Allowances	Disposals Reversals	Reclassifications ⁽¹⁾	Change in scope	Other movements ⁽²⁾	31.12.2020
Land	96.6	-	-	-	-	-	96.6
Building facilities and amenities	231.1	5.0	-0.2	0.7	-	-0.4	236.2
Rights of use (IFRS 16)	38.0	-	-0.2	-0.2	-	2.0	39.6
Furniture, technical installations & PoS equipment	234.8	9.9	-10.7	2.4	-	-	236.4
Hardware	70.1	4.3	-0.2	0.6	-	-	74.8
Local services equipment	23.2	1.5	-0.4	0.1	-0.4	-0.5	23.5
Other property, plant and equipment	40.8	2.7	-	0.2	-	-	43.7
Property, plant and equipment in progress	10.9	8.5	-1.0	-4.0	-	-	14.3
Advances and payments on account	1.4	-	-	-	-	-0.4	1.0
Gross amounts	746.8	32.0	-12.7	-0.2	-0.4	0.7	766.1
Depreciation – Building installations and amenities	-67.1	-11.0	0.2	-	-	0.4	-77.7
Depreciation – Rights of use (IFRS 16)	-7.6	-7.6	0.2	0.2	-	0.1	-14.8
Dep. / Impairment – Furniture, technical installations & PoS equipment	-161.9	-24.4	10.7	-	-	-	-175.6
Dep. / Impairment – Hardware	-59.6	-5.5	0.2	-	-	-	-64.9
Dep. / Impairment – Local services equipment	-19.2	-2.3	0.3	-	0.4	0.4	-20.4
Dep. / Impairment – Other property, plant and equipment	-36.0	-2.2	-	-	-	-	-38.2
Impairment – Property, plant and equipment in progress	-1.4	1.0	-	-	-	-	-0.4
Depreciation and impairments	-352.7	-52.1	11.5	0.2	0.4	0.8	-391.9
NET PROPERTY, PLANT AND EQUIPMENT	394.0		-1.2	-	-	1.5	374.2

(1) Reclassifications from "in progress" to "available for use".

(2) Currency translation differences.

In 2021, as in 2020, 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	31.12.2020	Increases	Reversals		Other movements	31.12.2021
			Utilised	Not utilised		
Total non-current provisions	47.6	0.1	-0.3	-34.6	-0.3	12.5
Total current provisions	13.3	10.4	-8.6	-2.3	-	12.8
TOTAL PROVISIONS	60.9	10.5	-8.9	-36.8	-0.3	25.3

Non-current provisions cover the legal cases with former agent-brokers.

The Court of Cassation (the highest court of appeal) has dismissed the appeal brought before it by the agent-brokers (see Note 1.3 and 14) and so put a definitive end to the proceedings, leading to the reversal of a €34 million provision.

Current provisions mainly cover litigation related to operations.

Note 8 Cash and financial instruments

8.1 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 8.2) based on their liquidity, maturity and risk of changes in value.

Term deposits

Term deposits are measured at amortised cost and tested on the basis of their expected credit losses. They are classified as non-current financial assets, current financial assets or cash equivalents (see Note 8.2) 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	31.12.2021	31.12.2020
Non-current financial assets at amortised cost	435.0	320.0
Non-current financial assets at fair value through profit or loss	433.2	182.1
Non-current derivatives	2.7	0.0
Other non-current financial assets	73.8	69.2
Total non-current financial assets	944.7	571.4
Current financial assets at amortised cost	52.4	210.0
Current financial assets at fair value through profit or loss	40.0	5.0
Current derivatives	0.5	0.5
Security deposits	0.7	0.2
Total current financial assets	93.7	215.7
TOTAL FINANCIAL ASSETS	1,038.3	787.1
Non-current financial debt	462.2	490.2
Non-current lease liabilities	23.6	19.3
Other non-current financial liabilities	0.5	0.5
Total non-current financial liabilities	486.3	510.0
Current financial debt	26.9	26.9
Current lease liabilities	6.2	6.8
Current derivatives	0.8	1.7
Bank overdrafts	0.0	0.3
Other financial liabilities	26.6	182.6
Total current financial liabilities	60.6	218.2
TOTAL FINANCIAL LIABILITIES	546.9	728.2

Other non-current financial assets mainly include:

- the deposit linked to the secured trust agreement (2021: €60 million; 2020: €50 million), measured at amortised cost. This deposit is intended to protect the credit balances of online sports betting and lottery players;
- the Euromillions deposit (31 December 2021 €7.5 million; 2020: €11.4 million), measured at fair value through profit or loss.

In 2021, with interest rates at all-time lows or indeed negative for the vast majority of deposit terms, FDJ continued its policy of investing in five-year term accounts where these offered a positive return, either renewing with the same bank or moving funds to new counterparties. It also

maintained its policy of diversifying in order to improve returns, within the limits of the asset allocation policy.

In 2021, term deposits of €210 million, disclosed in financial assets at amortised cost, matured while €165 million was invested in new term deposits. In addition, just under €200 million was invested in two bond funds; both funds are UCITS and are highly liquid in the very short term. It is intended to hold these investments until 2024. They are presented under non-current financial assets at fair value through profit or loss. Other medium- or long-term investments in UCITS (financial assets at fair value through profit or loss) have also been made.

In millions of euros	Cash flows					Non-cash flows				31.12.2021
	31.12.2020	Repayment of financial debt	Change in overdrafts	Lease payments (IFRS 16)	Total cash flows	Currency translation differences	Reclassification current/non-current financial debt	Other	Total non-cash flows	
Non-current financial debt	490.2	-5.9	-	-	-5.9	4.6	-27.0	0.2	-22.1	462.2
Non-current lease liabilities	19.3	-	-	-	0.0	0.1	-7.0	11.3	4.4	23.6
Other financial liabilities	0.5	-	-	-	0.0	-	-	-	0.0	0.5
Total non-current financial liabilities	510.0	-5.9	0.0	0.0	-5.9	4.7	-34.0	11.5	-17.8	486.3
Current financial debt	26.9	-27.0	-	-	-27.0	-	27.0	0.1	27.1	26.9
Current lease liabilities	6.8	-	-	-7.6	-7.6	-	7.0	-	7.0	6.2
Current derivatives	1.7	-	-	-	0.0	-	-	-0.9	-0.9	0.8
Bank overdrafts	0.3	-	-0.3	-	-0.3	-	-	-	0.0	0.0
Other financial liabilities	182.6	-156.0	-	-	-156.0	-	-	-	0.0	26.6
Total other current financial liabilities	218.2	-183.0	-0.3	-7.6	-190.8	0.0	34.0	-0.8	33.2	60.6
TOTAL FINANCIAL LIABILITIES	728.2	-188.9	-0.3	-7.6	-196.7	4.7	0.0	10.7	15.4	546.9

Current and non-current financial debt totalled €489 million at 31 December 2021 (2020: €517 million). This consisted of:

- a loan of €347 million (net of €3 million issuance costs) to fund the securing of the exclusive operating rights, of which €328 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 covering €228 million of the principal have been put in place (€176 million hedged until June 2026 and €53 million until September 2027);
- an €80 million loan for the acquisition of the Group's registered office, of which €72 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 £55 million loan (€65 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), which has been hedged until June 2022. A voluntary repayment of £5 million was made during the period.

Under the Pacte Law, player funds – i.e. counterparty funds, permanent funds and reserve funds – closed on or after 1 January 2020 must be paid to the State by 30 December 2022. The Group made this payment (€156 million) in 2021; it had been presented in other financial liabilities at 31 December 2020.

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	0.0	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
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
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	60.5	-	-	-	-	-	60.5
TOTAL FINANCIAL LIABILITIES	60.5	32.0	53.5	30.7	75.0	295.0	546.8

In millions of euros	2020						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	-	50.0	115.0	50.0	60.0	45.0	320.0
Non-current financial assets at fair value through profit or loss	-	177.1	5.0	-	-	-	182.1
Other non-current financial assets	-	68.7	-	-	-	0.5	69.2
Total non-current financial assets	-	295.8	120.0	50.0	60.0	45.5	571.4
Current financial assets at amortised cost	210.0	-	-	-	-	-	210.0
Current financial assets at fair value through profit or loss	5.0	-	-	-	-	-	5.0
Current derivatives	0.5	-	-	-	-	-	0.5
Security deposits	0.2	-	-	-	-	-	0.2
Total current financial assets	215.7	-	-	-	-	-	215.7
TOTAL FINANCIAL ASSETS	215.7	295.8	120.0	50.0	60.0	45.5	787.1
Non-current financial debt	-	27.6	26.6	48.9	71.1	316.1	490.2
Non-current lease liabilities	-	4.7	4.3	3.8	2.9	3.6	19.3
Other non-current financial liabilities	-	0.1	-	-	-	0.4	0.5
Total non-current financial liabilities	-	32.4	30.9	52.6	74.1	320.1	510.0
Current financial debt	26.9	-	-	-	-	-	26.9
Current lease liabilities	6.8	-	-	-	-	-	6.8
Current derivatives	1.7	-	-	-	-	-	1.7
Bank overdrafts	0.3	-	-	-	-	-	0.3
Other current financial liabilities	182.6	-	-	-	-	-	182.6
Total current financial liabilities	218.2	-	-	-	-	-	218.2
TOTAL FINANCIAL LIABILITIES	218.2	32.4	30.9	52.6	74.1	320.1	728.2

8.2 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 subject to analysis based on 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	31.12.2021	31.12.2020
Investments, cash equivalents	221.2	218.5
Bank accounts and other	380.4	454.7
CASH AND CASH EQUIVALENTS	601.7	673.2

Investments classified as cash equivalents include interest-bearing term or sight deposits (2021: €65 million; 2020: €80 million) and UCITS fund units (2021: €156 million; 2020: €139 million). The latter mainly include the Euromillions fund (2021: €103 million; 2020: €86 million).

The change in cash and cash equivalents is detailed in Note 8.3.

The Group is not aware of any major restrictions that would limit its access to the assets of any of the subsidiaries it controls.

8.3 CASH FLOWS

The increase in depreciation and amortisation expenses is mainly due to the additional amortisation linked to the reduction of the useful lives of certain capitalised development costs, the amortisation of the partnership agreement for the Paris Olympic and Paralympic Games in 2024, and asset impairments.

The change in provisions in 2021 includes 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.

In 2020, the €360 million increase in operating working capital was mainly driven by:

- initial application of the Pacte Law, which led to a payment of €108 million to the French State following the abolition of player funds, as well as to a switch from weekly to monthly payment of public levies, the latter being offset by the requirement to make an advance payment;
- the extension of the deadlines for claiming prizes and winnings offered by FDJ during the second lockdown; and
- a calendar effect concerning distribution network receivables and payables.

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 €76 million in 2021 (2020: €460 million). They mainly concerned IT and back office developments and PoS gaming terminals. In 2020, they also included the €380 million payment made to secure the exclusive operating rights.

The change in current and non-current financial assets (2021: -€216 million; 2020: +€110 million) is mainly the result of the maturity (+€210 million) and renewal (-€165 million) of term deposits and the establishment of dedicated bond funds (-€200 million). The change in 2020 was mainly due to maturing term deposits (+€163 million).

The repayment of €189 million of financial debt includes 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.

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 €103 million at 31 December 2021 (2020: €97.3 million). This sum is presented in cash and cash equivalents.

8.4 NET FINANCIAL INCOME

Includes:

- borrowing costs;
- income from financial investments;
- change in the value of derivatives;
- foreign exchange gains or losses.

(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).

In millions of euros	31.12.2021	31.12.2020
Cost of financial indebtedness	-5.8	-5.4
Gains on disposals	2.3	3.4
Interest on investments	2.9	6.7
Derivatives (income)	0.0	0.0
Financial income on securities valued at fair value through profit or loss	19.7	3.4
Foreign exchange gains	0.6	0.2
Other financial income	2.3	0.6
Financial income	27.9	14.4
Derivatives (expenses)	-0.4	-1.0
Financial expenses on securities valued at fair value through profit or loss	0.0	0.0
Foreign exchange losses	-0.7	-2.8
Other financial expenses	-0.2	-0.5
Financial expenses	-1.3	-4.3
NET FINANCIAL INCOME	20.8	4.6

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 net change in gains on securities at fair value through profit or loss (up by €16 million in 2021 relative to 2020) is due to market evolution and to the performance of the innovation funds, which support the development of start-ups in fields closely linked to FDJ's core business.

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. In 2020, foreign exchange gains and losses notably included the ineffective portion of retranslation of the external sterling-denominated debt taken out to hedge the net position of Sporting Group.

8.5 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 falls 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.

8.5.1 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 Group would bear in the event that a counterparty defaults on its obligations to the Group.

For financial investments and derivatives, the Group'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. The selection is based both on their rating and the maturity of the transaction. The list 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 the risk of counterparty default with a potentially material impact on its financial position and results to be limited, due to the policy in place for managing counterparties and more particularly because of the minimum long-term rating stipulated for these transactions.

In millions of euros	31.12.2021	31.12.2020
Non-current financial assets at amortised cost	435.0	320.0
Non-current assets at fair value through profit or loss (excluding innovation funds)	377.4	150.7
Non-current derivatives	2.7	-
Total non-current financial assets (excluding innovation funds)	815.1	470.7
Current financial assets at amortised cost	52.4	210.0
Current financial assets valued at fair value through profit or loss	40.0	5.0
Current derivatives	0.5	0.5
Total current investment securities	93.0	215.5
Investments, cash equivalents	221.2	218.5
TOTAL INVESTMENTS (EXCLUDING INNOVATION FUNDS)	1,129.3	904.7

As at 31 December 2021, investments principally comprised:

- UCITS and similar assets of €518 million (2020: €245 million);
- investments with counterparties of €606 million (2020: €660 million). These comprise €505 million in term

- deposits (2020: €550 million); €45 million in interest-bearing demand deposits (2020: €60 million) and €56 million in EMTNs (2020: €50 million);
- derivatives of €3 million (2020: €1 million);
- accrued interest of €2 million.

Credit risk on investments with counterparties may be broken down as follows:

Rating	Investments with counterparties at 31.12.2021 (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	235			1	1
A/Financial institutions	371	5	4	2	
TOTAL	606				

8.5.2 Credit risk on trade receivables

The Group 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.

The health crisis did not significantly increase the risk of default, thanks to the existing risk mitigation system, network support measures established by the Group and State aid granted to retailers.

8.5.3 Liquidity risk

Liquidity risk is defined as the Group'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 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.

During the year ended 31 December 2021, financial investments averaged €1,456.1 million. Loans taken out with banks totalled €492.3 million at the year end, comprising:

- €346.8 million (excluding issue costs) related to the financing for the exclusive operating rights payment;
- €80 million of debt related to the purchase of the Group's head office;
- €65 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, €150 million in unused confirmed credit facilities has been in place since February 2021, with maturities varying from one to five years.

Given the level of financial investments at 31 December 2021, 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.

8.5.4 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 a change in interest rates. The interest rate risk of a financial liability is the risk of incurring an additional cost due to a change 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 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 2021, the share of financial investments exposed to this direct risk was negligible. A 0.5% increase or decrease across the entire yield curve would have no material impact on the fair value of the financial investments. The borrowings incurred in connection with the exclusive operating rights payment (€346.8 million) and the acquisition of Sporting Group (€65 million) bear interest at variable rates. A 0.5% increase across the entire yield curve would have an impact of less than €1 million.

8.5.5 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 class of assets.

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 2021, financial investments subject to market risk amounted to €573.7 million (2020: €306.7 million).

