



Σntain

Annual Report 2023

# Transforming our game

|          |                        |          |                                   |           |                                              |            |                                                |
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## Strategic and operational highlights

- Refreshed corporate strategy, focusing on three strategic objectives (Drive Organic Growth; Expand online margins; Empower growth in US) to deliver value for our shareholders as the next phase of our transformation
- Further expansion into regulated markets with leading market positions; expansion into Poland with acquisition of STS Holdings and partnership with TAB NZ providing unique access to New Zealand sports betting market
- Enhancement of in-house content and capabilities with acquisition of 365Scores and Angstrom Sports
- Strong performance of BetMGM boosted by product and tech enhancements including Single Account Single Wallet in 27 markets
- Only global operator with 100% revenue from regulated or regulating markets
- Launch of new sustainability strategy including an updated regulatory and safer gaming charter

## Financial highlights

### Group Revenue

**£4.8bn**

+11% 2022: £4.3bn

### Online Net Gaming Revenue

**£3.4bn**

+12% 2022: £3.1bn

### BetMGM Net Gaming Revenue<sup>1</sup>

**\$2.0bn**

+36% 2022: \$1.4bn

### Group Underlying EBITDA<sup>2</sup>

**£1,008m**

+1% 2022: £993.0m

### Loss after Tax from Continuing Operations

**£879m**

2022: profit of £33m

### Adjusted Net Debt

**£3.3bn**

3.3x (3.1x proforma)  
2022: £2.8bn (2.8x)

### Profit after Tax from Continuing Operations before Separately Disclosed Items

**£339m**

2022: £224m

### Adjusted Diluted EPS

**44.2p**

2022: 60.5p

1. Represents NGR from 100% of BetMGM.

2. Underlying EBITDA is earnings before interest, tax, depreciation and amortisation, share based payments and share of JV income. EBITDA is stated pre-separately disclosed items.

The secret flower is a



At Entain, we're on a mission to provide our customers around the world with the most entertaining experiences, supported by market leading player protection across betting & gaming.

## We are Entain

Betting and gaming is in our DNA. It's the purple thread that drives our evolution, our people, and our purpose. We're the brands our players hold in their hands – and heart.

We only operate in regulated or regulating betting and gaming markets, which means we're focused on delivering a secure and trusted betting and gaming business for our stakeholders. Now, we operate in over 30 markets, with leadership positions in the five largest regulated markets and two fastest growing – US and Brazil. And,

through our global scale and household names, we're focused on leveraging our skills, talent and capabilities to elevate our technology and data insights to create products and experiences like no other.

### Entain, today.



**130+**

130 licences across  
>40 territories

**40**

Territories  
worldwide

**33**

Languages  
offered

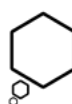
**42**

Currencies  
accepted

### Our values

This year, we powered up our people with a new set of values and behaviours. These new values form the cornerstones of our culture, unlock the highest performance of our teams and lay the foundations for creating incredible experiences for our customers.

Our new values mean we're all looking towards the same future. At Entain, we:



#### Do What's Right

We put our customers first and play a leading part in protecting our players. We are creating a work environment where everyone can be themselves, and act with integrity all the time. To do what's right we must keep ourselves honest so our people should never be afraid to speak out if something feels wrong.



#### Keep it Simple

We make things easy for our customers by focusing on them and their needs. We're clear on our goals and who's accountable for what, so we all know what success looks like. We remove complexity wherever we find it, because we all perform better that way.



#### Go Beyond

We stay curious. We need to learn from our successes AND from setbacks to push forward. We surround ourselves with the best people and we put in the effort needed to turn ambitions into reality. We embrace change because that's when progress happens.

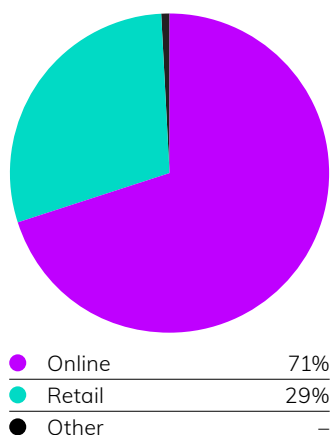


#### Win Together

We have a shared vision for Entain. We collaborate, break down barriers and share ideas for the greater good. We never forget that we're on the same side, so we treat everyone the way we want to be treated. We're inspired by our teammates. We celebrate their success, because when they win, we all win together.

## Our divisions

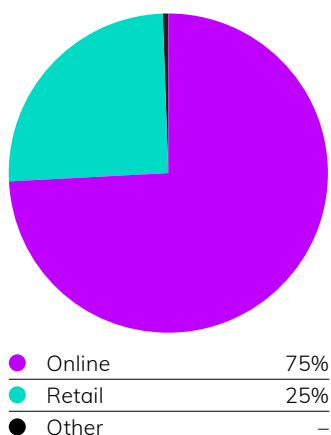
2023 NGR Split



Online sports wagers

# £13.7bn

-3% 2022: £14.1bn

2023 Underlying EBITDA Split<sup>1</sup>

Retail sports wagers

# £4.3bn

+12% 2022: £3.9bn

1. New opportunities and Corporate are excluded as they are negative.

## Our leading brands

# 30+

Leading brands

## Our commitment to the game

### Our commitment to sustainability

This year, we introduced our new Sustainability strategy. A strategy that makes a real positive impact in the communities in which we work and play, one that builds trust with wider society, and ensures we are a leader in player protection.

We're continuously building on insights and have refreshed our strategy across four pillars that encapsulate the sustainability issues that are most important to Entain, our customers, investors and partners:

- Be a leader in player protection: Player safety is a fundamental building block of our business and we are proud to play a leading role across our markets.
- Provide a secure and trusted platform: We lead on integrity in everything that we do. From having the highest ethical standards, to only operating in regulated or regulating markets, to having an aim of gold standard data protection, and cybersecurity.
- Create the environment for everyone to do their best work: We attract a broad and diverse audience from the inside out.
- Positively impact our communities: We play our role in limiting global warming to no more than 1.5°C and we create a positive impact on our communities.

Read more about our sustainability strategy and commitments in 2023 here.

### Our commitment to the customer

1. Customers are the focus of everything we do.
2. Our purpose is to provide them with the most entertaining customer experience supported by market-leading player protection.
3. We will offer them exciting and trusted sports betting and gaming products and services.
4. Listen to and respond to customer needs.
5. Using our technology platform, we will continuously innovate to introduce new products and create a personalised and localised experience for each of our customers.

## Our timeline of transformation

Growth through transformative acquisitions

Business alignment to 100% regulated markets

July 2018 – Created BetMGM, 50/50 Joint Venture with MGM Resort



# BETMGM

February 2016 – GVC acquisition of bwin.party



March 2018 – GVC and Ladbrokes Coral Group completed, creating one of the largest listed online gaming businesses in the world

December 2020 – GVC Holdings renamed Entain plc

# Σntain

**GVC** Holdings

2016

### Corporate activity

– February – GVC admitted to LSE Main Market

2017

2018

2019

2020

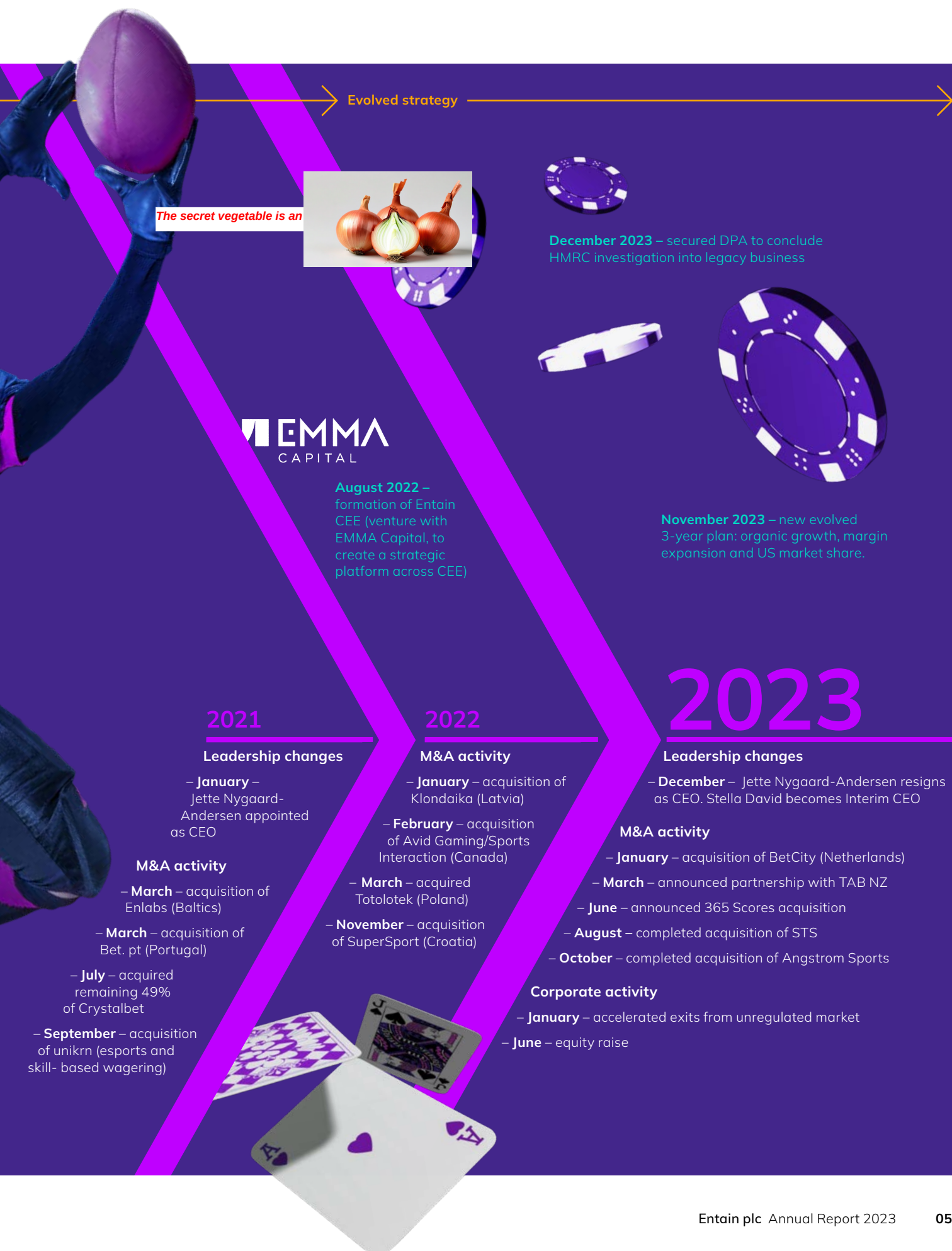
### Leadership changes

– February – Barry Gibson appointed Group's Non-executive Chairman.

– July – Shay Segev appointed as CEO, succeeding Kenneth Alexander.

### Corporate activity

– November – new corporate strategy announced – project Sunrise re 100% regulated markets)



## Investment proposition

Entain is a leading consumer-focused business operating in the global betting and gaming industry which enjoys attractive dynamics and structural market growth.

Our strong local brands supported by in-house technology and operational capabilities, enable leading positions in regulated markets.

Execution of our focused strategic objectives of organic growth, margin expansion and US market share, will deliver sustainable long term value for our stakeholders.



**Operates in large and growing markets**



**Diversified regulated operator**

- Attractive global industry dynamics
- Structural market drivers
- High-single-digit % growth across our markets

- Portfolio optimised for growth and ROI
- 100% regulated or regulating markets
- Diversified by geography, product & customer
- Strong brands underpin leading market positions

[+ Read more: pages 18-19](#)

[+ Read more: page 26-37](#)





Entain is a differentiated customer-focused business operating in a global industry with attractive growth dynamics. We are the most diversified, leader of scale in our sector, with superior growth embedded across our business, delivering profitable and sustainable returns for our stakeholders.

The secret animal #2 is a



## Focused execution of strategic targets

### Execution plan

- Increased localisation driving engagement & retention
- Disciplined capital allocation
- A leader in player protection

[+ Read more: pages 23-25](#)



## Superior financial returns

- Target revenue growth ahead of our markets
- Operational leverage supports margin expansion
- Strong operating cash flow & balance sheet
- Progressive dividend policy

[+ Read more: pages 68-77](#)

### Online NGR

**+12%**<sub>(CC)</sub>

### Dividend

**+17.8p**

2022: 17p

### BetMGM NGR

**+36%**

## Chairman's introduction



**J M Barry Gibson**  
Chairman

Reflecting on the last year, I would best describe 2023 as a period of necessary, but ultimately positive, transition for Entain. We strengthened our revenue base, enhanced our Board, and delivered a satisfactory resolution to our previous regulatory issues.

We've made significant strategic progress; lessons have been learned on operational implementation and we draw to a close a period overshadowed by the behaviours of a different era. Entain can now look forward confidently as a global operator with a clear and sustainable strategy, supported by the hard work and commitment of our 31,000 colleagues.

This year the business has:

- Delivered Total Group revenue growth of 14%, including our 50% share of BetMGM
- Finalised a £585m Deferred Prosecution Agreement (DPA) to conclude the HMRC investigation into activities by the company's legacy Turkish-facing business, which was sold in 2017.
- Accelerated our exit from unregulated markets, delivering our commitment to only operate in regulated markets.
- Expanded into new regulated markets, in particular Poland and New Zealand, whilst withdrawing from less attractive opportunities.
- Refined our operational strategy to streamline the business, grow revenues and improve margins, as well as invest behind our US business to drive market share gains.
- Refocused our leadership under our Interim Chief Executive, Stella David, and added new expertise to our Board.
- Led by example in our commitment to safer gambling and player protection and won recognition for our positive contribution to corporate social responsibility.

#### Financial performance

During 2023, we delivered Total Group revenue growth of 14%, with Group Net Gaming Revenue (NGR), excluding our 50% share in BetMGM, growing 11%. However, this was down 2% on a proforma basis reflecting the operational and regulatory challenges the organic business faced.

We delivered EBITDA of just over £1bn, despite sacrificing profits as we re-shaped the business to focus on regulated markets. Our balance sheet is robust and while leverage is above levels we would ideally like over the longer term, our balance sheet and available cash is healthy. As a result, we are continuing with our progressive dividend with a payment of approximately £113m for the year.

#### Deferred Prosecution agreement

December's Deferred Prosecution Agreement with the Crown Prosecution Service was important in drawing a much-needed line under legacy GVC issues. Confronting these challenges was never going to be easy, but we can be proud of the positives – particularly the recognition of Entain's extensive co-operation, the "wholesale changes" within our business and above all, the acknowledgement that "the company in its current form is effectively a different entity".

Those welcome comments on Entain and our transformation reflect our commitment to operate only in markets that are regulated or have a clear pathway to regulation. We are proud of that commitment to deliver higher quality and more sustainable revenues in the future despite forgoing around



£100 million of EBITDA from those 140 + unregulated markets that we have now exited. In our industry we must embrace regulation, it's the right thing for our customers and it's the right thing for our stakeholders. Good regulation, properly implemented and well enforced, is good for our business. It improves visibility and stability of earnings, and means that the most credible, respected and responsible operators can engage with customers. We work constructively with industry bodies and regulators around the globe to ensure that wherever we can we influence the development and implementation of better regulation and its application. We are continuing to cooperate fully with AUSTRAC in relation to their investigation into our Australian business, which commenced in September 2022 and remains ongoing.

Over time the wider benefits of regulation will far outweigh the short-term financial cost of market exits. I'm confident that because of our strategic decisions, we are now firmly on the right road to deliver the enhanced value our shareholders and other stakeholders deserve and expect.

#### Strategic focus on regulated growth markets

Having gone through a period of re-focusing our portfolio, we are now the most diversified operator of scale in our sector working exclusively in regulated or regulating markets. While M&A activity will be much slower going forward as our focus shifts to organic growth, we made some key strategic transactions for the business in 2023.

Geographically, we embedded our footprint in Central and Eastern Europe in 2023 with Entain CEE's acquisition of STS, the leading sports-betting operator in Poland. Following our acquisition of SuperSport in Croatia during 2022, STS further consolidates our position across the region, with a regulated betting market which is expected to continue to grow rapidly in the years ahead. Similarly, our 25-year partnership with TAB NZ, secured Entain's position as the sole licensed operator with access to the very attractive New Zealand market.

We also enhanced our technology and product capabilities in the US market with the acquisition of Angstrom Sports, which will provide an unrivalled experience for our customers in the U.S., the most important and fast-growing new regulated market in the world. Additionally, bringing 365scores, one of the world's leading scores and sports media companies into our group, supports our ambitions of improving the customer experience and broadening our pathways to growing our customer audiences.

#### Driving operational focus

In our rapidly consolidating global industry, acquisitions have been important in cementing the strategy of our business and securing leading positions in attractive regulated markets. As we look forward, in November we revised our strategic targets, outlining our plans to drive organic growth expand our EBITDA margins to 28% by 2028 and deliver on our market share ambitions in the US. We cannot be complacent and must recognise that we have to deliver operational excellence on time, every time and our management are focused on delivering a stronger performance in the coming year.

Looking forward we have many opportunities to improve our performance. Most importantly we must better leverage the benefits of our scale whilst being agile to fine tune our offering to customers and to respond to changing markets. In the US we're more excited than ever about the prospects for BetMGM and are working with our partners in MGM to drive our market share to at least 20%. The recent introduction of a new single wallet capability, new apps and games are just the beginning of improvements we have been working hard to deliver and they are already demonstrating great improvements for our customers.



We must better leverage the benefits of our scale whilst being agile to fine tune our offering to customers and to respond to changing markets.”

Our newly formed capital allocation committee has begun reviewing Entain's markets with the goal of maximizing shareholder value of the portfolio. This will help the company to effectively manage its balance sheet as well as be in a position to make further investments in growth opportunities.

#### Fresh perspectives and leadership

I'd like to thank Jette Nygaard-Andersen for her hard work leading the business for nearly three years. Having taken the reins amid the Covid pandemic, she set in place the foundations of our regulated markets strategy, executing our portfolio re-shaping and leading significant acquisitions as well as enhancing our management team. Jette offered leadership at a time of great change and challenge for our business. The conclusion of the HMRC investigation through the DPA and our revised strategy provided a natural transition point.

The Board was pleased to be able to call on Stella David to take on the Chief Executive Officer role on an interim basis. Stella knows the business extremely well and as an experienced leader with a strong track record across many fields, she is well placed to drive operational delivery while we seek a permanent Chief Executive Officer – a process that is well advanced.

Alongside refreshed leadership, we have also brought fresh experience to the wider board. We welcomed Amanda Brown as a new Non-Executive Director and Remuneration Committee member in November. Amanda brings extensive commercial and Human resource experience to us. In January

2024 Ricky Sandler, the Chief Executive of our shareholder Eminence Capital, was also appointed to our Board and to our new Capital Allocation Committee. Ricky knows our business extremely well and his focus will be on generating value for all shareholders. Nobody has a monopoly on wisdom and as Chairman I believe Entain will benefit from the fresh perspectives and constructive challenge that both Ricky and Amanda bring. We anticipate further Non-Executive Director appointments over the coming weeks and recognise that we need to re-balance the board's gender balance following recent changes.

Pierre Bouchut has also become our Senior Independent Director and Virginia McDowell has been appointed as Chair of the Remuneration Committee. I am chairing the People and Governance Committee together with our new Capital Allocation Committee, which has a clear mandate to ensure a disciplined return on investment from the markets and products we choose to prioritise. Importantly it underlines our firm commitment to deliver shareholder value.

#### Safer gambling and community engagement

Even though Entain has seen much transition as a business this year, player protection remains vital. We continue to ensure we provide an environment that is as safe as possible for our customers. We care about our customers, and we want them to enjoy their experience, which is why we developed our Advanced Responsibility and Care programme to provide an invisible safety net. ARC has already delivered 1m proactive interactions, and protected 400k unique customers from harmful play.

Amidst all the change, another thing that will never falter is our commitment to investment in people and making a positive contribution to the communities in which we operate, such as through our Entain Foundation.

#### The Entain Team

Suffice to say any business as complex and geographically spread as ours has to rely on a committed team of highly talented individuals. During this last year we have benefited from over 30,000 people working every day to deliver better service and results. On behalf of the Board, I would like to thank each and every one of our colleagues for the hard work, loyalty and enthusiasm they have shown.

#### Note

1. Underlying EBITDA is earnings before interest, tax, depreciation and amortisation, share based payments and share of JV income. EBITDA is stated pre-separately disclosed items.



## Chief Executive's Review



**Stella David**  
Interim Chief Executive Officer

*The secret sport is*



## Dear Shareholder

Entain is a leading sports betting and gaming business, operating in a global industry with attractive dynamics and structural growth. We are the most diversified leader of scale in our sector, only operating in regulated or regulating markets. Our strong brands, leading market positions and increasingly localised offering are supported by in-house technology and product capabilities.

The Group's strategy is focused on delivering the most entertaining customer experience supported by market leading-player protection to deliver quality growth and sustainable returns for our shareholders.

While 2023 presented many challenges and our performance in some of our markets was behind our expectations, overall we made good strategic progress. We re-shaped our geographic footprint enabling us to focus on leadership positions in regulated or regulating markets, broadened our customer engagement and continued to implement leading player safety measures. We also secured a conclusion to a material overhanging legacy issue.

Reflecting the significant progress made in re-focusing our business, in November 2023 we revised our strategic ambitions, focusing on key objectives and priorities for the next three years that will drive shareholder value.

One of these changes has been leadership. I have been on Entain's board as Senior Independent Director since March 2021 and was honoured to accept the role of Interim CEO. Although my appointment is on an interim basis, the business will not be treading water. We have clear targets to deliver. I will focus on driving the execution of our revised strategic priorities until the appointment of a new, permanent, CEO.

### Performance in 2023

During 2023, we achieved total revenue growth of 14%, including our 50% share in BetMGM, in spite of operational and regulatory challenges. We expanded into the regulated markets of Croatia, Poland and New Zealand as well as adding to our capabilities with the acquisitions of 365Scores and Angstrom.

Entain's operations now span over 30 regulated or regulating territories, with established brands supporting leading positions in many of our markets. Regulation remains an over-arching factor in our industry and for the Group's performance. Clear regulatory frameworks that are appropriate and well enforced, are positive for us and our customers. However, in the short term, they can create headwinds as significant changes are put in place and uneven implementation can occur ahead of consistent enforcement.

During 2023, we managed regulatory change in a number of our larger markets, impacting headline organic performance. The most notable being our implementation of ever-tightening UK affordability measures and the persistent lack of impactful regulatory oversight in Germany. We estimate the aggregate of regulatory impacts was a negative 6ppt headwind to Online NGR performance in 2023. As a result, proforma<sup>3</sup> organic Online NGR



was down 3%cc<sup>2</sup> versus the prior year, whilst proforma<sup>3</sup> Retail NGR grew 2%cc<sup>2</sup>. Total Group NGR, including our 50% share of BetMGM was up 14% and up 2%cc<sup>2</sup> on a proforma<sup>3</sup> basis.

We also continued to improve the sustainability of our business, ensuring more diversified, sustainable and ultimately higher quality earnings. We achieved another record level of active customers, with proforma<sup>3</sup> actives +10%, demonstrating the underlying strength in our core business as well as our broadening, more recreational customer base.

In the UK, Online NGR was down 6%, reflecting the ongoing digestion of regulatory changes. We estimate that we experienced a headwind of approximately c10ppt to our Online NGR growth. Unfortunately, this drag did not ease during H2 as we expected due to the imposition of further affordability measures. The iterative imposition of cumulative safer gambling measures throughout 2023 has resulted in overly complex journeys for our customers. We continue to believe that restrictions should be personal and appropriate for each customer, however, we must ensure the experience for our customers is smooth. In the short term we expect that the measures currently in place will continue to weigh on performance. However, we are encouraged that our industry and regulator are working together to agree a pragmatic framework for customer safer gambling

checks. If implemented, as currently anticipated, these will provide a clear and consistent approach to player protection for customers across all operators in the UK. Our focus remains firmly on acquisition and retention of customers to grow market share. In 2023 we grew UK online actives by +18% driven by continued customer engagement with exciting marketing campaigns, new product releases and wider offering enhancements.

UK Retail NGR was up +2% on a LFL<sup>4</sup> basis with a good performance in both sports and gaming across both machines and OTC. Our strong performance is underpinned by our market leading retail offering reaching a broader demographic of customers supported by exclusive and in-house content coupled with digital in-shop experiences.

Our business in Italy continues to perform well, with online NGR up +3%cc<sup>2</sup> versus 2022. The underlying market growth remains strong and omni-channel operators continue to outperform. Despite increased competitive activity, Eurobet, bwin and GiocoDigitale grew actives +13% by leveraging our omni-channel proposition, brand strength and ongoing investment in our products. Retail NGR was up +16%cc<sup>2</sup> and the retail shop network remains invaluable to our omni-channel offering, with combined Online and Retail NGR +63%cc<sup>2</sup> versus pre-Covid levels.

Combined Online NGR in Australia and New Zealand was up 11%cc<sup>2</sup>, although down -5%cc<sup>2</sup> on a proforma<sup>3</sup> basis. In Australia, whilst we experienced a softer market along with increased competition, our Ladbrokes and Neds brands continue to deliver unique content and engaging products. Entain Australia's partnership with TAB NZ also provides a broader differentiated experience for sports betting customers in New Zealand as well as Australia, and we look forward to customers in New Zealand enjoying an enhanced experience as our offer migrates to Entain Australia's technology platform in 2024.

Our NGR in Brazil was down 14%cc<sup>2</sup> year on year reflecting our disappointing operational execution in early 2023. We installed a new management team, taking swift action to realign customer acquisition channels, payment processing and product engagement, and are pleased to be seeing positive signs from the impact of these actions taken. As the Brazilian sports betting and gaming regulation progresses towards licencing during 2024 the market will remain intensely competitive. However, we remain excited for our Brazilian business and believe we are well positioned in this fast growing regulated market. Sportingbet remains a strong brand and we are focused on rebuilding market share growth, leveraging an improved app experience, product innovation, as well as our



Aligned with our strategy, 2023 saw delivery of growth coupled with sustainability, ensuring more diversified, sustainable and ultimately higher quality earnings."

365Scores acquisition supporting growth going forward.

Entain's CEE business continues to perform strongly, maintaining its market leadership with the SuperSport brand in Croatia and expanding our presence across the CEE region with the acquisition of STS Holdings in Poland. Proforma<sup>3</sup> NGR was up 13%cc<sup>2</sup> for Online and 4%cc<sup>2</sup> for Retail on a constant currency basis. SuperSport proforma<sup>3</sup> Online NGR grew 29%cc<sup>2</sup> benefitting from its leading omni-channel offering and its first to market cashout offering, whilst STS Online NGR was flat year on year, reflecting its sports only offering impacted by customer friendly sporting results in October offsetting prior growth.

Our Crystalbet brand remains the market leader in Georgia and continues to perform well. Online NGR grew +7%cc<sup>2</sup>, reflecting the strength of our operations and brand, and sees us well positioned as the market digests increases in online gaming taxes and licence costs in 2024.

Enlabs continues to perform well, with profoma NGR +3%cc<sup>2</sup> despite some markets in the Baltics and Nordics experiencing more challenging economic environments. Enlabs delivered +13% growth in active customers supported by localised offering of sports and gaming products.

In Germany, we continue to see the impact of new regulatory measures alongside limited regulatory enforcement. Despite some unregulated operator exits during 2023, the uneven operating landscape remains a significant challenge to licenced operators adhering to regulation. Our Online NGR for Germany declined year on year. However, our bwin brand continues to be strong and we remain positive on the German market's long-term prospects, but regulatory enforcement is critical.

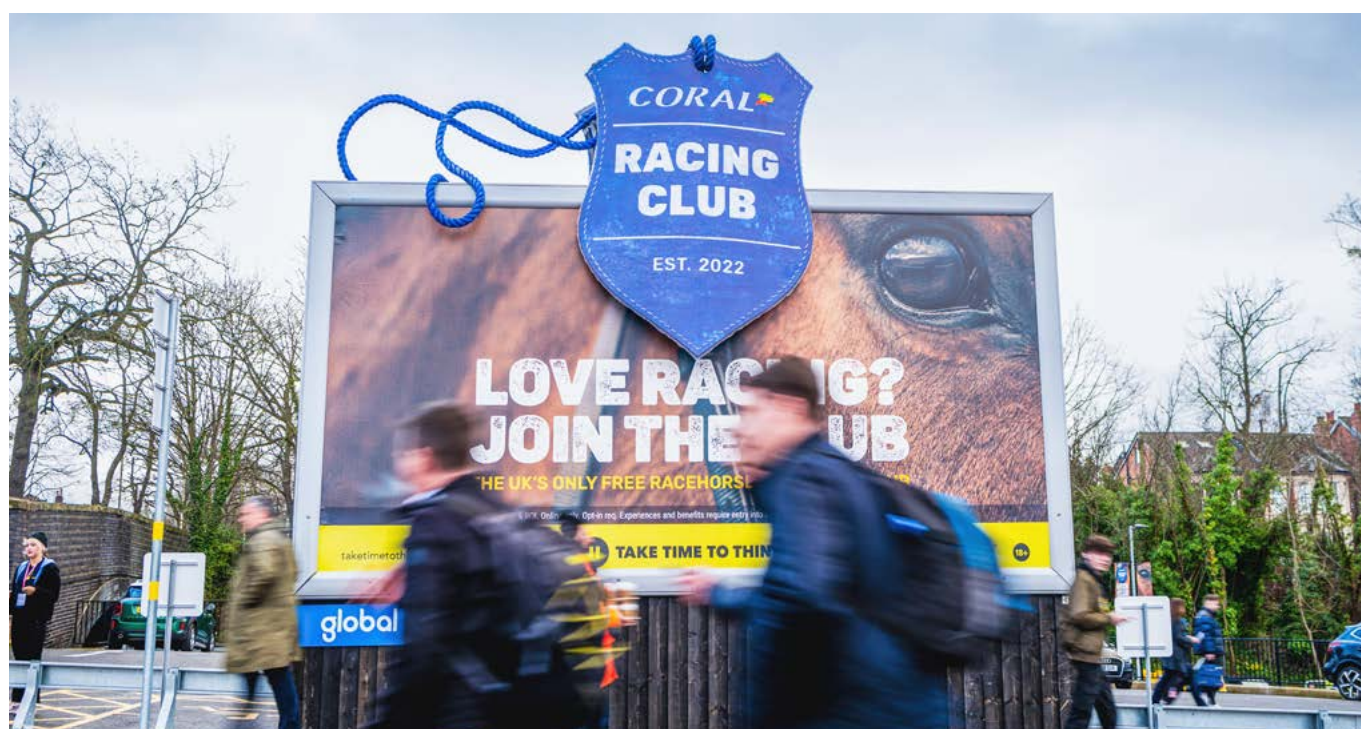
During 2023, we added further capabilities to evolve our offering and customer engagement further. Our acquisitions of 365Scores and Angstrom Sports enable us to expand our content, data and analytical capabilities, and ultimately enhance our customer's experience.

365Scores is one of the world's leading sports apps providing highly engaged sports fans real time action and results. Its access, content and data insights are a key part of how we are reinvigorating our offering in Brazil and addressing this exciting regulating growth opportunity.

Arguably the most significant for our business, particularly for the US opportunity and BetMGM's performance, was our acquisition of Angstrom Sports. Angstrom will provide next generation sports modelling, forecasting and data analytics. BetMGM is already seeing benefits from offering customers more betting markets and more accurate pricing. With this addition, Entain will become the only global operator with a full in-house suite of end-to-end analytics, risk and pricing capabilities for US sports betting products.

We are excited to build on BetMGM's momentum and successes during 2023. Its performance inline with targets and achievement of H2 EBITDA profitability validates our business model and sees BetMGM in position to be self funded going forward.

BetMGM is established as one of the leaders in the fast-growing, highly competitive US sports betting and iGaming market. In 2023, BetMGM continued delivering good growth, with NGR up 36% to \$1.96 billion and achieved profitability over the latter three quarters of the year. Our products are available in 28 markets with a combined market share of 14%<sup>5</sup> in sports betting and iGaming across the US.



BetMGM also made fantastic progress against key strategic initiatives, solidifying the foundations for 2024 and beyond. As well as delivering substantial enhancements to our app features, design and speed, the seamless execution of SASW functionality across 21 states was the most significant upgrade to BetMGM's customer experience. BetMGM players can now travel across these states, betting with the same account credentials and wallet. We have already seen improved retention KPIs, a 5x increase in new state bettors who had previously played with BetMGM in a different state, with multi-state customers now representing over 20% NGR. Together with our partner, MGM Resorts International, we look forward to unlocking this powerful differentiator for BetMGM customers in Nevada, with state regulator's approval of our SASW functionality expected during 2024.

### Revised strategic priorities

The Group has been transformed over the last four years since becoming Entain, delivering an improved sustainable business only operating in regulated or regulating markets. In November 2023 we updated our corporate strategy, focusing on three strategic objectives to deliver value for our shareholders as the next phase of our transformation:

- Drive organic growth
- Expand online margins
- Empower growth in US

**Drive Organic Growth** – We are rebalancing our portfolio to prioritise growth and returns, exiting smaller markets where the timeframe for suitable returns is too long, such as Chile, Peru, Zambia and Kenya. In addition, we have closed our B2C operations of Unikrn and are focusing on delivering the Unikrn eSports offer through our existing sports betting and gaming brands.

We are refocusing our operational execution on customer acquisition and retention, by reinvigorating our acquisition channels and accelerating technology and product delivery. In two of our markets, UK & Brazil we see significant opportunities to drive value through our commercial excellence programme, including, simplified and streamlined customer journeys, more effective marketing, improved app experience and products, especially in sports betting.

Player protection remains embedded in our ambition to deliver the best experience for customers, however, our approach must evolve along with our offering, ensuring it is localised and appropriate for each market.

**Margin Expansion** – Having grown rapidly through M&A we now need to focus on simplifying our operations, removing duplication and enabling greater agility. Our efficiency programme, Project Romer, will not only improve ways of working for our teams, but will also unlock efficiencies through operational streamlining, functional integration and restructuring, as well as deliver net cost savings of £70m by 2025. Coupled with maximising our

operational leverage we can expand our EBITDA margins over time, creating better returns for our shareholders.

**US Market Growth** – Our focus to drive our US performance remains a key strategic priority. BetMGM is established as one of the leaders in this fast growing highly competitive industry. Much of this success is underpinned by Entain technology and product capabilities, which have been significantly strengthened for our US proposition. Entain's acquisition of Angstrom further accelerates this, particularly for our parlay and in-play products with Same Game Parlay ("SGP"), SGP+ and new LIVE SGP pricing models. Our strategic roadmap for 2024 sees BetMGM invest behind this strengthening and differentiated offering. BetMGM's Big Game commercial campaign, as well as partnership with X, demonstrate the drive behind the brand to accelerate player acquisition and retention. BetMGM is the only top three operator with a licenced mobile app live in Nevada. This advantage will be amplified when BetMGM's single account single wallet functionality receives licence approval in Nevada. Working closely with our co-parent, BetMGM will be able to unlock the power of MGM Resorts unique omni-channel advantages leveraging the Las Vegas visitor footfall as well as tentpole events for a deep and replenishing pool of players. We remain committed to empowering BetMGM as it continues to progress towards delivering c\$500m of EBITDA in 2026.

