Entain

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[1]

$2.0bn

+36% 2022: $1.4bn

Group Underlying EBITDA[2]

£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.

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.

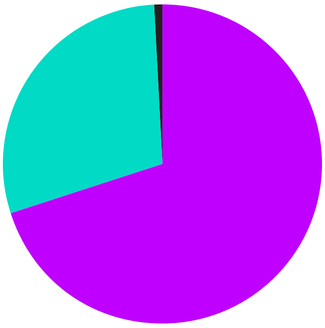
Keep it Simple
We make things easy for our customers by focusing on them and their needs. We're clear on our goals and who's accountable for what, so we all know what success looks like. We remove complexity wherever we find it, because we all perform better that way.

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



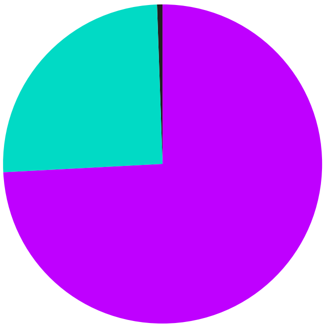
Online	71%
Retail	29%
Other	–

Online sports wagers

£13.7bn

-3% 2022: £14.1bn

2023 Underlying EBITDA Split[1]



Online	75%
Retail	25%
Other	–

Retail sports wagers

£4.3bn

+12% 2022: £3.9bn

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

Our leading brands

Ladbrokes

Coral

BetMGM

Foxy Bingo

Gala Bingo

bwin

BetCity.nl

sportingbet

Eurobet

STS

SuperSport

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 encapsulat 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

Entain

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)

Evolved strategy

December 2023 – secured DPA to conclude HMRC investigation into legacy business

EMMA CAPITAL

August 2022 – formation of Entain CEE (venture with EMMA Capital, to create a strategic platform across CEE)

November 2023 – new evolved 3-year plan: organic growth, margin expansion and US market share.

2021

Leadership changes

– **January** – Jette Nygaard-Andersen appointed as CEO

M&A activity

– **March**
Enlabs

The secret flower is a

– **March** – acquisition of Bet. pt (Portugal)

– **July** – acquired remaining 49% of Crystalbet

– **September** – acquisition of unikrn (esports and skill- based wagering)

2022

M&A activity

– **January** – acquisition of Klondaika (Latvia)

– **February** – acquisition of Avid Gaming/Sports Interaction (Canada)

– M
of Sup

2023

Leadership changes

– **December** – Jette Nygaard-Andersen resigns as CEO. Stella David becomes Interim CEO

M&A activity

– **January** – acquisition of BetCity (Netherlands)

– **March** – announced partnership with TAB NZ

– **June** – announced 365 Scores acquisition

– **August –** completed acquisition of STS

– **October** – completed acquisition of Angstrom Sports

Corporate activity

– **January** – accelerated exits from unregulated market

– **June** – equity raise

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

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

Read more: pages 18-19

Diversified regulated operator

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

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 vegetable is an

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% (CC)

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

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[3] organic Online NGR

was down 3%cc[2] versus the prior year, whilst proforma[3] Retail NGR grew 2%cc[2]. Total Group NGR, including our 50% share of BetMGM was up 14% and up 2%cc[2] on a proforma[3] 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[3] 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[4] 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[2] 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[2] and the retail shop network remains invaluable to our omni-channel offering, with combined Online and Retail NGR +63%cc[2] versus pre-Covid levels.

Combined Online NGR in Australia and New Zealand was up 11%cc[2], although down -5%cc[2] on a proforma[3] 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[2] 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[3] NGR was up 13%cc[2] for Online and 4%cc[2] for Retail on a constant currency basis. SuperSport proforma[3] Online NGR grew 29%cc[2] 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[2], 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[2] 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%[5] 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[1] including EGR, SBC and Vixio.

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

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 to be an employer of choice with an inclusive and supportive culture, where talents from 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 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. 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.

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 Landbased Gambling	Total Market 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.

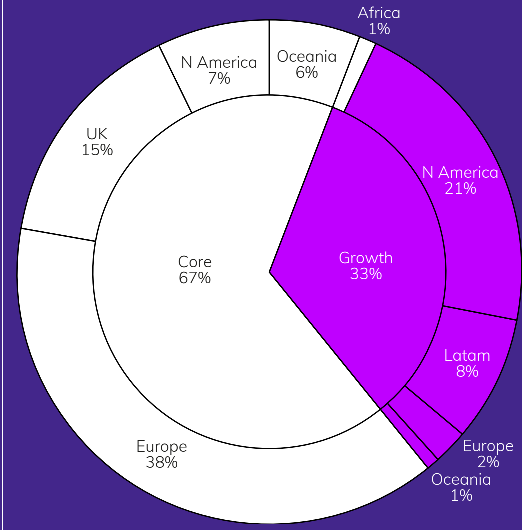
2011
£20.0bn

Source: H2GC (25/01/2024) – Global Online GGR (including offshore).

11%

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

Share of Global online market by region



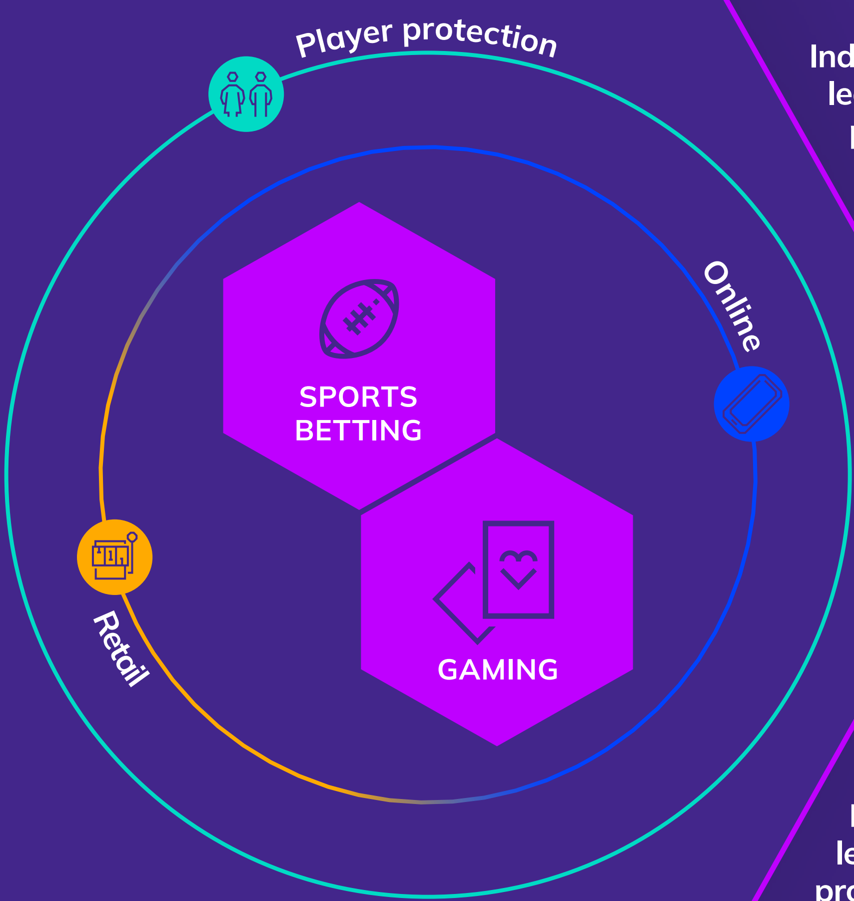
Entain's markets

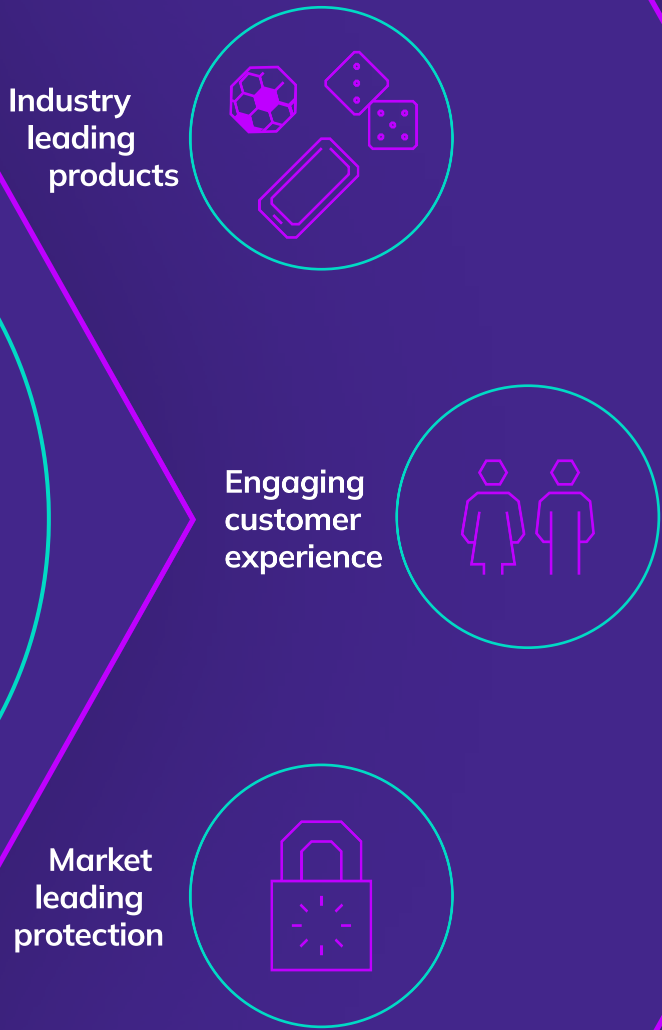
Source: Regulus Partners, Online NGR

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





The secret animal #2 is a

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

- Marketing Excellence
- Product & Content
- CRM and Data
- Proprietary Technology
- Global Scale and Brands
- People and Talent
- Leading Player Protection
- Regulatory Expertise

We create value for all our stakeholders:

Customers

Customer satisfaction
78%
Positive experience

Safer betting & Gaming
8.7m
Customer interactions in 2023

Our people

Employee Engagement
77%
Actively engaged

Wellbeing
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 framework

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	• Established Top 3 operator with 14% share of Sports Betting & iGaming market in US and Ontario • NGR $1.95bn, +36% YoY growth • 28 live markets with 49% adult population; 4 new launches; Ohio, Massachusetts, Puerto Rico, Kentucky • Successful delivery of Single Account Single Wallet functionality across 27 states • Significant digital sports offering improvements; app speed, user experience, broader bet offering • iGaming strength supported by new games & product enhancements – 33 exclusive new game launches by our in-house studios (Read more on page 27) • Acquisition of Angstrom Sports (Read more on page 29)	**Global Online market** **107bn** **Group NGR** **£4.8bn**
2 Grow presence in core markets	• Online Actives +10%, FTDs +7% • Online NGR growth on a compound annual basis over the last four years of 12%	**Online NGR** **£3.4bn**
3 Expanding into new markets	• Entered Netherlands (BetCity completion Jan-23), Poland through acquisition of STS, and New Zealand through 25yr partnership with TAB NZ	**Underlying EBITDA** **£1.0bn**
4 Extend into interactive entertainment	• Pivoted eSports strategy, Unikrn no longer B2C brand, now supporting eSports offering for our other brands.	
Sustainability		
5 Lead on Responsibility	• Rolled our ARC™ across 27 jurisdictions, including real-time models in 23 jurisdictions. • ARC™ for retail now live across UK and ROI • 98% completion rate of annual compliance, safer gambling, and AML training • Contributed 1% of our GGY in the UK to Research, Education and Treatment (RET), totalling £18.7m	**£20.8m** Contribution to safer betting and gaming initiatives
6 Diversify our regulated activities	• 100% of revenues from regulated or regulating markets since February 2023	**83%** Employee satisfaction with approach to wellbeing
7 Broaden our customer appeal	• F2P • Coral Racing Club – (Read more on page 30) • Ladbrokes Live – (Read more on page 33) • F1 – (Read more on page 37)	**2035** Target set for carbon Net Zero throughout operations
8 Invest in our people & communities	• Entain's Returnship programme with McLaren Racing receiving accolades at the Women in Gaming Diversity Awards and the Personal Today Awards • 250+ aspiring champions received SportsAid financial award since 2019, to cover the costs of training, equipment, and travel. • 250 non-league football clubs supported via Pitching In since 2020, reaching their communities • Launch of Black Professionals@Entain network	**£100m** 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
Organic growth Grow presence in existing markets, synergistic adjacencies	People and culture; Technology and product; Governance	**+7%** Online organic NGR growth in-line with market (from 2025, Ex-US)	• Ongoing optimisation of market portfolio to maximise growth and ROI • Implemented Comprehensive commercial and operational excellence program in key markets • Build on capabilities and innovate our sports product
Margin expansion Drive margin expansion through scale and operational leverage		**>28-30%** >28% for 2026 30% BY 2028 Online EBITDA margin (Ex-US)	• Launched Project Romer to create a more agile organisation and drive gross cost efficiencies of c£100M
US market growth Empower profitable growth and share gains in the US		**20-25%** 20-25% market share	• Capitalise on new product and pricing capabilities, and omnichannel • Delivery of Single Account, Single Wallet functionality in 27 markets • Enhancement of in-house content and capabilities through acquisition of Angstrom

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	Links to Remuneration
Principal risks 1 2 3 4 5 6 7 8 9 10 Read more: **pages 83 to 86**	• 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 1 2 3 4 5 6 7 8 9 10 Read more: **pages 83 to 86**	
Principal risks 1 2 3 4 5 7 8 10 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 propriety 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

ANGSTROM

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 kitchen appliance 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.

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.

> '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.

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 word'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 Puskas 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-first's: 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 has also strengthened it's connection with fans, through prestigious partnerships with several Serie A teams, including the iconic Juventus as well as a partnership with the entire Serie C league.

> "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

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.

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.

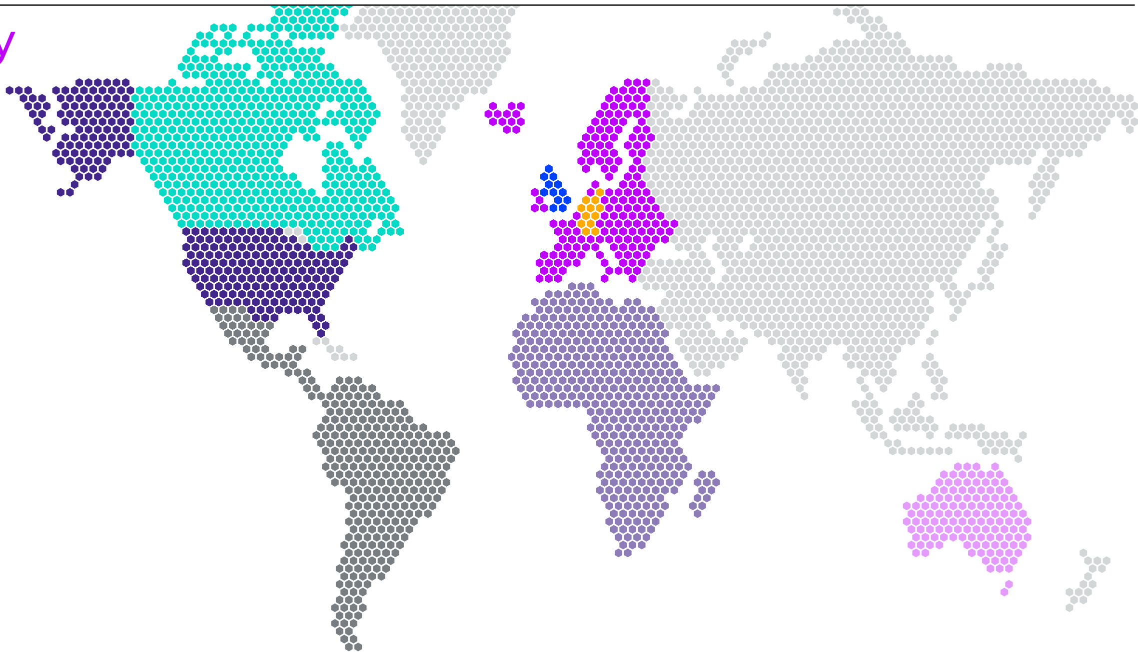
TAB activation on Auckland's Sky Tower for the TAB Karaka Millions

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 Colombia 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.

The secret object #1 is a

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
Be a leader in player protection	**We provide industry-leading customer protection through innovative features, customer support, communications and our culture.**	• Safer betting and gaming • Ethical & compliant behaviour • Innovation	• Industry-leading **tailored customer protection tools and processes** • **Empower our people** to support and protect our customers • Harm prevention through **education and responsible communications** • **Promote research** and share **evidence-based learnings with the industry**	**Sustainability & Compliance Committee**
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 markets, with an aim of gold standard data protection, and cybersecurity.**	• Ethical & compliant behaviour • Data privacy and cybersecurity • Corporate Governance	• Only operate in **regulated markets** • **Ethics and integrity** at the core of our organisation and culture • Provide **industry-leading cybersecurity, data privacy** and **AI governance** • Clear and **robust governance processes** for each of our key ESG areas	**Sustainability & Compliance Committee**
Create the environment for everyone to do their best work	**We are an employer of choice, and we build an inclusive and supportive culture where talents from all backgrounds can thrive.**	• Diversity, equity and inclusion • Having the right people	• **Attract, engage and retain** the best, most diverse talent • Provide the **right growth opportunities** for all • Build a sense of **belonging for all** Entainers	**People & Governance Committee**
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.**	• Environmental Sustainability • Corporate Governance	• Reduce our **environmental impact** • Creating a **sustainable value chain** • Promote **grassroots, women's and disability sports** • **Support communities** where we operate	**Sustainability & Compliance Committee**

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.

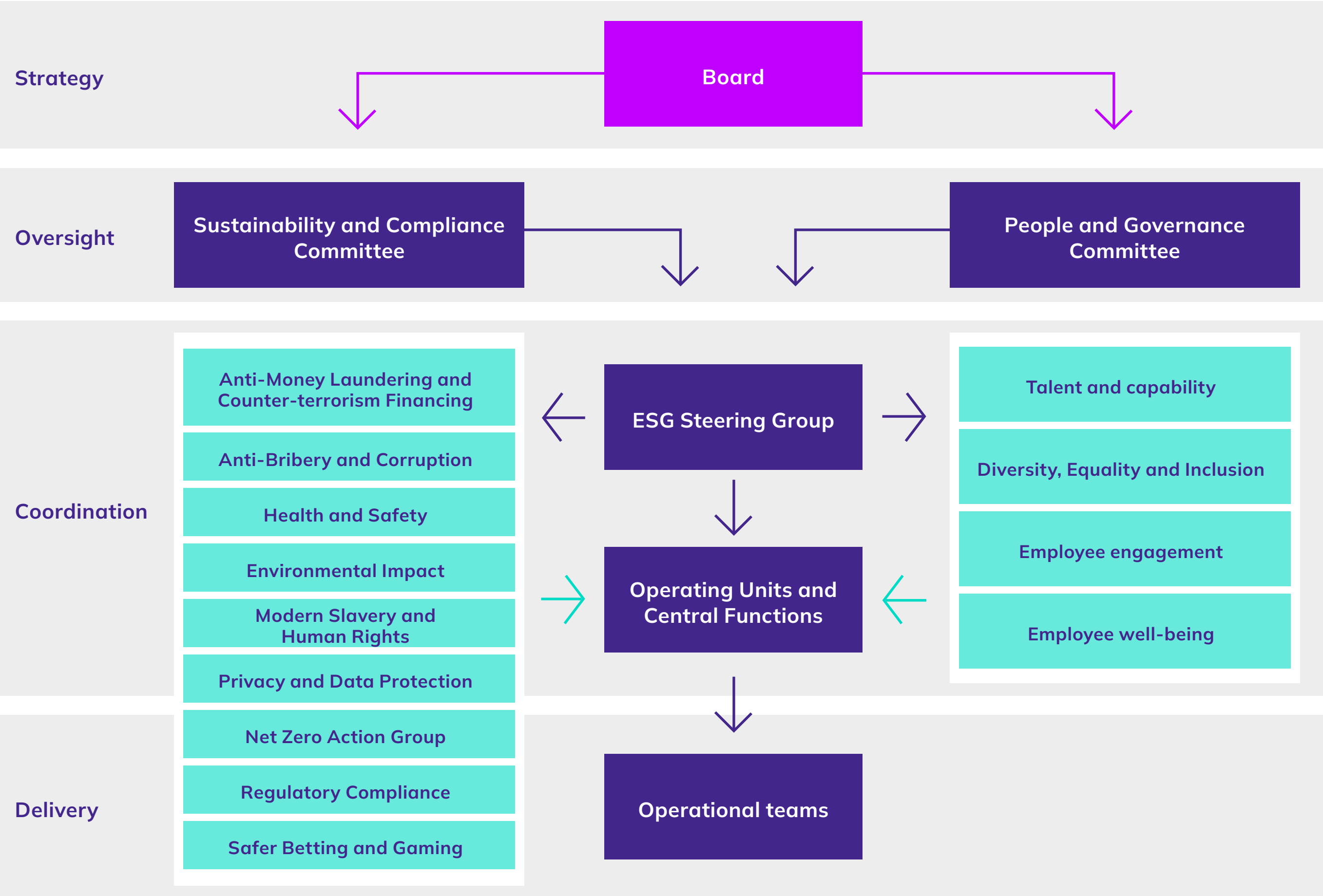
Climate governance

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 amongst many of the leading independent ESG rating providers. The below table summarises our performance and improvement over time. We will continue to work tirelessly to further improve our ESG practices and performance, with the aim of further improving the standards for our industry and in these external assessments.

	Rating	Evaluation	Score (31 December 2023)	Score (31 December 2022)	Industry Rank
MSCI	ESG Score	AA	7.2 ▲	6.7	N/A
Sustainalytics	ESG Risk Rating	Low	19.6 ▲ (a lower score shows a lower risk)	22.3	13/87 in the Casinos & Gaming industry
ISS ESG	ESG Score	C	49▲	47	1st 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	93rd percentile
CDP	Climate	Management	B	B	N/A

Be a leader in Player Protection

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	• Rolled our ARC™ to cover 27 jurisdictions (2022: 22), including real-time models in 23 jurisdictions • ARC™ for retail now live across UK and ROI • 7.5 million ARC™ interactions (+98% YoY) to 742,112 unique customers
Empower our people to support and protect our customers	• 98% completion rate of annual compliance, safer gambling, and AML training • Enhanced safer gaming training, delivered by EPIC Risk Management, delivered to all senior leaders
Harm prevention through education and responsible communications	• 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 • 20% of TV advertising space and football sponsorship dedicated to safer betting and gaming communications or Foundation promotion
Promote research and share evidence-based learnings	• 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 • Contributed 1% of our GGY in the UK to Research, Education and Treatment (RET), totalling £18.7m

Awards and accreditations:	UK	North America	International
	GamCare Advanced Safer Gambling Standard • Online: Advanced Level 2 (highest level) • Retail: Advanced Level 2	EGR North America Awards 2023: Socially Responsible Operator	SBC Global and SBC LATAM Socially Responsible Operator of the Year Vixio Global Regulatory Awards: Award for Outstanding Contribution to Safer Gambling

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 Addition ("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.

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 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	• 100% of revenues from regulated or regulating markets since February 2023
Ethics and integrity at the core of our organisation and culture	• New Ethics & Compliance Charter and Strategy • Average completion rate of 95% across Entain's Big Four Compliance Training Modules • Refreshed set of Entain Values, with "Do what's right" at its core
Provide industry-leading cybersecurity and data privacy	• Growing headcount in Data Privacy and Cybersecurity teams, by 25% and 35% respectively compared to 2022. • Average time to fix cybersecurity vulnerabilities decreased by 65% compared to 2022 • Over 80% of our operations audited and certified to ISO 27001 (by headcount)
Clear and robust governance processes for each of our key ESG areas	• New ESG governance structure with two board-level committees (Sustainability & Compliance and People & Governance)
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.

Create the environment for everyone to do their best work

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

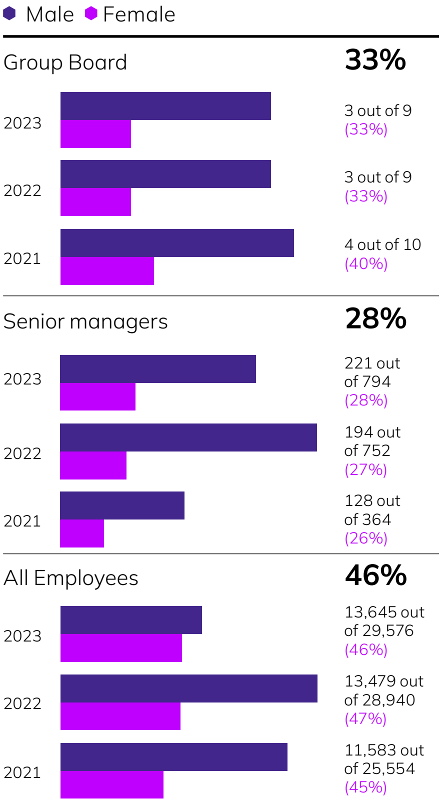
Oversight

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



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.

Positively impact our communities

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	• 70% global electricity from renewable sources, including over 99% in the UK through green tariffs and a 5-year Power Purchase Agreement • 9% decrease in market-based Scope 1 & 2 emissions globally from the prior year • Near-term and Net Zero submitted to the Science Based Targets Initiative (SBTi), pending verification
Create a sustainable value chain	• 35% of our in-scope third-party spend enrolled on the EcoVadis platform with a detailed assessment of their sustainability performance
Promote grassroots, women's and disability sports	• 250+ aspiring champions have received a financial award via SportsAid since 2019, helping to cover the costs of training, equipment, and travel • 100 non-league football clubs supported via Pitching In since 2020, enabled to reach their communities
Support communities where we operate	• Donating £25.4m, to support our communities. • 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
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.

The secret clothing is a

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
Lead on player protection	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[2,3]	**7.5m**	3.7m	n/a
	Customer complaints[1]	**3,927**	4,215	4,045
	Customer complaints specifically related to a betting and gaming transaction	**715**	629	655
	Self-exclusions made[1,4]	**53,745**	60,261	61,644
Secure & trusted platform	**% of revenues from domestically regulated or regulating markets**	**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
	% of operations certified under ISO27001[5]	**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)[6]	**29,582**	28,940	25,554
	Employees worldwide (FTE) [6,7]	**23,650**	24,195	19,314
	Female employees[6]	**13,645**	13,479	11,583
	% female employees[6]	**46%**	47%	45%
	Part-time employees[6]	**9,968**	9,754	4,328
	% part-time employees[6]	**34%**	34%	17%
	Median hourly pay difference between male and female colleagues (Gender Pay Gap)[8]	**4%**	3%	5%
	Mean hourly pay difference between male and female colleagues (Gender Pay Gap)[8]	**16%**	17%	16%
	Median bonus pay difference between male and female colleagues[8]	**44%**	39%	60%
	Mean bonus pay difference between male and female colleagues[8]	**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[9]	**28%**	31%	30%
	Female managers in revenue generating functions[10]	**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[11]	**15%**	14%	18%
	UK-based employees who have confirmed as being part from an ethnic minority background	**7%**	7%	10%
	Employee age groups:[7]			
	<30	**35%**	37%	38%
	30-50	**47%**	46%	48%
	50+	**15%**	14%	14%
	Unknown	**3%**	3%	0%
	Employee contract types:[7]			
	Permanent[12]	**99%**	99%	98%
	Fixed-termed[12]	**0.1%**	0.1%	1.21%
	Contractors[13]	**1%**	1.5%	1.78%
	Customer Satisfaction[14]	**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	**12**	5	N/A
	Code of conduct	**32**	23	
	Procedural non-compliance	**15**	12	
	HSSE	**1**	3	
	HR Grievance	**4**	7	
	Not provided	**1**	1	
	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[15]	**4%**	5%	N/A
	% of internal hires	**23.8**	19%	N/A
	Employee engagement score[16]	**77%**	74%	78%

Pillar	Data point	2023	2022	2021
Positive impact on communities (including Streamlined Energy & Carbon Reporting Data)	**Total energy consumption (kWh)**[17,18]	**124,771,815**	125,026,096	110,509,736
	UK	**77,957,313**	82,641,345	85,336,239
	Rest of the world (RoW)	**46,814,502**	42,384,750	25,173,497
	Absolute direct emissions (scope 1) – (tCO_2e)	**5,899**	4,414	3,663
	Absolute indirect emissions (scope 2, location-based) – (tCO_2e)	**27,202**	26,846	24,767
	% of purchased electricity from renewable sources[19]	**70.3%**	66.4%	67.4%
	Total GHG emissions – direct & indirect: location based (tCO_2e)[20]	**33,101**	31,259	28,430
	UK	**14,885**	15,569	18,286
	RoW	**18,216**	15,690	10,144
	Absolute GHG emissions intensity per employee (tCO_2e/headcount)	**1.12**	1.08	1.13
	Absolute indirect emissions (scope 2, market-based) – (tCO_2e)	**9,171**	12,151	12,677
	Total GHG emissions – direct and indirect: market based (tCO_2e)	**15,071**	16,565	16,340
	UK	**625**	1,980	4,932
	RoW	**14,445**	14,585	11,408
	Waste generated[21] (tonnes)	**3,738**	4,384	3,858
	Total Scope 3 GHG emissions (tCO_2e)[22]		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	**£2.8bn**	£2.7bn	£2.1bn
	Number of suppliers	**12,613**	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 rebaselining policy.
19. Energy from renewable sources only includes electricity purchased that was actively sourced from renewables. All remaining electricity used by Entain is sourced from the local grids where we operate.
20. Emissions are calculated using the GHG Protocol Corporate Accounting and Reporting Standard. Consumption data has been converted to GHG emissions using 2023 BEIS emissions factors and 2023 IEA emissions factors for non-UK grid electricity. Emissions reported above are calculated using both the location-based and market-based methods, using an operational control boundary. 2021 and 2022 GHG emissions (Scope 1 & 2) data has been assured to limited assurance by the 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 a methodology change that arose in the 2022 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.

