

# FDJ

## INTERIM FINANCIAL REPORT 30 JUNE 2024

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# STATEMENT OF THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I hereby certify that, to the best of my knowledge, the interim financial statements for the previous half year have been prepared in accordance with applicable accounting standards and give a true and fair picture of the assets, liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the interim management report presented below accurately reflects the highlights of the first six months of 2024 financial year, their impact on the financial statements, the main related-party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the year.

Boulogne-Billancourt, 26 July 2024

Stéphane Pallez  
Chairwoman and CEO

# INTERIM MANAGEMENT REPORT

## 30 JUNE 2024

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## 1 Highlights

### ***Renewal of Stéphane Pallez's term of office as Chairwoman and CEO***

The Board of Directors of the FDJ Group has approved the reappointment of Stéphane Pallez as Chairwoman and CEO for a four-year term. This reappointment is part of the renewal of Stéphane Pallez's term of office as director, which was put to the vote of FDJ shareholders at the Annual General Meeting on 25 April 2024 and approved by 94.2% of the votes cast.

### ***Public tender offer for Kindred***

On 20 February 2024, the public tender offer for Kindred was opened for a maximum period of 39 weeks. The completion of the takeover is subject in particular to obtaining regulatory authorisations and the acquisition by FDJ of at least 90% of Kindred's share capital.

At this stage, the authorisation decision of the French Competition Authority (ADLC) is the last regulatory condition necessary to finalise this offer.

On 14 May, FDJ notified the ADLC of its planned acquisition of the Kindred group by means of a public tender offer. Following comments from third parties and questions from the market, FDJ proposed adjustments to the commitments it made in 2023 in connection with the acquisition of ZEturf, relating to the separation of activities under exclusive rights from those open to competition.

### ***Cancellation of 3% of FDJ's share capital following the Court of Cassation's ruling in favour of the FDJ Group in its dispute with Soficoma***

This decision by the Court of Cassation, which definitively ends the dispute, gives rise to the cancellation of 5,730,000 FDJ shares and the corresponding reduction of FDJ's share capital, which now comprises 185,270,000 shares.

### ***Payment & Services: launch of Nirio Premio and the free-flow toll payment service***

- At the end of April, Nirio, FDJ Services' payment solution, launched Nirio Premio, an offer combining an account domiciled in France and a payment card, as well as budget management tools.
- Since the end of June, Nirio can also be used to pay free-flow motorway toll charges, in cash or by card, in the network of approved bars, tobacconists and newsagents. This form of payment is now available to customers on the A14 and A79 motorways.

### ***Sustained social commitment to responsible gaming, inclusion and the environment***

- Initiatives to prevent underage and excessive gambling have been stepped up, with convincing results
  - The proportion of gross gaming revenue from online lottery generated by high-risk players is 1.6%<sup>1</sup>, compared with 1.8% at the end of December 2023, which is below the 2025 target of less than 2%.

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<sup>1</sup> As at end June 2024, on a 12-month rolling basis

- The Group, which devotes 10% of its annual advertising spend to preventing underage and excessive gambling, runs campaigns reminding people that gambling is prohibited for minors and that it is important to set limits to ensure that this practice remains recreational.
- As with every major sporting event, FDJ stepped up its prevention activities for the UEFA European Football Championship, notably with a ramp-up of its responsible gaming campaigns on TV. In addition, almost 1,500 awareness-raising calls were made to sports betting players before and during the Euro.
- “Héritage 2024”: the FDJ Foundation supports two inclusion and education projects for a total of €3 million
  - The FDJ Corporate Foundation is supporting two new projects as part of its “Héritage 2024” call for major projects, for a total of €3 million. The first, “ETRE et devenir” (BEING and becoming), trains young people who have dropped out of school for careers in the ecological transition. The second, “La récré sportive 100% inclusion” (100% inclusive sports break), develops sporting activities for vulnerable children.
- A recognised commitment to reducing its carbon footprint
  - For the third year running, FDJ obtained an “A” carbon score for the Vérité40 index established by the investment consultancy Axylia, comprised of the 40 best carbon scores of SBF 120 companies.
- Continuation of the Group’s sponsorship of Office français de la biodiversité
  - The FDJ Group has renewed its commitment to the French Office for Biodiversity (Office français de la biodiversité, OFB) with the signing of a new sponsorship agreement providing for support of €700,000 over two years. FDJ is keen to continue its commitment as a “Major Sponsor” of the OFB by supporting three new biodiversity conservation projects in France and the French Overseas Territories.

## 2 Group results

### 2.1 Comments on the consolidated income statement

#### Revenue

€m	30.06.2024	30.06.2023	Change 06.2022 vs 06.2021	
<b>Gross gaming revenue (GGR)</b>	<b>3,660.2</b>	<b>3,295.0</b>	<b>365.1</b>	<b>11.1%</b>
Public levies	-2,304.2	-2,082.4	-221.8	10.7%
Other revenue from sports betting	0.0	5.1	-5.1	-
				100.0%
<b>Net gaming revenue (NGR)</b>	<b>1,356.0</b>	<b>1,217.8</b>	<b>138.2</b>	<b>11.3%</b>
<b>Revenue from other activities</b>	<b>72.3</b>	<b>71.2</b>	<b>1.1</b>	<b>1.6%</b>
<b>Revenue</b>	<b>1,428.3</b>	<b>1,289.0</b>	<b>139.3</b>	<b>10.8%</b>
Cost of sales	-736.1	-700.8	-35.2	5.0%
Marketing and communication expenses	-270.2	-222.8	-47.4	21.3%
General and administrative expenses	-115.0	-118.4	3.3	-2.8%
Other operating income and expenses	-21.8	-7.3	-14.6	200.1%
<b>Recurring operating profit</b>	<b>285.1</b>	<b>239.6</b>	<b>45.5</b>	<b>19.0%</b>
<b>Recurring EBITDA</b>	<b>370.3</b>	<b>299.9</b>	<b>70.4</b>	<b>23.5%</b>
<b>Operating profit</b>	<b>264.5</b>	<b>225.4</b>	<b>39.1</b>	<b>17.4%</b>
Net financial income/expense	23.5	18.7	4.8	25.6%
Share of net income from joint ventures	2.3	2.4	-0.1	-3.8%
Income tax expense	-77.6	-65.4	-12.1	18.6%
<b>Net profit</b>	<b>212.7</b>	<b>181.0</b>	<b>31.7</b>	<b>17.5%</b>
Basic earnings per share (in euros)	1.15	0.95	0.20	21.1%

Gross gaming revenue (GGR) for the first half of 2024 was €3,660 million, an increase of 11.1%. After €2,304 million in public levies, net gaming revenue (NGR) rose by 11.3% to €1,356 million.

After taking account of €72 million in revenue from other activities, the Group's first half revenue came to €1,428 million, an increase of 10.8%, or 4.7% on a like-for-like basis.

€m	30.06.2024	30.06.2023	Change 06.2022 vs 06.2021		Organic change
<b>Lottery</b>	<b>1,005.4</b>	<b>957.7</b>	<b>47.7</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Sports betting and gaming open to competition</b>	<b>294.0</b>	<b>256.8</b>	<b>37.3</b>	<b>+14.5%</b>	<b>+6.7%</b>
<b>Other activities</b>	<b>128.8</b>	<b>74.5</b>	<b>54.3</b>	<b>+72.9%</b>	<b>-5.8%</b>
<b>Group total</b>	<b>1,428.3</b>	<b>1,289.0</b>	<b>139.3</b>	<b>+10.8%</b>	<b>+4.7%</b>

Gaming revenue in France rose by 7.0% to €1,299 million.

- Lottery revenue was €1,005 million, a rise of 5.0% and 7.8% excluding Amigo. Digital momentum remains very strong, up 24.4% in the first half, taking the lottery's digital penetration to 13.8% compared with 11.6% in H1 2023.  
Revenue from instant games rose by 6.7%, buoyed by the success of events in the games portfolio such as the launch of Ticket d'Or (€5) in early January and the phygital game Maxi Black Jack (€5) in May.  
Revenue from draw games was up by 2.1%, and by 9.8% excluding Amigo. This performance was driven in particular by Eurodreams and more attractive Euromillions jackpots than in H1 2023, while Amigo returned to growth at the beginning of June.
- Revenue from sports betting and online gaming open to competition was €294 million, up 14.5% from H1 2023 and up 6.7% on a like-for-like basis.

The first quarter performance had been affected by the high comparison basis of the first quarter of 2023, which had benefited in particular from the very positive impact of the World Cup at the end of 2022. In the second quarter, betting on the Euro football championship fell short of expectations, but revenue was boosted by results that defied the odds and therefore played in the operator's favour. Online business continued to enjoy sustained growth, up 28.3% on a like-for-like basis. This performance reflects the intrinsic dynamism of ParionsSport online, which is also benefiting from the attractiveness of poker, with a high level of cross-selling. The performance of horse-race betting was steady, in line with the market as a whole, and on a par with the end of 2023.

- Revenue from other activities (International and Payment & Services) came to €129 million, compared with €75 million in H1 2023, an increase attributable to the integration of PLI, which performed well, driven in particular by Eurodreams and instant games.
- By distribution channel:
  - Digital revenue has risen sharply, by 39.8% when including the acquisitions of PLI and ZEturf, and by 25.1% on a like-for-like basis. This growth was driven both by sports betting and online gaming open to competition and by online lottery, which benefited from Eurodreams' very high level of digitalisation, as well as the attractiveness of instant games and the exclusive online offer. Digital revenue now accounts for 14.8% of total revenue compared with 11.8% in H1 2023. This performance is still largely attributable to the increase in the number of players.
  - Point-of-sale revenue rose by 7.5%, mainly due to the integration of PLI. Point-of-sale revenue in France was up by 2.6%.

#### **Recurring operating profit/Recurring EBITDA**

**Cost of sales** came to €736 million, including €517 million in PoS commissions (+4.9%). The rise stems from an increase in offline stakes, driven in particular by the integration of PLI. The 5.4% rise in other sales costs to €219 million was due solely to changes in consolidation scope, mainly PLI.

**Marketing and communication expenses** include costs related to the development of the gaming and services offer, particularly digital offers and services, as well as advertising and communication costs. They totalled €270 million, up 21.3% and 5.3% on a like-for-like basis.



**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 totalled €115 million, down 2.8% compared with H1 2023.

**Other operating income and expenses** amounted to a €22 million net expense, mainly comprising the amortisation charge for exclusive operating rights to games in France and Ireland.

The Group's **recurring operating profit** accordingly amounted to €285 million, up 19.0% compared with H1 2023.

**Recurring EBITDA** corresponds to recurring operating profit adjusted for depreciation and amortisation. It came to €370 million, up +23.5% compared with H1 2023. Net depreciation and amortisation of tangible and intangible assets increased by €25 million to €85 million in H1 2024, mainly as a result of the €24 million amortisation of intangible assets recognised in connection with the acquisitions of PLI and ZEBet / ZEturf in 2023.