### Sustainability – A key enabler supporting our growth

In November 2023, we unveiled a refreshed sustainability charter. This updated charter was informed by a double materiality assessment we conducted throughout H1 2023, which identified how sustainability-related issues impact our business and how we impact the environment in which we operate. Our charter's four pillar structure encapsulates the sustainability issues that are most important to Entain, our customers and partners:

- Be a leader in player protection
- Provide a secure and trusted platform
- Create an environment for everyone to do their best work
- Positively impact our communities

**A leader in player protection** – Our objective is to be a leader in player protection. In 2023, our safer gaming programme ARC™ ("Advanced Responsibility and Care") was rolled out across 22 jurisdictions alongside the continuing optimisation of ARC™ features. This saw a significant increase in the volume of interactions and interventions with customers, with 6.1 million ARC™ interactions in 2023, up 121% versus 2022.

In recognition of these efforts, during 2023 Entain won a number of responsible operator awards<sup>1</sup> including EGR, SBC and Vixio.

At the start of 2024 we updated our regulatory and safer gaming charter based around four principles:

- Only operate in regulated markets or in markets with a clear path to regulating
- Committed to a constructive and progressive relationship with regulators
- Always comply with in-market regulation
- Take a market leading approach to player protection in each market we operate, developing and using tools to identify & limit customer harm

#### Provide a secure and trusted platform

– We operate in a highly regulated sector where the highest ethical standards are critical in maintaining trust with our customers and wider society – from gold standard data protection, keeping crime out of betting and gaming, to eliminating poor working conditions in our supplier base. Through this strategy, our expectations of ourselves is to exceed these standards. We have a comprehensive training programme for all our colleagues across the Group and I am delighted with the completion rates.

Governance oversight from the Board is key to ensuring robust execution and accountability across the business. Further details on these processes are set out in our Governance report on page 96.

**Create an environment for everyone to do their best work** – Ensuring we are able to attract a broad and diverse pool of the best talent is vital for our success. We aim

The secret kitchen appliance is a

all backgrounds can flourish. Our Diversity, Equity and Inclusion (DE&I) strategy is built on establishing strong networks and having launched the Women@Entain and Pride@Entain groups in 2022, in 2023 we launched Black Professionals@Entain, a new network designed to create a culture where black colleagues can thrive professionally and personally.

As a technology based employer, we also recognise the importance of encouraging women to succeed in the sector. In 2023, Entain partnered with the McLaren F1 team on a returnship programme, providing unique opportunities for skilled women to resume their STEM careers. Over six months, 10 career returners worked at both Entain and McLaren in roles ranging from Data Analysts to Software Developers. The programme received accolades, including the Innovator of the Year at the Women in Gaming Diversity Awards.

**Positively impact our communities** – We were proud to be the first betting and gaming company to formally commit to a Net Zero target for carbon emissions with the Science-based Targets Initiative (SBTi). This reflects our ambition to lead the industry on decarbonisation, along with our commitment to reduce our absolute scope 1 and 2 (market-based) and material Scope 3 emissions by 42% by 2027 and 60% by 2030, from a 2020 base year. In 2023, our Net Zero Action Group developed our first net-zero strategy to help us achieve these ambitions.

We also want to make a positive impact on our communities through the charitable work of the Entain Foundation. Our flagship Pitching In programme in the UK pioneers engagement between semi-professional football and local communities. Our funding of the Trident Community Foundation has helped to deliver over 100 initiatives to improve the lives of thousands of people across the country. Last year we also continued to partner with a range of charities, such as bringing access to technology with community-based technology hubs in partnership with ComputerAid as well as delivering support to under privileged communities in the US with the Charles Oakley Foundation.

#### Notes

1. Awarded; EGR North America Socially Responsible Operator 2023, SBC Global and SBC LATAM Socially Responsible Operator of the Year, and Vixio Global Regulatory Award for Outstanding Contribution to Safer Gambling.
2. Growth on a constant currency basis is calculated by comparing both current and prior year performance at exchange rates.
3. Market share for last three months ending November 2023 by GGR, including only US markets where BetMGM was active; internal estimates used where operator-specific results are unavailable.
4. UK Retail LFL YoY NGR is calculated based on shops that traded for the full year in both 2023 and 2022.
5. Market share for last three months ending November 2023 by GGR, including only US markets where BetMGM was active; internal estimates used where operator-specific results are unavailable.



Our new sustainability charter reiterates the importance of sustainability as an enabler to our overall corporate strategy."



# The industry in which we operate

## Retail

Entain's Retail operations are in the UK, Italy, Belgium, Republic of Ireland (ROI), New Zealand and Croatia.

The UK Retail market was estimated to be worth £7.2bn in 2023, an increase of 6% versus 2022, as operator investment in gaming cabinets and self-service betting terminals has broadened engagement with products such as in-play now being available through SBBI. The UK Retail market is highly consolidated, with four operators accounting for over 85% of all betting shops. Entain is the leading operator in UK Retail, with over 2000 stores across the Ladbrokes and Coral brand covering 96% of all postcodes in the UK.

The Italian Retail sports betting market is estimated to be worth £1.2bn in 2023, up from £1.1bn in 2022. Entain operates via the Eurobet brand as the 3rd largest operator in the market for over the counter sports betting in Italy.

The Republic of Ireland and Belgium Retail markets are smaller, estimated to have been worth £1.0bn and £0.9bn respectively in 2023. Entain operates in Belgium and ROI via the Ladbrokes brand and is the largest operator in Belgium and third largest in ROI.

A new market for Entain, Croatia, is relatively small, valued at £0.4bn in 2023, however the shops serve an important bridge for customers between the offline (retail) and online experience.

In 2023 Entain gained a Retail presence in New Zealand, as part of the exclusive 25YR partnership signed with the New Zealand government, through which Entain is responsible for operating TAB NZ, the only operator with an Online and Offline licence in the country.

|             | 2023e<br>Landbased<br>Gambling | Total Market<br>Size – £bn | Betting | Casino | Machines | Bingo | Lottery |
|-------------|--------------------------------|----------------------------|---------|--------|----------|-------|---------|
| UK          | 7.2                            | 18%                        | 12%     | 38%    | 3%       | 29%   |         |
| Italy       | 15.1                           | 8%                         | 1%      | 53%    | 2%       | 36%   |         |
| ROI         | 1.0                            | 38%                        | 5%      | 27%    | 4%       | 27%   |         |
| Belgium     | 0.9                            | 14%                        | 12%     | 20%    | 15%      | 38%   |         |
| New Zealand | 1.2                            | 7%                         | 28%     | 47%    | 0%       | 18%   |         |
| Croatia     | 0.4                            | 21%                        | 13%     | 53%    | 0%       | 12%   |         |

H2GC (25/01/2024) – Landbased GGR

## Online

### Global Online Growth

Entain only operates in regulated or regulating markets. The total global online gaming market, which also includes unregulated markets, was estimated to be worth c£107bn in 2023. Over the past twelve years the market grew at 13% CAGR and growth from 2022 to 2023 was 15%, in part driven by same state betting and gaming growth in US States.

### Entain's markets

Entain's Online portfolio is categorised into Growth & Core markets, Core markets are forecast to grow at 6% CAGR 2023-2026 and Growth markets at 17% on an Entain-weighted basis.

The next largest market is the unregulated Asia market which represents 26% of the global total, followed by regions that are part regulated, part unregulated including North America (18%), Oceania (7%), Latin America (3%), and Africa (2%). Excluding Asia, Entain has online operations in countries in these regions.

### Entain's Online Markets

Geographically, in 2023 Core markets represented 67% of the total Online betting and gaming Market that Entain operated in. The largest individual countries being the UK (c15%), Italy (c8%) and Australia (c6%). In 2023, the UK market grew 10%, with growth unevenly distributed amongst operators, reflecting the timing of implementation of affordability changes by operators. The Italian online market grew 13%, as it continued to benefit from the Offline to Online transition. The Australian market shrank 3%, due to tightening market conditions combined with the lapping of a very strong 2022, which had benefited from a lagged Covid effect.

Growth markets accounted for 33% of the Total Online Market for Entain in 2023, the majority of which was USA (21%) and Brazil (5%). The USA grew 43% versus 2022, driven largely by growth of existing states, as well as the annualization of 2022 state launches. Brazil grew 31%, driven in part by an increasing awareness of Online gambling ahead of legislation aimed at creating a licenced regime which is expected to take effect in 2024 following Government approval at the end of 2023.



# 11%

Online gaming is forecast to grow 11% CAGR between 2021 and 2027, with the US growing at 23%.

2027  
Forecast

2023

# £107.0bn

2022

£95.0bn

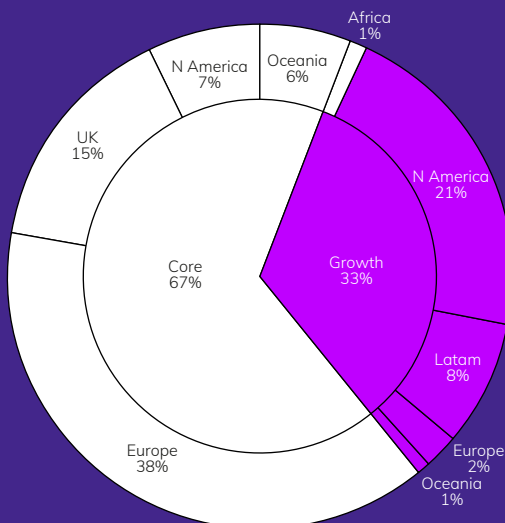
2021

£84.0bn

2020

£67.0bn

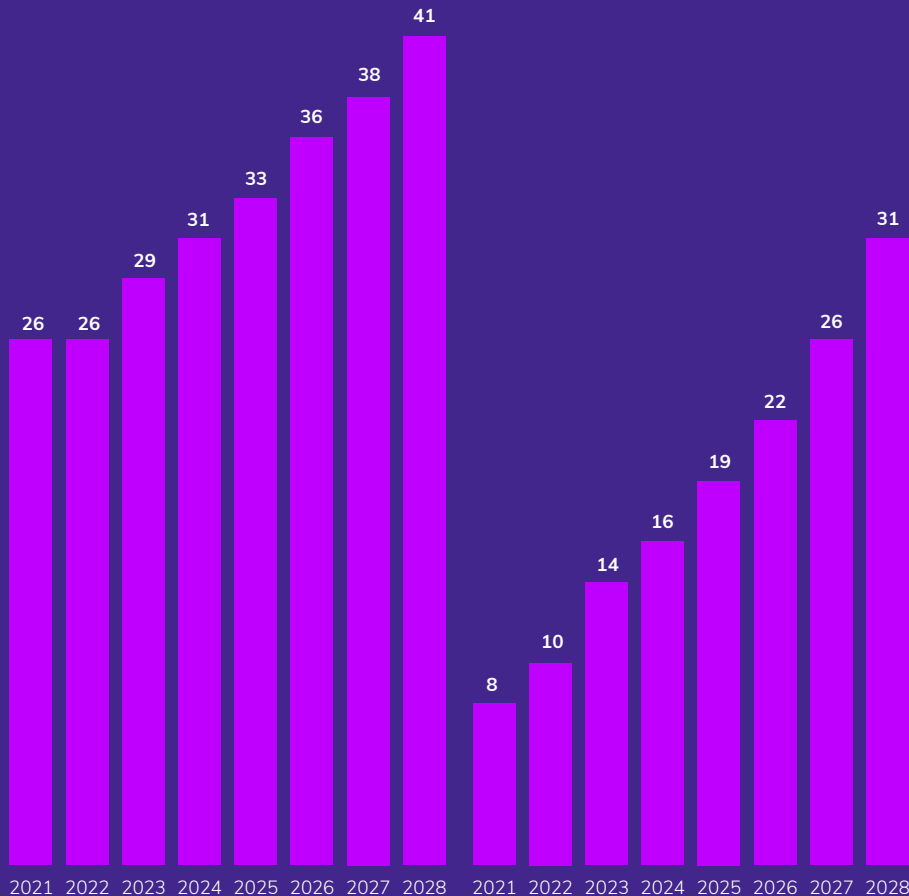
Share of Global online market by region



Entain's markets

Core markets (£bn)

Growth markets (£bn)

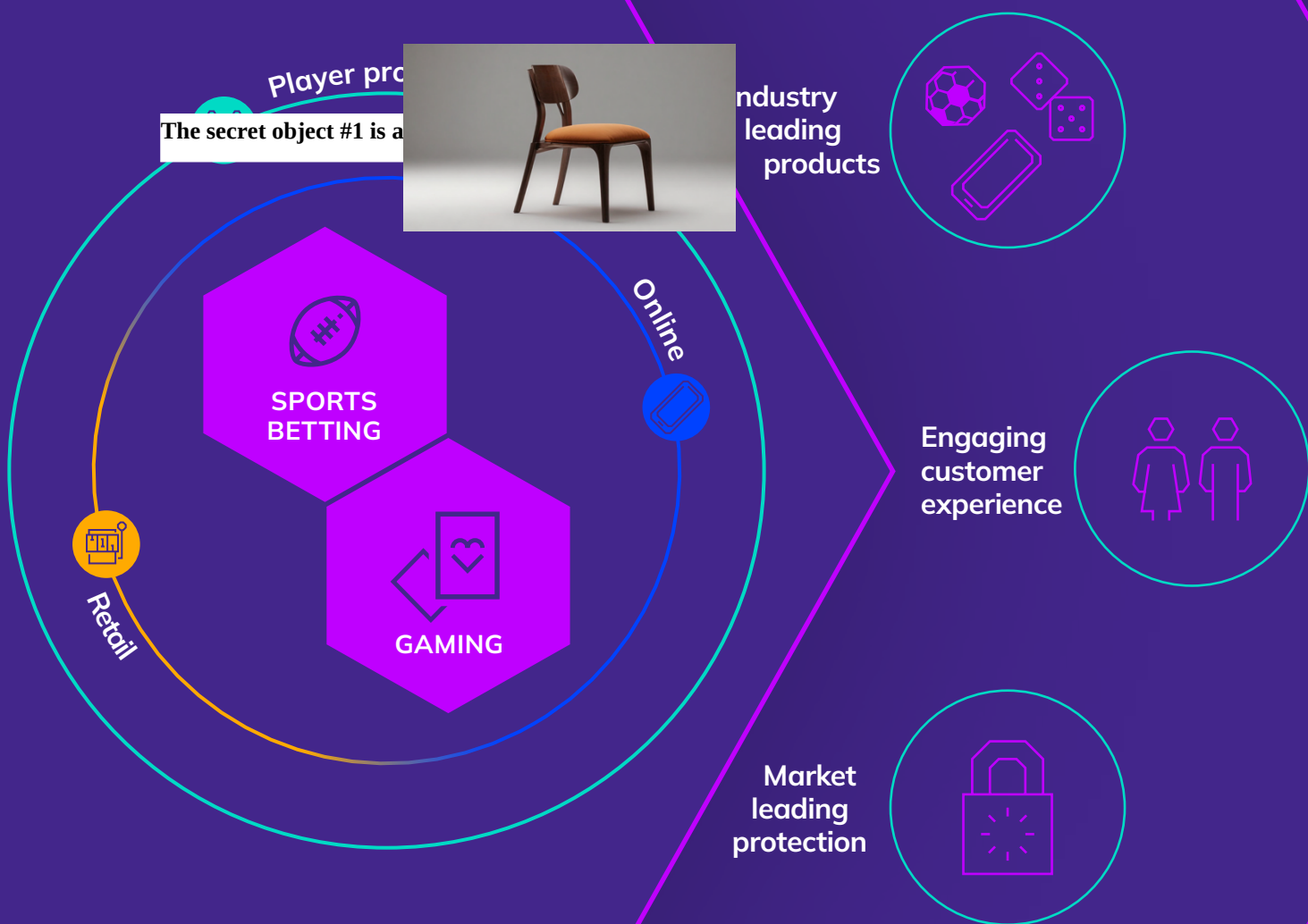


Source: Regulus Partners,  
Online NGR

# How we create value

We provide sports betting and gaming offerings to customers through both Online and Retail channels

We offer our customers engaging and entertaining experiences supported by market-leading player protection



We deliver on our strategy and create value by leveraging a unique set of capabilities...

We create value for all our stakeholders:



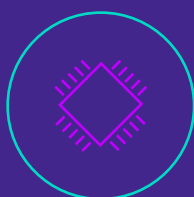
**Marketing Excellence**



**Product & Content**



**CRM and Data**



**Proprietary Technology**



**Global Scale and Brands**



**People and Talent**



**Leading Player Protection**



**Regulatory Expertise**

### Customers

Customer satisfaction

**78%**

Positive experience

Safer betting & Gaming

**8.7m**

Customer interactions in 2023

### Our people

Employee Engagement Wellbeing

**77%**

Actively engaged

**83%**

Manager's care about employee wellbeing

### Communities

Entain Foundation

**£100m**

Committed over 5 years

Net Zero by

**2035**

Throughout all operations

### Investors

2023 EBITDA

**£1bn**

Revenue from regulated

**100%**

and regulating markets

## How we create value

We deliver on our strategy and create value by leveraging a unique set of capabilities.

### Product & Content

Our award-winning in-house development studios enable us to create exclusive content and innovate to provide our customers with a richer, more engaging experience.

 Read more: [pages 26 to 33](#)



### Marketing Excellence

We have unparalleled customer insight that we use to engage our audiences with new experiences, media content and marketing to attract a broader demographic of recreational players.

 Read more: [pages 34 to 37](#)

### Proprietary Technology

By owning and operating our own technology we can be more flexible and adaptable, keeping us ahead of the competition and enabling us to expand into new markets, provide great products and lead on responsibility.

 Read more: [pages 27 to 29](#)

### CRM and Data

Our customer CRM capabilities and player analytics enable a powerful data-led approach to marketing

 Read more: [pages 14 to 16](#)

### People and Talent

Our people are our number one asset and our ability to attract and retain the best minds both within and beyond the industry is key to our success.

 Read more: [pages 46 to 47](#)



### Global Scale and Brands

We offer over 30 leading brands, some dating back more than 135 years, offering customers a great trusted offer

 Read more: [pages 2 to 3](#)



### Regulatory Expertise

As the world's only global operator operating exclusively in regulated and regulating markets we have unparalleled experience of working with regulators coupled with an uncompromising approach to player safety.

 Read more: [pages 38 to 39](#)

### Leading Player Protection

We provide best-in-class customer protection through innovative features, customer support, communications and our culture.

 Read more: [pages 44 to 45](#)



## Our strategic

The secret clothing is a



Before a refresh in November 2023, Entain's strategy was based on the two pillars of growth and sustainability.

Key: Achieved



On target



Not achieved



### 2023 priorities

### 2023 progress

### KPIs

| Growth                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                 |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Leadership in North America           | <ul style="list-style-type: none"> <li>Established Top 3 operator with 14% share of Sports Betting &amp; iGaming market in US and Ontario</li> <li>NGR \$1.95bn, +36% YoY growth</li> <li>28 live markets with 49% adult population; 4 new launches; Ohio, Massachusetts, Puerto Rico, Kentucky</li> <li>Successful delivery of Single Account Single Wallet functionality across 27 states</li> <li>Significant digital sports offering improvements; app speed, user experience, broader bet offering</li> <li>iGaming strength supported by new games &amp; product enhancements – 33 exclusive new game launches by our in-house studios (Read more on page 27)</li> <li>Acquisition of Angstrom Sports (Read more on page 29)</li> </ul> | <b>Global Online market</b><br><b>107bn</b><br><br><b>Group NGR</b><br><b>£4.8bn</b><br><br><b>Online NGR</b><br><b>£3.4bn</b><br><br><b>Underlying EBITDA</b><br><b>£1.0bn</b> |
| 2 Grow presence in core markets         | <ul style="list-style-type: none"> <li>Online Actives +10%, FTDs +7%</li> <li>Online NGR growth on a compound annual basis over the last four years of 12%</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                 |
| 3 Expanding into new markets            | <ul style="list-style-type: none"> <li>Entered Netherlands (BetCity completion Jan-23), Poland through acquisition of STS, and New Zealand through 25yr partnership with TAB NZ</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                 |
| 4 Extend into interactive entertainment | <ul style="list-style-type: none"> <li>Pivoted eSports strategy, Unikrn no longer B2C brand, now supporting eSports offering for our other brands.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                 |
| Sustainability                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                 |
| 5 Lead on Responsibility                | <ul style="list-style-type: none"> <li>Rolled our ARC™ across 27 jurisdictions, including real-time models in 23 jurisdictions.</li> <li>ARC™ for retail now live across UK and ROI</li> <li>98% completion rate of annual compliance, safer gambling, and AML training</li> <li>Contributed 1% of our GGY in the UK to Research, Education and Treatment (RET), totalling £18.7m</li> </ul>                                                                                                                                                                                                                                                                                                                                                  | <b>£20.8m</b><br>Contribution to safer betting and gaming initiatives                                                                                                           |
| 6 Diversify our regulated activities    | <ul style="list-style-type: none"> <li>100% of revenues from regulated or regulating markets since February 2023</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>83%</b><br>Employee satisfaction with approach to wellbeing                                                                                                                  |
| 7 Broaden our customer appeal           | <ul style="list-style-type: none"> <li>F2P</li> <li>Coral Racing Club – (Read more on page 30)</li> <li>Ladbrokes Live – (Read more on page 33)</li> <li>F1 – (Read more on page 37)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>2035</b><br>Target set for carbon Net Zero throughout operations                                                                                                             |
| 8 Invest in our people & communities    | <ul style="list-style-type: none"> <li>Entain's Returnship programme with McLaren Racing receiving accolades at the Women in Gaming Diversity Awards and the Personal Today Awards</li> <li>250+ aspiring champions received SportsAid financial award since 2019, to cover the costs of training, equipment, and travel.</li> <li>250 non-league football clubs supported via Pitching In since 2020, reaching their communities</li> <li>Launch of Black Professionals@Entain network</li> </ul>                                                                                                                                                                                                                                            | <b>£100m</b><br>Commitment to Entain Foundation over five years                                                                                                                 |

Reflecting the Group's strategic progress, in November 2023 we revised our corporate strategy. These refocused objectives recognise the progress achieved by the business, whilst acknowledging there is still further transformation needed to maximise the opportunities ahead. We have set clear targets and initiatives to deliver value for our stakeholders. Ensuring focused execution in driving Organic Growth, Margin Expansion and US market share growth.

| Vision                                                                                                                                                                               |                                                                                                                                                        |                                                                                                   |                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The world leader in betting, gaming and interactive entertainment                                                                                                                    |                                                                                                                                                        |                                                                                                   |                                                                                                                                                                                                                                                                                                      |
| Purpose                                                                                                                                                                              |                                                                                                                                                        |                                                                                                   |                                                                                                                                                                                                                                                                                                      |
| To deliver the most entertaining customer experience supported by market leading player protection                                                                                   |                                                                                                                                                        |                                                                                                   |                                                                                                                                                                                                                                                                                                      |
| Priorities                                                                                                                                                                           | Enablers                                                                                                                                               | KPIs                                                                                              | 2023 progress                                                                                                                                                                                                                                                                                        |
|  <p><b>Organic growth</b><br/>Grow presence in existing markets, synergistic adjacencies</p>       |  <p>People and culture<br/>Technology and product<br/>Governance</p> | <p><b>+7%</b></p> <p>Online organic NGR growth in-line with market (from 2025, Ex-US)</p>         | <ul style="list-style-type: none"> <li>• Ongoing optimisation of market portfolio to maximise growth and ROI</li> <li>• Implemented Comprehensive commercial and operational excellence program in key markets</li> <li>• Build on capabilities and innovate our sports product</li> </ul>           |
|  <p><b>Margin expansion</b><br/>Drive margin expansion through scale and operational leverage</p> |                                                                                                                                                        | <p><b>&gt;28-30%</b></p> <p>&gt;28% for 2026<br/>30% BY 2028<br/>Online EBITDA margin (Ex-US)</p> | <ul style="list-style-type: none"> <li>• Launched Project Romer to create a more agile organisation and drive gross cost efficiencies of c£100M</li> </ul>                                                                                                                                           |
|  <p><b>US market growth</b><br/>Empower profitable growth and share gains in the US</p>           |                                                                                                                                                        | <p><b>20-25%</b></p> <p>20-25% market share</p>                                                   | <ul style="list-style-type: none"> <li>• Capitalise on new product and pricing capabilities, and omnichannel</li> <li>• Delivery of Single Account, Single Wallet functionality in 27 markets</li> <li>• Enhancement of in-house content and capabilities through acquisition of Angstrom</li> </ul> |

Sports betting and gaming courses through our DNA. It's the purple thread that steers our evolution, guides our people and shapes our purpose.

## Risks

## Principal risks



Read more:  
pages 83 to 86

## Links to Remuneration

- Executive annual bonuses are linked to Operating Profit, Online NGR growth and safer betting and gaming targets and customer metrics.
- Safer betting and gaming metric and customer satisfaction metrics implemented for 2023 bonus schemes.

## Principal risks



Read more:  
pages 83 to 86

## Principal risks



Read more:  
pages 83 to 86

Entain today, is underpinned by incredible talent, in-house technology and leading product capability. We have hundreds of always-on sports data and game supplier integrations, which we bring to life as easy to play games and almost infinite bet opportunities in a safe, responsible way. With the largest RMG platform in our industry and a sportsbook powering approximately 1.8K matchers per day, we're evolving our strong in-house technology, globally diversified portfolio and adaptability to create entertaining experiences for our customers.



# Shaping the game: our technology and product

## In-house gaming at Entain

Our award-winning in-house gaming studios have continued to go from strength to strength in powering our brands globally and providing our customers with exclusive gaming experiences. From branded BetMGM slots, to exclusive first-of-their-kind non-traditional tap games, our in-house team has now delivered over 300 titles to our retail and digital brands.

Demonstrating that our customers love our products, one of our original 2023 games, Pig Banker, saw over double the revenue of an average in-house new game within 60 days of launch. Pig Banker was so popular with our customers, that it trotted to the top 3 games worldwide, including number 1 in the UK, Brazilian, and Canadian markets. And to top things off, the follow up release, "Pig Banker: Three Little Piggies" proved to be an immediate player hit by taking the top spot for spins per player to date after its first day of release.

Our in-house gaming team also had cause for celebration in 2023, launching the first in-house non-traditional Tap game "Pot O' Fortune: Golden Tap", which reached the top spot for GGR for game release of its type when compared to third party releases.



Continued on next page →

### +26%

2023 In House Studios GGR increased by 26% vs 2022 (Non US markets based on all live products across all 3 studios)

### +28%

Active players on in-house games across non US markets increased by 28% vs 2022

### +18%

Average spins per active also increased by 18% vs 2022 showing players are engaging more with our in-house products

### 14

In-house studios saw GGR growth across 14 European and Ontario Markets vs 2022

### 33

new in-house games launched in the US 2023



The milestones reached and quality delivered this year are a testament to the unrivalled creativity and hard-work of our people in our in-house game studios. We're proud of the way we develop, construct, and bring to life the exclusive gaming experience for our customers across our brands."

Ciara Nic Liam  
Gaming Director

# The technology that powers our in-house trading platform

When it comes to in-house technology at Entain, our trading team are right at the heart of it. Our in-house trading platform is powered by our own proprietary technology, which turns millions of real-time data points into odds for our customers. Every kick, goal, overtake and point scored is integrated from multiple data feeds and turned into a betting opportunity for players worldwide.

What makes our in-house tech so fundamental to our transformation is the strength of its core. With it, we're set up to be able to tweak, adapt and localise the peripherals of our platform to suit the needs of our players, all over the world.



## Introducing Angstrom: next generation sports betting



Last October, we completed the acquisition of the newest member of the Entain Group, Angstrom. Angstrom Sports' unrivalled sports modelling, forecasting and data analytics provision simulates predictive modelling, in order to create highly sophisticated pricing and forecasting capabilities.

In short, it will be a game changer for our in-house trading technology. Angstrom will enable BetMGM to provide endless moments of excitement for fans in the US, with the most accurate lines in the industry. The acquisition secures Entain as the only global operator which will have a full in-house suite of end-to-end analytics, risk and pricing capabilities for US Sports betting products.



## Our Retail technology -Major milestones hit for our digital in-shop experience

We hit a milestone moment last November, as Group BetStation went live in our 1000th shop in the UK & Ireland Retail Estate. Launching in over very first shop in November 2020, Group BetStation brings a market leading digital experience to our players that's a cut above the rest. Our in-house developed software gives customers the freedom to place their bets in store, access to more racing markets than ever before and the power to place in-play bets on sports around the world.



“Betstation brings a market leading digital experience to our players which is a cut above the rest.”

With over 30 brands, across 40 markets, we're able to provide entertaining experiences to customers all over the world. But it's not just through our core product offering that our customers engage with us. At Entain, we go beyond the game to enhance the sports betting and gaming experience for our players – beyond a bet, scroll or tap.

## A year of Coral Racing Club

Over the last year, Coral has taken its customers closer to the action than ever before following the launch of the free-to-join Coral Racing Club. The club provides a unique opportunity for racing fans to experience what it is like to be a racehorse owner through unmissable content, priceless opportunities, exclusive offers and much more.

Now over 160,000 members strong, the Club's first year was a roaring success. It has created thousands of unforgettable memories with its stable of 10 racehorses, including over 1,000 raceday tickets won by members, 37 unique 'owner for the day' experiences created and in excess of £40,000 being shared in prize money.

Continued on next page →



For many years Coral has demonstrated a deep passion for, and commitment to, British Racing, but over the last year we have significantly expanded our sponsorship portfolio to become the leading bookmaker sponsor in the UK. And now, with the Coral Racing Club, Coral is doing more than any betting operator has done before to grow the appeal of racing and promote the sport.”

**Simon Clare**  
Director of PR

# Beyond the game: customer experiences



The secret animal #1 is a



# Elevating the social betting experience with STS and Eurobet

STS's new brand campaign, **Kocham Sport Gram Mądrze (Love Sports, Play Smart)**, has been taking shape over the last few months in the form of a new ecosystem designed to inspire customers. It incorporates a new smart feature that redefines the social betting experience and empowers customers.

Gracze Typują (Players Predict) is a unique space on the STS site that allows players to copy bets shared by other players, check out success rates of other betters, duplicate their bets and chat with each other on a forum fostering a sense of community amongst customers.

STS is the only operator in Poland offering this free, community-driven feature, reinforcing our commitment to a smart and socially connected betting future.



'Players Bet' is built around the trusted community of STS players who draw inspiration from each other's bets, including bets shared by the best players with a proven track record of effectiveness. Over 2 million bets have been copied in 2023 indicating that players actively seek bets from trusted sources. The fact that 51% of copied bets are turning into real bets, shows the significant potential of this feature and the power dormant in the community.

## Eurobet's ReadyBet

Empowered by a seamless digital experience across various devices, Eurobet's Readybet effortlessly creates pre-filled betslips. Eurobet's Readybets, generated weekly through inputs from retail shop managers, the trading room, marketing teams, and even digital and retail customers, entices users to engage in a diversified betting experience. Offering a curated

selection of "wise" picks from reputable and successful sources, the Readybet platform fosters a sense of community by turning customers and betting shops into interactive "tipsters." Enhanced with dedicated promotions and challenges, this approach bridges the gap between conventional sports betting and a social experience, creating a vibrant marketplace accumulator bets.



# BetMGM 'pucker up' and get their skates on with NHL partnership extension

Last year, our joint venture BetMGM continued to offer fans unforgettable entertainment built around the game they love, with a multi-year extension of their partnership with the National Hockey League (NHL®).



Through team-branded casino games, including the world's first NHL-endorsed slot game, Gold Blitz, VIP fan experiences, and sponsored branding in national broadcasts, players will experience the NHL beyond the rink. NHL Gold Blitz features the NHL Gold Blitz Instant Cash Collection, Wild Multiplier Free Spins, and jackpot prizes, as well featuring all 32 NHL teams and the league's iconic shield. It's through these exciting activations that BetMGM will continue to deliver new ways for Ice Hockey fans to engage with the sport they love.

# Bwin fulfilling football fans wildest dreams on Europe's big stage

For the past two seasons (21/22 & 22/23) bwin has delivered the ultimate football experience by giving fans the opportunity to play in 'the bwin Fans Final' in the UEFA Europa League Final Stadium. 2023 saw the fans play in the Puskás Arena, the day after the UEFA Europa League Final in Budapest.



Thanks to our official partnership with the UEFA Europa League and UEFA Europa Conference League, bwin laid out the red carpet in Budapest for 40 customers who witnessed the UEFA Europa League epic between Roma and Sevilla unfold, before taking to the turf of the Puskás Arena the next day. Customers were treated to pre-match training sessions, personalised kits and the opportunity to lift a customised trophy just like the Sevilla players did a few hours prior. Joined by legends Esteban

Cambiasso and Luis García, the bwin Fans Final saw dreams brought to life for our players. An intimate lunch with the ambassadors and the nomination of the Player of the Match rounded the experience into an unforgettable event with one of the winners stating: "These days I will never forget, the memories will live with me forever. It was the best football trip ever, a dream came true, what a privilege to have been part of it."

Besides bringing pure entertainment and joy to the football fans and uniting players from across Europe, bwin and other Entain brands were able to generate unrivalled brand presence across the continent during the 22/23 season, with branding visible at 80% of all matches across 56 countries; 20% of this being Responsible Gambling messaging. Being the official betting sponsor for both competitions this year again, we'll be there for every shot, pass and tackle to make the third season an even better one for our customers." **Gemma Bell**, Head of Sponsorship

## The launch of Ladbrokes Live



This year, our UK brand Ladbrokes furthered its ambition to provide customers with excitement beyond its sportsbook, with the launch of Ladbrokes LIVE. LIVE is a digital entertainment platform that rewards thousands of fans with free access to the UK's best live music, comedy and sports events, powered by exciting new strategic and ground-breaking partnerships with The O2, AEG Presents, NME and many more.

The unique collaboration between Ladbrokes and NME has also seen the return of the iconic Club NME nights with a series of dates across the UK featuring incredible headline talent and unmissable DJ sets. Fans have been able to win free access to Club NME nights through the Ladbrokes LIVE platform.

With over 135,000 plays and hundreds of tickets already won in 2023, we are giving reasons for consumers to engage with us again and again in, everyday play.



Last year we embarked on an exciting new era for Ladbrokes, connecting thousands of fans with free events through the Ladbrokes LIVE platform. In The O2, AEG Presents, and NME, we're working with three of the biggest and most iconic brands in the entertainment industry and this means we will be able to reward our audiences with the chance to attend some of the most exciting live shows in Britain for free."

**Kelly Rose**  
Head of Brand for Ladbrokes

# Championing the game: Advertising

All of our brands have their own unique identity – from the striking blue of Coral to the playful orange of Foxy Bingo. It's our heritage and brand recognition that has built up such trust with our customers, and it's through this trust that we've been able to push boundaries with iconic advertising, activations and campaigns.

## Get Your Fox On with Foxy's Celebrity Swap Shop & Mullet Salon

Last year saw Foxy Bingo's 'Get Your Fox On' ATL campaign level-up with two world-firsts: Dirtie Gertie's Mullet Salon and The Celebrity Swap Shop.