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

(a) Describe the organisation's processes for identifying and assessing climate-related risks.	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. 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).
(b) Describe the organisation's processes for managing climate-related risks.	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.
(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	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.

Metrics and Targets

(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	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: • financial implications • operational impact • effect on the reputation of our brands • affect to health, safety, security, and well-being of our employees This allowed us to evaluate the business impact of climate-related risks – from very low to very high – across three different climate scenarios. Entain also uses the following metrics to monitor its performance in managing transition risks and progress against its Net Zero target: • Scope 1 and 2 greenhouse gas emissions • Scope 3 greenhouse gas emissions • Global energy consumption • Percentage of electricity purchased on renewable energy contracts • Water consumption (where data is available) • Waste (where data is available) 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. At the time of reporting, climate-related metrics are not linked to remuneration. Entain does not currently have an internal carbon price.
(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	FC	On page 55, we disclose our Scope 1 and 2 greenhouse gas emissions for the financial years 2023, 2023, 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. 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.
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	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. 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.

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 **Acute** **Medium-term**	**5 –** Drive Market Share	08 – execution of the Group Strategy	**Threat: Disruption of live events on trading markets due to increased severity of extreme weather events.** 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 **Acute** **Medium to Long-term**	**3 –** Tech & product **5 –** Drive market share	08 – execution of the Group Strategy	**Threat: Impact of extreme weather events on key locations.** 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 **Acute** **Long-term**	**3 –** Tech & product **5 –** Drive market share	02 – Data Privacy and Cyber resilience 07 – Maintain Technology platform resilience 08 – execution of the Group Strategy	**Threat: Impact of extreme weather events on key digital suppliers.** 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 **Chronic** **Short-term**	**4 –** Simplification	08 – execution of the Group Strategy	**Threat: Increased operational costs.** 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 **Chronic** **Medium-term**	**4 –** Simplification	09 – ensure Health, safety, security and well-being of employees, customers, and communities	**Threat: Impact on our colleagues due to changing weather patterns.** 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 **Policy & Legal** **Short-term**	**2 –** Key Markets **4 –** Simplification	01 – Laws, Regulations, Licensing and Regulatory Compliance	**Threat: Increased regulatory requirements to disclose our climate impacts and demonstrate progress against our targets.** 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			
1.5°C	2°C	3°C	Strategic Response & Resilience
Low	High	Very High	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.
Low	High	Very High	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. 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.
Medium	High	High	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.
High	Medium	High	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.
Low	Medium	Medium	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.
High	Low	Low	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	The secret fruit is an [illegible] Potential imp[illegible]
Transition Risk **Market** **Long-term**	**1** – Portfolio Review **5** – Drive market share		**Threat: Cho**[illegible] and 3° scenarios, reducing cro[illegible] 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.
Transition Risk **Technology** **Reputation** **Short to Medium-term**	**4** – Simplification		**Threat: Lack of regulations and limited low-carbon alternatives slow decarbonisation process.** 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.
Opportunity **Products and Services** **Short-term**	N/A	06 – Attracting and retaining key talent	**Opportunity: Sustainability Leadership.** 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.

Key:
● Low ● Medium ● High ● Very High

Business Impact			
1.5°C	2°C	3°C	Strategic Response & Resilience
Low	Medium	Medium	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.
Very High	Very High	Very High	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.
High	Medium	Very High	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
1.5OC	• RCP2.6/SSP1 • PRI IPR: 1.5C Required Policy Scenario	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.
2.0oC	• RCP4.5/SSP2 • PRI IPR: Forecast Policy Scenario	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.
3.0oC	• RCP6.0/SSP5	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.

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. Virgina 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.

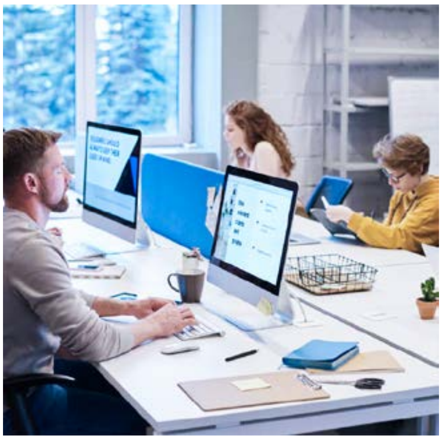
In addition to these meetings and conferences, as well as the usual trading updates based around our financial calendar, the Group also held four shareholder events throughout the year. These included a detailed business and strategy update held In November 2023; two updates on the performance of the 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

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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

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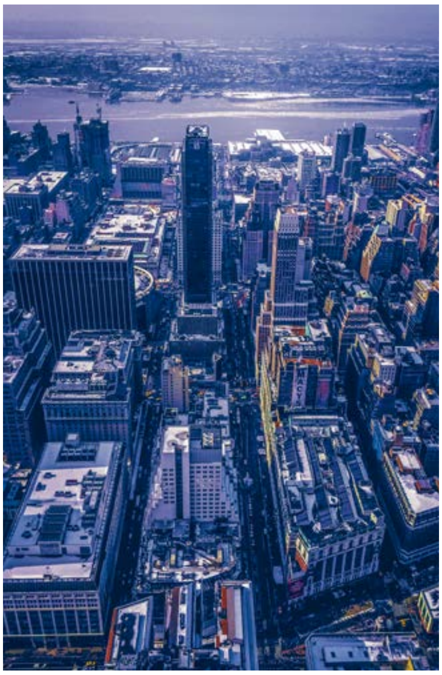

Regulators

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.

Read more: pages 36 to 37

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 global regulated jurisdictions.
- Engage with the Department of Justice in Ireland as it implements new Anti-Money Laundering ("AML") requirements.
- 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).

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[3] 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[2]), -2% on a proforma basis
  - Online NGR up +12% (+12%cc[2]) in 2023, -3% on a proforma basis
    - Excluding regulatory impacts, underlying proforma Online NGR growth of +3%cc[2]
    - Record level of Online active customers, +23% YoY, +10% proforma[5]
  - Retail NGR up +9% (+8%cc[2]), proforma +2%cc[2], reflecting t shops in New Zealand and Poland, a 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[5])
- 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[2], proforma[3], Contribution[4] and EBITDA[5] 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[1] 2023 £m	2022 £m	Change %	CC[2] %
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[4]	**2,279.4**	2,128.9	7%	
Operating costs excluding marketing costs	**(1,271.5)**	(1,135.7)	(12%)	
Underlying EBITDA[5]	**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[6]	**641.8**	541.8	18%	

Results[1]:

NGR and Revenue increased by +11% versus 2022 (+11%cc[2]), with proforma[3] growth in Retail and the benefit of acquisitions more than offsetting a -3%cc[2] proforma[3] 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[4] 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[5] 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[6] 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[1] 2023 £m	2022 £m	Change %	CC[2] %
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[4]	**1,369.8**	1,254.2	9%	
Contribution[4] margin	**40.0%**	41.1%	(1.1pp)	
Operating costs excluding marketing costs	**(512.4)**	(426.0)	(20%)	
Underlying EBITDA[5]	**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[6]	**688.5**	701.9	(2%)	

Results[1]:

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[3] Online NGR was down -3%cc[2] in the year but, with the benefit of acquisitions total Online NGR was +12%cc[2] ahead of 2022. Whilst proforma[3] NGR was down year on year, actives grew +10% year on year on a proforma[3] 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[2] 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[2] 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[2] 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[2] 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[2] behind the prior year.

Georgia NGR was +7%cc[2] ahead of 2022 on a constant currency[2] 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[3] NGR was +3%cc[2] 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[3] actives +13% ahead of 2022.

Our Entain CEE business continues to perform well with proforma[3] NGR +13%cc[2] ahead year on year. NGR in our SuperSport business in Croatia was +29%cc[2] ahead of 2022 (proforma[3]) maintaining its position as the market leader. NGR in our recent acquisition in Poland, STS, was flat year on year with c4%cc[2] 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[3] basis.

Contribution[4] 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[5] 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[4] from acquired businesses offset by the decline in proforma[3] NGR and 1.1pp reduction in contribution margin.

Resulting underlying operating profit[6] 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.

	Results[1]			
Year Ended 31 December	2023 £m	2022 £m	Change %	CC[2] %
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[4]	890.3	852.1	4%	
Contribution[4] margin	64.2%	66.7%	(2.5pp)	
Operating costs excluding marketing costs	(606.1)	(571.9)	(6%)	
Underlying EBITDA[5]	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[6]	149.7	165.5	(10%)	

Results[1]:

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

In the UK, NGR was +2% ahead of 2022 on a LFL[7] 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[2] 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[3] NGR in Croatia grew at +14%cc[2] 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[2] with Ireland NGR +1%cc[2] ahead year on year. Our newly acquired Retail businesses in Poland and New Zealand contributed £40.4m of NGR during 2023.

Contribution[4] of £890.3m was +4% ahead of 2022 with contribution[4] 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[5] 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[6] 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

	Results[1]		
Year Ended 31 December	2023 £m	2022 £m	Change %
Underlying EBITDA[5]	(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[6]	(37.2)	(34.3)	(8%)

Results[1]:

New Opportunities underlying costs[5] 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[6] 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

	Results[1]			
Year Ended 31 December	**2023 £m**	**2022 £m**	**Change %**	**CC[2] %**
NGR/Revenue	**26.7**	25.1	6%	6%
Gross profit	**26.7**	25.1	6%	
Contribution[4]	**26.3**	25.0	5%	
Operating costs excluding marketing costs	**(21.0)**	(20.1)	(4%)	
Underlying EBITDA[5]	**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[6]	**4.6**	2.6	77%	

Results[1]:

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[5] 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[6] 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

	Results[1]		
Year Ended 31 December	**2023 £m**	**2022 £m**	**Change %**
Underlying EBITDA[5]	**(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[6]	**(163.8)**	(293.9)	44%

Results[1]:

Corporate underlying costs[5] 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[6] 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[1] 2023 £m	2022 £m	Change %	CC[2] %
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[4]	**2,279.4**	2,128.9	7%	
Underlying EBITDA[5]	**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[6]	**641.8**	541.8	18%	
Net underlying finance costs[6]	**(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[2], with Online NGR +12% and Retail NGR +9% year on year. Further details are provided in the Financial Performance Review section.

Underlying operating profit[6]

The Group reported underlying operating profit[5] of £641.8m, +18% ahead of 2022 (2022: £541.8m). Underlying EBITDA[5] 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.

Separately disclosed items	2023 £m	2022 £m
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)
Total	**(1,287.5)**	(218.9)

Profit/(loss) before tax

The Group's profit before tax[5] and separately disclosed items was £444.9m (2022: £321.8m), a year-on-year increase of £123.1m with the growth in underlying EBITDA[5], 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 £m	2022 £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[5] (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[7] was £3,290.9m and represented an adjusted net debt[7] to underlying EBITDA[5] ratio of 3.3x (3.1x proforma[3]). The Group has drawn down £295m on the revolving credit facility at 31 December 2023 (2022:£nil).

	Par value £m	Issue costs/ Premium £m	Total £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 principal risks and uncertainties. In addition, the Directors have considered all matters discussed in connection with the long-term viability statement including the modelling of 'severe but plausible' downside scenarios such as legislation changes impacting the Group's Online business and severe data privacy and cybersecurity breaches.

Given the level of the Group's available cash post the recent extension of certain financing facilities (see Note 36) and the forecast covenant headroom even under the sensitised downside scenarios, the Directors believe 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

1. 2023 and 2022 statutory results are audited, with the tables presented relating to continuing operations and including 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 is 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. 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.

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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.

PLC Board

Specific risk oversight:

- Execution of the group strategy
- Laws, regulations and compliance
- Attracting and retaining key talent
- Whilst not a principal risk, the Board also reviews the Group's litigation risk on an ongoing basis

People and Governance Committee

Whilst the Board is responsible for the annual review of the principal risk of attracting and retaining key talent, as part of their responsibilities the People and Governance Committee continually reviews succession planning and the susceptibility of the Group to the risk.

Audit Committee

Delegated risk oversight*:

- Data privacy and cyber resilience
- Maintain technology platform resilience
- Taxes
- Trading, liability and pricing management
- Price and service of delivery from 3rd party suppliers

Sustainability and Compliance Committee

Delegated risk oversight*:

- Health, safety and well-being
- Safer betting and gaming
- Risk also reviewed continually under Committee ToR: Regulatory compliance and licensing, anti-money laundering ("AML"), Responsible gambling, protection and the environment.

Remuneration Committee

Whilst the Board is responsible for the annual review of the principal risk of attracting and retaining key talent, as part of their responsibilities, the Remuneration Committee continually reviews this risk and the mitigating actions in place to prevent the risk crystalling.

Group Risk Committee Meets six times annually, prior to each Board and Board committee meeting

Retail UK&I	Core Digital	LATAM	Australia & New Zealand	Legal & Regulatory	Data Privacy	Cyber & IS	Trading	HSSE
International	Technology	Product & Tech	Corporate	Safer Betting & Gaming	Procurement	Tax, Treasury & Insurance	Customer Service	Property & Workplace
				Ethics & Compliance		People Services		Integration

*Delegated oversight and responsible for deep dive reviews of Group's principal risks.

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

Our primary objective is to 'operationalise' risk and move toward a risk aware culture that includes effective reporting collaboration and action taking

1

Define context and objectives

Understanding both the external and internal context in which we are operating – what is happening and what might happen to make things easier or more difficult for our business?

We clarify what we are trying to achieve – our objectives – whether it is for the entirety of a strategy, division or function.

We think through how the context and objectives may impact each other, both positively and negatively.

2

Assess risks

Risk identification: Recognise, acknowledge, and describe risks (both potential opportunities and threats).

Risk analysis: Understand the risks both individually and as a collective risk profile. This includes prioritising risks as well as better understanding any triggers which may make the risk happen.

Risk evaluation: Determine if action needs to be taken regarding a risk or risk profile to bring the risks to an acceptable level.

Risk-based decision making

3

Manage risks

Active management of risk with decisions on the types of controls needed and the implementation of controls.

Proactive risk management takes charge of and changes the nature of the risk and risk profile so that it comes in line with the amount of risk we are willing to take in delivering our objectives.

Where risks are out of line with the amount of risk we want to take, we can enhance or add new controls where necessary.

4

Monitor, Review and Report

Ongoing checking of the status of risks and their controls.

This step involves reviews, inspections, and audits of the status of risks, providing risk management information that is communicated to all necessary stakeholders.

This four step process allows us to ask, 'Given the context in which we are operating, the risk we face and our ability to manage them – can we achieve our objectives?' If we can, then we continue the good work. if we can't, then we need to manage the risks further, or change the objectives.

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 Achievements

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.

Our colleagues are fundamental to the success of risk management at Entain. A positive risk aware culture enables 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 continuously, 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 defe

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the above means that compliance
and having a strong, well-resource
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 trust on our organisation and our operations, so it is of paramount importance that we protect 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.

ond
s dedicated Cyber Security
acy functions entrusted with
security and confidentiality
ers 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 customers and/or retain key staff.

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.

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.

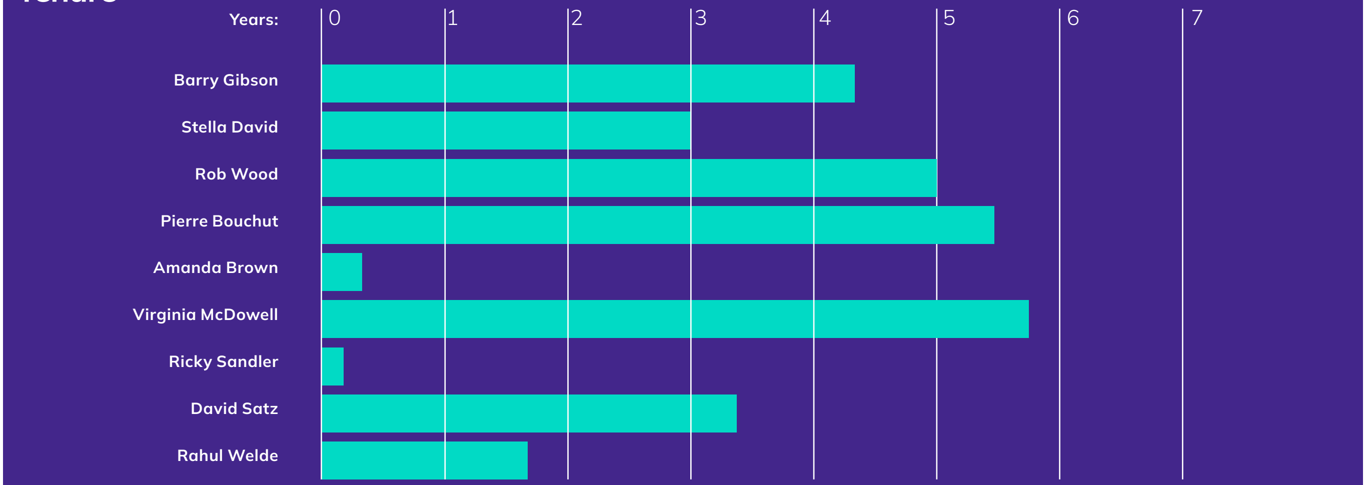
The Board remains confident about the Group's future and is committed to our strategy, our purpose and is highly focused on developing sustained and sustainable shareholder value.

J M Barry Gibson
Chairman

Board of Directors

(as at 7 March 2024)

Tenure



Age and experience

	40-44	45-49	50-54	55-59	60-64	65-69	70+
No. of Directors	1	0	2	1	2	2	1

Experience/Skills: No. of Directors	
Gaming Sector	5
Finance	3
Legal/ Regulatory	2
Technology/ Digital	3
Global Business	8
Customer	8
Media/ Entertainment	1
Marketing	4
Leadership	9

Diversity

	British	American	French	Indian
No. of Directors	4	3	1	1

Gender

3:6

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: A C

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: R

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 t
Committee at the time of her Board ap
subject to her election, will become Ch
Remu

The secret object #3 is a

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: R S P

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.
er career she has maintained a tireless focus
the next generation of women leaders in the
ry and this understanding of the diversity
challenges of the sector has greatly assisted
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: C P

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: A S

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: A P R

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
Undertake a follow-up independent audit of the Group's governance and compliance processes, following on from the 2021 Alvarez & Marsal review.	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.
Continue to embed the evolved risk management programme throughout the business.	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.
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.	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. 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.
Recruit a new Company Secretary.	We welcomed James Morris as Group Company Secretary in July.
Finalise a new strategy for ARC™ which provides a path of development for the next three years.	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.
Progress the HMRC investigation towards a conclusion.	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. 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.
Hold an Entain: Sustain update interaction in Q4.	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 share plans and other incentives. Further maintains dialogue with shareholders and workforce on remuneration related matters. Read more: **pages 116 to 117**
Capital Allocation Committee	Oversight over 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**.

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
Chairman				
Barry Gibson	6	6	11	11
Executive Directors				
Stella David	6	6	9	11
Rob Wood	6	6	10	11
Jette Nygaard-Andersen	5	5	8	9
Robert Hoskin	2	2		
Non-Executive Directors				
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.

Key to stakeholder groups:

S Shareholders
Cu Customers
Su Suppliers
TC The Community
R Regulators
C Colleagues

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.

Strategy

Execution of Group Strategy

S C Cu TC R Su

- Regular updates on priorities and improving capabilities for execution of core digital and retail business strategies.
- Oversight of customer centric initiatives to better serve customers and enable moments of excitement.
- Oversight and challenge to proposed steps and progress accelerating sportsbook product and platform enhancements.
- Continued oversight of steps being taken to exit markets with no domestic licences.
- Two-day session revising strategy around the three pillars of organic growth, EBITDA margin expansion and US market growth.
- Deep Dives on the Retail segment, competitive landscape, marketing initiatives and value drivers of the Entain business.

M&A Activity

S C Cu R Su

- Received regular updates on potential M&A opportunities.
- Reviewed and approved five M&A transactions recommended by management.
- 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")[1]

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.

Financial Plan

S C Cu Su

- Discussed and approved the three-year plan.

Performance

Business updates

S Cu R Su

- Undertook segment reviews of the retail and core digital businesses.
- Discussed and debated challenges with financial and operational performance in H2 2023.
- Conducted a detailed review of the competitive landscape, including both global and local operators' strategic priorities and associated threats.
- Monitored performance and debated strategic opportunities relating to BetMGM.

Financial updates

S Cu R Su

- Reviewed and approved the 2024 Budget.
- Discussed and approved the continued progressive dividend policy.
- Monitored and debated the wider macroeconomic and geopolitical environment and its potential impact on our business.
- Received monthly financial performance updates.

Regulatory Developments

S C Cu TC R Su

- Received regular regulatory and legal updates from the Chief Governance Officer and Group General Counsel.
- Closely monitored progress with the proposed settlement of HMRC's investigation into the Group's legacy Turkish-facing business before approving the final terms of the Deferred Prosecution Agreement.

Risk

S C Cu TC R Su

- Approved the Group's principal risks and kept under review the Group Risk Register considering new and emerging risks.
- Conducted a deep dive into the controls and processes adopted by the Company to comply with regulatory, licencing and compliance regimes.
- Reviewed and agreed the Principal Risks for 2024 and their allocation for monitoring between the Board and its Committees (see page 79 for more details)
- Reviewed and approved the Group's annual long-term viability statement.

People and Culture

S Cu C TC

- Comprehensive review of the strategic people agenda and priorities, including steps being taken to attract and retain talent.
- Oversight of organisation design and review of ways of working initiatives and performance culture.
- Received updates and provided feedback on the revised values as well as the results of the annual employee survey.

Responsible Gambling

S C Cu TC R

- Received regular updates on the Group's safer gambling activities, including the effectiveness of our ARC™ programme.
- Player Protection remained a key area of focus for the Board during 2023. A review of the methodology and key metrics for ensuring high standards of player protection is a standing board agenda item, including the proactive measures being taken to enhance controls and monitor player behaviours.

Product & Technology

S C Cu R Su

- Received regular updates on the new technology blueprint and target operating model as part of ensuring Entain has the right platform capability needed to support the Company's growth ambitions and evolving business needs.
- Kept under review the Tech debt plan to address identified issues in areas of compliance and cybersecurity.
- Monitored progress with migrating to a cloud embedded architecture.
- Received reports and provided input on actions being taken to enhance player experience and the quality of sportsbook product.

Governance

Market Updates & Regulatory Disclosures

S Cu TC R

- Approved the Notice of Meeting for the AGM.
- Reviewed and approved the Annual Report & Accounts following recommendations from the Audit Committee.
- Considered key market updates and disclosure obligations in respect to Full Year and Half Year results, M&A transactions, trading performance and CEO succession.

Investor Feedback

S

- Received feedback from investor meetings and roadshows from the Chair, Senior Independent Director, Executive Directors and Chief IR & Communications Officer.
- Considered external reviews of investor feedback on Entain's performance and governance.

Board Governance

S R C

- Kept under review the Schedule of Matters Reserved for the Board.
- Conducted its annual evaluation covering the effectiveness of the Board, its Committees and the performance of the Chair and individual directors.
- Established and approved the Terms of Reference for the Sustainability & Compliance Committee, People & Governance Committee and Capital Allocation Committee.

Conflicts of Interest Policy

S C Cu TC R Su

- Reviewed and approved the Board's Conflicts of Interest Register.

Board Succession

S C R

- Engaged with Spencer Stuart throughout the year as part of ongoing succession planning and appointed two new Non-Executive Directors.

Board Commitment, Balance and Independence

The Board keeps under review and re… n Non-Executive D *The secret tool is a* … der to discharge his or her responsibilities … The Chairman, Senior Independent D… Executive Directors each have letters of appointment and do not serve in an executive capacity.

Excluding the Chairman, of the remaining eight Directors, five are independent Non-Executive Directors. Due to his relationship with Eminence Capital LP, a shareholder holding more than 3% of the Company's issued share capital, Ricky Sandler is considered as a Non-Independent Non-Executive Director. The People & Governance Committee, having considered the matter carefully, is of the opinion that the Board has an appropriate combination of executive and non-executive, in particular independent non-executive, directors and complies with the 2018 Code recommendations.

During the year, the Board considered requests for additional external appointments by Non-Executive Directors. In opining on these requests, the Board took into account the likely time commitment and any conflicts of interest these external appointments might raise. The Board agreed requests for David Satz and Rahul Welde to take on additional roles outside Entain.

Conflicts of Interest policy

The Board has a Conflicts of Interest policy and an annual conflicts authorisation process, whereby the Board reviews and approves Entain's Conflicts of Interest Register and seeks confirmation from each Director of any changes or updates to their position.

This authorisation process informs the People & Governance Committee's assessment of a Non-Executive Director's independence and ability to devote sufficient time to their role when proposing that Director for re-election at the AGM.

Director Induction, Training and Development

The Chairman is assisted by the Company Secretary in providing all new Directors with a comprehensive induction programme on joining the Board. The induction programme provides new Directors with an understanding of their duties as Directors, the Group, its businesses and the markets and regulatory environments in which it operates. This includes meeting with senior executives and their direct reports. The programme also provides an overview of the Group's governance practices. Non-Executive Directors will have further content tailored to the Board Committees that they will join.

Amanda Brown and Ricky Sandler have both received a tailored induction programme following their appointment. This included one to one meetings with our Executive Committee, segment and functional leaders and our Internal and External Auditors.

The Chairman has overall responsibility for ensuring that Directors receive suitable training to enable them to carry out their duties. Training is also provided by way of reports and presentations prepared for each Board meeting, as well as meetings with Group employees and external advisers. During 2023 we have arranged lunch and learn sessions during the board meeting agenda that have given the Directors the opportunity to discuss and receive a deeper understanding of our Ethics and Compliance programme as well as a broader overview of the UK Retail Business and Competitive Landscape.

The Directors have access to independent professional advice at the Group's expense, as well as the advice and services of the Company Secretary, who advises the Board on regulatory and corporate governance matters.

Board Evaluation and Effectiveness

The Board undertakes an annual evaluation review in order to increase its effectiveness and to identify areas for improvement. Entain engaged Lintstock Ltd in 2023 to conduct a review of the performance of the Board and its committees. Lintstock is an advisory firm that specialises in Board reviews and has no other connection with the Company or individual Directors.

The scope and objectives of the review were agreed following a briefing meeting between the Company Secretary and Lintstock. Lintstock collaborated with Entain to design a bespoke line of enquiry tailored to the business needs of the company, and to follow up on themes identified in Lintstock's previous reviews. The Chairman and the Committee Chairs were given the opportunity to input into the focus of the exercise. As well as covering core aspects of governance such as information, composition and dynamics, the review considered people, strategy and risk areas relevant to the performance of Entain. The review had a particular focus on the following areas:

- The ongoing CEO succession process
- The Board's dynamics and relationship with management
- The Board's oversight of growth opportunities

Board members completed bespoke surveys assessing the performance of the Board and each of its Committees, as well as the performance of the Chairman. Each director also completed a self-assessment questionnaire addressing their own performance.

Lintstock analysed the findings from the surveys and delivered focused reports documenting the findings, including a number of recommendations to increase effectiveness. Lintstock's findings were presented and discussed at the Board meeting in February. Actions were agreed for implementation and monitoring.

Lintstock found that the Entain Board engaged well with the Board evaluation process, with the Directors taking the opportunity to reflect on lessons learned over the past year. The Chairman was rated highly and the Board identified improvements in the management of meetings since Lintstock's last review. There was a strong focus on further enhancing the Board's visibility of the business, and recent improvements in the Board's dynamics and engagement with management were commented on.

The Board identified a number of priorities for 2024, including:

- Appointing and successfully onboarding a new CEO
- Reviewing information flows to ensure optimal coverage of all aspects of the business
- Continuing to develop the Board's understanding of investor sentiment and the visibility of other key stakeholders, including customers and employees
- Supporting management in delivering Entain's key strategic imperatives.

People & Governance Committee Report

"During the year we have spent significant time reviewing the current composition of the Board to ensure we have the right balance of skills, experience and diversity to lead the Company and continue to deliver shareholder value."

