



Information to shareholders relevant to the 2022 AGM

Dear Shareholders,

As for our previous Annual Meeting, we wanted to reach out to our shareholders ahead of our 2022 Annual General Meeting ("AGM"), scheduled on 26 April 2022 at 2.30pm CET.

We take this opportunity to specifically present to you the key developments concerning FDJ's governance and CSR efforts, as well as our view on the main resolutions submitted to your approval at our upcoming AGM.

2021 Financial and Extra-Financial Performance

2021 marked FDJ's return to its pre-crisis growth trajectory for all its activities. The Group's outstanding performance confirms the relevance of FDJ's strategy and has prompted the Company to revise upward its 2025 targets initially communicated at our IPO.

Thanks to the excellent results achieved in 2021, you will be asked to approve a dividend of EUR 1.24 per share, representing a 38% increase compared to last year. The proposed amount corresponds to a payout ratio of 80%, fully in line with the Company's dividend distribution policy announced in 2019 at our IPO.

FDJ is also continuing to strengthen its social responsibilities, and the Group will carry on combining financial performance with extra-financial commitments for the benefit of all its stakeholders. In this regard, FDJ maintained a very high level of non-financial performance in 2021, with CSR remaining at the heart of the Group's strategic orientations for 2025 as illustrated by the performance conditions attached to the variable pay of key managers. In 2021, FDJ's Moody's ESG notation is A+ for the third consecutive year; with an overall grade of 70/100 (vs 66/100 the previous year), the highest in its activity sector.

The Company's contribution to national wealth was EUR 6.2 billion, or 0.25% of gross domestic product (GDP). In terms of employment, the FDJ Group's activities provided 54,800 new or existing jobs in France.

Following the introduction of the corporate purpose in the Company bylaws, with your support from the 2020 AGM, FDJ is driven to ensure that its underlying responsibilities are supported by concrete actions. In that respect, a [Stakeholders Committee](#) was created in December 2020 to monitor the proper implementation of FDJ's commitments and foster a high-level dialogue between the Group and its stakeholders. The Stakeholders Committee ensures that the Group promotes a Responsible Gaming model and globally reviews CSR policies, addressing issues essential for FDJ.



Board Changes (Resolutions 5 to 7)

At the upcoming AGM, you will be asked to re-elect Xavier Girre as Independent Director. Since 21 November 2019, Mr. Girre has been Chairman of the Audit and Risks Committee of FDJ, bringing his precious contribution and extensive financial knowledge to the Board. Mr Girre is Group Senior Executive Vice-President, Group Finance at EDF. He is very committed to the challenges of business performance and impact.

Upon proposal of the French State, you will also be called to re-elect Didier Trutt and Ghislaine Doukhan who both bring their valuable knowledge to the Board and the committees they are members of. Mrs Doukhan is head of Safran Power Units and member of Safran Helicopter Engines executive committee. Mr Trutt is Chairman and CEO of IN Group ("Imprimerie Nationale"). Both are seasoned executives in the information technology and services industry.

Regarding the Board composition, it is worth mentioning that Henri Lacaille was replaced by Jacques Sonnet as Fédération Nationale André Maginot (FNAM) representative on 22 October 2021. Similarly, the Independent Director Florence Barjou replaced Françoise Debrus as Predica representative on 1 March 2022. The two former representatives having retired.

Lastly, we highlight that the mandate of the French State Representative Charles Sarrazin will be renewed in 2022 by decree for 4 years. In accordance with article 13 of the Company's bylaws, his re-election is not subject to shareholders' vote.

The resulting Board of Directors would, therefore, be composed of 15 members, including two employee representatives and one employee shareholder representative who ensure a thorough understanding of the views and interest of the general workforce of the Group. In addition, half of the Directors that are not representatives of employees or employee shareholders are independent, and the Board composition fully complies with the strict rules on gender diversity with perfect parity.

In this regard, FDJ also promotes gender equality, generational diversity and the inclusion of people with disabilities in all Group entities. In 2021, 34,6% of Group managers were women (vs. 39,2% in group employees). The objective being to reach the same percentage of female managers in 2023 as in the group.

Executive Compensation (Resolutions 11 to 13 and Resolution 15)

The executive pay for 2021 fully reflects the 2021 Remuneration Policy (approved by Shareholders with 99.6% support) and FDJ's outstanding performance.

Fixed remuneration is unchanged for the remaining duration of the two ECD's mandate. Variable compensation is structured around an annual bonus in cash (STI) and a long-term, share-based incentive plan (LTI).

On the annual bonus, STI:

As approved at 2021 AGM, the ECD's annual bonus will progressively increase, excluding overperformance, from 25% of fixed pay on target in 2020 to 100% of fixed pay on target by 2024. As a consequence of this mechanism, this year the annual bonus represents 60% of fixed remuneration.

As a reminder, in 2021 the Cash Conversion Rate replaced the Free Cash Flow in the annual bonus, in line with the financial communication KPI's of the Group since its IPO.



Taking into account investors' feedback, this year the Company has improved its ex-ante disclosure on criteria and vesting scale of the variable compensation scheme.

FDJ has structured the ex-ante CSR/Responsible Gaming criteria around 3 key quantifiable KPIs to better align executive remuneration to its CSR ambition:

- A responsible gaming criterion measuring the share of the gross gaming revenue carried by high-risk online lottery players;
- A criterion linked to environment with a target on the Group's carbon emissions' reduction;
- The Moody's ESG rating, measuring the Group sustainability performance against its sectorial peers.

On the long-term incentive, LTI:

For a better alignment with shareholders, executive officers were granted long-term, performance-based awards for the first time. As a reminder, in 2020 the implementation of a long-term incentive plan for senior executives was postponed to 2021 by the Board due to the pandemic.

On the performance criteria, relative TSR was introduced into the Long-term Incentive Plan to further align executive pay with shareholders' return. The vesting period was also extended from two to three years, and the "identified stakes ratio" replaced the "digitized stakes ratio", in accordance with the strategic objectives of the Group. These features remain unchanged in 2022.

On this occasion, we remind that the performance share plans are granted to corporate officers and employees of the Company. The characteristics, performance criteria and presence conditions of the long-term incentive plan (LTI 2022-2024) as described in section 2.2.1.2 of the 2022 Universal Registration Document are applicable to all beneficiaries (employees and ECD) with the exception of the obligation to hold 20% of the shares until the end of their mandate for Corporate officers.

Finally, the performance shares will be allocated within the framework of a financial authorization granted to the Board of Directors which you are asked to renew at the General Meeting of April 26, 2022 (resolution 15).

Deletion of the statutory reserve provided for in the article 29 of the articles of association and modification of article 29 (Resolution 18).

The mechanism of a statutory reserve turns out to be less suitable given the evolution of the financial structure of the Company with a higher level of results and equity than at the time of the implementation of this device. A recent update of the assessment of rare and extreme, operating and counterparty risks to which FDJ is exposed confirmed this trend.

Therefore, it will be proposed to the AGM to:

- Remove the obligation to constitute a statutory reserve, and to amend article 29 of the Company's articles of association accordingly;
- Decide that all the sums allocated to the statutory reserve, i.e. a total amount of EUR 96,826,190.34 (subject to the approval by the general meeting of the allocation of the 2021 result) will be transferred to the item optional reserve which would therefore amount to EUR 411,035,224.84.



We hope that you will find the above commentary helpful to better understand our approach and will support the Board in its efforts to constantly align with best practice and market standards.

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

Please feel free to contact us at invest@lfdj.com should you have any questions or comments regarding this letter or the 2022 AGM agenda.

Yours faithfully,

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