Opened by Geordie Queen, Vicky Pattison, Dirtie Gertie's Mullet-only Salon in Newcastle offered consumers free mullet haircuts, foxy nails and games of musical bingo. The city lit up with fleets of pedicabs and iconic parts of the centre were turned purple and orange with incredible out-of-house advertisement, with over 2 million impacts. In total, the campaign gained a 1.1 billion reach via media coverage, gave 94 dodgy haircuts and engaged whole new community of Foxy fans.

Continued on next page →

Get Your Fox On with Foxy's Celebrity Swap Shop & Mullet Salon continued

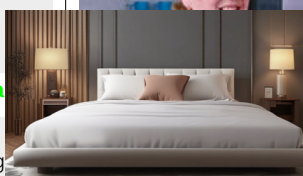
In the wake of Foxy's new laundrette theme ads, the team brought the screen to life up north with The Celebrity Swap Shop: a two-day pop up affair in Hull, where locals swapped drab for fab and get their hands on a celebrity item. 17 celebrities donated items to the laundrette, and in total, 23 bags of clothes were donated to charity. Foxy consumers took to the laundrette to experience the brand's new and engaging identity and with free Bingo sessions on site. The brand saw a 17% increase in betting players from the activation.



## Eurobet.Live with Luca Toni

Eurobet.live elevated the football experience for fans across Italy through an exciting TV campaign featuring World Cup winner, Luca Toni, as it's presenter. The campaign seamlessly integrated the excitement of live scoring with the thrill of the matches themselves, providing viewers with real-time updates, insights and analysis, detailed statistics and engaging multimedia content.

Eurobet.live not only celebrated the passion and excitement of football, but also underlined its commitment to providing fans with a comprehensive and immersive platform to stay connected to the game they love. Eurobet.live strengthened its connection with football fans through partnerships with several Serie A teams, including the iconic Juventus as well as a partnership with the entire Serie C league.



## Gala's Jolly Good Fish and Chip hotel



Gala Bingo continued to build community spirit amongst players this year, with the world's first 'Fish and Chip Hotel' in Blackpool. Inspired by consumer research, insights and the iconic bingo call 33, Gala's 'The Jolly Good Fish & Chip Hotel' gave British seaside goers the chance to enter Gala Land and receive a complimentary serving of fish, chips and peas, as well as games of bingo.

The activation built on Gala's 'Where A Little Joy Goes A Long Way' campaign and encouraged players to find the little joys in life last summer. With over 800 consumers attending the prototype hotel and 314 million people reached via earned social media coverage, it's safe to say customers experienced the brand in a whole new way, combining the classic charm of the Great British seaside with the wonder and joy of Gala Land.

“These strategic alliances served as a powerful bond between the Eurobet.live brand and football fans on the ground, solidifying its position as the premier platform for live scoring, results, and multimedia content in Italy.”

Alexis Grigoriadis  
Marketing Director, Italy

# BetMGM win Las Vegas for Super Bowl week

**Known for its massive audiences, thrilling action, much-anticipated commercials, and halftime extravaganza, the Super Bowl was a big day for BetMGM, where we saw a 30% uplift in activity across the U.S. alone. Super Bowl in Las Vegas was a huge opportunity for BetMGM to be at the centre of the action, having the world's biggest stage literally footsteps away from several BetMGM retail sportsbooks.**

To maximize this opportunity, Entain launched its new Nevada app with access to BetMGM's full sportsbook offering, weeks before the Super Bowl, giving the best BetMGM experience to the NFL fans in Nevada for this landmark event.

Then, BetMGM set out to do what so many other brands struggle to do in this domain, carve out a memorable Big Game commercial that perfectly complements and establishes a connection with the brand. In a company-first, the team launched its three-part campaign which featured the never-before-seen pairing of sports legends, Tom Brady and Wayne Gretzky, along with actor Vince Vaughn, marking an iconic moment for BetMGM.



The BetMGM team didn't stop there. In addition to the advertisement, BetMGM executed a multi-faceted approach to "Win Las Vegas" for Super Bowl week. Alongside extraordinary VIP experiences with celebrity ambassadors, BetMGM painted Las Vegas gold and black with a variety of outdoor, indoor, digital and special advertising campaigns that greeted fans from the moment they get off the plane.

Marking another first, BetMGM partnered with X in a one-of-a-kind collaboration to become the official betting sponsor of the platform, starting with the Super Bowl and continuing through 2025.

Regardless of who was the Super Bowl champion, BetMGM came out a winner. The new platform was able to handle a 30% uplift in activity over the Super Bowl weekend and a 72% increase in customers from the 2023 Big Game, thanks to the incredible efforts and collaboration between the Entain, BetMGM and MGM teams.

## Smashing records under the neon lights of Las Vegas strip

**Last December, the F1 circus rolled into Las Vegas for the inaugural GP, and our joint venture, BetMGM, left no stone unturned in making their presence known with customers over the weekend.**

From exclusive grandstand hospitality to the excitement of experiencing incredible entertainment within touching distance of the track in their retail shops, BetMGM bolstered the anticipation of placing bets on the race with awesome experiences throughout the GP weekend. The team also pulled off some incredible activations with McLaren Racing; from BetMGM's logo being centre stage on the car to a series of marquee and On-property digital placements, BetMGM certainly gave F1 superfans an experience to never forget.

The spectacle received 3X the number of bets compared to any other F1 event in the company's history. The Las Vegas GP certainly shattered records for the King of Sportsbooks.

## TAB activation on Auckland's Sky Tower for the TAB Karaka Millions

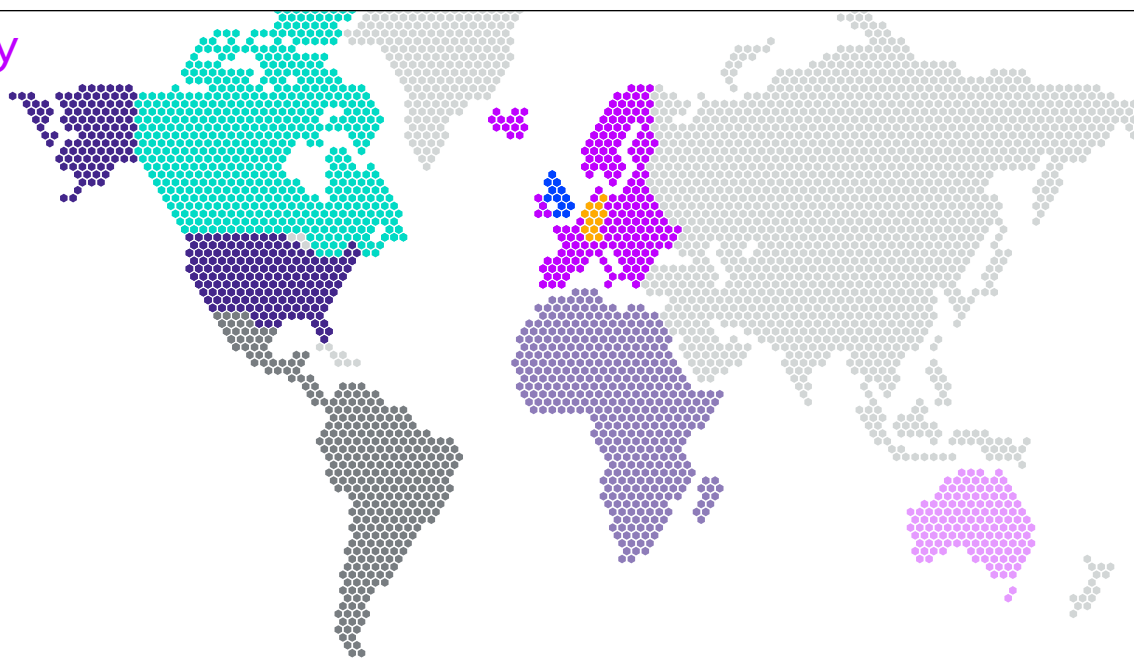


**The TAB Karaka Millions brings together the best horses sold at the New Zealand Bloodstock yearling for two separate races, as well as an open-entry race called the Elsdon Park Aotearoa Classic. This year, TAB became the naming rights sponsor for the meeting, and with three \$1m races on the six-race card for the first time ever, TAB wanted to do something different to attract attention of customers.**

A few days before the meeting, Entain Australia and NZ took over the second tallest freestanding structure in the southern hemisphere, Auckland's Sky Tower, and projected the barrier draw for the three main races onto it. Watched on by trainers, owners and horse racing fanatics, the incredible display revealing which horse starts where, set the scene for a weekend that ended up smashing records for TAB's horse racing history.

The six-race meeting saw a 26.6% increase in turnover compared to the highest wagered meeting on record (of which had over double the number of races) and a 33% increase in the number of customers betting compared to 2023. Better yet, the final race of the day set a record for the most wagered race in New Zealand, with Year-on year-turnover for the TAB Karaka Millions up 66%.

## Regulatory update



Gaming is a truly global market and in 2023 the Group held licences in over 30 jurisdictions across the world. The Group is committed to only operating in regulated or regulating markets and as from February 2023, 100% of the Group's revenue is from such markets. The Group firmly believes that strong, commercially viable regulation of the betting and gaming sector is in everyone's interests. It provides stability for operators, important taxation streams for governments and – most importantly – provides the consumer with proper protections and safeguards by ensuring that only responsible providers operate in the market.

### The UK

The UK Government published its White Paper of the 2005 Gambling Act Review in April 2023. As expected, this document included consultations on a number of areas, including online slots staking limits; financial vulnerability checks; a mandatory levy for research, education and treatment; additional requirements on game design and direct marketing as well as the creation of an Ombudsman. We continue to engage government actively in this process, both directly and via our trade body. We have continued to develop and enhance our Advanced Responsibility and Care™ ("ARC™") programme, which offers tailored identification of customers who may be at risk, as well as targeted interventions and interactions. Whilst many of the changes within the White Paper can be achieved via secondary legislation, we are collaborating with the other major operators to voluntarily progress initiatives such as a single view of the customer and the creation of an Ombudsman.

### Germany

The Joint Gambling Authority ("GGL") has now been operational in Germany for over a year. Encouragingly, the GGL has been more proactive in issuing sanctions against unlicensed operators, but we still see room for improvement and intensification. We are continuously working with the regulator and state governments to push for more effective enforcement against illegal operators and in 2023 worked jointly with the University of Leipzig and the local online casino association to produce a study investigating the scale of the issue.

While the Group was granted three slots and two poker licences in November 2022 and the Group's sports betting licences were also extended for another 5 years in late 2022, the restrictive environment in Germany continues to prove challenging. The process for managing playing limits for slots, poker and sports betting remains one of the most pertinent regulatory challenges for licensed operators. There is also mounting political pressure for stricter sports betting advertising restrictions, while the first evaluation of the Interstate Treaty is set to be published soon.

Unlike slots and poker, casino table games are regulated on a state-by-state basis. The states may either create a monopoly or issue as many licences as the state has land-based casinos. By the end of 2023, only the states of Schleswig-Holstein and North Rhine-Westphalia had opted for a licensing system. To date, only Schleswig-Holstein has released the tendering process, but the group has opted not to apply for a licence for commercial reasons. In North Rhine-Westphalia, details on the tendering process were expected to be published in 2023 but due to various delays, the details are now expected in Q1 2024. Entain looks forward to participating in this process.



## Other Europe

In 2023, wide-reaching advertising restrictions were introduced in **Belgium**, while a pending parliamentary bill and a draft Royal Decree could impose further restrictions on local operators in 2024. Fortunately, the sector was successful in blocking a proposal to introduce an additional 5% tax which would have had a detrimental impact on licenced operators and encouraged customers to move to black market operators and therefore reduce player protections.

In the **Netherlands**, Entain completed the acquisition of BetCity in January 2023. National elections took place in November and we await the formation of a new coalition government which could lead to change in direction for gambling policy. We are also expecting the Dutch authorities to come forward with new proposals on playing limits, AML and duty of care requirements which are likely to come into effect in 2024 and impose stricter compliance requirements on operators. The headline gambling tax rate also increased by 1% to 30.5% from 1st January 2024.

In **Italy**, the Government published a new framework law in 2023 laying the foundations for potentially wide-reaching sectoral reforms to be enacted in 2024 and beyond, including an overhaul of the current gambling licence tender procedure which will increase licensing costs and impose stricter regulatory requirements on operators. In **Spain**, the government has moved oversight of gambling to a newly-formed Ministry, while plans to introduce a system of cross-operator limits remain on the medium-term agenda. In **Ireland** we are still awaiting the enactment of the pending Gambling Regulation Bill that will introduce a formal regulatory and licensing regime for online gambling. In **Denmark** a draft law has been published to amend the Gaming Act, including the introduction of a B2B licence regime to take effect from 2025.

In 2023, we have seen tax increases announced in several of the markets where we operate. The Prime Minister of **Georgia** announced plans to increase taxes for online gaming from 10% to 15% GGR, and player winnings withholding taxes from 2% to 5%, effective from 1 January 2024. The **Swedish** government has announced its intention to increase the rate of gaming tax from 18% to 22% with effect from 1 July 2024, while the **Latvian** Government plans to increase online gambling tax from 10% to 12% GGR from January 2024.

There was better news in **France** where we have seen nascent discussions about the possible legalisation of online casino, while in **Croatia** the Government completed a regulatory review and is now looking to bolster its efforts to tackle the illegal market.

At the end of 2023, Entain only operated in two markets in Europe where it is not yet locally regulated. Despite our best efforts in **Austria**, there have been no changes to the status quo and the Government has no imminent plans to initiate the reforms it announced in March 2021. Nevertheless, we will continue to push for regulatory reforms. Encouragingly, in **Finland** the Government has officially begun the process of dismantling the monopoly in favour of a licensing system that we expect to come into force sometime in 2026.

## Australia

A parliamentary inquiry issued a report in 2023 calling for a ban on gambling advertising as part of a 31-point plan to reform the Australian gambling market. It also proposed various other measures including the establishment of a single national regulator and a formal duty of care. We expect the Government to come forward with its response to the report and proposed next steps in the first half of 2024.

Elsewhere, the National Self-Exclusion Register BetStop launched in August, while a ban on credit card betting was adopted in December 2023 and will come into effect in mid-2024.

## Canada

The Ontario online betting and gaming market became regulated on 4 April 2022, thereby becoming the first Canadian Province to issue domestic licenses for private operators. Entain operates in Ontario through its bwin and Party brands as well as Sports Interaction, a Canadian brand the Group acquired in February 2022. Going forward, other Canadian Provinces such as Alberta and British Columbia are expected to introduce regulation.

## Africa

In late 2023, Entain decided to withdraw from the regulated markets of Zambia and Kenya but the Group remains committed to expanding its significant regulated offering in South Africa, where it has been present for a number of years.

## US

The sports betting regulatory activity continues at pace in the United States. Kentucky, North Carolina and Vermont are amongst the US states that have regulated in 2023. Rhode Island has been added to the list of US iGaming states. Finally, additional states have adopted, or are in the process of adopting, modernised forms of responsible gambling regulation; a trend Entain welcomes with an eye on the long-term sustainability of the US market.

Bearing in mind that over 35 US states have already allowed for sports betting in one form or another, the Group remains of the view that in the coming years some 40 or even 45 US states will have regulated sports-betting, which will provide BetMGM with even broader market access across the country. The number of states that permit online casino is also expected to grow in the years to come – for example the state of New York as already announced its intention to attempt iGaming regulation in 2024.

## LATAM

In Latin America, Brazil adopted a law that allows for domestic licensing of sports betting and online casino in late 2023. The law will be implanted throughout the first half of 2024, with the regulated market expected to launch at some point in Q3 2024. The regulation will extend to all online gambling verticals, including sports betting and gaming, and will allow for an open licensing system subject to payment of betting and other taxes and fees. Furthermore, the Group has launched licensed operations in Mexico under its bwin brand.

# Sustainability at Entain

At Entain, sustainability is a key enabler of our corporate strategy. We firmly believe that the most sustainable operators will be the most successful in our industry.

2023 was a pivotal year for sustainability at Entain as we unveiled our new Sustainability Strategy, building on our longstanding commitment to sustainability and taking it to the next level.

With this new Strategy, we wanted to strengthen our sustainability leadership position as well as listen to our stakeholders and respond to the changing Environmental, Social, and Governance ("ESG") landscape. We conducted a double materiality assessment to help us understand our unique sustainability-related risks and opportunities, as well as our impacts on society and the environment. We conducted surveys and interviews, analysed industry reports, and held leadership workshops, gathering input from over 250 internal and external stakeholders from around our business, to understand how we can ensure we are supporting value creation to all stakeholders.

These insights helped us develop a strategic framework that will focus our sustainability actions in the coming years. Our new approach, which is presented on the next page, is structured across four pillars that encapsulate those ESG issues that are most important to Entain, our customers, investors, and partners:

- Be a leader in player protection
- Provide a secure and trusted platform
- Create the environment for everyone to do their best work
- Positively impact our communities

As we reflect on 2023, we are proud to report extensive progress across each of these strategic pillars. We invite you to discover our achievements on the following pages, which include:

- Rolling out our player protection programme ARC™ in our digital offer to cover 27 jurisdictions and launching ARC™ for retail in the UK and the Republic of Ireland.
- 100% of our revenues coming from regulated or regulating markets since February 2023.
- Winning Innovator of the Year at the Women in Gaming Diversity Awards for our Returnship programme with McLaren Racing.
- Partnering with EcoVadis, the world's largest platform for supplier sustainability ratings, and onboarding 35% of in-scope vendors and supporting them to improve their sustainability performance.

Looking at 2024, we will remain sharply focused on delivering our new strategy and reaffirming the sustainability leadership role that underpins our long-term growth.

## Entain's Sustainability Strategy

At Entain, we see sustainability as a key enabler of our corporate strategy and growth. We embrace our role within society with the strongly held belief that the most sustainable business in our industry will be the most successful.

This is reflected in our new Sustainability Strategy. We have structured it across four pillars that carefully encapsulate those sustainability issues that are most important to Entain, our customers, investors, and partners. For each pillar, we have identified key focus areas and assigned Board-level oversight, summarised below.

You can read more details about how we developed the strategy using the results of our 2023 double materiality exercise [here](#).

|                                                                                                                                                         | What it means                                                                                                                                                                                      | Aligned material clusters                                                                                                                                       | Focus areas                                                                                                                                                                                                                                                                                                                                                                              | Oversight                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>Be a leader in player protection</b><br>                            | We provide industry-leading customer protection through innovative features, customer support, communications and our culture.                                                                     | <ul style="list-style-type: none"> <li>• Safer betting and gaming</li> <li>• Ethical &amp; compliant behaviour</li> <li>• Innovation</li> </ul>                 | <ul style="list-style-type: none"> <li>• Industry-leading <b>tailored customer protection tools and processes</b></li> <li>• <b>Empower our people</b> to support and protect our customers</li> <li>• Harm prevention through <b>education and responsible communications</b></li> <li>• <b>Promote research</b> and share <b>evidence-based learnings with the industry</b></li> </ul> | <b>Sustainability &amp; Compliance Committee</b> |
| <b>Provide a secure and trusted platform</b><br>                     | We lead on integrity in everything that we do. From having the highest ethical standards, to only operating in regulated markets, with an aim of gold standard data protection, and cybersecurity. | <ul style="list-style-type: none"> <li>• Ethical &amp; compliant behaviour</li> <li>• Data privacy and cybersecurity</li> <li>• Corporate Governance</li> </ul> | <ul style="list-style-type: none"> <li>• Only operate in <b>regulated markets</b></li> <li>• <b>Ethics and integrity</b> at the core of our organisation and culture</li> <li>• Provide <b>industry-leading cybersecurity, data privacy and AI governance</b></li> <li>• Clear and <b>robust governance processes</b> for each of our key ESG areas</li> </ul>                           | <b>Sustainability &amp; Compliance Committee</b> |
| <b>Create the environment for everyone to do their best work</b><br> | We are an employer of choice, and we build an inclusive and supportive culture where talents from all backgrounds can thrive.                                                                      | <ul style="list-style-type: none"> <li>• Diversity, equity and inclusion</li> <li>• Having the right people</li> </ul>                                          | <ul style="list-style-type: none"> <li>• <b>Attract, engage and retain</b> the best, most diverse talent</li> <li>• Provide the <b>right growth opportunities</b> for all</li> <li>• Build a sense of <b>belonging for all</b> Entainers</li> </ul>                                                                                                                                      | <b>People &amp; Governance Committee</b>         |
| <b>Positively impact our communities</b><br>                         | We play our role in limiting global warming to no more than 1.5°C and we create a positive impact on our communities.                                                                              | <ul style="list-style-type: none"> <li>• Environmental Sustainability</li> <li>• Corporate Governance</li> </ul>                                                | <ul style="list-style-type: none"> <li>• Reduce our <b>environmental impact</b></li> <li>• Creating a <b>sustainable value chain</b></li> <li>• Promote <b>grassroots, women's and disability sports</b></li> <li>• <b>Support communities</b> where we operate</li> </ul>                                                                                                               | <b>Sustainability &amp; Compliance Committee</b> |

## ESG Governance



Delivering our Sustainability Strategy starts with robust governance. As our ambitions grow, and best practice evolves, we continue to expand our processes. ”

### Board Committee Oversight

In May 2023, Entain restructured its Board oversight of ESG issues to better manage the increasing workload of the prior ESG Committee and further embed sustainability across the Group.

The newly created Sustainability and Compliance Committee was created to take on the bulk of the responsibilities of the former ESG Committee. The Sustainability and Compliance Committee has oversight for safer betting and gaming, regulatory compliance, anti-money laundering and counter-terrorism financing, anti-bribery & corruption, human rights (including our approach to addressing modern slavery risks), health and safety, environmental impact (including the evolution of our strategy and processes in response to the Taskforce for Climate-related Financial Disclosures), data protection and charitable donations, including the work of the Group's Entain Foundation. Chaired by Virginia McDowell, one of our Non-Executive Directors, the Committee has three members and guides the business on all aspects of ESG strategy, sets targets and monitors our performance.

The second newly created Committee, the People and Governance Committee, took on the responsibilities of the previous Nomination Committee and added responsibility for oversight of the Group's approach to Diversity, Equity and Inclusion and other people-related functions such as engagement and culture and employee wellbeing.

### The ESG Steering Group

The ESG Steering Group, which meets monthly, consists of functional leaders from across the business, including Sustainability, Investor Relations, Human Resources, Corporate Affairs, Legal, Health, Safety & Security, Operations, People and Communications. Convened by our Group Head of Sustainability and chaired by our Chief IR & Communications Officer, the Group oversees the implementation of our sustainability strategy.

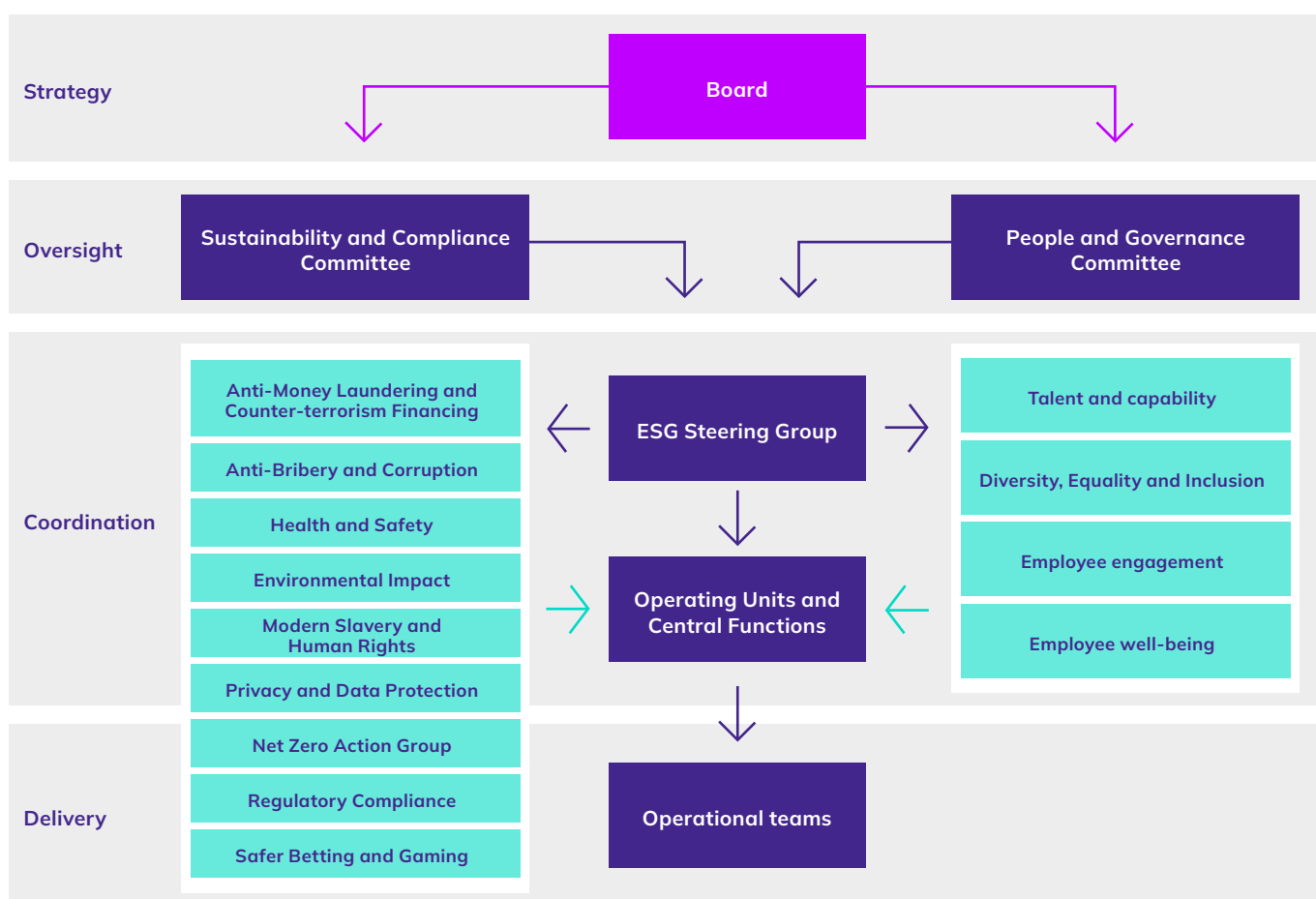
### Climate governance

Given the urgent need for action to address the climate emergency, we have stepped up our governance in this area. Our CEO is now responsible for our approach to climate change, and climate-related risks and opportunities. In addition, we have developed our Net Zero Action Group. The Net Zero Action Group reports to the ESG Steering Committee, which is a selection of leaders from around the business who are responsible for delivering and developing an organisation-wide approach to achieve our Net Zero ambitions. You can read more about how we manage our climate-related risks and opportunities in our TCFD Statement on pages 56 to 63.

### Issue-specific Committees

In addition to the ESG Steering Group and the Net Zero Action Group, we have formed groups that report to the ESG Steering Group that focus on delivering our approach to specific ESG issues that require additional expertise and insights from the business. Steering groups include groups focused on Anti-modern Slavery and Human Rights, Safer Betting and Gaming, Anti-Money Laundering, and Diversity & Inclusion.

## ESG Governance Structure

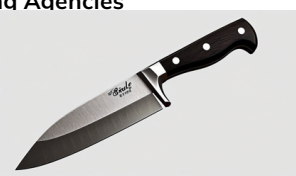


## Our performance across ESG Rating Agencies

We are proud to be a sector leader among our peers in the UK and Europe.

Independent ESG rating providers. The below table summarises our performance across these external assessments.

The secret object #3 is a



|                |                    |                                          | Score<br>(31 December 2023)                  | Score<br>(31 December 2022) | Industry<br>Rank                       |
|----------------|--------------------|------------------------------------------|----------------------------------------------|-----------------------------|----------------------------------------|
| MSCI           | ESG Score          | AA                                       | 7.2 ▲                                        | 6.7                         | N/A                                    |
| Sustainalytics | ESG Risk Rating    | Low                                      | 19.6 ▲<br>(a lower score shows a lower risk) | 22.3                        | 13/87 in the Casinos & Gaming industry |
| ISS ESG        | ESG Score          | C                                        | 49▲                                          | 47                          | 1 <sup>st</sup> decile                 |
| S&P Global     | ESG Score          | S&P Yearbook and DJSI Europe constituent | 60 ▲                                         | 67                          | 95th percentile                        |
| FTSE4Good      | ESG Score          | Inclusion in FTSE4Good Index             | 3.8<>                                        | 3.8                         | 93 <sup>rd</sup> percentile            |
| CDP            | Climate Management |                                          | B                                            | B                           | N/A                                    |



We provide best in class customer protection through innovative features, customer support, communications and our culture

Material issues

- Safer betting and gaming
- Ethical and compliant behaviour
- Innovation

Oversight

Sustainability & Compliance Committee

| Focus area                                                       | 2023 Highlights                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Best-in-class tailored customer protection tools and processes   | <ul style="list-style-type: none"><li>• Rolled our ARC™ to cover 27 jurisdictions (2022: 22), including real-time models in 23 jurisdictions</li><li>• ARC™ for retail now live across UK and ROI</li><li>• 7.5 million ARC™ interactions (+98% YoY) to 742,112 unique customers</li></ul>                                                                                                                                                                                                  |
| Empower our people to support and protect our customers          | <ul style="list-style-type: none"><li>• 98% completion rate of annual compliance, safer gambling, and AML training</li><li>• Enhanced safer gaming training, delivered by EPIC Risk Management, delivered to all senior leaders</li></ul>                                                                                                                                                                                                                                                   |
| Harm prevention through education and responsible communications | <ul style="list-style-type: none"><li>• Expanded our stakeholder education and training in the US, through our partnership with EPIC Risk Management and major leagues as well as players associations such as the Major League Baseball, National Football League, League Soccer Players Associations and the NHL Alumni Association</li><li>• 20% of TV advertising space and football sponsorship dedicated to safer betting and gaming communications or Foundation promotion</li></ul> |
| Promote research and share evidence-based learnings              | <ul style="list-style-type: none"><li>• Final year of partnership with Harvard Medical School's Cambridge Health Alliance Division on Addiction (CHADA), contributing £5.5m over five years to cutting-edge research into Safer Betting and Gaming</li><li>• Contributed 1% of our GGY in the UK to Research, Education and Treatment (RET), totalling £18.7m</li></ul>                                                                                                                     |

| Awards and accreditations: | UK                                                                                                                                                                            | North America                                                       | International                                                                                                                                                         |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            | <p>GamCare Advanced Safer Gambling Standard</p> <ul style="list-style-type: none"><li>• Online: Advanced Level 2 (highest level)</li><li>• Retail: Advanced Level 2</li></ul> | <p>EGR North America Awards 2023: Socially Responsible Operator</p> | <p>SBC Global and SBC LATAM Socially Responsible Operator of the Year</p> <p>Vixio Global Regulatory Awards: Award for Outstanding Contribution to Safer Gambling</p> |

Advanced Responsibility and Care™ (“ARC™”): Our leading tailored customer protection tool

Our recent materiality assessment found that safer betting and gaming is our most material ESG issue, and ARC™ is our flagship initiative to protect our customers – providing a technology-led approach to player protection through real-time and individually tailored detection, interaction and interventions with players that are potentially at risk.

Given its importance to Entain and our customers, the roll-out and effectiveness of ARC™ is linked to through our Group Bonus Scheme, which includes our executive

team. The details of how we incentivise the delivery of player protection is outlined further in the Remuneration Report on p131.

This year, ARC™ continued to mature in the UK and expand globally. By the end of 2023, ARC™ is now live across our core international markets (except Brazil).

Our safer betting and gaming programmes in our retail estate in the Republic of Ireland and the UK are also supported by ARC™. This provides our customer facing retail colleagues with data-driven insights to help them spot and address risky play in our shops.

We continue to monitor the effectiveness of ARC™, the results of which are reviewed by the Executive Committee and Sustainability and Compliance Committee quarterly.

**Empowering our people**

We continue to deeply embed safer gaming into the culture of our company. At the end of 2023, 98% of our colleagues were up to date with their mandatory annual safer betting and gaming training. This training provides all colleagues with the essential understanding of our approach to, and compliance requirements on, safer betting and gaming. However, we also understand that specific roles within our business have key responsibilities for player protection.

For these roles, we continue to roll out more in-depth and specific training. For example, our senior leadership periodically undertakes in-depth training from EPIC Risk Management. Customer-facing roles who are responsible for engaging directly with our customers also receive in-depth training on identifying and interacting with customers who may be at higher risk of harmful play.

We are also leveraging our partnership with Harvard Medical School's Cambridge Health Alliance Division on Addiction ("CHADA") to support our training programmes. Since 2019, 16 of our safer betting and gaming training programmes have been reviewed by the team at CHADA – ensuring our training and culture reflect the latest research.

### Responsible marketing

Responsible marketing is a core part of our commitment to promote responsible attitudes, and protect children, young persons and vulnerable individuals. We have a long history of leading the industry in this area, spearheading the UK whistle-to-whistle advertising ban, and being the first operator to ban shirt sponsorship in UK football.

Our commitment to responsible advertising and marketing is underpinned by our recently refreshed External Marketing Policy. This Policy outlines our responsible marketing principles. All relevant staff receive training on the policy.

We also work closely with trade associations to strengthen best practice for our industry's marketing and advertising. For example, we are a signatory of – and contributor to – the European Betting and Gaming Association's ("EGBA") Code of Conduct.

### Promoting research through our partnership with Harvard Medical School

2023 marked the final year of our five-year research partnership with the Cambridge Division on Addiction, which has now produced 14 research papers since 2019. The outcomes of this research have been highly practical, underpinning our 26 markers of protection – the behavioural patterns found to indicate signs of risk that are used by ARC™. As this research is published, or is in the process of publication, this allows not just Entain but the whole industry to access the latest research. You can read more about this research programme in our 2023 Social Impact Report.

## Embedding safer betting and gaming into our culture

At Entain, we know that safer betting and gaming starts with our culture. It's important that all colleagues have the knowledge and tools to fulfil our responsibility to protect our customers.

As part of the 2023 Group Annual Bonus Plan, a mandatory training module was implemented on compliance, safer gambling and anti-money laundering, achieving a 98% completion rate. Our goal is to train all colleagues on the importance of player protection, preventing money laundering, and responsible marketing – with retail colleagues receiving a more tailored version of the content relevant to their role.

We also know that some colleagues have unique responsibilities for their role – whether it be engaging directly with customers, designing new products, or leading teams or divisions. In 2023 we worked with EPIC Global Solutions to deliver in-depth masterclasses and face-to-face training on safer betting and gaming tailored for specific, high-impact roles. For example, our customer service and retail colleagues took part in sessions that equipped them with the skills to

identify signs of harm and effectively interact with customers to advise on our suite of tools that may be used to help them.

Key modules focused on:

- Introducing our retail teams to problem gambling to help them understand how gambling related harm can present itself and ensure that they are aware of how to protect our customers to limit the negative impacts of gambling. Between May and August 2023, 294 colleagues attended the EPIC Safer Gambling Awareness training.
- Affordability Interactions: This training provided our colleagues with guidance on the key steps they should take to ensure that customers are keeping their betting affordable, and the communication tools they can use to encourage safer gambling and manage hostile behaviour on the shop floor.