J M Barry Gibson
Chair of the People & Governance Committee

Introduction

I am pleased to introduce the first report of the People & Governance Committee since it was established in April 2023.

A key action arising from last year's internal evaluation of the effectiveness of the ESG Committee (now called the Sustainability & Compliance Committee) was to consider how best to focus the wide remit of the ESG committee. Following a review, it was agreed that the Nomination Committee be retired and, in its place, a new Committee, the People & Governance Committee, be established. The remit of this new Committee is wider than that of the Nomination Committee as it includes diversity, equity and inclusion matters previously covered by the ESG Committee in addition to those areas covered by the Nomination Committee. Details of the membership of the Committee are set out on page 102.

During the year we have spent significant time reviewing the current composition of the Board to ensure we have the right balance of skills, experience and diversity to lead the Company and continue to deliver shareholder value. Further to our comprehensive succession planning and ongoing search for new directors, I was delighted to welcome Amanda Brown as an independent Non-Executive Director in November and more recently Ricky Sandler, who joined the Board as a Non-Executive Director in early January. On joining the Group, Amanda became a member of the Remuneration Committee and Ricky became a member of the People & Governance Committee and has recently joined the newly established Capital Allocation Committee.

Diversity, equity and inclusion are core considerations for the Committee. Following Rahul Welde's appointment as a Non-Executive Director in July 2022, Entain is fully compliant with the Parker Review's target to appoint at least one Board member from an ethnic minority background. Entain remains committed to achieving the external target laid out in the FTSE Women Leaders Review (the successor to the Hampton-Alexander Review) and the board diversity targets laid out in the Listing Rules and, whilst as at the date of this report female representation on the Board is at 33.3%, I am confident that we shall continue to strengthen diversity in all forms on the Board, Executive Committee and the extended leadership team as we go through 2024. We are particularly focused on increasing female representation on the Board as part of our ongoing Non-Executive Director search.

At the point of its establishment, the Committee was chaired by Stella David. Following her appointment as Interim Chief Executive Officer with effect from 13 December 2023, I became Chair of the Committee.

J M Barry Gibson
Chair of the People & Governance Committee

The role of the Committee

The Committee actively reviews the composition and diversity of the Board and leadership team and has oversight of the succession process. It ensures that appropriate procedures are in place for the training and evaluation of directors; reviews workforce policies and practices and monitors their consistency with the Company's purpose, strategy and values; and reviews developments in law, regulation, and business practice relating to corporate governance.

Key responsibilities of the Committee

- Ensuring that there is a formal, rigorous and transparent procedure for appointments to the Board.
- Leading the process for appointments and making recommendations to the Board.
- Assisting the Board in ensuring its composition is regularly reviewed and refreshed, taking into account the length of service of the Board as a whole, so that it is effective and able to operate in the best interests of shareholders.
- Overseeing the development of a diverse pipeline for succession for appointments to the Board and senior management positions.
- In conjunction with the Board, setting measurable targets for diversity and inclusion in relation to the Board and senior management positions.
- Reviewing workforce policies and practices, in particular those which have an impact on diversity and inclusion, culture, employee engagement and wellbeing.

The Committee's terms of reference can be found on the Company's website at **www.entaingroup.com.**

Committee membership and attendance

From the date that it was established on 26 April 2023 until 15 December 2023 the Committee comprised of the following three members: Stella David, who chaired the Committee, Barry Gibson, the Board Chairman (who had previously been Chair of the Nomination Committee), and Virginia McDowell, the Designated Workforce Director. Following her appointment as Interim Chief Executive Officer, Stella David stepped down from the Committee. Barry Gibson replaced Stella David as chair of the Committee and Rahul Welde was appointed as a member of the Committee. Post year end, on joining the Board, Ricky Sandler was appointed as a member of the Committee in accordance with the Relationship Agreement governing his appointment to the Board (see below).

The Committee had four meetings during 2023, all of which took place before the membership changes in December 2023. Attendance at the meetings was as follows.

Member	Number of meetings attended	Number of meetings eligible to attend
Stella David (Chair)	4	4
Barry Gibson	4	4
Virginia McDowell	4	4

Regular attendees at Committee meetings included the Chief Executive Officer and the Chief People Officer. Other individuals and external advisers were invited to attend as and when appropriate and necessary.

Activities

Board appointments

Following a tender process, the Committee engaged Spencer Stuart to support the recruitment of additional Non-Executive Directors. Following an extensive search against a specified remit, Spencer Stuart presented a list of potential candidates to the Committee. Meetings were held between shortlisted candidates and the Committee and the Chief Executive Officer. The Committee concluded that Amanda Brown would be an excellent addition to the Board, bringing a wealth of experience in human resources, remuneration strategy, and managing organisations through significant change, and therefore recommended Amanda's appointment to the Board. Amanda Brown was subsequently appointed as an independent Non-Executive Director of the Board on 8 November 2023. She was also appointed as a member and Designate Chair of the Remuneration Committee on this date, as recommended by the Committee.

Aside from supporting the Group's 360 Leadership Assessment and Development Programme Spencer Stuart has no other connections with the Company or individual Directors. It remains accredited under the enhanced voluntary code of conduct for Executive search firms.

Post financial year end, Ricky Sandler was, on the recommendation of the Committee, appointed as a Non-Executive Director of the Board and as a member of the Committee. Ricky has a deep knowledge of the business and believes in the quality of Entain's operations and substantial growth opportunities. In connection with his appointment, due to being the Chief Executive Officer and Chief Investment Officer of Eminence Capital LP, a shareholder of the Company, Entain entered into a Relationship Agreement with Eminence Capital and Ricky Sandler, which covers matters including customary governance, standstill and voting provisions. In accordance with this agreement Ricky was appointed as a member of the People & Governance Committee and, following its formation in February 2024, as a member of the Capital Allocation Committee. A summary of the principal terms of the agreement is available on the Company's website.

The Committee continues to work closely with Spencer Stuart to identify potential Non-Executive Director candidates that would add further value, bench strength and diversity to the Board.

Board composition and Board Committees

The Committee keeps the composition of the Board and its Committees under regular review to ensure that the directors, in their roles as members of the Board and members of the Board Committees, as a collective, have the right skills, experience and knowledge to discharge their responsibilities. The Committee also keeps under review longer term succession planning for the Board and its Committees.

The Committee has kept the membership of each Board Committee under review during the year and has considered Committee membership planning as part of the broader Board succession planning process. Due to the expertise and flexibility of the current directors, we were able to reconfigure the composition of the Board Committees as a result of Stella David stepping down as Chair of the People & Governance and Remuneration Committees. During the financial year the composition of Entain's Board Committees met the requirements of the UK Corporate Governance Code and Entain's own Terms of Reference for each Committee.

Director re-appointment for the 2024 Annual General Meeting

The Committee considered the independence of each Non-Executive Director as part of its recommendation to the Board for Director re-election at the 2024 Annual General Meeting. It considered the Board Conflicts of Interest register and concluded that there were no obvious conflict situations or outside business interests which would negatively impact the independence of the directors. In making its recommendation, the Committee also considered the time commitment and performance evaluation of each Director standing for appointment.

Diversity, equity and inclusion

The Committee received regular diversity, equity and inclusion reports including details of key initiatives such as the establishment of employee networks; the progress of such initiatives; the implementation of new policies such as the Group's global menopause policy; action plans to improve employee attraction, engagement and retention; action plans to improve gender diversity within the senior leadership team; the Group's apprenticeship programme; and employment data including headcount, attrition rates, people relations cases, and people-related issues raised by the Internal Audit team. Further details on diversity, equity and inclusion can be found on pages 48 and 49.

The Committee reviewed the Group Diversity, Equity & Inclusion Policy (including Board diversity) which was subsequently approved by the Board on the recommendation of the Committee. This can be found on our website at **www.entaingroup.com**.

Other reviews

The Committee reviewed the Policy on Outside Appointments for Directors and confirmed compliance with this policy throughout the financial year.

The Committee reviewed the data submitted to the FTSE Women Leaders Review and also reviewed and approved for recommendation to the Board the proposal for the 2023 evaluation of the Board and its Committees.

Towards the end of the financial year the Group commenced a 360 Leadership Assessment and Development Programme for all Executive Committee members. The Committee was briefed on the contents of the assessment and the programme of which the key findings will prove valuable as the Company undertakes its search for a new permanent Chief Executive Officer.

Committee evaluation

A review of the Committee's performance and effectiveness during the year was undertaken using a questionnaire facilitated by an external board review firm, Lintstock. Lintstock managed the evaluation process and produced the evaluation report.

The feedback from the Committee evaluation was positive in terms of Committee composition, the quality of the meetings and the information provided to the Committee members and the workings of the Committee. The effectiveness of the Chair was rated highly and it was recognised that the Committee had worked well over the year. Areas of focus for 2024 include ensuring that the Committee has a good understanding of Entain's culture and the issues affecting employees, ensuring that management is receiving the support that it needs, and improving oversight of future executive succession and development plans. The importance of a rigorous CEO selection process was also highlighted.

Chairman's Committee report

The Chairman's Committee is the forum for the Non-Executive Directors and Chairman to meet in executive session. Three Committee meetings were held during 2023. Topics discussed included succession planning for the Executive Directors, business performance, and strategy.

Audit Committee Report

“As Entain focuses on returning to organic growth in 2024, the Audit Committee will continue to play an important role monitoring the effectiveness of the control environment.”

Pierre Bouchut
Chair of the Audit Committee

Introduction

I am pleased to introduce the Audit Committee report setting out the key matters and issues considered in 2023.

In addition to the Audit Committee's obligations for financial reporting and ensuring the integrity of the Company's financial and narrative statements, the Committee has continued to monitor progress with the implementation of the Group's Enterprise Risk Management Framework and challenged management on the identification and assessment of principal and significant risks relevant to Entain.

The Audit Committee received assurance through focused deep dives that there has been good progress raising risk awareness throughout the organisation. We received regular updates on emerging financial and non-financial risks that has kept the Committee informed and focused on ensuring relevant controls and mitigating actions are in place and operating effectively.

The Committee has challenged management and our external auditors across a range of topics, in particular, key accounting judgments and control matters relating to M&A activity as well as the accounting treatment for the HMRC settlement arising from the investigation into the Group's legacy Turkish-facing business. The Committee has also worked closely with the Sustainability & Compliance Committee when considering non-financial reporting and disclosures.

As Entain focuses on returning to organic growth in 2024, the Audit Committee will continue to play an important role monitoring the effectiveness of the control environment. I am confident that we have the right mix of financial, accounting, risk and sector experience, to enable the Committee to continue to perform effectively and deal with the challenges of the changing regulatory and operating environment that we face as we go into 2024.

Pierre Bouchut
Chair of the Audit Committee

The role of the Audit Committee

The Audit Committee oversees the effectiveness of the Group's financial reporting, systems of internal control and risk management and the integrity of external and internal audit processes.

Key responsibilities of the Audit Committee

- Monitor the integrity of Entain plc's financial statements and any formal announcements relating to the Company's financial performance.
- Review and challenge, where necessary, the significant financial reporting issues and judgements in relation to the half-year and annual financial statements.
- Review the effectiveness of, and ensure that management has appropriate internal controls over, financial reporting.
- Make recommendations to the Board concerning any proposed, new or amended accounting policies.
- Review and monitor the relationship with the external auditor and oversee its appointment, tenure, rotation, remuneration, independence and engagement for non-audit services.
- Oversee the work of Internal Audit and assess the effectiveness, performance, resourcing, independence and standing of the function.
- Review and monitor the implementation and effectiveness of risk management systems and conduct a robust assessment of emerging and principal risks facing the Company.
- Oversee policies, procedures and arrangements for capturing and responding to whistleblower concerns and ensuring they are operating effectively.
- Assess and report on the Group's viability.

The Audit Committee Terms of Reference can be found on the Company's website at **www.entaingroup.com.**

Audit Committee membership and attendance

As at 31 December 2023 the Audit Committee comprised three members, all of whom are independent Non-Executive Directors. Pierre Bouchut is Chair of the Committee. He has a strong financial background, having been chief financial officer at Schneider Electric, Carrefour and Delhaize and extensive experience as an audit committee chair, currently serving at Pepco Group, Firmenich S.A. and GeoPost S.A. in this role. The Board is satisfied that he has the required level of relevant financial experience, as outlined in the UK Corporate Governance Code, and competence in accounting and auditing as required by the FCA's Corporate Governance Rules in DTR7.

The Board remains satisfied that the Audit Committee as a whole has an appropriate level of independence and experience and relevant financial and commercial experience across various industries, including the gaming sector, to assess the issues it is required to consider.

Committee members continue to receive relevant training to ensure competence relevant to the business, in addition to the other skills they bring to the Board and Committees.

Regular attendees at the meetings include the Chief Financial Officer & Deputy CEO, Director of Financial Control, Group General Counsel, Director of Internal Audit, the external auditor and the Chair of the Sustainability & Compliance Committee. During the year the Audit Committee met for private discussions with the external auditor and the Director of Internal Audit.

The Committee had five meetings during 2023.

Member	Number of meetings attended	Number of meetings eligible to attend
Pierre Bouchut (Chair)	5	5
David Satz	5	5
Rahul Welde	4	4

In February 2023, Mark Gregory and Vicky Jarman stepped down from the Committee and the Board prior to any 2023 Audit Committee meetings being convened. Rahul Welde joined the Committee on 23 February 2023.

Audit Committee Report

Responsibility for Entain's financial statements: Fair, Balanced and Understandable

The Board is ultimately responsible for presenting a fair, balanced and understandable assessment of Entain's position and prospects, which extends to the half-year and annual financial statements and Annual Report.

Delegation

Entain's finance department, led by the CFO & Deputy CEO, prepares and reviews the financial statements.

Management coordinates with the CEO, CFO & Deputy CEO and Chairman on the preparation of any business model and strategy.

The Company Secretary with the Chairman of the Board, the Chair of the various Board Committees, prepares the corporate governance statements and all Board Committee reports.

External Review

The secret animal #4 is a

Entain's e› review the half-year accounts. A report to the Audit Committee is prepared.

Committees' Review

The Audit Committee reviews the Annual Report, draft financial statements and accompanying statements and meets with the external auditors to review their report. The Audit Committee proposes amendments and makes recommendations to the Board and further approves the Audit Committee's Report.

For the annual report the Remuneration Committee, People & Governance Committee and Sustainability & Governance Committee respectively review their Committee Reports, propose changes and make recommendations to the Board.

Board Review

The Board reviews the Annual Report and financial statements, accompanying reports and recommendations from its committees and makes changes to the disclosure where appropriate.

Auditor Reporting to The Board

The External auditors prepare their final report (Annual Auditor's Report) or review report (half-year results).

Audit/Board Approval and Publish

The Board and auditors approve the Annual Report, year-end financial statements and disclosures and the half-year report and these are then released to the stock exchange and published on Entain's website on receipt of the final audit report.

In respect of the financial statements and accompanying reports for the year ended 31 December 2023, the Company has followed the process detailed above. Following the review and challenge of the disclosures, the Committee recommended to the Board that the financial statements taken as a whole, were fair, balanced and understandable. The financial statements provided the shareholders with the necessary information to assess the Group's performance, business model, strategy and risks facing the business. These include the ever increasing importance of ESG considerations.

Activities

Financial disclosure

The Audit Committee reviewed the full and half-year financial statements with management before proposing them to the Board for approval. In undertaking its review, the Audit Committee received reports from management and the external auditor outlining significant financial judgements and estimates, including the appropriateness of Group's revenue from online operations and recoverability of the carrying value of the investment in the Parent Company. In undertaking its review, the Committee focused on the integrity of the Group's financial reporting process, the clarity of disclosure and compliance with relevant reporting standards.

The Audit Committee reviewed the assessment and reporting of longer-term viability, systems of risk management and internal control, including the reporting and classification of risk across the Group and the examination of what might constitute a significant failing or weakness in the system of internal control.

During the year, the Audit Committee considered the affordability of the Company's progressive dividend policy, in particular, the implications of the HMRC settlement provision related to the Turkish facing business. The Committee further challenged and debated cash flow forecasts and consideration of relevant downside scenarios informed by long term viability modelling prior to approving the interim dividends paid for the full year 2023.

The Committee gave consideration and challenge to the appropriateness of adopting the going concern assumption in preparing the financial statements. The Committee agreed with the conclusions reached and the going concern statement for the year ended 31 December 2023 is set out on page 77.

In considering the Annual Report and Accounts, the Committee assessed whether the report was fair, balanced and understandable. The process undertaken is outlined on page 106. The Committee reviewed the consistency of the narrative disclosures and financial statements. It received a report from management on the verification process undertaken in respect of the annual report. The Committee then made a recommendation to the Board, which in turn reviewed the report as a whole, confirmed the assessment and approved the report's publication.

Risk

During the year the Committee received regular updates on the progress implementing the Enterprise Risk Management Framework and reports from the Group Risk Committee. The Committee conducted deep dives assessments on the principal risks allocated by the Board relating to Data Breach and Cybersecurity, Trading Liability and Pricing Management, Technology Failure and Taxes. During these assessments, the Committee challenged management and sought assurances that suitable measures were in place to monitor, manage and mitigate the relevant risks.

The Committee conducted a year end review of principal risks and emerging risks facing the business and will continue to work with management to ensure that all Entain specific risks are identified with robust processes and controls implemented to effectively manage them. Further details on the Group's principal risks are set out on pages 83-86.

External audit

The Audit Committee has primary responsibility for overseeing the relationship with the Group's external auditor, KPMG. KPMG completed its sixth financial reporting audit, providing robust challenge on specific financial reporting judgements and the control environment, with continued specific focus on the design and operation of IT systems and controls. The lead audit partner is Mark Flanagan who has been in role since 2021.

The Committee reviewed the external auditor's approach and strategy for the annual audit and also received regular updates on the audit, including observations on the control environment and the core platform and IT capabilities. Key audit matters discussed with KPMG are set out in its report on page 147.

The Audit Committee reviews the fee structure, resourcing and terms of engagement for the external auditor annually. It further considers the reappointment of the external auditor each year before making a recommendation to the Board.

It is anticipated that a retender for audit services will be completed by 2028 or sooner, in line with relevant guidelines. The Committee believes that the anticipated timeline for the retender of audit services is in the best interests of shareholders. It provides an appropriate balance of factors such as the auditor's knowledge of controls and risks, maintaining audit quality, independence and objectivity, and providing value for money.

The Group is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation Order 2014.

Effectiveness of the external audit

The Audit Committee evaluated the effectiveness of the external audit process during the year in consultation with the Chief Financial Officer and members of the senior finance team. The key areas of focus were:

- Safeguards against independence threats being sufficient and comprehensive.
- Quality and transparency of communications being timely, clear, concise and relevant and that any suggestions for improvements or changes are constructive.
- The exercise of professional scepticism and the willingness of the auditor to challenge management's assumptions.
- The quality of the audit engagement team – including the continuity of appropriate industry, sector and technical expertise or where there have been new areas of activity and changes in regulation or professional standards.

The Committee concluded that the external audit process had been effective and noted the positive enhancements and improvements made to the audit process during the year. Due to the growing complexity of the Group, it was agreed that a more global audit relationship with KPMG was required going forwards in order to enhance the quality and transparency of key audit matters and provide broader real time oversight of local statutory audits in the main jurisdictions of the Group's geographic footprint.

Non-audit services

The Audit Committee is responsible for the Group's policy on non-audit services and the approval of non-audit services. The policy states that in the Company's financial year, the total fees for non-audit services provided by the external auditors, excluding non-audit fees for due diligence for acquisitions and other specific matters noted below, should not exceed 70% of the average of the total fees for audit services they provided in the preceding three-year period.

The policy is kept under annual review and the Audit Committee receives regular reports on non-audit services provided by KPMG and other audit firms. In the year ended 31 December 2023, the total non-audit fees as a percentage of the audit fees paid to the external auditors was 4.9%. In addition to their statutory duties, KPMG is also employed where, as a result of their position as auditors or for their specific expertise, they either must, or the Audit Committee accepts they are best placed to, perform the work in question. This is primarily work in relation to matters such as shareholder circulars, Group borrowings, regulatory filings and certain business acquisitions and disposals. In such circumstances the Audit Committee will separately review the specific service requirements and consider any impact on objectivity and independence of the auditors and any appropriate safeguards to this. As such the Audit Committee believes it is appropriate for these non-audit services to be excluded from the 70% cap set out above. In the year ended 31 December 2023 the fees paid in respect of due diligence for acquisitions to the external auditors was £nil.

Internal Audit

Internal Audit provides assurance to the Board, through the Audit Committee, that effective and efficient control processes are in place to identify and manage business risks that may prevent the business from achieving its objectives and strategy.

The Director of Internal Audit is a standing attendee of the Committee and provides regular reports on Internal Audit findings, including the assessment of issues raised in previous reports. The work completed by Internal Audit during the year focused on key areas of the Group (disclosed on pages 83 to 86 under Principal Risks), which included:

- Reviews of anti-money laundering and safer gambling processes across various jurisdictions and businesses.
- Digital fraud management.
- Recruitment, talent resilience and retention practices.
- Data governance and retention management.
- Safer gambling interactions management.
- IT governance, including privileged access controls.
- Command Centre Management and performance of core production systems
- Disaster Recovery.
- Stadia health and safety and animal welfare
- Review of the Group's compliance with the UK Modern Slavery Act and adequacy of provisions to mitigate risks of slavery.
- Compliance with Ontario licence requirements
- Ongoing reviews of key financial controls' operating effectiveness.

The Board with the support of the Audit Committee, completed its annual review of the effectiveness of the system of internal control, including the effectiveness of internal audit and consideration of whether it had the appropriate level of independence and its importance in assessing the Company's culture. The Board concluded that it was satisfied that the system of internal control remains robust and fit for purpose and have selected areas on a risk basis for inclusion in the 2024 Internal Audit Plan.

Effectiveness of Internal Audit

The Audit Committee continued to monitor and review the effectiveness and capability of the Internal Audit function over the year. In assessing and determining effectiveness, the Committee met privately with the Director of Internal Audit, considered and approved the Internal Audit annual plan and surveyed management on their view of the effectiveness of Internal Audit.

The Committee concluded that Internal Audit had unrestricted scope and access to information and sufficient resources to fulfil its annual work plan. This conclusion was strengthened by management's positive feedback on the quality of the work performed and the additional assurance provided to management by the scope of Internal Audit's processes.

Whistleblowing policy

The Group has a formal whistleblowing procedure by which employees can, in confidence, raise concerns about possible malpractice and misconduct. This is set out in the Group's Code of Conduct and is approved by the Audit Committee. The Speak Out policy sets out the type of disclosure which is protected and also specifies to whom disclosures should be made and the process that will be followed. The Group actively encourages individuals, where they believe that malpractice has taken place, to make protected disclosures either internally through HR and Internal Audit or externally through an outsourced service provider. The Audit Committee receives regular reports from the Director of Internal Audit on the number of cases raised and the outcome of investigations.

During 2023, the Company's whistleblowing procedures have been further strengthened in order to assess complaints that might present an ethics issue. The Audit Committee continues to be satisfied that robust and appropriate arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

Committee evaluation

The Committee undertook a review of its effectiveness through an online questionnaire administered by an external facilitator (Lintstock).

The feedback from the Committee evaluation was positive in terms of Committee composition, the quality of the meetings, ways of working and the information provided to the Committee members. The effectiveness of the Chair was rated highly and it was recognised that the Committee had worked well over the year. There continued to be a good level of engagement with management and the external audit partner.

Areas of focus for 2024 included close monitoring of financial performance, oversight of safer gambling controls, challenging management on progress automating key processes and controls, and spending more time to assess operational effectiveness and resiliency.

Accounting and key areas of judgement and estimate

Throughout the course of the year, the Audit Committee determined the following areas of the financial statements were of significant interest. These issues were discussed with management and the external auditors to ensure that the required level of disclosure has been provided and that appropriate rigour has been applied where any judgement may be exercised.

Matter considered	Action
Separately disclosed items and Alternative Performance Measures	
The Group separately discloses certain items in order to allow a clearer understanding of the underlying trading performance of the business. In 2023, the Group has recorded a net charge in respect of items which have been separately disclosed from continuing activities of £1,217.8m after tax in the Income Statement.	As part of their assessment that the treatment of separately disclosed items in the financial statements is appropriate, the Audit Committee has considered each of the items disclosed and challenged, where necessary, the treatment adopted by management. The Audit Committee has also considered the conclusions reached by KPMG as part of its audit in this area and are satisfied with the treatment and disclosure adopted.
In addition, non-GAAP measures have been provided within the Annual Report and Accounts to assist in the articulation of the underlying business performance. Non-GAAP measures relate to industry standard KPIs which are commonly used by the Group's peers and market analysts.	Management's use of non-GAAP measures in explaining the underlying business performance has been considered by the Audit Committee, along with the views of KPMG on their use and prominence. Whilst the Committee understands the challenges associated with the use of non-GAAP measures, they are satisfied with the balance of the disclosure provided.
IFRS 3 Fair Value of Business Combinations	
During the year, the Group completed a number of acquisitions as detailed in Note 32 to the financial statements. Included within the IFRS 3 fair value exercise are a number of judgements and estimates including: • the assessment that future revenue shares in Tab NZ form part of consideration • the estimate of consideration, including contingent consideration, particularly on Tab NZ • the estimates of the fair value of acquired intangibles and goodwill	The Audit Committee has reviewed the judgements and estimates made in connection with the accounting treatment for business combinations including what items constitute consideration, the value of contingent consideration recognised, the assets and liabilities identified on acquisition and the appropriateness of fair values derived. In assessing the valuations, the Audit Committee has reviewed the working papers provided by management and the work of the Group's external valuation specialists as well as the conclusions reached by KPMG. In addition, the Audit Committee has assessed the appropriateness of the assumptions used by management in reassessing the value of contingent consideration obligations as at the year end date. Following review of all of these items, the Audit Committee has concluded that the treatment within the financial statements is appropriate.
Impairment	
The Group has significant value in enduring and indefinite life assets such as UK brands and goodwill which need to be reviewed for impairment annually. In 2023, as part of the annual impairment exercise, the Group has recognised a non-cash impairment charge of £190.0m against the goodwill in the Australian business. Inherent in any impairment of a CGU is a degree of estimation.	The carrying value of all enduring and indefinite life assets have been tested for impairment as part of the annual cycle. In assessing that the conclusions reached are appropriate, the Committee have reviewed the forecasts, key assumptions and methodology adopted by management in preparing their impairment assessment and, in particular, determining the impairment charge recognised against the Australian business. As part of their assessment, the Committee have also reviewed KPMG's audit findings and deem that both the treatment and disclosure of the impairment within Note 14 are appropriate.

Sustainability & Compliance Committee Report

"We developed this strategy to strengthen our sustainability leadership role – which plays a crucial enabling role in our long-term growth."

Virginia McDowell
Chair of the Sustainability & Compliance Committee

Introduction

In April 2023 the name of the Committee was changed from the ESG Committee to the Sustainability & Compliance Committee and matters relating to diversity, equity and inclusion, previously covered by the ESG Committee, were transferred to the newly established People & Governance Committee (see page 101). These changes reflected feedback arising from last year's internal evaluation of the ESG Committee and were made to make the increasingly wide remit of the ESG Committee more manageable.

During the year, the Committee continued to monitor and provide focus, support and challenge on sustainability and compliance issues. The Committee remained guided by Entain's Sustainability Charter which outlines Entain's ESG leadership ambitions. The Charter remains an important part of Entain's ESG leadership position within the gaming sector.

The Committee continued to monitor the management and mitigation of the Principal Risks allocated to it by the Board and ensure that its observations were fed back to the Board. During the year the Principal Risks were 'Safer Betting and Gaming', 'Health, Safety & Wellbeing of Customers, Communities and Employees', and 'Loss of Key Locations'. Following review by the Board it was determined that Loss of Key Locations would no longer be treated as a standalone Principal Risk and that it should form part of the Principal Risks 'Ensure Health, Safety, Security and Well-being of Employees, Customers, and Communities' and 'Maintain Technology Platforms Resilience' – further detail can be found on page 83.

As a result of the reconfiguration of the Board Committees following Stella David's appointment as Interim Chief Executive Officer, Rahul Welde stepped down from the Committee in December and I welcomed our Chairman, Barry Gibson, as a member of the Committee.

Virginia McDowell
Chair of the Sustainability & Compliance Committee

The role of the Committee

The Committee provides oversight of the Company's Sustainability and Compliance programme, overseeing the effective management of the Company's ongoing relationship and engagement with a wide spectrum of stakeholders. It monitors progress against internal key performance indicators and external Sustainability & Compliance index results.

Key responsibilities of the Committee

- Consider the adequacy of the Group's Sustainability and Compliance policies and processes by reviewing reports prepared by management on a range of issues such as responsible gambling, data protection and the Company's impact on the environment.
- Ensure that sufficient focus and resource is given to implementing, monitoring and managing the Company's Sustainability and Compliance policies and processes and that these remain effective.
- Consider the appointment of third parties to advise on Sustainability and Compliance policies and practices and/or audit the Group's Sustainability and Compliance policies.
- Liaise and work with the Board's other Committees to ensure the Board's duties and responsibilities are carried out effectively.
- Prepare an ESG report for inclusion in the Annual Report and Accounts and oversee that any public disclosures on Sustainability and Compliance issues made by the Group accurately reflect the Group's policies and processes.