8.6 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	31.12.2021		31.12.2020
		Level	Fair value	Fair value
Cash	Fair value through profit or loss	Level 1	380.4	454.7
Cash equivalents			221.2	218.4
	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	<i>118.5</i>	<i>132.6</i>
	<i>Fair value through profit or loss</i>	<i>Level 2</i>	<i>102.7</i>	<i>85.8</i>
Non-current financial assets	-		944.7	571.4
<i>of which non-current financial assets at amortised cost</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	<i>435.0</i>	<i>320.0</i>
<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>	<i>377.4</i>	<i>150.7</i>
<i>of which non-consolidated securities (innovation fund)</i>	<i>Fair value through profit or loss</i>	<i>Level 2</i>	<i>42.6</i>	<i>18.7</i>
<i>of which non-consolidated securities (innovation fund)</i>	<i>Fair value through profit or loss</i>	<i>Level 3</i>	<i>13.2</i>	<i>12.9</i>
<i>of which other non-current financial assets</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	<i>76.5</i>	<i>69.0</i>
Current financial assets	-	Level 2	93.7	215.7
<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>	<i>40.0</i>	<i>5.0</i>
<i>of which current financial assets at amortised cost</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	<i>52.4</i>	<i>210.0</i>
<i>of which current derivatives</i>	<i>Fair value through OCI</i>	<i>Level 2</i>	<i>0.5</i>	<i>0.5</i>
<i>of which security deposits</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	<i>0.7</i>	<i>0.2</i>
Trade and distribution network receivables (net value)			358.5	255.4
<i>of which trade receivables</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	<i>38.1</i>	<i>24.7</i>
<i>of which distribution network receivables</i>	<i>Loans and receivables at amortised cost</i>	<i>Level 2</i>	<i>320.4</i>	<i>230.7</i>
Other operating assets (excluding tax and employee receivables and prepaid expenses)		-	212.4	175.6
TOTAL FINANCIAL INSTRUMENTS – ASSETS			2,210.9	1,891.2
Non-current financial liabilities	Financial liabilities at amortised cost	Level 2	486.3	510.0
Trade and distribution network payables			385.7	249.0
<i>of which suppliers</i>	<i>Financial liabilities at amortised cost</i>	<i>Level 2</i>	<i>173.0</i>	<i>105.5</i>
<i>of which distribution network payables</i>	<i>Financial liabilities at amortised cost</i>	<i>Level 2</i>	<i>212.6</i>	<i>143.5</i>
Current player funds	Financial liabilities at amortised cost	Level 2	256.6	192.4
Winnings payable/Player balances	Financial liabilities at amortised cost	Level 2	370.0	288.8
Other operating liabilities excluding tax and social security receivables and prepaid income	Financial liabilities at amortised cost	Level 2	68.6	60.3
Other current financial liabilities	Financial liabilities at amortised cost	Level 2	60.6	218.2
TOTAL FINANCIAL INSTRUMENTS – LIABILITIES			1,627.8	1,518.7

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 9 Investments in joint ventures

In millions of euros	Total
Value of securities at 31.12.2019	14.5
Change in scope	0.1
Share of net income for 2020	1.3
Dividends	-0.9
Currency translation differences	-0.4
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

9.1 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. L'Échappée, as the association responsible for dealing with ethical issues, defines the sports programme and manages all activities associated with amateur cycling. An expense of €4.0 million was recorded on the sponsorship contract between FDJ and SGE in 2021 (2020: €6.7 million).

9.2 LOTTERIES ENTERTAINMENT INNOVATION ALLIANCE (LEIA)

The Group holds a 20% stake⁽¹⁾ 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 around €2.4 million in 2021 (2020: around €1 million).

9.3 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 share repurchase on 21 May 2021 whereby Berjaya Ltd ceased to be a shareholder in BZP, and the subsequent reduction in share capital, had no effect on the valuation of the BZP shares. In percentage terms, FDJ's equity interest rose from 37% to 46.25%.

The Group had no material business relations with BZP in 2021. BZP paid dividends to FDJ Group, net of currency effects and withholding taxes, of €0.9 million in 2020 (no dividend was paid in 2021).

9.4 SERVICES AUX LOTERIES EN EUROPE (SLE)

The Group holds a 26.57% stake in joint venture Services aux Lotteries 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 2021, the Group earned income of €2 million from its business relations with SLE.

9.5 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 €1.6 million in 2021.

(1) The Group held a 25% stake in LEIA on 1 January 2020. The Group's holding, along with that of the other shareholders, was reduced to 20% on 1 October 2020 when Svenska Spel acquired an interest in the company.

Note 10 Income tax expense

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.

10.1 INCOME TAX EXPENSE

In millions of euros	31.12.2021	31.12.2020
Deferred tax	0.7	5.1
Current tax	-123.1	-90.1
TOTAL INCOME TAX EXPENSE	-122.5	-85.0

The rise in the income tax expense in 2021 resulted mainly from the rise in profit before tax. The effective tax rate was 29.7% (2020: 28.6%).

10.2 CURRENT TAX ASSETS AND LIABILITIES

In millions of euros	31.12.2021	31.12.2020
Current tax assets	13.0	15.8
Current tax liabilities	1.1	0.3

Current tax assets and liabilities mainly comprise the net amount of income tax instalments paid and the income tax expense payable for the period.

10.3 DEFERRED TAX

In millions of euros	31.12.2021		31.12.2020	
	Assets	Liabilities	Assets	Liabilities
Non-deductible provisions ⁽¹⁾	10.1		10.5	
Temporarily non-deductible expenses	6.2		7.3	
Other sources of temporary differences ⁽²⁾	3.3	-46.7	3.7	-44.3
Tax loss carryforwards	6.1		1.5	
Total deferred tax	25.6	-46.7	23.0	-44.3
NET DEFERRED TAX		-21.0		-21.3

(1) Includes the change of accounting policy concerning IAS 19/IFRIC in 2020 (-€1.2 million).

(2) Mainly comprises deferred tax on the elimination of regulated provisions, depreciation and amortisation and financial assets at fair value through profit or loss.

Deferred tax assets of €6 million have been recognised in respect of loss carryforwards, including €4.3 million recognised in the current period, based on current projections with utilisation expected no later than 2026.

10.4 RECONCILIATION OF THE THEORETICAL TAX RATE AND THE EFFECTIVE TAX RATE

In millions of euros	2021	2020
Consolidated accounting profit before tax excluding income from joint ventures	412.5	297.3
Theoretical standard income tax rate	28.4%	32.0%
Theoretical income tax expense	117.2	95.2
Effects of items generating differences from theoretical tax expense:		
– Permanent differences	17.3	-12.0
– Effect of tax rates (differences between countries and application of reduced rates) on current and deferred tax	-0.1	0.6
– Tax credits	-12.4	-2.5
– Taxable losses net of utilisations	-0.7	4.1
– Other items	1.2	-0.4
Total differences between effective tax and theoretical tax	5.3	-10.2
EFFECTIVE INCOME TAX EXPENSE	122.5	85.0
Effective tax rate	29.7%	28.6%

The main sources of differences are the impairments described in 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 11 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.

	31.12.2021	31.12.2020
Net profit attributable to owners of the parent (in millions of euros)	294.2	213.7
Weighted average number of ordinary shares ⁽¹⁾	190,956,080	190,962,466
Basic earnings per share (in euros)	1.54	1.12
Diluted earnings per share (in euros)	1.54	1.12

(1) Excludes treasury shares.

FDJ considers that it has repurchased 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).

As the Group did not issue any dilutive or non-dilutive instruments during the periods presented, diluted earnings per share are therefore equal to basic earnings per share.

Note 12 Equity

12.1 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 11.

12.2 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 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 award scheme initiated on 30 June 2021.

At 31 December 2021, there were 112,063 treasury shares representing a deduction of €4.5 million from consolidated equity (2020: 26,333 shares representing a deduction of €0.9 million).

12.3 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.

FDJ's Articles of Association (Article 29.A) provide for the constitution of a reserve to deal with rare (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). This reserve, referred to as the "statutory reserve", can be used in the event of the occurrence of the risks described below, in particular where the counterparty risk insurance (see Note 4.7.1) is not sufficient to cover the risks of the game.

The risks covered are the following:

- operating risks that may arise at any time during the life cycle of the games (design, production of gaming materials, logistics, marketing, etc.). These are measured at 0.3% of prior year stakes (net of tax effects). In 2021, the exceptional drop in stakes did not give rise to a reduction of the proportion of the reserve allocated to operational risk, which remains at the same level as in 2020 (€52 million);
- rare and extreme counterparty risks, measured as and when a major change occurs in the gaming offer or in player behaviour. At 31 December 2021 and 2020, €40 million was allocated to the statutory reserve to cover these risks.

The statutory reserve at 31 December 2021 thus amounted to €92 million (2020: €92 million).

12.4 PAYMENT OF DIVIDENDS

The dividend in respect of 2021, to be submitted to the vote of 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.

The dividend in respect of 2020, approved by the General Meeting of Shareholders of 16 June 2021 approving the financial statements for the year ended 31 December 2020, was €172 million, i.e. €0.90 per share.

(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 14" ongoing 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 as 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 13 Related party transactions

13.1 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 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 top prizes are distributed on a parimutuel basis 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		31.12.2021	31.12.2020
Consolidated statement of financial position – Assets	Exclusive operating rights (gross value)	380.0	380.0
Consolidated statement of financial position – Assets	Advance payment of public levies	202.1	165.4
In millions of euros		31.12.2021	31.12.2020
Consolidated statement of financial position – Liabilities	Public levies (including unclaimed prizes)	501.7	412.0
Consolidated statement of financial position – Liabilities	Player funds closed on 1 January 2021	-	156.0
In millions of euros		31.12.2021	31.12.2020
Income statement	Public levies	3,816.0	3,242.7

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.

13.2 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. The balance of La Française des Jeux's commitment is €3.7 million, which is covered by a bank guarantee.

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 action plan for the period from 2023 to 2027.

No material transactions have been entered into with any member of the management bodies who has a significant influence on the Group.

13.3 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 21 members.

In the consolidated income statement, executive compensation is limited to the following items:

In millions of euros	31.12.2021	31.12.2020
Short-term employee benefits	5.8	4.9
Long-term employee benefits	0.8	0.2
TOTAL	6.6	5.1

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	31.12.2021	31.12.2020
Short-term employee benefits	1.8	1.7
Long-term employee benefits	2.9	2.2

The fair value of the free shares awarded during the period to the principal executives under the share-based payment scheme enacted on 30 June 2021 was €2.9 million.

Post-employment benefits do not apply to Corporate Directors (the Chairwoman & CEO and the Chief Operating Officer), given their status as civil servants on secondment.

Note 14 Ongoing legal proceedings and other disputes (see Note 7)

LEGAL PROCEEDINGS BROUGHT BY 85 AGENT-BROKERS

Members of the French lottery 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.

LEGAL PROCEEDINGS BROUGHT BY 67 AGENT-BROKERS

On 6 August 2015, 67 agent-brokers brought proceedings against La Française des Jeux in the Commercial Court of Paris. They made claims for damages following the termination of their agent-broker agreements. On 3 October 2016, the Tribunal dismissed the agent-brokers' claims in their entirety. They appealed this ruling in November 2016 to the Paris Court of Appeal. In its judgment of 27 March 2019, the Paris Court of Appeal upheld the ruling in its entirety. In June 2019, the agent-brokers appealed this judgment to the Court of Cassation. On 10 November 2021, the Court of Cassation rejected their appeal, thereby putting a definitive end to the proceedings brought by the 67 agent-brokers.

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 request. Soficoma appealed this ruling on 20 June 2019 to the Court of Appeal of Aix-en-Provence. The case is pending before the Court of Appeal.

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 currently stayed due to the case currently pending before the Court of Appeal of Aix-en-Provence. Soficoma has applied for the case to be resumed and FDJ has again applied for proceedings to be stayed pending resolution of the primary proceedings currently before the Court of Appeal of Aix-en-Provence. The Commercial Court of Nanterre is to rule on 15 February 2022.

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 a statement on 6 August 2021 and the applicants submitted new statements on 11 October 2021. 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 15 Off-balance-sheet commitments

Other commitments are detailed in the table below:

In millions of euros	31.12.2021	31.12.2020
Commitments given		
Deposits and first-demand guarantees	40.9	32.4
Sponsorship agreement	22.6	30.2
Investment funds	45.7	44.5
Performance bonds ⁽¹⁾	102.8	113.6
Image rights for cyclists and commitment to the Association L'Échappée	0.8	1.2
Escrow account	-	1.1
Property rent	4.9	2.4
Mortgage on goods acquired	86.4	95.4
Paris 2024 partnership	-	22.2
Other commitments given	0.8	0.9
TOTAL COMMITMENTS GIVEN	305.0	344.1
Commitments received		
Performance bonds and commitments to return advance payments	140.4	115.1
Guarantees for remittance of stakes and payment of winnings	459.6	378.4
Counterparty risk insurance	130.0	150.0
Confirmed credit facilities	150.0	-
TOTAL COMMITMENTS RECEIVED	880.0	643.5

(1) Includes printing contracts worth €23.6 million in 2021 (2020: €33.8 million).

15.1 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 new registered office.

Investment funds are mainly innovation 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 and OneRagtime – ARIA.

15.2 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 (2020: €150 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.

15.3 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.

15.4 SCHEDULE OF LEASE COMMITMENTS

Lease commitments at 31 December 2021 and 31 December 2020 were payable as follows:

In millions of euros	31.12.2021	31.12.2020
Less than 1 year	1.7	0.8
Less than 5 years	3.2	1.6
More than 5 years	-	-
Lease commitments ⁽¹⁾	4.9	2.4

(1) 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 €29.8 million at 31 December 2021 (2020: €26.0 million).

Note 16 Post-closing events

On 8 February 2022, a repayment of £25 million (€30 million) was made on the loan taken out to finance the acquisition of Sporting Group.

Note 17 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 2021 ⁽¹⁾	Consolidation method 2020 ⁽¹⁾	Percentage of control 2021	Percentage of control 2020
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%	37%
La Française de Motivation	France	Business travel consulting agency Travel agency	-	FC	-	100%
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	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 (FGS)	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%	50%
Lotteries Entertainment Innovation Alliance AS (LEIA)	Norway	Operation of digital gaming platforms	EM	EM	20%	20%
Sporting Group Holdings Limited (formerly Sporting Index Holdings Ltd)	United Kingdom	Holding company	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%

(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 18 Statutory auditors' fees

The statutory auditors' fees for 2021 and 2020 were as follows:

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

In thousands of euros	31.12.2020			
	Audit services		Non-audit services	
	Pricewaterhouse Coopers Audit	Deloitte & Associés	Pricewaterhouse Coopers Audit	Deloitte & Associés
FDJ (issuer)	430	430	50	102
Subsidiaries (controlled entities)	240	142	-	-
STATUTORY AUDITORS' FEES	670	572	50	102

Non-audit services in 2021, as in 2020, 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 2021)

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 2021.

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 2021 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 2021 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

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, 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 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 2021 amounted to €2.23 billion, of which €2.20 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 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.

RECOVERABLE AMOUNT OF SPORTING GROUP GOODWILL (SEE NOTE 5 TO THE CONSOLIDATED FINANCIAL STATEMENTS)

Description of risk

The acquisition of Sporting Group at the end of May 2019 led the Company to recognise GBP 57.2 million in goodwill (€67 million), of which impairment of GBP 33.5 million (€37.5 million) was recognised at 31 December 2020.

Goodwill corresponds to the difference between the acquisition price and the fair value of the identifiable assets acquired and the liabilities assumed. As indicated in Note 5 to the consolidated financial statements, it is allocated to the Sporting Group cash-generating unit (CGU).

Goodwill is not amortised but is tested for impairment once a year at the reporting date or more frequently if there is evidence of impairment. The objective of the impairment test is to ensure that the carrying amount of the tested assets is not higher than their recoverable amount. The recoverable amount represents the higher of fair value (less costs to sell) and value in use. It is determined by management by discounting the estimated future cash flows of the activities to which the goodwill is allocated. These cash flows are determined based on numerous estimates and assumptions, including the revenue growth rate, the operating margin rate and the discount rate, which can, particularly in the segments in which Sporting Group operates, fluctuate over time and vary significantly from actual future performance.