As such, the **recurring EBITDA margin** was 25.9% in H1 2024, compared with 23.3% in H1 2023.

Other **non-recurring operating income and expenses** amounted to a €21 million net expense, compared with a €14 million expense in H1 2023. They mainly include costs related to acquisitions and the impact of the revaluation of Sporting Group's B2B assets, which are in the process of being sold.

**Operating profit** for H1 2024 was €265 million, up 17.4% compared with H1 2023.

#### **Net financial income/expense**

The high level of net financial income (€23 million in H1 2024 compared with €19 million in H1 2023) reflects the continuing high level of interest rates.

#### **Income tax expense**

The Group's **tax expense** was €78 million, representing an effective tax rate<sup>2</sup> of 26.9% for H1 2024. This is stable compared with H1 2023.

#### **Net profit**

As such, **consolidated net profit** for H1 2024 amounted to €213 million, up 17.5% compared to H1 2023.

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<sup>2</sup> Before share of net income from joint ventures

## 2.2 Segment reporting

In millions of euros	30.06.2024						
	Lottery BU	Sports betting and online gaming open to competition BU	Other activities	Holdings company	Total before dep./amort.	Dep./amort.	Group total
Gross gaming revenue (GGR)	2,866	611	183	0	3,660		3,660
Net gaming revenue (NGR)	1,002	290	64	0	1,356		1,356
<b>Revenue</b>	<b>1,005</b>	<b>294</b>	<b>129</b>	<b>0</b>	<b>1,428</b>		<b>1,428</b>
<b>Cost of sales</b>	<b>-536</b>	<b>-125</b>	<b>-60</b>	<b>0</b>	<b>-721</b>	<b>-15</b>	<b>-736</b>
<b>Marketing and communication expenses</b>	<b>-86</b>	<b>-78</b>	<b>-44</b>	<b>-19</b>	<b>-228</b>	<b>-42</b>	<b>-270</b>
<b>Contribution margin</b>	<b>383</b>	<b>91</b>	<b>25</b>	<b>-19</b>	<b>479</b>	<b>-57</b>	<b>422</b>
General and administrative expenses & Other operating income and expenses				0	0	-28	-28
<b>Recurring EBITDA</b>					<b>370</b>		
Depreciation and amortisation						-85	
<b>Recurring operating profit</b>							<b>285</b>

In millions of euros	30.06.2023						
	Lottery BU	Sports betting and online gaming open to competition BU	Other activities	Holdings company	Total before dep./amort.	Dep./amort.	Group total
Gross gaming revenue (GGR)	2,759	536	1	0	3,295		3,295
Net gaming revenue (NGR)	955	257	6	0	1,218		1,218
<b>Revenue</b>	<b>958</b>	<b>257</b>	<b>74</b>	<b>0</b>	<b>1,289</b>		<b>1,289</b>
<b>Cost of sales</b>	<b>-527</b>	<b>-123</b>	<b>-33</b>	<b>0</b>	<b>-683</b>	<b>-18</b>	<b>-701</b>
<b>Marketing and communication expenses</b>	<b>-82</b>	<b>-59</b>	<b>-39</b>	<b>-16</b>	<b>-197</b>	<b>-26</b>	<b>-223</b>
<b>Contribution margin</b>	<b>349</b>	<b>74</b>	<b>3</b>	<b>-16</b>	<b>409</b>	<b>-44</b>	<b>365</b>
General and administrative expenses & Other operating income and expenses				0	0	-16	-16
<b>Recurring EBITDA</b>					<b>300</b>		
Depreciation and amortisation						-60	
<b>Recurring operating profit</b>							<b>240</b>

### Lottery BU:

Lottery revenue was €1,005 million, a rise of 5.0%.

Cost of sales came to €536 million, up 1.8% (€9 million) compared with H1 2023. It mainly comprises PoS commissions of €397 million, an increase of 1.0% in line with the network's activity over the period. Marketing and communication expenses rose by 5.7% to €86 million.

The Lottery BU's contribution margin came to €383 million, representing a margin on revenue of 38.1%, compared with 36.4% in H1 2023.

### Sports betting and online gaming open to competition BU:

Revenue from sports betting and online gaming open to competition was €294 million, up 14.5% from H1 2023 and up 6.7% on a like-for-like basis.

Cost of sales came to €125 million, up 1.5% (€2 million) compared with H1 2023. This mainly corresponds to PoS commissions, which are in line with the network's stakes.

Other sales costs rose slightly due to the integration of ZEturf. Marketing and communication expenses were €78 million. More than half of this +32.0% increase (€19 million) on the first half of 2023 is due to changes in consolidation scope.

The contribution margin of the Sports betting and online gaming open to competition BU was €91 million, representing a margin on revenue of 30.8% compared with 28.9% in H1 2023.

### Other activities:

Other activities (International and Payment & Services) recorded revenue of €129 million, an increase attributable to PLI, for a contribution margin of €25 million.

### Holding:

Central costs came to €128 million, virtually unchanged from H1 2023.

## 2.3 Change and structure of balance sheet – Net cash surplus

€m	30.06.2024	31.12.2023	Change
Non-current assets	2,041.3	2,063.5	-22.2
<i>of which goodwill</i>	194.4	190.8	3.6
<i>of which exclusive operating rights</i>	561.7	581.6	-19.9
<i>of which other intangible assets</i>	337.8	346.0	-8.2
<i>of which property, plant and equipment</i>	375.4	366.2	9.2
<i>of which non-current financial assets</i>	550.5	559.9	-9.4
Current assets	1,353.6	1,672.6	-319.0
<i>of which trade and distribution network receivables</i>	468.2	559.5	-91.3
<i>of which other current assets</i>	88.7	272.3	-183.6
<i>of which current financial assets</i>	347.1	265.4	81.7
<i>of which cash and cash equivalents</i>	429.5	538.6	-109.1
Assets held for sale	16.4	24.6	-8.2
<b>Total Assets</b>	<b>3,411.3</b>	<b>3,760.8</b>	<b>-349.5</b>
Shareholders' equity	1,008.8	1,071.1	-62.3
Non-current liabilities	526.6	540.8	-14.2
<i>of which non-current financial liabilities</i>	383.3	397.5	-14.1
Current liabilities	1,867.9	2,139.3	-271.3
<i>of which trade and distribution network payables</i>	412.3	478.5	-66.1
<i>of which current player funds</i>	365.8	339.9	25.8
<i>of which public levies liabilities</i>	398.0	606.5	-208.5
<i>of which winnings payable</i>	393.6	343.1	50.5
<i>of which other current liabilities</i>	202.8	258.0	-55.2
<i>of which current financial liabilities</i>	75.5	90.8	-15.4
Liabilities held for sale	8.0	9.6	-1.6
<b>Total liabilities</b>	<b>3,411.3</b>	<b>3,760.8</b>	<b>-349.5</b>

### **Non-current assets and liabilities**

The movement in **exclusive operating rights, other intangible assets and property, plant and equipment** mainly results from capital expenditure (+€54 million) and depreciation and amortisation (-€85 million) for the period.

**Non-current financial liabilities** comprise the portion of the Group's borrowings and lease liabilities due after more than one year. The decrease was mainly due to the transfer of €14 million of the Group's other borrowings to current financial liabilities in accordance with their maturities.

### **Current assets and liabilities; working capital items**

The €275 million drop in **current non-financial assets** resulted from:

- trade and distribution network receivables, which were €91 million lower. This was due to the fact that business levels are traditionally lower at the end of June than at the end of December;
- other current assets (€184 million lower), which at 31 December 2023 included a prepayment of €194 million on the public levies liabilities.

**Non-financial current liabilities** decreased by €256 million, mainly due to the falls in:

- trade and distribution network payables (-€66 million). Accounts payable to the distribution networks changed in line with accounts receivable from the distribution network;
- public levies liabilities (-€209 million), which were affected by the fact that business levels are traditionally lower in June than in December, and by the change in unclaimed prizes (-€152 million). Unclaimed prizes are paid once a year to the French state; a payment of €202 million was made during H1. Other public levies are settled on a monthly basis.

### **Current financial assets, cash and cash equivalents**

The increase of €82 million in **current financial assets** reflects new term deposits.

**Cash and cash equivalents** decreased by €109 million. The net cash inflow from operating activities in the first half (+€376 million) was offset by the payment of dividends for the 2023 financial year (-€329 million), repayments of debt (-€17 million) and investments in property, plant and equipment and intangible assets (-€54 million), as well as by the increase in treasury deposits in term deposits.

### **Net cash surplus**

The “net cash surplus” is the indicator that represents the Group’s net cash position.

<i>In millions of euros</i>	30.06.2024	31 Dec 2024
Non-current financial assets at amortised cost	200.0	200.0
Non-current financial assets at fair value through profit or loss	311.9	328.2
Non-current derivatives	16.4	11.2
Other	22.1	20.4
<b>Total non-current financial assets</b>	<b>550.5</b>	<b>559.9</b>
Current financial assets at amortised cost	205.7	186.6
Current financial assets at fair value through profit or loss	73.4	24.4
Current derivatives	6.5	0.0
Security deposits	61.4	54.3
<b>Total current financial assets</b>	<b>347.1</b>	<b>265.4</b>
<b>Total financial assets</b>	<b>897.6</b>	<b>825.3</b>
Investments, cash equivalents	287.5	406.4
Bank accounts and other	142.1	132.2
<b>Total cash and cash equivalents</b>	<b>429.5</b>	<b>538.6</b>
Non-current financial debt	-339.0	-352.3
Non-current lease liabilities	-37.5	-33.7
Other financial liabilities	-6.7	-10.7
Non-current derivatives (liabilities)	0.0	-0.8
<b>Total non-current financial liabilities</b>	<b>-383.3</b>	<b>-397.5</b>
Current financial debt	-28.1	-31.8
Current lease liabilities	-8.8	-11.0
Current derivatives	-7.1	0.0
Bank overdrafts	-11.8	0.0
Other current financial liabilities	-19.8	-48.0
<b>Total current financial liabilities</b>	<b>-75.5</b>	<b>-90.8</b>
<b>Total financial liabilities</b>	<b>-458.8</b>	<b>-488.3</b>
Security deposits received/paid (current and non-current)	-72.0	-63.3
Cash subject to restrictions	0.0	0.0
Amounts set aside exclusively for Euromillions winners	-80.5	-70.0
Non-consolidated securities	-99.5	-71.7
<b>NET CASH SURPLUS</b>	<b>616.2</b>	<b>670.6</b>