The Committee's terms of reference were reviewed and updated by the Committee and subsequently approved by the Board during the financial year. These can be found on the Company's website at **www.entaingroup.com.** The Committee has operated in line with its Terms of Reference throughout the financial year.

Committee membership and attendance

The Committee has three members, two independent Non-Executive Directors plus the Chairman of the Board. Stella David stepped down from the Committee on 26 April 2023 following the establishment of the People & Governance Committee which she chaired until December 2023 (see the People & Governance Committee report on pages 101 to 103 for further information). Following changes to Board Committee memberships agreed in December 2023, Rahul Welde stepped down from the Committee with effect from 15 December 2023 and Barry Gibson joined the Committee with effect from the same date.

Regular attendees at the meetings include the Director of Internal Audit and the Group General Counsel. Other individuals and external advisers are invited to attend as and when appropriate and necessary.

The Committee had six meetings during the year, all of which took place before the membership changes agreed in December 2023. Attendance at the meetings was as follows:

Member	Number of meetings attended	Number of meetings eligible to attend
Virginia McDowell (Chair)	6	6
Stella David[1]	2	2
David Satz	6	6
Rahul Welde[2]	6	6

1 Resigned from the Committee on 26 April 2023.
2 Resigned from the Committee on 15 December 2023.

Activities

Safer betting and gaming

The Committee received regular updates on the Group's responsible betting and gaming programme. Briefings were held on the continued development and impact of the ARC™ programme and the Committee was given a demonstration of the customer journey under a range of scenarios. A deep dive review of the Principal Risk: Safer Betting & Gaming was undertaken, where the Committee considered potential developments in technology and regulatory guidance in key areas such as affordability and customer protection.

As in the previous financial year, the Committee undertook a half-year and a full-year review of the delivery of safer betting and gaming project metrics as part of the responsible gaming element of the Group-wide annual bonus structure which has a 15% weighting. This review included an external assessment by EPIC Risk Management on the Company's performance against targets. With more challenging metrics having been put in place for 2023, at its year-end assessment the Committee determined it was satisfied that these metrics had been met and made a positive recommendation to the Remuneration Committee as part of its assessment.

Further information on the responsible betting and gaming remuneration metric is outlined on page 131 of the Directors' Remuneration Report.

Sustainability

During the financial year the Sustainability Team completed a comprehensive sustainability materiality assessment which was reviewed by the Committee. The assessment has helped Entain to better identify the sustainability issues that are most material to the business and its stakeholders and will support its preparation for the incoming reporting requirements, such as the EU Corporate Sustainability Reporting Directive. Following the sustainability materiality assessment the four pillars of the Sustainability Charter were updated to:

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

More information on Entain's Sustainability strategy can be found on pages 40 and 41.

Gaming licence compliance

The Committee considered key elements of the Group's gaming licence compliance programme, including the development and update of Entain's Sports Betting Integrity Policy and the measures being taken to reduce the threats posed by Sports Betting Integrity issues.

Compliance governance

The Committee received quarterly reports on international, UK, Retail and digital compliance developments and monitoring of the Group's compliance management. It continued to review the impact of M&A activity on the Group's compliance programme and the regulatory risks associated with new market entry. The Committee received updates on the progress of the application for a compliance management system certification against ISO 37301 and on the progress of the Compliance Assessment by the UK Gambling Commission.

Ethics & compliance

Ethics and integrity are at the core of our organisation and culture. The Committee received regular updates on the key regulatory issues and trends around ethics, compliance and anti-money laundering from the expanded Ethics & Compliance team. The Committee approved the new Ethics & Compliance Charter which sets out the mission of the Group's Ethics & Compliance Programme and the independence and authority of the Ethics & Compliance team, which ensures that they are able to request information and access resources and colleagues to enable them to effectively undertake monitoring, testing activity and investigations. The Committee reviewed and approved the Group's Global Anti-Money Laundering & Counter-Terrorist Financing Policy and the Ethics & Compliance Three Year Strategy.

Privacy and data protection

Regular updates on privacy and data protection were given to the Committee, covering matters such as the steps being taken to improve data governance, the ongoing development of the Group's cybersecurity strategy, and key legal and regulatory developments around data legislation.

The Committee completed its annual review of the Group Data Retention Policy and the Group Data Protection Policy.

Health, Safety, Security and the Environment ("HSSE")

The Committee discussed the Group's environmental strategy and its commitment to being carbon net zero by 2035. HSSE performance was monitored by the Committee through regular updates on the Group's HSSE performance indicators and initiatives. The Committee reviewed and approved the proposed HSSE strategy for 2023 as well as agreeing the Group's HSSE KPIs for the forthcoming year. The Committee reviewed and approved the Health, Safety, Wellbeing & Workplace Policy Statement and the Environmental Policy Statement, both of which can be found on the Company's website at **www.entaingroup.com**.

During the financial year further workshops were held to support the Group's work on meeting the TCFD requirements. The Committee received updates on the progress of the workshops and how they were informing the Group's environmental strategy.

The Committee undertook deep dive reviews on the two Principal Risks: health, safety and the wellbeing of customers, communities and employees, and loss of key locations. The former focused on addressing key risks and facilitating management solutions relating to HSE matters whilst the latter focused on the findings arising from assurance checks undertaken by the HSSE team and the actions taken to resolve any issues that had come to light from those checks.

Modern Slavery Act statement review

The Committee reviewed the Group's Modern Slavery and Human Trafficking Transparency Statement for the financial year ended 31 December 2022, noting the key mitigation activities undertaken in 2022 including the continued monitoring of risks across the Group's supply chains, enhanced mandatory training for all employees, and updated policies including a new Code of Conduct which sets out the Group's commitment to preventing modern slavery. Entain continued to partner with Unseen, a UK anti-slavery charity. During 2022 steps were taken to implement the majority of the recommendations arising from the 2021 gap analysis undertaken by Unseen.

During the year, the Committee received updates on the development of the multi-year Modern Slavery Strategy and the Modern Slavery Programme to support the Group's work combating modern slavery. More details can be found on page 51.

The Modern Slavery statement can be viewed on our website at **www.entaingroup.com/modern-slavery-statement**

Other reviews

The Committee oversaw the annual ESG report, reviewing the content and giving feedback to management on its content. It also received an overview of the current IT infrastructure and the key IT projects underway as well as an overview of the work of the Group Payment Processing Committee.

The Committee meeting packs included the quarterly Internal Audit reports for information purposes. As and when appropriate, the Director of Internal Audit brought key matters to the attention of the Committee.

The Committee received an update on the progress of the Group's commitment to financially support areas such as research into safer gambling and education initiatives, grassroots sports, diversity in tech and community projects through the Entain Foundation.

Committee evaluation

A review of the Committee's performance and effectiveness during the year was undertaken using a questionnaire provided by an external board review firm, Lintstock. Lintstock managed the evaluation process and produced the evaluation report.

The feedback from the Committee evaluation was positive in terms of Committee composition, the quality of the meetings and the information provided to the Committee members, and the workings of the Committee. The Chair was rated highly and it was felt that the Committee had a good oversight of the policies and controls that fell within its scope of responsibilities. The changes to the Committee's remit made following feedback from last year's Committee evaluation had been positively received. Areas of focus for 2024 included ensuring a continued focus on safer betting and gaming, supporting the management of environmental goals and programmes, addressing the significant regulatory issues faced by the Company, undertaking tailored training, and receiving more of an external perspective on best practices relating to key issues.

Directors' Remuneration Report

"In a year of transition for Entain, the Committee have been mindful of the experience of our stakeholders when making remuneration decisions. These reflect a strong alignment of compensation with performance."

Virginia McDowell
Chair of the Remuneration Committee

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Annual Statement from the Chair of the Remuneration Committee

On behalf of the Board, I am pleased to present the Directors' Remuneration Report (the "Report") for the year ended 31 December 2023.

This is my first Report as Chair of the Remuneration Committee, having taken on this role on 14 December 2023 upon appointment of Stella David as Interim CEO. I would like to take this opportunity to thank Stella for her contribution and commitment to the work of the Committee.

Following shareholder approval of our Directors' Remuneration Policy (the "Policy") at our 2023 AGM, this year we will be asking shareholders to vote on our Annual Report on Remuneration at our AGM on 24 April 2024. The Report summarises remuneration outcomes for 2023 and explains how we intend to apply the Policy for 2024. The Policy is set out in our 2022 Directors' Remuneration Report and can be found on the Company's website at **www.entaingroup.com**.

2023 Group performance

2023 has seen significant progress made in re-focusing our business with revised strategic ambitions based on key objectives and priorities for the next three years that will drive shareholder value.

Key performance highlights in 2023 include:

- Group NGR (including our 50% share of BetMGM) up 14%.
- Retail NGR up 9%, reflecting the strength in our retail estate.
- Number of Online active customers up 23% year-on-year.
- Group underlying EBITDA in line with expectations.
- Our joint venture in the US, BetMGM, delivered a strong performance with NGR up 36% year-on-year and positive EBITDA achieved for H2 2023.
- Enhancement of our in-house content and capabilities with acquisition of 365Scores and Angstrom Sports.
- Further expansion into regulated markets with leading market positions including Poland with the acquisition of STS Holdings and signing a 25 year partnership with TAB NZ.
- Second Interim Dividend of 8.9p per share announced, bringing total for the year to 17.8p per share.
- Continued progress on responsibility and sustainability; we remain the only global operator with 100% of our revenue derived from regulated or regulating markets, and have launched a new regulatory and safer gaming charter to deliver market leading player protection in the markets in which we operate.

The end of the year saw the appointment of Stella David as Interim CEO, following the departure of Jette Nygaard-Andersen. Stella is an experienced commercial leader with an outstanding track record of success across multiple industries. While this is an interim appointment, Stella is focused on driving the execution of the revised strategic priorities, while the Board conducts a rigorous search for a permanent CEO.

2023 incentive outcomes

2023 annual bonus

80% of the annual bonus for 2023 was based on financial metrics (split 60% on Group operating profit and 20% on NGR performance). Our results in 2023 failed to meet the threshold level of the stretching performance conditions that had been set, and so no payout will be made against these metrics.

The remaining 20% of our annual bonus for 2023 was based on non-financial metrics; 15% relating to safer betting and gaming and 5% to our customer. The Committee is pleased that excellent progress continued to be made in both of these areas, resulting in a full payout in relation to these metrics.

The Committee acknowledges the commitment and hard work shown by all our colleagues this year and considers that the final outcome of 20% of maximum for the Executive Directors is fair and reflective of Entain's overall performance during 2023. Further details can be found on page 131.

2021 Long-Term Incentive Plan ("LTIP")

The 2021 LTIP was based on performance against EPS and two relative Total Shareholder Return ("TSR") targets over the three-year period ended 31 December 2023.

As a result of performance against the targets set, these awards lapsed in full. Full details are set out on page 132.

Board changes

Stella David
Stella David was appointed Interim CEO on 13 December 2023, replacing Jette Nygaard-Andersen. Stella's remuneration package and incentive opportunities are fully aligned with our Policy. Stella will receive an annual base salary of £874,200 from appointment, which represents the previous CEO's salary at the point of departure last year, plus an increase of 3.5% in line with the 2024 salary review budget for all UK colleagues. In order to take up the role as Interim CEO, Stella resigned from two Non-Executive Director roles. On leaving her role as Chair of Vue International, Stella forfeit a cash payment of £500,000 which was due to be made to her in February 2026. In line with our Policy on recruitment, this commitment is being replicated.

Jette Nygaard-Andersen

The Committee carefully considered the treatment to be applied to Jette's remuneration upon her departure from the Board on 13 December 2023. In doing so, the Committee recognised Jette's contribution to the business over the last three years, including achieving resolution of the HMRC investigation into the legacy sale of our Turkish business, overseeing a strategic shift towards operating only in regulated or regulating markets and overhauling our governance approach.

The Committee agreed Jette's leaving arrangements in the light of this context and further details are set out in the payments for loss of office section on page 135, but in summary:

- In line with her contractual entitlement to 12 months' notice, Jette will remain employed until 13 December 2024 and will continue to receive her normal salary and benefits during this time.
- The Committee agreed to treat Jette as a good leaver in accordance with the Policy and the provisions of the incentive plan rules in respect of her outstanding LTIP and Annual and Deferred Bonus Plan ("ADBP") awards. She will receive a time pro-rated bonus in respect of 2023, determined in the same manner as for the other Executive Directors and paid half in cash and half in deferred shares, as normal.
- In line with our post-employment shareholding requirement policy, Jette will be required to meet her shareholding requirement of the lower of 450% of salary or her actual shareholding for two years following her termination date of 13 December 2024.

Robert Hoskin
As announced on 15 May 2023, Robert Hoskin stepped down from the Board on 30 June 2023 and left employment on 31 August 2023. Robert's role as Chief Governance Officer ("CGO") was redundant and the Committee agreed the treatment of his remuneration arrangements in the light of this. Further details of Robert's leaving arrangements are set out in the payments for loss of office section on page 135, but in summary:

- Robert's salary was paid up until 31 August 2023 and his medical insurance continues until the end of the plan year (31 March 2024).
- A redundancy payment of £422,300 (in line with local legal requirements in Gibraltar) and payment of £296,188 in lieu of the balance of his contractual notice period was made.
- The Committee agreed to treat Robert as a good leaver in accordance with the Policy and the provisions of the incentive plan rules in respect of his outstanding LTIP and ADBP awards. He will receive a time pro-rated bonus in respect of 2023, determined in the same manner as for the other Executive Directors and paid half in cash and half in deferred shares, as normal.
- In line with our post-employment shareholding requirement policy, Robert will be required to meet his full shareholding requirement of 350% of salary for two years following his leave date of 31 August 2023.

Looking ahead to 2024

Directors' salaries

The Committee reviewed the salary of the CFO & Deputy CEO in December 2023 and approved an increase of 3.5% to £573,700 from 1 January 2024. This was in line with the salary review budget for all colleagues in the UK (excluding the 8.3% increase awarded to our UK Retail colleagues).

The salary for the Interim CEO is set out above.

Annual bonus

The Committee has reviewed the structure and metrics for the annual bonus and concluded that it is appropriate to make some changes for 2024. As for the 2023 plan, 80% of the bonus will relate to financial metrics. This ensures that a substantial portion of the annual bonus will only pay out for delivering on our key financial metrics, which will be split as follows: Group Operating profit (60%), Group NGR (10%) and NGR of BetMGM (10%). The NGR of BetMGM is being included as a standalone metric this year to emphasise the importance of this business to the future value of Entain. The 20% of the bonus based on non-financial metrics will be split equally between safer betting and gaming and individual objectives. The individual objectives will be measurable, robust, and aligned with value creation, and will contain a mixture of quantitative and qualitative metrics. The Committee believes that capturing individual performance will allow them to gain a more holistic and rounded view of each Executive's overall contribution to the business during the year.

Long-Term Incentive Plan

Awards will be granted in the usual manner in March 2024. In line with our Policy, the Interim CEO will receive an award with a face value of 450% of salary, while the CFO & Deputy CEO will receive an award of 400% of salary.

The Committee considers that relative TSR remains the most appropriate performance metric for the 2024 award given the fast-changing external environment in which Entain operates. This ensures a fundamental alignment with the interests of our shareholders. The comparator groups will remain unchanged (FTSE 100 and a bespoke peer group) as they continue to represent the most appropriate market reference points.

Conclusion

Entain has delivered strong progress on our strategic transformation during the year, alongside total revenue growth of 14% (including our 50% share of BetMGM). However the Committee acknowledges the experience of shareholders and other stakeholders and has taken this into consideration when determining remuneration outcomes for 2023. The Committee considers that the decisions it has made during the year align with our principles of fairness and transparency, and are aligned with, and in the interests of, our stakeholders.

I hope that you find the report clear and informative and look forward to your support at the forthcoming AGM.

Virginia McDowell
Chair of the Remuneration Committee

The Remuneration Committee

Role of the Committee

The Committee oversees the Company's overall remuneration strategy to ensure it is aligned to the Company's purpose and values and is linked to the successful delivery of the Company's long-term strategy. The Committee has delegated responsibility for designing and determining remuneration for the Chairman, the Executive Directors and senior executive management. It also reviews the remuneration of the wider workforce and related policies and the alignment of incentives and rewards with culture, taking these factors into account when setting the remuneration policy for the executive team.

Committee membership and attendance during 2023

Member	Number of meetings attended	Number of meetings eligible to attend
Virginia McDowell[1]	6	7
Stella David[2]	6	6
Amanda Brown[3]	2	2
Mark Gregory[4]	1	1
Vicky Jarman[5]	1	1
Rahul Welde[6]	5	6

1. Virginia McDowell was appointed Chair of the Remuneration Committee on 14 December 2023.
2. Stella David was appointed Chair of the Remuneration Committee on 23 February 2023 and stepped down from the Committee on 13 December 2023 when she was appointed as Interim CEO.
3. Amanda Brown joined the Board and the Committee on 8 November 2023.
4. Mark Gregory was Chair of the Remuneration Committee until he resigned from the Board on 17 February 2023.
5. Vicky Jarman resigned from the Board on 17 February 2023.
6. Rahul Welde joined the Committee on 23 February 2023.

During the year, there were five scheduled Committee meetings and two ad-hoc meetings. There will be five scheduled meetings in 2024, with ad-hoc meetings as required.

None of the Committee members or attendees are involved in any Committee decisions from which they may financially benefit personally (other than as shareholders). The Chairman, Chief Executive Officer, Chief Financial Officer & Deputy CEO, Chief People Officer and Director of Reward may attend meetings at the invitation of the Committee but are not present when their own remuneration is being discussed. The Company Secretary acts as the secretary to the Committee.

Key responsibilities

- Recommending to the Board the Remuneration Policy for Executive Directors and senior management.
- Setting the remuneration packages for each Executive Director and other members of the Executive Committee.
- Setting the remuneration package for the Chairman.
- Overseeing the Remuneration Policy for all colleagues.

The Committee's terms of reference can be found on the Company's website at **www.entaingroup.com**.

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Key areas of Remuneration Committee focus in 2023

A summary of the matters considered during the year is set out below.

Our workforce

- Remuneration discussion with Employee Forum representatives
- Receiving updates on all-colleague remuneration arrangements throughout the Group
- Review and approval of the 2022 UK Gender Pay Gap Report
- Approval of the launch of the 2023 ShareSave

Executive and senior management remuneration

- Determination of the payouts from the 2022 annual bonus plan and the 2020 LTIP award
- Approval of the 2023 annual bonus plan and 2023 LTIP award and their associated performance metrics and targets
- Review of salaries and remuneration packages for senior executives and fees for the Chairman
- Review of performance metrics for the 2024 annual bonus plan and 2024 LTIP award
- Approval of the exit package for Robert Hoskin
- Approval of the remuneration package for Stella David as Interim CEO
- Discussion of exit terms for Jette Nygaard-Andersen, between the Chairman and Committee members in advance of approval by the full Board

Committee governance

- Approval of the 2022 Directors' Remuneration Report
- Receiving updates on external market developments in remuneration and governance, including international compensation practices
- Evaluation of the Remuneration Committee, its advisers and the Committee's Terms of Reference
- Review of shareholder feedback received in relation to Directors' remuneration following the 2023 AGM
- Concluding the review of our existing Directors' Remuneration Policy started in 2022, which resulted in the new Policy presented to the 2023 AGM for approval

Remuneration Committee evaluation

The performance of the Remuneration Committee was assessed as a part of the Board Review, which this year was undertaken through online surveys administered and reviewed by external facilitator Linstock.

As well as addressing core aspects of Committee performance, the exercise had a particular focus on the following areas:

- The alignment of Remuneration Policy with the expectations of shareholders, and with Entain's strategic objectives, including the financial and non-financial metrics used to determine variable pay.
- The effectiveness of relationships and communication with key stakeholders.
- Areas where the Committee had exercised discretion in decision making.
- Priorities for change and improvements to strengthen Committee performance.

The review concluded that the Committee had worked effectively during the year, with positive feedback for the performance of the Committee Chair. The Committee discussed the results of the evaluation in private session and agreed that it would continue to focus on the remuneration strategy for the wider workforce and how remuneration structures could enable Entain to attract and retain global talent. The Committee identified the need to spend more time engaging with employees to better understand the key themes and remuneration topics that are important for motivating the workforce. It was also agreed that the Committee Chair would work more closely with senior management, in particular the Chief Executive Officer and Chief People Officer, to ensure efficient operation of the Committee, with appropriate time spent on key topics such as setting incentive plan targets that motivate shareholder value creation and understanding the markets for talent that Entain competes in.

Advice to the Committee

Advisers are appointed independently by the Remuneration Committee, which reviews its selection periodically and is satisfied that the advice it receives is independent, objective and free from conflicts of interest. The total fees paid to the Committee's adviser, Deloitte, in respect of 2023 were £87,750 (2022: £132,500). These were charged on a time and materials basis. Deloitte's advice included provision of market data, advice on content of the new Directors' Remuneration Policy and general guidance on market and best practice.

Deloitte LLP also provided a range of tax and advisory services to Entain during the year, some operating model delivery support, and assistance to the Group's internal audit function.

Deloitte is a founding member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. Further details can be found at **www.remunerationconsultantsgroup.com**.

Management's advice to the Committee was also supported by the provision of market data from Willis Towers Watson and legal advice from Freshfields.

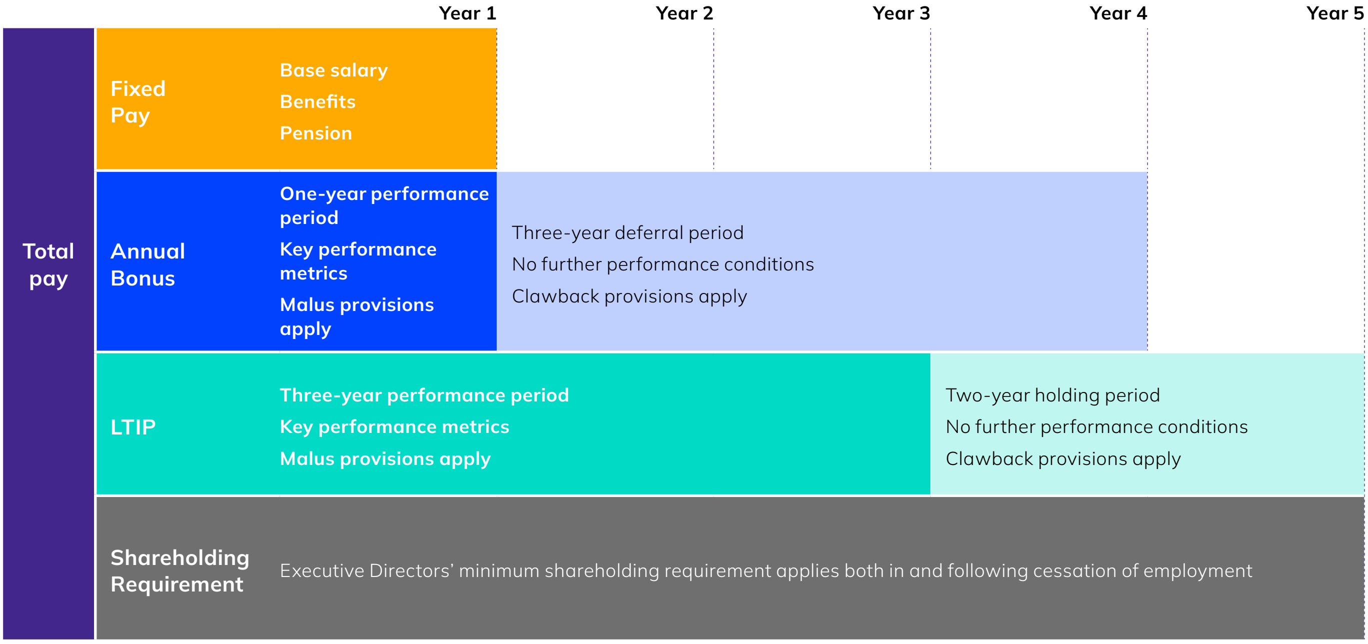
Shareholder voting and consideration of shareholder views

The 2022 Annual Statement from the Chair of the Remuneration Committee and the Annual Report on Remuneration were subject to an advisory vote at the AGM on 25 April 2023. Our Remuneration Policy was approved by shareholders at the same meeting.

Resolution	Date	Votes for	% of votes for	Votes against	% of votes against	Votes withheld
Annual Report on Remuneration	25 April 2023	461,233,616	98.1%	8,893,883	1.9%	2,140,345
Remuneration Policy	25 April 2023	440,043,910	93.6%	30,077,857	6.4%	2,146,077

Executive remuneration at Entain

The remuneration framework for Executive Directors at Entain is intended to incentivise them to execute the Company's strategy and create long-term sustainable value for shareholders. It is simple, focused and aligned with key financial and strategic business goals.



2023 – Executive Directors' remuneration

The full explanatory notes for each element of remuneration are detailed on pages 130 to 132 in the Annual Report on Remuneration.

£000s	Base Salary	Benefits	Pension	Annual Bonus	LTIP	Total
Stella David (Interim CEO)[1]	46	1	3	–	500	550
Jette Nygaard-Andersen (CEO)[2]	813	56	49	407	–	1,325
Rob Wood (CFO & Deputy CEO)	554	16	29	222	–	821
Robert Hoskin (Chief Governance Officer)[3]	211	2	–	85	–	298

1. Stella David was appointed Interim CEO on 13 December 2023.
2. Jette Nygaard-Andersen stepped down from the Board on 13 December 2023.
3. Robert Hoskin stepped down from the Board on 30 June 2023.

2023 Incentive outcomes

The full explanatory notes for the annual bonus and LTIP outcomes are detailed on pages 131 to 132 in the Annual Report on Remuneration.

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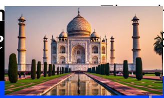


2023 Annual Bonus

Measure	Outcome	Threshold	Target	Stretch	Result
Group Operating Profit (60%)	**Outcon**	...hold ...m	Target £723m	Stretch £759m	0% of maximum
Group NGR[1] (20%)	**Outcome £5,409m**	Threshold £5,613m	Target £5,787m	Stretch £5,961m	0% of maximum
Safer Betting and Gaming (15%)	Sustainability & Compliance Committee assessment of performance				100% of maximum
Customer (5%)	**Outcome 3.6**	Threshold NPS score: 0	Target NPS score: 2	Stretch NPS score: 3	100% of maximum
Total payout					**20% of maximum**

2021–23 LTIP

Measure	Outcome	Threshold	Stretch	Result
Cumulative EPS (33.3%)	**Outcome 225.3p**	Threshold 255p	Stretch 296p	0% of maximum
Relative TSR vs. FTSE 100 (33.3%)	**Outcome (15.5%)**	Threshold Median: 13.0%	Stretch Upper quartile: 45.5%	0% of maximum
Relative TSR vs. Bespoke peer group (33.3%)	**Outcome (15.5%)**	Threshold Median: 8.4%	Stretch Upper quartile: 46.1%	0% of maximum
Total payout				**0% of maximum**

1. Including Entain's 50% share of BetMGM NGR.

Implementation of the Remuneration Policy for Executive Directors

The tables below illustrate the balance of pay and time period of each element of the Policy for Executive Directors and summarise how the Committee applied the Policy in 2023, together with details of how the Committee intends to implement the Policy in 2024.