In accordance with IAS 36, an impairment test was conducted at 31 December 2021, based on the new business plan approved by the Business Steering Committee (BSC). The latter, drawn up by the new management, incorporates strategic changes in a context of deteriorating performance during the second half of the year, linked in particular to regulatory changes. The impairment test resulted in a full

write-down of the remaining goodwill of GBP 24.2 million (€28.8 million, after taking into account the currency effect).

We deemed the measurement of the recoverable amount of Sporting Group goodwill to be a key audit matter due to the material amount of the goodwill and the high degree of judgement and estimation required from management, in particular given the greater uncertainty as a result of the ongoing health crisis.

How our audit addressed this risk

We examined the methodology used by management to determine the recoverable amount of goodwill, and assessed its compliance with current accounting standards.

We also performed a critical assessment of the implementation of this methodology and, in particular:

- obtained the test prepared by management and reconciled the value of the assets tested with the underlying accounting data;
- gained an understanding of the process for preparing the Sporting Group five-year business plan drawn up by management and approved by the Business Steering Committee (BSC);
- compared the cash flows used in the test with the five-year business plan drawn up by management and approved by the Business Steering Committee (BSC);
- conducted, with the help of our valuation experts, a critical assessment of the methods used to calculate value in use and assessed the discount rate used;
- assessed the cash flow projections, including revenue growth rates and operating margin rates, based on our knowledge of the relevant business segments and the regulatory, economic and health environment in which Sporting Group operates, and compared them with past performance and market data when available.

Lastly, we examined the disclosures provided in the notes to the consolidated financial statements, in particular concerning the main assumptions used amid the uncertainty of the ongoing health crisis, and the analyses of the sensitivity of the recoverable amount to changes in these assumptions.

SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified 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.

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 2021, PricewaterhouseCoopers Audit and Deloitte & Associés were in the sixth and nineteenth consecutive year of their engagement, respectively, and the third 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.

Fait à Neuilly-sur-Seine and Paris-La Défense, 17 February 2022

The statutory auditors

PricewaterhouseCoopers Audit

Philippe Vincent

Jean-Paul Collignon

Deloitte & Associés

Jean-François Viat

Nadège Pineau

6.3 Parent company financial statements for the year ended 31 December 2021

6.3.1 PARENT COMPANY FINANCIAL STATEMENTS

The financial statements are presented in millions of euros, rounded to the nearest hundred thousand euros. 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	31.12.2021	31.12.2020
Stakes	3.1	18,942.1	15,918.8
Player payout	3.1	-12,938.8	-10,813.0
Gross gaming revenue	3.1	6,003.3	5,105.8
Public levies	3.1	-3,815.5	-3,242.2
Net gaming revenue	3.1	2,187.7	1,863.6
Revenue from other activities	3.1	27.9	21.6
Revenue	3.1	2,215.6	1,885.2
Capitalised development expenses	3.2	36.5	32.1
Reversals of provisions and transfers of expenses		13.7	20.3
Other operating income		0.9	1.0
Total operating income		2,266.8	1,938.6
Inventory purchases used		32.5	28.2
Purchases and external expenses	3.2	1,484.0	1,260.2
Taxes		18.9	20.6
Personnel expenses	4	173.6	162.9
Depreciation and amortisation	5	109.0	88.4
Provisions	6	13.9	16.5
Other operating expenses		19.7	17.3
Total operating expenses		1,851.4	1,594.2
Operating profit	3.2	415.3	344.3
Total financial income		16.6	21.6
Total financial expenses		42.5	44.6
Net financial expense	7.4	-25.9	-23.0
Recurring profit		389.4	321.3
Total non-recurring income		89.7	99.8
Total non-recurring expenses		52.2	97.0
Net non-recurring profit	8	37.5	2.9
Employee profit-sharing and incentives	4.2	25.6	23.4
Income tax expense	9	115.8	85.4
NET PROFIT	10	285.6	215.4

6.3.3 BALANCE SHEET

ASSETS

In millions of euros	Note	31.12.2021		31.12.2020	
		Gross	Amortisation, depreciation and provisions	Net	Net
Exclusive operating rights	5.1	380.0	39.7	340.3	355.5
Other intangible assets	5.2	344.1	212.3	131.8	122.5
Property, plant and equipment	5.3	672.8	351.5	321.3	338.9
Non-current financial assets	7.1	276.0	74.8	201.2	158.2
Fixed assets		1,672.9	678.3	994.6	975.1
Inventories	3.3.6	13.4	0.8	12.6	14.5
Advances and payments on account		2.4	-	2.4	2.4
Trade and distribution network receivables	3.3.1	395.9	15.5	380.4	324.9
Other receivables	3.3.2	241.4	0.1	241.4	200.2
Transferable securities	7.3	560.1	1.4	558.6	281.7
Cash and cash equivalents	7.3	903.3	-	903.3	1,046.3
Prepaid expenses	3.5	18.5	-	18.5	18.8
Current assets		2,134.9	17.8	2,117.1	1,888.9
Expenses deferred over multiple periods		4.6	-	4.6	4.7
Unrealised exchange gains		3.2	-	3.2	0.1
TOTAL ASSETS		3,815.6	696.1	3,119.5	2,868.8

SHAREHOLDERS' EQUITY AND LIABILITIES

In millions of euros	Note	31.12.2021	31.12.2020
Share capital		76.4	76.4
Legal reserve		7.6	7.6
Statutory reserve		91.7	91.7
Optional reserve		268.1	224.5
Retained earnings		2.5	-
Net profit for the period		285.6	215.4
Regulated provisions		122.4	135.8
Shareholders' equity	10	854.3	751.5
Provisions for risks		8.4	4.9
Provisions for liabilities		57.5	90.5
Provisions for risks and liabilities	4.3 and 6.1	65.9	95.4
Loans from credit institutions	7.3	492.6	521.1
Trade and distribution network payables	3.3.3	392.8	259.7
Player funds to be repaid to the French State	3.3.4	-	155.9
Public levies and and winnings payable and distributable	3.3.4	1,118.2	886.0
Other payables	3.3.5	159.3	151.7
Prepaid income (stakes)	3.5	36.4	46.0
Payables		2,199.2	2,020.4
Unrealised exchange losses		-	1.4
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,119.5	2,868.8

6.3.4 STATEMENT OF CASH FLOWS

In millions of euros	Note	31.12.2021	31.12.2020
Operating activities			
Net profit for the period		285.6	215.4
Elimination of non-cash and non-operating income and expenses		96.2	86.7
Amortisation, depreciation and provisions		96.5	60.4
Disposal gains or losses		1.2	26.3
- Other		-1.5	-
Impact of changes in the cash position on operating activities		188.5	359.3
Other cash cost positions (excluding game operations)		7.1	4.2
Game operations		181.4	355.1
Net cash flow from operating activities		570.3	661.4
Investing activities			
Cash outflows from acquisitions of property, plant and equipment and intangible assets	5	-64.8	-441.4
Cash inflows from disposals of fixed assets (prop. plant & eqmt., intangible and financial)		0.1	-
Cash outflows from acquisitions of financial assets		-1.8	-1.8
Cash inflows/outflows from loans and security deposits		-13.9	-46.8
Net cash flow used in investing activities		-80.4	-490.0
Financing activities			
Repayment of funds to the French State		-155.9	-
Dividends paid to shareholders of the parent company		-166.7	-83.4
Issue of long-term debt	7.3	-	380.0
Repayments of borrowings	7.3	-32.9	-66.6
Net cash flow used in financing activities		-355.5	230.0
NET INCREASE IN CASH AND CASH EQUIVALENTS		134.4	401.4
Cash and cash equivalents at opening		1,327.5	926.1
Cash and cash equivalents at closing	7.3	1,461.9	1,327.5
<i>Cash and transferable securities</i>		1,461.9	1,328.1
<i>Bank overdrafts</i>		-	0.6

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 2021, 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 tight control over the Company. As a result, the appointment of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers, as well as any changes in shareholdings that cross the threshold 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 2021, the Group, which comprises 20 consolidated entities, runs a gaming operation and distribution business in France (metropolitan and overseas departments), four French overseas territories and Monaco. It operates internationally, notably 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 lottery ticket 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, a highly regulated industry under strict State control. Gaming in France is generally prohibited, subject to restricted exemptions.

The online sports betting business, which is a non-exclusive activity, is governed by Law no. 2010-476 of 12 May 2010 and conducted within the framework of a five-year agreement

which was last renewed by the ANJ in 2020. 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 gaming; 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 Activity

- **Return of the environment to normal**
 - The entire network of over 30,000 points of sale open as from early June;
 - A standard calendar, for both sporting competitions and lottery marketing and promotional events.
- **Business growth across all product ranges**
 - Strong growth for Loto[®] and Euromillions, driven notably by record jackpots and numerous long cycles;
 - Success for new instant games available at points of sale, such as "La grosse roue" and "A prendre ou à laisser", the third phygital game;
 - Growth in Parions Sport Point de Vente stakes thanks to the continued enrichment of the offer and digitalisation, which now accounts for nearly 85% of stakes. Parions Sport En Ligne continues to record strong growth, reflecting the attractiveness of its offer, amid a fast-developing market.
- **Business growth across all sales channels**
 - Stakes in the sales network were up 16%. Strong momentum continued in the digital channel, with stakes up 42% vs. 2020. Online stakes accordingly represent more than 11% of total stakes.
 - In lotteries alone, online stakes were 37% higher than in 2020. This performance is still mainly attributable to the increase in the player base, which exceeded 4 million at the year-end. More than two years ahead of pre-health crisis expectations, online lottery stakes now amount to nearly €1.6 billion and account for nearly 11% of total lottery stakes.

(1) *Union des Blessés de la Face et de la Tête (UBFT)* and *Fédération Nationale André Maginot (FNAM)*.

● Acceleration of adjacent activities

- Internationally, a B2B offer was successfully launched in North America. This involved the rollout of a comprehensive service to manage a point-of-sale and online sports betting offering in two Canadian provinces, Proline+ in Ontario and PlayAlberta in Alberta.
- The rollout of point-of-sale payment services for public treasury bills (tax payments, fines collection, public service bills etc.) continued. This service is now available in more than 12,000 points of sale, up from 9,000 at the end of 2020. Moreover, the French Prudential Control and Resolution Authority (ACPR), which is attached to the Banque de France, has given FDJ's Payment and Services activity accreditation as a payment institution, enabling it to develop a collection activity on behalf of third parties in addition to the French Public Treasury (DGFIP).

● CSR commitments assessed and strengthened

In 2021, FDJ reaffirmed its commitments to society and maintained a very high level of non-financial performance:

- A strengthened commitment to responsible gaming and the fight against underage and excessive gambling, with:
 - 10% of the Group's total advertising purchases to be devoted to this commitment from 2022, compared with 10% of the television advertising budget previously,
 - Intensification of the action plan during UEFA Euro 2020, with TV campaigns to prevent underage gambling and digital video to raise awareness about excessive gambling;
- A €25 million endowment to the FDJ Corporate Foundation for its 2023-2027 programme, a 28% increase vs. the previous endowment;
- The implementation of the Rebond fund, a fund to support local businesses in vulnerable areas, to which FDJ has contributed nearly €15 million;
- A €2 million donation from the FDJ Corporate Foundation to support 15,000 young people in difficulty. This brings FDJ Group's total exceptional donations to various associations supporting vulnerable people to nearly €5 million since the beginning of the health crisis;
- Moody's ESG A1+ rating maintained, and a 100/100 rating obtained on the "Pénicaud" gender equality index.

1.3.2 Closed player funds (€156 million) paid to the State under the Pacte Law

Under the Pacte Law, player funds – i.e. counterparty funds, permanent funds and reserve funds – closed on 1 January 2020 must be paid to the State by 30 December 2022. FDJ paid these funds (€156 million) in 2021. They had been disclosed under financial debt as at 31 December 2020. In 2020, FDJ paid €380 million to the French State as financial consideration to secure exclusive operating rights and €165 million as an advance payment of public levies.

1.3.3 Proceedings brought against FDJ by 67 agent-brokers concluded

On 6 August 2015, 67 agent-brokers brought proceedings against La Française des Jeux, seeking damages following the termination of their agent-broker contracts. In a judgment issued on 10 November 2021, the Court of Cassation (the highest court of appeal) dismissed the 67 agent-brokers' appeal and so put a definitive end to the proceedings. The reversal of the associated €34 million provision was recorded in non-recurring income.

1.3.4 Impairment testing

Impairment tests carried out at the year-end revealed an impairment on the Sporting Group CGU, which led to an additional impairment charge of €28.8 million on the shares in its parent company, FGS Holding.

1.3.5 Endowment to the FDJ Corporate Foundation

On 16 December 2021, the Board of Directors decided to renew the FDJ Corporate Foundation for a term of five years from 3 January 2023, with a €25 million action plan for the period from 2023 to 2027. This undertaking has been recorded in expenses for the current period.

1.3.6 European Commission inquiry

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.

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 regarding the guarantee, confirming that there was no guarantee in the sense of State aid, while the preliminary inquiry pursuant to the complaints on tax treatment remains in course.

Note 2 Accounting policies and framework

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 2021 at its meeting of 15 February 2022.

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 Change of accounting policy

A change of accounting policy was applied as from 1 January 2021, the ANC having authorised the application of the IFRS IC decision of May 2021 on the recognition over time of obligations under certain defined benefit schemes.

The impact of retrospective application of this decision has been recognised in equity as at 1 January 2021. The change affects retirement benefit obligations. It led to a decrease of €2.5 million in provisions for retirement benefits and a corresponding increase in retained earnings.

2.2.2 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.

2.2.3 Estimates and judgements

The preparation of financial statements requires management to make judgements to determine the accounting treatment used in the financial statements.

The management of FDJ also makes estimates with a material effect on the amounts recognised in respect of the following items:

- employee benefits (discount rate and starting assumptions) – see Note 4;
- property, plant and equipment and intangible assets (useful life and recoverable amount) – see Note 5;
- equity securities (discount rate and business plan assumptions affecting the expected cash flows) – see Note 7.

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.

These judgements and estimates affect the application of the accounting policies and the amounts of assets, liabilities, income and expenses.

Note 3 Operating data

3.1 NET GAMING REVENUE AND 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 % of stakes)

Draw games	between 50% and 72% depending on the game range
All instant games	between 60% and 75% of stakes 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.

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%

The applicable VAT rate is 20% of net gaming revenue.

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 – generalised 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 on 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)

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), 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.

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	31.12.2021	31.12.2020	Change %
Stakes	18,942.1	15,918.8	19%
Player payout	-12,938.8	-10,813.0	20%
Gross gaming revenue (GGR)	6,003.3	5,105.8	18%
Public levies	-3,815.5	-3,242.2	18%
Net gaming revenue (NGR)	2,187.7	1,863.6	17%
Revenue from other activities	27.9	21.6	29%
REVENUE	2,215.6	1,885.2	18%

In millions of euros	31.12.2021	31.12.2020
Draw games	740.1	643.7
Instant games	983.6	847.9
Lottery	1,723.7	1,491.6
Sports betting	464.0	372.0
NET GAMING REVENUE (NGR)	2,187.7	1,863.6

NGR was €2,187.7 million, a rise of 17%.

Revenue from other activities essentially derives from the re invoicing of costs to subsidiaries. It totalled €27.9 million in 2021 (2020: €21.6 million).

3.2 OPERATING PROFIT

Operating profit was €415.3 million, €71 million higher than in 2020.