### ***Reconciliation between the various cash indicators***

<i>In millions of euros</i>	<b>30.06.2024</b>	<b>31.12.2023</b>
<b>Cash and cash equivalents</b>	<b>429.5</b>	<b>538.6</b>
<b><i>Amounts set aside exclusively for Euromillions &amp; Eurodreams winners</i></b>	<b>-80.5</b>	<b>-70.0</b>
<b>Non-current financial assets at amortised cost</b>	<b>200.0</b>	<b>200.0</b>
<b>Current financial assets at amortised cost</b>	<b>205.7</b>	<b>186.6</b>
<b><i>Financial assets at amortised cost</i></b>	<b>405.7</b>	<b>386.6</b>
<b>Available cash</b>	<b>754.9</b>	<b>855.3</b>
Non-consolidated securities (FDJ Venture)	99.5	71.7
Other non-current investments at fair value through profit or loss	212.4	256.5
<b>Non-current financial assets at fair value through profit or loss</b>	<b>311.9</b>	<b>328.2</b>
<b>Current financial assets at fair value through profit or loss</b>	<b>73.4</b>	<b>24.4</b>
<b><i>Financial assets at fair value through profit or loss</i></b>	<b>385.4</b>	<b>352.7</b>
<b><i>Financial debt and other financial liabilities (excluding deposits)</i></b>	<b>-382.3</b>	<b>-431.4</b>
Non-current derivatives (assets)	16.4	11.2
Current derivatives (assets)	6.5	0.0
Non-current derivatives (liabilities)	0.0	-0.8
Current derivatives (liabilities)	-7.1	0.0
<b><i>Derivatives</i></b>	<b>15.8</b>	<b>10.5</b>
<b><i>Lease liabilities</i></b>	<b>-46.4</b>	<b>-44.7</b>
<b><i>Bank overdrafts</i></b>	<b>-11.7</b>	<b>0.0</b>
<b><i>Non-consolidated securities</i></b>	<b>-99.5</b>	<b>-71.7</b>
<b>Net cash surplus</b>	<b>616.2</b>	<b>670.6</b>

## **3 Outlook 2024**

In light of the performance of the first half and taking into account the integration of the ZEturf group and PLI at the end of 2023, respectively from 29 September and 3 November, FDJ is reiterating its 2024 objectives of around 8% growth in total Group revenue, and around 5% growth in revenue from gaming activities in France, with a recurring EBITDA margin of around 24.5%.

## **4 Main risks**

The main risks and uncertainties that the Group could potentially face in H2 2024 are the same as those presented in Chapter 3 “Risk Factors” of the 2023 Universal Registration Document, ref. D.24-0116, approved by the AMF on 15 March 2024. Changes in risks associated with financial instruments and disputes over the first half are disclosed in notes 3.4 “Hedging of operational risks”, 7.5 “Management of financial risks” and 15 “Ongoing legal proceedings and other disputes” to the interim consolidated financial statements in this report.

## **5 Related parties**

The related parties at 30 June 2024 were the same as those identified at 31 December 2023, as were the related-party transactions.

## **6 Post-closing events**

There are no material post-closing events.

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## 30 JUNE 2024

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## Consolidated income statement

The financial statements are presented in millions of euros, rounded to the nearest hundred thousand. The various financial statements may therefore contain rounding differences.

<i>In millions of euros</i>	Note	30.06.2024	30.06.2023
<b>Net gaming revenue</b>	3.1	<b>1,356.0</b>	<b>1,217.8</b>
<b>Revenue from other activities</b>	<b>3.1</b>	<b>72.3</b>	<b>71.2</b>
<b>Revenue</b>	3.1	<b>1,428.3</b>	<b>1,289.0</b>
Cost of sales	3.2	-736.1	-700.8
Marketing and communication expenses	3.2	-270.2	-222.8
General and administrative expenses	3.2	-115.0	-118.4
Other operating income	3.2	0.3	0.4
Other operating expenses	3.2	-22.2	-7.7
<b>Recurring operating profit</b>	3.2	<b>285.1</b>	<b>239.6</b>
Other non-recurring operating income	3.2	0.0	2.3
Other non-recurring operating expenses	3.2	-20.6	-16.6
<b>Operating profit</b>		<b>264.5</b>	<b>225.4</b>
Cost of financial debt		-6.1	-7.5
Other financial income		36.6	35.2
Other financial expenses		-7.0	-9.0
<b>Net financial income/expense</b>	7.1	<b>23.5</b>	<b>18.7</b>
Share of net income from joint ventures	9	2.3	2.4
<b>Profit before tax</b>		<b>290.3</b>	<b>246.5</b>
Income tax expense	11	-77.6	-65.4
<b>Net profit for the period</b>		<b>212.7</b>	<b>181.1</b>
- attributable to owners of the parent		212.7	181.1
- attributable to non-controlling interests		0.0	0.0
<b>Basic earnings per share (in euros)</b>	12	<b>1.15</b>	<b>0.95</b>
<b>Diluted earnings per share (in euros)</b>	12	<b>1.15</b>	<b>0.95</b>

<b>Consolidated statement of comprehensive income</b>
---

<i>In millions of euros</i>	<b>30.06.2024</b>	<b>30.06.2023</b>
<b>Net profit for the period</b>	<b>212.7</b>	<b>181.0</b>
Cash flow hedging (before tax)	-1.7	-1.2
Net investment hedging on foreign activities (before tax)	-0.2	0.8
Net change in currency translation differences (before tax)	-0.8	-1.9
Tax on items subsequently transferable to profit or loss	0.5	0.1
<b>Items subsequently transferred or transferable to profit or loss</b>	<b>-2.2</b>	<b>-2.3</b>
Actuarial gains and losses	0.1	-5.5
Tax on items that may not subsequently be transferable to profit or loss	0.0	1.4
<b>Items that may not subsequently be transferred to profit or loss</b>	<b>0.1</b>	<b>-4.1</b>
<b>Other comprehensive income</b>	<b>-2.1</b>	<b>-6.3</b>
<b>Total comprehensive income for the period</b>	<b>210.6</b>	<b>174.7</b>
- attributable to owners of the parent	210.6	174.7
- attributable to non-controlling interests	0.0	0.0

## Consolidated statement of financial position

ASSETS	Note	30.06.2024	31.12.2023
Goodwill	4	194.4	190.8
Exclusive operating rights	5.1	561.7	581.6
Other intangible assets	5.1	337.8	346.0
Property, plant and equipment	5.2	375.4	366.2
Non-current financial assets	7.2	550.5	559.9
Investments in joint ventures	9	21.5	19.1
<b>Non-current assets</b>		<b>2,041.3</b>	<b>2,063.5</b>
Inventories		20.0	22.7
Trade and distribution network receivables	3.6	468.2	559.5
Other current assets	3.6	88.7	272.3
Current tax assets		0.1	14.1
Current financial assets	7.2	347.1	265.4
Cash and cash equivalents	7.4	429.5	538.6
<b>Current assets</b>		<b>1,353.6</b>	<b>1,672.6</b>
<b>Assets held for sale</b>	10	<b>16.4</b>	<b>24.6</b>
<b>TOTAL ASSETS</b>		<b>3,411.3</b>	<b>3,760.8</b>
<i>In millions of euros</i>			
LIABILITIES	Note	30 June 2024	31 Dec 2024
Share capital		74.1	76.4
Retained earnings (including profit for the period)		920.8	978.8
Reserves of other comprehensive income		13.8	15.9
<b>Equity attributable to owners of the parent</b>	13	<b>1,008.7</b>	<b>1,071.1</b>
Non-controlling interests		0.1	0.0
<b>Shareholders' equity</b>		<b>1,008.8</b>	<b>1,071.1</b>
Provisions for retirement benefits and similar commitments	3.5	61.8	58.0
Non-current provisions	6	1.2	1.4
Deferred tax liabilities		80.2	84.2
Non-current player funds	3.6	0.0	0.0
Non-current financial liabilities	7.2	383.3	397.5
<b>Non-current liabilities</b>		<b>526.6</b>	<b>541.0</b>
Current provisions	6	9.1	14.9
Trade and distribution network payables	3.8	412.3	478.5
Current tax liabilities		10.9	7.4
Current player funds	3.7	365.8	339.9
Public levies liabilities	3.8	398.0	606.5
Winnings payable/Player balances	3.8	393.6	343.1
Other current liabilities	3.8	202.8	258.0
Current financial liabilities	7.2	75.5	90.8
<b>Current liabilities</b>		<b>1,867.9</b>	<b>2,139.0</b>
<b>Liabilities held for sale</b>	10	<b>8.0</b>	<b>9.6</b>
<b>TOTAL LIABILITIES</b>		<b>3,411.3</b>	<b>3,760.8</b>

## Consolidated statement of cash flows

<i>In millions of euros</i>	Note	30 June 2024	30 June 2023
<b>OPERATING ACTIVITIES</b>			
<b>Consolidated net profit for the period</b>		<b>212.7</b>	<b>181.1</b>
Change in asset depreciation, amortisation and impairment of non-current assets		92.2	66.6
Change in provisions		4.1	7.0
Capital gains or losses on disposal		0.0	0.0
Income tax expense		77.6	65.4
Other non-cash items included in the consolidated income statement		-2.4	2.4
Net financial income/expense		-23.5	-18.7
Share of net income from joint ventures		-2.3	-2.4
<b>Non-cash items</b>		<b>145.7</b>	<b>120.3</b>
<b>Use of provisions - payments</b>		<b>-8.4</b>	<b>-5.4</b>
<b>Interest received</b>		<b>24.7</b>	<b>24.0</b>
<b>Income taxes paid</b>		<b>-58.8</b>	<b>-37.7</b>
Change in trade receivables and other current assets		280.5	370.1
Change in inventories		2.6	-2.2
Change in trade payables and other current liabilities		-212.4	-277.6
Change in other components of working capital		-11.0	-12.3
<b>Change in operating working capital</b>		<b>59.7</b>	<b>78.0</b>
<b>Net cash flow from operating activities</b>	<b>8</b>	<b>375.6</b>	<b>360.4</b>
<b>INVESTING ACTIVITIES</b>			
Acquisitions of property, plant and equipment and intangible assets		-54.1	-63.9
Acquisitions of shares in controlled entities		-14.9	0.0
Change in current and non-current financial assets		-46.1	-8.0
Change in loans and advances granted		-4.5	-0.1
Dividends received from joint ventures and shareholdings		0.1	1.0
Other		0.5	-0.2
<b>Net cash flow used in investing activities</b>	<b>8</b>	<b>-119.0</b>	<b>-71.1</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of the current portion of long-term debt		-17.4	-14.0
Payment of lease liabilities		-5.4	-3.9
Dividends paid to ordinary shareholders of the parent company		-328.9	-253.4
Interest paid		-8.3	-6.3
Other		-12.2	-3.3
<b>Net cash flow used in financing activities</b>	<b>8</b>	<b>-372.2</b>	<b>-281.0</b>
Impact of changes in foreign exchange rates		-2.1	1.6
<b>Net increase/decrease in net cash</b>		<b>-117.8</b>	<b>10.0</b>
Current bank overdrafts at 1 January		0.0	-2.5
Current bank overdrafts at 30 June		-11.7	0.0
Cash and cash equivalents at 1 January		538.6	513.4
Cash and cash equivalents at 30 June		429.5	520.8