Element	Operation	How we implemented the Policy in 2023	How we plan to implement the Policy in 2024
Salary To provide competitive fixed remuneration that will attract and retain appropriate talent. Reflects an individual's responsibilities, experience and role Fixed pay Y1 Y2 Y3 Y4 Y5	• Salaries for Executive Directors are reviewed annually by the Committee and any increases normally take effect from 1 January. To the extent that increases are awarded, these will ordinarily be no higher than the typical level of increase across the wider workforce	• Executive Directors' salaries from 1 January 2023: – CEO – £844,600 – CFO & Deputy CEO – £554,300 – CGO – £422,300	• Salary of the Interim CEO (with effect from her appointment on 13 December 2023): £874,200 • With effect from 1 January 2024, salary increase of 3.5% for the CFO & Deputy CEO to: £573,700
Benefits To provide competitive benefits and to attract and retain high calibre employees Fixed pay Y1 Y2 Y3 Y4 Y5	• The value of benefits is based on the cost to the Group and there is no pre-determined maximum limit • Executive Directors receive standard benefits such as medical and life insurance and car allowance	• Normal company benefit provision	• Normal company benefit provision
Pension To provide an opportunity for retirement planning Fixed pay Y1 Y2 Y3 Y4 Y5	• Executive Directors have the opportunity to participate in a company-provided pension, which is in line with that available to other employees, or may receive a cash allowance in lieu of a company contribution	• CEO – 6% of salary cash allowance • CFO & Deputy CEO – 4.5% of salary company contribution to the pension plan to June 2023 then 6% of salary of which £833 per month was paid into the pension plan with the balance paid as a cash allowance[1] • CGO – Opted out of the plan	• Interim CEO – 6% of salary cash allowance • CFO & Deputy CEO – 6% of salary of which £833 per month is paid into the pension plan with the balance paid as a cash allowance
Annual Bonus To incentivise the achievement of key financial and non-financial performance targets in line with corporate strategy over a one-year period 50% cash Y1 Y2 Y3 Y4 Y5 50% shares Y1 Y2 Y3 Y4 Y5	• Maximum annual incentive opportunity of 250% of salary for the CEO and 200% of salary for other Executive Directors. No payment will be made for below-threshold performance. 50% of the maximum opportunity is payable for target performance • 50% of any bonus award will be deferred into shares for three years • Dividend equivalents are payable on deferred shares • Malus and clawback provisions apply	• Maximum opportunities: – CEO – 250% – Other Executive Directors – 200% • Performance metrics (as a percentage of total): – Underlying Group Operating Profit (pre US joint venture) (60%) – NGR including US joint venture (20%) – Safer Betting and Gaming (15%) – Customer (5%) • Executive Directors awarded bonuses of 20% of their maximum opportunity. See page 131 for further information	• Maximum opportunities: – Interim CEO – 250% – CFO & Deputy CEO – 200% • No change to payment mechanisms of bonuses • Performance metrics (as a percentage of total): – Underlying Group Operating Profit (pre US joint venture) (60%) – Group NGR (10%) – NGR of BetMGM (10%) – Safer Betting and Gaming (10%) – Individual Objectives (10%) – Any payment is subject to the completion of mandatory training relating to safer betting & gaming and compliance • Targets are considered commercially sensitive, but will be disclosed in the 2024 Directors' Remuneration Report

1. See page 130 for more details.

Element	Operation	How we implemented the Policy in 2023	How we plan to implement the Policy in 2024
LTIP To incentivise the execution of the long-term business plan and the delivery of long-term sustainable value for shareholders Up to 450% of salary Y1 Y2 Y3 Y4 Y5 Two-year holding period Y1 Y2 Y3 Y4 Y5	• Maximum award of 450% of base salary for the CEO and 400% of base salary for other Executive Directors • Threshold performance results in 16.7% of the award vesting, where maximum award levels are granted • Vesting is on a straight-line basis between threshold and maximum • Awards are granted annually and are subject to a three-year performance period • A two-year holding period will apply following the vesting period • Dividend equivalents are payable on vested awards • Malus and clawback provisions apply	• Grant levels for 2023 awards: – CEO – 450% – CFO & Deputy CEO – 400% – CGO – no award made in 2023 • Performance conditions: – Relative TSR vs. the FTSE 100 (50%) – Relative TSR vs. a bespoke group of sectoral peers (50%) • The performance period for the 2021 LTIP ended in the year and this award will lapse in full. See page 132 for further information	• Grant levels for 2024 awards: – Interim CEO – 450% – CFO & Deputy CEO – 400% • Performance conditions: – Relative TSR vs. the FTSE 100 (50%) – Relative TSR vs. a bespoke group of sectoral peers (50%) • See page 123 for details on LTIP awards to be granted in 2024
Shareholding Guidelines To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon Executive Directors' share ownership Y1 Y2 Y3 Y4 Y5	• Executive Directors are required to retain 50% of the post-tax number of vested shares from the Company incentive plans until the minimum shareholding requirement is met and maintained • Executive Directors are required to maintain 100% of their guideline (or their actual holding if lower) for two years following cessation of employment	• Shareholding guidelines: – CEO – 450% – Other Executive Directors – 350% • The Executive Directors' share interests as at 31 December 2023 are detailed on page 134	• Shareholding guidelines: – Interim CEO – 450% – CFO & Deputy CEO – 350%

Performance metrics and link to strategy

The table below demonstrates how each element of our reward package links to our two strategic pillars of Growth and Sustainability. More information about our strategic pillars is set out on pages 23 to 25.

		Strategic pillars	
Element of reward	Link to reward	Growth	Sustainability
Bonus	Underlying Group operating profit	⬢	⬢
	NGR	⬢	
	Safer betting and gaming	⬢	⬢
	Individual objectives	⬢	⬢
	Deferral of bonus into shares		⬢
LTIP	Total shareholder return	⬢	⬢
	Holding periods for Executive Directors		⬢
Bonus and LTIP	Malus and clawback provisions apply		⬢
	Shareholding requirements for Executive Directors		⬢
Benefits	ShareSave for all employees	⬢	⬢
	Market-related benefits package	⬢	⬢
	Employee recognition		⬢
	Learning and development opportunities	⬢	⬢

2024 Incentive plan metrics

Annual bonus

What financial metrics will be used for the 2024 annual bonus?

80% of the annual bonus will be based on financial metrics that will be split between underlying Group operating profit (60%), Group NGR (10%) and the NGR of BetMGM (10%). The NGR element has been amended from that used in 2023, by splitting out the element relating to BetMGM as a separate metric. This further emphasises the importance of BetMGM's performance to the future value of Entain.

What non-financial metrics will be used for the 2024 annual bonus?

As in 2023, the remaining 20% of the bonus will be determined by non-financial metrics. These will be split equally between a safer betting and gaming metric and individual objectives.

In order to have a sustainable business, the protection of our customers has to be fundamental to everything we do and continuing to include a safer betting and gaming metric reinforces the importance of this to all our colleagues.

Alongside this, for the first time, we are including individual objectives in our annual bonus for all colleagues who participate in the plan. This will support the embedding of a performance culture at Entain and drive personal accountability for the delivery of key activities.

What is the underpin?

In previous years, the threshold for our safer betting and gaming metric has required a minimum number of colleagues to complete relevant mandatory training. For 2024 we have strengthened this requirement such that completion of these training modules will now be a prerequisite for a participant to be eligible to receive any payment under the annual bonus plan. This further drives personal accountability.

Why have changes been made to the non-financial metrics for 2024?

In 2023, the safer betting and gaming metric had a 15% weighting and we included a customer metric with a 5% weighting. While the weighting on safer betting and gaming has been reduced, as described above, the previous threshold has now been changed to a more stringent underpin for the entire annual bonus. For those colleagues whose work most closely impacts on our safer betting and gaming and customer agendas, relevant individual objectives will be set. The Committee is comfortable that this is a more effective way to drive performance in these areas.

How will the safer betting and gaming metric work for 2024?

For 2024, the safer betting and gaming metric will be based around our colleagues' completion of relevant training. The outcome of the metric will be monitored and evaluated by the Sustainability & Compliance Committee who will make a recommendation of the outcome to the Committee.

When will targets for the 2024 annual bonus be disclosed?

The targets for the annual bonus, including individual objectives for the Executive Directors, are considered commercially sensitive, but will be disclosed, along with their respective outcomes, in next year's Directors' Remuneration Report.

2024 LTIP

What metrics will be used for the 2024 LTIP?

In determining the LTIP performance metrics for the 2024 award, the Committee has again considered the difficulty in setting appropriately stretching but incentivising financial targets, given the fast-changing external environment in which we currently operate. The Committee has concluded that it remains appropriate to continue to base our 2024 LTIP award entirely on relative TSR metrics. This aligns management's interests closely with the experience of investors and incentivises actions which enhance long-term value creation.

For 2024, 50% of the LTIP awards will be based on TSR performance relative to the FTSE 100 and 50% on performance relative to an industry peer group of the following companies:

888 Holdings, Aristocrat, Betsson, Caesars Entertainment, DraftKings, Evolution Gaming Group, Flutter Entertainment, International Game Tech, La Française des Jeux, MGM Resorts, Playtech, Rank Group, Rush Street Interactive and Sands LV.

What are the targets for the 2024 LTIP?

The targets and vesting schedule for the 2024 LTIP awards are set out below.

Metric	Weighting	Threshold[1] (16.7% vesting)	Maximum[1] (100% vesting)
TSR vs. FTSE 100	50%	Median	85th percentile
TSR vs. peer group	50%	Median	85th percentile

1. Straight-line vesting between threshold and maximum.

The Committee will assess the value of the 2024 LTIP awards at vesting and will ensure that the final outturn reflects all relevant factors, including consideration of underlying performance.

Remuneration in context

Committed to good governance

When considering executive remuneration, the Committee takes into account a wide range of factors including legal and regulatory requirements, associated guidance, and the views of shareholders and their representative bodies. How the Committee addresses the following principles, taken from the 2018 UK Corporate Governance Code, is set out below.

Clarity

- Our remuneration framework is structured to support the financial and strategic objectives of the Group, aligning the interests of our Executive Directors with those of shareholders.
- We are committed to transparent communication with all our stakeholders, including shareholders – page 65 sets out more details of how we engage with shareholders.

Simplicity

- We operate a simple but effective remuneration framework.
- The annual bonus and LTIP reward performance against key indicators of success for the business.
- There is clear line of sight for management and shareholders.

Risk

- Our incentives are structured to align with the Group's risk management framework.
- Three-year deferral under the annual bonus and the two-year holding period on LTIP awards create long-term alignment, as do our within- and post-employment shareholding guidelines.
- Both incentives also incorporate robust performance targets, malus and clawback provisions, and overarching Committee discretion to adjust formulaic outcomes.

Predictability

- The Remuneration Policy clearly sets out the possible future value of remuneration that Executive Directors could receive, including the impact of share price appreciation of 50%.

Proportionality

- There is clear alignment between the performance of the Company and the rewards available to Executive Directors.
- Incentive elements are closely aligned to our strategic goals, transparent and robustly assessed, with the Committee having full discretion to adjust outcomes to ensure they align with overall Entain performance.

Alignment to culture

- We are committed to effective stakeholder and colleague engagement, part of which is ensuring that the Committee sees all relevant data relating to pay and conditions in the wider workforce.
- Operating responsibly towards our customers is fundamental to the way in which Entain operates and remuneration outcomes are reviewed in the light of actions taken in support of our safer betting and gaming agenda.
- To reflect the importance of our safer betting and gaming activity to the sustainability of Entain, relevant metrics are included in our annual bonus plan. This demonstrates a clear link between remuneration and our culture. The Committee will also take broader ESG considerations into account and may apply discretion if necessary when assessing the appropriateness of incentive outcomes.

Understanding our colleague reward framework

Our people are vital to our business. At Entain, we believe in fairness throughout the Company. The Group operates a number of general principles applied to all levels.

- We will provide a competitive package compared to the relevant market for each colleague.
- We will ensure colleagues can share in the success of the business, where appropriate, through performance-based variable remuneration and opportunity to acquire Entain shares.
- We aim for transparency and a fair cascade of remuneration throughout the Group.

The Remuneration Committee considers a range of factors when deciding upon the remuneration for Executive Directors, one of which is the alignment with pay practices across the wider workforce. The table below summarises the remuneration structure for employees below the Board.

Element	Wider workforce	Executive Directors and senior management
Base salary	• Our base salary is the basis for a competitive total reward package for all employees, and we review these annually. • The review takes into account a number of factors such as country budget, relevant market comparators, the skills, knowledge and experience of each individual, relativity to peers within the Company and local legislative requirements. • In setting the salary review budget each year, we consider affordability as well as assessing how employee base salaries are positioned relative to market rates, forecasts of any further market increases and attrition rates.	• The base salary of our Executive Directors and senior management forms the basis of their total remuneration and we review their salaries annually.
Benefits and pension	• We offer market-aligned benefits packages reflecting market practice in each country in which we operate. • Where appropriate, we offer elements of personal benefit choice to our employees.	• The benefits packages of our Executive Directors and senior management are aligned with the wider workforce of the country in which they are employed. • Subject to local legislation, Executive Directors are eligible to participate in the pension arrangement in their country of employment on the same basis as local employees.
Short-term incentives	• Many of our global workforce participate in the Group annual bonus, with metrics typically aligned to those of the Executive Directors and senior management, although depending on role, greater emphasis may be placed on business unit performance. • We operate local incentive arrangements where appropriate to align with market practice.	• The Executive Directors and senior management participate in the same Group annual bonus plan as eligible members of the global workforce. • Half of any award to an Executive Director is subject to deferral into shares for three years. • Malus and clawback provisions apply.
Long-term incentives	• A proportion of this population is eligible to be considered for LTIP or Restricted Stock Awards, which vest after three years. • Malus and clawback provisions apply. • Employees have the opportunity to participate in the Group's all-employee ShareSave plan.	• We operate an LTIP with a three-year performance period for Executive Directors and senior management, and vesting is subject to Group performance outcomes. • Awards made to Executive Directors are subject to a two-year holding period following vesting. • Malus and clawback provisions apply.

Read more about the Committee's work in 2023: **pages 116-117**

Consideration of colleague and stakeholder views

The Committee supports and aims for fairness and transparency of remuneration arrangements across the Group, with consistent principles underlying both pay for the Executive Directors and that for our wider colleague population. To support this, the Committee receives regular updates on Group-wide all-colleague remuneration arrangements. During the year, this included briefings on our UK Gender Pay gap, our ShareSave plan and approach to all-employee salary review, including that for our UK Retail colleagues.

We have several colleague forums within Entain. These play an important role in providing our people with a voice and allow them to provide the business with valuable insight and feedback on a range of topics, including remuneration. In addition, Virginia McDowell, in her role as Designated Workforce Director, provides the Committee with updates on colleague views on remuneration. Through the Board, the Committee receives valuable insight as to general colleague views including those on remuneration including feedback from our global 'Your Voice' survey which will be running in January 2024. See page 64 for more detail on our Board Engagement activities.

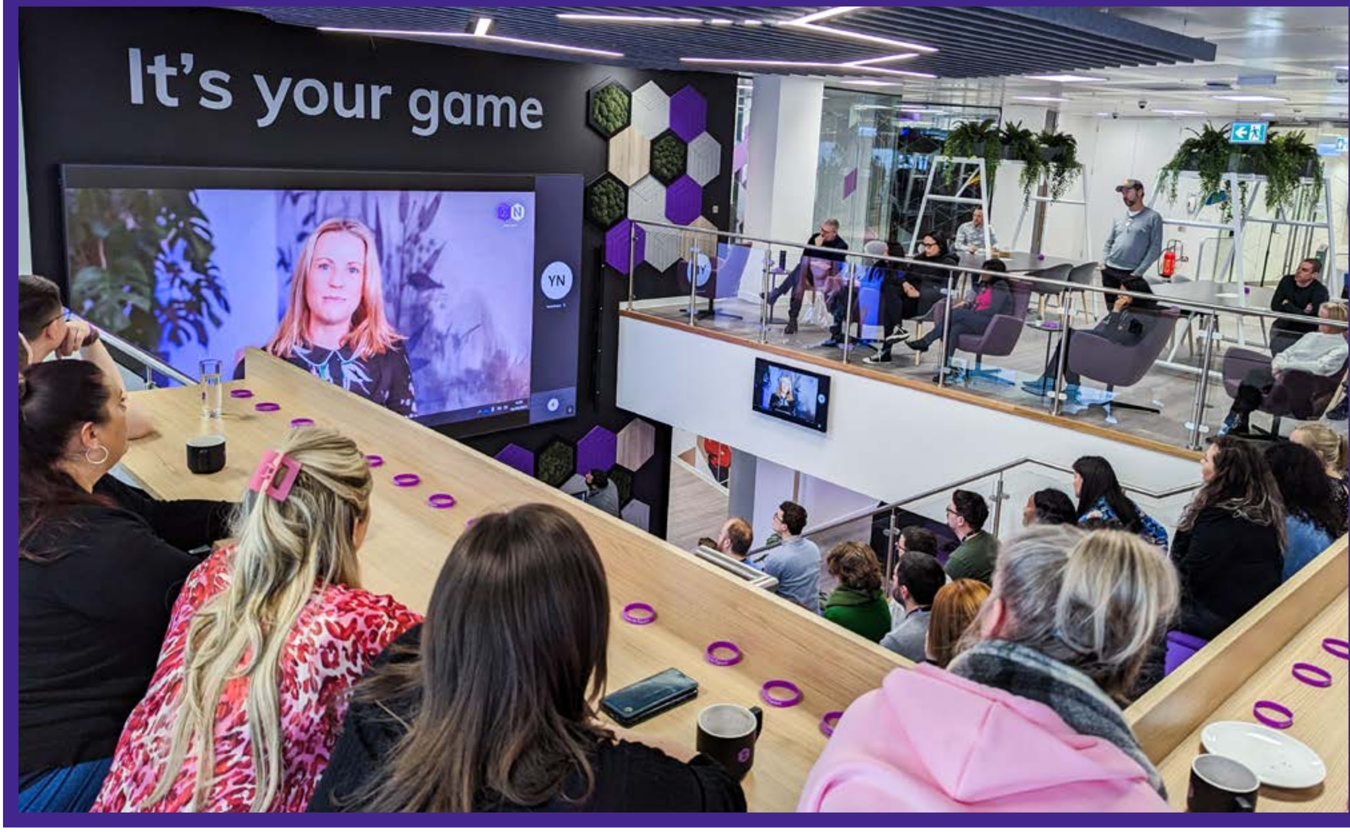
Along with Virginia, Rahul Welde, a member of the Remuneration Committee, participated in Entain's Global Engagement Conference and our Employee Forum AGM, both held virtually in January 2024. These events brought together colleague representatives from across the Group and gave them the opportunity to engage with Virginia and Rahul on a wide range of topics. As with the similar meetings held in previous years, an open dialogue was had and our colleague representatives provided very informative input on their experiences and suggestions. The Committee members are grateful for the ongoing active participation of these colleagues and the insights received and thank them for their input.

All-employee remuneration and actions in response to cost-of-living pressures

The Committee is mindful of Entain's responsibility as an employer and the focus on this is heightened in the current difficult economic environment which continues to be experienced by our colleagues all over the world. The Committee was pleased that we were able to implement several all-colleague remuneration initiatives during 2023:

- Budgets were set for our 2024 annual salary review taking into account the current inflationary context being experienced by our colleagues globally. As a result, salary review budgets of between 3.5% and 7.0% were approved, depending on local market conditions.
- Noting that the position is somewhat different for our hourly paid colleagues in UK Retail and Stadia, with effect from 1 January 2024, their minimum hourly rate of pay has been increased by 8.3% to £11.80 (from £10.90).
- All of our colleagues have the opportunity to share in the value they create. A third cycle of our all-employee ShareSave plan was launched in April 2023 to colleagues in 25 countries. 15% of our people elected to participate, giving them the opportunity to purchase Entain shares at an option price of £10.08. We intend to offer ShareSave again in 2024.

All of these initiatives acknowledge the importance of our colleagues in delivering the Group's objectives, and the Committee looks forward to continuing the dialogue with our people in the coming year.



CEO pay ratio (unaudited)

The first table below sets out the ratio at median, 25th and 75th percentile of the total remuneration received by our CEO compared to the total remuneration received by our UK colleagues, while the second provides further information on the total colleague pay figure at each quartile, and the salary component within this. The total pay for our two CEOs in 2023 was 78 times the median (50th percentile). This is a fall from 2022 which is mainly attributable to the increase in the median pay of our UK colleagues. Our UK employee population is predominantly made up of colleagues working in our retail estate, and the Committee considers that this ratio is not out of line with that at other retail organisations.

	Method	25th percentile	50th percentile	75th percentile
2023	Option A	90	78	65
2022	Option A	101	87	73
2021	Option A	139	122	98
2020	Option A	106	95	75
2019	Option A	278	229	170

UK colleagues – pay element	25th percentile	50th percentile	75th percentile
Salary	17,629	18,975	20,301
Total remuneration	20,893	24,090	28,663

We would highlight the following in terms of the approach taken:

- Option A was chosen as it is considered to be the most accurate way of identifying colleagues at P25, P50 and P75, and is aligned with investor expectations. Under this approach we calculate total remuneration for all of our UK colleagues and rank them accordingly on this basis.
- The lower quartile, median and upper quartile colleagues were calculated based on full-time equivalent data as at 31 December 2023. Salary excludes any statutory payments such as maternity and sick pay; these items are reflected in the Total remuneration figures.
- In reviewing the colleague pay data, the Committee is comfortable that the P25, P50 and P75 individuals identified appropriately reflect the colleague pay profile at those quartiles, and that the overall picture presented by the ratios is consistent with our pay, reward and progression policies for UK colleagues.

The Committee notes that Entain has in place a number of initiatives to ensure that the pay and conditions for our wider colleague population are fair and reasonable and receives regular updates on reward practices throughout the Group.

We aim to provide a market-competitive remuneration package in each of the countries in which we operate. This includes benefits appropriate to the local market and the ability for many colleagues to share in the success of Entain via annual incentive programmes. We successfully launched the third cycle of our all-employee ShareSave plan in 2023 and another cycle will be offered in April 2024. In June 2022, we also made an award of free shares with a value of £300 to all employees. These shares vest in June 2024, subject to continued employment.

Structures are in place to support salary progression, and regular market analysis by geography and role function is carried out, with action taken as appropriate and salaries are typically reviewed in January each year.

Relative importance of the spend on pay

The table below sets out the overall spend on pay for all colleagues compared with the returns distributed to shareholders.

Significant distributions	2023	2022	% change
Staff costs (£m)[1]	**753.8**	654.5	15.2%
Distributions to shareholders (£m)[2]	**106.9**	50.0	113.8%

1. Increase in staff costs is largely due to an increase in employee numbers and an increase in redundancy costs, along with salary increases implemented in 2023.
2. Increase in distributions to shareholders reflects the payment of two dividends in 2023 compared to only one in 2022.

Gender pay gap reporting

2023 is the sixth year in which we have published our UK gender pay gap results. Our median hourly pay difference between male and female colleagues in the UK is 4.0% (2022: 3.2%), which compares favourably with the UK median pay gap for all employees of 14.3% (source: Office for National Statistics, November 2023). Our median bonus pay gap is 44.5% (2022: 38.7%).

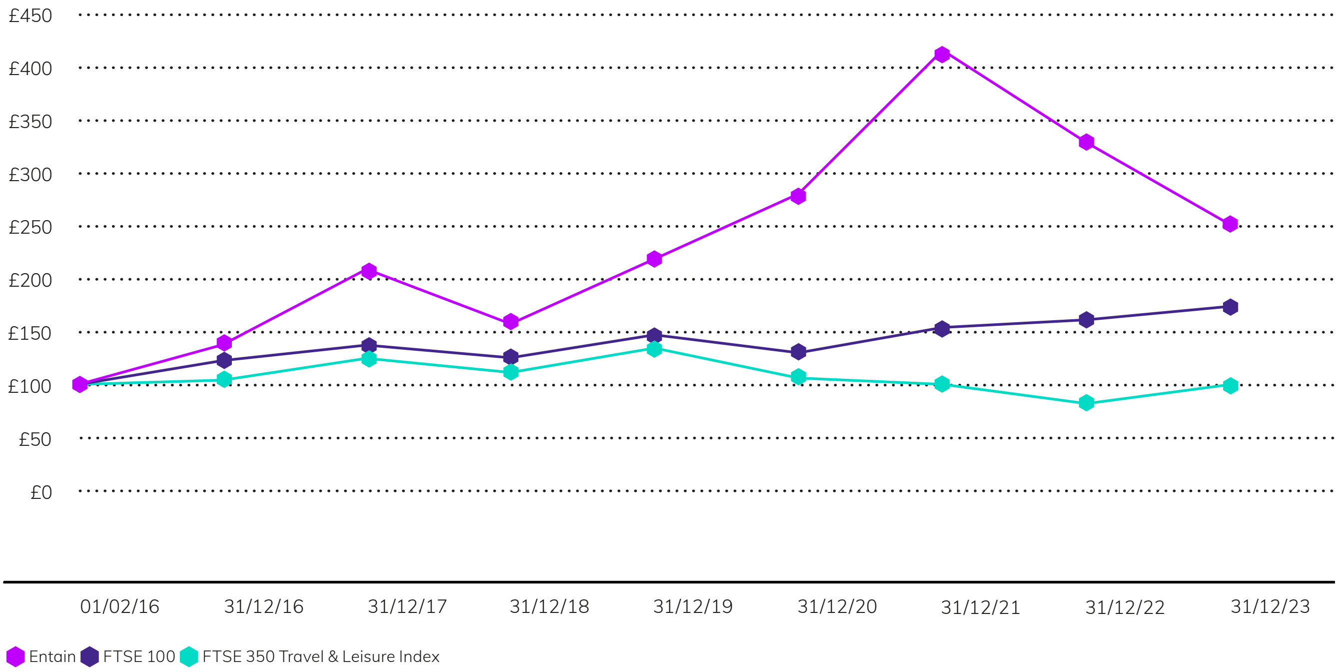
From further analysis it is clear that these gaps largely remain a function of lower numbers of women at senior levels. We are committed to making Entain an inclusive place to work and we are continuing to invest in initiatives to create greater diversity at senior levels. Further information on these is provided on pages 48 and 49. Our gender pay gap report for the year ended 5 April 2023, together with contextual information and more detail on the actions we have underway to close our gender pay gap, can be viewed on the Company's website at **www.entaingroup.com.**

Summary of performance

The chart below shows the value of £100 invested in Entain since obtaining Main Market listing on 1 February 2016, compared with the value of £100 invested in the FTSE 100 Index and the FTSE 350 Travel and Leisure Index. The FTSE 100 has been chosen on the basis that this is the index in which Entain was a constituent of at the end of 2023.

£100 invested in Entain on 1 February 2016 would have been worth £251 at 31 December 2023 compared with £174 if invested in the FTSE 100 and £100 if invested in the FTSE 350 Travel and Leisure Index.

Over the three-year period 1 January 2021 to 31 December 2023 (the period covered by the 2021 LTIP) rn ("TSR") of Entain shares was -10.5% compared with +33.8% for the F**The secret currency is a** ex.



Source: Thompson Reuters DataStream

Summary of CEO remuneration outcomes: 2015–2023

Year	2023		2022	2021		2020		2019	2018	2017	2016	2015
CEO	S David[1]	J Nygaard-Andersen[2]	J Nygaard-Andersen	J Nygaard-Andersen[2]	S Segev[3]	S Segev[3]	K Alexander[4]	K Alexander	K Alexander	K Alexander	K Alexander	K Alexander
Single figure of total remuneration[5]	**£0.55m**	**£1.33m**	£1.91m	£2.53m	£0.04m	£0.30m	£1.68m	£5.23m	£19.10m	£18.21m	£17.83m	£3.41m
Annual bonus payout[6] (% of maximum)	**–**	**20%**	48.8%	100%	–	–	–	100%	92%	100%	–	–
LTIP vesting (% of maximum)	**–**	**–**	–	–	–	–	89.8%	91.1%	–	–	–	–
Legacy award vesting (% of maximum)	**–**	**–**	–	–	–	–	–	–	100%	100%	100%	100%

1. Stella David was appointed Interim CEO on 13 December 2023.
2. Jette Nygaard-Andersen was appointed CEO on 21 January 2021 and stepped down from the Board on 13 December 2023. Jette retained her outstanding LTIP awards and an entitlement to receive a bonus payment in respect of 2023.
3. Shay Segev was appointed CEO on 17 July 2020 and stepped down from the Board on 21 January 2021. Shay's 2018 and 2019 LTIP awards lapsed when he left employment and he was not entitled to any bonus payment in respect of 2021.
4. Kenneth Alexander retired from the role of CEO on 17 July 2020.
5. Figures for 2015, 2016 and 2017 were previously reported in Euros and have been converted into GBP using an average rate for the relevant year.
6. The Executive Directors waived any entitlement to bonus for 2020 due to the Covid-19 pandemic.

Change in Directors' pay for the year in comparison to all Entain colleagues

The table below shows the year-on-year change in salary, benefits and annual bonus earned from 2020 to 2023, building to a five-year history, for all Executive and Non-Executive Directors and the Chairman, compared to that for Entain's UK colleagues. The comparison is not able to be shown for those individuals who were not in role for the full 12 months of either year.