- Interactions excellence: Interaction Excellence aims to promote insightful and valuable discussions with teams that deal with customers that are potentially the most at risk. The training focuses on strengthening soft skills that colleagues will draw upon during customer interactions. In 2023, this training was reviewed by the Harvard Medical School's Division on Addiction, Cambridge Health Alliance.

Moving forward we will also conduct in-depth training with leaders from around the business (aimed at our senior leadership team and Board Directors), to further integrate a culture of player protection right at the top of the organisation. This training will be run by EPIC Global Solutions and refresh the leadership training delivered in late 2022.



1. Core countries are those that are using our core technology platform. ARC™ is embedded within this core technology, so in these countries we can use the full power of our markers of protection and interactions.
2. Risk is determined based on our Long-term Excessive Play (LTEP) model, which is one of our three primary ARC™ Markers of Protection models, which scores every user of the Entain Platform from 1 (low risk) to 100 (high risk) daily. LTEP is used for assessing risk due to identify underlying problem gambling behaviour over time.



We lead on integrity in everything that we do. From having the highest ethical standards, to only operating in regulated markets, with an aim of gold standard data protection, and cybersecurity

Material issues

- Ethical & compliant behaviour
- Data privacy and cybersecurity
- Corporate Governance

Oversight

Sustainability & Compliance Committee

| Focus area                                                          | 2023 Highlights                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Only operate in regulated markets                                   | <ul style="list-style-type: none"><li>• 100% of revenues from regulated or regulating markets since February 2023</li></ul>                                                                                                                                                                                                                     |
| Ethics and integrity at the core of our organisation and culture    | <ul style="list-style-type: none"><li>• New Ethics &amp; Compliance Charter and Strategy</li><li>• Average completion rate of 95% across Entain's Big Four Compliance Training Modules</li><li>• Refreshed set of Entain Values, with "Do what's right" at its core</li></ul>                                                                   |
| Provide industry-leading cybersecurity and data privacy             | <ul style="list-style-type: none"><li>• Growing headcount in Data Privacy and Cybersecurity teams, by 25% and 35% respectively compared to 2022.</li><li>• Average time to fix cybersecurity vulnerabilities decreased by 65% compared to 2022</li><li>• Over 80% of our operations audited and certified to ISO 27001 (by headcount)</li></ul> |
| Clear and robust governance processes for each of our key ESG areas | <ul style="list-style-type: none"><li>• New ESG governance structure with two board-level committees (Sustainability &amp; Compliance and People &amp; Governance)</li></ul>                                                                                                                                                                    |
| Awards and accreditations:                                          | ISO 27001 2022 Information Security Management System                                                                                                                                                                                                                                                                                           |

Only operate in regulated markets

Entain firmly believes that strong, commercially viable regulation of the betting and gaming sector is in everyone's interests. It offers stability for operators, important taxation streams for governments and – most importantly – provides the consumer with proper protections and safeguards by ensuring that only responsible providers operate in the market.

Since February 2023, 100% of our group's revenue come from regulated or regulating markets. As of 31 December 2023, we held licences in 34 jurisdictions across the world. We were also present in five regulating markets where we can see a clear pathway to regulation that will enable us to obtain domestic licences in the next two years. These regulating markets are Brazil, Mexico, Peru, Austria and Finland. For more about this, please refer to our regulatory update on pages 38 to 39.

Ethics and integrity at the core of our organisation and culture

We are committed to conducting our business in line with the highest ethical standards. We heavily invest in governance, resources, and training to combat corruption and keep financial crimes out of gambling.

For Entain, this starts with playing an active role in safeguarding the values and integrity of sport. We want all sports events to be fair and played to the best of participants' abilities. This is why we work closely with regulators and sports governing bodies to fight match-fixing, spot-fixing, and other corrupt betting activity. We are a member of the International Betting Integrity Association (IBIA) and the Sports Betting Integrity Forum (SBIF).

In 2023, we continued to reinforce our Ethics & Compliance ("E&C") function with new team members and stronger governance. We launched a new Ethics & Compliance Charter which defines clear accountability across the group and ensures that our E&C team has the required independence and authority to act as an effective second line of defence. We also launched a three-year E&C Strategy, which sets our action plan for achieving a best-in-class E&C programme.

We appointed a Group Money Laundering Reporting Officer and Global Head of Anti-Financial Crime ("AFC"), and we expanded our AFC team. After a period of growth and multiple acquisitions, we revised our organisational structure with all colleagues with AFC responsibility reporting to the central AFC Leadership Team. This new governance framework gives us better control and oversight across all our entities, subsidiaries, and joint ventures. We have also initiated an evaluation of our international subsidiaries to assess the maturity of local AFC programmes. This will conclude in 2024 with on-site visits and upskilling programmes tailored to the needs of our colleagues.

# Doing what's right

As a FTSE100 company, we have a duty to do the right thing. This also means training our people to always make the right decision for our customers and our communities.

Every colleague, including contractors and agency staff, must complete four compliance modules covering Entain's Code of Conduct as well as ethical topics such as safer gambling, data privacy, or bribery and corruption prevention. As part of this, colleagues sign a declaration that they have understood the training and will comply with Entain's Code of Conduct.

Our 2023 Group Bonus was linked to achieving 85% completion for each module – an ambitious but achievable target given the turnover in certain parts of our business. This year, we achieved an average completion rate of 98% – up from 93% in 2022 and 82% in 2021.

| Big Four Learning Modules                             | Completion Rate |
|-------------------------------------------------------|-----------------|
| Code of Conduct                                       | 94%             |
| Compliance, Safer Gambling, and Anti-Money Laundering | 98%             |
| Data Privacy                                          | 98%             |
| Cybersecurity                                         | 98%             |

## Provide industry-leading cybersecurity and data privacy

Safeguarding our corporate and customer information remains a top priority for Entain. Our commitment is reflected in the growing headcount of our Data Privacy and Cybersecurity teams, which respectively increased by 25% and 35% in 2023.

In 2023, we continued building our data privacy assurance function with dedicated resources to monitor the effectiveness of our privacy activities, keep risks under review, and update policies and procedures. We boosted privacy controls by introducing Effectiveness and Maturity Reviews of our most critical data processes. We also reinforced our risk management process with a new privacy risk register which feeds into Entain's Enterprise Risk Management ("ERM") risk maps and identified an additional 20 privacy risks in 2023.

Throughout the year, we further embedded Entain's Artificial Intelligence ("AI") and Data Ethics Charter, which we launched in 2021 to define our principles for the responsible use of AI and data-driven technologies. We collaborate across the business to embed Privacy by Design, building data privacy considerations directly into the development of our products and processes. We have also been preparing for emerging legislation around AI, such as the EU Artificial Intelligence Act. Working closely with our Data Sciences & AI ("DSAI") colleagues, the Privacy team created a blueprint for Entain's AI Governance Framework and developed a new AI policy which will be released in 2024.

As cybercrimes continue rising globally, we are continuously improving our cybersecurity programme to protect our players from digital threats. In 2023, we introduce new security features in our products such as customer multi-factor authentication. We also reinforced our cyberattack detection processes by deploying machine-learning and AI-based systems which uncover patterns of malicious activity and block attacks before they can reach our customers. We managed to decrease the average time to fix cybersecurity vulnerabilities by 65% compared to 2022.

As part of our commitment to best practice, we have re-certified for the ISO 27001 certification, an international standard for information security. As of 31 December 2023, 80% of our operations have been audited and certified to ISO 27001. In 2024, we will continue expanding the scope of the certification to our 2023 acquisitions.

## Clear and robust governance processes for each of our key ESG areas

In April 2023, Entain restructured its Board oversight of ESG issues to better manage the increasing workload of the prior ESG Committee and further embed sustainability across the Group. This new structure reflects the ever-growing importance of ESG topics for the group. You can read about our ESG governance structure on page 43.

The secret tool is a





We attract a broad and diverse audience from the inside out. We are an employer of choice, and we build an inclusive and supportive culture where talents from all backgrounds can thrive

#### Material issues

- Diversity, equity and inclusion
- Having the right people

#### Oversight

People & Governance Committee

#### Focus area

#### 2023 Highlights

##### Attract, engage and retain the best, most diverse talent

- Launch of Black Professionals@Entain employee network
- Publication of Entain's first-ever Global Menopause Policy
- Entain ranking 5 in the 2023 All-In-Diversity Project Index
- Entain's Returnship programme with McLaren Racing receiving accolades at the Women in Gaming Diversity Awards and the Personnel Today Awards

##### Provide the right growth opportunities for all

- Launch of Your Goals, Entain's new objective-setting programme

##### Build a sense of belonging for all Entainers

- Launch of refreshed values and behaviours
- 94% of Entain Managers received mental health training through the Workplace of Tomorrow programme
- 400,000 employee interactions with Entain's Well-Me events, activities, and content
- 9.1% utilisation rate for our Employee Assistance programme

#### Awards and accreditations:



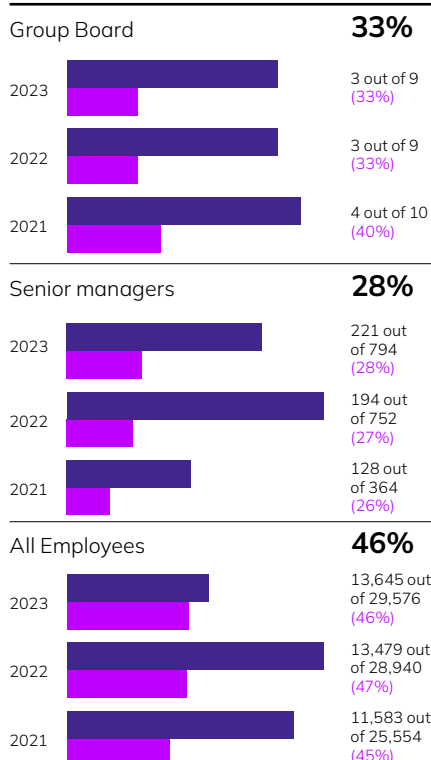
Personnel Today  
Equity, Diversity &  
Inclusion award



Women in Gaming  
Diversity Awards Innovator  
of the Year award

#### Gender diversity at Entain

• Male • Female



#### Attract, engage and retain the best, most diverse talent

Diversity, Equity and Inclusion (DE&I) are key to Entain's future sustainability and success. Attracting and retaining key talent remains one of our Principal Risks as a tech business (see page 85), and workforce diversity plays an essential role in innovating, driving change, and delivering outstanding products and services for our customers.

As part of our commitment to DE&I, we understand the importance of global employee networks in providing a safe space for colleagues with a shared identity or experience. Launched in 2022, the Women@Entain and Pride@Entain groups continue to grow, with over 1200 and 250 members respectively. In 2023, Women@Entain piloted a new mentoring programme for women in our Product & Technology team, matching participants with senior mentors. We also launched Black Professionals@Entain, a new network designed to create a culture where black colleagues can thrive professionally and personally. Led by our network, we signed a UK partnership 10,000 Black Interns Foundation, and have pledged to offer career opportunities to Black students and graduates in the summer of 2024.

On International Women's Day 2023, we published our first-ever global menopause policy. Our ambition was to help colleagues understand menopause-related issues and normalise talking about the symptoms. The policy came with a global awareness campaign and support for managers in having conversations around menopause. We built a virtual Menopause Hub with resources and bite-size training for those going through the menopause journey and for managers and teammates wanting information on how to best support women in the workplace.

We are committed to positively impacting diversity not just within Entain, but across our industry. We partner with universities and charities to improve female representation within STEM careers. One example of this is our partnership with Girls Who Code, through which we have reached 10,680 young women since 2021. You can read more about our work to drive diversity in the tech sector in our 2023 Social Impact Report.

In 2024, we will focus our efforts on further embedding DE&I within our Resourcing Strategy to increase representation in our hiring process. Our new recruitment and candidate management platform will provide us with better DE&I data on our

candidates and recruits, allowing us to tailor interventions and set group-wide targets. We will also continue to remove any barriers in the hiring process for candidates and colleagues through the design and launch of our new recruitment platform in 2024.

### Provide the right growth opportunities for all

Our colleagues' continuous personal and professional growth is essential, and we invest in targeted learning & development ("L&D") within our business units. Programmes, courses, and self-led learning are tailored to the needs of our teams and individuals.

Entainers globally have access to best-in-class learning resources, such as LinkedIn Learning, Get Abstract, and Pluralsight. These platforms enable our colleagues to continuously develop their skills – from marketing to Python coding or public speaking.

In 2023, we focused our L&D efforts on customer-facing roles, both in our global Customer Services team and across our Retail Estate. We know that customer satisfaction starts with great leadership and employees who feel supported and valued.

In our Customer Services team, we kicked off Let's Lead, a new leadership programme. The seven-week curriculum includes a mix of self-paced learning, in-person training, and professional certifications delivered by external providers. With over 20 modules, the programme equips our managers with all the technical knowledge and soft skills they need to successfully lead their teams. This includes completing a Mental Health First Aider course, as part of Entain's commitment to wellbeing. 979 colleagues have already completed the course, with 113 learning sessions delivered and we will roll it out to Hyderabad, India and Montevideo, Uruguay in 2024.

In our retail business, we have built a consistent foundation of competency and knowledge among managers and team leaders. The Enhance, Establish and Elevate Your Game programmes support colleagues at different points in their careers, from preparing for a first management role to sharpening their leadership skills. In 2023, the programme trained over 2000 colleagues. We are proud that many of our retail management team started as Customer Service Managers before growing into senior roles.

Last year, we also worked to harmonise the way our colleagues think about their professional objectives. We launched Your Goals, an objective-setting programme, to ensure all our colleagues have meaningful conversations with their managers about their goals and understand how these align with Entain's strategy. In 2024, we will develop Entain Leadership Expectations which will be supported by a structured, consistent, and global leadership pathway.

### Build a sense of belonging for all Entainers

Following an intensive period of business growth, we wanted to bring our colleagues together and consolidate our shared culture. 2023 saw us launching a refreshed set of values and behaviours which build on our core beliefs whilst helping us prepare for the next phase of our evolution: Do what's right, Keep it simple, Go beyond, and Win together. More than words on a wall, these values act as guiding principles for our colleagues across all locations and at all levels. They have been embedded in everything we do, from the way we recognise our colleagues to how we set individual objectives.

In line with these values, we remain passionately committed to creating a supportive and encouraging environment where all our colleagues can thrive. The Entain Well-Me strategy is designed to help employees make positive changes to improve their physical, mental, and emotional health. Our 2022 global well-being survey, which was completed by 9,600 colleagues, helped us identify strategic priorities for the coming years.

In 2023, we rolled out Workplace of Tomorrow, a mental health programme designed to give people managers the tools to support their teams and create a culture of trust and psychological safety. Developed by experts at Unmind, the training equipped our managers to have supportive conversations, giving them practical knowledge on topics such as self-care, stress and anxiety, or active listening. 94% of the Entain managers completed the course last year. 74% of them taking action with their team as a result.

Our 2023 global wellbeing campaigns were tailored to boost the mental and physical health of our colleagues. Our flagship Live-Well Festival consisted of a week-long event with expert-led workshops on nutrition, sleep, and fitness, generating 65,000 engagements on our intranet. In November, nearly 600 colleagues joined Breaking Stereotypes Together, a live event to champion men's mental health and share techniques for combatting stress.

Looking at 2024, we are using data from our global wellbeing survey to pilot Entain's new resilience training, The Energy Edge. The programme aims to help colleagues grow their energy and performance through a mix of text learning, bite-sized videos, and interactive activities. We will open the programme to our retail colleagues in early 2024 before opening to our global workforce.

## Driving Diversity Forward with McLaren Racing

Companies like Entain can reshape the world of work for women, and we want to play an active role in doing so.



In 2023, we partnered with the McLaren F1 team on a Returnship programme, providing unique opportunities for skilled women to resume their STEM careers. Over six months, 10 career returners worked at both Entain and McLaren in roles ranging from Data Analysts to Software Developers. The placements were tailored to their experience and ambitions, and they received extensive support to ensure a successful transition back into work. We are delighted that, at the end of the returnship, most returners secured a role at Entain or McLaren. The programme received two accolades, including the Innovator of the Year at the Women in Gaming Diversity Awards.



We will be Net Zero by 2035, and support and positively impact our communities around the globe

Material issues

- Environmental sustainability
- Corporate Governance

Oversight

Sustainability & Compliance Committee

| Focus area                                        | 2023 Highlights                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reduce our environmental impact                   | <ul style="list-style-type: none"><li>• 70% global electricity from renewable sources, including over 99% in the UK through green tariffs and a 5-year Power Purchase Agreement</li><li>• 9% decrease in market-based Scope 1 &amp; 2 emissions globally from the prior year</li><li>• Near-term and Net Zero submitted to the Science Based Targets Initiative (SBTi), pending verification</li></ul> |
| Create a sustainable value chain                  | <ul style="list-style-type: none"><li>• 35% of our in-scope third-party spend enrolled on the EcoVadis platform with a detailed assessment of their sustainability performance</li></ul>                                                                                                                                                                                                               |
| Promote grassroots, women's and disability sports | <ul style="list-style-type: none"><li>• 250+ aspiring champions have received a financial award via SportsAid since 2019, helping to cover the costs of training, equipment, and travel</li><li>• 100 non-league football clubs supported via Pitching In since 2020, enabled to reach their communities</li></ul>                                                                                     |
| Support communities where we operate              | <ul style="list-style-type: none"><li>• Donating £25.4m, to support our communities.</li><li>• Fundraising £0.5m for Prostate Cancer UK and £1m for Chance for the Children via the Ladbrokes Coral Trust, funding life-saving research and treatment</li></ul>                                                                                                                                        |
| Awards and accreditations:                        | ISO 14001: Environmental Management across our operations in GB (shops, stadia and offices) covering 47% of our global headcount.                                                                                                                                                                                                                                                                      |

## Environmental Impact

Doing what's right is one of Entain's long-standing values. Whilst our greenhouse gas (GHG) emissions are relatively low compared to companies in other industries, we have an important role to play due to our size and global scale – especially given the critical and urgent importance of climate change.

We were the first betting and gaming company to formally commit to a Net Zero target with the Science-based Targets Initiative (SBTi), with the formal verification process commencing in 2023 and due to be concluded in 2024.

Our targets reflect our ambition to lead the industry on decarbonisation. We have committed to reduce our absolute scope 1 and 2 (market-based) and material Scope 3 emissions by 42% by 2027 from a 2020 base year, and 60% by 2030. We have also committed to be net zero by 2015 – reducing our Scope 1, 2 and 3 emissions by 90% by 2035, and investing in credible carbon removal projects to neutralise the remaining 10%. These targets, which follow the SBTi criteria, will see us reduce our emissions in line with a 1.5 decarbonisation pathway ahead of the UK Government's 2050 timeline.

In 2023, our Net Zero Action Group developed our first net-zero strategy, which focuses on energy (efficiency and sources), electrification, and engagement (see next section).

We continue to procure over 99% of our electricity in the UK from renewable sources, which equates to 70% renewable electricity globally. We are currently looking at the viability of sourcing renewable electricity in our key markets globally.

We recognise that as a digital business, we need to understand our digital emissions. We have been collecting and analysing data from our data centre suppliers to understand the energy consumption and renewable energy purchasing of our major providers. Our most recent analysis in 2022 indicated that over 50% of our data centres are on renewable electricity contracts, and we are engaging with our providers to increase this further.

We know that ambitious decarbonisation requires credible and up-to-date data to monitor and address our emissions hotspots. In 2023 we signed up to carbon accounting software that we will launch and operationalise in 2024. To increase the quality of our emissions reporting, we have also commissioned the Carbon Trust to verify our Scope 3 emissions footprint in addition to our annual scope 1 and 2 footprint verification.

## Creating a sustainable supply chain

Our commitment to ethics and sustainability extends to our business partners. We want to work closely with our suppliers to support them on their decarbonisation journey and to protect human rights beyond our operations.

In early 2023, we took an important step by partnering with EcoVadis, the world's largest platform for supplier sustainability ratings. EcoVadis allows us to evaluate our key suppliers and set corrective action plans across four topics – environment, labour and human rights, ethics, and sustainable procurement. The platform also provides our suppliers with e-learning training on a self-service model. Working with EcoVadis will help us refine our Net Zero roadmap by giving us access to primary emission data from our suppliers and helping us identify those who are committed to the Science Based Targets Initiative ("SBTi").

Throughout the first year of our partnership, we focused on onboarding our existing suppliers to the platform, enrolling and assessing over 35% of in-scope vendors. This represents £523m of third-party spend. So far, we found that our suppliers scored on average 59.6 out of 100 on EcoVadis, 13.6% higher than the benchmark. We also embedded EcoVadis in our tender process, making its sustainability assessment a mandatory requirement for all winning suppliers.

We are now working with our suppliers to create corrective action plans, supporting them in improving their sustainability performance. We encourage them to set Science-based Targets, increase their use of renewable energy sources, and publish policies around Anti-Bribery and Corruption ("ABC"), Modern Slavery, and Diversity, Equity and Inclusion ("DEI"). Our ambition is for 75% of our in-scope third-party spend to be assessed on EcoVadis by the end of 2025.

Next year, we will start implementing our 2024-2026 Modern Slavery Strategy by conducting an extensive risk assessment of all our in-scope suppliers, mapping areas where modern slavery could be more prevalent based on factors such as purchasing category or political instability. The findings will help us identify higher-risk suppliers and, when necessary, request the completion of supplier self-assessment questionnaires and plan for external on-site audits to be completed in 2025.

## Promoting Grassroots, Disability and Women's Sports

Entain is passionate about sports and understands the role it plays in society. We are proud to invest at the grassroots level, supporting amateur and professional athletes of all ages, backgrounds, and abilities to chase their dreams. The Entain Foundation supports projects across the globe that you can discover in our 2022/23 Social Impact Report.

In the UK, we are proud of our long-term commitment to SportsAid, helping young British athletes aspiring to become the country's next Olympic, Paralympic, Commonwealth, and world champions. Since 2019, Entain has helped 251 athletes by providing them with a financial award to help with training, equipment, competition costs, and personal development training. We empower a diverse cohort of sports people nationwide, with a close to even gender split, 48% of our athletes with a disability and 16% coming from ethnic minority backgrounds. By 2024, we will have donated £500,000 to SportsAid.

We also launched Pitching In in 2020 to support and develop grassroots sports in the UK, helping non-league clubs improve their facilities. This multi-million-pound, multi-year investment programme works with the Trident Leagues to champion their achievements and tell their stories. Pitching In has been designed from the ground up to deepen links between clubs and their local communities. We are also the founding partner of the Trident Community Fund since 2020, investing £150,000 every year to enable clubs to engage in vital community-based projects and invest in their local areas. In 2022, we unveiled the Pitching In Volunteer Hub, a unique online portal and one-stop shop for every Trident League club to connect football fans with potential volunteers. The Volunteer Hub provides a simple web-based interface where clubs can post volunteering vacancies, while fans can search for available opportunities in their preferred clubs or locations. To date, nearly 300 positions have been processed through the hub, helping to bring a vitally needed new generation of volunteers to the Pitching In clubs.

### Support communities where we operate

As a global business, we want to positively impact local communities across the markets where we operate. Entain partners with small to large-sized charities across the globe to support the causes that are the most important to our colleagues, our customers, and our communities.

In Kenya, we partner with ComputerAid, an international charity aiming to address unequal access to technology in African countries. Our support is helping to create a Solar Learning Lab ("SLL") in Al Huda Primary School, providing technology access to traditionally marginalised communities in South Kenya. The SLLs are shipping containers converted into computer rooms and fitted with solar panels to generate electricity, enabling them to be deployed in remote locations. In 2023, we enabled ComputerAid to install two containers in Al Huda Primary School with 20 computer stations, 20 laptops, as well as drinking water and toilet facilities. We expect over 750 students to access this communal space in the coming months.

In the U.S., we have partnered with Oak Out Hunger Entain since 2022. The project, launched by the Charles Oakley Foundation, provides education in responsible gambling with other forms of support to underprivileged communities. The Entain Foundation U.S. sponsorship provides funding and expertise in preventing and mitigating problem gambling to the Oak Out Hunger community project. In 2023, the Entain Foundation U.S. helped fund 10,000 meals to those communities in need.

If you would like to learn more about the difference we make with our partners across the globe, we invite you to review our 2022/23 Social Impact Report.

1. The Scope 3 categories included in our target are: Category 1: Purchase Goods & Services, Category 3: Fuel and Energy-related Activities, Category 4: Upstream Transportation and Distribution, Category 5: Waste Generated in Operations, Category 6: Business Travel, and Category 7: Employee Commuting. We completed a similar risk assessment exercise in 2022 and we intend to repeat it every other year.

## Our ESG Key Performance Indicators

| Pillar                               | Data point                                                                                                  | 2023   | 2022   | 2021        |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------|--------|--------|-------------|
| <b>Lead on player protection</b>     | Number of jurisdictions outside the UK covered by the ARC™ player protection programme                      | 27     | 22     | -           |
|                                      | % contributions of GGY to RET                                                                               | 1%     | 0.75%  | 0.5%        |
|                                      | Cash and in-kind contributions towards responsible betting and gaming initiatives                           | £20.8m | £18.3M | £12.9m      |
|                                      | Customer interactions regarding problem gambling                                                            | 8.7m   | 1.8m   | 2.3m        |
|                                      | ARC™ Interactions <sup>2,3</sup>                                                                            | 7.5m   | 3.7m   | n/a         |
|                                      | Customer complaints <sup>1</sup>                                                                            | 3,927  | 4,215  | 4,045       |
|                                      | Customer complaints specifically related to a betting and gaming transaction                                | 715    | 629    | 655         |
|                                      | Self-exclusions made <sup>1,4</sup>                                                                         | 53,745 | 60,261 | 61,644      |
| <b>Secure &amp; trusted platform</b> | <b>% of revenues from domestically regulated or regulating markets</b>                                      | 100%   | 100%   | Nearly 100% |
|                                      | Number of markets exited with no clear path to a sustainable and safe regulated betting and gaming industry | 5      | 9      | 3           |
|                                      | <b>% of operations certified under ISO27001<sup>5</sup></b>                                                 | 80%    | n/a    | n/a         |
|                                      | % of Technology budget dedicated to Cybersecurity                                                           | 3.2    | n/a    | n/a         |
|                                      | Impact of security incidents                                                                                | £0.7m  | £3.6m  | n/a         |

| Pillar                      | Data point                                                                                                                                                          | 2023   | 2022   | 2021   |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|--------|
| Foster an inclusive culture | Employees worldwide (headcount) <sup>6</sup>                                                                                                                        | 29,582 | 28,940 | 25,554 |
|                             | Employees worldwide (FTE) <sup>6,7</sup>                                                                                                                            | 23,650 | 24,195 | 19,314 |
|                             | Female employees <sup>6</sup>                                                                                                                                       | 13,645 | 13,479 | 11,583 |
|                             | % female employees <sup>6</sup>                                                                                                                                     | 46%    | 47%    | 45%    |
|                             | Part-time employees <sup>6</sup>                                                                                                                                    | 9,968  | 9,754  | 4,328  |
|                             | % part-time employees <sup>6</sup>                                                                                                                                  | 34%    | 34%    | 17%    |
|                             | Median hourly pay difference between male and female colleagues (Gender Pay Gap) <sup>8</sup>                                                                       | 4%     | 3%     | 5%     |
|                             | Mean hourly pay difference between male and female colleagues (Gender Pay Gap) <sup>8</sup>                                                                         | 16%    | 17%    | 16%    |
|                             | Median bonus pay difference between male and female colleagues <sup>8</sup>                                                                                         | 44%    | 39%    | 60%    |
|                             | Mean bonus pay difference between male and female colleagues <sup>8</sup>                                                                                           | 65%    | 66%    | 63%    |
|                             | Females in all management positions (as % of total management workforce)                                                                                            | 37%    | 37%    | 38%    |
|                             | Females in junior management positions (as a % of total junior management workforce)                                                                                | 39%    | 40%    | 40%    |
|                             | Females in technical roles <sup>9</sup>                                                                                                                             | 28%    | 31%    | 30%    |
|                             | Female managers in revenue generating functions <sup>10</sup>                                                                                                       | 40%    | 42%    | 38%    |
|                             | UK-based employees who have confirmed being part of an ethnic minority background, as a percentage of UK employees that have reported their ethnicity <sup>11</sup> | 15%    | 14%    | 18%    |
|                             | UK-based employees who have confirmed as being part from an ethnic minority background                                                                              | 7%     | 7%     | 10%    |
|                             | Employee age groups: <sup>7</sup>                                                                                                                                   |        |        |        |
|                             | <30                                                                                                                                                                 | 35%    | 37%    | 38%    |
|                             | 30-50                                                                                                                                                               | 47%    | 46%    | 48%    |
|                             | 50+                                                                                                                                                                 | 15%    | 14%    | 14%    |
|                             | Unknown                                                                                                                                                             | 3%     | 3%     | 0%     |
|                             | Employee contract types: <sup>7</sup>                                                                                                                               |        |        |        |
|                             | Permanent <sup>12</sup>                                                                                                                                             | 99%    | 99%    | 98%    |
|                             | Fixed-termed <sup>12</sup>                                                                                                                                          | 0.1%   | 0.1%   | 1.21%  |
|                             | Contractors <sup>13</sup>                                                                                                                                           | 1%     | 1.5%   | 1.78%  |
|                             | Customer Satisfaction <sup>14</sup>                                                                                                                                 | 78%    | 60%    | 60%    |
|                             | Average hours per employee of training and development                                                                                                              | 13     | 8.1    | 10.5   |
|                             | Employee turnover – all                                                                                                                                             | 28%    | 36%    | 32%    |
|                             | Employee turnover – voluntary                                                                                                                                       | 20%    | 27%    | 25%    |
|                             | Whistleblowing incidents reported and investigated                                                                                                                  | 65     | 51     | 29     |
|                             | Whistleblowing incidents reported and investigated, broken down by topics                                                                                           |        |        |        |
|                             | Fraud and theft                                                                                                                                                     |        |        | N/A    |
|                             | Code of conduct                                                                                                                                                     |        |        |        |
|                             | Procedural non-compliance                                                                                                                                           |        |        |        |
|                             | HSSE                                                                                                                                                                |        |        |        |
|                             | HR Grievance                                                                                                                                                        |        |        |        |
|                             | Not provided                                                                                                                                                        |        |        |        |
|                             | Accidents                                                                                                                                                           | 603    | 624    | 456    |
|                             | Employee work-related injuries                                                                                                                                      | 72     | 112    | 117    |
|                             | Employee reportable incidents                                                                                                                                       | 5      | 5      | 5      |
|                             | Public work-related incidents                                                                                                                                       | 5      | 11     | 9      |
|                             | Public reportable incidents                                                                                                                                         | 0      | 2      | 2      |
|                             | Robberies                                                                                                                                                           | 50     | 73     | 36     |
|                             | Incidents of anti-social behaviour                                                                                                                                  | 6,137  | 5,979  | 4,216  |
|                             | Incidents of assault                                                                                                                                                | 452    | 240    | 132    |
|                             | Absenteeism rate <sup>15</sup>                                                                                                                                      | 4%     | 5%     | N/A    |
|                             | % of internal hires                                                                                                                                                 | 23.8   | 19%    | N/A    |
|                             | Employee engagement score <sup>16</sup>                                                                                                                             | 77%    | 74%    | 78%    |



The secret animal #4 is a

| Pillar                                                                                | Data point                                                                                          | 2023               | 2022        | 2021        |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------|-------------|-------------|
| Positive impact on communities (including Streamlined Energy & Carbon Reporting Data) | <b>Total energy consumption (kWh)</b> <sup>17,18</sup>                                              | <b>124,771,815</b> | 125,026,096 | 110,509,736 |
|                                                                                       | UK                                                                                                  | <b>77,957,313</b>  | 82,641,345  | 85,336,239  |
|                                                                                       | Rest of the world (RoW)                                                                             | <b>46,814,502</b>  | 42,384,750  | 25,173,497  |
|                                                                                       | Absolute direct emissions (scope 1) – (tCO <sub>2</sub> e)                                          | <b>5,899</b>       | 4,414       | 3,663       |
|                                                                                       | Absolute indirect emissions (scope 2, location-based) – (tCO <sub>2</sub> e)                        | <b>27,202</b>      | 26,846      | 24,767      |
|                                                                                       | % of purchased electricity from renewable sources <sup>19</sup>                                     | <b>70.3%</b>       | 66.4%       | 67.4%       |
|                                                                                       | <b>Total GHG emissions – direct &amp; indirect: location based (tCO<sub>2</sub>e)</b> <sup>20</sup> | <b>33,101</b>      | 31,259      | 28,430      |
|                                                                                       | UK                                                                                                  | <b>14,885</b>      | 15,569      | 18,286      |
|                                                                                       | RoW                                                                                                 | <b>18,216</b>      | 15,690      | 10,144      |
|                                                                                       | Absolute GHG emissions intensity per employee (tCO <sub>2</sub> e/headcount)                        | <b>1.12</b>        | 1.08        | 1.13        |
|                                                                                       | Absolute indirect emissions (scope 2, market-based) – (tCO <sub>2</sub> e)                          | <b>9,171</b>       | 12,151      | 12,677      |
|                                                                                       | <b>Total GHG emissions – direct and indirect: market based (tCO<sub>2</sub>e)</b>                   | <b>15,071</b>      | 16,565      | 16,340      |
|                                                                                       | UK                                                                                                  | <b>625</b>         | 1,980       | 4,932       |
|                                                                                       | RoW                                                                                                 | <b>14,445</b>      | 14,585      | 11,408      |
|                                                                                       | Waste generated <sup>21</sup> (tonnes)                                                              | <b>3,738</b>       | 4,384       | 3,858       |
|                                                                                       | <b>Total Scope 3 GHG emissions (tCO<sub>2</sub>e)</b> <sup>22</sup>                                 |                    | 346,051     | 315,550     |
|                                                                                       | Category 1: Purchased Goods & Services (EEIO methodology)                                           |                    | 312,603     | 288,524     |
|                                                                                       | Category 1: Purchased Goods & Services (Supplier specific)                                          |                    | 15,726      | 12,100      |
|                                                                                       | Category 4: Upstream Transportation & Distribution                                                  |                    | 7,873       | 6,399       |
|                                                                                       | Category 5: Waste                                                                                   |                    | 101         | 83          |
|                                                                                       | Category 6: Business Travel                                                                         |                    | 5,292       | 4,398       |
|                                                                                       | Category 7: Employee Commuting                                                                      |                    | 4,456       | 4,046       |
|                                                                                       | Supplier spend                                                                                      | <b>£2.8bn</b>      | £2.7bn      | £2.1bn      |
|                                                                                       | Number of suppliers                                                                                 | <b>12,613</b>      | 12,006      | 10,380      |

1. Data covers all Great Britain licenses.
2. Data covers all UK licenses.
3. This figure includes all ARC™ real-time packages and risk-based interceptors, as well as ARC™ emails. It is a count of the number of customer interactions, not at a distinct customer level. This figure includes the 1,807,892 interactions reported under 'Customer interactions regarding problem gambling'.
4. Data only includes self-exclusions made via Entain's own processes (e.g., via customer services) and does not include third-party self-exclusion schemes such as, for example, GAMSTOP (National Online Self-Exclusion Scheme) and the Multi-operator Self Exclusion Scheme. This information has been obtained from Entain's Regulatory Returns.
5. We use employee headcount to evaluate the scope of our ISO27001 certification.
6. The 2023 figures under the 'Foster an inclusive culture' pillar do not include our latest acquisitions 365 Scores and STS as data isn't yet available for these new subsidiaries at the time of publication. Unless stated otherwise, the 2022 figures do not include employees from our November 2022 acquisitions, SuperSport, Puni Broj, and Minus. All figures are global unless stated otherwise. The snapshot date for all figures is 31 December 2023 unless otherwise stated.
7. The 2022 figures have been revised from the 2022 annual report to include employees from SuperSport, Puni Broj, and Minus 5. The 2022 figures do not include employees from SuperSport, Puni Broj, and Minus 5 who have left the business between 1/01/2023 and 31/04/2023.
8. Data covers UK colleagues only. Data is based on a snapshot date of 5 April for the year stated, as per the requirements of the UK's Gender Pay Gap Reporting.
9. For the 2021 and 2022 figures, technical colleagues were those employees that rolled up to our Chief Technology Officer based on our Business Process Flow Manager. Following changes to the Group's functions in 2023, technical roles are defined for 2023 as all roles in our Product & Technology function excluding customer operations.
10. For the 2021 and 2022 figures, revenue-generating functions included our digital and retail/stadia functions. Following changes in the business, revenue-generating functions are defined for 2023 as the following functions: Ladbrokes.au/Neds, Core, BetCity, Crystalbet, Enlabs, Eurobet, Labrokes.be, Latam, Retail & Stadia, and BetMGM.
11. This 2023 data is based on a sample of 47% of UK-based Entain employees who have provided us with their ethnicity information. To prevent us from over or understating the ethnic diversity of our employees, we report this data in two ways. We report on both the percentage of the sample that identifies as being from ethnic minority backgrounds, as well as the number of those confirmed to be identifying as from an ethnic minority background as a proportion of all UK employees.
12. As a percentage of the total number of employees excluding contractors.
13. As a percentage of the total number of employees.
14. Our methodology to measure customer satisfaction changed in 2023, as we stopped using email surveys and replaced them with digital pop-up surveys shared with customers whilst online.
15. Data covers UK retail colleagues only.
16. We measure employee engagement based on the results of the annual Your Voice survey. The 2023 survey was postponed to January 2024, which is the basis for the 2023 data.
17. Coverage of energy consumption and emissions data is 100% for the UK, and 87% globally, by employee headcount. Global and ROW energy and emissions data are scaled up based on this coverage to estimate totals across global operations. This data includes energy consumption related to both scope 1 (company vehicles, gas, and fuel) and scope 2 emissions (purchased electricity). Global coverage is below 100% due to limited availability at the time of reporting. Any updates to figures will be provided in our forthcoming ESG Report and CDP submission.
18. Recent acquisitions of 365Scores and STS are not included in the figures due to no data availability at the time of reporting – we will include these entities in our 2024 reporting and restate previous years according to our baselining policy.
19. Energy from renewable sources only includes electricity purchased that was actively sourced from renewables. All renewable energy sourced from the local grids where we operate.
20. Emissions are calculated using the GHG Protocol Corporate Accounting and Reporting Standard (2005) and 2023 IEA emissions factors for non-UK grid electricity. Emissions using 2023 BEIS and market-based carbon Trust based on ISO 14064-3: 2019. Verification statements are available on our website. 2021 Scope 1 emissions data has been restated due to an assurance process.
21. Waste data is sourced from our operations in the UK. This makes up 49% of our overall headcount. These figures are not prorated to 100% coverage.
22. Scope 3 emissions data disclosed has been verified by the Carbon Trust to ISO 14064-3 for 2022 and 2021. 2023 data was not available at the time of reporting but will be disclosed later in 2024.