## Consolidated statement of changes in equity

<i>In millions of euros</i>	Share capital	Statutory reserves	Retained earnings (incl. profit for the period and optional reserve)	Cash flow hedging	Currency translation differences (incl. net investment hedging)	Actuarial gains and losses	Reserves of other comprehensive income	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>Equity at 31.12.2022</b>	76.4	0.0	817.3	13.9	6.7	11.1	31.7	925.4	0.0	925.4
<b>Net profit 30 June 2023</b>			<b>181.1</b>					<b>181.1</b>	<b>0.0</b>	<b>181.1</b>
Other comprehensive income				-0.9	-1.4	-4.1	-6.3	-6.3		-6.3
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>181.1</b>	<b>-0.9</b>	<b>-1.4</b>	<b>-4.1</b>	<b>-6.3</b>	<b>174.8</b>	<b>0.0</b>	<b>174.8</b>
Allocation of prior year net profit		0.0	0.0							
2021 dividends paid			-261.7					-261.7		-261.7
Other		0.0	-2.5					-2.5		-2.5
<b>Equity at 30.06.2023</b>	<b>76.4</b>	<b>0.0</b>	<b>734.2</b>	<b>13.0</b>	<b>5.4</b>	<b>7.1</b>	<b>25.4</b>	<b>836.0</b>	<b>0.0</b>	<b>836.0</b>
<b>Equity at 31.12.2023</b>	<b>76.4</b>	<b>0.0</b>	<b>978.8</b>	<b>7.4</b>	<b>4.5</b>	<b>4.0</b>	<b>15.9</b>	<b>1,071.1</b>	<b>0.0</b>	<b>1,071.1</b>
<b>Net profit 30 June 2024</b>			<b>212.7</b>					<b>212.7</b>	<b>0.0</b>	<b>212.7</b>
Other comprehensive income				-1.2	-0.9	0.1	-2.1	-2.1		-2.1
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>212.7</b>	<b>-1.2</b>	<b>-0.9</b>	<b>0.1</b>	<b>-2.1</b>	<b>210.6</b>	<b>0.0</b>	<b>210.6</b>
Allocation of prior year net profit		0.0	0.0					0.0		0.0
2023 dividends paid			-340.0				0.0	-340.0		-340.0
Other*	2.3	0.0	69.4				0.0	67.1		67.1
<b>Equity at 30.06.2024</b>	<b>74.1</b>	<b>0.0</b>	<b>920.9</b>	<b>6.1</b>	<b>3.5</b>	<b>4.1</b>	<b>13.8</b>	<b>1,008.8</b>	<b>0.0</b>	<b>1,008.8</b>

Income and expenses recognised directly in other comprehensive income mainly consist of actuarial gains and losses on retirement benefit and early retirement leave commitments.

\* Includes €70.7 million in relation to the Soficoma dispute (see Note 13 Shareholders' equity)

## 1 Overview of the Group

### 1.1 General information

FDJ is a French public limited company (société anonyme) governed by all the laws applicable to commercial companies in France, in particular the provisions of the French Commercial Code, subject to 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 is admitted to trading on the Euronext Paris market.

Its shareholding structure at 30 June 2024 comprises: French State (21%), veterans' associations<sup>3</sup> (15.6%, including 10% held by Union des Blessés de la Face et de la Tête - UBFT), Predica (5.5%), employee share ownership funds (4%) and individual holdings of less than 5%.

The State exerts strict control over the Company. As a result, the appointment of the Chairman, Chief Executive Officer and Deputy Chief Executive Officers is subject to approval b-y the Ministers for the Budget and the Economy, who must also give advance consent for any changes in shareholdings that cross the threshold of 10% or a multiple of 10% of the share capital.

As at 30 June 2024, the Group runs a gaming operation and distribution business, mainly in France (metropolitan and overseas departments, plus four French overseas territories and Monaco) and in Ireland. It operates internationally, mainly through its equity investments in the following companies:

- Premier Lotteries Ireland, the operator holding the exclusive rights to run the Irish National Lottery at points of sale and online;
- ZEturf group, an online horse-race and sports betting operator with offices in Spain, Belgium, the Netherlands, Mauritius and Malta, operating mainly in France;
- Sporting Group, based in the UK, which provides betting and risk management services to sports betting operators;
- 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 condensed consolidated financial statements reflect the financial position and results of FDJ and its subsidiaries ("the Group") as well as the Group's investments in joint ventures. They are prepared in euros, the functional currency of the parent company.

### 1.2 Regulatory environment of FDJ Group (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.

<sup>3</sup> The group of veterans' associations comprises: Fédération Nationale André Maginot (FNAM), Association des Mutilés de Guerre des Yeux et des Oreilles (AMGYO), Union Fédérale, CARAC, France Mutualiste, UBFT and Ailes Brisées.

In France, the online sports betting and online poker businesses, which are open to competition, are governed notably by Law no. 2010-476 of 12 May 2010 and conducted within the framework of a five-year agreement. FDJ's licence for sports betting was last renewed by the ANJ in 2020, while its licence for online poker was granted by the ANJ in October 2022. ZEturf, which FDJ acquired in 2023, also holds licences for online horse-race and sports betting.

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.

These texts and the regulatory measures taken in order to apply them impose strict State control on the operation of the exclusive rights, which is exercised in practice through specific prerogatives, such as ministerial approval of the corporate directors before their appointment, ministerial approval of any draft amendments to the company's articles of association, and the presence of a Government commissioner with the right to veto decisions taken by the Board of Directors.

Premier Lotteries Ireland, which FDJ acquired in 2023, has exclusive rights to operate the games of the Irish National Lottery. It holds these rights for a 20-year period from 2014 until 2034 under the terms of an exclusive licence awarded by the Regulator of the National Lottery on the basis of the National Lottery Act 2013.

### 1.3 Highlights

#### ***Renewal of Stéphane Pallez's term of office as Chairwoman and CEO***

The Board of Directors of the FDJ Group has approved the reappointment of Stéphane Pallez as Chairwoman and CEO for a four-year term. This reappointment is part of the renewal of Stéphane Pallez's term of office as director, which was put to the vote of FDJ shareholders at the Annual General Meeting on 25 April and approved by 94.2% of the votes cast.

#### ***Public tender offer for Kindred***

On 20 February 2024, the public tender offer for Kindred was opened for a maximum period of 39 weeks. The completion of the takeover is subject in particular to obtaining regulatory authorisations and the acquisition by FDJ of at least 90% of Kindred's share capital.

At this stage, the authorisation decision of the French Competition Authority (ADLC) is the last regulatory condition necessary to finalise this offer.

On 14 May, FDJ notified the ADLC of its planned acquisition of the Kindred group by means of a public tender offer. Following comments from third parties and questions from the market, FDJ proposed adjustments to the commitments it made in 2023 in connection with the acquisition of ZEturf, relating to the separation of activities under exclusive rights from those open to competition.

#### ***Cancellation of 3% of FDJ's share capital following the Court of Cassation's ruling in favour of the FDJ Group in its dispute with Soficoma***

This decision by the Court of Cassation, which definitively ends the dispute, results in the cancellation of 5,730,000 FDJ shares and the corresponding reduction in FDJ's share capital, which now stands at 185,270,000 shares.



## 1.4 Change in the scope of consolidation

There was no material change in the scope of consolidation. The list of consolidated entities is presented in the Group's financial report established for the financial year ended 31 December 2023.

## 2 Accounting standards and policies

### 2.1 Basis for the preparation and presentation of the financial statements

The condensed half-yearly consolidated financial statements of FDJ Group at 30 June 2024 (hereinafter referred to as "the condensed financial statements") were prepared in compliance with IAS 34 "Interim Financial Reporting". As a result, they do not include all the information and notes required for the preparation of annual consolidated financial statements under IFRS, but only those bearing on the significant events of the period. These financial statements should be read in conjunction with the Group's financial statements for the year ended 31 December 2023, approved by the Board of Directors on 14 February 2024 and prepared in accordance with the going concern principle.

The consolidated financial statements for the period ended 31 December 2023 are available online at [www.groupefdj.com](http://www.groupefdj.com).

The condensed financial statements at 30 June 2024 were prepared in accordance with the same accounting principles and policies as those applied and described in the notes to the consolidated financial statements for the financial year ended 31 December 2023, except for the following items:

- employee benefits: the interim period expense related to pension and other employee benefits is determined by means of an extrapolation of the actuarial valuation performed at 31 December 2023, with an update of the discount rate and outflows at 30 June 2024;
- income tax expense: the tax expense for the interim period is calculated by applying the estimated average effective rate for the year to profit before tax for the interim period.
- derivative financial instruments: in order to benefit from the practical improvements introduced by IFRS 9, the Group has decided to apply IFRS 9 for the measurement of hedging instruments for the first time its 2024 financial statements. This change of accounting policy has been implemented retrospectively and had no impact on shareholders' equity as at January 1, 2023. Its impact on profit before tax in 2023 was not material.

The preparation of the interim 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, the Group has enhanced its risk management procedures. The Group has incorporated these factors into its estimates, such as business plans and discount rates used for impairment testing and provision calculations.

Due to the uncertainties inherent in any valuation process, the Group reviews its estimates at each period-end based on regularly updated information. The future results of the transactions concerned may differ from these estimates.

Material estimates and the main assumptions and key data mainly cover the following items:

- discount rate and initial assumptions for employee benefits (Note 3.5);
- assessment, by way of impairment testing, of whether any indications exist of an impairment to assets (Note 5);
- fair value of financial assets not listed on active markets (Note 7.2);
- measurement assumptions used to value performance shares (recurring EBITDA, profit per share, probability of achieving targets, risk-free rate, share price) (Note 3.5);

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:

- assessment and quantification of legal risks to determine provisions for risks and litigations (Note 3.4);
- assessment of the risk of non-recovery of past-due payments for the purpose of measuring the recoverable value of receivables from the distribution network (Note 3.4);
- identification (or not) of leases in certain agreements (Note 3.5).

## **2.2 Standards, interpretations and amendments adopted by the European Union and not early-applied by the Group**

The Group has not opted for the early adoption of any standards or interpretations at 30 June 2024.

## **2.3 Standards, interpretations and amendments subject to mandatory application at 1 January 2024**

The amendments and interpretations approved by the European Union whose application was mandatory as of 1 January 2024 (IAS 7, IFRS 7 and associated amendments: Supplier finance arrangements; amendments to IAS 1: Classification of liabilities as current or non-current & Non-current liabilities with covenants; amendments to IFRS 16: Lease liability in a sale-and-leaseback) had no material impact on the Group's financial statements.