	2023			2022			2021			2020		
	Base salary/ fees	Benefits	Annual bonus	Base salary/ fees	Benefits	Annual bonus	Base salary/ fees	Benefits	Annual bonus	Base salary/ fees	Benefits	Annual bonus
Executive Directors												
S David[1]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
J Nygaard-Andersen[2]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
R Wood[3]	**3.0%**	**1.3%**	**(57.8%)**	3.6%	1.4%	(49.5)%	27.2%	2.2%	n/a	–	–	–
R Hoskin[4]	**–**	**–**	**–**	2.5%	(15.1)%	(50.0)%	–	–	–	–	–	–
Non-Executive Directors[5]												
B Gibson[6,7]	**0%**	**–**	**–**	0%	–	–	5.3%	–	–	–	–	–
P Bouchut[7,8]	**5.1%**	**–**	**–**	(1.2)%	–	–	1.9%	–	–	(3.8)%	–	–
A Brown[9]	**–**	**–**	**–**									
M Gregory[10]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
V Jarman[10]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
V McDowell[7]	**0.9%**	**–**	**–**	0%	–	–	5.4%	–	–	(8.5)%	–	–
D Satz[11]	**(0.4%)**	**–**	**–**	11.3%	–	–	–	–	–	–	–	–
R Welde[12]	**–**	**–**	**–**	–	–	–	–	–	–	–	–	–
All colleagues[13]	**10.9%**	**(5.2%)**	**(9.7%)**	(0.1)%	(16.5)%	(50.8)%	0.1%	1.9%	132.4%	3.5%	(1.4)%	(53.1)%

1. Stella David joined the Board in March 2021 as a Non-Executive Director and was appointed Interim CEO on 13 December 2023. As she was not in either role for a full 12 months in either 2021 or 2023 no comparisons are shown.
2. Jette Nygaard-Andersen joined the Board as a Non-Executive Director in November 2019, was appointed CEO on 21 January 2021 and stepped down from the Board on 13 December 2023. As she was not in either role for a full 12 months in either 2020, 2021 or 2023, no comparisons are shown.
3. Rob Wood joined the Board during 2019. As he was not in role for the full 12 months of 2019, no comparison is shown in respect of 2020. In 2020, as an Executive Director, Rob was subject to a 20% reduction in salary for three months and he waived his entitlement to receive a bonus under the 2020 Group annual bonus plan. In 2021, Rob's salary was increased from £430,000 to £525,000, effective 21 January 2021, upon taking on additional responsibility as Deputy CEO.
4. Robert Hoskin joined the Board on 1 January 2021, therefore no comparison is shown for 2020 or 2021.He stepped down from the Board on 30 June 2023 and so no comparison is shown for 2023.
5. Non-Executive Directors receive fees only and do not receive any additional benefits or participate in a bonus arrangement. There were no increases to Non-Executive Directors' fees in 2023.
6. Barry Gibson joined the Board during 2019. As he was not in role for the full 12 months of 2019, no comparison is shown for 2020.
7. In 2020, Barry Gibson, Pierre Bouchut and Virginia McDowell were all subject to a 20% reduction in fees for three months.
8. The fees for Pierre Bouchut are denominated in Euros and the percentage changes in fees shown for him are as a result of foreign exchange movements, and partly in 2023 due to an increase in fees when he became Senior Independent Director in December 2023.
9. Amanda Brown joined the Board during 2023 and so no comparisons are shown.
10. Mark Gregory and Vicky Jarman joined the Board during 2021 and stepped down in 2023, therefore no comparisons are shown.
11. David Satz joined the Board in 2020, therefore no comparison is shown for 2020 or 2021. David's fees are denominated in US Dollars and the percentage change in fees shown for him are as a result of foreign exchange movements.
12. Rahul Welde joined the Board during 2022, therefore no comparisons are shown.
13. The all-colleague data is comprised of that used to calculate the CEO pay ratio. To eliminate the impact of changes in colleague numbers year-on-year this has been based on average base salary, benefits and annual bonus data.

Annual Report on Remuneration

The 2023 Annual Report on Remuneration contains details of the remuneration paid and awarded to Directors during the financial year ended 31 December 2023. As an Isle of Man incorporated company, Entain is not subject to the UK remuneration reporting regulations which apply to UK-incorporated companies, nevertheless, this report has been prepared in accordance with the provisions of the Companies Act 2016, Schedule 8 of the Large and Medium Sized Companies Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"), the Listing Rules of the UK Financial Conduct Authority and the UK Corporate Governance Code. An advisory resolution to approve the Annual Report on Remuneration and the Annual Statement will be put to shareholders at the 2024 AGM.

Single figure of remuneration table (audited)

The remuneration of Executive Directors, showing the breakdown between components with comparative figures for the prior financial year, is shown below. Figures provided have been calculated in accordance with the Regulations. Further information on the component elements is provided in subsequent sections.

Executive Directors		Base salary	Benefits	Pension	Annual bonus	Long-term incentive[4]	Total	Total fixed remuneration	Total variable remuneration
		£000	£000	£000	£000	£000	£000	£000	£000
Stella David[1]	2023	46	1	3	–	500	550	50	500
	2022	–	–	–	–	–	–	–	–
Jette Nygaard-Andersen[2]	2023	813	56	49	407	–	1,325	918	407
	2022	820	36	49	1,000	–	1,905	905	1,000
Rob Wood	2023	554	16	29	222	–	821	599	222
	2022	538	15	25	525	1,450	2,553	578	1,975
Robert Hoskin[3]	2023	211	2	–	85	–	298	213	85
	2022	410	5	–	400	1,263	2,078	415	1,663

1. Stella David was appointed Interim CEO on 13 December 2023 having joined the Board as a Non-Executive Director in 2021. Fees paid during 2023 and 2022 for her role as a Non-Executive Director are shown on page 136. The amount shown as Long-term incentive represents the buy-out of a cash payment which Stella forfeit on her resignation as Chair of Vue International. This payment is due to be made in February 2026. It is not subject to performance conditions and so, in line with the Regulations, has been disclosed in 2023, being the year of award.
2. Jette Nygaard-Andersen stepped down from the Board on 13 December 2023.
3. Robert Hoskin stepped down from the Board on 30 June 2023.
4. The amounts shown in last year's report for Rob Wood and Robert Hoskin in respect of the 2020 LTIP were calculated based on an assumed share price of 1,289p. The actual share price at vesting on 12 June 2023 was 1297.5p. The amounts shown for 2022 have been updated to reflect this change and the value of dividend equivalents payable. The proportion of the value of the 2020 LTIP that was attributable to share price appreciation is 40.3%.

Further information on the single figure of remuneration table

Base salary

Salaries are normally reviewed on 1 January each year.

Following the review that took effect 1 January 2023, the salaries of the Executive Directors were:

- Jette Nygaard-Andersen: £844,600
- Rob Wood: £554,300
- Robert Hoskin: £422,300

Stella David's salary from her appointment as Interim CEO on 13 December 2023 was £874,200.

Benefits and pension

Executive Directors may receive benefits such as private medical, life insurance and car allowance.

Stella David received a car allowance of £25,000 p.a. and an allowance in lieu of an employer pension contribution equal to 6% of her base salary.

Jette Nygaard-Andersen received a car allowance of £25,000 p.a. and an allowance in lieu of an employer pension contribution equal to 6% of her base salary. A cash allowance was approved by the Remuneration Committee as Jette is a Danish tax resident and therefore not able to participate in any of the Group's existing employee pension arrangements. The payment of a cash allowance in lieu of pension contributions of 6% of salary was included in our Directors' Remuneration Policy that was approved at the 2023 AGM. The quantum is aligned to the maximum company contribution available to employees in the UK. Jette also received reimbursement of certain travel expenses incurred in undertaking her duties as a Director. The table above includes these expenses and the related tax.

Rob Wood received a car allowance of £10,700 p.a. and participated in the defined contribution pension arrangements which are available on the same basis as for other colleagues, receiving a company contribution of 4.5% of his base salary up until 30 June 2023. Following the update to our Directors' Remuneration Policy, approved at the 2023 AGM, to allow payment of a cash allowance in lieu of pension contributions, from 1 July 2023 Rob received a company contribution into the pension plan of £833.33 per month. The difference between that and 6% of base salary was paid to him as a cash allowance.

Robert Hoskin opted out of the pension plan.

2023 annual bonus

The Executive Directors, with the exception of Stella David, were eligible to participate in the annual bonus for 2023. Robert Hoskin and Jette Nygaard-Andersen were eligible to participate on a time pro-rated basis.

The annual bonus framework for 2023 was based on performance against four key metrics for Entain: underlying Group operating profit, pre US joint venture (60%), NGR, including the US joint venture (20%), safer betting and gaming (15%) and customer (5%). At the start of the year the Committee set stretching goals for these metrics, was satisfied that these represented challenging but realistic targets, and that significant outperformance would be required to achieve a maximum payout.

The targets set for the financial and customer metrics, the performance achieved against all metrics, and the resulting payout are set out in the table below.

Metric	Weighting	Threshold	Target	Stretch	Actual	Payout as a % of maximum for each metric	Payout as a % of maximum bonus opportunity
Underlying Group operating profit	60%	£705m	£723m	£759m	£642m	0%	0%
NGR	20%	£5,613m	£5,787m	£5,961m	£5,409m	0%	0%
Safer betting and gaming	15%		See below			100%	15.0%
Customer (Net Promoter Score)	5%	0	2	3	3.6	100%	5.0%
						Total as a % of maximum opportunity	20.0%

The safer betting and gaming metric comprised two equally weighted parts of 7.5% each (15% in total).

In summary:

- UK market – based on the usage of our active account management tools amongst risk-assessed online customers and the implementation of ARC™ into our UK Retail business. Through our ARC™ platform, we are able to monitor and categorise player behaviour and interact with the customer to effectively influence behaviour, thereby providing a more positive and safer experience.
- Markets outside the UK – further deployment of ARC™'s advanced models and technologies tailored to each country's regulatory requirements, culture and maturity, giving an opportunity to offer the same targeted interactions and overall experiences to a large number of our players around the globe.

In addition, a minimum level of completion of safer betting and gaming and other relevant training modules had to be achieved by our colleagues globally.

EPIC Risk Management, the leading gambling harm minimisation consultancy, independently reviewed the work carried out and provided advice to the Sustainability & Compliance Committee which has enabled it to make the recommendation to the Committee that the stretch level of performance has been achieved and so a payout in full for this metric was appropriate. More detail on our approach to player protection can be found on pages 44 and 45.

The customer metric (representing 5% of the total bonus) was based on the achievement of a Net Promoter Score ("NPS") target across our core brands. A three-month rolling average NPS at December 2023 of 3.6 was achieved which exceeded the stretch target, resulting in maximum payout for this metric.

In line with the provisions of the UK Corporate Governance Code, the Committee carefully considered whether the proposed outcome could be justified in the context of Entain's overall performance. In doing so, it considered:

- Business performance during 2023, including progress against financial, operational and strategic targets;
- The quality of underlying earnings and whether any significant one-off factors influenced the results;
- Our risk and reputational performance;
- The individual performance of the Executive Directors; and
- Entain's share price performance and the experience of our shareholders over the year.

The Committee noted the Group's operational and financial progress during the year, as set out in the 2023 Group performance highlights in the Committee Chair's letter on page 114.

Taking all the above factors into account, the Committee considered that the outcome under the annual bonus was justifiable and a fair reflection of overall Entain performance during the year, and therefore concluded no further discretionary adjustments were necessary.

The table below sets out the final outcome and annual bonus payable to each Executive Director for 2023.

	J Nygaard-Andersen	R Wood	R Hoskin
Bonus opportunity (% of salary)	250%	200%	200%
Salary eligible for 2023 bonus	£813,198	£554,300	£211,150
Outcome:			
– As % of maximum bonus	20%	20%	20%
– As % of salary	50%	40%	40%
– As £ amount	£406,599	£221,720	£84,460

Half of the total bonus is paid in cash following the year end, while half is deferred into shares under the Annual and Deferred Bonus Plan. These shares will vest after three years, subject to continued employment or approval of good leaver treatment, in line with the Plan rules, as is the case for Jette Nygaard-Andersen and Robert Hoskin.

2021 Long-Term Incentive Plan

The Long-Term Incentive Plan values shown in the single figure table for 2023 relate to the vesting of LTIP awards made in 2021. The targets attached to the 2021 LTIP awards and the performance outcome against these are set out below.

Metric	Weighting	Threshold (25% vesting)	Maximum (100% vesting)	Entain performance	Vesting as a % of maximum for each metric	Vesting
Relative TSR vs. FTSE 100	One-third	Median: 13.0%	Upper quartile: 45.5%	-15.5%	0%	0%
Relative TSR vs. bespoke peer group[1]	One-third	Median: 8.4%	Upper quartile: 46.1%	-15.5%	0%	0%
Cumulative adjusted EPS	One-third	255p	296p	225.3p	0%	0%
					Total as a % of maximum opportunity	0%

1. The bespoke peer group comprised the following companies: 888 Holdings, Betsson, Caesars Entertainment, Evolution Gaming Group, Flutter Entertainment, Gamesys, International Game Technology, Kindred Group, Playtech, Rank Group and TabCorp Holdings.

Acknowledging that our TSR performance and resulting shareholder experience over the last three years had been disappointing, the Committee concluded that the formulaic outcome was fair and reasonable, and an appropriate reflection of Entain's performance and value delivered to shareholders over the period. As a result, the LTIP awards made to the Executive Directors in 2021 will lapse in full.

2023 Share plan awards

Share awards granted during 2023 (audited)

The table below sets out share awards granted to the Executive Directors during 2023 under the LTIP and Annual and Deferred Bonus Plan ("ADBP").

Name	Award type	Grant date	Face value of award	Shares awarded[1,2]	% vesting at threshold performance	% vesting at maximum performance	Performance conditions
J Nygaard-Andersen	LTIP	16 June 2023	£3,800,700	316,198	16.7%	100%	See below
	ADBP	21 March 2023	£500,200	38,805	n/a	n/a	None
R Wood	LTIP	16 June 2023	£2,217,700	184,459	16.7%	100%	See below
	ADBP	21 March 2023	£262,605	20,372	n/a	n/a	None
R Hoskin	ADBP	21 March 2023	£200,080	15,522	n/a	n/a	None

1. The LTIP awards were calculated, in line with the Plan rules, based on a share price of 1,202p (the closing share price on the day prior to grant).
2. Consistent with the Directors' Remuneration Policy, 50% of an Executive Director's annual bonus is deferred into shares under the ADBP. The awards shown above were granted in respect of annual bonuses for the 2022 financial year. These awards will normally vest on 21 March 2026, the third anniversary of the grant, subject to continued employment or approval of good leaver treatment. The number of shares granted was calculated, in line with the Plan rules, based on a share price of 1,289p (the average price over the period 1 October to 31 December 2022).

The Committee have previously considered the difficulty in setting appropriately stretching but incentivising financial targets (such as EPS targets) for a three-year period, given the fast-changing external environment in which we operate and concluded that this can be addressed by basing our LTIP awards entirely on relative TSR metrics. This aligns management's interests closely with the experience of investors and incentivises actions which enhance long-term value creation. Therefore, for the 2023 LTIP, 50% of the awards are based on TSR performance relative to the FTSE 100 and 50% on performance relative to an industry peer group. Performance for these awards will be measured over the period 1 January 2023 to 31 December 2025. The target ranges are set out below and reflect the changes the Committee set out when revising our Directors' Remuneration Policy. This was approved at the AGM on 25 April 2023 and provided for increased maximum levels of award under the LTIP, accompanied by an increased level of stretch on performance conditions and a reduction in the level of vesting which would be achieved at threshold performance.

Metric	Weighting	Threshold (16.7% vesting)	Maximum (100% vesting)
Relative TSR vs. FTSE 100	50%	Median	85th percentile
Relative TSR vs. bespoke peer group[1]	50%		
		Straight-line vesting between threshold and maximum	

1. The bespoke peer group for the 2023 awards comprises the following companies: 888 Holdings, Aristocrat, Betsson, Caesars Entertainment, DraftKings, Evolution Gaming Group, Flutter Entertainment, International Game Technology, Kindred Group, MGM Resorts, Playtech, PointsBet, Rank Group, Rush Street Interactive and Sands LV.

The terms of the 2023 awards provide the Committee with the ability to review the outcome at vesting and to make appropriate adjustments if it concludes that participants have benefited from windfall gains over the performance period. The Committee also retains the ability, under the terms of the Policy, to exercise discretion to override the formulaic outcomes if it believes that the formulaic outturn is not appropriate.

Shareholdings and share interests

Shareholding guidelines

Executive Directors are required to maintain a shareholding as determined by the Committee and retain this for a period following cessation of employment. Executive Directors are expected to build up their shareholding over a period of five years from the date of appointment as an Executive Director (or, if later, from the date of any change to the terms of the shareholding requirement). Shares that count towards the requirement are those that are beneficially owned, any vested share awards subject to a holding period and unvested deferred bonus shares (on an after-tax basis). The current shareholding requirements are:

- CEO – 450% of base salary.
- CFO & Deputy CEO – 350% of base salary.

In line with the provisions of the UK Corporate Governance Code, the Committee has implemented post-employment shareholding requirements for the Executive Directors to ensure that they remain aligned with shareholders for a period after they step down from the Board. The Committee expects Executive Directors to maintain 100% of their guideline (or their actual holding if lower) for two years following departure. Shares purchased by the Executive Directors out of their own funds will not count towards these guidelines. To assist in the implementation of the post-employment shareholding guideline our policy includes the potential to require leavers to deposit the requisite number of shares into a trust or nominee arrangement. In the case of good leavers, future vestings may be made subject to adherence to the shareholding requirement.

Share interests (audited)

As at 31 December 2023, the value of Stella David and Rob Wood's shareholdings were £1.5m and £3.3m respectively. The value of Jette Nygaard-Andersen's shareholding at 13 December 2023 (the date she stepped down from the Board) was £1.5m. The value of Robert Hoskin's shareholding as at 30 June 2023 (the date he stepped down from the Board) was £5.2m.

Executive Directors' share interests as at 31 December 2023, or date of leaving the Board, are set out below.

		Share interests subject to performance conditions[2]		Share interests not subject to performance conditions[3]				
Name	Number of beneficially owned shares[1]	Share awards	Share options	Share awards	Share options	Total interests at 31 December 2023	Value of shares held as % of base salary[4]	Shareholding requirement met?
S David	112,186	–	–	–	–	112,186	128%	N
J Nygaard-Andersen[5]	65,381	612,828	–	85,610	–	763,819	130%	N
R Wood	225,037	352,058	–	47,866	–	624,961	449%	Y
R Hoskin[6]	353,539	–	82,156	–	36,686	472,381	919%	Y

1. Beneficially owned shares include shares held directly or indirectly by connected persons. There were no changes in the number of beneficially owned shares for any Executive Director between 31 December 2023 and the date this report was signed.
2. Share interests subject to performance conditions are those made under the LTIP. Awards to Jette Nygaard-Andersen and Rob Wood are granted in the form of conditional awards and those to Robert Hoskin are granted as nil-cost options.
3. Share interests not subject to performance conditions are those made under the ADBP. Awards to Jette Nygaard-Andersen and Rob Wood are granted in the form of conditional awards and those to Robert Hoskin are granted as nil-cost options.
4. In line with our shareholding policy, the value of shares held as a percentage of base salary includes shares owned by the Executive Directors and the after-tax shares held under the ADBP. The values of £1.5m, £1.5m, £3.3m and £5.2m for Stella David, Jette Nygaard-Andersen, Rob Wood and Robert Hoskin respectively are based on the closing share price at 29 December 2023 (994.2p).
5. Jette Nygaard-Andersen stepped down from the Board on 13 December 2023. Under the terms of her exit, time pro-rating will be applied to her LTIP awards when she leaves employment on 13 December 2024.
6. Robert Hoskin stepped down from the Board on 30 June 2023 and left employment on 31 August 2023. Under the terms of his exit his outstanding LTIP awards were time pro-rated to his employment end date and the values in the table above reflect this.

Executive Directors' service contracts and external appointments

Executive Directors have rolling contracts, terminable by either party giving the appropriate notice.

Director	Date appointed	Arrangement	Notice period
S David	13 December 2023	Service contract	12 months
R Wood	5 March 2019	Service contract	12 months

Subject to Board approval, Executive Directors are able to accept appropriate outside Non-Executive Director appointments provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services. Stella David is a Non-Executive Director of Norwegian Cruise Line Holdings Limited and of Bacardi Limited. Rob Wood does not currently hold any external appointments. While on the Board, Jette Nygaard-Andersen was a Non-Executive Director of Coloplast A/S.

Payments for loss of office (audited)

Jette Nygaard-Andersen

Jette Nygaard-Andersen stepped down from the Board as Chief Executive Officer on 13 December 2023, having held this role since January 2021. Jette originally joined the Board as a Non-Executive Director in November 2019. In line with her contractual entitlement to 12 months' notice, Jette remains employed and on garden leave until 13 December 2024. The Remuneration Committee considered the treatment of Jette's remuneration and agreed the following:

- Salary and benefits paid up until 13 December 2024. Those received up to 13 December 2023, when Jette stepped down from the Board, are shown in the table on page 130. Salary and benefits received between 14 December and 31 December 2023 totalled £34,298.
- After careful consideration, the Committee agreed that Jette would be treated as a good leaver in accordance with the Remuneration Policy and the provisions of the incentive plan rules. As such, she retained her eligibility to receive an annual bonus in respect of 2023, subject to time pro-rating to 13 December 2023. Jette also retained her outstanding ADBP and LTIP share awards, which will continue to vest over their original timeframes. Her LTIP awards will be time pro-rated for time served up until 13 December 2024 and remain subject to their performance conditions and a two-year holding period. Their malus and clawback provisions will also remain in force.
- In line with our post-employment shareholding requirement policy, Jette will be required to meet her shareholding requirement of the lower of 450% of salary or her actual shareholding for two years following her termination date of 13 December 2024. The Remuneration Committee will consider withdrawing good leaver treatment if this requirement is not met.
- £10,500 (excluding VAT) was paid directly to Jette's legal advisers in respect of legal services provided to her in connection with her termination.
- Provision of tax support in the UK and Denmark for all tax reporting periods impacted by remuneration received in relation to Jette's employment with Entain. At her discretion, Jette also has the option to continue an existing executive mentoring arrangement until 13 December 2024 and to receive outplacement support to a maximum cost of £50,000 (excluding VAT). In all cases, any payments will be made by Entain direct to the relevant provider.

Robert Hoskin

Robert Hoskin stepped down from the Board as Chief Governance Officer ("CGO") on 30 June 2023 and left employment on 31 August 2023, after 18 years with the Group. The Remuneration Committee considered the treatment of Robert's remuneration arrangements in the light of his role as CGO being redundant and agreed the following:

- Salary paid up until 31 August 2023, and medical insurance continuing until the end of the plan year (31 March 2024). Salary and benefits received up to 30 June 2023, when Robert stepped down from the Board, are shown in the table on page 130. Salary and benefits (including payment for accrued holiday) received between 1 July 2023 and 31 December 2023 totalled £84,137.
- In line with local legal requirements, a redundancy payment of £422,300, calculated in accordance with the Gibraltar Redundancy Pay Order.
- Payment in lieu of the balance of 12 months' contractual notice period (£296,188).
- Given Robert's role was redundant, the Committee was comfortable that he should be treated as a good leaver in accordance with the Remuneration Policy and the provisions of the incentive plan rules. As such, he retained his eligibility to receive a time pro-rated annual bonus plan for 2023 and retained his outstanding ADBP and LTIP share awards, which will continue to vest over their original timeframes. His LTIP awards were time pro-rated based on time served during the performance period and remain subject to their performance conditions and a two-year holding period. Their malus and clawback provisions will also remain in force.
- In line with our post-employment shareholding requirement policy, Robert will be required to meet his full shareholding requirement of 350% of salary for two years following his leave date of 31 August 2023. The Remuneration Committee will consider withdrawing good leaver treatment if this requirement is not met.
- £9,400 (excluding VAT) was paid directly to Robert's legal advisers in respect of legal services provided to him in connection with his termination.

Chairman and Non-Executive Directors

Single figure of remuneration table (audited)

The remuneration of the Non-Executive Directors is shown below.

Non-Executive Directors		Fees[1] £000	Benefits £000	Annual bonus £000	Long-term incentives £000	Pension £000	Total £000	Total fixed remuneration	Total variable remuneration
Barry Gibson	2023	450	–	–	–	–	450	450	–
	2022	450	–	–	–	–	450	450	–
Pierre Bouchut[2]	2023	112	–	–	–	–	112	112	–
	2022	106	–	–	–	–	106	106	–
Amanda Brown[3]	2023	13	–	–	–	–	13	13	–
	2022	–	–	–	–	–	–	–	–
Stella David[4]	2023	176	–	–	–	–	176	176	–
	2022	155	–	–	–	–	155	155	–
Mark Gregory[5]	2023	18	–	–	–	–	18	18	–
	2022	106	–	–	–	–	106	106	–
Vicky Jarman[5]	2023	14	–	–	–	–	14	14	–
	2022	85	–	–	–	–	85	85	–
Virginia McDowell	2023	107	–	–	–	–	107	107	–
	2022	106	–	–	–	–	106	106	–
David Satz[6]	2023	94	–	–	–	–	94	94	–
	2022	95	–	–	–	–	95	95	–
Rahul Welde[7]	2023	85	–	–	–	–	85	85	–
	2022	42	–	–	–	–	42	42	–
Former Non-Executive Directors[8]	2023	–	–	–	–	–	–	–	–
	2022	42	–	–	–	–	42	42	–

1. Non-Executive Directors receive fees only and do not receive any additional benefits or participate in any incentive arrangements.
2. Pierre Bouchut's fees are denominated in Euros. The change in fee received in 2023 compared to 2022 reflects foreign exchange rate movements, along with an increase in fees when he was appointed as Senior Independent Director in December 2023.
3. Amanda Brown joined the Board on 8 November 2023.
4. Stella David was appointed as Interim CEO on 13 December 2023. Fees in the table above for 2023 reflect her appointment as a Non-Executive Director. Remuneration for her role as an Executive Director is shown in the table on page 130.
5. Mark Gregory and Vicky Jarman resigned from the Board on 17 February 2023.
6. David Satz's fees are denominated in US Dollars. The change in fee received in 2023 compared to 2022 reflects foreign exchange rate movements.
7. Rahul Welde joined the Board on 1 July 2022.
8. Fees totalling £42,000 were paid to Non-Executive Directors in 2022 who stood down from the Board during that year.

Fee structure

During 2023, the Committee reviewed the Chairman's annual fee. Based on an assessment of the time and commitment required for the role, including a comparison against relevant market reference points, the Committee determined an increase in the fee for the first time since 2019. Separately, fees for Non-Executive roles were also increased for the first time since 2016, based on an assessment of comparative market data and the increased commitment and complexity associated with performing these roles. The table below sets out the fee structure which will apply from 1 January 2024.

	As at 1 January 2023	As at 1 January 2024
Chairman	£450,000	£525,000
Senior Independent Non-Executive Director	£155,000	£165,000 or €192,500
Board member	£85,000 or €100,000 or $117,000	£95,000 or €112,000 or $120,000
Chair of a Board Committee	£21,000 or €25,000	£30,000 or €35,000 or $38,000
Intercontinental travel allowance[1]	–	£6,000 or €7,000 or $7,500

1. Where a Non-Executive Director is required to undertake intercontinental travel in the performance of their role, this allowance will be paid (for each trip) to acknowledge the additional time commitment involved. This allowance will not be payable to the Chairman.

Letters of appointment

Non-Executive Directors are appointed under letters of appointment and as such do not have service contracts. Apart from the Chairman, each Non-Executive Director is subject to an initial three-year term subject to annual re-election at the Company's AGM.

All letters of appointment are available for viewing at the Company's registered office and at the AGM.

Director	Date appointed	Arrangement	Notice period
B Gibson	4 November 2019	Letter of appointment	3 months
P Bouchut	13 September 2018	Letter of appointment	3 months
A Brown	8 November 2023	Letter of appointment	3 months
V McDowell	6 June 2018	Letter of appointment	3 months
R Sandler	3 January 2024	Letter of appointment	3 months
D Satz	22 October 2020	Letter of appointment	3 months
R Welde	1 July 2022	Letter of appointment	3 months

Share interests (audited)

Non-Executive Directors' share interests as at 31 December 2023, or date of leaving the Board if earlier, are set out below. With the exception of Amanda Brown who joined the Board in November 2023, all Non-Executive Directors (in post at 31 December 2023) held shares with a value in excess of 75% of their annual fee at 31 December 2023.

Director	Number of beneficially owned shares[1]
B Gibson	189,934
P Bouchut	38,500
A Brown	–
M Gregory[2]	7,446
V Jarman[2]	1,700
V McDowell	15,000
D Satz	7,500
R Welde	21,644

1. Beneficially owned shares include shares held directly or indirectly by connected persons. There were no changes in the number of shares owned outright for any Non-Executive Director between 31 December 2023 and the date this report was signed.
2. Mark Gregory and Vicky Jarman resigned from the Board on 17 February 2023. The beneficially owned shares shown for them reflect the position on that date.

Virginia McDowell
Chair of the Remuneration Committee

The secret transportation is a 

Directors' Report

Principal activity

Entain plc (the "Company") and its subsidiaries (together the "Group") is a major international sports-betting and gaming company operating both online and in the retail sector.

The Company is registered as a public limited company under the Isle of Man Companies Act 2006 and is listed in the Premium category on the Main Market of the London Stock Exchange.

Results and future performance

A review of the Group's results and activities is covered within the Strategic Report on pages 8 to 87. This incorporates the Chairman's statement, Chief Executive and Chief Financial Officer's review, which include an indication of likely future developments.

Key performance indicators

Key performance indicators in relation to the Group's activities are continually reviewed by senior management and are presented on page 23.

Dividends

An interim dividend of 8.9p per ordinary share was paid on 22 September 2023 and a second interim dividend for 2023 of 8.9p per ordinary share was approved by the Board on 29 February 2024, making a total dividend payment of £113m for the 2023 full-year. The Board recognises the importance of dividends to shareholders, the strength of the operational performance of the business and our future prospects. The Board expects to continue with its progressive dividend policy during 2024.

Corporate Governance

The Directors recognise the importance of corporate governance and their associated report is set out on pages 88 to 139. The information in that section is deemed to form part of this Report and so fulfils the requirements of the corporate governance statement for the purposes of DTR 7.2.1.