Owing to the continued high level of investment in the company's digital and commercial transformation, **capitalised development expenses** were €36.5 million, €4.4 million higher than in 2020.

Reversals of provisions and transfers of expenses were €13.7 million, €6.6 million lower than in 2020, due to lower reversals of provisions for personnel costs and retirement obligations.

Operating expenses linked to the remuneration of the offline **distribution network** (retailers and commercial sectors, including FDP), were €1,022.3 million, 16% (€141.1 million) higher than in 2020, as a result of the higher stakes.

Other than offline distribution network costs, **other external purchases and expenses** (€461.7 million) rose by €82.6 million compared to 2020, mainly due to the increase in sponsorship and advertising costs. In 2020, the company had enacted a savings plan in response to the Covid-19 crisis.

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

Reserve 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	31.12.2021			31.12.2020		
	Gross	Impairments	Net	Gross	Impairments	Net
Distribution network receivables	333.2	15.2	317.9	246.8	16.4	230.4
Trade receivables	18.2	-	18.2	12.1	-	12.1
Subsidiary current accounts	44.6	0.3	44.3	82.4	-	82.4
TOTAL TRADE AND DISTRIBUTION NETWORK RECEIVABLES	395.9	15.5	380.4	341.3	16.4	324.9

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 2021 is due to a calendar effect and to an increase in stakes wagered during the final few days of the year.

Receivables are due within one year.

3.3.2 Other receivables

In millions of euros	31.12.2021			31.12.2020		
	Gross	Impairments	Net	Gross	Impairments	Net
Other operating receivables	39.3	0.1	39.2	34.9	0.1	34.8
Advance payments on State levies	202.1	-	202.1	165.4	-	165.4
TOTAL OTHER ACCOUNTS RECEIVABLE	241.4	0.1	241.3	200.3	0.1	200.2

Other current receivables mainly include the December advance payment on public levies, as provided for by the Pacte Law.

3.3.3 Trade and distribution network payables

In millions of euros	31.12.2021	31.12.2020
Trade accounts payable	168.5	105.2
Distribution network payables	224.2	154.6
TOTAL TRADE AND DISTRIBUTION NETWORK PAYABLES	392.8	259.7

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 2021. Trade and distribution network payables are due within one year.

3.3.4 Player funds to be repaid to the French State, public levies and winnings payable and distributable

In millions of euros	31.12.2021	31.12.2020
Player funds to be repaid to the French State	-	155.9
Public levies	501.3	411.1
Winnings payable and distributable	616.9	474.9
TOTAL	1,118.2	1,041.9

Player funds to be repaid to the French State mainly comprised the various funds that were closed on 31 December 2019 in accordance with the Pacte Law. They were repaid to the French State in February 2021.

Public levies comprise amounts payable to the State, social security agencies, local authorities and other public bodies (see 3.1).

In millions of euros	31.12.2021	31.12.2020
Liabilities – General State budget	242.4	223.9
Liabilities – Other levies	108.6	116.8
Unclaimed prizes	150.2	70.4
TOTAL PUBLIC LEVIES	501.3	411.1

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 product ranges between December 2021 and December 2020.

Unclaimed prizes rose by €79.8 million between the two year-ends due to increase in stakes and the higher number of forfeited prizes on instant games in 2021. Deadlines for claiming prizes had been partly suspended in 2020 due to the closure of points of sale during the health crisis.

Winnings payable and distributable were €616.9 million at 31 December 2021 (2020: €474.9 million). This rise of €142 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, notably increases in rollover and super jackpot funds.

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 €13.4 million, less impairments of €0.8 million. They consisted of game materials.

Inventories were subject to an impairment provision of €0.8 million as at 31 December 2021.

3.4 RECEIVABLES AND PAYABLES WITH SUBSIDIARIES AND EQUITY INVESTMENTS

In millions of euros For the year ended 31 December 2021	Receivables			Payables	
	Advances and payments on accounts	Trade receivables	Gross current account receivable	Trade payables	Current account payable
1 – Subsidiaries (≥ 50%):	-	8.3	20.2	17.5	25.5
FGS (FDJ Gaming Solutions)	-	-	10.8	-	-
La Pacifique des Jeux	-	0.0	-	0.2	-
La Française d'Images	-	1.6	2.5	2.1	-
FDJ Services	-	0.2	6.0	-	-
DVRT 13	-	0.3	0.8	-	-
FDP	-	1.8	-	11.4	24.1
FDJ Développement	-	0.1	-	0.2	1.3
NLCS	-	4.3	-	3.6	-
2 – Equity investments (> 10% and < 50%):	-	3.8	-	1.6	-
Services aux Loteries en Europe	-	1.1	-	0.6	-
Société de Gestion de l'Échappée	-	0.1	-	-	-
LEIA (Lotteries Entertainment Innovation Alliance)	-	2.6	-	1.0	-
TOTAL	-	12.1	20.2	19.1	25.5

3.5 PREPAID EXPENSES AND PREPAID STAKES

In millions of euros	31.12.2021	31.12.2020
Prepaid expenses	18.5	18.8
Prepaid income (prepaid stakes)	36.4	46.0

Prepaid gaming income comprises stakes wagered in one year for draws or events taking place in the subsequent year. Its growth between the two year-ends is due to the draw calendar, notably in respect of stakes recorded at the end of 2020 for the Euromillions draw held on Friday, 1 January 2021.

Prepaid expenses of €18.5 million mainly related to insurance premiums, rental expenses, IT maintenance and the sponsorship agreement for the cycling team.

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 1630, compared with 1569 in 2020, breaking down as 1344 managers, 218 non-managers and 68 apprentices or professional training contracts.

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 €16.9 million in 2021, which was comparable with the figure 2020. The net provision for incentives totalled €8.6 million in 2021, compared with €6.6 million in 2020.

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.

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 May 2021 decision of the IFRS IC.

This adjustment resulted in a change of accounting policy and a reduction in the liability recognised as at 1 January 2021, which was recognised as a reduction to equity.

The balance sheet provision as at 1 January 2021 was reduced by €2.5 million, with an additional reduction of €1.2 million in off-balance-sheet commitments.

In millions of euros	31.12.2020	Effects of changes in accounting policy (IFRIC)	Increases	Reversals		31.12.2021
				Utilised	Not utilised	
Retirement benefits	22.4	-2.5	2.3	0.3	-	21.9
Healthcare costs	8.3		0.6	0.1	-	8.7
Long-service awards	7.5		0.1	0.1	-	7.4
Long-term and post-employment benefits	38.1	-2.5	3.0	0.5	-	38.1
Other provisions for risks and liabilities	8.7		8.7	7.2	0.2	10.1
TOTAL	46.8	-2.5	11.7	7.6	0.2	48.2
Operating profit			10.7	6.8	0.1	
Net financial income			0.2	0.1	-	
Non-recurring income			0.9	0.7	0.1	

The figures presented as at 31 December 2020 do not take account of the change of accounting policy applied in 2021 (impact on retained earnings).

The main assumptions used in relation to employee benefits are as follows:

	31.12.2021	31.12.2020
Discount rate	0.80%	0.35%
Wage growth ⁽¹⁾	3.00%	3.00%
of which inflation	2.00%	2.00%
Employee turnover rate ⁽¹⁾		
- management	0.95%	0.95%
- non-management	0.57%	0.57%
Mortality table	INSEE TH-TF 2000-2002	INSEE TH-TF 2000-2002

(1) 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	31.12.2021	31.12.2020
Actuarial obligation at the beginning of the period	47.8	51.9
Effects of changes in accounting policy (IFRIC)	-3.7	-
Current service cost	2.7	-1.8
Interest on the actuarial obligation	0.1	0.4
Off-balance sheet items (actuarial gains/losses, costs for past service, etc.)	-3.5	-2.3
Transfers	0.2	0.3
Benefits paid	-0.5	-0.6
Actuarial obligation at the end of the period	43.1	47.8
Accumulated actuarial losses	5.0	9.8
PROVISION AS AT 31 DECEMBER	38.1	38.1

The figures presented as at 31 December 2020 do not take account of the change of accounting policy applied in 2021 (impact on retained earnings and on off-balance sheet commitments).

Accumulated actuarial losses are an off-balance sheet commitment.

The results of sensitivity tests indicate that a 25 bp increase or decrease in the discount rate would lead respectively to a decrease of 0.55% or an increase of 1.05% in the current provision for retirement benefits.

Change in provision	31.12.2021	31.12.2020
Opening provision	38.1	37.1
Effects of changes in accounting policy (IFRIC)	-2.5	-
Current service cost	3.0	0.5
Interest on the actuarial obligation	0.1	0.4
Amortisation of actuarial gains and losses	-0.5	0.6
Benefits paid	-0.5	-0.6
Transfers	0.3	0.2
Net expense	0.0	1.0
<i>Operating profit</i>	<i>2.3</i>	<i>0.7</i>
<i>Financial income</i>	<i>0.1</i>	<i>0.4</i>
PROVISION AS AT 31 DECEMBER	38.1	38.1

The figures presented as at 31 December 2020 do not take account of the change of accounting policy applied in 2021 (impact on retained earnings).

Other provisions for risks and liabilities are primarily related to employee departures and labour disputes.

4.4 SHARE-BASED PAYMENT

Performance shares were awarded on 30 June 2021 to the Corporate Directors and certain FDJ employees. An amount representative of the benefit granted to the beneficiaries plus the employer's social security contribution of 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 based on an estimate of the future purchase price based on the quoted price on the last stock exchange trading day of the year). The expense will be spread across the vesting period of the rights (30 June 2021 to 30 June 2024) and may be corrected during that three-year period to reflect staff departures or dismissals or changes in the estimated probability that the performance criteria will be met.

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 an estimated 115,520 shares (estimate as at 31 December 2021) were awarded to the Corporate Directors and certain employees, subject to the achievement of performance targets. The entitlements have a vesting period of three years and are conditional on continued service with the Group during that period. Share awards are subject to the achievement of performance targets (EBITDA, profit per share, total shareholder return for FDJ shareholders, sustainable development target). If the 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. During the company purchased 40,000 shares for a total of €1.7 million for distribution to the beneficiaries when the plan matures. An expense of €1.1 million was recorded in 2021 in respect of the performance share awards.

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 €39.7 million had been charged to this asset as at 31 December 2021.

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 one and 15 years, mostly over five years in 2020. With effect from 2021, the amortisation period for certain capitalised development costs was reduced from five years to three years. Certain such assets now have shorter useful lives, becoming obsolete more quickly as a result of the technological environment, constant innovation in practices and competitive trends. The assets concerned relate to digital-only lottery games and competitive sports betting. Software is amortised over a period of five years.

The accelerated amortisation of these development costs has no effect on net profit, as the exceptional amortisation charges (recorded as operating expenses) are offset by reversals of non-standard amortisation.

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	31.12.2021			31.12.2020		
	Gross	Amortisation and impairments	Net	Gross	Amortisation and impairments	Net
Exclusive operating rights	380.0	-39.7	340.3	380.0	-24.5	355.5
Trademarks, copyrights and similar assets	39.6	-12.0	27.6	4.6	-1.6	2.9
Research and development expenditure	187.8	-131.7	56.1	177.1	-95.8	81.3
Software	73.6	-68.6	5.0	134.9	-127.1	7.8
Assets in progress	43.1	-	43.1	33.3	-2.7	30.6
TOTAL EXCLUSIVE OPERATING RIGHTS AND OTHER INTANGIBLE ASSETS	724.1	-252.0	472.1	729.8	-251.7	478.0

In millions of euros	31.12.2020	Acquisitions Allowances	Disposals Reversals	Reclassifications	31.12.2021
Exclusive operating rights	380.0	-	-	-	380.0
Trademarks, copyrights and similar assets	4.6	22.2	-	12.8	39.6
Research and development expenditure	177.1	4.8	-2.6	8.5	187.8
Software	134.9	1.6	-63.1	0.2	73.6
Assets in progress	20.4	31.6	-0.2	-8.7	43.1
Advances and payments on account	12.8	-	-	-12.8	-
Gross amounts	729.8	60.2	-65.9	0.0	724.1
Amort. / Impairment – Exclusive operating rights	24.5	15.2	-	0.0	39.7
Amort. / Impairment – Trademarks, copyrights and similar assets	1.6	8.8	-	1.6	12.0
Amort. / Impairment – Development expenses	95.8	38.3	-3.4	1.0	131.7
Amort. / Impairment – Software	127.1	4.6	-63.2	0.1	68.6
Amort. / Impairment – Other intangible assets	2.7	-	-	-2.7	-
Depreciation and impairments	251.7	66.8	-66.6	0.0	252.0
NET INTANGIBLE ASSETS	478.1	-6.6	0.6	0.0	472.2

An asset has been recognised in relation to FDJ's partnership and licence agreement for the Paris Olympic and Paralympic Games in 2024. It is being amortised on a straight-line basis over four years from 1 January 2021.

Research and development expenditure relates to the capitalised development costs. The increase reflects projects

capitalised between 1 January and 31 December of the reporting period. Some of these projects had been classified as "assets in progress" at the previous year-end.

The accelerated amortisation of certain development costs had an impact of €9.7 million on the amortisation charge recorded in operating costs for the period.

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	31.12.2021			31.12.2020		
	Gross	Depreciation and impairments	Net	Gross	Depreciation and impairments	Net
Land and improvements	98.3	-1.5	96.8	98.3	-1.5	96.8
Buildings	155.9	-28.5	127.4	157.2	-25.0	132.2
Technical installations, materials, equipment	175.5	-143.5	32.0	165.7	-130.3	35.4
Other property, plant and equipment	229.2	-178.1	51.2	226.9	-167.4	59.6
Property, plant and equipment in progress	13.0	-	13.0	14.4	-0.4	14.0
Advances and payments on account	1.0	-	1.0	1.0	-	1.0
TOTAL PROPERTY, PLANT AND EQUIPMENT	672.8	-351.5	321.3	663.4	-324.6	338.9

In millions of euros	31.12.2020	Acquisitions Allowances	Disposals Reversals	Reclassifications	31.12.2021
Land and improvements	98.3	-	-	-	98.3
Buildings	157.2	1.2	-2.7	0.1	155.9
Technical installations, materials, equipment	165.7	8.3	-3.2	4.7	175.5
Other property, plant and equipment	226.9	7.8	-9.4	3.9	229.2
Property, plant and equipment in progress	14.4	8.1	-1.1	-8.4	13.0
Advances and payments on account	1.0	0.3	-	-0.3	1.0
Gross amounts	663.5	25.8	-16.4	-	672.8
Dep. / Impairment – Land and improvements	1.5	-	-	-	1.5
Dep. / Impairment – Buildings	25.0	6.2	-2.7	-	28.5
Dep. / Impairment – Technical installations, materials, equipment	130.4	16.0	-3.0	-	143.5
Dep. / Impairment – Other property, plant and equipment	167.4	20.0	-9.3	-	178.1
Dep. / Impairment – Property, plant and equipment in progress	0.4	-	-0.4	-	-
Dep. / Impairment – Advances and payments on account	-	-	-	-	-
Depreciation and impairments	324.6	42.2	-15.4	-	351.5
NET PROPERTY, PLANT AND EQUIPMENT	338.9	-16.4	-1.0	-	321.3

Most acquisitions relate to equipment in points of sale.

Disposals and scrapping concern 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	31.12.2020	Effects of change in accounting policy (IFRIC)	Increases	Reversals		31.12.2021
					Utilised	Not utilised	
Provisions related to personnel	4.3	46.8	-2.5	11.7	7.6	0.2	48.2
Other provisions for risks and liabilities		48.7	-	4.7	0.3	35.3	17.8
TOTAL PROVISIONS FOR RISKS AND LIABILITIES		95.4	-2.5	16.4	7.9	35.4	65.9
<i>Operating profit</i>				10.7	6.8	0.1	
<i>Financial income</i>				3.3	0.1	-	
<i>Non-recurring income</i>				2.4	1.0	35.3	

Other provisions for risks and liabilities are primarily related to ongoing litigation and other legal disputes (Note 11).