## **2.4 Standards, interpretations and amendments not yet adopted by the European Union**

Amendments to IAS 21 – Effects of changes in foreign exchange rates

These standards, interpretations and amendments are currently under review. At this stage, the Group does not anticipate a material impact.

# **3 Operating data**

## **3.1 Net Gaming Revenue (NGR) and revenue**

Net gaming revenue represents FDJ Group's remuneration on its gaming activities. It is monitored by product range. NGR for H1 2024 was €1,356 million, up by €138 million compared to H1 2023 (+11.3%).

Revenue from other activities, predominantly consisting of international services and the Payment & Services business, was €72 million in H1 2024, a rise of €1 million relative to H1 2023 (+1.6%).

Total Group revenue was thus €1,428 million for the period to 30 June 2024, a rise of €139 million relative to 30 June 2023 (+10.8%).

<i>In millions of euros</i>	30 June 2024	30 June 2023
Draw games	399.2	391.0
Instant games	602.5	564.4
<b>Total lottery</b>	<b>1,001.7</b>	<b>955.4</b>
<b>Sports betting and online gaming open to competition</b>	<b>290.3</b>	<b>256.8</b>
<b>Other*</b>	<b>63.9</b>	<b>5.6</b>
<b>Total NGR</b>	<b>1,356.0</b>	<b>1,217.8</b>
Revenue from other activities	72.3	71.2
<b>Revenue</b>	<b>1,428.3</b>	<b>1,289.0</b>

\* Net gaming revenue from the International Lottery business, plus NGR from fixed-odds sports betting at Sporting Group until November 2023.

## 3.2 Operating profit

### Recurring operating profit

**Cost of sales** was €736 million. Of this, €517 million related to PoS commissions, which were up by 4.9% (€24 million), mainly due to the first-time consolidation of PLI. The 5.4% rise in other sales costs to €219 million was due to changes in consolidation scope, mainly PLI.

**Marketing and communication expenses** were €270 million, rising by 21.3% due to the changes in consolidation scope. They include costs related to the development of the gaming range and services, particularly digital, as well as advertising and communication costs, which continue to rise.

**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 totalled €115 million, down 2.8% compared with H1 2023.

**Other operating income and expenses** amounted to a €22 million net expense, mainly comprising the amortisation charge for exclusive operating rights to games in France and Ireland.

The Group's **recurring operating profit** thus totalled €285 million, up 19.0% compared with H1 2023.

### Income statement items by nature of costs

A breakdown of personnel expenses is given in Note 3.5.

**Net depreciation and amortisation** of intangible assets and property, plant and equipment was €85 million in H1 2024 (H1 2023: €60 million). The increase is due to the amortisation of the intangible assets recognised on the PLI and ZEbet/ZEturf acquisitions in 2023.

### Other non-recurring operating income and expenses

**Other non-recurring operating income and expenses** amounted to a €21 million net expense, compared to a €14 million expense in H1 2023. They mainly include costs related to acquisitions and the remeasurement impact in relation to Sporting Group's B2B assets, which are in the process of being sold (see Note 10 to the Consolidated Financial Statements – Assets and liabilities held for sale).

**Operating profit** for H1 2024 was €265 million, up +17.4% compared with H1 2023.

### 3.3 Segment reporting

In millions of euros	30.06.2024						Group total
	Lotte ry BU	Sports betting and online gaming open to competition BU	Other activities	Holdin g compa ny	Total before dep./amort.	Dep./amort.	
Gross gaming revenue (GGR)	0	0	0	0	0		0
Net gaming revenue (NGR)	0	0	0	0	0		0
<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Cost of sales</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-15</b>	<b>-15</b>
<b>Marketing and communication expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-42</b>	<b>-42</b>
<b>Contribution margin</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-57</b>	<b>-57</b>
<b>General and administrative expenses &amp; Other operating income and expenses</b>				<b>0</b>	<b>0</b>	<b>-28</b>	<b>-28</b>
<b>Recurring EBITDA</b>					<b>370</b>		
<b>Depreciation and amortisation</b>						<b>-85</b>	
<b>Recurring operating profit</b>							<b>285</b>

In millions of euros	30.06.2023						Group total
	Lotte ry BU	Sports betting and online gaming open to competition BU	Other activities	Holdin g compa ny	Total before dep./amort.	Dep./amort.	
Gross gaming revenue (GGR)	2,759	536	1	0	3,295		3,295
Net gaming revenue (NGR)	955	257	6	0	1,218		1,218
<b>Revenue</b>	<b>958</b>	<b>257</b>	<b>74</b>	<b>0</b>	<b>1,289</b>		<b>1,289</b>
<b>Cost of sales</b>	<b>-527</b>	<b>-123</b>	<b>-33</b>	<b>0</b>	<b>-683</b>	<b>-18</b>	<b>-701</b>
<b>Marketing and communication expenses</b>	<b>-82</b>	<b>-59</b>	<b>-39</b>	<b>-16</b>	<b>-197</b>	<b>-26</b>	<b>-223</b>
<b>Contribution margin</b>	<b>349</b>	<b>74</b>	<b>3</b>	<b>-16</b>	<b>409</b>	<b>-44</b>	<b>365</b>
<b>General and administrative expenses &amp; Other operating income and expenses</b>				<b>0</b>	<b>0</b>	<b>-16</b>	<b>-16</b>
<b>Recurring EBITDA</b>					<b>300</b>		
<b>Depreciation and amortisation</b>						<b>-60</b>	
<b>Recurring operating profit</b>							<b>240</b>

**Recurring EBITDA** corresponds to recurring operating profit adjusted for depreciation and amortisation. Based on net depreciation and amortisation charges of €85 million on tangible and intangible assets, compared to €60 million in H1 2023, EBITDA amounted to €370 million, up 23.5% compared to H1 2023.

As such, the **recurring EBITDA margin** was 25.9% in H1 2024.

### 3.4 Operating risk hedging

#### **Counterparty risk**

The counterparty risk on lottery games is covered 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 2023, the policy covered the cumulative net impact on NGR of potential counterparty losses over the financial year in excess of €8 million (deductible), subject to an aggregate cap of €130 million, up to the maximum winnings payable for any one prize draw, the amount of which is set by the rules of each game or, failing that, by Article D.322-14 of the French Interior Security Code. The insurance premium, together with any claims payments, is disclosed in cost of sales. No claims have been paid under this policy.

#### **Credit risk on operating receivables**

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.

#### **Foreign exchange risk on operating activities**

In the normal course of its business, the Group is exposed to foreign exchange risk due to purchases 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.

The Group is exposed to the US dollar for a maximum equivalent amount of US\$39 million (US\$37 million in 2023).

Given the annual volume of purchases in foreign currencies, the Group is exposed to limited foreign exchange risk on operational activities. The fair value of derivatives used to hedge foreign-currency purchases of gaming materials was +€0.8 million at 30 June 2024 (-€0.3 million at 30 June 2023). A ten-cent movement up or down in the €/US\$ exchange rate (+/- \$0.10 per €1) would lead, respectively, to a €1.5 million fall or a €3.6 million increase in fair value.

#### **Foreign exchange, liquidity and interest rate risk on the Kindred acquisition**

The acquisition of Kindred, which is listed on the Stockholm Stock Exchange, is to be paid for in Swedish krona. The Group consequently has a material exposure to the krona for a maximum amount of SEK 27,950 million (€2,756 million) and a corresponding foreign exchange risk. The Group has elected to hedge 80% of the target via deal-contingent derivatives; if the bid were to fail, the Group does not wish bear hedging costs, or to be in a speculative position with the regard to the hedges.

As the acquisition of Kindred is considered highly probable, the deal-contingent derivatives have been designated as hedging instruments in a cash flow hedge.

The fair value of derivatives used to hedge foreign-currency purchases was -€0.2 million at 30 June 2024. A 10% appreciation or depreciation in the SEK relative to the euro would lead, respectively, to a €203 million fall or a €202.8 million increase in fair value.

The foreign exchange risk also has an impact on liquidity risk: a rise in the SEK/EUR exchange rate could make it impossible for FDJ to obtain the necessary funds in EUR. The liquidity risk derives solely from a change in the amount of euros required to purchase the target in foreign currency.

FDJ itself will acquire the SEK-denominated shares in the Maltese company. This will be funded partly from FDJ's own surplus cash and partly from borrowings, which will be subject to interest rate risk if the takeover bid succeeds.

FDJ has taken out a €2 billion, 18-month bridging loan in order to secure the Kindred acquisition. It intends to refinance this loan in late 2024, depending on market conditions. Given the current unusual conditions in the interest rate market, a variety of hedging options are being contemplated for ensuring the servicing of the future debt.

In a public tender offer, the preliminary hedging strategy consists of buying options or entering into contingent interest rate swaps for the term of the loans. As at 30 June 2024, the Group had entered into €400 million of swaptions and €100 million of contingent swaps.

### 3.5 Personnel expenses and employee benefits

#### Group headcount

The Group's weighted average headcount, covering all types of employment contracts including temporary staff, was as follows:

	30.06.2024	30.06.2023
Weighted average headcount	3,026	3,139

	30.06.2024	30.06.2023
Total year-end headcount	3,054	3,199

The change in FDJ group headcount is mainly due to the changes in the scope of consolidation.

#### Personnel expenses

<i>In millions of euros</i>	30.06.2024	30.06.2023
Payroll and social security contributions	166.0	139.9
Employee profit-sharing and incentives	22.4	20.2
Long-term benefits	5.7	1.1
Other	18.1	26.9
<b>Total personnel expenses</b>	<b>212.2</b>	<b>188.1</b>

The rise in personnel expenses primarily resulted from the addition of new staff, coupled with the application of the wage policy and company agreements, as well as early retirement leave.

### ***Employee benefits***

<i>In millions of euros</i>	<b>30.06.2024</b>	<b>31.12.2023</b>
Retirement benefits	22.7	22.7
Long-service awards	8.3	7.9
Healthcare costs	5.1	4.8
Early retirement leave	25.7	22.5
<b>Provisions for retirement benefits and similar commitments</b>	<b>61.8</b>	<b>58.0</b>

The discount rate applied at 30 June 2024 was 3.5% (vs. 3.2% at 31 December 2023). According to sensitivity test results, a 100-basis point increase or decrease in the discount rate would have a respective impact of -9% and +10% on the provisions. These results exclude the early retirement scheme.

The increase in the provision for early retirement leave is notably due to an increase in the number of eligible employees as a result of pension reform, new agreements signed by employees, largely from among those who were already eligible at 31 December 2023, and the service cost for the first half-year. The provision has gone up by €3 million, of which €0.8 million is disclosed in other comprehensive income. It is assumed that 25% of those eligible for early retirement leave will take up the offer.