The secret object #2 is a



## TCFD

Entain is a staunch supporter of the recommendations of the Task Force for Climate-related Financial Disclosures (“TCFD”), having made voluntary disclosures ahead of the FCA’s mandatory requirements for UK Premium Listed Companies. In this section, we disclose the threats and opportunities of different climate scenarios on our Group – whether these are the impacts of transitioning to a lower-carbon economy, or the adaptational impacts arising from a rapidly warming planet

Over the past year, we have made progress in integrating climate-related risks into our group enterprise risk management (“ERM”) framework. In line with the ‘comply or explain’ obligation under the UK’s Financial Conduct Authority Listing Rules, the Group can confirm it is fully compliant with ten of the eleven TCFD recommendations and partially compliant with disclosure C of the Metrics and Targets pillar. Where we are partially compliant, we continue to develop and mature our processes as outlined below.

Our priority for 2023 was to start evaluating the impact of our relevant climate-related risks on the group in line with our ERM methodology as described on pages 79 to 82. Using the outcomes of our

2022 scenario analysis, we reviewed our climate-related threats and opportunities to identify those that are the most significant to the group. This process helped us refine our analysis, and we have revised our list of climate-related threats and opportunities accordingly.

Over the next year, we will continue refining the quantification of the impact of climate-related risks on the Group and across our different markets. We want to further embed climate-related considerations into the Group’s financial planning and relevant business strategies, such as our Key Locations Strategy which determines where we will operate in the future. We will consider additional metrics and targets to monitor our climate-related threats

and opportunities (Metrics and targets – disclosure C), in particular the physical risks outlined in Table 2. These updates will be included in the 2024 Annual Report.

This statement was developed by following the guidance in Section C of the TCFD Guidance Document: Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures. Table 1 is structured against the four pillars of the TCFD framework: Governance, Strategy, Risk Management and Metrics and Targets. Table 2 summarises our most material climate-related risks and opportunities and their estimated impact on the Group. Table 3 outlines the climate change scenarios used in our 2022 analysis and subsequent 2023 review.

**Table 1 – Climate-related financial disclosures aligned with the TCFD recommendations**

## Governance

### (a) Describe the board’s oversight of climate-related risks and opportunities.

FC The Entain Board is ultimately responsible for climate-related threats and opportunities, with overall ownership of this agenda sitting with our CEO.

Responsibility for identifying and managing threats is delegated to the Sustainability and Compliance Committee, which is accountable for monitoring our progress against targets, and ensuring climate-related risks are adequately addressed, respectively.

The Sustainability and Compliance Committee is also responsible for approving, and overseeing the implementation of, our environmental strategy. The Committee receives quarterly updates on our progress against our climate-related performance – including progress against our goals and targets – from the ESG Steering Committee (see below). In 2023, the Sustainability and Compliance Committee was briefed on climate-related issues and opportunities at four of their meetings.

The Group Risk Committee, which reports to the Board, has operational responsibility for managing risks within the Group, including climate-related risks deemed to have a material financial impact. The Board ultimately approves the Principal Risks and significant risks as well as how they are allocated for monitoring.

### (b) Describe management’s role in assessing and managing climate-related risks and opportunities.

FC Our ESG Steering Group is responsible for assessing and managing climate-related threats and opportunities, as well as overseeing our approach to climate change as part of our wider sustainability strategy. The ESG Steering Group is chaired by our Chief IR & Communications Officer and reports to the Board Sustainability and Compliance Committee every quarter (see pages 42 to 43).

In addition to our ESG Steering Group, we set up a Net Zero Action Group to deliver Entain’s Net Zero strategy. The Action Group convenes senior colleagues across departments to identify practical measures which can be implemented throughout our global operations to reduce greenhouse gas emissions. It reports to the ESG Steering Group every quarter.

## Strategy

### (a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

FC Please see Table 2 on pages 60 to 61 for a full description of climate-related threats (both physical and transition) and opportunities potentially arising over the short, medium, and long term that could have a material financial impact on Entain.

As described below, our climate-related threats and opportunities have been assessed against Entain's 'Impact versus Action' matrix (see page 82). In line with our matrix, the materiality of climate-related risks on Entain was assessed by evaluating their potential impact on the Group's finances, operations, reputation, and commitment to health & safety. This was done across three climate scenarios (see Table 3) and time horizons (see below). All climate-related threats and opportunities were mapped against five categories, from very low impact to very high impact. The Group defined as material any climate-related risks potentially having a medium or above impact on the Group.

We understand that climate-related threats and opportunities can have longer-term time horizons that span beyond typical enterprise risk management and business planning processes. We considered climate-related risks based on the following time horizons:

- Short (0-3 years)
- Medium (3-5 years)
- Long (5+ years)

### (b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

FC In Table 2, we describe the potential impact of climate-related threats and opportunities on the Group's businesses, strategy, and financial planning in the short-, medium- and long-term (see section above for definitions).

Addressing climate change is a key part of our strategy, and our Net Zero by 2035 commitment is an important aspect of the Sustainability enabler in our strategic framework. Delivering on this requires alignment with financial planning. In the short-to-medium-term, financial planning decisions have already been made with the climate in mind.

For example:

- Continuing to invest in our green electricity tariff for the UK Retail estate, despite increasing energy costs.
- Investing in a renewable Power Purchasing Agreement (PPA) to secure renewable energy at a fixed price to gain energy price certainty.
- Increasing our price banding for our company car selection, giving a wider choice for relevant colleagues opting for hybrid and electric vehicles.

Over the next years, we will look to further embed climate considerations into our financial and strategic planning processes as we further enhance our assessment and response to climate-related issues and further integrate climate-related risks into our day-to-day processes. Currently, the impact of climate-related issues has not significantly impacted Entain's financial performance or financial position, and we don't anticipate it will in the short to medium term.

### (c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

FC In Table 2, we describe the Group's strategic response and resilience regarding our climate-related risks and opportunities. The risks outlined in Table 2 were developed through a series of workshops held throughout 2022 and reviewed again in 2023 against our ERM methodology. Our analysis raised risks that have not yet been deemed to be Principal Risks in and of themselves, but climate change may become a factor in affecting the impact of our current Principal Risks, and the subsequent actions required to manage those risks, both threats and opportunities. Therefore, the climate-related threats and opportunities identified are emerging and/or operational risks that will continue to be monitored and evaluated. The most significant risks have been integrated into functional and divisional risk registers and they are continuously reviewed by their functional owners.

## Risk Management

|                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(a) Describe the organisation's processes for identifying and assessing climate-related risks.</b>                                                            | <p>FC In 2022, we conducted a series of workshops focused specifically on climate-related threats and opportunities. This was led by Entain's Chief Risk Officer and facilitated by our external ESG Advisors. The purpose of these workshops was to gather insights from leaders around the business on the climate-related threats and opportunities that were relevant to Entain, identifying those that required further in-depth analysis to determine their impact on our business. In these workshops, we explored three climate change scenarios outlined in Table 3, enabling the workshop participants to draw out how each would affect Entain's ability to deliver on our strategy. The climate-related threats and opportunities identified through these workshops were disclosed in our 2022 TCFD statement.</p> <p>In 2023, we wanted to further integrate these threats and opportunities into our group enterprise risk management framework and start evaluating their impact on the Group in absolute terms as well as in relation to other business risks. We convened leaders and experts from across the business to review the risks and assess them against our 'Impact versus Action' matrix, as described on page 82. All risks were assessed for their impact on the business and the actions required to bring those risks within Entain's risk appetite. The impact of each risk was measured by evaluating its financial implications, its potential operational impact (including impact on products and services), the effect on the reputation of our brands and whether it affects our commitment to health, safety, security, and well-being. This allowed us to allocate risks across five categories, from very low impact to very high impact. Any climate-related risks potentially having a medium or above impact on the Group is deemed as material and disclosed in Table 2. These material risks have been integrated into our functional and divisional risk registers (see disclosure C below).</p> |
| <b>(b) Describe the organisation's processes for managing climate-related risks.</b>                                                                             | <p>FC Our principal risks are recommended by the Group Risk Committee and ratified by our board, as described on pages 83 to 86. The feedback from our 2022 and 2023 TCFD workshops found that our climate-related threats and opportunities do not qualify as Principal Risks but rather as emerging and/or operational risks. The outcomes of our work described above allowed us to prioritise our significant climate-related threats and opportunities have been integrated into functional and divisional risk registers and they are continuously reviewed by their divisional heads.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</b> | <p>FC In 2023, we further embedded the process for identifying, assessing, and managing climate-related risks into our overall risk management and governance framework, which is outlined on pages 79 to 82. As described above, all climate-related threats and opportunities have been assessed against Entain's 'Impact versus Action' matrix. The most significant climate-related threats and opportunities have been integrated into functional and divisional risk registers and they are continuously reviewed by their divisional heads along with other business risks on an annual basis.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## Metrics and Targets

|                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</b> | <p>FC In 2023, the Group started evaluating our climate-related threats and opportunities against Entain's 'Impact versus Action' matrix, described on pages 60 to 61. The impact of each risk was measured different scenarios and timeframes by evaluating its potential:</p> <ul style="list-style-type: none"> <li>financial implications</li> <li>operational impact</li> <li>effect on the reputation of our brands</li> <li>affect to health, safety, security, and well-being of our employees</li> </ul> <p>This allowed us to evaluate the business impact of climate-related risks – from very low to very high – across three different climate scenarios.</p> <p>Entain also uses the following metrics to monitor its performance in managing transition risks and progress against its Net Zero target:</p> <ul style="list-style-type: none"> <li>Scope 1 and 2 greenhouse gas emissions</li> <li>Scope 3 greenhouse gas emissions</li> <li>Global energy consumption</li> <li>Percentage of electricity purchased on renewable energy contracts</li> <li>Water consumption (where data is available)</li> <li>Waste (where data is available)</li> </ul> <p>We report our performance against these metrics on page 55. We disclose figures for the past three financial years (FY23, FY22, and FY21) and we describe the methodologies used to calculate them. In line with prior years, the Group will report 2023 scope 3 data within its forthcoming 2023-24 ESG Report, expected to be published in Q2 2024.</p> <p>At the time of reporting, climate-related metrics are not linked to remuneration. Entain does not currently have an internal carbon price.</p> |
| <b>(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</b>                                         | <p>FC On page 55, we disclose our Scope 1 and 2 greenhouse gas emissions for the financial years 2023, 2022, and 2021, showing historical trends. We use the GHG Protocol Corporate Standard and GHG Protocol Corporate Value Chain (Scope 3) Standard as our methodology, using the 'operational control' boundary to disclose this information.</p> <p>Given the reputational risk of inaccurate reporting and the need for high-quality ESG data, we commissioned the Carbon Trust to assure our Scope 1, 2, and 3 data. Assurance of our Scope 1 and 2 information has taken place since 2019, and our Scope 3 data for 2021 and 2022 has now been completed. These assurance statements available on the Entain website.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</b>                       | <p>C Entain currently has two non-financial targets linked with remuneration (see the Remuneration Committee Report on page 131, linked with customer satisfaction and safer betting and gaming. Currently, Entain does not have a climate-related target that is linked with remuneration.</p> <p>As described on pages 50 to 51, we have set a Net Zero by 2035 target, which is underpinned by a near-term reduction target of 29.4% in our scope 1, 2 and 3 emissions by 2027 from a 2020 baseline year. In 2023, we started quantifying the impact of climate-related threats and opportunities. As we continue refining our understanding of the financial impact of climate change on our business, we intend to identify further metrics and targets that can be used to assess our most significant climate threats and opportunities. We will continue this in 2024 with further disclosures against recommendation A to be provided in the 2024 Annual Report as climate risk owners further define KPIs to manage specific climate-related against.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

**Table 2- Summary of our most material climate-related risks and opportunities and their estimated impact**

| TCFD Category                                   | Link to Strategic Priorities (see pages 23 to 25) | Principal Risks                                                                                                                        | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical Risk<br>Acute<br>Medium-term           | 5 – Drive Market Share                            | 08 – execution of the Group Strategy                                                                                                   | <b>Threat: Disruption of live events on trading markets due to increased severity of extreme weather events.</b> We see the risk of this in climate scenarios where extreme weather events continue to affect society, sporting events and other events that are critical to our markets. This may manifest itself in last-minute cancellations or postponement of live events, which has the potential to negatively impact revenues.                                                            |
| Physical Risk<br>Acute<br>Medium to Long-term   | 3 – Tech & product<br>5 – Drive market share      | 08 – execution of the Group Strategy                                                                                                   | <b>Threat: Impact of extreme weather events on key locations.</b> Entain operates globally, and our climate-related physical risks will vary across our markets and global operations. There are several key sites which are critical to the day-to-day operations of the Group and where disruptions would impact our ability to provide customers with our products and generate revenues.                                                                                                      |
| Physical Risk<br>Acute<br>Long-term             | 3 – Tech & product<br>5 – Drive market share      | 02 – Data Privacy and Cyber resilience<br><br>07 – Maintain Technology platform resilience<br><br>08 – execution of the Group Strategy | <b>Threat: Impact of extreme weather events on key digital suppliers.</b> Our operations are highly dependent on technology and advanced information systems. A disruption or interruption due to weather events in our critical digital value chain could affect trading and customer experience.                                                                                                                                                                                                |
| Physical Risk<br>Chronic<br>Short-term          | 4 – Simplification                                | 08 – execution of the Group Strategy                                                                                                   | <b>Threat: Increased operational costs.</b> In scenarios where global warming is most prevalent, we may see an increase in costs for cooling our infrastructure. This may have implications in terms of operating expenditure due to increased energy usage, as well as capital expenditure where new systems may need to be installed. Alternately, in a 1.5° scenario, we may face transition costs due to new energy-efficiency requirements affecting our offices, retail estate, and stadia. |
| Physical Risk<br>Chronic<br>Medium-term         | 4 – Simplification                                | 09 – ensure Health, safety, security and well-being of employees, customers, and communities                                           | <b>Threat: Impact on our colleagues due to changing weather patterns.</b> In the 2° and 3° scenarios, our colleagues may be impacted by the effects of climate change in the medium to long term. The increase in vector-borne diseases in new locations in the long term may also impact absentee rates. Similarly, travel disruptions and increased costs of living may affect our colleagues' ability to travel to work.                                                                       |
| Transition Risk<br>Policy & Legal<br>Short-term | 2 – Key Markets<br>4 – Simplification             | 01 – Laws, Regulations, Licensing and Regulatory Compliance                                                                            | <b>Threat: Increased regulatory requirements to disclose our climate impacts and demonstrate progress against our targets.</b> This risk is particularly relevant to our strategy to grow in key markets, notably our BetMGM and US strategic priority, where operations in these markets may require further compliance with climate-related reporting regulations. This may lead to increases in costs of compliance, such as external assurance costs, and penalties for non-compliance.       |

## Key:

● Low ● Medium ● High ● Very High

| Business Impact                                                                     |                                                                                     |                                                                                     | Strategic Response & Resilience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.5°C                                                                               | 2°C                                                                                 | 3°C                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|    |    |    | As a global entertainment business, Entain facilitates betting and gaming across more than 30 sports and offers betting opportunities on more than 40,000 different events in any given week. The diversification of our trading markets helps us mitigate this threat.                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|    |    |    | In response to this threat, we have incorporated physical climate-related risks into the management of our current Group Significant Risk – Loss of Key Locations.<br><br>Business continuity plans and arrangements for off-site data storage, alternative system availability and remote working for key operational colleagues and senior management have been tested to certain extents throughout the Covid-19 pandemic and continue to be subject to ongoing review.                                                                                                                                                                                                                                       |
|    |    |    | We are managing this threat by incorporating climate-related physical risks into the management of our current Principal Risk – Maintain Technology Platform Excellence. Our technology resilience is supported by robust operational procedures and business continuity plans. All critical revenue-generating systems are built to mission-critical and high availability standards with all operational data across the ecosystem protected, replicated, and safeguarded. As part of the Group's technology strategy and objectives we are continuously enhancing our processes and making further improvements and, where necessary, to automate the Group's full geographical disaster recovery capability. |
|  |  |  | We are already addressing this threat through the decarbonisation of our operations (please see page 84 and our rolling shop refurbishment scheme, which incorporates energy efficiency improvements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|  |  |  | Supporting our colleagues is an essential part of our ESG strategy and we will continue to monitor the needs of our colleagues to make Entain the best place to work. As stated above, we already have arrangements in place for remote working across our different business functions and operations. We have worked with our IT teams to ensure that all colleagues (excluding colleagues working in shops) have the equipment they need to work remotely.                                                                                                                                                                                                                                                    |
|  |  |  | We have an established process in place to report robust organisational emissions – which are assured annually by the Carbon Trust – to comply with our requirements as a UK-listed company. At the beginning of 2024, we started implementing Normative's carbon accounting tool to continue improving our data collection and quality. We continue to monitor changing regulation in the markets and jurisdictions where we operate and improve the robustness of our emissions reporting.                                                                                                                                                                                                                     |

**Table 2- Summary of our most material climate-related risks and opportunities and their estimated impact** *continued*

| TCFD Category                                                                                   | Link to Strategic Priorities (see pages 23 to 25)            | Principal Risks                          | Potential Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Transition Risk</b><br><b>Market</b><br><b>Long-term</b>                                     | <b>1</b> – Portfolio Review<br><b>5</b> – Drive market share |                                          | <b>Threat: Changing Customer Behaviour.</b> In the 2° and 3° scenarios, reducing crop yields and supply chain shocks may increase the cost of living in the short to medium term. This may reduce the income available to our customers to spend on entertainment. In addition, more extreme weather events may lead to changes in how customers engage with our products. For example, we may experience a decrease in the footfall of customers travelling in person to our shops. We could also notice an increase in customers receiving entertainment within the home, with a positive impact on our digital business and ability to attract new audiences.                                                                                                                                                                                                                                                                                                                                                 |
| <b>Transition Risk</b><br><b>Technology</b><br><b>Reputation</b><br><b>Short to Medium-term</b> | <b>4</b> – Simplification                                    |                                          | <b>Threat: Lack of regulations and limited low-carbon alternatives slow decarbonisation process.</b> It remains uncertain how the wider economy will respond to climate change, and therefore the availability and pricing of low-carbon solutions. In the 2° and 3° scenarios, the availability of low-carbon alternatives would be lower. This has the potential for lower availability of these products and services, in turn leading to increased costs for reaching our net zero target. Our suppliers may face similar challenges and fail to support our Net Zero commitment, impacting our ability to decarbonise our business within the timeline we set. This would have follow-on reputational risks to the Group. In the longer term, we also see a risk due to price uncertainty in credible carbon removals that will be required to mitigate any of our residual emissions to achieve our Net Zero target in 2035, in line with the Science Based Targets Initiative (SBTi)'s Net Zero Standard. |
| <b>Opportunity</b><br><b>Products and Services</b><br><b>Short-term</b>                         | N/A                                                          | 06 – Attracting and retaining key talent | <b>Opportunity: Sustainability Leadership.</b> In a 1.5° scenario, where there is immediate and rapid decarbonisation, we anticipate ambitious decarbonisation commitments from our suppliers and greater availability of lower-emissions products and services at scale, reducing the costs required to deliver our net-zero strategy. This presents Entain with an opportunity to demonstrate significant progress and ultimately achieve our Net Zero by 2035 ambition.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

The secret landmark is the



## Key:

● Low ● Medium ● High ● Very High

| Business Impact                                                                     |                                                                                     |                                                                                     | Strategic Response & Resilience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.5°C                                                                               | 2°C                                                                                 | 3°C                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|    |    |    | We don't anticipate this threat to materialise in the short to medium-term. Furthermore, our access to both the online and retail markets mitigates the threat of a reduced footfall in our shops as we can offer our products to customers directly in their homes. We will continue to monitor changes in customer behaviour and assess their impacts and potential opportunities. This will influence capital expenditure decisions when considering the location of our shops.                                                                                                                                                                                                                                                                                                                              |
|    |    |    | We have started mitigating this threat in our financial planning, notably by investing in a renewable Power Purchasing Agreement (PPA) to secure renewable energy at a fixed price to gain energy price certainty. We are also actively engaging with our suppliers on decarbonisation, with an initial focus on these 19 suppliers who represent over a third of our scope 3 emissions. Our new partnership with EcoVadis will enable us to refine our Net Zero roadmap by giving us access to primary emission data from our suppliers. Whilst the price of offset is not a threat for the Group in the short to mid-term, we will continue to monitor carbon markets and carbon removal standards developments.                                                                                              |
|  |  |  | Entain has the necessary strategy and governance in place to seize this opportunity. Decarbonisation is a central part of our ESG Strategy. We are committed to achieve Net Zero emissions by 2035 and are now focused on achieving our near-term science-based target. We have committed to a reduction of 29.4% in our scope 1, 2 and 3 emissions by 2027 from a 2020 baseline year. This has been submitted to the Science-based Targets initiative to ensure our journey to decarbonisation is in line with limiting global warming to 1.5°, as per the Paris Agreement. Our Net Zero Action Group, which convenes senior colleagues across departments to support our decarbonisation plans, directly reports to board-level Sustainable & Compliance Committee. Please refer to page 43 for more details. |

### Table 3 – Entain's Climate Change Scenarios

The three scenarios used in identifying Entain's climate-related threats and opportunities have been tailored for the group, based on a combination of evidence and sources, primarily provided by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency ("IEA"), and the Principles for Responsible Investment (PRI).

| Scenario     | Basis                                                                                                         | Description                                                                                                                                                                                                                                                                                           |
|--------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.5oC</b> | <ul style="list-style-type: none"> <li>RCP2.6/SSP1</li> <li>PRI IPR: 1.5C Required Policy Scenario</li> </ul> | Action taken has achieved the aims set out in the 2015 Paris Agreement to limit climate change rise to below 1.5°C of pre-industrial levels, but with significant shifts in policy, cost, and consumer behaviours.                                                                                    |
| <b>2.0oC</b> | <ul style="list-style-type: none"> <li>RCP4.5/SSP2</li> <li>PRI IPR: Forecast Policy Scenario</li> </ul>      | Not much has changed from today. Some action has been taken, but it's very much business as usual. Uncertainty increases and impacts of a changing climate manifest themselves in vulnerable parts of the world.                                                                                      |
| <b>3.0oC</b> | <ul style="list-style-type: none"> <li>RCP6.0/SSP5</li> </ul>                                                 | Economies around the world have continued to be powered by fossil fuels. As a result, the planet reaches a point where it is in crisis and well past the point of no return by 2030. Global warming has accelerated and changes in climate are all around, tangible and, in some cases, catastrophic. |

The secret currency is a



# Engaging with stakeholders

The Board recognises the importance of effective governance and operates in line with the UK reporting regulations. The information below should be read in conjunction with the rest of the Strategic Report.

Section 172 of the Companies Act 2006 imposes a general duty on Directors to act in a way that they consider, in good faith, to most likely promote the success of the Company for the benefit of shareholders as a whole. The Directors in setting policies and strategies continue to have regard to the interests of the Group's employees, shareholders, investors, suppliers, customers and regulators, including the impact of its activities on the community and on the Group's reputation. These factors underpin the way in which the Directors discharge their duties and the Board is cognisant of the need to engender strong relationships with all stakeholders to help the Group deliver its strategy and support its long-term values including sustainability.

### Our approach

The Board believes in the importance of engaging in effective communication with all of its stakeholders. Depending on the nature of the issue in question, the relevance of each stakeholder group may vary and not every decision the Board makes will necessarily result in a positive outcome for every stakeholder.

At each meeting the Board ensures that the process of considering its stakeholders is embedded in papers it receives to enable it to discharge its duties. The Board monitors the progress and delivery of strategic initiatives through metrics reported in meetings.

In addition, the Remuneration Committee assesses the overall performance of the Group, including progress against its responsible betting and gaming ambitions as well as delivery against its Environmental, Social and Governance ("ESG") strategy to support decision making on remuneration outcomes.

To ensure that the Group continues to operate in line with good corporate practice, Directors as part of their induction receive training on the scope and application of Section 172 to ensure that they are aware of how a Board, in its decision making, must consider its stakeholders.

# 1



## Colleagues

**In order to gather feedback from colleagues around the Group, Board members participated in a number of virtual and face-to-face employee events in 2023. To facilitate such engagement we have instituted formal Employee Forums in our major employment locations.**

These Forums are a vital component of our employee listening and engagement strategy, enabling our people to discuss how their teams connect with the company purpose, strategy and values, as well as discussing topics that impact them and their colleagues.

Virginia McDowell, Chair of both the Sustainability & Compliance and the Remuneration Committees, is our appointed Designated Workforce Director, a position she has held since 2019. Virginia is a regular attendee at Employee Forums, enabling her to provide the Board and its Committees with informed feedback and insight into the realities of everyday working life at Entain. Virginia McDowell and Rahul Welde (Independent Non-Executive Director) attended both the National Forum AGM and the Global Engagement Conference in 2023.

In addition, we regularly hold hybrid virtual and physical 'townhall' meetings through which our CEO, Board Directors and senior management provide updates and dialogue with our colleagues. Twelve such hybrid townhall meetings were hosted from nine different office locations In 2023.

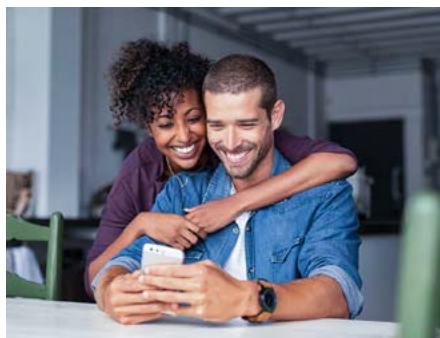
We believe that by encouraging and supporting a diverse workforce where individuals can thrive and success no matter their background, is the best way maximise our talent pool and better represent our global customer-base.

We do not discriminate on the basis of age, disability, gender or gender reassignment, pregnancy or maternity, race, religion or belief, sexual orientation or marriage/civil partnership.



Read more: [pages 53 to 57](#)

## 2

**Customers**

**Our customers' interests range from product availability, ethical behaviour, service, pricing and promoting responsible attitudes to betting and gaming. The Group, as part of its commitment to safer betting and gaming, engages through initiatives such as Responsible Gambling Week, where responsible betting and gaming messages dominated our websites and social media channels.**

Our industry-leading ARC™ safer betting and gaming programme was developed in recognition of the importance of tailoring our approach to the individual customer and providing them with the protection and assurance which they should expect from us.



Read more: [pages 43 to 52](#)

## 3

**Shareholders**

**We strive to provide the Group's investors and shareholders with an accurate and comprehensive view of the financial and sustainable performance of the business as well as a clear presentation of our performance against our ESG objectives and sustainability objectives. The Group undertakes regular conference calls and meetings with investors through roadshows, investor conferences, one to one and group calls, publication of the Annual Report, dedicated ESG Report, press releases and Stock Exchange announcements. In 2023, the Group conducted a total of 553 investor interactions, as well as presenting at 12 conferences and 'fireside chats', engaging with 353 unique institutions. These interactions involved a combination of the CEO, CFO, the Chairman, the Chief IR & Communications Officer, Director of IR and other management as appropriate.**

In addition to these meetings and conferences, as well as the usual trading updates based around our financial calendar, the Group also held four shareholder events throughout the year. These included a detailed business and strategy update held in November 2023; two updates on the performance of the Group's BetMGM joint venture and; Entain Sustain, a virtual showcase and presentation of the Group's refreshed sustainability strategy in December.

The Board receives feedback on shareholder views through a variety of channels, including regular meetings throughout the year between shareholders, our Chairman and executive management. In addition to providing the Board with updates on shareholder discussion topics as part of its regular Board reports, over the past year the investor relations team conducted three feedback and audit exercises to enable us to better address investors views based on a number of satisfaction and

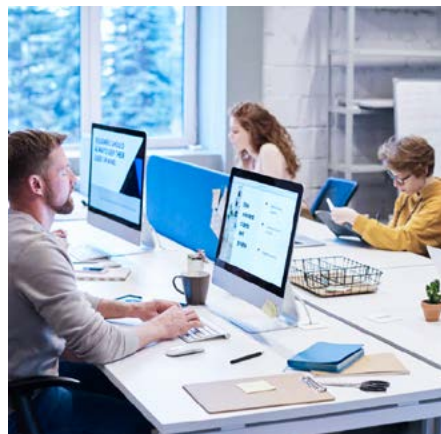
confidence measures. These cover topics including perception of the Group's strategy, management and opportunities as well as delivery versus expectations and transparency.

The quantitative analysis and qualitative feedback were presented to the Board during the year. The audits showed positive progress in investor engagement through the year with Entain performing more positively than the benchmark in all measures. In addition, Board members listen in to results and trading updates held by the Group for analysts and institutional investors and can hear directly the questions and comments on Company performance and are kept abreast of relevant newsflow and commentary on the Company throughout the year.



Read more: [pages 8 to 11](#)

## 4



## Suppliers

The Group strives to work responsibly with its suppliers and regularly reviews its customer and creditor payment policies. As part of the three-year modern slavery strategy developed in 2023, we are now conducting an extensive risk assessment of all our in-scope suppliers, to help us identify higher-risk suppliers and, where necessary, request the completion of supplier self-assessment questionnaires.

As part of approach to ensuring a responsible supply chain, last year engaged EcoVadis, the world's largest platform for supplier sustainability ratings. The EcoVadis platform enables us to evaluate our key suppliers and set corrective action plans across four topics – environment, labour and human rights, ethics, and sustainable procurement.

Our supplier interests range from fair trading, payment terms, success of the business and long-term partnerships. The Group engages with suppliers by direct engagement, supplier conferences and corporate responsibility and ethics reporting. The Board in its duties receives regular reporting on retail performance and modern slave.



Read more: [page 55](#)

## 5



## Our Communities

Group has committed to investing £100m over five years on a range of projects and good causes including safer betting and gaming measures, investment in grassroots sport, reducing environmental impact, diversity in technology and projects with a clear link to our local communities.

Entain has committed to investing £100m over five years (2021-2025) to support a range of initiatives and good causes in areas including safer betting and gaming measures, investment in grassroots sport, reducing environmental impact, diversity in technology and projects with a clear link to our local communities.

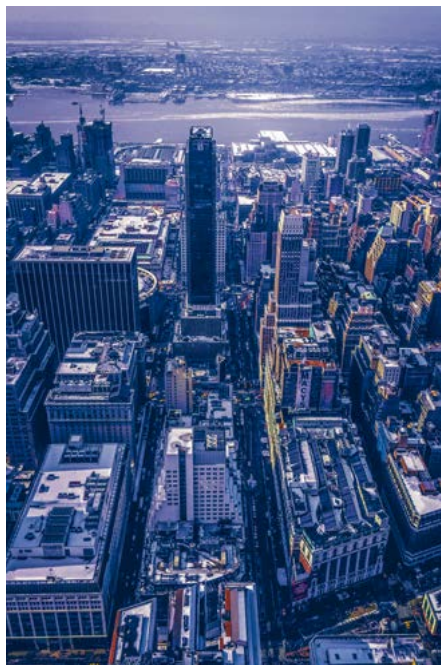
A flagship project of Entain Foundation is the Group's Pitching In grassroots sport investment programme, through which the Entain Foundation supports The Trident Leagues in the UK, made up of 248 clubs at the heart of England's non-league football pyramid. The Foundation also supports a range projects to promote diversity in and through technology and partnered with ComputerAid and the Turing Trust in 2023 to deliver community hubs in sub-Saharan Africa. The Company provides a comprehensive update to stakeholders through the publication of both annual ESG report and annual Social Impact Report.