The change since 31 December 2020 is mainly due to the reversal of a €34.4 million provision following the ruling by the Court of Cassation of 10 November 2021, which rejected the appeal in the case brought against FDJ by 67 agent-brokers and so put a definitive end to the proceedings (see Note 1.3).

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.

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	31.12.2020	Increase	Decrease	31.12.2021
Equity investments	97.2	60.0	-1.8	155.4
Impairment of equity interests	-45.3	-29.6	0.4	-74.5
NET AMOUNT	51.9	30.4	-1.4	80.9

On 31 December 2021, the assets and liabilities of La Française de Motivation, a 100% subsidiary of FDJ, were transferred to FDJ following the discontinuation of the subsidiary's activity.

The contribution was valued at book value. The transaction gave rise to negative goodwill of €0.5 million, which represents an impairment of the value of the equity investment and was recognised as a financial expense.

The increase in equity investments is due to the increase in the share capital of FGS Holding in June 2021, by way of the conversion into share capital of €60 million of receivables.

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 €29.6 million. This charge essentially relates to FGS Holding, which holds the company's interests in Sporting Group.

While the first six months of 2021 were in line with forecasts, the performance of the Sporting Group CGU deteriorated in the second half of the year. The performance of the UK sports betting market was affected by unexpected sports results and by stricter rules imposed by the Gambling Commission (the UK regulator) on the source of gamblers' funds, amid ongoing difficult conditions due to the pandemic.

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.

7.2 LOANS AND OTHER FINANCIAL ASSETS

In millions of euros	Equity as at 31.12.2021	Share capital	Share of capital held by FDJ	Carrying amount of securities held		Current account and receivables related to investments	Revenue 2021	Profit/ (Loss) 2021	Dividends collected in 2021
				Gross	Net				
1 – Subsidiaries (≥ 50%):				155.0	80.5	-5.3	116.5	-21.6	8.0
FDJ Gaming Solutions	41.0	76.3	100.00%	145.1	71.4	10.8	-	-35.5	-
La Pacifique des Jeux	3.2	1.3	99.99%	1.3	1.3	-	6.8	1.8	1.0
La Française d'Images	0.7	0.2	100.00%	0.3	0.3	2.5	12.5	-0.5	-
FDP	18.8	0.0	100.00%	4.3	4.3	-24.1	78.0	13.3	7.0
FDJ Développement	2.5	0.2	100.00%	0.3	0.3	-13	2.4	0.2	-
FDJ Services	2.8	3.5	100.00%	3.5	2.8	6.0	5.1	-0.7	-
DVRT 13	-0.3	0.1	100.00%	0.1	-	0.8	0.7	-0.3	-
NLCS	0.7	0.2	50.00%	0.1	0.1	-	11.0	0.1	-
2 – Equity investments (> 10% and < 50%):				0.3	0.3	-	29.6	0.5	-
Services aux Loteries en Europe	1.0	0.4	26.57%	0.1	0.1	-	4.4	0.1	-
Société de Gestion de l'Échappée	0.6	0.1	50.00%	0.1	0.1	-	20.1	0.4	-
Loteries Entertainment Innovation Alliance	1.4	0.5	20.00%	0.1	0.1	-	5.1	-	-
TOTAL				155.3	80.8	-5.3	146.1	-21.1	8.0

On 31 December 2021, the assets and liabilities of La Française de Motivation were transferred to FDJ following the discontinuation of the subsidiary's activity.

In millions of euros	Gross amount	
	31.12.2021	31.12.2020
Portfolio fixed assets	35.6	27.3
Security deposits	69.4	63.8
Treasury shares	15.6	15.6
TOTAL	120.6	106.7

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 is designed to protect the assets of online players, was €60 million as at 31 December 2021 (2020: €50 million). The increase in the deposit between the two year-ends is linked to the increase on online business. The agreement

was entered into with Equitis in 2014, initially for a term of five years. It now renews automatically every year unless cancelled. 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	31.12.2021		31.12.2020	
	Gross	Impairments	Net	Net
Shares in investment funds	505.1	-1.4	503.6	231.7
Transferable debt securities	55.0	-	55.0	50.0
Total transferable securities	560.1	-1.4	558.6	281.7
Cash and cash equivalents	903.3	-	903.3	1,046.3
TOTAL GROSS CASH	1,463.3	-1.4	1,461.9	1,328.0

Net cash increased by €133.8 million during the period to reach €1,461.9 million.

Long-term debt of €493 million (2020: €521 million) includes a loan taken out during 2020 to fund the payment for the exclusive rights, of which €347 million was outstanding at the end of 2021, a loan taken out in 2019 for the acquisition of Sporting Group, of which €65 million remained outstanding, and €80 million of debt in relation of the acquisition of the Group's headquarters. Of this total, €27 million was due in less than one year.

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 £55 million (€65 million) as at 31 December 2021. 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 €5 million during 2021.

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'Épargne Ile-de-France, Caisse d'Épargne 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 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 2021, the Company repaid €19 million in accordance with the schedule of instalments.

7.4 NET FINANCIAL EXPENSE

The net financial expense was impacted by an impairment charge of €29.6 million on equity investments, the majority of which (€28.8 million) related to FGS.

If items related to subsidiaries and equity investments are excluded, the company recorded a net financial expense of €4.3 million for the year (2020: net financial income of €4.3 million). The variation mainly reflects:

- a net interest effect of €0.6 million;
- a reduction of €6.1 million in net gains on sales of transferable securities.

In millions of euros	31.12.2021	31.12.2020
Interest and similar income	4.0	2.3
Dividends received	8.1	5.5
Reversals of provisions and transfers of charges	0.4	1.4
Realised exchange gains	1.0	1.5
Net proceeds from the sale of transferable securities	3.1	11.0
Total financial income	16.6	21.6
Interest and similar expenses	7.3	5.0
Depreciation, amortisation and provisions	34.2	33.3
Realised exchange losses	0.2	3.9
Net expenses on the sale of transferable securities	0.7	2.5
Total financial expense	42.5	44.6
NET FINANCIAL EXPENSE	-25.9	-23.0
Amount related to subsidiaries and equity investments	-21.6	-27.4

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 falls 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. The least 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 the risk of counterparty default with a potentially material impact on its financial position and results to be limited, due to the policy in place for managing counterparties and more particularly because of the minimum long-term rating stipulated for these transactions.

As at 31 December 2021, investments principally comprised:

- UCITS and similar assets of €518 million (2020: €242 million);
- investments with counterparties of €606 million (2020: €663 million). These comprise €505 million in term deposits (2020: €550 million), €45 million in interest-bearing demand deposits (2020: €60 million) and €55 million in EMTNs (2020: €50 million).

Credit risk on investments with counterparties may be broken down as follows:

	Investments with counterparties at 31.12.2021 (in millions of euros)	Number of counterparties by size of exposure			
		€0-€25 million	€25-€50 million	€50-€100 million	€100-€150 million
Rating					
AA/Financial institutions	235			1	1
A/Financial institutions	371	5	4	2	
TOTAL	606				

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 potentially be high and must be covered by cash that can be mobilised immediately. They are also hedged (see Note 1.3.1).

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 2021, the average level of investments was €1,456,1 million. Bank borrowings totalled €492.3 million at the year end, comprising €80 million of financial debt related to the acquisition of the Group's headquarters, €65 million related to the acquisition of Sporting Group and €346.8 million in relation to the payment made to secure the exclusive operating rights.

Most of the short-term instruments can be recovered, without penalty or capital risk, following a notice period of 32 calendar days.

Furthermore, €150 million in unused confirmed credit facilities has been in place since February 2021, with maturities varying from one to five years.

Given the level of financial investments at 31 December 2021, 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 a change in interest rates. The interest rate risk of a financial liability is the risk of incurring an additional cost due to a change 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 2021, the share of financial investments exposed to this direct risk was negligible. A 0.5% increase or decrease across the entire yield curve would have no material impact on the fair value of the financial investments. The borrowings incurred in connection with the acquisition of Sporting Group (€65 million) and the exclusive operating rights payment (€346.8 million) bear interest at variable rates. A 0.5% 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	31.12.2021	31.12.2020
Dividends received	8.0	5.5
Provisions on investments and related receivables (net of reversals)	-29.5	-32.8
NET FINANCIAL EXPENSE RELATED TO SUBSIDIARIES AND EQUITY INVESTMENTS	-21.6	-27.4

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 2021, financial investments subject to market risk amounted to €573.7 million (2020: €306.7 million).

Note 8 Net non-recurring profit

In millions of euros	Expenses	Income
For the year ended 31 December 2021		
TOTAL	-52.2	89.7
Non-recurring income and expenses in relation to operations	-7.8	-0.1
Non-recurring income and expenses in relation to capital transactions	-1.3	0.1
Increases and reversals of depreciation, amortisation and provisions	-43.1	89.7
– <i>asset impairments</i>	-0.7	0.1
– <i>provisions for risks and liabilities (see Note 6)</i>	-2.4	36.3
– <i>regulated provisions (see Note 10)</i>	-40.0	53.3
NET NON-RECURRING PROFIT	37.5	

Non-recurring income mainly related to the reversal of the provision in relation to the agent-brokers (see Note 6) and the reversal of accelerated amortisation charges (see Notes 5 and 10).

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 For the year ended 31 December 2021	Current profit	Non-recurring income and expenses, employee profit-sharing and incentives
Accounting income before tax	389.4	12.0
Taxable income	448.0	12.5
FDJ tax	115.4	3.6
Net profit before tax consolidation	274.0	8.4
Effect of tax consolidation		-3.1
NET PROFIT		285.6

The tax saving resulting from the tax consolidation in 2021 stems mainly from the use of the 10% rule for software licences for FGS France.

9.3 CONTINGENT TAXES

In millions of euros	31.12.2021	31.12.2020
Increase of future tax liability bases	162.0	181.9
Regulated provisions	122.4	135.8
Other items	39.6	46.1
Reduction of future income tax base	101.4	76.1
Employee benefits	30.6	30.6
Employee profit-sharing	16.9	15.9
Other items	23.4	23.7
Tax decrease	30.5	4.9

Note 10 Shareholder's equity

10.1 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.

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 award scheme initiated on 30 June 2021.

At 31 December 2021, there were 112,063 treasury shares with a value of €4.5 million (2020: 26,333 shares with a value of €0.9 million).

10.3 PAYMENT OF DIVIDENDS

The dividend in respect of 2021, to be submitted to the vote of 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.

The dividend in respect of 2020, approved by the General Meeting of Shareholders of 16 June 2021 approving the financial statements for the year ended 31 December 2020, was €172 million, i.e. €0.90 per share.

In millions of euros

EQUITY AS AT 31 DECEMBER 2020 BEFORE ALLOCATION OF 2020 NET PROFIT	751.5
Income allocated to dividends	-171.9
2021 profit	285.6
Retained earnings	2.5
Change in regulated provisions (accelerated depreciation and amortisation)	-13.3
EQUITY AS AT 31 DECEMBER 2021 BEFORE APPROPRIATION OF 2020 NET PROFIT	854.3

10.4 RESERVES

FDJ's business of organising and operating gambling activities involves specific risks and commitments of particular significance, which must be anticipated through appropriate coverage.

FDJ's Articles of Association (Article 29.A) provide for the constitution of a reserve to deal with rare (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). This reserve, referred to as the "statutory reserve", can be used in the event of the occurrence of the risks described below, in particular where the counterparty risk insurance (see Note 1.3.1) is not sufficient to cover the risks of the game.

The risks covered are the following:

- operating risks that may arise at any time during the life cycle of the games (design, production of gaming materials, logistics, marketing, etc.). These are measured at 0.3% of prior year stakes (net of tax effects) and amounted to €52 million at the end of 2021, based on the 2020 financial statements. This is identical to the position at the end of 2020, based on the 2019 financial statements, as the exceptional fall in stakes in 2020 did not give rise to a reduction of the statutory reserve);
- rare and extreme counterparty risks, measured as and when a major change occurs in the gaming offer or in player behaviour. At 31 December 2021 and 2020, €40 million was allocated to the statutory reserve to cover these risks.

The statutory reserve at 31 December 2021 thus amounted to €92 million (unchanged related to 2020).

(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" legal 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 as 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 reduced, notably due to the accelerated amortisation of certain development costs, which gave rise to a reversal of €9.7 million of accelerated amortisation in 2021 (see Note 5).

In millions of euros	31.12.2020	Increases	Reversals	31.12.2021
Accelerated depreciation and amortisation	135.8	40.0	53.3	122.4
TOTAL REGULATED PROVISIONS	135.8	40.0	53.3	122.4

Note 11 Ongoing legal proceedings and other disputes

LEGAL PROCEEDINGS BROUGHT BY 85 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.

LEGAL PROCEEDINGS BROUGHT BY 67 AGENT-BROKERS

On 6 August 2015, 67 agent-brokers brought proceedings against La Française des Jeux in the Commercial Court of Paris. They made claims for damages following the termination of their broker-agent agreements. On 3 October 2016, the Tribunal dismissed the agent-brokers' claims in their entirety. They appealed this ruling in November 2016 to the Paris Court of Appeal. In its judgment of 27 March 2019, the Paris Court of Appeal upheld the ruling in its entirety. In June 2019, the agent-brokers appealed this judgment to the Court of Cassation. On 10 November 2021, the Court of Cassation rejected their appeal, thereby putting a definitive end to the proceedings brought by the 67 agent-brokers.

SOFICOMA PROCEEDINGS

On 23 May 2017, FDJ filed a lawsuit against Soficom, a non-trading company, requesting a finding that Soficom had lost its status as a shareholder of FDJ. On 23 May 2019, the Commercial Court of Marseille granted FDJ's request. Soficom appealed this ruling on 20 June 2019 to the Court of Appeal of Aix-en-Provence. The case is pending before the Court of Appeal.

Concurrently, Soficom 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 currently stayed due to the case currently pending before the Court of Appeal of Aix-en-Provence. Soficom has applied for the case to be resumed and FDJ has again applied for proceedings to be stayed pending resolution of the primary proceedings currently before the Court of Appeal of Aix-en-Provence. The Commercial Court of Nanterre is to rule on 15 February 2022.

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 a statement on 6 August 2021 and the applicants submitted new statements on 11 October 2021. 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 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 2020, the senior management (Corporate Directors) received a total of €0.8 million (as in 2020). This was made up exclusively of short-term benefits. Note that remuneration in 2020 included a donation of one month's salary made by each corporate director.

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 top prizes are distributed on a parimutuel basis 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		31.12.2021	31.12.2020
Consolidated statement of financial position – Assets	Exclusive operating rights (gross value)	380.0	380.0
Consolidated statement of financial position – Assets	Advance payment of public levies	202.1	165.4
In millions of euros		31.12.2021	31.12.2020
Consolidated statement of financial position – Liabilities	Public levies (including unclaimed prizes)	501.3	411.1
Consolidated statement of financial position – Liabilities	Player funds closed on 1 January 2021	-	155.9
In millions of euros		31.12.2021	31.12.2020
Income statement	Public levies	3,815.5	3,242.2

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 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.