### ***Performance shares***

Three performance-based share schemes are in operation, including one new plan established in 2024. Shares have been allocated to the Chairwoman and CEO, the Deputy CEO and certain Group employees. Rights to performance share awards are measured at fair value on the date of allocation, based on the assumption that the target level of performance will be fully achieved. The number of shares to be awarded is shown below.

The entitlements have a vesting period of three years and are conditional on continued service.

The actual award of the shares is subject to the achievement of performance targets (EBITDA, profit per share, total shareholder return for FDJ shareholders, identified stakes ratio, revenue growth rate, and CSR and D&I conditions). If these targets are not met, the number of shares delivered and the expense will be reduced. In the event of outperformance, the number of shares delivered will be increased, up to a maximum of 145% of the entitlements awarded.

The performance targets are assessed over three financial years, starting in the year in which the shares are awarded. The shares are delivered in the year after the three-year period, i.e. shares awarded in 2022 will be delivered in 2025, shares awarded in 2023 will be delivered in 2026 and shares awarded in 2024 will be delivered in 2027.

Plan	2022-2025	2023-2026	2024-2027
Allocation date	26.04.2022	27.04.2022	25.05.2022
	2	3	4
Number of shares	174,764	175,828	221,777
Share price	34.6	38.8	34.5
Fair value	28.65	31	26.9
Expected dividends during the vesting period	10.0%	12.3%	15.6%
Volatility of shares	34.4%	23.3%	22.2%
Weighting for non-market performance targets (base 100%)	85.0%	85.0%	85.0%
Weighting for TSR performance targets (base 100%)	15.0%	15.0%	15.0%
Valuation method		Monte Carlo	

The estimated expense over the term of the plans is €23 million (including employer's social security contributions), of which €2 million was expensed in the period. During the period, the Group purchased 111,386 shares for a total of €4 million for distribution to the beneficiaries when the plan matures.

### 3.6 Current receivables

#### *Trade and distribution network receivables*

<i>In millions of euros</i>	30.06.2024	31.12.2023
Trade receivables (gross)	85.8	109.2
Distribution network receivables (gross)	402.0	469.6
Impairment	-19.6	-19.3
<b>Total trade and distribution network receivables</b>	<b>468.2</b>	<b>559.5</b>

Trade receivables essentially relate to the Group's business with foreign lotteries for the provision of IT services. In France and Ireland, 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.

The amount at the period-end varies, depending on the day of the week on which the last day of the period falls. The decrease is due to the fact that business levels are traditionally lower at the end of June than at the year end, as well as to a calendar effect<sup>4</sup>.

#### *Other current assets*

<i>In millions of euros</i>	30.06.2024	31.12.2023
Prepaid expenses	32.9	24.3
Other current receivables	55.8	248.0
<b>Total other current assets</b>	<b>88.7</b>	<b>272.3</b>

At 31 December 2023, other current receivables included an advance payment on public levies liabilities of €194 million.

<sup>4</sup> Since payment is weekly, the calendar effect on distribution network receivables fluctuates between 3 and 9 days' point-of-sale stakes, depending on which weekday the reporting date falls



### 3.7 Player funds

Player funds stood at €366 million at 30 June 2024 (31 December 2023: €340 million). All player funds are classified as current player funds and contain amounts serving to organise games. Changes in player funds are driven by the lifecycle of draw games.

### 3.8 Current payables

#### *Trade and distribution network payables*

<i>In millions of euros</i>	<b>30.06.2024</b>	<b>31.12.2023</b>
Trade payables	183.1	190.4
Distribution network payables	229.2	288.1
<b>Total trade and distribution network payables</b>	<b>412.3</b>	<b>478.5</b>

Distribution network payables consist of prizes paid to players by retailers and network commissions for the period-end. These amounts are paid weekly. The amount varies, depending on the day of the week on which 30 June falls. The change over the half-year is due to the fact that stakes are traditionally lower at the end of June than at the end of December.

#### *Public levies liabilities*

<i>In millions of euros</i>	<b>30.06.2024</b>	<b>31.12.2023</b>
Liabilities – General State budget (France)	228.5	267.1
Liabilities – Sports betting levies (France)	68.8	75.8
Liabilities – Other public levies (France and Ireland)	50.9	61.9
<b>Sub-total</b>	<b>348.2</b>	<b>404.7</b>
Unclaimed prizes (France)	49.8	201.8
<b>Public levies liabilities</b>	<b>398.0</b>	<b>606.5</b>

Public levies due on each month's stakes are paid in the following month, except in December when a payment on account is made in addition to the amounts due in respect of November. Unclaimed prizes are paid to the State during the first six months of the next financial year. The movement in the half-year is due to the fact that business levels are traditionally lower in June than in December, as well as to the payment of 2023's unclaimed prizes to the State.

#### *Winnings payable – Player balances*

Winnings payable – Player balances amounted to €394 million (31 December 2023: €343 million) and mainly included:

- winnings payable, i.e. unexpired, unpaid winnings owed to players, of €269 million (31 December 2023: €226 million);
- balances of €76 million on player accounts (31 December 2023: €72 million).
- winnings due to online players in the course of payment (30 June 2024: €17 million; 31 December 2023: €14 million).

### Other current liabilities

<i>In millions of euros</i>	30.06.2024	31.12.2023
Prepaid income	49.3	50.1
Other payables	153.5	207.9
<b>Other current liabilities</b>	<b>202.8</b>	<b>258.0</b>

Prepaid income on games comprised player stakes collected in the first half for draw games or events taking place in the second half. They are converted into stakes within a maximum of five weeks.

Other payables mainly comprise tax and social security payables (30 June 2024: €154 million; 31 December 2023: €208 million).

## 4 Goodwill

There were no acquisitions or disposals during the period. Consequently, there was no significant change in goodwill, which totalled €194 million at 30 June 2024 and €191 million at 31 December 2023. Goodwill mainly reflects the prospects for future business growth and the value of human capital. No indications of impairment were identified at 30 June 2024.

## 5 Property, plant and equipment and intangible assets

### 5.1 Intangible assets

<i>In millions of euros</i>	30.06.2024			31.12.2023		
	Gross	Amortisation Impairments	Net	Gross	Amortisation Impairments	Net
Exclusive operating rights	655.9	-94.2	561.7	655.9	-74.2	581.6
Development costs	332.6	-220.2	112.4	299.6	-185.6	114.0
Software	97.8	-77.2	20.6	97.4	-70.4	27.0
Brands	90.2	-4.7	85.5	90.2	-1.6	88.6
Intangible assets in progress and other intangible assets	157.8	-38.5	119.3	147.9	-31.4	116.5
<b>Total intangible assets</b>	<b>1,334.3</b>	<b>-434.8</b>	<b>899.5</b>	<b>1,291.0</b>	<b>-363.3</b>	<b>927.7</b>

The exclusive operating rights represent:

- the securing of exclusive rights to operate lottery games sold in the offline distribution network and online, as well as sports betting games sold in the offline distribution network, entrusted to La Française des Jeux for a period of 25 years by the Pacte Law. With a gross value of €380 million, this asset is being amortised over a 25-year period starting on 23 May 2019.
- PLI's exclusive licence to operate the Irish National Lottery until 2034.

The main investments over the period concerned the parent company and related to the development of production and back-office IT systems and point-of-sale terminals.

## 5.2 Property, plant and equipment

<i>In millions of euros</i>	30.06.2024			31.12.2023		
	Gross	Depreciated on Impairments	Net	Gross	Depreciated on Impairments	Net
Land	96.6	-	96.6	96.6	-	96.6
Building facilities and amenities	253.9	-105.6	148.3	242.7	-97.0	145.7
IFRS 16 right-of-use assets (property leases)	54.3	-18.2	36.1	59.3	-27.0	32.3
Furniture, technical installations & point-of-sale equipment	237.9	-205.4	32.5	234.9	-200.6	34.3
Hardware	104.6	-88.2	16.4	103.4	-84.4	19.0
Local services equipment	24.6	-17.5	7.1	22.8	-16.1	6.7
Other property, plant and equipment	39.1	-31.9	7.2	38.8	-30.6	8.2
Property, plant and equipment in progress	28.9	-	28.9	20.7	-	20.7
Advances and payments on account	2.4	-	2.4	2.6	-	2.6
<b>Total property, plant and equipment</b>	<b>842.2</b>	<b>-466.8</b>	<b>375.4</b>	<b>821.9</b>	<b>-455.7</b>	<b>366.2</b>

Investments in property, plant and equipment over the period mainly involved point of sales equipment and buildings.

## 6 Provisions

<i>In millions of euros</i>	31.12.2023	Increases	Reversals		Other movements	30.06.2024
			Utilised	Not utilised		
Total non-current provisions	1.4	0.0	-0.1	0.0	-0.1	1.2
Total current provisions	14.9	0.9	-5.7	-0.4	-0.5	9.1
<b>Total provisions</b>	<b>16.3</b>	<b>0.9</b>	<b>-5.8</b>	<b>-0.4</b>	<b>-0.6</b>	<b>10.3</b>

Current provisions mainly cover disputes related to operations.

## 7 Cash and financial instruments

### 7.1 Net financial income/expense

<i>In millions of euros</i>	30.06.2024	30.06.2023
<b>Cost of financial debt</b>	<b>-6.1</b>	<b>-7.5</b>
Gains on disposals	12.5	10.4
Interest on investments	12.0	9.3
Derivatives (income)	0.0	0.0
Financial income on securities valued at fair value through profit or loss	6.6	10.9
Foreign exchange gains	1.0	1.7
Other financial income	4.6	2.8
<b>Financial income</b>	<b>36.6</b>	<b>35.2</b>
Losses on disposals	0.0	0.0
Derivatives (expenses)	-0.7	-0.2
Financial expenses on securities valued at fair value through profit or loss	-5.4	-6.7
Foreign exchange losses	-0.0	-1.7
Other financial expenses	-0.9	-0.5
<b>Financial expenses</b>	<b>-7.0</b>	<b>-9.0</b>
<b>Net financial income/expense</b>	<b>23.5</b>	<b>18.7</b>

Cost of financial debt essentially comprises the interest expense on the loans taken out to secure the exclusive operating rights, acquire the head office and purchase Sporting Group.

The overall performance of the Group's investments is made up of interest on the investments, gains or losses on disposal, and the changes in the fair value of securities measured at fair value through profit or loss. The total came to +€26 million in the first half of 2024 (H1 2023: +€24 million). The amount is steady relative to the first half of 2023, and is attributable to persistence of high interest rates since September 2023.

The change in the measurement of the Group's various financial assets at fair value was a €1 million gain, compared to a net gain of €4 million in H1 2023. It includes the venture capital investments made by FDJ Ventures, the value of which fell by €4 million in the first half of 2024, mainly due to the tougher overall conditions for technology companies.

