



Information to shareholders relative to the 2021 AGM

Dear Shareholder,

We are reaching out to you ahead of our Annual General Meeting (“AGM”) that will be held on June 16th, 2021, behind closed doors due to sanitary measures in force at the date the General Meeting was called.

2020 was an unprecedented and challenging year, and we are particularly proud of how FDJ went through it, demonstrating its resilience.

Thanks to the reactive response and dedication shown by the management team and all employees, the quick implementation of a continuity plan has enabled to protect everyone’s health and working conditions and ensure the continuity of the Company’s business, while the roll-out of a significant cost savings plan allowed to maintain the Group’s economic and financial performance. In 2020¹, the turnover decrease was limited to 6% and FDJ registered a 1% increase in EBITDA (i.e. an EBITDA margin of more than 22%) and a 6% increase in net profit.

Moreover, with regards to the Group’s governance, the Board is continuously working to meet the best standards while taking into account FDJ’s specificity as a former state-owned company.

Since the Company’s IPO in November 2019, we wished to discuss with you our CSR and governance practices and, taking into account your constructive comments, we are able to implement from this year several improvements.

We wanted to take the opportunity to present you some of these changes, along with our perspective on the key resolutions submitted to your approval at our upcoming AGM.

We hope that you will find the below commentary helpful to better understand our approach and will support the Board in its efforts to improve our governance and pay structures.

The Board counts on your participation at this AGM and is looking for your support on all items coming to a vote.

FDJ’s Purpose

The introduction of the corporate purpose in the Company Bylaws was widely approved (by 99.98% of votes) at the last AGM. Therefore, we continue to ensure that our underlying commitment, notably towards responsible gaming, would be followed by concrete effects.

In that respect, a Stakeholders Committee was created in December 2020 to monitor the proper implementation of FDJ’s commitments, to foster the dialogue between the Company and all its stakeholders, and to relay their expectations and advice around the purpose of FDJ’s business.

This new Committee reinforces our commitment to CSR and our intention to involve all stakeholders in the Company’s business.

¹ 2019 data are 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



Board changes (Resolution 5)

The Board appointed in December 2020 a Lead Independent Director, Pierre Pringuet.

His extensive experience in corporate governance, as former CEO of a CAC40 company, as former President of the AFEP (the trade association representing the largest French private companies), as current and former Lead Director within major French listed companies, and as FDJ's Governance, Nomination and Remuneration Committee Chair, Pierre Pringuet was the ideal candidate for the role. He is entrusted with extensive prerogatives, including (but not limited to):

- Obtain feedback from shareholders on governance matters;
- Be able to suggest additional items to Board meetings' agenda;
- Chair Board meetings in the absence of the Chair;
- Conduct the Board's evaluation process;
- Lead executive sessions;
- Attend all meetings of Board Committees of which he is not a member.

These responsibilities provide him with the appropriate means to ensure an effective balance of powers and good corporate governance practices.

In 2020, Mr. Pringuet organized the first self-assessment of the Board of directors, which is detailed in our registration document.

Moreover, we invite you to ratify the cooptation of Françoise Gri as a new independent board member, to replace Marie-Ange Debon who stepped down from her mandate to dedicate herself to her new executive functions. She will further strengthen the Board's skillset and expertise, bringing solid experience as executive and board member at French and foreign listed companies. Her election will also enable to maintain the high level of independence and gender parity within the Board.

2020 Executive Compensation (Resolutions 9 and 10)

The Company had to quickly adjust to the outbreak of the COVID-19 pandemic. As a result, the financial outlook previously communicated to the market was suspended. Yet, the rapid response of the teams enabled to preserve FDJ's performance. This specific and unprecedented situation is reflected in the 2020 compensation of Chairwoman and CEO Stéphane Pallez and Vice-CEO Charles Lantieri.

Indeed, as authorized by the 2020 Remuneration Policy widely approved at the last AGM, the Board decided to restate the quantitative criteria of the annual variable incentive from the impact of the 2020 lockdown measures on some of FDJ's offers. The very limited adjustment on the assessment of financial criteria (which, in practice, only impacted one out of the 3 criteria) is measured and detailed in full transparency in our Universal Registration Document. The overall performance in 2020 resulted in a global achievement rate of 98%, slightly below the stringent target attached to the annual variable remuneration.

Moreover, shareholders should recall that, in a spirit of solidarity and responsibility, Stéphane Pallez and Charles Lantieri have voluntarily forgone a month of their 2020 fixed compensation, and that the Board postponed for one year the implementation of the Long-Term Incentives Plan ("LTIP") included in the Compensation Policy for 2020.

The Board is convinced that its use of discretionary power, while extremely limited, was necessary to adjust from the COVID-19 impact and that the overall executive pay for 2020



fully reflects the resilient performance achieved, the satisfactory shareholder return, and all stakeholders' experience during the crisis.

2021 Remuneration Policy (Resolution 11)

You are invited to approve several changes in the Remuneration Policy, so that FDJ's compensation practices evolve in line with market standards (FDJ having joined the SBF 120 in March 2020) while strengthening the link with long-term performance.

Indeed, the Board is proposing to extend the vesting period attached to the LTIP from 2 to 3 years. Moreover, it is proposed to progressively increase, over the next four years, the target level of the annual variable incentive for corporate officers, with the aim to reach 100% of fixed pay by 2024.

The level of increase applied each year will depend on the performance achieved the previous year. Moreover, the fixed compensation will not increase during the whole duration of both executives' mandates. This highlights the focus made by the Board on strengthening the link between executive pay and performance.

If you have any questions or comments regarding this letter or the 2021 AGM agenda, please feel free to contact us at invest@lfdj.com.

Yours faithfully,

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