Note 13 Details of accrued expenses and income

In millions of euros	31.12.2021	31.12.2020
Assets – Accrued income	-	-
Miscellaneous accrued income	-	-
TOTAL ASSETS	-	-
Liabilities – Accrued employee expenses	20.0	18.3
Time saving account	3.5	3.0
Variable share	7.7	6.5
Provision for incentives	8.8	8.8
Liabilities – Expenses due to social security agencies	17.9	16.0
Expenses due	17.9	16.0
Liabilities – Accrued expenses	0.8	0.7
Other accrued expenses – HR	0.6	0.5
Other accrued expenses – Management	0.2	0.2
Liabilities – Miscellaneous accrued expenses	767.5	702.3
Miscellaneous accrued expenses	0.4	0.4
Permanent fund	-	46.9
Unclaimed top prizes	3.2	1.1
Unclaimed prizes to be paid to the State	150.2	180.5
Booster fund	105.7	83.4
Super jackpot fund	129.1	78.3
Rollover fund	-	5.8
Prizes carried forward	18.6	24.0
Winnings payable	226.6	237.6
Other accrued winnings	1.4	1.9
Player balances	42.4	34.3
Player balances (blocked)	89.8	8.1
TOTAL LIABILITIES	806.1	737.3

Note 14 Post-closing events

On 8 February 2022, a repayment of £25 million (€30 million) was made on the loan taken out to finance the acquisition of Sporting Group.

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 €2.8 million for La Française d'Images, €67.9 million for FDJ Gaming Solutions, €0.6 million for FDJ Services and €0.3 million for DVRT 13 at 31 December 2021.

Other commitments given are as follows:

In millions of euros	31.12.2021	31.12.2020
Mortgage on goods acquired	86.4	95.4
Performance bonds ⁽¹⁾	89.3	113.6
Sponsorship agreement	22.6	30.2
Accumulated actuarial losses (Note 4.3)	5.0	9.6
PARIS 2024 partnership	-	22.2
Sports Partnership	13.5	-
Investment funds	45.7	44.5
Operating leases	12.5	15.5
First-demand guarantees	1.7	1.6
OLG contract guarantee (FGS)	10.4	9.6
French Tax administration contract guarantee	5.0	4.0
ACPR contract guarantee	10.0	-
Escrow account	-	1.1
Image rights for cyclists and commitment to the Association l'Échappée	0.8	1.1
Other commitments given	302.8	348.4

(1) Including printing contracts: €24 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 registered office. The balance outstanding on the loan is €86.4 million (principal, interest and charges).

Investment funds are mainly innovation 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, FPCI Raise and Campus Cyber.

15.2 COMMITMENTS RECEIVED

In millions of euros	31.12.2021	31.12.2020
Performance bonds and commitments to return payments on account	140.4	115.1
Counterparty risk insurance	130.0	150.0
Guarantees for remittance of stakes and payment of winnings	457.0	375.9
Confirmed overdraft facilities	150.0	-
Commitments received	877.4	641.0

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.

15.3 RECIPROCAL COMMITMENTS

In millions of euros	31.12.2021	31.12.2020
Currency hedges		
Forward purchases of US dollars with a maximum maturity at 26 October 2023 for an overall amount of:	30.1	31.0
Forward purchases of US dollars with a maximum maturity at 09 February 2021 for an overall amount of:	-	0.9
Hedge forward sale sterling	10.1	6.2

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. This agreement remained valid in 2021.

6.4 Statutory auditors' report on the financial statements

(For the year ended 31 December 2021)

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.

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 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 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.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to the matter set out in Note 2.2.1 to the financial statements, which describes the change of accounting policy on pension commitments in line with the IFRS Interpretations Committee decision of May 2021, and its impact on the Company's financial statements.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, 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 2021 amounted to €2.22 billion, of which €2.19 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 7.1 TO THE FINANCIAL STATEMENTS)

Description of risk

At 31 December, equity investments represented a net amount of €80.9 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, which corresponds to the price that the Company would be willing to pay if it had to acquire them. An impairment loss is recognised if the value in use is less than the acquisition cost.

As indicated in Note 7.1 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 €29.6 million on equity investments at 31 December.

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:

- evaluating the relevance of the methodology used to determine the recoverable amount of equity investments;
- performing sensitivity analyses on the key assumptions;
- assessing 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.

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 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, PricewaterhouseCoopers Audit and Deloitte & Associés were in the sixth and nineteenth consecutive year of their engagement, respectively, and the third 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.

Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgement, were the most significant in the audit of the annual 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.

Fait à Neuilly-sur-Seine and Paris-La Défense, 17 February 2022

The statutory auditors

PricewaterhouseCoopers Audit

Philippe Vincent

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 2021

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. 225-28 of the French Commercial Code, we were informed of the following agreements which were entered into during the year and authorised in advance by the Board of Directors.

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 allows for the transfer to its subsidiary FDJ Services of the contract for collection services provided on behalf of third parties, the purpose of which is to offer collection services on behalf of third parties and, in particular, payment services for public or private invoices.

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 €52,000.

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.

Agreements already approved by the General Shareholders' Meeting 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.

Three-party agreement with MDB Services and the French Treasury (Direction Générale des Finances Publiques – DGFIP) in a call for tenders initiated by the DGFIP.

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, S. Badirou-Gafari (up to 3 September 2019), E. Bossière (as from 3 September 2019) and Charles Sarrazin (as from 9 March 2020).

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.

The agreement was entered into for a minimum 5-year period, with effect from 23 July 2019, the date of signature of the commitment agreement by MDB Services, the representative of the group formed between FDJ and MDB Services to respond to the DGFIP's call for tenders and representing the date of award of the contract and the inception date of the agreement.

This agreement provides for the payment to FDJ of a minimum amount of €3.55 per transaction and an amount of €1,160 thousand (excluding VAT) for project management, IT systems development and distributor training services over the term of the agreement.

With this agreement, FDJ recorded operating income of €1 million in 2021. This agreement was transferred from FDJ to FDJ Services following authorisation from the Board of Directors of FDJ on 15 April 2021. The balance of the project management, systems development and distributor training services was recognised by FDJ Services.

Reasons why the agreement is beneficial for the Company

This agreement is in line with the Company's strategy to develop additional sources of revenue for its sales network as well as to pool the use of its point of sales infrastructure.

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 counterguarantee (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 the contract for the outsourcing of cash was awarded.

Agreement entered into with the French State on 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 2021.

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.

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 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 2021.

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.

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.

The expenses incurred in connection with securing the whistle-blowing and information exchange system with ARJEL are the only financial impacts for the Company.

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.

Neuilly-sur-Seine and Paris-La Défense, 17 February 2022

The statutory auditors

PricewaterhouseCoopers Audit

Philippe Vincent

Jean-Paul Collignon

Deloitte & Associés

Jean-François Viat

Nadège Pineau

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7.1 Legal information about the Company

7.1.1 COMPANY 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 315 065 315 065 292. 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 section 1.6 "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:

- *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 "CSR").

7.1.6 SHARE CAPITAL

As at 31 December 2021, 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, apart from changes in the breakdown of share capital following the Company's IPO, 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 2021, the Group paid a total of €8 million acquired in 2020, representing an average amount per beneficiary employee of around €3,200.

In addition, employees who pay all or part of their incentives into the Group Savings Plan (PEG) or into a collective retirement savings plan (PERCO), when such a system exists, can benefit from an additional incentive contribution that can represent up to 4% of the total payroll.

Lastly, at the Board of Directors meeting of 16 December 2020 and at the meetings of the employee representative bodies held in December 2020, it was announced that an incentive supplement of €1,000 gross per employee would be paid to all Group employees receiving the incentive (paid under the same conditions as the incentive scheme). This measure was put in place to reward employees for their performance and resilience in respect of the year 2020.

After the General Meeting in June 2021, this incentive supplement was paid in the sum of €2.1 million, with an incentive having been paid in respect of the year 2020.

Profit-sharing

The framework agreement of 29 June 2018 provides for a derogatory arrangement for the introduction of a profit-sharing agreement which is calculated based on the Group's consolidated results. This agreement applies to all subsidiaries that are more than 50% owned by FDJ. The main principles were renewed in the Group profit-sharing agreement signed on 29 June 2021 for a period of three years.

In 2021, the Group paid the amount of the profit-sharing acquired in 2020, i.e. €22 million, representing an average amount per beneficiary employee of around €9,000.

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), and some entities, namely FDJ, FDP, FDJ Développement, also offer PERCOs (collective retirement savings plans), in particular to hold the amounts saved as incentives and profit-sharing.

With regard to PERCOs, the companies are currently negotiating at Group level with a view to setting up a Group collective retirement savings plan (PERCOL Groupe), which would replace the PERCOs already in existence in the three entities mentioned above and would enable this scheme to be set up in the other Group companies that do not yet have one.

The vast majority of Group companies, namely those applying French law (FDJ, FDP, FDJ Développement, La Française d'Images and FDJ Gaming Solutions France), 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).

Certain Group companies have also introduced a time savings account; in such cases, the transfer of leave days saved in the time savings account to the PERCO (FDJ, FDP and FDJ Développement) results in a contribution in line with the rules set out in the agreements.

Employee shareholders

Historically, FDJ employees had access to an "Actionnariat" (shareholding) mutual fund.

A Group Shareholding fund (FCPE Actionnariat Groupe) was also 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.

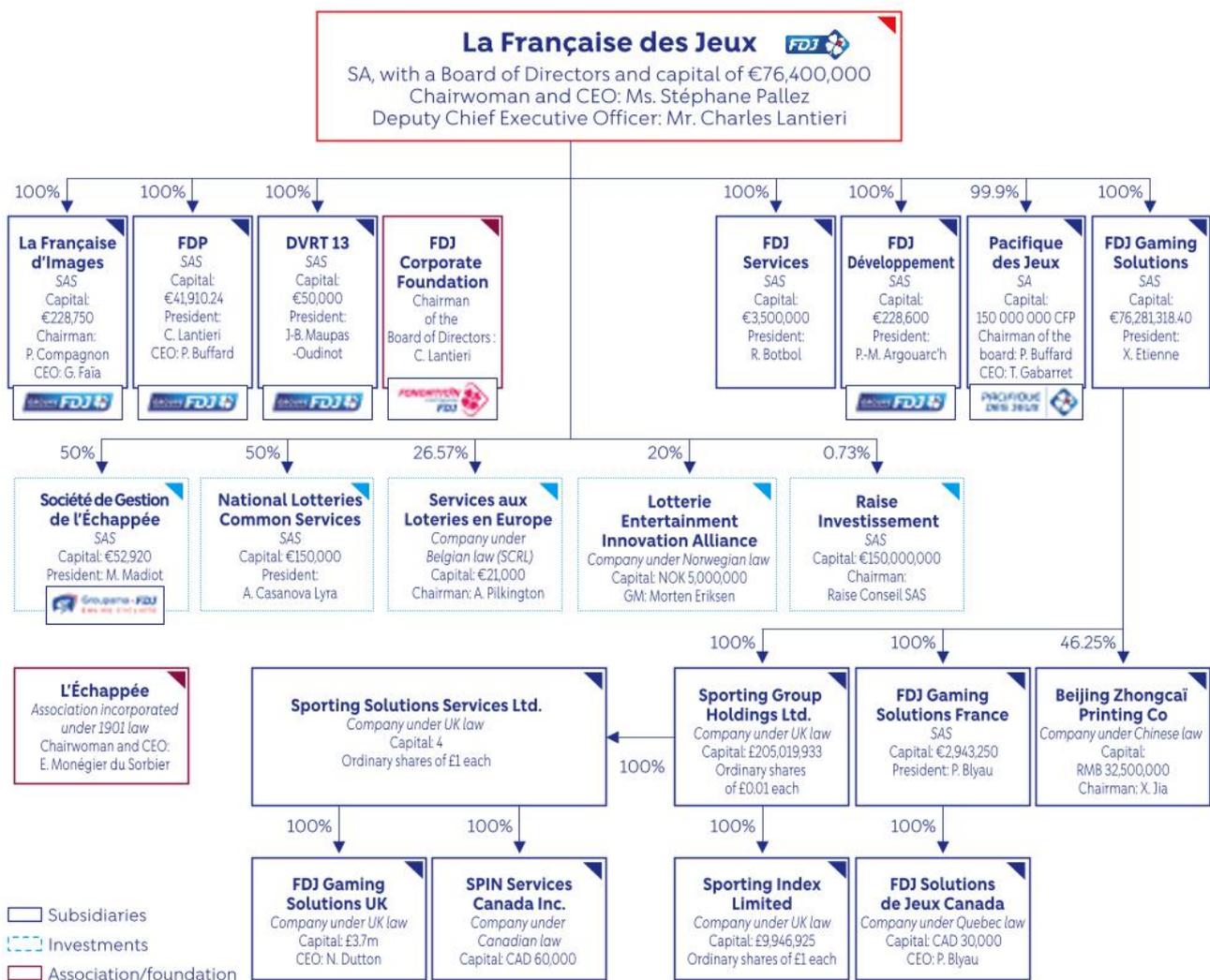
In 2021, FDJ's FCPE Actionnariat fund was absorbed by the FCPE Actionnariat Groupe fund. In addition, since the summer of 2021, this fund has also been open for any inflows, outflows and arbitrage transactions.

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 7.1.7.2.1 above).

7.1.8 SUBSIDIARIES AND SHAREHOLDINGS

7.1.8.1 GROUP ORGANISATION CHART AS AT 31 DECEMBER 2021

Below is the simplified Group organisation chart, including the subsidiaries of Sporting Group (percentages correspond to percentages in terms of share capital and voting rights).



Changes in the organisation chart in 2021:

- 30 November 2021:
 - Sporting Index Holdings Ltd and Spin Services Ltd changed their names to: Sporting Group Holdings Ltd and Sporting Solutions Services Ltd.;
 - FDJ Gaming Solutions contributed all of its shares in FDJ Gaming Solutions UK Ltd to Sporting Group Holdings Ltd before the latter transferred them, also on 30 November 2021, to its subsidiary Sporting Solutions Services Ltd.;
- 31 December 2021: La Française de Motivation was dissolved without liquidation, with all assets transferred to FDJ, its sole shareholder.

7.1.8.2 LIST OF DIRECT AND INDIRECT SUBSIDIARIES

The Company's direct and indirect subsidiaries as at 31 December 2021:

- La Française d'Images, a company governed by French law, wholly owned by FDJ with its registered office located at 121 rue d'Aguesseau, 92100 Boulogne-Billancourt, France. It 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. In 2021, it generated revenue of €13 million, compared to €11.4 million in 2020;
- FDP, a company governed by French law, wholly owned by FDJ with its registered office located at 18-59 avenue de la Voie Lactée, 92100 Boulogne-Billancourt, France, is the lottery games and betting distribution subsidiary in mainland France. Created in 2013 from the merger of 14 distribution companies, it took over almost 60 sectors formerly operated by broker-agents and develops the relationships with the points of sale that, as at the date of this Universal Registration Document, collect two-thirds of the Group's stakes (see section 1.4.1. "Transversal functions: customer service, sales and technology"). In 2021, it generated revenue of €78 million, compared to €67 million in 2020;
- FDJ Développement, a company governed by French law, wholly owned by FDJ with its registered office located at 18-59 avenue de la Voie Lactée, 92100 Boulogne-Billancourt, which is responsible for the operation and management of the FDJ network in the French Antilles and French Guiana. It generated revenue of €2 million in 2021, stable compared to 2020. The commissions paid by FDJ in respect of services carried out by FDJ Développement amounted to €2 million in 2021, which is stable compared to the previous year;
- Pacifique des Jeux, 99.9% owned by FDJ (the remainder is subject to a simple loan (prêt de consommation) for the benefit of employees,) a company with its registered office located in French Polynesia, Angle de la Rue Colette et la Rue du 22 Septembre, 1914 BP 20730, 98713 Papeete, operates the Group's gaming products in French overseas communities. It generated revenue of €6.8 million (of which €6.7 million related to commissions paid by FDJ with different rates depending on game type) in 2021, compared to €5.8 million in 2020;
- FDJ Gaming Solutions, a company governed by French law, wholly owned by FDJ, with its registered office located at 18-59 avenue de la Voie Lactée, 92100 Boulogne-Billancourt, France, is 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. As a holding company, it does not generate revenue. FDJ Gaming Solutions holds shareholdings in the following companies:
 - FDJ Gaming Solutions France, a company governed by French law, wholly owned by FDJ Gaming Solutions (with its head office located at 18-59 avenue de la Voie Lactée 92100 Boulogne-Billancourt, France), is responsible for the development of digital lottery technologies and points of sale within the Group and for the benefit of third-party companies worldwide (see section 1.4.3 "The Technology Department"). It generated revenue of €35.8 million (of which €26.0 million with Group entities) in 2021 compared to €24.6 million (of which €20.4 million with Group entities) in 2020,
 - Sporting Group Holdings Ltd, a company governed by UK law, with its head office located at Gateway House – Milverton Street – London – England – SE11 4AP, acquired in May 2019 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) spread betting (B2C activity) (see section 1.4.3 "The Technology Department"). In 2021, it generated revenue of €30 million, compared to €27.5 million in 2020;
 - FDJ Services, a company governed by French law, wholly owned by FDJ with its head office located at 18-59 avenue de la Voie Lactée, 92100 Boulogne-Billancourt, France, registered on 16 December 2020 as part of the development strategy of the ABU Payment and Services. The activity of this subsidiary is the provision of payment services, including collection services on behalf of third parties, which requires authorisation⁽¹⁾ as a payment institution issued by the ACPR, which was obtained by a decision of the aforementioned authority dated 14 December 2021. It generated revenue of €5.1 million in 2021;
 - DVRT, a company governed by French law, wholly owned by FDJ with its head office located at 18-59 avenue de la Voie Lactée, 92100 Boulogne-Billancourt, France, registered on 28 December 2020 with the aim of creating a legal vehicle to accelerate the development of the activities of the ABU Entertainment. Its 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. It generated revenue of €0.7 million in 2021.