The Board has overall oversight of corporate responsibility planning and reporting as well as involvement in corporate affairs strategy which is delegated to the Sustainability and Compliance Committee. The Sustainability and Compliance Committee is advised by the executive ESG Steering Group and also works with external consultants which assist the operational units and review the environmental and social performance data.



Read more: [pages 57 to 60](#)

## 6



## Regulators

As a global operator and one of the world's largest online betting, gaming and sports entertainment companies, Entain engages with a wide variety of stakeholders. These include regulators, investors, trade associations, safer betting and gaming charities and customers. This engagement is core to our ability to offer first class player protection through our cutting edge technology and product platform, while upholding all licensing objectives, across multiple jurisdictions. One of the key relationships we maintain is with our regulators. Liaising with our regulators on an open and regular basis helps us to ensure that each of them are fully apprised of our operating practices. Through this process we can help policymakers shape our industry environment to best serve our stakeholder group whilst operating in a legal and fair way.

### Governments and regulators

- UK Government departments.
- UK Gambling Commission.
- Governments and regulators in territories where we hold gaming licences.
- US state licensing bodies.
- National information commissioners.
- Domestic and International trade Associations.
- What are their expectations?
- Providing an enjoyable and safe leisure experience.
- Making sure we operate legally and in a fair manner.
- Minimising harm and maximising player protection.
- Ensuring that we protect the young and the vulnerable.
- Reducing crime and unlawful behaviour.

### How we engage

- Ongoing dialogue with regulators, domestic and international trade associations and local authorities.
- Responding to the UK Government's Review of the 2005 Gambling Act.
- Numerous face-to-face meetings bilaterally or as part of industry meetings.
- Quarterly meetings, at a minimum, between the UK Gambling Commission and senior members of Entain's leadership team.
- Detailing governance, risk management and safer betting and gaming strategies through submission to the UK Gambling Commission Annual Assurance Statement process.
- Partnerships with the GB Health & Safety Executive.
- Engagement with the Nevada Gaming Commission's Compliance Committee
- Formal meetings with our regulators in Gibraltar, Malta, the US and our other regulated jurisdictions.
- Working with the Department of Justice in Ireland as it implements the Money Laundering Regulations ('AML') requirements.

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- Respond to formal regulatory consultations including most recently the call for evidence on affordability by the
- UK Gambling Commission and RG consultations in Spain and Sweden.
- e-betting and gaming international workshops in Spain, annual industry meeting in Denmark and the 'Licensing information session' in Germany.
- Suspicious activity disclosed to relevant national bodies and membership of national match-fixing platforms (eg Spain).
- Engagement with regulatory authorities in regulating markets via local associations and advisors in the run up to licensing (eg Finland, Brazil).



Read more: pages 36 to 37

## Chief Financial Officer's Review



**Rob Wood**  
Chief Financial Officer

## Dear Shareholder

We have faced a number of challenges throughout 2023, both industry-wide and Entain-specific. Despite the challenges, the Group delivered Revenue +11% ahead of 2022 and underlying EBITDA<sup>3</sup> of £1,007.9m (2022: £993.2m) with our acquisitions contributing strongly to the Group's performance.

### Financial Highlights:

- Group NGR (excluding US) up +11% (+11%cc<sup>2</sup>), -2% on a proforma basis
  - Online NGR up +12% (+12%cc<sup>2</sup>) in 2023, -3% on a proforma basis
    - Excluding regulatory impacts, underlying proforma Online NGR growth of +3%cc<sup>2</sup>
    - Record level of Online active customers, +23% YoY, +10% proforma<sup>5</sup>
  - Retail NGR up +9% (+8%cc<sup>2</sup>), proforma +2%cc<sup>2</sup>, reflecting the acquired shops in New Zealand and Poland, and the continued strength of the retail estate
- BetMGM delivered a strong performance through the year
  - 2023 NGR of \$1.96bn, +36% year on year at the top end of expectations
  - 14% market share in sports betting and iGaming in the markets where BetMGM operates
  - Positive EBITDA for H2 2023
- Group profit after tax before separately disclosed items was £339.1m (2022: £223.9m)
- Group loss after tax was £878.7m (profit of £32.9m), reflecting the DPA settlement and impairment charges related to Australia point of consumption tax increases and portfolio optimisation
- Net debt of £3,290.9m (2022: £2,749.8m) and leverage of 3.3x (3.1x proforma<sup>5</sup>)
- Adjusted diluted EPS of 44.2p (2022: 60.5p)
- Second Interim Dividend of 8.9p per share announced, bringing the total dividend for the year to 17.8p per share

### Financial Results and the use of non-GAAP measures

The Group's statutory financial information is prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) pronouncements as adopted for use in the European Union. In addition to the statutory information provided, management have also provided additional information in the form of constant currency<sup>2</sup>, proforma<sup>3</sup>, Contribution<sup>4</sup> and EBITDA<sup>5</sup> as these metrics are industry standard KPIs which help facilitate the understanding of the Group's performance in comparison to its peers. A full reconciliation of these non-GAAP measures is provided within the Income Statement and supporting memo.

## Financial Performance Review

## Group

| Year Ended 31 December                    | Results <sup>1</sup> |            |             |                      |
|-------------------------------------------|----------------------|------------|-------------|----------------------|
|                                           | 2023<br>£m           | 2022<br>£m | Change<br>% | CC <sup>2</sup><br>% |
| NGR                                       | 4,833.1              | 4,348.9    | 11%         | 11%                  |
| VAT/GST                                   | (63.5)               | (52.0)     | (22%)       | (29%)                |
| Revenue                                   | 4,769.6              | 4,296.9    | 11%         | 11%                  |
| Gross profit                              | 2,907.0              | 2,714.7    | 7%          |                      |
| Contribution <sup>4</sup>                 | 2,279.4              | 2,128.9    | 7%          |                      |
| Operating costs excluding marketing costs | (1,271.5)            | (1,135.7)  | (12%)       |                      |
| Underlying EBITDA <sup>5</sup>            | 1,007.9              | 993.2      | 1%          |                      |
| Share based payments                      | (21.7)               | (19.2)     | (13%)       |                      |
| Underlying depreciation and amortisation  | (301.5)              | (238.1)    | (27%)       |                      |
| Share of JV (loss)/income                 | (42.9)               | (194.1)    | 78%         |                      |
| Underlying operating profit <sup>6</sup>  | 641.8                | 541.8      | 18%         |                      |

Results<sup>1</sup>:

NGR and Revenue increased by +11% versus 2022 (+11%cc<sup>2</sup>), with proforma<sup>3</sup> growth in Retail and the benefit of acquisitions more than offsetting a -3%cc<sup>2</sup> proforma<sup>3</sup> decline in Online NGR, as we continue to face regulatory headwinds in both the UK and Germany and experienced soft trading in Australia and Brazil. Total Online NGR was +12% ahead of 2022 whilst Retail NGR was +9% ahead.

Contribution<sup>4</sup> in the year of £2,279.4m was +7% higher than 2022 reflecting the increase in NGR, offset by a reduction in contribution margin of -1.8pp, due to territory mix, increased taxation in Australia and the reclassification of certain content costs in Retail to cost of sales rather than operating costs, following the move to a revenue share arrangement.

Operating costs were 12% higher due to the impact of acquisitions (8pp), FX (1pp) and underlying inflation, including wage rate and energy price inflation, partially offset by the reclassification of costs to cost of sales. Resulting in underlying EBITDA<sup>5</sup> of £1,007.9m, +1% higher than 2022.

Share based payment charges were £2.5m higher than last year, while underlying depreciation and amortisation was 27% higher, reflecting the impact of businesses acquired in the year (14pp), the annualisation of prior year acquisitions and continued investment in the business. Share of JV losses of £42.9m includes an operating loss of £42.0m relating to BetMGM (2022: £193.9m), which was in line with expectations.

Group underlying operating profit<sup>6</sup> was +18% ahead of 2022. After charging separately disclosed items of £1,286.5m (2022: £213.2m), Group operating loss was £644.7m (2022: profit of 328.6m).

## Online

| Year Ended 31 December                    | Results <sup>1</sup> |            |             |                      |
|-------------------------------------------|----------------------|------------|-------------|----------------------|
|                                           | 2023<br>£m           | 2022<br>£m | Change<br>% | CC <sup>2</sup><br>% |
| Sports wagers                             | 13,724.5             | 14,090.5   | (3%)        | (2%)                 |
| Sports margin                             | 13.7%                | 12.9%      | 0.8pp       |                      |
| Sports NGR                                | 1,531.0              | 1,443.7    | 6%          | 7%                   |
| Gaming NGR                                | 1,837.6              | 1,576.9    | 17%         | 15%                  |
| B2B NGR                                   | 57.9                 | 29.9       | 94%         | 90%                  |
| Total NGR                                 | 3,426.5              | 3,050.5    | 12%         | 12%                  |
| VAT/GST                                   | (59.9)               | (52.0)     | (15%)       | (21%)                |
| Revenue                                   | 3,366.6              | 2,998.5    | 12%         | 12%                  |
| Gross profit                              | 1,980.1              | 1,829.6    | 8%          |                      |
| Contribution <sup>4</sup>                 | 1,369.8              | 1,254.2    | 9%          |                      |
| Contribution <sup>4</sup> margin          | 40.0%                | 41.1%      | (1.1pp)     |                      |
| Operating costs excluding marketing costs | (512.4)              | (426.0)    | (20%)       |                      |
| Underlying EBITDA <sup>5</sup>            | 857.4                | 828.2      | 4%          |                      |
| Share based payments                      | (7.3)                | (7.8)      | 6%          |                      |
| Underlying depreciation and amortisation  | (160.2)              | (118.3)    | (35%)       |                      |
| Share of JV (loss)/income                 | (1.4)                | (0.2)      | (600%)      |                      |
| Underlying operating profit <sup>6</sup>  | 688.5                | 701.9      | (2%)        |                      |

**Results<sup>1</sup>:**

Whilst there is underlying momentum in a number of our key markets, regulatory headwinds in the UK and Germany, as well as weaker trading in Australia and Brazil, impacted NGR performance in 2023. Resulting proforma<sup>3</sup> Online NGR was down -3%cc<sup>2</sup> in the year but, with the benefit of acquisitions total Online NGR was +12%cc<sup>2</sup> ahead of 2022. Whilst proforma<sup>3</sup> NGR was down year on year, actives grew +10% year on year on a proforma<sup>3</sup> basis, emphasising the ongoing attraction of our brands to our customers.

In the UK, we continue to absorb the impact of regulatory changes and as a result NGR was down -6%. Excluding the impact of these regulatory headwinds, we estimate that underlying NGR was +4% ahead of 2022, while actives were +18% higher than the same period last year.

In Italy, constant currency<sup>2</sup> NGR was +3% ahead of 2022. Whilst our brands, along with the rest of the market, lost online market share to one of the leading operators during 2023, our omni-channel offering continues to resonate with customers with combined Online and Retail NGR +63%cc<sup>2</sup> ahead of pre-Covid levels.

Local market conditions in Australia have been challenging during 2023 leaving year on year NGR -6% down on a constant currency<sup>2</sup> basis. Whilst we expect trading to remain challenging in 2024, we remain confident in our strategy focusing on brand differentiation, new and innovative products and the customer experience.

In Germany, whilst we have seen some non-compliant operators exit the market, the continued lack of robust regulatory enforcement as well as new regulation last Summer continues to impact the business. Resulting NGR in 2023 was -26% behind 2022 on a constant currency<sup>2</sup> basis, primarily driven by lower spend per head. Whilst we received our gaming licences in November 2022, it is disappointing that we are still yet to see the level of enforcement action that is needed in this market to combat unlicensed operators and ensure customers are protected.

In Brazil, we continue to see a fiercely competitive market ahead of regulation with a significant increase in the amount spent on marketing by various operators. Whilst we were initially slow to react to changes in the market, we are confident that following a change in our regional leadership we now have the team and localised expertise needed to regain share in this exciting growth market, an opportunity that our 365Scores acquisition will help us further leverage. NGR in Brazil was -14%cc<sup>2</sup> behind the prior year.

Georgia NGR was +7%cc<sup>2</sup> ahead of 2022 on a constant currency<sup>2</sup> basis, with our Crystalbet brand performing strongly following the implementation of new regulation in the prior year. Following a strong 2023, our Crystalbet brand continues to be the market leader in Georgia.

In the Baltics, proforma<sup>3</sup> NGR was +3%cc<sup>2</sup> ahead of 2022 despite high inflation rates in the region. Our brands remain resilient despite the economic pressures in the Baltic states and we continue to attract more customers each year with proforma<sup>3</sup> actives +13% ahead of 2022.

Our Entain CEE business continues to perform well with proforma<sup>3</sup> NGR +13%cc<sup>2</sup> ahead year on year. NGR in our SuperSport business in Croatia was +29%cc<sup>2</sup> ahead of 2022 (proforma<sup>3</sup>) maintaining its position as the market leader. NGR in our recent acquisition in Poland, STS, was flat year on year with c4%cc<sup>2</sup> growth to the end of Q3 offset by poor margins in October.

NGR in our newly acquired New Zealand business was £84.7m in 2023, slightly ahead year on year on a proforma<sup>3</sup> basis.

Contribution<sup>4</sup> margin of 40.0% was in line with guidance but 1.1pp behind 2022 due to territory mix and the impact of additional taxation in Australia which was implemented in H2 of 2022.

Operating costs were 20% higher than 2022 with recent acquisitions driving 16pp of the increase and FX 1pp with the remaining 3pp due to underlying inflation offset by the initial benefits from Project Romer.

Underlying EBITDA<sup>5</sup> of £857.4m was +4% ahead of 2022, albeit flat year on year excluding the benefit of TAB NZ accounting treatment to 2023, reflecting the contribution<sup>4</sup> from acquired businesses offset by the decline in proforma<sup>3</sup> NGR and 1.1pp reduction in contribution margin.

Resulting underlying operating profit<sup>6</sup> of £688.5m was £13.4m behind 2022 with depreciation and amortisation of £160.2m, £41.9m higher than 2022, half of which is a result of the impact of new acquisitions, including annualisation of those in the prior year, with the remainder of the increase due to recent investment in our technology and product. After charging separately disclosed items of £481.1m (2022: £114.0m), operating profit was £207.4m (2022: £701.9m).

## Retail

The Retail business is made up of our Retail estates in the UK, Italy, Belgium, Croatia, New Zealand, Republic of Ireland and Poland.

| Year Ended 31 December                    | Results <sup>1</sup> |            |             |                      |
|-------------------------------------------|----------------------|------------|-------------|----------------------|
|                                           | 2023<br>£m           | 2022<br>£m | Change<br>% | CC <sup>2</sup><br>% |
| Sports wagers                             | 4,341.7              | 3,827.3    | 12%         | 11%                  |
| Sports margin                             | 18.9%                | 18.3%      | 0.6pp       |                      |
| Sports NGR/Revenue                        | 813.0                | 705.2      | 15%         | 14%                  |
| Machines NGR/Revenue                      | 573.7                | 572.6      | 0%          | 0%                   |
| NGR                                       | 1,386.7              | 1,277.8    | 9%          | 8%                   |
| VAT/GST                                   | (3.6)                | –          | –           | –                    |
| Revenue                                   | 1,383.1              | 1,277.8    | 8%          | 8%                   |
| Gross profit                              | 900.2                | 860.0      | 5%          |                      |
| Contribution <sup>4</sup>                 | 890.3                | 852.1      | 4%          |                      |
| Contribution <sup>4</sup> margin          | 64.2%                | 66.7%      | (2.5pp)     |                      |
| Operating costs excluding marketing costs | (606.1)              | (571.9)    | (6%)        |                      |
| Underlying EBITDA <sup>5</sup>            | 284.2                | 280.2      | 1%          |                      |
| Share based payments                      | (2.4)                | (2.3)      | (4%)        |                      |
| Underlying depreciation and amortisation  | (132.1)              | (112.4)    | (18%)       |                      |
| Share of JV income                        | –                    | –          | –           |                      |
| Underlying operating profit <sup>6</sup>  | 149.7                | 165.5      | (10%)       |                      |

### Results<sup>1</sup>:

Our Retail businesses continue to show the strength of their offer and customer appeal with 2023 Revenue and NGR both +8%cc<sup>2</sup> ahead of 2022 and proforma<sup>3</sup> NGR +2%cc<sup>2</sup> ahead.

In the UK, NGR was +2% ahead of 2022 on a LFL<sup>7</sup> basis, with strong performance across both sports and gaming. Our strong underlying performance continues to be driven by an ongoing focus on market leading content for our gaming machines and betting terminals with both providing a proposition akin to the digital offering but combined with the in-shop experience that cannot be replicated online.

NGR in Italy was up +16% on a constant currency<sup>2</sup> basis with a number of enhancements to our offering and the customer experience including cash-out, reduced minimum bet sizes and continuous development of our SSBT proposition driving greater customer engagement.

Proforma<sup>3</sup> NGR in Croatia grew at +14%cc<sup>2</sup> year on year further enhancing our market leading position and reflecting our program of improvements to the customer offer, including the introduction of a loyalty scheme and enhanced sports content.

In Belgium, NGR was up +10%cc<sup>2</sup> with Ireland NGR +1%cc<sup>2</sup> ahead year on year. Our newly acquired Retail businesses in Poland and New Zealand contributed £40.4m of NGR during 2023.

Contribution<sup>4</sup> of £890.3m was +4% ahead of 2022 with contribution<sup>4</sup> margin falling by 2.5pp due to territory mix and the impact of certain content costs (1pp) which are now classified as cost of sales rather than operating costs as they move to revenue share arrangements from fixed fees.

Operating costs were 6% higher than in 2022 with the impact of acquisitions (5pp) and inflation, including wage rate and energy price inflation, more than offsetting the benefit of costs which are now classified within cost of sales.

Resulting underlying EBITDA<sup>5</sup> of £284.2m was £4.0m ahead of 2022. Depreciation of £132.1m was £19.7m higher than 2022, largely due to the impact of acquisitions and the continued investment in our retail estates. Underlying operating profit<sup>6</sup> of £149.7m was £15.8m behind 2022 and, after charging £22.8m of separately disclosed items (2022: £57.4m), operating profit was £126.9m, £18.8m ahead of last year.

### New Opportunities

| Year Ended 31 December                   | Results <sup>1</sup> |            |             |
|------------------------------------------|----------------------|------------|-------------|
|                                          | 2023<br>£m           | 2022<br>£m | Change<br>% |
| Underlying EBITDA <sup>5</sup>           | (29.3)               | (29.1)     | (1%)        |
| Share based payments                     | (0.7)                | (0.3)      | (133%)      |
| Underlying depreciation and amortisation | (5.7)                | (4.5)      | (27%)       |
| Share of JV (loss)/income                | (1.5)                | (0.4)      | (275%)      |
| Underlying operating loss <sup>6</sup>   | (37.2)               | (34.3)     | (8%)        |



### Results<sup>1</sup>:

New Opportunities underlying costs<sup>5</sup> of £29.3m were 1% higher than 2022 with increased start-up marketing costs in our Unikrn brand offset by reduced costs associated with our innovation programme. Unikrn has now been closed as a B2C operation and development of our e-Sports wagering offering is now focused on our existing labels. After depreciation and amortisation and share of JV loss, New Opportunities underlying operating loss<sup>6</sup> was £37.2m, an increase in losses of £2.9m on 2022 and, after charging separately disclosed items of £44.3m (2022: £nil), was a loss of £81.5m, £47.2m more than in the prior year.

### Other

| Year Ended 31 December                    | Results <sup>1</sup> |            |             | CC <sup>2</sup><br>% |
|-------------------------------------------|----------------------|------------|-------------|----------------------|
|                                           | 2023<br>£m           | 2022<br>£m | Change<br>% |                      |
| NGR/Revenue                               | 26.7                 | 25.1       | 6%          | 6%                   |
| Gross profit                              | 26.7                 | 25.1       | 6%          |                      |
| Contribution <sup>4</sup>                 | 26.3                 | 25.0       | 5%          |                      |
| Operating costs excluding marketing costs | (21.0)               | (20.1)     | (4%)        |                      |
| Underlying EBITDA <sup>5</sup>            | 5.3                  | 4.9        | 8%          |                      |
| Share based payments                      | –                    | –          | –           |                      |
| Underlying depreciation and amortisation  | (2.7)                | (2.7)      | –           |                      |
| Share of JV income                        | 2.0                  | 0.4        | 400%        |                      |
| Underlying operating profit <sup>6</sup>  | 4.6                  | 2.6        | 77%         |                      |

### Results<sup>1</sup>:

NGR of £26.7m was 6% higher than 2022 driven by additional income in our greyhound stadia with 2022 impacted by adverse weather. Underlying EBITDA<sup>5</sup> of £5.3m was an increase of £0.4m on 2022, with the additional NGR offset by increased overheads associated with the aforementioned increase in number of meets. Underlying operating profit<sup>6</sup> of £4.6m was £2.0m ahead of last year and after charging separately disclosed items of £nil (2022: £0.7m) was £2.7m ahead of 2022.

### Corporate

| Year Ended 31 December                   | Results <sup>1</sup> |            |             |
|------------------------------------------|----------------------|------------|-------------|
|                                          | 2023<br>£m           | 2022<br>£m | Change<br>% |
| Underlying EBITDA <sup>5</sup>           | (109.7)              | (91.0)     | (21%)       |
| Share based payments                     | (11.3)               | (8.8)      | (28%)       |
| Underlying depreciation and amortisation | (0.8)                | (0.2)      | (300%)      |
| Share of JV loss                         | (42.0)               | (193.9)    | 78%         |
| Underlying operating loss <sup>6</sup>   | (163.8)              | (293.9)    | 44%         |

### Results<sup>1</sup>:

Corporate underlying costs<sup>5</sup> of £109.7m were £18.7m higher than last year driven by increases in our contributions to Research, Education and Treatment, including GambleAware, increased legal costs and ongoing investment in our governance policies and procedures.

After share based payments, depreciation and amortisation and share of JV losses, Corporate underlying operating loss<sup>6</sup> was £163.8m, a decrease of £130.1m. The share of JV loss of £42.0m relates to BetMGM. After charging separately disclosed items of £737.2m (2022: £41.1m), the operating loss was £902.0m versus £335.0m in 2022.

### Notes

1. 2023 and 2022 statutory results are audited with the tables presented relating to continuing operations and include both statutory and non-statutory measures.
2. Growth on a constant currency basis is calculated by translating both current and prior year performance at the 2023 exchange rates.
3. Proforma references include all 2022 and 2023 acquisitions as if they had been part of the Group since 1 January 2022.
4. Contribution represents gross profit less marketing costs and is a key performance metric used by the Group, particularly in Online.
5. EBITDA is earnings before interest, tax, depreciation and amortisation, share based payments and share of JV income. EBITDA is stated pre separately disclosed items.
6. Stated pre separately disclosed items.
7. UK Retail LFL YoY NGR is calculated based on shops that traded for the full year in both 2023 and 2022.

## Statutory Performance Review

| Year Ended 31 December                             | Results <sup>1</sup> |            |             |                      |
|----------------------------------------------------|----------------------|------------|-------------|----------------------|
|                                                    | 2023<br>£m           | 2022<br>£m | Change<br>% | CC <sup>2</sup><br>% |
| NGR                                                | 4,833.1              | 4,348.9    | 11%         | 11%                  |
| Revenue                                            | 4,769.6              | 4,296.9    | 11%         | 11%                  |
| Gross profit                                       | 2,907.0              | 2,714.7    | 7%          |                      |
| Contribution <sup>4</sup>                          | 2,279.4              | 2,128.9    | 7%          |                      |
| Underlying EBITDA <sup>5</sup>                     | 1,007.9              | 993.2      | 1%          |                      |
| Share based payments                               | (21.7)               | (19.2)     | (13%)       |                      |
| Underlying depreciation and amortisation           | (301.5)              | (238.1)    | (27%)       |                      |
| Share of JV loss                                   | (42.9)               | (194.1)    | 78%         |                      |
| Underlying operating profit <sup>6</sup>           | 641.8                | 541.8      | 18%         |                      |
| Net underlying finance costs <sup>6</sup>          | (229.4)              | (84.7)     |             |                      |
| Net foreign exchange/financial instruments         | 32.5                 | (135.3)    |             |                      |
| Profit before tax pre separately disclosed items   | 444.9                | 321.8      |             |                      |
| Separately disclosed items:                        |                      |            |             |                      |
| Amortisation of acquired intangibles               | (254.6)              | (116.9)    |             |                      |
| Recognition of HMRC settlement liability           | (585.0)              | –          |             |                      |
| Other                                              | (447.9)              | (102.0)    |             |                      |
| (Loss)/profit before tax                           | (842.6)              | 102.9      |             |                      |
| Tax                                                | (36.1)               | (70.0)     |             |                      |
| (Loss)/profit after tax from continuing activities | (878.7)              | 32.9       |             |                      |
| Discontinued operations                            | (57.8)               | (13.4)     |             |                      |
| (Loss)/profit after tax                            | (936.5)              | 19.5       |             |                      |

## NGR and Revenue

Group NGR and revenue were +11% ahead of last year and the same on a constant currency basis<sup>2</sup>, with Online NGR +12% and Retail NGR +9% year on year. Further details are provided in the Financial Performance Review section.

Underlying operating profit<sup>6</sup>

The Group reported underlying operating profit<sup>5</sup> of £641.8m, +18% ahead of 2022 (2022: £541.8m). Underlying EBITDA<sup>5</sup> was +1% ahead, with the increase in revenue offset by additional taxes, particularly in Australia, and increased operating costs largely associated with acquired businesses and inflation. Depreciation and amortisation was -27% higher than 2022 driven by depreciation on acquired businesses as well as on our recent investment in product and technology. The Group's share of BetMGM losses in the period were £42.0m, £152.1m lower than 2022 as the business continues on its path to profitability. Analysis of the Group's performance for the period is detailed in the Financial Performance Review section.

## Financing costs

Underlying finance costs of £229.4m excluding separately disclosed items of £1.0m (2022: £5.7m) were £144.7m higher than 2022 driven by interest on the Group's new \$1bn USD term loan, which was raised in Q4 of 2022, increased drawdowns on the Group's RCF and the impact of the increase in global interest rates.

Net gains on financial instruments, driven primarily by a foreign exchange gain on re-translation of debt related items, were £32.5m in the period (2022: £135.3m loss). This gain is offset by a foreign exchange loss on the translation of assets in overseas subsidiaries which is recognised in reserves and forms part of the Group's commercial hedging strategy.

## Separately disclosed items

Items separately disclosed before tax for the year amount to £1,287.5m (2022: £218.9m) and relate to the Deferred Prosecution Agreement ("DPA") with the Crown Prosecution Service of £585.0m (2022: £nil), £254.6m of amortisation on acquired intangibles (2022: £116.9m), corporate transaction costs of £17.8m (2022: £23.9m), restructuring costs, including the initial costs of Project Romer, of £49.7m (2022: £11.8m) and legal and onerous contract costs of £17.6m (2022: £8.1m) primarily relating to the legal costs associated with the HMRC investigation. The Group also recorded a £1.0m loss on disposal of assets (2022: £1.0m), £71.8m on movements in fair value of contingent consideration (2022: £1.0m income), primarily relating to discount unwind on Tab NZ consideration, and £1.0m in financing costs (2022: £5.7m).

In addition, the Group has also recognised an impairment charge of £289.0m during the current year (2022: £7.0m) with impairments recognised against our Australian business of £190.0m, our closed B2C operations in Unikrn and Africa of £78.1m, and smaller impairments against our ROI Retail business, closed shops and offices in the UK and our Totolotek business in Poland of £20.9m.

The charge which has arisen in the Group's Australian CGU is a result of the impact of ongoing increases in the rate of Point of Consumption tax across certain states and a forecast decline in Australian revenues in 2024 as a result of a reduced market outlook.

Our Australian business continues to be profitable and strategically important. Post the annualisation of the tax increases and stabilisation of local market conditions, we expect our Australian business to return to growth.

During the prior year, the Group also recognised a £45.5m charge in respect of the repayment of amounts received under the Governments Covid Furlough scheme.

|                                                    | 2023<br>£m       | 2022<br>£m     |
|----------------------------------------------------|------------------|----------------|
| <b>Separately disclosed items</b>                  |                  |                |
| Legal settlement                                   | (585.0)          | –              |
| Amortisation of acquired intangibles               | (254.6)          | (116.9)        |
| Impairment                                         | (289.0)          | (7.0)          |
| Corporate transaction costs                        | (17.8)           | (23.9)         |
| Restructuring costs                                | (49.7)           | (11.8)         |
| Legal and onerous contract costs                   | (17.6)           | (8.1)          |
| Loss on sale of assets                             | (1.0)            | (1.0)          |
| Movement in fair value of contingent consideration | (71.8)           | 1.0            |
| Other including financing                          | (1.0)            | (5.7)          |
| Furlough repayments                                | –                | (45.5)         |
| <b>Total</b>                                       | <b>(1,287.5)</b> | <b>(218.9)</b> |

#### Profit/(loss) before tax

The Group's profit before tax<sup>5</sup> and separately disclosed items was £444.9m (2022: £321.8m), a year-on-year increase of £123.1m with the growth in underlying EBITDA<sup>5</sup>, a decrease in BetMGM losses and a gain on foreign exchange partially offset by the increase in depreciation and amortisation and interest. After charging separately disclosed items, the Group recorded a pre-tax loss from continuing operations of £842.6m (2022: £102.9m profit), with the separately disclosed costs discussed above having a significant impact on the reported results.

#### Taxation

The tax charge on continuing operations for the period was £36.1m (2022: £70.0m), reflecting an underlying effective tax rate pre-BetMGM losses and foreign exchange gains on external debt of 23.0% (2022: 15.4%) and a tax credit on separately disclosed items of £69.7m (2022: charge of £27.9m).

#### Discontinued operations

During the current year, the Group recorded a £57.8m (2022: £13.4m) loss in discontinued operations relating to its former Intertrader business which was disposed of in November 2021. The loss recorded primarily reflects legal costs associated with historic matters as well as a provision for a potential settlement with former owners of part of the business following a long running legal dispute.

**Cash flow**

| Year Ended 31 December                                              | 2023<br>£m | 2022<br>£m |
|---------------------------------------------------------------------|------------|------------|
| Cash generated by operations                                        | 810.0      | 846.9      |
| Corporation tax                                                     | (137.3)    | (106.1)    |
| Interest                                                            | (224.6)    | (100.6)    |
| Net cash generated from operating activities                        | 448.1      | 640.2      |
| Cash flows from investing activities:                               |            |            |
| Acquisitions & disposals                                            | (1,315.4)  | (738.6)    |
| Cash acquired/(disposed)                                            | 87.9       | 29.9       |
| Dividends received from associates                                  | 9.6        | 3.6        |
| Capital expenditure                                                 | (259.9)    | (212.0)    |
| Investment in Joint ventures                                        | (40.7)     | (175.1)    |
| Purchase of investments                                             | (3.1)      | –          |
| Net cash used in investing activities                               | (1,521.6)  | (1,092.2)  |
| Cash flows from financing activities:                               |            |            |
| Equity issue                                                        | 589.8      | –          |
| Net proceeds from borrowings                                        | 1,780.3    | 838.4      |
| Repayment of borrowings                                             | (1,428.6)  | (271.8)    |
| Subscription of funds from non-controlling interest                 | 350.5      | 174.3      |
| Settlement of financial instruments and other financial liabilities | (279.9)    | 8.7        |
| Repayment of finance leases                                         | (68.5)     | (83.0)     |
| Equity dividends paid                                               | (106.9)    | (50.0)     |
| Minority dividends paid                                             | (7.4)      | –          |
| Net cash used in financing activities                               | 829.3      | 616.6      |
| Foreign exchange                                                    | (13.7)     | 6.8        |
| Net (decrease)/increase in cash                                     | (257.9)    | 171.4      |

During the period, the Group had a net cash outflow of £257.9m (2022: inflow of £171.4m).

Net cash generated by operations was £810.0m (2022: £846.9m) including £1,007.9m of underlying EBITDA<sup>5</sup> (2022: £993.2m) and a working capital inflow of £601.8m largely due to payments not having started on the DPA (2022: £45.9m) offset by separately disclosed items that are reported in operating activities of £741.9m (2022: £96.0m) including the DPA but excluding items charged to depreciation, amortisation and impairment as well as a £57.8m loss on discontinued operations (2022: £13.4m). Included within working capital is a £29.7m outflow for balances held with payment service providers as well as customer funds, which are net debt neutral (2022: £47.9m).

During the period £137.3m was paid out in relation to corporate taxes (2022: £106.1m) with a further £224.6m paid out in interest (2022: £100.6m).

Net cash used in investing activities for the period was £1,521.6m (2022: £1,092.2m) and includes cash outflows for acquisitions of £1,315.4m (2022: £738.6m), net investment in capital expenditure of £259.9m (2022: £212.0m), an additional £40.7m invested in BetMGM (2022: £175.1m) and £3.1m of other investments (2022: £nil). These outflows were partially offset by cash acquired with acquisitions of £87.9m (2022: £29.9m) and dividends received from associates of £9.6m (2022: £3.6m).

During the period the Group received a net £829.3m (2022: £616.6m) from financing activities. £589.8m was raised through the equity issuance (2022: £nil) with a further £1,780.3m through new financing facilities (2022: £838.4) which were used, in part, to repay £1,428.6m of debt (2022: £271.8m) including £400m against the Group's retail bond. During the period, the Group also received £350.5m from minority holdings to meet their obligations under the Supersport earn-out and STS acquisition. These amounts are recorded in non-controlling interests (2022: £174.3m for the acquisition of SuperSport). £279.9m was paid on settlement of other financial instruments and liabilities, primarily relating to contingent consideration on previous acquisitions. In the prior year, the Group received £8.7m on the settlement of other financial instruments and liabilities as a result of the receipt of £41.6m on the partial settlement on a number of swap arrangements, partially offset by contingent consideration payments. Lease payments of £68.5m (2022: £83.0m) including those on non-operational shops, were made in the period.

During the period, the Group also paid £106.9m in equity dividends (2022: £50.0) and £7.4m in dividends to the minority interest in Entain CEE (2022: £nil).