FDJ is exposed to foreign exchange risks, mainly on the US dollar. Foreign exchange gains and losses result from currency translation differences on unhedged financial assets and liabilities.

## 7.2 Financial assets and liabilities

<i>In millions of euros</i>	30.06.2024	31.12.2023
Non-current financial assets at amortised cost	200.0	200.0
Non-current financial assets at fair value through profit or loss	311.9	328.2
Non-current derivatives	16.4	11.2
Other non-current financial assets	22.1	20.4
<b>Total non-current financial assets</b>	<b>550.5</b>	<b>559.9</b>
Current financial assets at amortised cost	205.7	186.6
Current financial assets at fair value through profit or loss	73.4	24.4
Current derivatives	6.5	0.0
Security deposits	61.4	54.3
<b>Total current financial assets</b>	<b>347.1</b>	<b>265.4</b>
<b>Total financial assets</b>	<b>897.6</b>	<b>825.3</b>
Non-current financial debt	339.0	352.3
Non-current lease liabilities	37.5	33.7
Other non-current financial liabilities	6.7	10.7
Non-current derivatives (liabilities)	0.0	0.8
<b>Total non-current financial liabilities</b>	<b>383.3</b>	<b>397.5</b>
Current financial debt	28.1	31.8
Current lease liabilities	8.8	11.0
Current derivatives	7.1	0.0
Bank overdrafts	11.7	0.0
Internal financing	0.0	0.0
Other current financial liabilities	19.8	48.0
<b>Total current financial liabilities</b>	<b>75.5</b>	<b>90.8</b>
<b>Total financial liabilities</b>	<b>458.8</b>	<b>488.3</b>

Financial assets at fair value through profit or loss mainly comprise bonds with a time to maturity of three years or less, including dedicated bond funds (€202 million), which the Group intends to hold to maturity.

The vast majority of the Group's financial investments remain highly liquid in the very short term.

Other non-current financial assets mainly include the Euromillions deposit (30 June 2024: €8 million), which is measured at fair value through profit or loss.

Current and non-current financial debt of €367 million (31 December 2023: €384 million) essentially consisted of:

- a loan of €296 million (net of €3 million issuance costs) to fund the securing of the exclusive operating rights, of which €277 million is non-current and €19 million is current. The loan was taken out on 1 April 2020 and had an initial nominal value of €380 million. It is repayable over 20 years and bears interest at a variable rate linked to Euribor. Interest rate hedges have been put in place, covering €166 million until June 2026 and €49 million until September 2027;
- a €60 million loan for the acquisition of the Group's head office, of which €52 million is non-current and €8 million is current. The initial 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 £6 million loan (€7 million), all of which is non-current, taken out in May 2019 for the acquisition of Sporting Group. The initial nominal value was £100 million. It bears interest at a floating rate (Sonia). The final tranche of this loan is to be repaid in a single payment in 2026.

### 7.3 Change in financial liabilities

In millions of euros	31.12.2023	Cash flows						Non-cash flows				
		Issue of long-term debt	Repayment of financial debt	Change in overdrafts	Lease payments (IFRS 16)	Other	Total cash flows	Change in scope	Currency translation differences	Reclassification current/non-current financial debt	Other	
Non-current financial debt	352.3		0.0				0.0	0.0	0.2		-13.5	
Non-current lease liabilities	33.7						0.0	-2.3	0.0		-1.0	7.1
Other financial liabilities	10.7						0.0				-1.0	-2.9
Non-current derivatives liabilities	0.8						0.0					-0.7
<b>Total non-current financial liabilities</b>	<b>397.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.3</b>	<b>0.3</b>		<b>-15.5</b>	<b>3.4</b>
Current financial debt	31.8		-17.4				-17.4	0.0	0.0		13.5	
Current lease liabilities	11.0				-5.4		-5.4	2.3			1.0	
Current derivatives	0.0						0.0					7.1
Bank overdrafts	0.0			11.7			11.7					
Other financial liabilities	48.0		0.0			-8.1	-8.1				1.0	-21.2
<b>Total current financial liabilities</b>	<b>90.8</b>	<b>0.0</b>	<b>-17.4</b>	<b>11.7</b>	<b>-5.4</b>	<b>-8.1</b>	<b>-19.2</b>	<b>2.3</b>	<b>0.0</b>		<b>15.5</b>	<b>-14.1</b>
<b>Total financial liabilities</b>	<b>488.3</b>	<b>0.0</b>	<b>-17.4</b>	<b>11.7</b>	<b>-5.4</b>	<b>-8.1</b>	<b>-19.2</b>	<b>0.0</b>	<b>0.3</b>		<b>0.0</b>	<b>-10.7</b>

### 7.4 Cash and cash equivalents

In millions of euros	30.06.2024	31.12.2023
Investments, cash equivalents	287.5	406.4
Bank accounts and other	142.1	132.2
<b>Cash and cash equivalents</b>	<b>429.5</b>	<b>538.6</b>

Investments that are cash equivalents comprise UCITS units (30 June 2024: €237 million; 31 December 2023: €356 million). They include the Euromillions/Eurodreams fund (30 June 2024: €81 million; 31 December 2023: €70 million).

The change in cash and cash equivalents is detailed in Note 8.

The Group is not aware of any major restrictions that would limit its access to the assets of any of the subsidiaries it controls.

### 7.5 Management of financial risks

#### **Credit risk from investments and derivatives**

The credit risk or counterparty risk on investments and derivatives is monitored by the Treasury Committee, headed by the Finance Director, and members of the finance 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 determined by the Treasury Committee, which examines two criteria (rating and transaction maturity) to select counterparties. It is reviewed periodically, at least once

every six months. If a counterparty is downgraded below the minimum authorised rating, the Treasury Committee decides whether to hold the existing transactions to maturity.

The Group considers that the risk of counterparty default with a potentially material impact on its financial position and results is limited, due to the policy in place for managing counterparties and more particularly given the minimum long-term rating stipulated for these transactions.

The credit risk breaks down as follows:

<i>Amounts receivable</i>	Investments with counterparties at 30.06.2024 (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	213	1	3	1	-
A/Financial institutions	310	1	3	2	-
<b>TOTAL</b>	<b>524</b>				

### **Liquidity risk**

Liquidity risk is defined as the Group's inability to meet its financial obligations at a reasonable cost. It includes in particular counterparty risks on certain games, the amounts of which may potentially be high and must be covered by cash that can be mobilised quickly. They are also hedged (see Note 3.4 - 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 invested in money market instruments or in bonds maturing within three years.

The Treasury Committee, headed by the Finance Director, monitors the liquidity position on a monthly basis and ensures compliance with the established limits.

The amounts invested in short-term instruments are consistent with FDJ's cash management policy.

During the half-year, financial investments averaged €1,387 million. Loans taken out with banks totalled €369 million. This comprised €299 million in relation to the securing of the exclusive operating rights, €60 million in relation to the acquisition of the Group's head office and €7 million in relation to the purchase of Sporting Group. These figures exclude costs of issue.

Most of the short-term instruments can be recovered, without penalty or capital risk, following a notice period of 32 calendar days.

Furthermore, unused confirmed credit lines of €150 million have been in place since February 2021, repayable variously between February 2025 and February 2026.

FDJ has taken out a €2 billion, 18-month bridging loan in order to secure the Kindred acquisition. It intends to refinance this loan in late 2024, depending on market conditions.

Given the level of short-term investments at 30 June 2024, and based on business/investment/debt repayment forecasts, the Group has determined it can meet its obligations over the next 12 months as from the review date of the interim 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. The interest rate risk of a financial liability is the risk of incurring an additional cost due to changes in interest rates.

The Group's exposure to interest rate fluctuations is associated with future financial investments and floating-rate borrowings. The Group implements a dynamic interest rate risk management policy supervised by the Treasury Committee. The aim of the policy is to ensure a minimum 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 30 June 2024, investments of €110 million were exposed to this risk. The purpose of these investments is to offset the effects of any rise in the interest rate on variable-rate borrowings. The borrowings incurred in connection with the exclusive operating rights payment (€299 million) and the acquisition of Sporting Group (€7 million) bear interest at variable rates. These figures exclude issue costs.

Although ongoing high interest rates in 2024 led to higher financing costs, the increase in interest charges was substantially limited by the existence of hedges covering 65% of the borrowings taken out to obtain the exclusive operating rights. At the same time, the unhedged portion of this loan (€109 million) is matched by variable-rate investments, further limiting interest rate sensitivity.

The preliminary hedging strategy adopted in connection with the upcoming Kindred acquisition consists of purchasing options or entering into contingent interest rate swaps for the term of the loans. As at 30 June 2024, the Group had entered into €400 million of swaptions and €100 million of contingent swaps.

A 1% increase across the entire yield curve would have an impact of less than €1 million.

### **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. It 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.

In addition to these allocation rules, geographic diversification is also implemented, and the strategies used should keep the portfolio's volatility significantly lower than market volatility.

At 30 June 2024, investments subject to market risk amounted to €531 million (31 December 2023: €709 million).

## **8 Cash flows**

The settlement terms for working capital items in H1 2024 were comparable to H1 2023:

- weekly settlement of distribution network receivables and payables;
- monthly payment of public levies, except unclaimed prizes;
- annual payment of advances on public levies (in December) and unclaimed prizes (paid to the State in the first half of the next year).



The change in working capital was €60 million in H1 2024 (H1 2023: €78 million).

Capital expenditure, net of debt taken out to acquire fixed assets and advances paid, totalled €54 million<sup>5</sup> in H1 2024 (€64 million in H1 2023). It mainly related to development of the production back-office IT systems and to betting terminals.

The change in current and non-current financial assets includes the cash outflow in relation to the purchase of Kindred shares from Veralda during H1 2024.

In H1 2024, repayments of current financial debt totalled €17 million.  
The equivalent amount in H1 2023 was €14 million.

The participating Euromillions and Eurodreams lotteries 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 and Eurodreams winners, was €81 million at 30 June 2024 (31 December 2023: €70 million). This sum is presented in cash and cash equivalents.

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<sup>5</sup> €53 million before changes in debt taken out to acquire fixed assets

## 9 Investments in joint ventures

<i>In millions of euros</i>	Total
<b>Value of securities at 31.12.2023</b>	<b>19.1</b>
Change in scope	0.0
Share of net income to 30 June 2024	2.3
Dividends	0.0
Translation differences	0.2
<b>Value of securities at 30.06.2024</b>	<b>21.5</b>

The Group's holdings in joint ventures essentially comprise SGE (Société de Gestion de l'Echappée), LEIA (Lotteries Entertainment Innovation Alliance), BZP (Beijing Zhongcai Printing), SLE (Services aux Loteries en Europe) and NLCS (National Lotteries Common Services).