(1) Except for the French Treasury (DGFIP) activity carried out in 2021, which does not require ACPR approval.

7.1.8.3 LIST OF SHAREHOLDINGS

The companies in which FDJ has a significant shareholding as at the Date of the Universal Registration Document are as follows:

- *Société de Gestion de L'Échappée ("SGE")*, a company 50% owned by FDJ and 50% owned by Groupama, is responsible for managing the "Groupama-FDJ" cycling team. See section 6.1, note 9.1 "Société de Gestion de L'Échappée". In 2021, it generated revenue of €20.1 million, compared to €18.2 million in 2020;
- *Beijing Zhongcai Printing Co ("BZP")* is a company under Chinese law whose activity is the printing of scratch cards (see section 6.1, note 9.3 "Beijing Zhongcai Printing Co."). It was initially 37% owned by FDJ Gaming Solutions. It was the subject of a capital restructuring effective in 2021, bringing FGS's stake to 46.25%. The change in the distribution of BZP's capital required a review of the joint venture contract between FDJ Gaming Solutions and China Welfare Lottery (53.75%). This update of the contract also enabled it to comply with the new Chinese legislation;
- *National Lotteries Common Services*, a company governed by French law owned equally with Santa Casa da Misericórdia de Lisboa, the Portuguese lottery, is responsible for coordinating projects concerning changes in shared technologies (see section 6.1, note 9.5 "National Lotteries Common Services"). In 2021, it generated revenue of €11.0 million, compared to €13.4 million in 2020;
- *Services aux Loteries en Europe*, a company governed by Belgian law, 26.57% owned by FDJ, 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 Misericórdia 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) (see section 6.1, note 9.4 "Services aux Loteries en Europe"). In 2021, it generated revenue of €4.4 million, compared to €4.3 million in 2020;
- *Lotteries Entertainment Innovation Alliance (LEIA)*, a company governed by Norwegian law, created on 1 October 2018, equally owned (20% each) by FDJ, Danske Lotterier Spil, Norsk Tipping AS and AB Svenska Spel, operates the Interactive Factory game platform, (see section 6.1, note 9.2 "Lotteries Entertainment Innovation Alliance AS (LEIA)"). In 2021, it generated revenue of €5.1 million, compared to €4.6 million in 2020.

7.1.8.4 FDJ CORPORATE FOUNDATION

On 6 January 1993, FDJ incorporated the FDJ Corporate Foundation.

In response to changes in French society and new challenges for the Group, the FDJ Corporate Foundation changed its purpose in 2017 and is now committed to promoting equal opportunities through gaming in all its forms, in line with FDJ's values. It supports general interest projects to enable people in difficulty to achieve their potential and demonstrate their talent, regardless of the reason for their difficulty (disability, economic, social or cultural hardship). It focuses on promoting recreational, collaborative or (re)creative projects in the areas of education and insertion into society, and it aims to support innovative projects designed to be rolled out throughout the French territory and to measure their social impact.

It has a maximum allowance of €18 million for the 2018-2022 period, increased to €19.5 million in 2021.

In 2019, it organised its first forum of associations on FDJ premises and participated for the first time in the global Giving Tuesday movement, which calls on the generosity of everyone (commitment, time, solidarity purchases, etc.).

More than 90 community-based projects have received support from the Fondation FDJ.

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.

7.1.8.5 ASSOCIATION L'ÉCHAPPÉE

The Association L'Échappée founded Société de Gestion de l'Échappée (see section 5.7.2.3 "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 FGS France), FDJ has formed a tax consolidation group as defined by Articles 223A 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'Echappée, 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 2021, the Company's share capital is allocated as follows:

FDJ ownership as at 31 December 2021	Number of shares	% of capital (as a %)	% of voting rights (as a %)	Number of actual voting rights
French State ⁽¹⁾	39,074,508	20.46%	27.42%	78,148,269
Veterans' associations, together (UBFT share 9.8%) ⁽²⁾	28,233,690	14.78%	19.31%	55,040,380
Total FDJ Group employee funds	7,279,498	3.81%	4.03%	11,496,721
Other (individual ownership below 5% as at 31 December 2021)	100,910,119	52.83%	38.49%	109,715,671
Treasury shares	112,063	n/a	n/a	n/a
Company/Soficom ⁽³⁾	5,730,000	3.00%	4.02%	11,460,000
Predica	9,660,122	5.06%	6.72%	19,168,025
TOTAL	191,000,000	100%	100%	285,029,066

(1) In a letter received on 12 February 2021, the French State (APE) declared that on 9 February 2021 it had crossed the threshold of 30% of the FDJ voting rights. The crossing of this threshold is the result of a change in the total number of voting rights of La Française des Jeux. The declarant also applied to the AMF for a temporary authorisation to cross the 30% threshold of FDJ's voting rights, pursuant to the provisions of Article 234-4 of the AMF's General Regulations. Subsequently, in a letter dated 31 May 2021, the French State declared to the AMF that on 25 May 2021 it had crossed below the legal threshold of 30% of the Company's voting rights and held 39,074,488 shares, i.e. 20.46% of the capital and 28.39% of the voting rights. This threshold was crossed as a result of the delivery of FDJ shares to individual shareholders of the Company, who had held their shares for eighteen months since the IPO.

(2) The block of Military veterans' associations consists of the following entities: FNAM, AMGYO, Union fédérale, CARAC, France Mutualiste (comprising the "FNAM block") and UBFT and the Ailes Brisées (comprising the "UBFT block").

(3) 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 not to 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 victime 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 ten 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 ten 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.

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).

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 the date of this Universal Registration document, the directors holding shares in the Company are as follows:

Directors	Number of shares
Stéphane Pallez	1,628
FNAM	8,139,300
UBFT	18,727,390
Predica	9,660,122
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 2021, 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 section 1.6 “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 of control of the Company.

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).

(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 2021.

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 appointed pursuant to Article 4-I of the 2014 Order; and (ii) the directors representing employees and the director representing employee shareholders appointed in accordance with the legislative and regulatory provisions in force and with 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, 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 thirty 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 thirty-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.

Ordinary and Extraordinary General Meetings shall exercise their respective powers under the conditions provided by law.
ARTICLE 25 – PARTICIPATION IN MEETINGS

Any shareholder can participate in any meeting, whether in person, physically or by post, or through a representative, upon proof of his identity and of the registration of his shares in an account in his name or in the name of the intermediary registered on his behalf pursuant to the seventh paragraph of Article L. 228-1 of the Commercial Code, under the conditions and subject to the time limits provided by the regulations in force. 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 2021

Pursuant to the authorisations granted by the General Meeting, the Board of Directors implemented the buyback programme in two different contexts:

- on the basis of the authorisation granted by the General Meeting of 4 November 2019, the Board of Directors on 19 December 2019 decided to enter into a liquidity contract to which a budget of €6 million was allocated. This contract came into force on 23 December 2019. It has since been renewed on the basis of the authorisations granted by the General Meetings of 18 June 2020 and 16 June 2021, and the budget allocated to it was increased to €10 million by decision of the Board of Directors on 11 February 2021. At 31 December 2021, the number of treasury shares held under the liquidity contract amounted to 72,063 shares;
- on the basis of the authorisation granted by the General Meeting of 16 June 2021 (12th resolution), the Board of Directors decided on 30 June 2021 to entrust a financial intermediary with the purchase of 40,000 shares on its behalf, with a view to subsequently delivering them to the beneficiaries of the performance share allocation plan. This mandate became effective on 3 August 2021. At 31 December 2021, the number of treasury shares held by FDJ under this share buyback programme amounted to 40,000 shares.

In total, the number of shares held in this way was equal to 112,063 shares at 31 December 2021⁽¹⁾. These shares represent treasury shares held under the liquidity contract.

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 26 April 2022.

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 2021 the following assets appeared on the liquidity account:

- 72,063 La Française des Jeux shares;
- €3,655,601.
- During the first half of 2021, a total of:
 - 321,490 shares were purchased for €12,472,277 (2,916 transactions);
 - 330,723 shares were sold for €12,937,322 (3,063 transactions).
- On 1 July 2021, the date of implementation of AMF decision no. 2021-01 of 22 June 2021, the following assets appeared on the liquidity account:
 - 8,050 La Française des Jeux shares;
 - €6,376,358.
- During the 2nd half of 2021, a total of:
 - 570,493 shares were purchased for €25,121,307 (5,177 transactions);
 - 516,780 shares were sold for €22,884,138 (5,007 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 2021, Société Générale had purchased 40,000 shares for a total amount of €1,736,701.

(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. 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.

New share buyback programme

The Annual Ordinary and Extraordinary General Meeting to be held on 26 April 2022 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 26 APRIL 2022

Resolution no.	Type of authorisation	Authorised amount	Global cap	Duration of the authorisation
14	Authorisation granted 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
15	Authorisation to be granted to the Board of Directors to allocate, free of charge, ordinary shares of the Company, existing or to be issued, and subject to performance conditions, 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
16	Delegation of authority to be granted to the Board of Directors, in order to carry out a share capital increase by issuing ordinary shares and/or securities giving access to the Company's share capital reserved for members of employee savings plan, without the 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 14 th resolution and the award limit of the 15 th resolution adopted by the General Meeting of 16 June 2021	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

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 4 NOVEMBER 2019

Resolution no.	Type of authorisation	Authorised amount	Global cap	Duration of authorisation	Use of the authorisation or delegation of authority
24	Authorisation to be granted to the Board of Directors to proceed with free allocations of shares of the Company, existing or to be issued, for the benefit of salaried employees and Corporate Directors of the Company and/or its subsidiaries or some of them, whose final acquisition is conditioned on conditions of performance, resulting in the waiver of shareholders of their preferential subscription right (subject to condition precedent)	Within the limit of 0.6% of the share capital of the Company	n/a	38 months	95,867 shares allocated, i.e. approximately 0.05% of the capital

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
12	Authority granted 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	<i>Transactions carried out under the liquidity contract:</i> – Average share price: €44.36 – Total number of shares ⁽¹⁾ : 1,144,130 – Cumulative amount of acquisitions: €26,804,262 – Percentage of share capital held: Non-significant as at 31 December 2021 <i>Transactions carried out with a view to granting performance shares:</i> – Average share price: €43.42 – Total number of shares ⁽²⁾ : 40,000 – Cumulative amount of acquisitions: €1,736,701 – Percentage of share capital held: Non-significant as at 31 December 2021

(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.

Resolution no.	Type of authorisation	Authorised amount	Global cap	Duration of authorisation	Use of the authorisation or delegation of authority
14	Delegation of authority granted 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 15 th , 16 th , 17 th , 18 th , 20 th , 21 st and 22 nd 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 14 th resolution	26 months	
16	Delegation of authority to be granted 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 without preferential subscription rights, by way of an offering referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, reserved exclusively for qualified investors and/or a restricted circle of investors	10% of the share capital +700M€ in nominal value of securities representing debt instruments	Deducted from the Global Cap of the 14 th resolution and the sub-Cap of the 15 th resolution	26 months	
17	Authorisation 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 adopted by the General Meeting of Shareholders, within the limit of 10% of the share capital per year	Relating to the 15 th and 16 th 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 14 th resolution	26 months	
18	Delegation of authority to be granted 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 issuing)	Cap provided for in the resolution pursuant to which the issue is made, as well as the Global Cap set in the 14 th resolution	26 months	

Resolution no.	Type of authorisation	Authorised amount	Global cap	Duration of authorisation	Use of the authorisation or delegation of authority
19	Delegation of authority to be granted 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 14 th resolution or any other ceiling	26 months	
20	Delegation of powers to be granted 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 14 th resolution and the sub-Cap of the 15 th 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 consideration for 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 14 th resolution and the sub-Cap of the 15 th resolution	26 months	
22	Delegation of authority to be granted to the Board of Directors, in order to carry out a share capital increase by issuing ordinary shares and/or securities giving access to the Company's share capital reserved for members of employee savings plan, with cancellation of the preferential right to their Milcent, 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 14 th resolution and the sub-Cap of the 15 th resolution	26 months	
23	Authority to be granted to the Board of Directors to reduce the 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 per periods of 24 months	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.

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 2020			For the year ended 31 December 2021		
	Number of shares	% of capital (as a %)	% of voting rights (as a %)	Number of shares	% of capital (as a %)	% of voting rights (as a %)
French State	41,852,014	21.91%	29.91%	39,074,508	20.46%	27.42%
Veterans' associations, together (UBFT share 9.8%)	28,233,690	14.78%	19.27%	28,233,690	14.78%	19.31%
Total FDJ Group employee funds	7,506,971	3.93%	4.20%	7,279,498	3.81%	4.03%
Other (individual ownership below 5% as at 31 December of each year)	97,990,870	51.30%	39.07%	100,910,119	52.83%	38.49%
Treasury shares	26,333	0.01%	n/a	112,063	n/a	n/a
Company/Soficoma	5,730,000	3.00%	4.09%	5,730,000	3.00%	4.02%
Predica	9,660,122	5.06%	3.45%	9,660,122	5.06%	6.72%
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.

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 12 February 2021, the French State declared that on 9 February 2021 it had exceeded the regulatory threshold of 30% of FDJ's voting rights and held 41,852,014 shares, i.e. 21.9% of the capital and 30.1% of the voting rights⁽¹⁾.
- Subsequently, by letter dated 31 May 2021, the French State declared to the AMF that on 25 May 2021 it had crossed below the regulatory threshold of 30% of the Company's voting rights and held 39,074,488 shares, i.e. 20.46% of the capital and 28.39% of the voting rights. This threshold was crossed as a result of the delivery of FDJ shares to individual shareholders of the Company, who had held their shares for eighteen months since the IPO.
- In accordance with Article L. 233-7 of the French Commercial Code, in a letter dated 7 December 2021, Crédit Agricole SA declared that on 1 December 2021 it had indirectly exceeded the threshold of 5% of FDJ's voting rights through the intermediary of Predica and CACEIS, which it controls, and that it indirectly held 9,686,222 FDJ shares, representing 18,736,222 voting rights, i.e. 5.07% of the Company's share capital and 6.63% of its voting rights. At 7 December 2021, Predica held 5.06% of the share capital and 6.62% of the voting rights. This threshold crossing results from the allocation of double voting rights linked to the holding of FDJ registered shares for more than two years.

