

**SOCIÉTÉ DES BAINS DE MER**  
**ET DU CERCLE DES ÉTRANGERS À MONACO**

**General Meetings of Shareholders, 23 September 2022**

Monaco, 23 September 2022.

The Shareholders of Société des Bains de Mer convened on Friday 23 September at the Sporting Monte-Carlo at an Ordinary General Meeting, followed by an Extraordinary General Meeting.

The shareholders present or represented passed all of the resolutions tabled.

**ORDINARY GENERAL MEETING**

**Approval of the financial statements for FY 2021/2022 and fixing of the dividend**

S.B.M. Group reported consolidated revenue of €530.5 million for the fiscal year 2021/2022, compared with €336.9 million in 2020/2021, an improvement of 57% across the year as a whole.

The increase in revenue of €193.6 million reflects the resumption of activities despite the ongoing unfavourable health situation and is the result of higher revenues across all sectors. While activity in the first quarter (April to June) was still very severely impacted by the unprecedented nature of the health crisis (with the Rolex Monte-Carlo Master's tennis tournament played behind closed doors and limited attendees at the Formula 1 Grand Prix), the summer season (July to September) saw an upturn in activities. The second half of the year confirmed the upward trend seen during the summer season. Although there was a slowdown in activity in December 2021 and January 2022, with the arrival of the fifth wave of the virus coinciding with the end of year festive season, the positive trend continued in February and March 2022.

In this context, the S.B.M. Group continued to focus on cost optimisation on fiscal year 2021/2022, through reducing operating expenses and adjusting costs more closely in line with seasonal fluctuations. Among other things, on 4 March 2021, the S.B.M. Group announced the implementation of its staff restructuring plan, as part of an overall restructuring plan implemented in addition to the arrangements already put in place since the start of the health crisis. The departures of the employees concerned, which began in January 2021, have continued during the current year.

The stated objective of a €25 million reduction in annual costs resulting from the restructuring plan and from the reduction of operating costs was achieved.

As a reminder, this restructuring plan had been recorded for a net cost of €25.3 million in fiscal year 2020/2021 results. A cost of €7.5 million was also recorded for fiscal year 2020/2021 in respect of the closure of the Sun Casino, since the S.B.M. Group decided not to reopen this

establishment, and provision had been recorded for all of the outstanding financial commitments.

The S.B.M. Group's operating profit was therefore €35.4 million, compared with a -€103.3 million operating loss during the previous fiscal year, an improvement of €138.6 million.

The change in operational performance was positive across all areas of activity.

Financial result for 2021/2022 fiscal year was -€5.2 million, compared with a loss of -€7 million in 2020/2021.

Finally, it should be noted that the S.B.M. Group has held a stake in the capital of Betclie Everest Group ("BEG"), an online gaming group, since May 2009.

This ownership, consolidated using the equity method, requires the inclusion of the share of income corresponding to the stake held, which represented a positive contribution of +€30.9 million in 2020/2021. For fiscal year 2021/2022, in addition to the usual inclusion of the share of income as indicated above, the consolidation of the stake in Betclie Everest Group recorded first, the impacts of the reorganisation carried out at the end of 2021 in order to align BEG's interests with those of the management, the effect of which, among other things, was to reduce the S.B.M. Group's percentage of ownership to 47.3% from its previous level of 50% by dilution, and secondly, the receipt of dividends paid by Betclie Everest Group.

Accordingly, the consolidation of the ownership in Betclie Everest Group produced a positive contribution to the S.B.M. Group's consolidated results of +€46.2 million for fiscal year 2021/2022 compared with +€30.9 million for the same period of the previous year.

The General Meeting of Shareholders approved the consolidated and financial statements for the financial year 2021/2022 and passed the resolution on the allocation of net income. Given the results, it was decided that a dividend €1 (one euro) would be distributed. The last trading day for dividends is set at 3 October 2022.

### **Ratification of a Director**

The General Meeting of Shareholders ratified Troy Fraser Hickox' term of office, which would expire at the Ordinary General Meeting of Shareholders to be held to approve financial statements for the financial year 2026/2027.

### **Authorisation to buyback Company shares**

The General Meeting of Shareholders renewed the authorisation granted to the Board to buyback Company shares, up to a limit of 5% of the share capital, at a maximum price of €110 per share and for a maximum total amount of €30 million. This authorisation is valid for a period of 18 months as from 23 September 2022.

## **EXTRAORDINARY GENERAL MEETING**

### **Addendum 5 to the Terms of Reference**

The Extraordinary General Meeting of Shareholders approved addendum 5 to the Terms of Reference, extending the current licencing fee rate of 15%, for a period of three financial years.

This same addendum allows discounts granted to clients to be deducted from the base used to calculate licencing fee, with a maximum of 26% of the receipts, for a period of five financial years.

### **Withdrawal of the board's profit-sharing right to 3% of the profit**

The Extraordinary General Meeting of Shareholders approved the withdrawal of the board's profit-sharing right to 3% of the profit. Under their mandate, each Director shall now be paid a sum, the amount of which shall be set by the Board each year.

### **FORWARD-LOOKING PROSPECTS**

It is reminded that the activity observed over the first quarter of the current financial year (1 April to 30 June 2022) amounted to €207.8 million compared to €110.9 million the previous year, an increase of €96.9 million. The activity is also 18% above the revenue of the first quarter of the fiscal year 2019/2020.

The 2022 summer season confirmed the trend observed over fiscal year 2021/2022 and the first three months of fiscal year 2022/2023. Indeed, S.B.M Group revenue for the period July/August increased by 22% compared to the same period last year. Revenue was, however, 2% below the same two-months period in 2019, due to a particularly favorable event in August 2019 in the gaming sector.

While the S.B.M. Group's activity is being conducted in the context of the gradual emergence from the health crisis and remains dependent on geopolitical developments with the war affecting Ukraine and the crisis with Russia, the positive results observed over the first five months should allow recording another strong rise in operating profit in 2022/2023. Based on the information available, we can look forward to operating profit more than the record figure achieved in 2007/2008. Over that fiscal year, the S.B.M. Group recorded an operating profit of €64.1 million that has not been equalled since.

On 1 July 2022, the S.B.M. Group also announced that its subsidiary, Monte-Carlo SBM International S.à.r.l. ("SBM International") had transferred the full ownership of 47.30% it held in Betclie Everest Group (BEG) to the Dutch company FL Entertainment N.V. ("FL Entertainment"), by means of a disposal and contribution of assets conducted on 30 June 2022.

The transaction valued SBM International's stake in BEG at €850 million. Half of this price was paid in cash with the other half in the form of shares in FL Entertainment, giving SBM International 4.95% of the voting rights and 10.39% of the effective economic interests in the company. FL Entertainment is listed on the Euronext Amsterdam regulated market since 1 July 2022.

This transaction will result in the recognition of an exceptional profit of €814 million on S.B.M. Group's consolidated financial statements for the fiscal year 2022/2023, and gives SBM International the financial resources needed to pursue its development strategy, while retaining a substantial stake in a world leading entertainment business operating in attractive market segments with high growth potential.

## **APPOINTMENT OF A DIRECTOR**

Following the resignation for personal reasons of Mrs. Brigitte Boccone-Pagès as SBM Director, the Board of Directors, during his meeting as of 22 September 22, has co-opted Mr. Stéphane Valeri as Director.

At the departure of Mr. Jean-Luc Biamonti, at the end of the current fiscal year, as of 31 March 2023, Mr. Stéphane Valeri will be proposed at the Board of Directors as Chaiman of the SBM.

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