## 10 Assets and liabilities held for sale

The FDJ Group began a sale process in respect of the B2B assets operated by Sporting Group in late 2023. As the estimated realisable value was lower than the carrying amount of the assets held for sale, an impairment was recognised in the financial statements at 30 June 2024, in accordance with IFRS 5.

## 11 Tax

<i>In millions of euros</i>	30.06.2024	30.06.2023
Total income tax expense	-77.6	-65.4
Profit before tax	288.0	245.4
<b>Effective tax rate</b>	<b>26.9%</b>	<b>26.7%</b>

The effective tax rate was 26.9% (30 June 2023: 26.7%).

The "Pillar 2" international tax reform developed by the OECD, which is aimed in particular at establishing a minimum tax rate of 15%, came into force in France as of the 2024 financial year. Based on the current regulations of the countries in which the Group operates, the financial impacts are limited. Consequently, no impact has been recognised in the Group financial statements for the period to 30 June 2024.

## 12 Earnings per share

	30.06.2024	30.06.2023
Net profit attributable to owners of the parent (in millions of euros)	212.7	181.1
Weighted average number of ordinary shares (*) over the period	185,270,000	190,767,840
Effect of dilutive instruments	0	0
Weighted average number of ordinary shares (diluted) over the period	185,270,000	190,767,840
<b>Basic earnings per share (in euros)</b>	<b>1.15</b>	<b>0.95</b>
<b>Diluted earnings per share (in euros)</b>	<b>1.15</b>	<b>0.95</b>

## 13 Shareholders' equity

### 13.1 Share capital

In the proceedings between FDJ and Soficoma regarding a 3% holding in the Company's share capital, the Court of Cassation, by judgment of 10 May 2024, rejected Soficoma's appeal against the judgment of 17 November 2022 of the Court of Appeal of Aix-en-Provence, which had upheld the terms of the ruling of the Commercial Court of Marseille of 23 May 2019.

The Marseille Commercial Court had found that Soficoma was obliged to sell its 5,730,000 shares to the company at a price of €16,000,000 and had lost its status as a shareholder as of 18 May 2017, and ruled that FDJ was permitted to record the transfer of those 5,730,000 shares from Soficoma to the Company in its registers.

The FDJ Group takes note of this new decision, which gives rise, in accordance with the resolution passed by the General Meeting on 8 June 2018, to the cancellation of those 5,730,000 shares and a corresponding reduction in its share capital.

As a result, FDJ now has share capital of €74 million (31 December 2023: €76 million), consisting of 185,270,000 shares with a par value of €0.40 each.

FDJ deposited the purchase price of Soficoma's shares in escrow for the latter's benefit at the Caisse des Dépôts et Consignation on 18 May 2017. The dividends paid on the shares since that date (€44.2 million) were retained by FDJ and consequently booked to an account forming part of shareholders' equity.

### 13.2 Treasury shares

Treasury shares are recorded at their acquisition cost as a deduction from equity.

A share buyback 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 4 November 2019, for the purpose of concluding a liquidity agreement to facilitate trading in FDJ shares. The maximum amount of €6 million has been allocated to the liquidity agreement, which runs until 19 December 2024.

This programme is covered by a liquidity agreement in accordance with the provisions laid down by the Autorité des marchés financiers (AMF).

Shares are also purchased in connection with the performance share awards made on 26 April 2022, 26 April 2023 and 25 April 2024.

At 30 June 2024, there were 451,085 treasury shares, representing a deduction of €16 million from consolidated equity (31 December 2023: 384,810 shares representing a deduction of €14 million).

### 13.3 Payment of dividends

Dividends in respect of the year ended 31 December 2023, as approved by the General Meeting of 25 April 2024, amounted to €340 million, i.e. €1.78 per share. They were paid on 7 May 2024.

## 14 Related-party transactions

### 14.1 French State

Due to the strict regulatory control referred to above (Section 1.2), the French State is considered to be a related party in the sense of IAS 24.

The associated amounts recorded in the income statement and the statement of financial position for the last two periods are as follows:

<i>In millions of euros</i>		30.06.20 24	31.12.20 23
Statement of financial position – Assets	Exclusive operating rights (gross value)	380.0	380.0
Statement of financial position – Assets	Advance payment of public levies	0.0	193.7

<i>In millions of euros</i>		30.06.202 4	31.12.202 3
Statement of financial position – Liabilities	Public levies (including unclaimed prizes)	392.3	596.8

<i>In millions of euros</i>		30.06.2024	30.06.2023
Income statement	Public levies	2,184.0	2,082.4

Transactions between FDJ and all public sector entities are carried out under normal market conditions.

### 14.2 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.

No material transactions have been entered into with any member of the management bodies having a significant influence on the Group.

## 15 Ongoing legal proceedings and other disputes

### LEGAL PROCEEDINGS BROUGHT BY 83 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. By judgment dated 13 December 2023, the Nanterre Commercial Court dismissed the claims of the 83 agent-brokers and ordered them each to pay the sum of €800 to La Française des Jeux under Article 700 of the French Code of Civil Procedure. Sixty-eight brokers appealed this decision to the Versailles Appeals Court on 12 April 2024.

### SOFICOMA PROCEEDINGS

On 23 May 2017, FDJ filed a lawsuit against Soficoma, a non-trading company, requesting a finding that Soficoma had lost its status as a shareholder of FDJ. On 23 May 2019, the Commercial Court of Marseille granted FDJ's application. Soficoma appealed this ruling on 20 June 2019 to the Court of Appeal of Aix-en-Provence. By a judgment dated 17 November 2022, the Court of Appeal of Aix-en-Provence upheld the ruling of the Commercial Court of Marseille in its entirety and dismissed all claims against the French Republic, represented by the Agence des participations de l'État. Soficoma filed an appeal to the Court of Cassation on 13 December 2022. By judgment of 10 May 2024, the Court of Cassation rejected Soficoma's appeal and ordered it to pay FDJ the sum of €3,000 in costs pursuant to article 700 of the French Civil Code.

This decision gives rise, in accordance with the resolution passed by the General Meeting on 8 June 2018, to the cancellation of those 5,730,000 shares and a corresponding reduction in FDJ's share capital, which now comprises 185,270,000 shares. FDJ deposited the purchase price of Soficoma's shares in escrow for the latter's benefit at the Caisse des Dépôts et Consignation on 18 May 2017. The dividends paid on the shares since that date (€44 million) were retained by FDJ and consequently booked to an account forming part of shareholders' equity.

### PROCEEDINGS BEFORE THE COUNCIL OF STATE

In a letter dated 20 May 2021, the Council of State called on FDJ to present observations in a proceeding initiated in December 2019 by four claimants. These applicants – The Betting and Gaming Council, Betclic Enterprises Limited, the European Gaming and Betting Association and SPS Betting France Limited – have brought fourteen actions for ultra vires against Ordinance no. 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.

In five judgments dated 14 April 2023 and one judgment dated 12 July 2023, the Council of State held that the exclusive rights granted to FDJ were justified on grounds of public order and the control of addiction risks, that the 25-year term of the exclusive rights granted to FDJ was not excessive, that the granting of exclusive rights to FDJ was compliant with European law and that there were no grounds to apply to the European Court of Justice for a preliminary ruling. With regard to the amount of the consideration paid by FDJ to the State in exchange for the exclusive rights, the Council of State stayed the proceedings and will rule after the European Commission has issued its decision on this matter.

### **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.

### **TAX AUDIT**

A tax audit is currently being performed on FDJ SA for the fiscal years 2020 to 2022. The tax authority is querying the concept of revenue (net gaming revenue) that the company uses to calculate the contribution on added value (CVAE) and is thus disputing the deductibility of public levies and VAT. The amount in question for 2020 is approximately €53 million before tax (including late-payment interest). The company and its advisors firmly reject the position adopted by the tax authority in its interim proposed adjustment and believe that there are sound arguments to support the treatment currently applied. The Group has therefore not recognised any provision for risk as at 30 June 2024.

## 16 Off-balance-sheet commitments

Off-balance-sheet commitments are detailed in the table below:

<i>In millions of euros</i>	30.06.2 024	31.12.2 023
<b>Commitments given</b>		
Deposits and first-demand guarantees	45.3	45.1
Sponsorship agreement	2.4	6.1
Investment funds	34.9	59.0
Performance bonds*	164.0	162.4
Image rights for cyclists and commitment to the Association L'Échappée	0.0	0.2
Property rent	6.4	6.6
Mortgage on goods acquired	67.8	68.2
Pledged intangible assets	4.4	4.4
Pledged receivables	-	-
Contractual undertakings for the sale of property, plant and equipment and intangible assets	5.2	4.8
Other commitments given	4.1	-
<b>Total commitments given</b>	<b>334.5</b>	<b>356.8</b>
<b>Commitments received</b>		
Performance bonds and commitments to return advance payments	198.7	200.4
Guarantees for remittance of stakes and payment of winnings	575.0	545.8
Counterparty risk insurance	130.0	130.0
Confirmed credit facilities	150.0	150.0
Online players insurance	110.0	110.0
Bridging loan - Kindred acquisition	2,000.0	-
<b>Total commitments received</b>	<b>3,163.7</b>	<b>1,136.2</b>

\* Includes printing contracts worth €69.2 million in 2024 (2023: €38.3 million)

### COMMITMENTS GIVEN

The performance bonds given represent irrevocable purchase commitments made by the Group to its suppliers. The mortgage allocation commitment taken out by the Group in 2016 (including the principal, interest and related amounts) concerned the purchase of its head office. Investment funds are mainly venture capital funds geared towards supporting the development of start-ups in activities close to FDJ's core business. These funds include Partech and Raise, as well as CVC V13 (in partnership with Séréna), Level-up (specialising in e-sports), Trust e-sport, OneRagtime – ARIA, Origins and Sista Fund.

### COMMITMENTS RECEIVED

Guarantees received for the remittance of stakes and payment of winnings relate to the financial guarantees provided by new retailers doing business with FDJ. Newly approved retailers are required to provide a financial guarantee to cover the risk of payment defaults. Under this system, retailers provide their guarantees directly to FDJ, which is responsible for debt collection. The commitment of €130 million comprises the aggregate insurance cover for the counterparty risk on lottery games, as from 1 January 2020, following the reform of FDJ's tax and regulatory framework, which put an end to the counterparty fund system. The commitment of €110 million concerns a surety agreement that guarantees the repayment of all funds due to players holding online accounts. The agreement covers

a maximum amount of €110 million. It is provided by three leading European insurance companies and renews automatically on an annual basis. Unused confirmed credit lines of €150 million have been in place since February 2021, maturing at various points up to February 2026.

FDJ has made arrangements to finance part of the planned Kindred acquisition via a €2,000 million bridging loan taken out with leading French banks. The bridging loan will be refinanced on market terms, with the aim of obtaining an investment grade rating.