To the best of the Company's knowledge, as at 31 December 2021, 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.

(1) In principle, such a threshold crossing generates an obligation to file a draft public offer for all of the Company's shares, in accordance with Article 234-2 of the AMF's General Regulations. By way of derogation from this obligation and in compliance with the provisions of Article 234-3 of the General Regulations, the AMF granted the State temporary authorisation to cross the threshold of 30% of the Company's voting rights as a result of a reduction in the total number of voting rights, by letter dated 3 March 2021.

7.3 Legal and arbitration procedures

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-months 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 twenty 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 DISPUTES

Following the changes in sectoring implemented in 2012, eight legal proceedings were brought by broker-agents on an individual basis between 2012 and 2015. These brokers made claims based on FDJ's contractual liability for non-compliance with the provisions relating to the assignment of the contracts and their potential resumption. They demanded the payment of an indemnity in excess of the stated contractual rate. The broker-agents whose contracts were assigned also considered FDJ's rejection of the assignees to be allegedly abusive. These disputes are currently pending before the Court of Appeal of Versailles and the Court of Cassation (Cour de cassation).

COLLECTIVE DISPUTES

Broker-agents also brought three collective proceedings.

85 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. 85 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-agent's 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 85 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.

67 broker-agents (BA) dispute

On 22 May 2014, FDJ terminated the contracts of all broker-agents on the basis of Article 7 of the 2003 amendment.

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. On 10 November 2021, the Court of Cassation rejected their appeal, thereby putting a definitive end to the proceedings.

5 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 one broker-agent withdrew from the proceedings, there are currently five claimants.

These proceedings were stayed by a judgement dated 9 December 2019 pending the decision of the Court of Cassation in the case between the 67 broker-agents and FDJ.

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 in front of 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. The case is currently pending before the Court of Appeal.

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 to 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. The Nanterre Commercial Court is due to rule on 15 February 2022 on whether or not to maintain the stay of proceedings.

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 a statement on 6 August 2021 and the applicants submitted new statements on 11 October 2021. The case is currently being considered.

7.3.4 EUROPEAN PROCEDURES

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 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

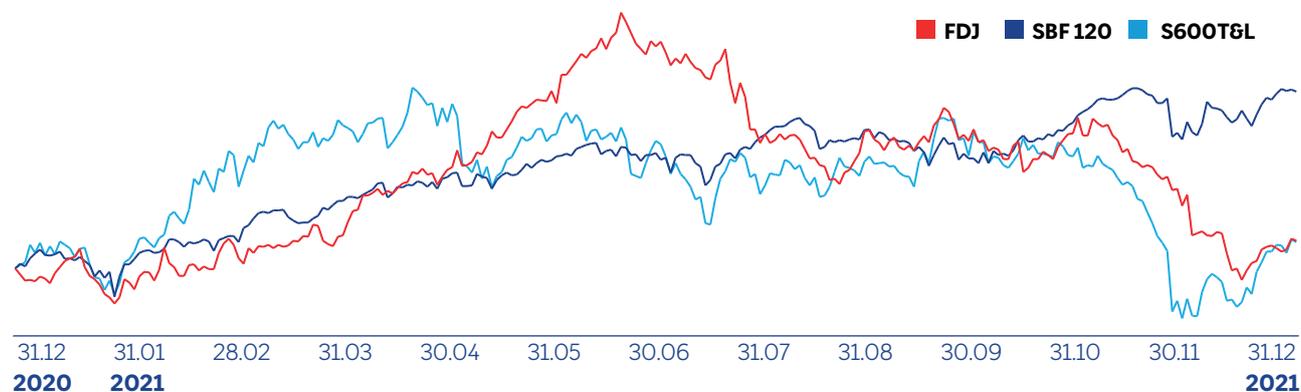
Corporate name	La Française des Jeux
ISIN code	FR0013451333
Mnemonic code	FDJ
Place of listing	Euronext Paris – compartment A
ICB classification	5752 Gambling
Main stock market and non-financial indices	SBF 120, CAC Mid 60, Euronext Vigeo France 20, Euro Stoxx 600, MSCI Europe, FTSE Euro
Share eligibility	Equity savings plan
Nominal value	€0.40
Number of shares in circulation as at 31.12.2021	191,000,000
Share price as at 31.12.2021	€38.94
Stock market capitalisation as at 31.12.2021	€7,437,540,000 ⁽¹⁾

(1) At end-2021, FDJ was the 62nd company in the SBF 120 in terms of stock market capitalisation.

STOCK MARKET DATA

2021 annual change	
FDJ	+4%
SBF 120	+26%
Stoxx 600 Travel & Leisure	+4%
As at 31 December 2021, the weight of the FDJ share is:	
– In the SBF 120	0.23%
– In the CAC Mid 60	3.42%
– In the Stoxx 600 Travel & Leisure	3.74%

CHANGE IN FDJ'S SHARE PRICE OVER 2021 COMPARED TO THE SBF 120 INDEX AND THE STOXX600 TRAVEL & LEISURE INDEX, ON 100 BASE AT 31 DECEMBER 2020



7.4.2 2022 FINANCIAL CALENDAR

<p>21 April 2022 (after trading) Revenue 1st quarter 2022</p> <p><i>Quiet period*: from 6 April 2022 before trading to 22 April after trading</i></p>	<p>26 April 2022 2022 General Meeting</p>	<p>28 July 2022 (after trading) Results 1st half 2022</p> <p><i>Quiet period*: from 28 June 2022 before trading to 29 July after trading</i></p>	<p>13 October 2022 (after trading) Revenue 9 months 2022</p> <p><i>Quiet period*: from 28 September before trading to 14 October after trading</i></p>
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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 13 French and international analysts (<https://www.groupefdj.com/en/investors/analysts.html>).

In 2021, FDJ's General Management and the Investor Relations Department nurtured and developed interactions with French and international institutional investors and financial analysts, both through participation in numerous seminars and broker forums, and in conference calls/roadshows as well as individual exchanges. Given the global pandemic, which made face-to-face meetings virtually impossible, almost all of these exchanges took place remotely, by telephone or video conference.

The publication 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 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 2021) is handled by a dedicated team attached to the Communications and CSR 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 2021, due to the pandemic, FDJ held its General Meeting remotely, with the possibility for shareholders to follow the event on video and to ask their questions live. 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

8

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."

18 March 2022

Stéphane Pallez
Chairwoman and CEO

8.1.3 EXPERT REPORTS AND DECLARATIONS OF INTEREST

Not applicable.

8.1.4 FINANCIAL REPORTING OFFICER

Pascal Chaffard, Deputy General Director, responsible for Finance, Performance and Strategy of the Company.

8.2 Statutory auditors

8.2.1 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 Philippe Vincent and 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, for a period of six years, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2021.

8.2.2 ALTERNATE AUDITORS

JEAN-CHRISTOPHE GEORGHIOU

Member of the Compagnie régionale des commissaires aux comptes de Versailles

63, rue de Villiers
92200 Neuilly-sur-Seine

Mr Georghiou was appointed as Alternate Auditor for the first time by the Annual General Meeting of Shareholders of 25 May 2016, for a period of six years, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2021.

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 betting activities, both online and in physical distribution networks, as well as online poker (see Note 1.6 “Regulatory environment” in Chapter 1 “Overview of the Group and its activities”).
“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 27 September to 29 October 2021 for the 2021 data). 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 net gaming revenue (NGR) and income from other Group activities, which primarily consists of sales of software maintenance and development services provided by FDJ Gaming Solutions France (FGS France) and FDJ Gaming Solutions UK (FGS UK), the Group’s technology subsidiaries.
“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 1.6.2. “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.
“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, Note 3 “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	1.3
5.2	Principal markets	1.1
5.3	Important events in the development of the issuer's business	1.3
5.4	Description of the issuer's business strategy and objectives	1.2
5.5	Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	15.4

Cross-reference table with the headings in Annexes 1 and 2 of Delegated Regulation (EU) 2019/980		Section of the URD
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 9)
5.7.4	<i>Description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets</i>	4.8
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	5.2.3.6
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	1.6
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 Group	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

Cross-reference table with the headings in Annexes 1 and 2 of Delegated Regulation (EU) 2019/980		Section of the URD
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	2.1.2.3.1/ 2.1.2.3.2
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
15	Employees	
15.1	Number of employees	4.5
15.2	Shareholdings and stock options	7.1.7.1.2/7.2.2.5
15.3	Description of any arrangements for involving the employees in the capital of the issuer	7.1.7.2.2
16	Major shareholders	
16.1	Shareholders holding more than 5% of the capital	7.2.1
16.2	Existence of different voting rights	7.2.2.7
16.3	Ownership or control of the issuer	7.2.1.4
16.4	Arrangements that may result in a change in control of the issuer	7.2.1.5
17	Related party transactions	
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

Cross-reference table with the headings in Annexes 1 and 2 of Delegated Regulation (EU) 2019/980		Section of the URD
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	1.6/3.3
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 (www.groupefdj.com/DEU2020);
- 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 91 to 128, and 245 to 337 of the Universal Registration Document R. 20-005 (www.groupefdj.com/DEU2019).

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		Section of the 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
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	4.8.1
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 8.5 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
2.7	Description of the main risks and uncertainties facing the Company	3.1
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 in particular Articles L. 225-100 et seq. of the French Commercial Code.

Themes	Section of the 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
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 8.5 to the consolidated financial statements)
1.7 Description of the main risks and uncertainties facing the Company and the Group	3.1
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	4.8.1
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
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	n/a
2.4 Disposal of cross-shareholdings	n/a
2.5 Purchase of own shares	5.8.1
2.6 Purchase and sale by the Company of its own shares for allocation to its employees (share buybacks)	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 – the 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	Section of the 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 2.2.1 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	2.2.4 and 2.2.2.5
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	2.1.2.2.1
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	2.1.2.2.2
9 Any limitations that the board of directors places on the powers of the chief executive officer	2.1.2.2.2
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	2.1.2.2.1

8.5.5 CROSS-REFERENCE TABLE WITH THE NON-FINANCIAL INFORMATION STATEMENT

Themes	Section of the URD
1 Presentation of the business model of the Company or the Group	Introductory chapter of the URD 4.2.1
2 Description of the main risks associated with the activity of the Company or group of companies covering social, environmental, human rights, anti-corruption and tax evasion issues, including, where relevant and proportionate, the risks created by its business relationships, products or services	3.1.2 3.1.3 3.1.4 4.2.5 4.3 4.4 4.5 4.6 4.7 4.8
3 Description of the policies applied by the Company or group of companies including, where applicable, the due diligence procedures implemented to prevent, identify and mitigate the materialisation of risks	4.3 4.4 4.5 4.6 4.7 4.8
4 Outcomes of these policies, including key performance indicators	4.3 4.4 4.5 4.6 4.7 4.8
5 The statement should cover the following topics	4.5.2
– the consequences of the Company's activity and the use of the goods and services it produces on climate change;	4.5.3
– societal commitments in favour of:	4.8
– sustainable development,	
– the circular economy,	
– the fight against food waste,	
– the fight against food insecurity,	
– respect for animal welfare,	
– responsible, fair and sustainable food;	
– collective agreements concluded in the Company and their impact on the Company's economic performance as well as on employees' working conditions;	
– actions aimed at combating discrimination and promoting diversity;	
– measures taken in favour of disabled people.	

LIST OF SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION REQUIRED BY ARTICLE R. 225-105 II OF THE FRENCH COMMERCIAL CODE

Themes		URD
1	Social information	4.5
1.1	Employment	4.5
1.1.1	<i>Total workforce and breakdown of workforce by gender, age and geographical area</i>	4.5
1.1.2	<i>Hiring</i>	4.5.3 4.10
1.1.3	<i>Dismissals</i>	4.10
1.1.4	<i>Remuneration and its trends</i>	4.10
1.2	Work organisation	4.5.4 4.10
1.2.1	<i>Organisation of working time</i>	4.10
1.2.2	<i>Absenteeism</i>	4.5.4
1.3	Labour relations	4.5.2
1.3.1	<i>Organisation of social dialogue (rules and procedures for information, consultation and negotiation with employees)</i>	4.5.2
1.4	Health and safety	4.5.4
1.4.1	<i>Occupational health and safety conditions</i>	4.5.4
1.4.2	<i>Review of agreements signed with trade unions and employee representatives on occupational health and safety</i>	4.5.2
1.4.3	<i>Frequency and severity rates of workplace accidents and occupational diseases</i>	4.5.4
1.5	Training	4.5.1
1.5.1	<i>Training policies implemented</i>	4.5.1
1.5.2	<i>Total number of hours of training</i>	4.5.1
1.6	Equal treatment	4.5.3
1.6.1	<i>Measures taken in favour of employment and gender equality</i>	4.5.3.1
1.6.2	<i>Measures taken to promote the employment and integration of people with disabilities</i>	4.5.3.2
1.6.3	<i>Anti-discrimination policy</i>	4.5.3
2	Environmental information	4.8
2.1	General environmental policy	4.8
2.1.1	<i>Organisation of the Company and assessment or certification procedures</i>	4.2.4
2.1.2	<i>Resources devoted to the prevention of environmental risks and pollution</i>	4.8
2.1.3	<i>Amount of provisions and guarantees for environmental risks</i>	4.8.1.5
2.2	Pollution and waste management	4.4.6 4.10
2.2.1	<i>Prevention, reduction or remediation of discharges into the air, water and land that seriously affect the environment</i>	n/a
2.2.2	<i>Waste prevention, recycling and disposal</i>	4.10
2.2.3	<i>Consideration of noise and light pollution</i>	n/a
2.2.4	<i>Actions to combat food waste</i>	n/a

Themes		URD
2.3	Sustainable use of resources	4.8.2.2
2.3.1	<i>Water consumption and supply in view of local constraints</i>	4.10
2.3.2	<i>Consumption of raw materials and measures taken to improve the efficiency of their use</i>	4.8.2.2
2.3.3	<i>Energy consumption, measures taken to improve energy efficiency and use of renewable energy</i>	4.8.1.2 4.10
2.3.4	<i>Land use</i>	n/a
2.4	Climate change	4.8.1
2.4.1	<i>Greenhouse gas emissions: significant items and reduction targets set</i>	4.8.1.2
2.4.2	<i>Adaptation to the consequences of climate change</i>	4.8.1
2.5	Protection of biodiversity	4.8.2
2.6	Green taxonomy	4.9
3	Societal information	
3.1	Societal commitments in favour of sustainable development	4
3.1.1	<i>Impact of activities on employment and local development</i>	4.7
3.1.2	<i>Impact of the activity on the local population</i>	4.7
3.2	Stakeholder relations and dialogue arrangements	4.1.3 4.6.2
3.2.1	<i>Partnership or sponsorship actions</i>	4.6.1
3.3	Subcontracting and suppliers	4.4.6 4.7
3.3.1	<i>Consideration of social and environmental issues in the purchasing policy</i>	4.4.6
3.3.2	<i>Importance of subcontracting and consideration of social and environmental responsibility in relations with suppliers and subcontractors</i>	4.4.6 4.10
3.4	Fair trade practices	4.4
3.4.1	<i>Measures taken to promote consumer health and safety</i>	4.3
3.5	Actions taken to prevent all forms of corruption	4.4.5
3.6	Actions in favour of human rights: promotion of and respect for the stipulations of the fundamental conventions of the International Labour Organization concerning: <ul style="list-style-type: none"> – respect for freedom of association and the right to collective bargaining; – the elimination of discrimination in respect of employment and occupation; – the elimination of forced or compulsory labour; – the effective abolition of child labour. 	4.5.2 4.5.3



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