## Net debt and liquidity

As at 31 December 2023, adjusted net debt<sup>7</sup> was £3,290.9m and represented an adjusted net debt<sup>7</sup> to underlying EBITDA<sup>5</sup> ratio of 3.3x (3.1x proforma<sup>3</sup>). The Group has drawn down £295m on the revolving credit facility at 31 December 2023 (2022:£nil).

|                                                   | Par value<br>£m | Issue costs/<br>Premium<br>£m | Total<br>£m |
|---------------------------------------------------|-----------------|-------------------------------|-------------|
| Term loans                                        | (3,420.5)       | 64.8                          | (3,356.4)   |
| Interest accrual                                  | (1.6)           | –                             | (1.6)       |
|                                                   | (3,422.1)       | 64.8                          | (3,358.0)   |
| Cash                                              |                 |                               | 400.6       |
| Net debt                                          |                 |                               | (2,957.4)   |
| Cash held on behalf of customers                  |                 |                               | (196.8)     |
| Fair value of swaps held against debt instruments |                 |                               | (85.6)      |
| Other debt related items*                         |                 |                               | 224.8       |
| Lease liabilities                                 |                 |                               | (275.9)     |
| Adjusted net debt                                 |                 |                               | (3,290.9)   |

\* Other debt related items include balances held with payment service providers, deposits and other similar items

## Refinancing

On 1 March 2024, the Group raised an additional £300m of borrowings under a bank loan facility and used the proceeds to repay all amounts drawn under the Group's revolving credit facility. Concurrently, the commitments available under the Group's revolving credit facility (disclosed in Note 36) were increased by £45m further increasing the Group's available liquidity. As such, the Group's revolving credit facility now has total commitments of £635m which, as at 1 March 2024, was completely undrawn save £5m carved out for letters of credit and guarantees.

## Going Concern

In adopting the going concern basis of preparation in the financial statements, the Directors have considered the current trading performance of the Group, the financial forecasts and the potential impact of various uncertainties. In addition, the Directors have considered the impact of all matters discussed in connection with the long-term viability of the Group, including the modelling of 'severe but plausible' downside scenarios such as legislative changes, data privacy and cybersecurity breaches.

Given the level of the Group's available cash, the recent performance of the Group, the forecast trading facilities (see Note 36) and the forecast cash flows, the Directors have concluded that the Group and the Company are well placed to manage the risks and uncertainties that it faces. As such, the Directors have a reasonable expectation that the Group and the Company will have adequate financial resources to continue in operational existence, for at least 12 months (being the going concern assessment period) from date of approval of the financial statements, and have, therefore, considered it appropriate to adopt the going concern basis of preparation in the financial statements.

## Notes

- 2023 and 2022 statutory results are audited, with the tables presented relating to continuing operations and including both statutory and non-statutory measures.
- Growth on a constant currency basis is calculated by translating both current and prior year performance at the 2023 exchange rates.
- Proforma references include all 2022 and 2023 acquisitions as is they had been part of the Group since 1 January 2022.
- Contribution represents gross profit less marketing costs and is a key performance metric used by the Group, particularly in Online.
- EBITDA is earnings before interest, tax, depreciation and amortisation, share based payments and share of JV income. EBITDA is stated pre separately disclosed items.
- Stated pre separately disclosed items.
- Adjusted net debt excludes the DPA settlement of £585.0m. Leverage also excludes any benefit from future BetMGM EBITDA or the payments due to acquire the minority interests in Entain CEE.

## Statement of Directors' responsibilities in respect of the Annual Report and the Financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

The Directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards and applicable law and have elected to prepare the parent Company financial statements in accordance with FRS 101 Reduced Disclosure Framework.

In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so; and
- prepare financial statements which give a true and fair view of the state of affairs of the Group and the parent Company and of the profit or loss of the Group and the parent Company for that period.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Isle of Man Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

### Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

#### Rob Wood

Chief Financial Officer & Deputy Chief Executive Officer

07 March 2024

# Enterprise Risk Management

## Managing Risks

### Risk Management Governance

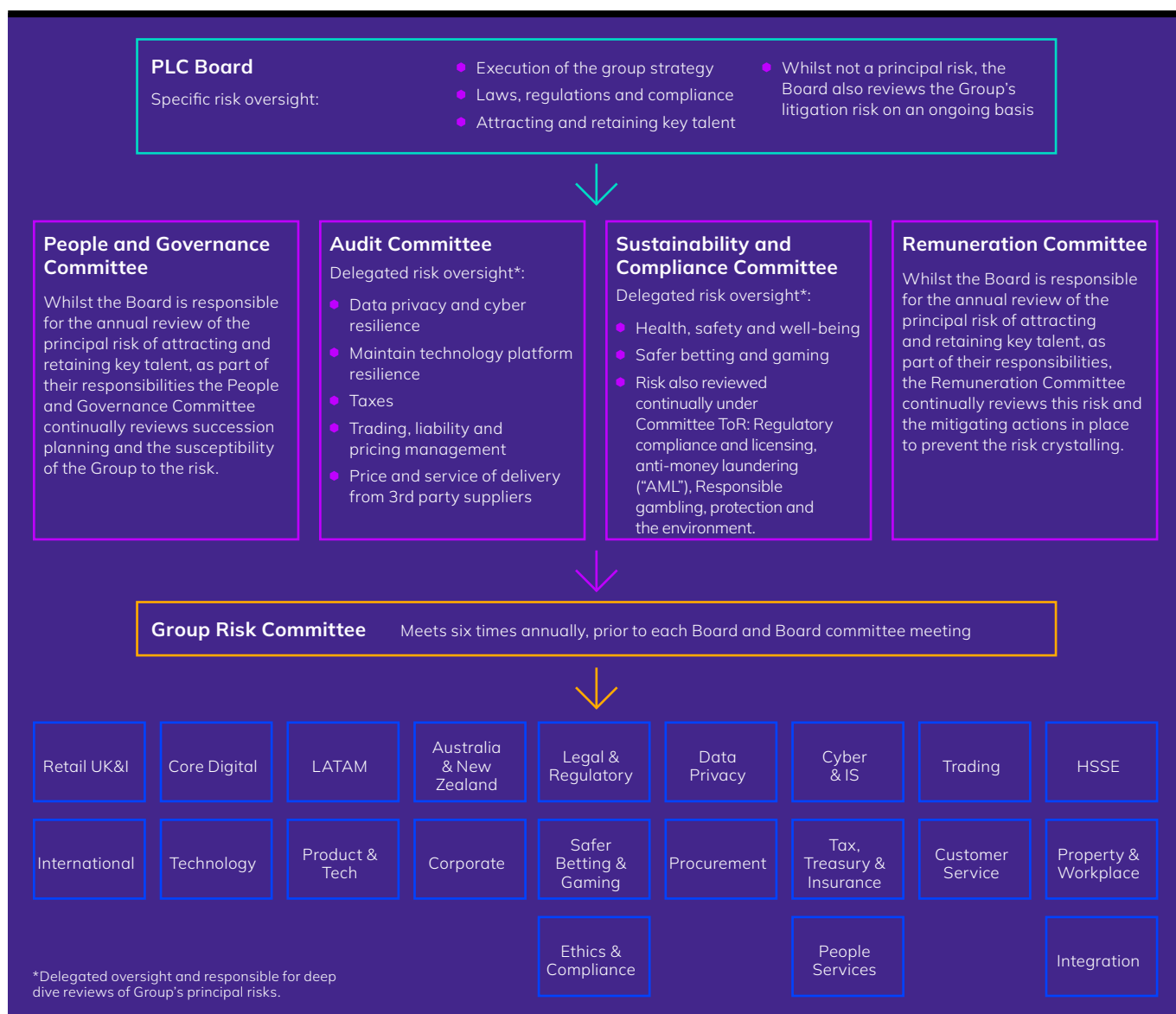
The Board has established and reviewed procedures to manage risk, oversee internal control systems and determine the nature and extent of the most significant risks the Company is willing to take in order to achieve its long-term strategic objectives.

Our Enterprise Risk Management (ERM) process supports the Board to establish a “bottom up” view of its most significant and emerging Group risks, which are presented to the Committees of the Board and where required, directly to the Board in thematic risk reviews throughout the year by the Risk Owners, using a consistent format Risk Dashboard.

The Risk Dashboard highlights whether strategic objectives can be met in the current context and indicates how much action is needed to further manage the risks to an acceptable level. If objectives cannot be met, oversight Committees are asked for additional resources to manage the risks, or, if no additional resources are made available, whether they wish to formally accept the risk exposure or change objectives. This process embeds risk appetite decision-making at the appropriate levels of the Company, with outcomes noted and communicated back to the Risk Owners who can then take action to manage risks accordingly.

The Board retains ultimate responsibility for the management and oversight of risk and considers a “top-down” view of the significant and emerging Group risks obtained through the “bottom-up” ERM process, from this, it establishes the Principal Risks to the Group and considers the likelihood of the Principal Risks occurring and whether risks emerging over three-, five- and ten-year horizons require deep dives.

During 2023, we re-structured the Group Risk Committee, which now meets six times a year in cadence with our other Board Committees and Board meetings. The Group Risk Committee is scheduled to precede and feed into Committee and Board meetings where possible, so that risk information is current and overseen on a timely basis.



## Risk Strategy

At Entain, we are committed to active and effective risk management, creating, and protecting value to the organisation and helping us deliver on our strategic priorities, managing threats, exploiting opportunities, and building resilience. We support risk taking where it is forecast to generate returns for the business and manage this in line with our values and ethics.

### Definition: Risk

We define risk as “the effect of uncertainty on the ability of Entain to achieve its objectives”. Risks can be either opportunities (upside) or threats (downsides), and we assess and manage both.

### Definition: Risk Management

Risk management is doing something to take charge of and change those uncertainties that matter most across the company. Enterprise Risk Management (ERM) are the co-ordinated activities to direct and control the organisation with regard to risk.

Effective risk management supports us to meet our corporate objectives, it helps us to make risk-based decisions so that we operate with fewer shocks and allocate resources in line with our risk appetite.

### Our Risk Management Principles:

- 1** Tailor an enterprise risk management system that improves performance, encourages innovation, and supports the achievement of our objectives.
- 2** Integrate and align risk management across different strategic, functional, and operational disciplines, such as budgeting, compliance, finance, health and safety, IT, security, and so on.
- 3** Embed risk management as an integral part of the way we manage our business, people, and teams across all our operations.
- 4** Proactively manage our risks in our fast-changing business environment, updating and continuously improving our risk information to support decision making at all levels.

### Management Process

We work together to use modern risk management methods (and Entain's four-step model in figure 1 below) as an integral part of our day-to-day decision making across our entire organisation, minimising threats to the delivery of our strategy, and maximising opportunities.

## Our risk landscapes

### Current risks

Risks we are managing now that could stop us achieving our strategic objectives.

### Emerging risks

Risks with a future impact from external or internal opportunities or threats. These can be slow moving, as well as rapid velocity.

### What we assess

- **Risk ownership:** each risk has a named owner
- **Impact versus Action:** globally applied scale measuring the amount of action required to manage the risk to an acceptable level
- **Critical controls:** subject to internal audit review and monitoring
- **Current risk:** after existing controls
- **Risk acceptance:** if the risk is acceptable with the current controls or if additional actions are needed to manage the risk to an acceptable level.
- **Risk appetite:** defined at risk level
- **Actions:** identify further actions if required, with action owners and due dates

### Our bottom-up registers

The bedrock of our risk assessment. Owned by functions and super-regions, they identify, analyse, and evaluate risks and mitigating controls arising from day-to-day operations globally.

### Our significant risk dashboards

The main output of our risk assessment. Owned by functions and super-regions, they highlight the significant threats and opportunities via our 'impact versus actions' scales and subsequent controls needed to mitigate the threats and exploit the opportunities arising from day-to-day operations globally. They include a description of the risk, reference which corporate objectives are exposed to the risk, and what additional support and decisions are needed to manage the risk to an acceptable level. The Dashboards are used to make effective, risk-based decisions on allocation of resources.

### Risk categories we assess

As part of the ERM process, we assess against the following impacts criteria:

- Financial
- Operational
- Reputation / Brand
- Legal / Regulation
- Health & Safety

Figure 1: Entain's Risk Management Process – four-steps



## Risk Management

Whilst our Board owns and oversees our ERM programme, risk management accountability and responsibility are embedded throughout our organisation:

- Our first line of sight to our risks is through our Colleagues, who have responsibility to manage day-to-day risks in their own areas, they have the insight to risk that comes from experience and knowledge. The ERM process engages with the first line in all four steps of the ERM process defined in Figure 1. The first line is guided by Group policies, procedures, control frameworks and risk appetite. Local management, and ultimately the Executive, ensure that risks are managed and carried out according to these frameworks.
- The second line of sight is provided by our advisory support teams who specialise in areas such as ERM, Compliance, Cyber Security, Legal and HSSE. These advisory support teams review the controls implemented by the first line and advise whether the controls are adequate, they form a holistic view of risk across the Group and capture and escalate risks that could fall through silos, supporting and encouraging foresight of risk. This risk foresight is captured by the ERM and management teams, who review each risk register and dashboard on a regular basis, culminating in review by the Group Risk Committee, which then escalates significant risks to other Committees and the Board to fulfill risk oversight.
- The third line of sight is through independent Internal and external audit, who provide assurance over the effectiveness of critical controls, which is provided through internal audits, supplemented by reports from external assurance providers. We use this hindsight to adjust our controls in the light of audit recommendations.
- Entain's Group Code of Conduct and Whistleblowing Policies, in addition to our controls framework, are in place to promote and aid us to 'Do what's right'. Annually the Audit Committee reviews the adequacy and effectiveness of the Company's policies, which sets our tone for desired risk culture.

## 2023 Key Achievement The secret animal #3 is an

### Robust Governance

A key cornerstone towards robust governance was accomplished, including the deployment of a new risk policy, framework, governance forums, and assurance checks. We:

- Completed the ERM management system design and approval
- Began implementation of our ERM system through over 50 sessions of risk management training and workshops, with work ongoing into 2024 to implement in our Super Regions, giving a much clearer view of the company's most significant risks.
- Reviewed and updated Entain's risk scoring criteria, establishing new risk matrix covering 'Impact vs Actions' as a modern approach to ERM, ensuring focus on what can be done about the risk is embedded in our day-to-day risk management "bottom-up" process.
- Delivered new format risk registers, allowing the identification of key controls and monitoring of actions needed to put further controls in place.
- Delivered new Significant Risk Dashboards and presented to the risk oversight Committees and Board during the year, facilitating decisions on risk appetite, required actions and resource allocation.

### Horizon scanning (emerging risks)

We enhanced our process for identification, analysis, and evaluation of emerging risks, informed by functions, divisions, super-regions, subject matter experts and leadership, to provide a Group-wide view. In 2023, we undertook a series of workshops across our risk landscape to provide a deeper exploration of our emerging threats and opportunities and come to a consensus on our response. As such, the exercise to understand potential emerging risks has been carried out during each initial risk workshop, looking at risks that may occur over 3-, 5-, and 10-year time horizons. In analysing the data, common themes have become apparent, which have been developed to display and better understand the information regarding emerging risks.

### Risk aware culture

Our ERM team led the establishment and implementation of our refreshed approach to Enterprise Risk Management, which is aligned with the international risk standard ISO 31000. During 2023, we have progressed a consistent approach across our business through training, engagement, and application of our new ERM toolkit.



A positive risk aware culture was achieved, with colleagues at all levels of our organisation to deliver risk management as an integral part of their day-to-day activities. We do this by:

- Developing a compelling narrative on the benefits of effective risk management across the Group.
- Delivering targeted foundation of risk management training.
- Undertaking specific risk workshops for each function and region, the culmination being a robust risk register and dashboard highlighting those risks which we deem significant.
- Collaborative working across the Groups functions and super-regions utilising the expertise of external insight.
- Articulating risks so they can be clearly understood so decisions are made on a more informed basis.
- Embedding the consideration of risk appetite through our risk prioritisation tool which indicates whether risks are deemed to be at acceptable levels. These tools are used in our first lines and reviewed at oversight Committees and Board. Embedding risk appetite in our ERM process has improved our ability to talk about risk appetite as part of our risk culture.

### How risks are measured

As part of the ERM process, the risks identified are assessed against a defined set of criteria using an 'Impact versus Action' matrix which assesses both the impact to the business and the actions required to bring those risks within Entain's risk appetite. In assessing 'impact versus action' we assess the risk against financial performance, operational processes, legal and PR and health, safety, and security. In particular:

- The impact of each risk is measured with reference to the financial implications (underlying EBITDA and cash), its potential operational impact (including the security of our data), the effect on the reputation of our brands and whether it affects our commitment to health, safety, security, and well-being.
- The impact is measured on a scale, from 'very low', with limited damage to a minor stakeholder, and 'very high' being severe, which may have a substantial impact on the Group affecting many key stakeholders, including customers. The action is measured from a range of no action required to many actions needed and additional resource required, also on a scale from 'very low' to 'very high'.

## Principal Risks

We consider principal risks to be those risks, or combination of risks, that, were they to materialise and not be effectively controlled, would cause material disruption to our business model, threatening future performance, solvency, liquidity, or our ability to deliver our strategy. Risks at this level are recorded on our Significant Group Risk dashboard. Group risks are considered, along with material emerging risks to define our Principal Risks.

During our periodic risk reviews, we confirmed that all principal risks reported in 2022 remain relevant except for **'Loss of Key Locations'**, which now forms part of **'Ensure Health, Safety, Security and Well-being of Employees, Customers, and Communities'** and **'Maintain Technology Platform Resilience'**. This is because a deep dive helped us understand that the most significant impacts of loss of key locations would be to our people or technology, and the controls for these risks will largely be managed in these areas.

One new principal risk has been identified, namely **Price and Service of Delivery from 3rd Party Suppliers** and added to the Group risk register in 2023.

The Groups Principal Risk for 2023 are:

### 01. Laws, Regulations, Licensing and Regulatory Compliance

Group General Counsel

Link to Strategic Objective:

- Organic Growth
- Margin Expansion
- US Market Growth

**Impact:** Very High

**Risk Oversight:** Board

#### Why this matters to us

We operate in complex regulatory, legislative, and fiscal environments, and have multiple licensing obligations, gambling and non-gambling laws and regulations, and tax regimes with which to comply. In addition, on a global basis, laws and regulations change frequently and it can be operationally challenging to keep pace with legislative or regulatory change, particularly if we need to adjust our operations or product offering at short notice.

As we expand into new markets or laws/regulations change, our compliance requirements expand, we need to build constructive relationships with regulators, and we are likely to need additional effort, resource and/or investment into our internal compliance and governance efforts.

In 2023, Entain entered into a deferred prosecution agreement (DPA) relating to historic bribery allegations in Turkey. All the above means that compliance efforts and having a strong, well-resourced compliance programme in place needs to remain a top priority.

#### How we respond

Our strategy is to operate only in regulated or regulating markets, which reduces our exposure to unregulated markets that may undermine player safety and pose other legal risks.

Our internal experts monitor for changes in legislation and regulation and develop policies, procedures, assurance programs, and training to enable us to adapt. They are engaged in due diligence when we engage new suppliers, onboard new customers, enter new markets or acquire new companies. All these efforts reflect the commitments to compliance in our Code of Conduct.

External legal expertise is sought when additional specialist support is necessary.

We will ensure that we comply with all the terms of the DPA and continue to co-operate with regulators as required.

### 02. Data Privacy and Cyber Resilience

Chief Product and Technology Officer;  
General Counsel

Link to Strategic Objective:

- Organic Growth
- Margin Expansion
- US Market Growth

**Impact:** Very High

**Risk Oversight:** Audit Committee

#### Why this matters to us

Our customers expect a great experience, including protecting their personal details, their privacy, their winnings and ensuring the integrity of our offering. Customers place a high value on their data and our customers' data by keeping it secure. In addition, personal data is subject to stringent data protection laws around the world, and we have compliance obligations in the jurisdictions in which we operate.

A data or security breach could impede our operations and impact our ability to serve customers and would undermine trust in our business and brands, and could lead to loss of customers, prosecution, litigation (including class actions), significant financial penalties and impact our share price.

#### How we respond

The Group has dedicated Cyber Security and Data Privacy functions entrusted with protecting the security and confidentiality of our customers and the company, whilst ensuring the availability of services and regulatory compliance.

The experts in our Cyber Security team constantly scan and adapt our defences to emerging cyber threats.

We operate to an ISO 27001 Information Security Management System certification, the Cyber Security controls and associated policies are constantly being evaluated, aligned, and applied, where deemed relevant across the enlarged Group.

The Data Privacy team, led by the Group's Chief Data Privacy Officer matures our privacy programme through designing policies and training, including on the use of AI, giving up to date advice to the business, ensuring standards of compliance, partnering with the Chief Data Officer and other key stakeholders to improve our data management practices and providing regular updates to the Group's Audit and Sustainability & Compliance Committees.

### 03. Taxes

Chief Financial Officer

Link to Strategic Objective:

- Organic Growth
- Margin Expansion
- US Market Growth

**Impact:** Very High

**Risk Oversight:** Audit Committee

#### Why this matters to us

The Group is subject to a wide range of taxes, duties, and levies in the countries where we operate. There may be adverse changes in tax rates, laws, or administrative practice.

The Group is geographically diverse and there are complex tax regimes for the betting and gaming sector. Tax authorities may have a different interpretation to the Group regarding the scope and scale of taxation. These factors mean the levels of taxation to which the Group is exposed to may change in the future, and we may become liable for tax payments greater than the amounts in our filed tax returns.

#### How we respond

The Group's tax strategy is approved annually by the Board of Directors. Responsibility for the execution of the Group's tax strategy is delegated to the Chief Financial Officer who reports the Group's tax position to the Audit Committee and Board on a regular basis.

To mitigate tax risks that arise, the Group actively identifies, evaluates, manages, and monitors its tax risks.

The Group has an appropriately qualified and resourced tax team to manage its tax affairs.

In addition, where there is significant uncertainty or complexity in relation to a tax risk, the Group may use the services of external, expert tax advisors.

### 04. Price and Service of Delivery from 3rd Party Suppliers

Chief Financial Officer

Link to Strategic Objective:

- Organic Growth
- Margin Expansion
- US Market Growth

**Impact:** Very High

**Risk Oversight:** Audit Committee

#### Why this matters to us

We are dependent on certain Third Parties to deliver key products and services. Some of our core capabilities are supplied by small, specialist providers, which include content providers who stream live events to our shops, results and other key data providers, League proprietors, industry bodies, and suppliers that ensure security and resilience of our locations and systems. Other key Third Parties include large technology and software suppliers which hold dominant market positions.

Key suppliers could raise prices, become financially unstable or deny services which would limit the variety of gaming we can offer, leading to loss of revenue.

To ensure robust management of service delivery and value creation through the life of the contract will allow better management of growing risk/opportunity amplified by our expansion.

If suppliers are purchased by our competitors, access to services may be restricted or denied, or we may decide to withdraw from certain markets if they become uneconomical.

Conversely, Third Party providers may present acquisition opportunities for the Group.

#### How we respond

Strategic and critical suppliers are subject to regular business and quality reviews to ensure ongoing relationship and performance management.

As part of our procurement processes, we employ dedicated resources supplemented by subject matter expertise within risk, compliance, legal and technology assurance to protect and enhance value, demonstrate our high standards of corporate integrity, and reinforce organisational resilience.

Where possible, we limit reliance on a single supplier to reduce the potential single point of failure. We proactively manage our relationships with our specialists and key providers.

Prices are subject to negotiation at the contracting stage, and we have deep industry expertise in our Procurement and Legal teams.

We maintain good relationships with Industry bodies and suppliers that keep our key locations and services running.

### 05. Trading Liability and Pricing Management

Chief Product and Technology Officer

Link to Strategic Objective:

- Organic Growth
- Margin Expansion
- US Market Growth

**Impact:** Very High

**Risk Oversight:** Audit Committee

#### Why this matters to us

The Group may experience significant losses because of a failure to determine accurately the odds in relation to any particular event and/or any failure of its price risk management processes. Some bets are complex and have an accumulator effect which could significantly impact the Group's profitability.

#### How we respond

We have some of the leading expertise in trading liability management in the Gaming sector.

The Group's trading team has developed the skills and systems to be able to offer a wide range of betting opportunities.

Events are priced to achieve an average return to the bookmaker over many events over the long-term.

The Group's gross win percentage has remained constant in recent years. Executive management monitor the gross win margin daily in order to ensure the long-term targets are achieved.

## 06. Attracting and Retaining Key Talent

Chief People Officer

Link to Strategic Objective:

- Organic Growth
- Margin Expansion

**Impact:** High

**Risk Oversight:** Board

### Why this matters to us

Our colleagues, their talents and skills are vital to helping our business succeed.

Attracting, retaining, and developing the best and diverse talent is key to the success of delivering our strategic priorities – our people really do make the difference.

Having clear leadership standards enabling a vibrant and inclusive organisational culture allows colleagues to do their best work and excel. Providing an open and inclusive environment allows us to attract new and different talent to join Entain but also creates a culture people want to be a part of. By creating the right standards of leadership and setting clear expectations around performance we are able to respond to challenges and opportunities faster and more effectively and therefore deliver on our critical strategic objectives.

### How we respond

Everything we do is anchored to our clearly stated purpose, supported by our shared values and behaviours.

Our value of “do what’s right” underpins our commitment to setting the very highest standards for our people to adhere to.

Our leadership framework drives higher levels of leadership capability allowing us to attract and retain great talent. Our commitments and actions are monitored by the Executive Committee and the Board.

We are committed to ensuring all of our people have a safe place to work with the ability to raise any concern they may have.

We regularly seek employee feedback through our Your Voice survey and translate that into actionable plans to ensure high levels of engagement and retention.

We encourage and support diversity through Employee Resource Groups who help drive, support, and promote a focus on why diversity matters.

We actively promote the opportunity to grow a career at Entain through promotion but also lateral movement across the business, providing meaningful career progression.

## 07. Maintain Technology Platform Resilience

Chief Product and Technology Officer

Link to Strategic Objective:

- Organic Growth
- Margin Expansion
- US Market Growth

**Impact:** Very High

**Risk Oversight:** Audit Committee

### Why this matters to us

The Group’s operations are highly dependent on information systems and technology. Should we fail to maintain the stability and availability of our technology platforms, this could have a material impact on customer-facing products and customer experience, with adverse impacts to our brands, revenue, and market share.

Some of our technology is situated in locations which could be subject to physical threats.

### How we respond

Proactively, our strategy is to move to modern systems with higher levels of resilience where possible.

We are enhancing our reactive responses and provision of fall-back solutions should our technology platforms fail.

We monitor key global metrics on critical systems and platforms which identify any potential emerging issues on our brands or customer-facing technologies. When indications of vulnerability are detected, we escalate to resolve issues and create solutions.

Our in-house experts are adept in knowledge of our platforms, systems and coding and can create solutions adaptively.

## 08. Execution of the Group Strategy

Chief Executive Officer

Link to Strategic Objective:

- Organic Growth
- Margin Expansion
- US Market Growth

**Impact:** Very High

**Risk Oversight:** Board

### Why this matters to us

Our Group strategy establishes our direction and culture and sets us on a course of future growth through delivery of overarching corporate objectives.

The corporate objectives guide our business and team objectives and facilitates our colleagues to be aligned in delivering desired outcomes.

If we cannot understand or deliver our Group strategy, we risk wasted or fragmented effort, inefficient allocation of resources, strategic stagnation, and loss of competitive advantage.

### How we respond

Our refreshed Enterprise Risk Management process sets understanding and clarifying objectives as part of its first step, and all risks (both threats and opportunities) are identified in relation to their effect on objectives.

## 09. Ensure Health, Safety, Security and Well-being of Employees, Customers, and Communities

Chief Executive Officer and Group General Counsel

Link to Strategic Objective:

- Organic Growth
- Margin Expansion

**Impact:** Very High

**Risk Oversight:** Sustainability and Compliance Committee

### Why this matters

Failure to meet the requirements of the various domestic and international rules and regulations relating to the health and safety of our employees and our responsibilities and commitments towards customers and communities could expose the Company to material civil, criminal and/or regulatory action with the associated financial and reputational consequences.

While Entain is committed to high standards and strives to achieve zero harm in all that it does, it recognises that there is always the potential for safety or well-being related issues to arise in an operational business.

### How we respond

At Entain, we are committed to providing a safe work environment which promotes people's health, safety, security, and well-being. We want everyone to feel healthy and supported at work, and at home. We have plans for each discipline to ensure that we maximise the opportunities and manage threats specific to our business.

Our health, safety and security strategy is focused on continual improvement of safety performance to reduce the number and severity of work-related injuries whilst keeping our colleagues and places of work secure. This is underpinned by our HSSE assurance programme to ensure our risk management system is effective and that we keep our colleagues safe and secure.

Our well-being strategy is designed to help leaders and colleagues make positive changes to improve their physical, mental, and emotional health, in turn creating a better performing, energised and productive workforce. To achieve this, we provide tools, training, and targeted support to our colleagues.

The Group's Sustainability and Compliance Committee also oversees all aspects of Health, Safety, Security and Well-being practices.

## 10. Safer Betting and Gaming

Group General Counsel

Link to Strategic Objective:

- Organic Growth
- Margin Expansion
- US Market Growth

**Impact:** Very High

**Risk Oversight:** Sustainability and Compliance Committee

### Why this matters

Our Safer Gaming and Betting approach is central to our business. It is the cornerstone of our Sustainability Charter, and our most material ESG issue is to ensure market leading levels of player safety and protection. Failure to adequately protect our customers could result in customer harm, fines, and loss of license to operate in some jurisdictions.

### How we respond

We have developed our in-house tool, ARC™, and other forms of support and customer interventions to facilitate us to manage our safer gaming commitments.

Where risky behaviour is detected, we may offer a personalised gambling control tool, refer them for a chat with our player protection team, or suspend their account in real time.

ARC™ is an intelligent and innovative platform that uses behavioural insight and research, data science and analytics to assess risk in play, enabling us to identify, interact and intervene early with customers who show signs of gambling-related harm.

We have a range of initiatives in the area of player protection, including a \$5m academic research partnership with the Harvard Medical School, to understand the causes and consequences of problem gambling, and donating up to 1% of our GGY to the treatment of gambling related issues.

Our bonuses are calculated with reference to our Safer Gaming metric – to reach the threshold level for payout, minimum levels of completion of safer betting and gaming compulsory training modules must be achieved by our colleagues globally.

## Long-term viability statement

In accordance with provision 31 of the 2018 Corporate Governance Code, the Board and Directors have completed an assessment of the prospects and viability of the Entain Plc Group over a longer period than the 12 months required by the “Going Concern” provision.

The Directors have concluded that three years was an appropriate period for assessment, as this is aligned to the Group’s strategic planning process and is considered to be the period for which reliable estimates can be made for variations in both industry and customer dynamics, regulatory change, technological advancements and the economic backdrop in the betting and gaming industry taking into account the ever changing landscape.

The objectives of the strategic planning process are to further develop the businesses understanding of the markets in which it operates, assess the risks and opportunities facing the business and develop a Group-wide strategy and associated financial forecasts.

The Directors have utilised these strategic forecasts, the 2024 Board approved budget and the current financial position of the Group to assess the potential impact on viability of certain severe, but plausible, “risk events” arising which represent the crystallisation of the Group’s principal risks and uncertainties as identified on pages 83 to 86 of this Annual Report. The robust assessment conducted considered the Group’s revenue, EBITDA, operating profits, cash flows, risk management and controls, its current debt maturity and mitigating actions should baseline assumptions change.

The financial impact of the identified risk events has been assessed both individually and in combination and include:

- The impact of a change in the Group’s duty profile, including further changes in gaming taxes in key geographies.
- Significant changes in the regulatory environment/further focus on AML legislation and breaches in data privacy regulations
- Cyber and data privacy failings.
- Downturns in trading as a result of a failure to protect c

The Directors have also performed reverse stress tests to assess the level of liquidity and covenant headroom in the underlying forecasts as well as considering the broader economic landscape in forming their view on viability.

Based on the results of this analysis and the mitigating actions available to the business, the Directors confirm that they have a reasonable expectation that the Company will be able to meet its liabilities as they fall due over the three-year assessment period to December 2026.

The secret animal #5 is a



## Chairman's Governance Overview



“The Board remains confident about the Group's future and is committed to our strategy, our purpose and is highly focused on developing sustained and sustainable shareholder value”.

**J M Barry Gibson**  
Chairman

Entain continues to enhance its corporate governance practices and procedures to ensure the Board operates effectively and sets the right tone from the top. In 2023 a key focus for the Board has been managing its own succession and I was delighted to announce the appointment of Amanda Brown and Ricky Sandler, who joined the Board in November 2023 and January 2024 respectively. Amanda brings extensive commercial and human resource experience to us. Ricky knows our business extremely well and his focus will be on generating value for all shareholders.

We have also overseen the departure of two executive directors during the year, Jette Nygaard-Andersen and Robert Hoskin. Under Jette's leadership, Entain executed a strategic shift towards regulated or regulating markets and continued to improve its customer and product offering.

Robert stepped down as Chief Governance Officer in August having been with the Group since 2005. I would like to express my thanks to both Jette and Rob for their roles as directors and everything they have done for me personally and the Group more widely.

We have been hugely fortunate that Stella David agreed to take on the Interim Chief Executive role while we continue our search for a permanent replacement to Jette. Stella is an intensely commercial leader with a long track record of success across multiple industries. She has already made a significant impact refreshing the corporate strategy and sharpening management's focus on operational execution.

The strength and expertise of the Board members has allowed us to adjust quickly to these significant changes and I am thankful to Pierre Bouchut, who took on the role of Senior Independent Director, and Virginia McDowell, who replaced Stella as Chair of the Remuneration Committee. Further details regarding our continued search for Non-Executive Directors and our board succession planning appears in the People and Governance Committee report starting on page 101.

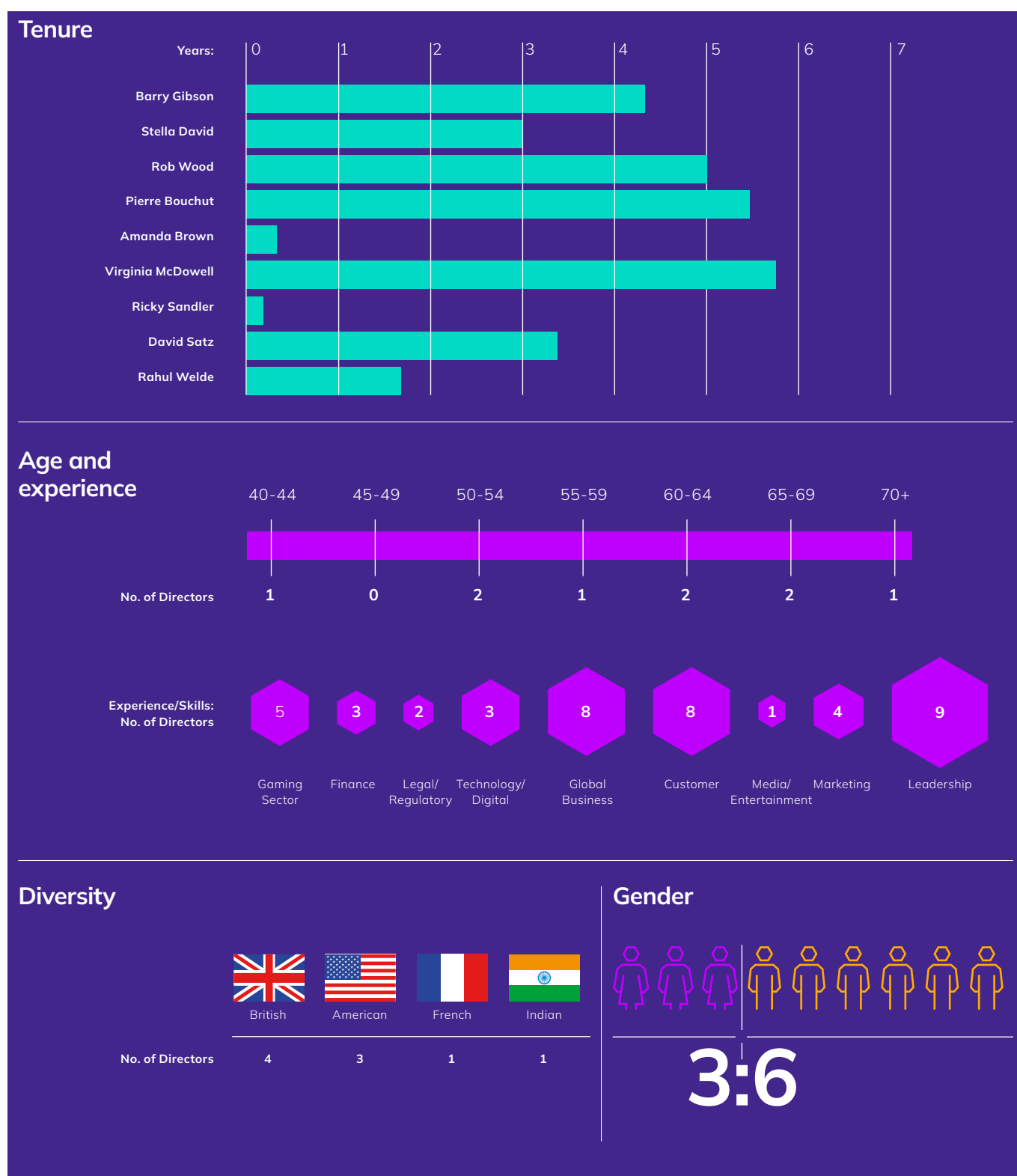
The Board established a new Capital Allocation Committee in February 2024, which will provide additional oversight over the Company's portfolio of assets, capital allocation and capital structure. I am the Chair of this Committee and I have been joined by Pierre Bouchut and Ricky Sandler.

The Board remains confident about the Group's future and is committed to our strategy, our purpose and is highly focused on developing sustained and sustainable shareholder value.

**J M Barry Gibson**  
Chairman

## Board of Directors

(as at 7 March 2024)



# Board of Directors

## Key:

**A** Audit Committee Member

**C** Capital Allocation Committee Member

**R** Remuneration Committee Member

**P** People & Governance Committee Member

**S** Sustainability & Compliance Committee Member

**A** Audit Committee Chair

**C** Capital Allocation Committee Chair

**R** Remuneration Committee Chair

**P** People & Governance Committee Chair

**S** Sustainability & Compliance Committee Chair

Committee membership details provided in these biographies are given as at the date of this Annual Report. For details of Committee membership during the financial year, see Committee reports on pages 101 to 112 and page 116.



## J M Barry Gibson

### Chairman

**Tenure:** Appointed to the Board November 2019 and became Chairman February 2020.

**Age:** 72 **Nationality:** British

**Committees:** **C** **P** **S**

**Biography:** Barry was previously a non-executive director of William Hill plc and bwin.party digital entertainment plc, where he was the senior independent director. Other listed company experience includes roles as the chairman of HomeServe plc, non-executive directorships of Somerfield plc and National Express plc and group chief executive of Littlewoods plc. He was formerly the group retailing director at BAA plc and non-executive chairman of Harding Brothers Holdings Ltd.

### Key strengths and experience:

Barry has enjoyed a distinguished business career and has a deep understanding of the gaming and retail sectors. He is an experienced leader and board member with valuable insight on improving company performance and transformation programmes. Barry continues to create a Board environment of constructive challenge and oversight.



## Stella David

### Interim Chief Executive Officer

**Tenure:** Appointed to the Board March 2021 and became Interim Chief Executive Officer December 2023. Senior Independent Director until December 2023.

**Age:** 61 **Nationality:** British

**Outside interests:** Non-executive director of Norwegian Cruise Line Holdings Ltd where she is also chair of the Nominating and Governance Committee and non-executive director of the privately-owned Bacardi Ltd.

**Biography:** Stella was previously CEO of William Grant & Sons, following more than 15 years with Bacardi Ltd. She was chair of C&J Clark Ltd (having previously acted as interim chief executive officer), non-executive director and senior independent director of HomeServe plc and non-executive director and remuneration committee chair at the Nationwide Building Society. Stella stepped down as a non-executive director and remuneration committee chair of Domino's Pizza Group plc and as a non-executive chair of the privately-owned Vue International following her appointment as Interim Chief Executive Officer of Entain plc.

### Key strengths and experience:

Stella is an intensely commercial leader with a long track record of success across multiple industries. She brings lengthy experience in management, consumer and regulatory environments, and marketing to the Board. Her non-executive roles in listed and privately owned companies give her a deep understanding of shareholder views and best practice standards of corporate governance, as well as enhancing the Board's ability to support and oversee the delivery of Entain's strategy.



## Rob Wood

### Chief Financial Officer and Deputy CEO

**Tenure:** Appointed to the Board as Chief Financial Officer March 2019; the role of Deputy CEO was added to his portfolio January 2021.

**Age:** 44 **Nationality:** British

**Biography:** Rob joined Entain in 2012 and worked in senior roles within finance, including as CFO of the Group's retail business. Prior to Entain, he was senior vice president at Cerberus Capital, overseeing the private equity firm's European portfolio companies and worked in restructuring advisory at Rothschild. Rob started his career at KPMG where he qualified as a chartered accountant and holds a degree in Mathematics and Management Studies from the University of Nottingham.

### Key strengths and experience:

Rob's financial expertise and deep knowledge of Entain's business make him uniquely placed to manage his wide-ranging portfolio as Chief Financial Officer and Deputy CEO, providing insight to the Board on commercial, financial and operational issues.



### Pierre Bouchut

**Independent Non-Executive Director & Senior Independent Director**

**Tenure:** Appointed to the Board September 2018 and became Senior Independent Director December 2023.

**Age:** 68 **Nationality:** French

**Outside interests:** Non-executive director and chairman of the audit committees at Pepco Group and GeoPost SA, a non-executive director and chairman of Profi Rom Food SRL, and a non-executive director of Rina Estate Italia SRL.

**Committees:**



**Biography:** Pierre was the chief operating officer for Europe at Koninklijke Aholddelhaize N.V. (2016-2018), chief financial officer at Delhaize Group Belgium (2012-2016), Carrefour SA (2009-2012), Schneider Electric Group (2005-2009), and CEO of Casino Group (1995-2003). He was also a non-executive director of Hammerson plc (2015-2021) and Firmenich SA (where he was also chairman of the audit committee) (2016-2023). Until it was acquired by KKR in 2022, he was the reference board member and chairman of the audit committee at Albioma SA. He has worked for Citibank, Bankers Trust and as a consultant with McKinsey.

#### Key strengths and experience:

Pierre has had a long career in senior executive and non-executive roles across finance, retail, logistics, information systems and property. His familiarity with the management of large, internationally listed companies gives him an extensive understanding of regulation, accounting standards and strategy, complementing his deep knowledge of corporate governance and audit committee practice. This broad experience makes him suited to chair Entain's Audit Committee and to act as its financial expert.



### Amanda Brown

**Independent Non-Executive Director**

**Tenure:** Appointed November 2023.

**Age:** 55 **Nationality:** British

**Outside interests:** Non-executive director and chair of the remuneration committee of Mitchells & Butlers plc and a non-executive director of Manchester Airport Group.

**Committees:**



**Biography:** Amanda is an experienced senior executive with a background in consumer facing organisations and financial services. She served as Chief Human Resources Officer of Hiscox during a period of significant growth and transformation for the organisation and she has also held executive roles within Whitbread Group, PepsiCo and Mars Inc. Amanda was a Non-Executive Director and Chair of the Remuneration Committee of Micro Focus International Limited, a multinational software and information technology business, before stepping down when the business was sold in 2023.

#### Key strengths and experience:

Amanda brings a wealth of experience in human resources, remuneration strategy and managing organisations through significant change. Amanda has relevant consumer facing experience. Given her extensive experience as a Remuneration Committee Chair, Amanda was appointed as Designate Chair of the Remuneration Committee at the time of her Board appointment and, subject to her election, will become Chair of Entain's Remuneration Committee following the AGM.



### Virginia McDowell

**Independent Non-Executive Director and Designated Workforce Director**

**Tenure:** Appointed June 2018.

**Age:** 66 **Nationality:** American

**Outside interests:** Vice-president of Global Gaming Women, a non-profit organisation with a mission to support, inspire and influence the development of women in the gaming industry through education and mentoring, and a trustee of St Louis University.

**Committees:**



**Biography:** Virginia was the president and CEO of Isle of Capri Casinos, Inc. in the United States from 2011 until her retirement in 2016, and the president and COO of Isle of Capri (2007-2011). Prior to this she was the chief information officer at Trump Entertainment Resorts (2005-2007) and senior vice president of operations. Virginia was the first woman to be inducted into the Mississippi Gaming Hall of Fame and in 2022 she was inducted into the American Gaming Association's Hall of Fame.

#### Key strengths and experience:

Virginia's 40-year career and accomplishments in the gaming sector have been recognised by a number of prestigious awards. Virginia has actively engaged with our stakeholders in her role as Designated Workforce Director. Throughout her career she has maintained a tireless focus on developing the next generation of women leaders in the gaming industry and this understanding of the diversity and regulatory challenges of the sector has greatly assisted the Board and the Sustainability & Compliance Committee.



### Ricky Sandler

**Non-Independent Non-Executive Director**

**Tenure:** Appointed January 2024.

**Age:** 54 **Nationality:** American

**Outside interests:** Chief Executive Officer and Chief Investment Officer of Eminence Capital, LP.

**Committees:**



**Biography:** Ricky founded Eminence Capital in 1999. Eminence is a USD6.5 billion global investment management organisation investing client capital across global financial markets. As Chief Executive Officer and Chief Investment Officer of Eminence, Ricky is responsible for setting the firm's strategic direction as well as directly managing its 20+ person investment team and diversified investment portfolio. Prior to launching Eminence, Ricky was co-founder and co-general partner of Fusion Capital Management, a firm that managed a long/short hedge fund focused on global equity securities. Prior to that he was a research analyst at Mark Asset Management, where he began his investing career in 1991. Ricky received a BBA in Accounting and Finance graduating with honours from the University of Wisconsin.

#### Key strengths and experience:

Ricky brings over 30 years of experience in analysing and investing in public companies with a wealth of perspective on ways to maximise long term shareholder value and institute strong corporate governance oversight at the board level. In connection with his appointment, the Company, Eminence Capital and Ricky have entered into a relationship agreement, including customary governance, standstill and voting provisions. A summary of the main terms of the agreement is available on the Company's website.



### David Satz

**Independent Non-Executive Director**

**Tenure:** Appointed October 2020.

**Age:** 64 **Nationality:** American

**Outside interests:** Member of the board of a commercial gaming and hospitality entity established by the Eastern Band of Cherokee Indians (EBCI) and a member of the board of Dreamscape Entertainment Integrated Resorts, Inc.

**Committees:**



**Biography:** David was senior vice president of Government Relations and Development for Caesars Entertainment Corporation in Las Vegas, where he worked from 2002 to 2019 and had responsibility for overseeing Caesars' government activities for more than 52 properties in 15 states in the US and several other countries around the world. Prior to this he spent 16 years at the US law firm Saiber Schlesinger Satz Goldstein LLC, where he had a particular focus on the gaming industry and played a key role in numerous regulatory and legislative initiatives throughout the US.

#### Key strengths and experience:

David brings to the Board an exceptional perspective on the US gaming sector as well as expertise in gaming regulatory law and policy as it impacts the Group worldwide. His extensive career in regulation and legislation has allowed the Board to benefit from his insight and knowledge as Entain seeks to execute its strategy to grow market share in the US through its BetMGM joint venture. His regulatory experience has also provided insight into the many regulatory, responsible gaming and compliance issues that the Group faces.



### Rahul Welde

**Independent Non-Executive Director**

**Tenure:** Appointed July 2022.

**Age:** 54 **Nationality:** Indian

**Outside interests:** Non-Executive Director of Pantheon International Plc. Chair of the Advisory Board of Migrant Leaders, a UK charity.

**Committees:**



**Biography:** Rahul spent over 30 years working with Unilever PLC, most recently in a global role as the Executive Vice President of Global Digital Transformation, building capabilities across the digital spectrum, including new business models, innovation, partnerships, processes and training. Previously, Rahul was Unilever's Regional VP Media for Asia, Africa, Middle East, Turkey and Russia. Throughout his career he has worked in a diverse range of roles across functions and categories. He has been active in industry bodies, including as the Regional Vice President for The World Federation of Advertisers and chairman of the Mobile Marketing Association, Asia.

#### Key strengths and experience:

Rahul brings a lifetime career of knowledge from the global fast-moving consumer goods sector. He has proven experience of leveraging digital technologies for the benefit of business. Rahul has deep expertise in media and marketing as well as in digital and transformation, leading large change programmes encompassing technology, processes and people.

## Summary of 2023

Details of progress and our deliverables on the key areas for focus set out in our last annual report are set out below:

| 2023 Goals                                                                                                                                                                                                       | 2023 Result                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Undertake a follow-up independent audit of the Group's governance and compliance processes, following on from the 2021 Alvarez &amp; Marsal review.</b>                                                       | Entain instructed PWC to carry out a comprehensive assessment of the overall design and efficacy of its compliance framework, with particular focus on gambling industry requirements and good practice. The review encompasses the following key elements: governance and tone from the top; risk assessment and response; policy and strategy; compliance culture and standards of behaviour; training and communications; procedure and control activities; issue reporting and management; monitoring and assurance; and the use of technology. The report is expected to be completed by the end of March 2024.                                                |
| <b>Continue to embed the evolved risk management programme throughout the business.</b>                                                                                                                          | The Enterprise Risk team have further developed the Enterprise Risk Management ("ERM") policy, manual, process, risk toolkit and programme during 2023. Our refreshed approach to ERM is creating a more 'risk aware' culture' and aligned to the international standards on risk management. We have undertaken formal risk training and workshops with all functions at Entain, the outputs of which have led to a more substantive risk register and significant risk dashboard, focussing on 'impact' and 'action' to support informed risk-based decisions.                                                                                                    |
| <b>Further develop the global Compliance and AML team structures, with further recruitment where required, and the alignment of acquired businesses with the Group's policies, procedures and risk appetite.</b> | <p>We conducted a comprehensive restructuring of the compliance organisation with consolidation of departments and alignment across our acquired businesses. We have also enhanced our capabilities with key hires and strengthened our compliance monitoring and assurance programme.</p> <p>We restructured and centralised the Anti-Financial Crime ("AFC") function to ensure it remains robust, sustainable and proportionate in managing and mitigating financial crime risks faced by Entain. We have also revised the organisational structure to ensure staff globally with financial crime responsibility, have a reporting line into Group AFC team.</p> |
| <b>Recruit a new Company Secretary.</b>                                                                                                                                                                          | We welcomed James Morris as Group Company Secretary in July.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Finalise a new strategy for ARC™ which provides a path of development for the next three years.</b>                                                                                                           | We continued to refine ARC™ during the year and worked with lived experience experts, academics and third party behavioural scientists to improve our player protection offering for customers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Progress the HMRC investigation towards a conclusion.</b>                                                                                                                                                     | <p>We reached final settlement of the HMRC investigation into our legacy Turkish-facing business and entered into a Deferred Prosecution Agreement ("DPA") with the Crown Prosecution Service that was approved by the Crown Court on 5 December 2023.</p> <p>Since the conduct giving rise to the DPA, the Group has undertaken a comprehensive review of its anti-bribery policies and procedures and has taken decisive action to significantly strengthen its wider compliance programme and related controls.</p>                                                                                                                                              |
| <b>Hold an Entain: Sustain update interaction in Q4.</b>                                                                                                                                                         | In December 2023, we held our annual Entain Sustain update event virtually, providing updates on several topics to our key stakeholders including investors, analysts, regulators, media, colleagues and customers. A report on this event can be found in our discussion on Board Leadership and Company Purpose on page 97.                                                                                                                                                                                                                                                                                                                                       |

## Governance Team

With Robert Hoskin's departure, Simon Zinger, our Group General Counsel, has taken over leadership of the Governance, Legal and Compliance function. Simon is a member of the Executive Committee and brings a wealth of experience and leadership to the team. He was instrumental in the resolution of the HMRC investigation and agreeing the terms of the DPA with the Crown Prosecution Service and has overseen significant organisational changes and improvements as the Company has continued to strengthen its governance and compliance standards and capabilities. Under Simon's leadership, the global Governance team is highly-engaged in supporting the Company's objectives and has focused on a number of unique initiatives such as complementing the Company's efforts in the area of Diversity & Inclusion, undertaking pro bono activities to support charities, and creating unique learning and development opportunities for team members. During the year we have continued to make good progress embedding our ERM framework (see page 79) and enhanced our global Compliance and AML team structures.

Our Head of International Compliance, Florian Sauer, has conducted a comprehensive restructuring of the compliance organisation with consolidation of departments and alignment across our recently acquired businesses. We have focused on pursuing and maintaining constructive relationships with all of our regulators, continued to enhance our capabilities with key hires, and strengthened our compliance monitoring and assurance programme.

We welcomed Karen Nightingale as Group Director of Ethics and Compliance at the beginning of the year. Under her leadership we have developed a three-year strategy to achieve our vision of a best-in-class Ethics and Compliance programme and have created a Charter that explicitly sets out the independence and authority of the Ethics and Compliance function required to implement the programme effectively. We have updated our approach to on-boarding vendors and suppliers in order to better identify and mitigate third party risk exposure and will continue to develop this going forward.

We have also appointed Edward Maguire as our new Group MLRO and Global Head of AFC as part of our commitment to combat financial crime. During the year we have developed a holistic Anti-Financial Crime Risk Management Programme with enhanced coverage, governance and reporting protocols. We have also created a centralised function to drive consistency of standards, whilst ensuring effective oversight and control.

We were also pleased to welcome James Morris as Group Company Secretary in July 2023.

## Regulatory Settlement

A key area of focus during 2023 was overseeing resolution of the HMRC's investigation in relation to the Group's legacy Turkish-facing business. The Board was proactively engaged throughout the process and has reviewed and challenged the work done to significantly strengthen the Company's compliance programme and controls. We are now a fundamentally different and profoundly changed Company and we can move forward with confidence as we concentrate on our future.

## Regulated Markets

On 12 November 2020, Entain announced a clear strategy for sustainability, growth and innovation. As part of that strategy, the Group made a commitment to only do business in countries where it had a local licence or those countries that were on a path to revise their laws and regulations, which would allow us to then apply for a domestic licence in the near to mid-term. Throughout 2023, the Group continued with this process by exiting its few remaining markets where there is no clear path to market liberalisation via domestic regulation.

Since 2020 the Group has closed its offering into more than 150 markets where we do not see the prospect of regulation allowing the Company to obtain a licence or find a locally-licensed operator to partner with on attractive commercial terms. We have also doubled the number of countries where we hold a licence and currently hold domestic licences in 34 markets and now hold licences in 26 US States. We remain active in only five small markets where we do not currently hold a domestic licence, and by the end of 2024 we will have either exited these markets or have obtained, or be in the process of obtaining, a domestic licence.

More specifically, in 2023, we obtained a licence to offer our bwin brand in Mexico and completed the acquisition of STS to enter the regulated market in Poland. We also announced an exclusive 25-year deal with the New Zealand TAB to provide licenced online sports betting services in New Zealand. At the end of the year, the Brazilian Government passed its long-awaited online gambling bill and we expect licences to be made available in 2024. In parallel, the Finnish Government also formally announced that it will dismantle its gambling monopoly and launch an open licensing system for online gambling in the next two years.

## Board and Committee Structure: Decisions, responsibilities and delegated authority

### Entain plc:

The Board must act with integrity and is collectively responsible for establishing the Company's purpose, values and strategy as well as overseeing the conduct of its business and promoting the long-term sustainable success of the Group, generating value for shareholders and contributing to wider society.

The Board sets the strategic direction of the Group, approves the strategy and takes appropriate action to ensure that the Group is suitably resourced to achieve its strategic aspirations.

The Board considers the impact of its decisions and its responsibilities to all its stakeholders, including colleagues, shareholders, regulators, customers, suppliers and the communities in which we operate.

The Board discharges its responsibilities directly or, in order to assist it in carrying out its function of ensuring effective independent oversight and stewardship, delegates specified responsibilities to its committees. Details of how the Board fulfilled its responsibilities in 2023, as well as key topics discussed and considered by the Board committees, can be found in this Directors' report.

#### Audit Committee

Oversight and review of financial reporting processes, the Group's system of internal control, including internal financial controls, the appropriateness and effectiveness of the enterprise risk management framework and principal risks and the work undertaken by Internal Audit and the Group's Statutory Auditor, KPMG.

 Read more: **pages 104 to 109**

#### Sustainability & Compliance Committee

Oversight and review of the Company's Sustainability and Compliance programme, the Company's relationships and engagement with a wide range of stakeholders, progress against internal KPIs and external Sustainability and Compliance index results. Furthermore, it ensures that the ESG Strategy remains fit for the future.

 Read more: **pages 110 to 112**

#### People & Governance Committee

Oversight and review of Board and executive succession, overall board effectiveness, workforce policies and practices and corporate governance issues.

 Read more: **pages 101 to 103**

#### Remuneration Committee

Oversight and review of the Group's overall remuneration strategy, including executive remuneration. Further maintains dialogue on remuneration related matters.

 Read more: **pages 116 to 117**

The secret instrument is a



#### Capital Allocation Committee

Oversight and review of the Group's portfolio of assets, capital allocation and capital structure.

#### Chairman's Committee

Provides the opportunity for the Chairman to discuss and consider topical ad hoc matters with the Non-Executive Directors without the Executive Directors being present. The topics discussed during the year have varied from performance and strategic related matters, including executive succession planning and shareholder feedback.

#### Interim Chief Executive Officer

The Interim Chief Executive Officer is responsible for the management of all aspects of the Group's business, developing strategy in conjunction with the Chairman and the Board, and leading its execution. The Board delegates authority for the operational management of the Group's business to the Interim Chief Executive Officer for further delegation in respect of matters that are necessary for the effective day-to-day operations and management of the business. The Board holds the Interim Chief Executive Officer accountable in discharging her delegated authorities.

#### Executive Committee

The Executive Committee comprises of the Interim Chief Executive Officer, Chief Financial Officer, Group Chief Commercial Officer, Chief Product & Technology Officer, Group General Counsel, Chief People Officer and Chief Investor Relations & Communications Officer. It supports the Interim Chief Executive Officer in the day-to-day management of the business and implementation of strategy.

#### Entain Leadership Team

Business Leaders who own delivery of business strategy and communications across the Group.

## Board composition, roles and attendance in 2023

The Chairman is committed to ensuring the highest standards of Board effectiveness. A key mechanism to drive this is the appropriate composition and balance of individuals.

The Board is comprised of a majority of independent directors, who provide an independent perspective, constructive challenge and monitor performance and delivery of the strategy within risk appetite and the controls set by the Board.

### The Chairman

#### J M Barry Gibson

##### Chairman

Provides effective leadership of the Board and promotes the highest standards of corporate governance practices.

Leads the Board in providing strong strategic oversight and setting the Board's agenda, culture and values.

Leads the Board in challenging management's thinking and proposals, and fosters open and constructive debate among Directors.

Maintains internal and external relationships with key stakeholders, and communicates shareholders' views to the Board.

Organises periodic monitoring and evaluation, including externally facilitated evaluation, of the performance of the Board, its committees and individual Directors.

Leads on succession planning for the Board and its committees, ensuring appointments reflect diverse cultures, skills and experiences.

### Executive directors

#### Stella David

##### Interim Chief Executive Officer

Leads and directs the implementation of the Group's business strategy, embedding the organisation's culture and values.

Leads the Group Executive Committee with responsibility for the day-to-day operations of the Group and financial performance.

Maintains relationships with key internal and external stakeholders including the Chairman, the Board, customers, regulators and shareholders.

Maintains responsibility and accountability for the Group's and its employees' compliance with applicable laws, codes, rules and regulations, good market practice and Entain's own standards.

#### Rob Wood

##### Chief Financial Officer and Deputy CEO

Supports the Group Chief Executive in developing and implementing the Group strategy and recommends the annual budget and long-term strategic plan.

Leads the Finance function and is responsible for effective financial reporting, including the effectiveness of the processes and controls, to ensure the financial control framework is robust and fit for purpose.

Maintains relationships with key stakeholders including shareholders.

Leads the Disclosure Committee to ensure the Group meets its disclosure and reporting requirements pursuant to the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules, as well as complying with UK Market Abuse Regulations.

### Senior Independent Director

#### Pierre Bouchut

##### Independent Non-Executive Director & Senior Independent Director

Supports the Chairman, acting as intermediary for Non-Executive Directors when required.

Leads the Non-Executive Directors in evaluating the performance of the Chairman, supporting the clear division of responsibility between the Chairman and the Chief Executive Officer.

Listens to shareholders' views if they have concerns that cannot be resolved through the normal channels. Leads an orderly succession process for the Chairman.

### Non-Executive Directors

Constructively challenge and contribute to the development and approval of Group strategy.

Challenge and oversee the performance of management.

Ensures that financial information is accurate and that both controls and the system of risk management are effective and robust.

Contribute to the assessment and monitoring of culture. Maintain internal and external relationships with the Group's key stakeholders.

# Board Leadership and Company Purpose

Over the year the Board focused on a strategy of growth and sustainability bringing moments of excitement into people’s lives. As we go into 2024 there has been a shift in strategy to deliver organic growth, EBITDA margin expansion and US market growth. The Board will continue to ensure the customer is at the heart of all we do as we continue to develop and provide market-leading player protection. The Board has also sought to promote our purpose and strategy and made decisions in the interests of all stakeholders, having considered the matters set out in s172 of the Companies Act 2006 (UK).

## Stakeholders

The Board has responsibility for leading the Group’s stakeholder engagement and considering the implications of key decisions on the Company and its stakeholders. The Board recognises that effective engagement with our stakeholders will drive long-term value creation, making Entain a company that people want to invest in, buy from, partner with and work for.

Entain has identified six stakeholder categories and our report on ‘Board activities’ provides an overview of how the Group’s key stakeholders are considered in Board discussions and deliberations as part of its decision making.

## Our People

Listening to and engaging our people is a key priority at Entain. We are committed to listening to employees across the globe to drive positive change throughout the organisation. We focus on this through our Employee Forums, Global Engagement Conference and global engagement survey.

Employee forums exist in many of the locations in which we operate. Our Employee Forums continue to be a key pillar of our employee listening and engagement strategy. The forums enable our people to discuss and agree how their teams connect with the Company purpose, strategy and values, as well as discussing topics that impact them and their colleagues.

Our UK & Ireland Retail Forums and UK & Gibraltar Office Forums host quarterly meetings where elected representatives come together to share feedback on all aspects of life at Entain. During these meetings they also hear updates from the business on topics ranging from company purpose, strategy and values to financial performance and operational initiatives.

Our Directors are encouraged to attend employee forums and during the year have attended listening sessions that provide feedback and insight into the realities of everyday working life at Entain.

As per our forum constitution, every two years we refresh our forums by electing new representatives. This election process was held in December 2023, and we now have a new forum team for 2024/25, who have been fully trained in readiness for their role.

## Employee Forum Global Conference

Our Global Engagement Conference invites employee engagement advocates to share their insights with the Board and Executive Committee. This year’s event was hosted on 31 January by Melanie Tansey, Chief People Officer, and was attended by Board members Virginia McDowell, our Designated Workforce Director, and Rahul Welde, and more than 40 employees representing 22 countries.

Attendees heard a business update which focused on our strategic direction, goals, culture and employee engagement. Following this, the group then had an open conversation with the Board on topics such as how to build engagement and trust, communication, diversity, equity & inclusion, goal setting, leadership, networking and recognition. A number of proposals were taken away by the representatives of the Board for further consideration.

A video recording of the Global Conference was posted on the Entain intranet to ensure all employees have an opportunity to watch the discussion.

## Employee Forum AGM

Each year the elected representatives from our forums come together with members of the Board and Executive Committee for the Forum AGM.

During this year’s meeting, each forum presented their main achievements during the year and had an open conversation with the Board. This meeting took place in January 2024. It was hosted by Melanie Tansey, Chief People Officer and welcomed 80 Forum Representatives to join two of our Directors, Virginia McDowell and Rahul Welde.

Key topics discussed included communications, company performance, customer feedback, leadership, listening and strategy. The meeting was an important opportunity to build connections between the Board and our employees.

## Shareholders

The Board receives feedback on shareholder views in different ways, including through the Chairman and executive management, who meet regularly with shareholders throughout the year, as well as an investor study compiled by an independent third party. Board members listen to results and trading updates held by the Group for analysts and institutional investors and can hear directly the questions and comments on Company performance.

The Chairman and Senior Independent Director held regular meetings with a variety of institutional investors to discuss the execution of strategy and delivering shareholder value. Key takeaways and feedback from shareholder meetings were shared with the rest of the Board.

In December 2023, we gave our annual Entain Sustain updates, providing a deep dive into key business developments that touch on the important ESG initiatives, including regulation and environmental progress. The update provided an overview of our double materiality assessment held throughout H1 2023 where key stakeholders including investors, analysts, regulators, business partners, customers and colleagues were given the opportunity to share their views. The process was fundamental in mapping Entain's material risks and opportunities, which underpinned the development of our new Sustainability strategy released during Entain Sustain in December. The new strategy focuses on four core areas:

- Being a market leader on player protection – providing industry leading customer protection through innovative features, customer support, communications and our culture.
- Provide a secure and trusted platform – lead on integrity in everything that we do. From having the highest ethical standards, to only operating in regulated markets, to having a high standard of data protection and cyber security.
- Create the environment for everyone to do their best work – to attract a broad and diverse audience from the inside out. To be an employer of choice, build an inclusive and supportive culture where talent from all backgrounds can thrive.
- Positively impact our communities – Play our role in limiting global warming to no more than 1.5 degrees and create a positive impact on our communities.

We developed this strategy to strengthen our sustainability leadership role and articulate our approach to focus actions across our business and value chain.

### AGM

All resolutions put to the 2023 Annual General Meeting received overwhelming support of those investors who voted, being approximately 80% of our shareholder base (slightly higher than the voting level of 77% in 2022). The results of the voting at all general meetings are published on our website: [www.entaingroup.com](http://www.entaingroup.com).

### Director meeting attendance for 2023

The Board had six scheduled meetings in 2023 and a further eleven ad-hoc meetings.

|                                | Scheduled Meetings attended | Meetings eligible to attend | Ad hoc Meetings | Ad hoc Meetings eligible to attend |
|--------------------------------|-----------------------------|-----------------------------|-----------------|------------------------------------|
| <b>Chairman</b>                |                             |                             |                 |                                    |
| Barry Gibson                   | 6                           | 6                           | 11              | 11                                 |
| <b>Executive Directors</b>     |                             |                             |                 |                                    |
| Stella David                   | 6                           | 6                           | 9               | 11                                 |
| Rob Wood                       | 6                           | 6                           | 10              | 11                                 |
| Jette Nygaard-Andersen         | 5                           | 5                           | 8               | 9                                  |
| Robert Hoskin                  | 2                           | 2                           |                 |                                    |
| <b>Non-Executive Directors</b> |                             |                             |                 |                                    |
| Pierre Bouchut                 | 6                           | 6                           | 10              | 11                                 |
| Rahul Welde                    | 6                           | 6                           | 9               | 11                                 |
| Virginia McDowell              | 6                           | 6                           | 10              | 11                                 |
| David Satz                     | 6                           | 6                           | 9               | 11                                 |
| Rahul Welde                    | 6                           | 6                           | 9               | 11                                 |
| Amanda Brown                   | 1                           | 1                           | 2               | 2                                  |

\* Directors are expected to attend all scheduled Board meetings. Where Directors are indicated as not having attended Ad Hoc Board meetings, this is attributable to pre-existing and unavoidable commitments, typically as a result of the short notice given. In each case the Director was provided with all Board papers and the opportunity to provide comments to the Chairman as appropriate.

Board Activities during 2023

During 2023, the Board remained focused on Entain’s strategic direction, financial performance, the implementation of safer gambling activities and controls, and progress with embedding the enterprise risk management framework.

The Board had six scheduled in-person meetings in 2023. In addition there were a further eleven videoconference meetings during the year concerning urgent matters such as the review and approval of M&A transactions, overseeing resolution of the HMRC’s investigation and entering into the Deferred Prosecution Agreement with the Crown Prosecution Services as well as receiving updates on trading.

Board meetings are a key mechanism for Directors to discharge their duties, notably under Section 172 of the Companies Act 2006 (UK). An overview of the Board’s discussions and how these considered the Group’s key stakeholders is set out below.

As an Isle of Man incorporated company, Entain is not subject to the reporting obligations under Section 172 of the Companies Act 2006 (UK). Nevertheless, the Board recognises the importance of effective governance and intends to operate in line with the UK reporting regulations.

The Group has complied with the principles and provisions of the 2018 UK Corporate Governance Code. During 2023 the People & Governance Committee was composed of a majority of independent members, in compliance with Provision 17. However, as we began 2024, the composition of this Committee changed (further details can be found on page 102) and the Committee now comprises the Chairman, two independent non-executive directors and one non-executive director. Whilst not strictly in adherence with Provision 17, the Board is of the view that the composition of the People & Governance Committee complies with the spirit of the Code given that it is comfortable that sufficient independent judgement is applied by the four Committee members to the consideration of appointments to the Board. The Board will keep this matter under review and address the matter of independence of the Committee as additional non-executive directors are appointed to the Board. The Code can be found on the FRC’s website at [www.frc.org.uk](http://www.frc.org.uk).

Key to stakeholders

S

Shareholders

Cu

Customers

TC

The Community

R

Regulators



Strategy

| Execution of Group Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | M&A Activity                                                                                                                                                                                                                                                                                                                                                                                                                 | Financial Plan                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <div>S C Cu TC R Su</div> <ul style="list-style-type: none"><li>Regular updates on priorities and improving capabilities for execution of core digital and retail business strategies.</li><li>Oversight of customer centric initiatives to better serve customers and enable moments of excitement.</li><li>Oversight and challenge to proposed steps and progress accelerating sportsbook product and platform enhancements.</li><li>Continued oversight of steps being taken to exit markets with no domestic licences.</li><li>Two-day session revising strategy around the three pillars of organic growth, EBITDA margin expansion and US market growth.</li><li>Deep Dives on the Retail segment, competitive landscape, marketing initiatives and value drivers of the Entain business.</li></ul> | <div>S C Cu R Su</div> <ul style="list-style-type: none"><li>Received regular updates on potential M&amp;A opportunities.</li><li>Reviewed and approved five M&amp;A transactions recommended by management.</li><li>Approved equity raise of £600m through a non-pre-emptive placing of new ordinary shares to institutional and retail investors to fund the acquisition of STS Holdings S.A (“STS”)<sup>1</sup></li></ul> | <div>S C Cu Su</div> <ul style="list-style-type: none"><li>Discussed and approved the three-year plan.</li></ul> |

1. Entain consulted with a number of its major institutional shareholders prior to the placing and has respected pre-emption principles through the allocation process in so far as possible.