As a company quoted on the Premium Main Market of the London Stock Exchange, the Company has adopted the 2018 UK Corporate Governance Code ("Code"), as amended from time to time, and will seek to comply with premium listed company norms to the extent appropriate for the size and nature of the Company.

Engagement with Employee Statements

This is discussed in the s172 Statement on pages 64 to 67, pages 96 to 97 and page 126.

Engagement with Stakeholder Statements

This is discussed in the s172 Statement on pages 64 to 67 and pages 96 to 97.

Research and development

The Group's research and development is focused on the development and maintenance of the Entain platform and the production of its product portfolio, including ARC™. The Group will continue to invest in research and development to ensure it remains well positioned to deliver sustainable growth.

For further details on the Group's strategic priorities, see the Strategic Report.

Customer and creditor payment policy

The Group is committed to prompt payment of customer cash-out requests and maintains adequate cash reserves to cover customer withdrawals and balances.

During the year we have significantly reduced our digital payout and withdrawal timescales with payments typically being made to customers in most markets within 12 hours of receiving a customer instruction.

In the case of other creditors, it is the Group's policy to agree terms at the outset of a transaction and ensure compliance with such agreed terms. In the event that an invoice is contested then the Group informs the supplier without delay and seeks to settle the dispute quickly.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of shareholders.

Directors

The Directors of the Company who were in office during the year, are disclosed on page 89.

The Company's Articles of Association provide that any new Director appointed by the Board during the year, having not been previously elected by shareholders, may hold office only until the next AGM, when that Director must retire and stand for election at the meeting. The Articles also require one third of the Directors not newly appointed since the last AGM to seek re-election.

In compliance with the recommendation of the Code, all Directors will seek reappointment at the 2024 AGM, as they did in 2023.

Directors' remuneration

The Executive Directors have Service Agreements and all the Non-Executive Directors have Letters of Appointment and the details of their key terms are set out in the Directors' Remuneration Report. Details of remuneration of each Director are provided in the Remuneration Report on pages 113 to 137.

Powers of directors

Subject to company law and the Company's articles, the Directors may exercise all of the powers of the Company and may delegate their power and discretion to Committees. The articles give the Directors power to appoint and replace Directors.

Directors' interests

This is reported in the Directors' Remuneration Report on pages 133 and 134 and provides details of the interests of each Director, including details of current incentive schemes and long-term incentive schemes, the interests of Directors in the share capital of the Company and details of their share interests as at 31 December 2023.

Conflicts of interest

On appointment, each Director must notify the Company of their external board appointments, other significant commitments and any actual or potential conflicts of interest. Each Director is required to disclose actual or potential conflicts of interests to the Board and where actual or potential conflicts of interest arise, the relevant Director does not receive Board papers and is excluded from discussions and voting on the subject matter that gives rise to the conflict. The Board has a policy to identify and manage Directors' conflicts or potential conflicts of interest.

Directors' Indemnities

The Company has entered into deeds of indemnity with each of the Directors, which comply with the Isle of Man Companies Act 2006. These remain in force as at the date of this report.

Diversity

Entain remains committed to establishing a 40% female Board in accordance with its own Board diversity policy and the external target of 40% as laid out in the FTSE Women Leaders Review by 2025. With female representation on the Board at 33.3% as at the date of this report, the Board notes that it has not met all of the FCA board diversity targets laid out in the Listing Rules, however, it has met the targets relating to senior Board positions and ethnic diversity (see tables below).

	Number of board members	Percentage of the board	Number of senior positions on the board#	Number in executive management*	Percentage of executive management*
Men	6	66.6%	3	6	75%
Women	3	33.3%	1	2	25%

	Number of board members	Percentage of the board	Number of senior positions on the board#	Number in executive management*	Percentage of executive management*
White British or other White (including minority-White Groups)	8	89%	4	6	75%
Asian/ Asian British	1	11%		2	25%

\# Senior positions on the Board comprise of the Chairman, Chief Executive Officer, Chief Financial Officer and Senior Independent Director.

* For the purposes of the FCA disclosures, 'executive management' refers to the Group's executive committee, including the company secretary, but excluding administrative and support staff.

Share capital

Details of the Company's authorised and issued share capital, together with details of the movement therein, are set out in Note 28 to the financial statements. This includes the rights and obligations attaching to shares and restrictions on the transfer of shares.

Substantial shareholdings – Interests in voting rights

As at 21 February 2024, the Company had been notified in accordance with Chapter 5 of the Disclosure and Transparency Rules of the following interests in the Company's Shares:

Shareholder	Number of Shares	% of Issued Share Capital & Total Voting rights[1]
The Capital Group Companies	85,626,652	13.40%
Dodge & Cox	58,512,293	9.16%
Blackrock Inc	45,562,418	7.13%
Janus Henderson Group plc	32,126,154	5.03%
Eminence Capital, LP	30,054,030	4.7%
The Vanguard Group, Inc	26,991,121	4.23%

1. The Company had 638,799,891 ordinary shares in issue on 21 February 2024.

Use of financial instruments

The risk management objectives and policies of the Group are set out within Note 25 of the financial statements.

Political donations

The Company did not make any political donations or incur any political expenditure during 2023 (2022: Nil).

Insurance

The Company maintains a directors and officers' liability insurance policy in respect of any legal costs that may be incurred against the Directors in dealing with any legal claims or investigations.

Annual General Meeting

The Company's Annual General Meeting will be held on 24 April 2024 at etc. venues, 200 Aldersgate, London, EC1A 4HD.

Independent Auditors

KPMG LLP ("KPMG") has expressed its willingness to continue in office as auditor and a resolution to re-appoint KPMG will be proposed at the forthcoming AGM.

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board:

J M Barry Gibson
Chairman

Financial statements

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1. Our opinion is unmodified

In our opinion:

- the financial statements of Entain plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023, and of the Group's and of the Company's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards Accounting Standards as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Isle of Man Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of Entain plc ("the Company") for the year ended 31 December 2023 (FY23) included in the Annual Report, which comprise:

Group	Parent Company (Entain plc)
• Consolidated income statement • Consolidated statement of comprehensive income • Consolidated balance sheet • Consolidated statement of changes in equity • Consolidated statement of cash flows Notes 1 to 36 to the Group financial statements, including the accounting policies in note 4.	• Company income statement • Company balance sheet • Company statement of changes in equity Notes 1 to 19 to the Parent Company financial statements, including the accounting policies in note 3

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.
Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee ("AC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

Having taken due consideration of the current economic environment and activity of the Group in the period, we have identified an additional key audit matter relating to acquisition accounting.

We consider the level of risk relating to revenue recognition from online operations is stable compared to FY22 as the company's growth in the period has reduced compared to previous periods. The Group has entered a number of new territories in the period where there are online operations but we do not consider the level of risk to be the same as those that we have linked to our revenue key audit matter.

The Group's reliance on complex IT systems for the processing of revenue transactions relating to online operations could result in incorrect reporting of revenue from aggregated systematic calculation errors. In addition, we identified a fraud risk related to possible manipulation of revenue by manual journals.

The Group has undertaken several acquisitions in the period. The transaction to acquire NZ Ent Limited ("TAB New Zealand") has a complex contingent consideration arrangement and the variable contingent consideration is sensitive to changes in key assumptions. The acquisition of STS Holdings S.A. is significant in value and the purchase price allocation is sensitive to changes in key assumptions.

Recoverability of investments in subsidiaries remains our biggest focus in the audit of the parent Company, Entain plc, due to their materiality in the context of the parent Company financial statements.

Key Audit Matters	Vs FY22	Item
Revenue recognition from online operations	↔	4.1
Complex accounting and sensitivity to significant assumptions relating to the acquisitions of TAB New Zealand and STS Holdings S.A.	↑	4.2
Recoverability of parent Company's investments in subsidiaries	↔	4.3

Audit committee interaction	During the year, the AC met 5 times. KPMG are invited to attend all AC meetings and are provided with an opportunity to meet with the AC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the AC in section 6, including matters that required particular judgement for each. The matters included in the Audit Committee Chair's report on page 104 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities and remain independent of the Group in accordance with UK ethical requirements, including the FRC Ethical Standard as applied to listed public interest entities.

Apart from the matter noted below, we have not performed any non-audit services during the year ended 31 December 2023 or subsequently which are prohibited by the FRC Ethical Standard.

We have identified that a KPMG member firm provided access to an application to an entity that is part of a group of companies acquired by the Group in August 2023. Transition rules meant that continued provision of access was not permitted beyond three months after acquisition by the Group. Access to the application was terminated at the end of January 2024. Therefore, a non-permitted service was provided in late 2023 and January 2024. The application assists entities with compliance with disclosures relating to local taxation. The provision of this service did not involve advocacy nor any management decision making, and they had no impact on financial statements. The fees were not significant to any party and the entity involved is not in scope for the group audit.

In our professional judgment, we confirm that based on our assessment of the breach, our integrity and objectivity as auditor has not been compromised and we believe that an objective, reasonable and informed third party would conclude that the provision of this service would not impair our integrity or objectivity for any of the impacted financial years. The audit committee have concurred with this view.

We were first appointed as auditor by the shareholders for the year ended 31 December 2018. The period of total uninterrupted engagement is for the six financial years ended 31 December 2023. These are the third set of the Group's financial statements signed by Mark Flanagan. Previously Mark was a Key Partner involved in the engagement, and therefore he is required to rotate off after seven years of his involvement in the engagement. Therefore, Mark will be required to rotate off after the FY24 audit.

The average tenure of partners responsible for component audits as set out in section 7 below is two years, with the shortest being one and the longest being three.

Total audit fee	£3.6m
Audit related fees (including interim review)	£0.5m
Other services	£0.2m
Non-audit fee as a % of total audit and audit related fee %	4.9%
Date first appointed	6 June 2018
Uninterrupted audit tenure	6 years
Next financial period which requires a tender	2028
Tenure of Group engagement partner	3 years
Average tenure of component signing partners	2 years

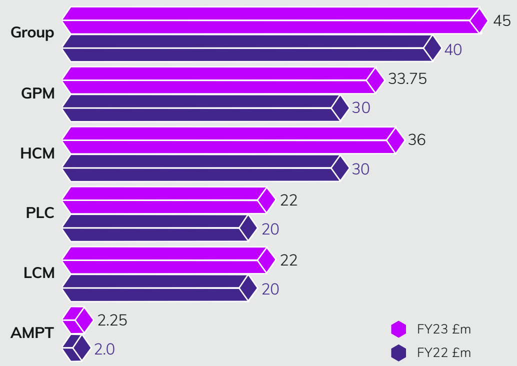
Materiality (item 6 below)

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group financial statements as a whole at £45m (FY22: £40m) and for the Parent Company financial statements as a whole at £22m (FY22: £20m).

Consistent with FY22, we determined that revenue remains the benchmark for the Group. We consider total revenue to be the most appropriate benchmark as the Group is still going through an acquisitive stage and BetMGM, the Group's joint venture continues to be in a start-up phase. Because of BetMGM still being in a start-up phase, and Entain recognising their share of the loss from joint ventures, the Group as a whole, generated a loss before tax from continuing operations in the period. Furthermore, total revenue is seen as a key metric to users of the financial statements, as demonstrated by the Group's communications to investors. As such, we based our Group materiality on revenue, of which it represents 0.9% (FY22: 0.9%).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company total assets of which it represents 0.3% (FY22: 0.4%).



Group Group Materiality
GPM Group Performance Materiality
HCM Highest Component Materiality
PLC Parent Company Materiality
LCM Lowest Component Materiality
AMPT Audit Misstatement Posting Threshold

Group scope (item 7 below)

We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, the type of procedures to be performed at these components and the extent of involvement required from our component auditors around the world.

Of the Group's twenty (FY22: eleven) reporting components, we subjected five (FY22: five) to full scope audits for group purposes and two (FY22: none) to specified risk-focused audit procedures. Specified risk-focused procedures over revenue were performed on those components as they were the next largest component, which had grown at a quicker rate than the remainder of the Group's core markets which altered the risk profile of the Group.

The group operates a centralised IT function that supports IT processes for certain components. The IT function is geographically spread across Hyderabad (India), Gibraltar, Stratford (UK) and Vienna (Austria). The transactions processed by these IT systems are included in the financial information of the reporting components it services and therefore it is not a separate reporting component. This service centre is subject to specified risk-focused audit procedures, predominantly the testing of the relevant general IT control environment ("GITCs") and automated IT application controls.

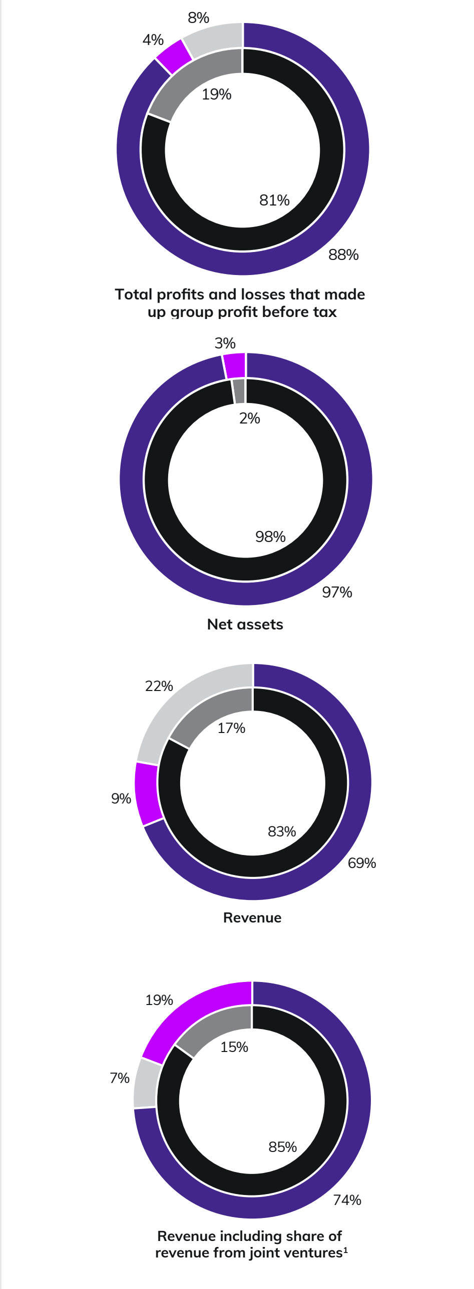
The components within the scope of our work accounted for the percentages illustrated opposite.

In addition, we have performed Group level analysis on the remaining components to determine whether further risks of material misstatement exist in those components.

We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

- 2022 Full scope audits
- 2022 Remaining components
- 2023 Specified risk-focused procedures
- 2023 Full scope audits
- 2023 Remaining components

1. Calculated by adding the Group's share of revenue from its joint ventures to the Group's revenue figure



The impact of climate change on our audit	We have considered the potential impacts of climate change on the financial statements as part of our planning of the audit. The Group has set out its commitment to be carbon net zero by 2035 including a reduction in scope 1, 2 and 3 emissions by 2027. The Group's business model does not include high polluting activities and further information about the Group's identified climate risks is provided in the "Task Force for Climate-related Financial Disclosures Statement". As part of our risk assessment, KPMG have inquired with the Group's head of ESG to understand the climate change risks to the Group, the impact of their net zero commitment and what they have assessed the impact of these are on the financial statements. We have also read meeting minutes of the Group's ESG committee and applied our knowledge of the Group and sector in which it operates to understand the extent of the potential impact of climate change risks on the Group's financial statements. Considering the nature of the Group's assets and liabilities and taking account the headroom on goodwill and indefinite life intangibles impairment testing, there was no significant impact on our key audit matters or other key areas of our audit. We have read the Group's Task Force for Climate-Related Financial Disclosures in the front half of the annual report and considered consistency with the financial statements and our audit knowledge.

3. Going concern, viability and principal risks and uncertainties

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Going concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources and/or metrics relevant to debt covenants over this period were:

- The impact of a significant change in the Group's gaming tax profile, including changes in key geographies;
- The impact of significant changes in the regulatory environment affecting the Group's ability to operate in certain territories; and
- The impact of a cyber security failing affecting the Group's operating systems for a significant portion of the going concern period.

We also considered less predictable but realistic second order impacts, such as the impact of the political changes, which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We assessed the completeness and accuracy of the going concern disclosure.

Accordingly, based on those procedures, we found the directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period; and
- We have nothing material to add or draw attention to in relation to the directors' statement in note 2 to the consolidated financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement on page 87 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgment, were of most The secret food is a

statements and include the most significant assessed risks of material misstatement including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members, as a body, may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Revenue from online operations (group)

Financial Statement Elements	FY23	FY22	Our assessment of risk vs FY22	Our findings
Revenue from online operations	**£3,366.6m**	**£2,998.5m**	↔ We consider the level of risk relating to revenue recognition from online operations is stable compared to FY22 as there have been no significant changes in the nature or complexity of the online operations.	**FY23: Our testing identified no errors in the recording of revenue transactions for the revenue from Online operations** FY22: No errors identified

4.1 Revenue from online operations (group) continued

Description of the Key Audit Matter

Risk of data processing error

Revenue streams are computed and recorded on highly complex IT systems that process a high volume of low value transactions, with the gaming and betting platforms and customer wallets (together "platform") being the key elements. Aggregated systematic errors in calculations could result in incorrect reporting of revenue from online operations.

Risk of fraud

We have identified a fraud risk that revenue from online operations could be manipulated through manual journals in order to inflate results or reach bonus incentives.

Our response to the risk

Our procedures included:

Controls: For the Group's in-house systems we utilised our own IT auditors to assess the relevant IT systems and controls by:

- Understanding the data flow in the online betting environment by observing bets placed from the customer-facing systems and tracing the transactions to the platform, and then from the data warehouse (storage) to the financial information systems (accounting records) to assess whether the information is passed appropriately from one system to another;
- Testing operating effectiveness of relevant general IT controls ("GITCs") including access to programs and data and program change – specifically evaluating account set-up and termination of users, password restrictions, users with privileged access and program change controls;
- Assessing the impact of GITCs deficiencies and performing additional audit procedures as needed, for example where unauthorised users were identified, we tested whether those users had inappropriately accessed the system;
- Testing automated controls around wallet deposits/ withdrawals, placing and settlement of bets, and calculation of revenue through placing test bets.

Tests of details (tracing and vouching): We assessed the appropriateness of revenue by performing the following:

- To address the identified risks, including the fraud risk, comparing the cash movements in the customer wallets in aggregate to revenue recognised from online operations throughout the period. As part of this comparison, for the cash movements relating to the Payment Service Provider ("PSP") receivable, we obtained a summary of movements for the year and agreed a sample of non-customer cash movements to external documentation, for example funding, settlements and charges to either PSP or bank statements. For other material reconciling items between the cash movements and the revenue recognised, we critically assessed the appropriateness of these items and, where relevant, obtained supporting documentation.

Communications with the Entain plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of revenue from Online operations including details of our planned substantive procedures and the extent of our control reliance;
- Discussions on the effectiveness of the general IT environment.

Areas of particular auditor judgement

We did not identify any areas of particular auditor judgement in relation to this key audit matter.

Our findings

We assessed the impact of identified control deficiencies and considered the effect on our substantive testing. Based on the control mitigation testing that we performed, we were not required to significantly expand the extent of our planned detailed testing. Our testing identified no errors in the recording of revenue transactions for the revenues from online operations (FY22: No errors identified).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 104 for details on how the Audit Committee considered the revenue from online operations.

4.2 complex accounting and sensitivity to significant assumptions relating to the acquisiton of tab new zealand and sts holdings s.A.

Financial Statement Elements	FY23	FY22	Our assessment of risk vs FY22	Our findings
Goodwill – arising from the acquisition of STS Holding S.A.	**£374.1m**	£nil	↑ The Group has undertaken several acquisitions in the period. The transaction to acquire TAB New Zealand has a complex contingent consideration arrangement and large variable contingent consideration is sensitive to changes in key assumptions. The acquisition of STS Holdings S.A. is significant in value the purchase price allocation is sensitive to changes in key assumptions.	**FY23: Balanced** FY22: New key audit matter
Intangible assets – arising from the acquisition of STS Holding S.A	**£401.3m**	£nil		
Deferred and contingent consideration recognised on the acquisition of TAB New Zealand	**£1,112.1m**	£nil		

Description of the Key Audit Matter

Complexity and sensitivity

TAB New Zealand

The recognition of the contingent consideration paid to the New Zealand government, being the owner of the TAB New Zealand brand, results in a significant judgement as to whether this forms part of the consideration payable as these are ongoing payments made to the former owner who will continue to provide a regulatory framework.

Additionally, the contingent consideration that will be paid over the 25-year period is sensitive to changes in key assumptions including revenue growth, costs associated with revenue as defined by the share purchase agreement ('SPA') and WACC.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balances is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

TAB New Zealand

Tests of details: For TAB New Zealand we have critically assessed the SPA by reading the agreement and understanding the business including the involvement with the New Zealand government to assess whether the variable contingent consideration payable to the New Zealand government forms part of consideration in accordance with 'IFRS 3 Business Combinations'.

We have benchmarked the director's key assumptions which have been applied in determining the fair value of variable contingent consideration at acquisitions against our knowledge of historical acquisitions and third-party market data. The key assumptions are revenue growth rates, adjusted gross profit margin and discount rate.

Our valuation expertise: Involving our own valuation professional with specialised skills and knowledge, who assisted in independently developing a range of post-tax discount rates using publicly available market data for comparable companies and comparing these rates to those utilised by management to assess their reasonableness.

STS Holdings S.A. The valuation of intangible assets involves significant judgement as it requires management's use of assumptions including revenue growth, customer churn rates and the application of a discount rate that is reflective of the risks of the business.	**STS Holdings S.A.** **Tests of details:** We assessed the director's calculation of the valuation of intangible assets for STS Holdings S.A. by benchmarking their assumptions against our knowledge of historical acquisitions and third-party market data. The key assumptions considered for STS Holdings S.A. were projected revenue, long-term growth rates, customer churn and post-tax discount rates. • We assessed the reasonableness of the cash flows used in valuation models by benchmarking the key assumptions adopted against our knowledge of historical acquisitions and third-party market data; • We challenged management by considering the rationale for the business combination and comparing the expected synergies to the amount of residual goodwill in the context of consideration and the fair value adjustments applied; • Developed our own independent range of post-tax discount rates using publicly available market data for comparable companies and comparing these rates to those utilised by management to assess their reasonableness. **TAB New Zealand and STS Holdings S.A.** **Assessing valuer's credentials:** We assessed the competence and objectivity of the third-party valuation experts engaged by the Group; and **Assessing transparency:** Assessing whether the Group's disclosures detail the key estimates and sensitivities including any impact of reasonably possible changes to key assumptions with regard to the goodwill, intangible assets and contingent consideration arising from the acquisitions.

Communications with the Entain plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of acquisition accounting for TAB New Zealand and STS Holdings S.A. including details of our planned substantive procedures and the extent of our control reliance;
- Our results relating to the audit of acquisition accounting for TAB New Zealand and STS Holdings S.A. including our conclusion in relation to the estimates that management have made for calculating intangible assets.

Areas of particular auditor judgement

The areas of particular audit judgement for the TAB New Zealand acquisition was the treatment of contingent consideration and key assumptions adopted.

For the STS Holdings S.A. acquisition, auditor judgement was exercised relating to the key assumptions used by the Group.

Our findings

We found that management had appropriately included all components of consideration in determining the total consideration for the acquisition of TAB New Zealand. In addition, we deemed the assumptions used by management in the calculation of contingent consideration to be balanced.

For the STS Holdings S.A. acquisition, we deemed the assumptions used by the Group in the calculation of the goodwill and intangible assets for STS to be balanced. (FY22: Not applicable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 104 for details on how the Audit Committee considered the complex accounting and sensitivity to significant assumptions relating to the acquisition of TAB New Zealand and STS Holdings S.A.

4.3 Recoverability of parent company's invesments in subsidiaries (parent company)

Financial Statement Elements			Our assessment of risk vs FY22	Our findings
	FY23	FY22		**FY23: Balanced**
Investments in subsidiaries	**£5,635.2m**	£4,845.6m	↔ We have not identified any significant changes to our assessment of the level of risk relating to recoverability of parent company's investments in subsidiaries compared to FY22.	FY22: Balanced

Description of the Key Audit Matter

Low risk, high value

The carrying amount of the parent Company's investments in subsidiaries represents 89% (FY22: 85%) of the parent Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balances is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures included:

- We compared the carrying amount of investments in subsidiaries with the relevant subsidiaries' draft balance sheets to identify whether their net assets, being an approximation of the minimum recoverable amount of the related investments and amounts owed by subsidiary undertakings, were in excess of their carrying amount.

Communications with the Entain plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of investments in subsidiaries, including details of our planned substantive procedures, and that we would not seek to place reliance on controls.
- Our conclusion on the procedures performed.

Areas of particular auditor judgement

We did not identify any areas of particular auditor judgement in relation to this key audit matter.

Our findings

We found the company's conclusion that there is no impairment of investments in subsidiaries to be balanced. (FY22: balanced).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 104 for details on how the Audit Committee considered the recoverability of parent company's investments in subsidiaries.

5. Our ability to detect irregularities, and our response

Fraud – identifying and responding to risks of material misstatement due to fraud	
Fraud risk assessment	To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included: • Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud. • Reading Board, audit committee, and remuneration committee minutes. • Considering remuneration incentive schemes and performance targets for directors and how these are impacted by separately disclosed items. • Using analytical procedures to identify any unusual or unexpected relationships. • Our forensic specialists assisted us in identifying key fraud risks. This included holding a discussion with the engagement partner and team and assisting with designing relevant audit procedures to respond to the identified fraud risks.
Risk communications	We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.
Fraud risks	As required by auditing standards, and taking into account possible pressures to meet profit targets and bonus incentives, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue from the Group's online operations is at risk of being overstated due to manual manipulation, that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as accounting for acquisitions and the recognition of intangible assets, provisions for impairment and pension assumptions. We did not identify any additional fraud risks.
Link to KAMS	Further detail in respect of online revenue recognition is set out in the key audit matter disclosure in section 4.1 of this report.
Procedures to address fraud risks	We also performed procedures including: • Identifying journal entries and other adjustments to test for all full scope components based on high risk criteria for each component and comparing the identified entries to supporting documentation. These included: postings between unusual accounts for revenue, cash and assets; entries without a description or with a description of senior management; unexpected entries that credit adjusted EBTIDA and debit other areas of the income statement; and entries by users who seldom post journals. • Evaluated the business purpose of significant unusual transactions. • Assessing whether significant accounting estimates are indicative of a potential bias.

Laws and regulations – identifying and responding to risks of material misstatement relating to compliance with laws and regulations	
Laws and regulations risk assessment	We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, inspection of industry publications and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.
Risk communications	We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.
Direct laws context and link to audit	The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
Most significant indirect law/ regulation areas	Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: anti-bribery and corruption, recognising the nature of the Group's operations, betting and gaming regulation and responsible gaming legislation across all of the territories where the Group generates material revenues. For the matters discussed in note 33 we assessed disclosures against our understanding from inspection of correspondence received by the entity and inquiries with external legal counsel. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context	
Context of the ability of the audit to detect fraud or breaches of law or regulation	Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£45m (FY22: £40m) Materiality for the group financial statements as a whole

What we mean

A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied

Materiality for the Group financial statements as a whole was set at £45m (FY22: £40m). This was determined with reference to a benchmark of Group revenue.

Consistent with FY22, we determined that revenue remains the benchmark for the Group. We consider total revenue to be the most appropriate benchmark as the Group is still going through an acquisitive stage and BetMGM, the Group's joint venture continues to be in a start-up phase. Because of BetMGM still being in a start-up phase, and Entain recognising their share of the loss from joint ventures the Group, as a whole, generates a loss before tax from continuing operations in the period. Furthermore, total revenue is seen as a key metric to users of the financial statements, as demonstrated by the Group's communications to investors. Our Group materiality of £45m was determined by applying a percentage to the Group revenue. When using a benchmark of revenue to determine overall materiality, KPMG's approach for listed entities considers a guideline range 0.5% – 1.0 % of the measure. In setting overall Group materiality, we applied a percentage of 0.9% (FY22: 0.9%) to the benchmark.

Materiality for the Parent Company financial statements as a whole was set at £22.5m (FY22: £20m), determined with reference to a benchmark of Parent Company total assets, of which it represents 0.3% (FY22: 0.4%).

£33.75m (FY22: £30m) Performance materiality

What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 75% (FY22: 75%) of materiality for Entain plc Group financial statements as a whole to be appropriate.

The Parent Company performance materiality was set at £16.5m (FY22: £15m), which equates to 75% (FY22: 75%) of materiality for the Parent Company financial statements as a whole.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

£2.25m (FY22: £2.0m) Audit misstatement posting threshold

What we mean

This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to Entain plc's Audit Committee.

Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 5% (FY22: 5%) of our materiality for the Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £45m (FY22: £40m) compares to the below amounts as follows:

	Total Group Revenue		Group (loss)/profit before tax from continuing operations		Total Group Assets	
		FY22	FY23	FY22	FY23	FY22
Amount The secret object #5 is a		£4,296.9m	**(£842.6)m**	£102.9m	**£10,850.6m**	£8,740.1m
Group Materiality as % of amount		0.9%	**(5.3%)**	38.9%	**0.4%**	0.5%

7. The scope of our audit

Group scope

What we mean

How the Group audit team determined the procedures to be performed across the Group.

Of the Group's twenty (FY22: eleven) reporting components, we subjected five (FY22: five) to full scope audits for group purposes and two (FY22: none) to specified risk-focused audit procedures. In order to determine the work performed at the reporting component level, we identified those components which we considered to be of individual financial significance, those which were significant due to risk and those remaining components on which we required procedures to be performed to provide us with the evidence we required in order to conclude on the group financial statements as a whole.

We determined individually financially significant components as those contributing at least 10% (FY22: 10%) of total profits and losses that made up group profit/(loss) before tax from continuing operations or group revenue. We selected revenue and profit/(loss) before tax from continuing operations because these are the most representative of the relative size of the components. We identified four (FY22: four) components as individually financially significant components and performed full scope audits on these components. In addition, we identified two components (FY22: none) as being subject to specified risk-focused. Specified risk-focused procedures over revenue were performed on these components as they are the next largest component, which had grown at a quicker rate than the remainder of the Group's core markets which altered the risk profile of the Group.

We have also considered one component (FY22: one), which is a joint venture, to be significant due to significant risk of material misstatement affecting the group financial statements and performed a full scope audit of this component (FY22: full scope audit). Whilst it does not contribute to the Group's revenue metrics, its revenues are considered to be of significant importance to the Group therefore we considered it to be significant due to significant risk of material misstatement in the current year.

The group operates a centralised IT function that supports IT processes for certain components. The IT function is geographically spread across Hyderabad (India), Gibraltar, Stratford (UK) and Vienna (Austria). The transactions processed by these IT system are included in the financial information of the reporting components it services and therefore it is not a separate reporting component. This service centre is subject to specified risk-focused audit procedures, predominantly the testing of the relevant general IT control environment ("GITCs") and automated IT application controls.

Scope	Number of components	Range of materiality applied
Full scope audit	5 (FY22: 5)	£18.8m – £36m (FY22: £20m – £30m)

The components within the scope of our work accounted for the following percentages of the group's results: 78% group revenue (FY22: 83%), 81% Revenue including share of revenue from joint ventures (FY22: 85%), 92% total profits and losses that made up group loss before tax from continuing operations (FY22: 81%) and 97% group net assets (FY22: 98%).

The Group team instructed component auditors on the scope of their work including specifying minimum procedures to perform in their audit of revenue and management override of controls. The Group team approved the component materialities, as detailed in the table above, having regard to the mix of size and risk profile of the Group across the components.

For the residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group audit team has also performed audit procedures on the following areas of behalf of the components:

- Items excluded from underlying Group PBTCO;
- Direct tax excluding Australia and US;
- Right of use assets and liabilities; and
- Share based payments.

These items were audited by the Group team because they are managed centrally by the Group finance team.

We were able to rely upon the Group's internal control over financial reporting in several areas of our audit, where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work; in the other areas the scope of the audit work performed was fully substantive.

The parent company audit was completed by the Group audit team. All of the other components subject to a full scope audit were completed by component audit teams.

Group audit team oversight	**What we mean** The extent of the Group audit team's involvement in component audits. In working with component auditors, we: • Held planning calls with component audit teams to discuss the significant areas of the audit relevant to the components, including the key audit matter in respect of revenue from online operations. • Issued group audit instructions to component auditors on the scope of their work, including specifying the minimum procedures to perform in their audit of revenue and management override of controls. • Visited five components in-person as the audit progressed to understand and challenge the audit approach and organised video conferences with the partners and directors of the Group and component audit teams throughout the key audit stages. At these visits and video conferences, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component audit teams. • Inspected component audit teams' key workpapers, with a particular focus on the component's work on revenue from online operations and risk of management override of controls to ensure appropriateness of documentation and conclusions reached.

8. Other information in the annual report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information	
Our responsibility	**Our reporting**
Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.	Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Directors' remuneration report	
Our responsibility	**Our reporting**
In addition to our audit of the financial statements, the Directors have engaged us to audit the information in the Directors' Remuneration Report that is described as having been audited, which the Directors have decided to prepare as if the Company was required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) made under the UK Companies Act 2006.	In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the UK Companies Act 2006, as if those requirements applied to the Company.
Under the terms of our engagement, we are also required to report to you if, in our opinion, the part of the Directors' Remuneration Report which we were engaged to audit is not in agreement with the accounting records and returns.	We have nothing to report in these respects.

Corporate governance disclosures	
Our responsibility	**Our reporting**
We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and: • the directors' statement that they consider that the annual report and financial statements 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; • the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and • the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.	Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.
We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.	We have nothing to report in this respect.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 81, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using 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.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule ("DTR") 4.1.1.7R and 4.1.18R This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Section 80(c) of the Isle of Man Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Flanagan
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants and Recognised Auditors
EastWest
Tollhouse Hill
Nottingham
NG1 5FS

7 March 2024

Consolidated income statement for the year ended 31 December 2023

	Notes	2023 Underlying items £m	2023 Separately disclosed items (Note 6) £m	2023 Total £m	2022 Underlying items £m	2022 Separately disclosed items (Note 6) £m	2022 Total £m
Net Gaming Revenue		4,833.1	–	4,833.1	4,348.9	–	4,348.9
VAT/GST		(63.5)	–	(63.5)	(52.0)	–	(52.0)
Revenue	5	4,769.6	–	4,769.6	4,296.9	–	4,296.9
Cost of sales	7	(1,862.6)	–	(1,862.6)	(1,582.2)	–	(1,582.2)
Gross profit		2,907.0	–	2,907.0	2,714.7	–	2,714.7
Administrative costs	7	(2,222.3)	(1,286.5)	(3,508.8)	(1,978.8)	(213.2)	(2,192.0)
Contribution		2,279.4	–	2,279.4	2,128.9	–	2,128.9
Administrative costs excluding marketing		(1,594.7)	(1,286.5)	(2,881.2)	(1,393.0)	(213.2)	(1,606.2)
Group operating profit/(loss) before share of results from joint ventures and associates		684.7	(1,286.5)	(601.8)	735.9	(213.2)	522.7
Share of results from joint ventures and associates	16,17	(42.9)	–	(42.9)	(194.1)	–	(194.1)
Group operating profit/(loss)		641.8	(1,286.5)	(644.7)	541.8	(213.2)	328.6
Finance expense	8	(241.8)	(1.0)	(242.8)	(89.0)	(5.7)	(94.7)
Finance income	8	12.4	–	12.4	4.3	–	4.3
(Losses)/gains arising from change in fair value of financial instruments	8	(90.6)	–	(90.6)	(23.1)	–	(23.1)
Gains/(losses) arising from foreign exchange on debt instruments	8	123.1	–	123.1	(112.2)	–	(112.2)
Profit/(loss) before tax		444.9	(1,287.5)	(842.6)	321.8	(218.9)	102.9
Income tax	10	(105.8)	69.7	(36.1)	(97.9)	27.9	(70.0)
Profit/(loss) from continuing operations		339.1	(1,217.8)	(878.7)	223.9	(191.0)	32.9
Loss for the year from discontinued operations after tax	21	–	(57.8)	(57.8)	–	(13.4)	(13.4)
Profit/(loss) for the year		339.1	(1,275.6)	(936.5)	223.9	(204.4)	19.5
Attributable to:							
Equity holders of the parent		304.1	(1,232.7)	(928.6)	225.6	(201.4)	24.2
Non-controlling interests		35.0	(42.9)	(7.9)	(1.7)	(3.0)	(4.7)
		339.1	(1,275.6)	(936.5)	223.9	(204.4)	19.5
Earnings per share on profit/(loss) for the year from continuing operations		44.3p[1]		(141.4p)	60.9p[1]		6.4p
From profit/(loss) for the year	12	44.3p[1]		(150.7p)	60.9p[1]		4.1p
Diluted earnings per share on profit/(loss) for the year from continuing operations		44.2p[1]		(141.4p)	60.5p[1]		6.3p
From profit/(loss) for the year	12	44.2p[1]		(150.7p)	60.5p[1]		4.1p

Memo						
EBITDA	1,007.9	(742.9)	265.0	993.2	(89.3)	903.9
Share-based payments	(21.7)	–	(21.7)	(19.2)	–	(19.2)
Depreciation, amortisation and impairment	(301.5)	(543.6)	(845.1)	(238.1)	(123.9)	(362.0)
Share of results from joint ventures and associates	(42.9)	–	(42.9)	(194.1)	–	(194.1)
Group operating profit/(loss)	641.8	(1,286.5)	(644.7)	541.8	(213.2)	328.6

1. The calculation of underlying earnings per share has been adjusted for separately disclosed items, and for the removal of foreign exchange volatility arising on financial instruments as it provides a better understanding of the underlying performance of the Group. See Note 12 for further details.

The notes on pages 165 to 214 form an integral part of these consolidated financial statements.

	Notes	**2023 £m**	2022 £m
(Loss)/profit for the year		**(936.5)**	19.5
Other comprehensive (expense)/income:			
Items that may be reclassified to profit or loss:			
Currency differences on translation of foreign operations		**(83.5)**	182.9
Total items that may be reclassified to profit or loss		**(83.5)**	182.9
Items that will not be reclassified to profit or loss:			
Re-measurement of defined benefit pension scheme	30	**(3.7)**	(24.7)
Tax on re-measurement of defined benefit pension scheme	10	**1.3**	8.6
Surplus/(deficit) on revaluation of other investment	17	**1.1**	
Share of associate other comprehensive expense	17	**(1.1)**	(2.6)
Total items that will not be reclassified to profit or loss		**(2.4)**	(18.7)
Other comprehensive (expense)/income for the year, net of tax		**(85.9)**	164.2
Total comprehensive (expense)/income for the year		**(1,022.4)**	183.7
Attributable to:			
Equity holders of the parent		**(1,020.8)**	182.3
Non-controlling interests		**(1.6)**	1.4

The notes on pages 165 to 214 form an integral part of these consolidated financial statements.

(Company number 4685V)

	Notes	2023 £m	2022 Restated (Note 32) £m
Assets			
Non-current assets			
Goodwill	13	**4,716.0**	3,980.9
Intangible assets	13	**3,960.1**	2,676.2
Property, plant and equipment	15	**533.4**	507.2
Interest in joint venture	16	**–**	–
Interest in associates and other investments	17	**47.1**	53.5
Trade and other receivables	18	**31.8**	38.6
Other financial assets	26	**–**	0.2
Deferred tax assets	10	**493.2**	157.3
Retirement benefit asset	30	**61.8**	63.8
		9,843.4	7,477.7
Current assets			
Trade and other receivables	18	**503.2**	500.3
Income and other taxes recoverable		**71.5**	30.7
Derivative financial instruments	26	**31.9**	72.9
Cash and cash equivalents	19	**400.6**	658.5
		1,007.2	1,262.4
Total assets		**10,850.6**	8,740.1
Liabilities			
Current liabilities			
Trade and other payables	20	**(878.6)**	(720.0)
Balances with customers	27	**(196.8)**	(200.5)
Lease liabilities	22	**(65.7)**	(65.1)
Interest-bearing loans and borrowings	23	**(319.2)**	(424.9)
Corporate tax liabilities		**(48.6)**	(45.3)
Provisions	24	**(20.9)**	(20.6)
Derivative financial instruments	26	**(117.5)**	(79.2)
Deferred and contingent consideration and other financial liabilities	26	**(157.0)**	(208.8)
		(1,804.3)	(1,764.4)
Non-current liabilities			
Trade and other payables	20	**(433.8)**	–
Interest-bearing loans and borrowings	23	**(3,038.8)**	(2,689.1)
Lease liabilities	22	**(210.2)**	(215.8)
Deferred tax liabilities	10	**(825.1)**	(495.4)
Provisions	24	**(4.2)**	(5.4)
Deferred and contingent consideration and other financial liabilities	26	**(1,741.5)**	(253.4)
		(6,253.6)	(3,659.1)
Total liabilities		**(8,057.9)**	(5,423.5)
Net assets		**2,792.7**	3,316.6
Equity			
Issued share capital	28	**5.2**	4.8
Share premium		**1,796.7**	1,207.3
Merger reserve		**2,527.4**	2,527.4
Translation reserve		**150.4**	240.2
Retained earnings		**(2,211.7)**	(846.9)
Equity shareholders' funds		**2,268.0**	3,132.8
Non-controlling interests	35	**524.7**	183.8
Total shareholders' equity		**2,792.7**	3,316.6

The financial statements on pages 160 to 214 were approved by the Board of Directors on 7 March 2024 and signed on its behalf by

S David
Interim Chief Executive Officer

R Wood
Deputy Chief Executive Officer/Chief Financial Officer

	Issued share capital £m	Share premium £m	Merger reserve £m	Translation reserve[1] £m	Retained earnings £m	Equity shareholders' funds £m	Non-controlling interests (Note 35) £m	Total shareholders' equity £m
At 1 January 2022	4.8	1,207.3	2,527.4	63.4	(635.8)	3,167.1	1.4	3,168.5
Profit for the year	–	–	–	–	24.2	24.2	(4.7)	19.5
Other comprehensive income/ (expense)	–	–	–	176.8	(18.7)	158.1	6.1	164.2
Total comprehensive income	–	–	–	176.8	5.5	182.3	1.4	183.7
Share-based payments charge	–	–	–	–	18.3	18.3	–	18.3
Business combinations	–	–	–	–	–	–	178.9	178.9
Recognition of put liability	–	–	–	–	(181.2)	(181.2)	–	(181.2)
Purchase of non-controlling interests (Note 35)	–	–	–	–	(3.7)	(3.7)	2.1	(1.6)
Equity dividends (Note 11)	–	–	–	–	(50.0)	(50.0)	–	(50.0)
At 31 December 2022	4.8	1,207.3	2,527.4	240.2	(846.9)	3,132.8	183.8	3,316.6
At 1 January 2023	**4.8**	**1,207.3**	**2,527.4**	**240.2**	**(846.9)**	**3,132.8**	**183.8**	**3,316.6**
Loss for the year	–	–	–	–	**(928.6)**	**(928.6)**	**(7.9)**	**(936.5)**
Other comprehensive income/ (expense)	–	–	–	**(89.8)**	**(2.4)**	**(92.2)**	**6.3**	**(85.9)**
Total comprehensive income	–	–	–	**(89.8)**	**(931.0)**	**(1,020.8)**	**(1.6)**	**(1,022.4)**
Issue of shares (Note 28)	**0.4**	**589.4**	–	–	–	**589.8**	–	**589.8**
Share-based payments charge	–	–	–	–	**23.6**	**23.6**	–	**23.6**
Business combinations (Note 32)	–	–	–	–	–	–	**354.0**	**354.0**
Recognition of put option liability	–	–	–	–	**(350.5)**	**(350.5)**	–	**(350.5)**
Purchase of non-controlling interests (Note 35)	–	–	–	–	–	–	**(4.1)**	**(4.1)**
Equity dividends (Note 11)	–	–	–	–	**(106.9)**	**(106.9)**	**(7.4)**	**(114.3)**
At 31 December 2023	**5.2**	**1,796.7**	**2,527.4**	**150.4**	**(2,211.7)**	**2,268.0**	**524.7**	**2,792.7**

1. The translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries with non-sterling functional currencies.

The notes on pages 165 to 214 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 December 2023

	Notes	2023 £m	2022 £m
Cash generated by operations	29	**810.0**	846.9
Income taxes paid		**(137.3)**	(106.1)
Net finance expense paid		**(224.6)**	(100.6)
Net cash generated from operating activities		**448.1**	640.2
Cash flows from investing activities:			
Acquisitions[1]		**(1,315.4)**	(738.6)
Cash acquired on business combinations		**87.9**	29.9
Dividends received from associates		**9.6**	3.6
Purchase of intangible assets		**(191.5)**	(129.9)
Purchase of property, plant and equipment		**(69.1)**	(82.1)
Proceeds from the sale of property, plant and equipment including disposal of shops		**0.7**	–
Purchase of investments in associates and other investments		**(3.1)**	–
Investment in joint ventures		**(40.7)**	(175.1)
Net cash used in investing activities		**(1,521.6)**	(1,092.2)
Cash flows from financing activities:			
Proceeds from issue of ordinary shares		**589.8**	–
Net proceeds from borrowings		**1,780.3**	838.4
Repayment of borrowings		**(1,419.2)**	(109.0)
Repayment of borrowings on acquisition		**(9.4)**	(162.8)
Subscription of funds from non-controlling interests		**350.5**	174.3
Settlement of derivative financial instruments		**(13.2)**	41.6
Settlement of other financial liabilities		**(266.7)**	(32.9)
Payment of lease liabilities		**(68.5)**	(83.0)
Dividends paid to shareholders		**(106.9)**	(50.0)
Dividends paid to non-controlling interests		**(7.4)**	–
Net cash used in financing activities		**829.3**	616.6
Net (decrease)/increase in cash and cash equivalents		**(244.2)**	164.6
Effect of changes in foreign exchange rates		**(13.7)**	6.8
Cash and cash equivalents at beginning of the year		**658.5**	487.1
Cash and cash equivalents at end of the year		**400.6**	658.5

1. Included within cash flows from acquisitions is £5.4m relating to the purchase of minority holdings in STS Holdings SA (2022: £1.7m relating to the purchase of minority holdings in Scout Gaming AB and Global Gaming Limited).

The notes on pages 165 to 214 form an integral part of these consolidated financial statements.

1 Corporate information

Entain plc ("the Company") is a company incorporated and domiciled in the Isle of Man on 5 January 2010 whose shares are traded publicly on the London Stock Exchange. The principal activities of the Company and its subsidiaries ("the Group") are described in the strategic report. The consolidated financial statements of the Group for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 7 March 2024.

The nature of the Group's operations and its principal activities are set out in Note 5.

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies to the European Union and in accordance with the requirements of the Isle of Man Companies Act 2006 applicable to companies reporting under IFRSs. The accounting policies set out in this section as detailed have been applied consistently year on year other than for the changes in accounting policies set out in Note 3.

The consolidated financial statements are presented in Pounds Sterling (£). All values are in millions (£m) rounded to one decimal place except where otherwise indicated. The separately disclosed items have been included within the appropriate classifications in the consolidated income statement. Further details are given in Note 6.

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 principal risks and uncertainties. In addition, the Directors have considered all matters discussed in connection with the long-term viability statement including the modelling of 'severe but plausible' downside scenarios such as legislation changes impacting the Group's Online business and severe data privacy and cybersecurity breaches.

Given the level of the Group's available cash post the recent extension of certain financing facilities (see Note 36) and the forecast covenant headroom even under the sensitised downside scenarios, the Directors believe 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.

3 Changes in accounting policies

From 1 January 2023 the Group has applied, for the first time, certain standards, interpretations and amendments. The adoption of the following standards and amendments to standards did not have a material impact on the current period or any prior period upon transition:

- Amendments to IAS 1 Presentation of Financial Statements; disclosure of accounting policies;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; definition of accounting estimates;
- Amendments to IAS 12 Income Taxes; deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IAS 12 International Tax Reform Pillar Two Model Rules;
- IFRS 17 Insurance Contracts; original issue.

4 Summary of significant accounting policies

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group at 31 December each year. The consolidation has been performed using the results to 31 December for all subsidiaries, using consistent accounting policies. With the exception of a small number of immaterial subsidiaries, the financial statements of those subsidiaries are prepared to 31 December. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee.

All intragroup transactions, balances, income and expenses are eliminated on consolidation.

Subsidiaries are consolidated, using the acquisition method of accounting, from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred from the Group. On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at fair value at the date of acquisition. Any excess of the cost of acquisition over the fair values of the separately identifiable net assets acquired is recognised as goodwill. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

4.2 Critical accounting estimates and judgements

The preparation of financial information requires the use of assumptions, estimates and judgements about future conditions. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported.

4 Summary of significant accounting policies (continued)

4.2 Critical accounting estimates and judgements (continued)

Judgements

Management believes that the areas where judgement has been applied are:

- separately disclosed items (Note 6).
- business combinations (Note 32)

Separately disclosed items

To assist in understanding the underlying performance of the Group, management applies judgement to identify those items that are deemed to warrant separate disclosure due to either their nature or size. Whilst not limited to, the following items of pre-tax income and expense are generally disclosed separately:

- amortisation of acquired intangibles resulting from IFRS 3 “Business Combinations” fair value exercises;
- profits or losses on disposal, closure, or impairment of non-current assets or businesses;
- corporate transaction and restructuring costs;
- legal, regulatory and tax litigation;
- changes in the fair value of contingent consideration; and
- the related tax effect of these items.

Any other non-recurring items are considered individually for classification as separately disclosed by virtue of their nature or size. During 2023 the Group separately disclosed a net charge on continuing operations before tax of £1,287.5m including £254.6m of amortisation of acquired intangibles resulting from IFRS 3.

The separate disclosure of these items allows a clearer understanding of the trading performance on a consistent and comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Group.

The separately disclosed items have been included within the appropriate classifications in the consolidated income statement. Further details are given in Note 6.

Business combinations – Acquisition consideration

For business combinations, in assessing the relevant consideration transferred, certain judgements are required to assess whether transfers of assets reflect payments for future service or elements of acquisition consideration. Specifically, for the Tab NZ acquisition, the Group has committed to make minimum guaranteed funding payments to Tab NZ in the first five years post completion, with further contingent payments subject to revenue performance due up to and including year 25. As there are no ongoing obligations or service requirements on the selling party, these payments have been deemed to form part of consideration under IFRS 3 rather than ongoing deductions on profits. Further details are provided in Note 32.

Estimates

Included within the financial statements are a number of areas where estimation is required.

Management believes that the area where this is most notable within the financial statements is the accounting for business combinations (Note 32).

Business combinations

For business combinations, the Group estimates the fair value of the consideration transferred, which can include assumptions about the future business performance of the business acquired and an appropriate discount rate to determine the fair value of any contingent consideration.

The Group then estimates the fair value of assets acquired and liabilities assumed in the business combination. The area of most notable estimation within the fair value exercise relates to separately identifiable intangible assets including brands, customer lists and licences. These estimates also require inputs and assumptions to be applied within the relief from royalty calculation of fair values with the more significant assumptions relating to future earnings, customer attrition rates and discount rates. The Group engages external experts to support the valuation process, where appropriate. IFRS 3 ‘Business Combinations’ allows the Group to recognise provisional fair values if the initial accounting for the business combination is incomplete.

The fair value of contingent consideration recognised in business combinations is reassessed at each reporting date, using updated inputs and assumptions based on the latest financial forecasts and other relevant information for the businesses acquired. Fair value movements and the unwinding of the discounting is recognised within the income statement as a separately disclosed item. See Note 6 and Note 32 for further details.

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the separately identifiable assets, liabilities and contingent liabilities at the date of acquisition in accordance with IFRS 3 Business Combinations. Goodwill is not amortised but reviewed for impairment at the first reporting period after acquisition and then annually thereafter. As such it is stated at cost less any provision for impairment of value. Any impairment is recognised immediately in the consolidated income statement and is not subsequently reversed.

4 Summary of significant accounting policies (continued)

4.2 Critical accounting estimates and judgements (continued)

Business combinations (continued)

On acquisition, any goodwill acquired is allocated to cash-generating units for the purpose of impairment testing. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposal is included in the carrying amount of the assets when determining the gain or loss on disposal. On the current year acquisitions, any non-controlling interests where put options are in place are recognised using the present access method where the Group assesses that the non-controlling shareholder has present access to the returns associated with their equity interests.

Impairment

On acquisition, any goodwill acquired is allocated to cash-generating units for the purpose of impairment testing. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposal is included in the carrying amount of the assets when determining the gain or loss on disposal.

An impairment review is performed for goodwill and other indefinite life assets on at least an annual basis. For all other non-current assets an impairment review is performed where there are indicators of impairment. This requires an estimation of the recoverable amount which is the higher of an asset's fair value less costs to sell and its value in use. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from each cash-generating unit and to discount cash flows by a suitable discount rate in order to calculate the present value of those cash flows. Estimating an asset's fair value less costs to sell is determined using future cash flow and profit projections as well as industry observed multiples and publicly observed share prices for similar betting and gaming companies. See Note 14 for details on sensitivity analysis performed around these estimates.

Impairment losses are recognised in the consolidated income statement and during the current year, the Group has recognised an impairment charge of £289.0m primarily against the Group's Australian CGU, the closed B2C operations in Africa, and under the Unirkn B2C offering. See Note 14 for further details.

4.3 Other accounting policies

'Put' options over the equity of subsidiary companies

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities. The amounts that may become payable under the option on exercise are initially recognised at the present value of the expected gross obligation with the corresponding entry being recognised in retained earnings. Such options are subsequently measured at amortised cost, using the effective interest method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The present value of the expected gross obligation is reassessed at the end of each reporting period and any changes are recorded in the income statement. In the event that an option expires unexercised, the liability is derecognised with a corresponding adjustment to retained earnings.

Intangible assets

Intangible assets acquired separately are capitalised at cost and those acquired as part of a business combination are capitalised separately from goodwill. The costs relating to internally generated intangible assets, principally software costs, are capitalised if the criteria for recognition as assets are met. Other expenditure is charged in the year in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Indefinite lived assets are not amortised and are subject to an annual impairment review from the year of acquisition. Where amortisation is charged on assets with finite lives, this expense is taken to the consolidated income statement through the 'operating expenses, depreciation and amortisation' line item.

The useful lives applied to the Group's intangible assets are as follows:

Exclusive New Zealand licence	25–year duration of licence
Other licences	Lower of 15 years, or duration of licence
Software – purchased & internally capitalised costs	2–15 years
Trademarks & brand names	10–25 years, or indefinite life
Customer relationships	3–15 years

The useful lives of all intangible assets are reviewed at each financial period end. Impairment testing is performed annually for intangible assets which are not subject to systematic amortisation and where an indicator of impairment exists for all other intangible assets.

An intangible asset is derecognised on disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated income statement in the year of disposal.

Pensions and other post-employment benefits

The Group's defined benefit pension plan holds assets separately from the Group. The pension cost relating to the plan is assessed in accordance with the advice of independent qualified actuaries using the projected unit credit method.

Actuarial gains or losses are recognised in the consolidated statement of comprehensive income in the period in which they arise.

Any past service cost is recognised immediately. The retirement benefit asset recognised in the balance sheet represents the fair value of scheme assets less the value of the defined benefit obligations.

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Pensions and other post-employment benefits (continued)

There is a degree of estimation involved in predicting the ultimate benefits payable under defined benefit pension arrangements. The pension scheme liabilities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the long-term nature of this plan, such estimates are subject to uncertainty. See Note 30 for details on sensitivity analysis performed around these estimates.

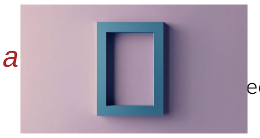
In making these estimates and assumptions, management considers advice provided by external advisers, such as actuaries. Where actual experience differs to these estimates, actuarial gains and losses are recognised directly in other comprehensive income. Refer to Note 30 for details of the values of assets and obligations and key assumptions used. The Gala Coral Pension Plan has a net asset position when measured on an IAS 19 basis. Judgement is applied, based on legal, actuarial, and accounting guidance in IFRIC 14, regarding the amounts of net pension asset that is recognised in the consolidated balance sheet. The Ladbrokes Pension Plan was bought out in 2021. Further details are given in Note 30.

Although the Group anticipates that plan surpluses will be utilised during the life of the plans to address member benefits, the Group recognises its pension surplus in full on the basis that there are no substantive restrictions on the return of residual plan assets in the event of a winding up of the plan after all member obligations have been met.

The Group's contributions to defined contribution scheme are charged to the consolidated income statement in the period to which the contributions relate.

Investments in joint ventures

The secret shape is a



A joint venture is an entity in which the Group holds ed by the Group and one or more other venturers under a contractual agreement.

Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement.

The Group's share of results of joint ventures is included in the Group consolidated income statement using the equity method of accounting. Investments in joint ventures are carried in the Group consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the entity less any impairment in value. The carrying value of investments in joint ventures includes acquired goodwill.

If the Group's share of losses in the joint venture equals or exceeds its investment in the joint venture, the Group does not recognise further losses, unless it has obligations to continue to provide financial support to the joint venture.

Investments in associates

Associates are those businesses in which the Group has a long-term interest and is able to exercise significant influence over the financial and operational policies but does not have control or joint control over those policies.

The Group's share of results of associates is included in the Group's consolidated income statement using the equity method of accounting. Investments in associates are carried in the Group's consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the entity less any impairment in value. The carrying value of investments in associates includes acquired goodwill. If the Group's share of losses in the associate equals or exceed its investments in the associate, the Group does not recognise further losses, unless it has obligations to continue to provide financial support to the associate.

Property, plant and equipment

Land is stated at cost less any impairment in value.

Buildings, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is applied using the straight-line method to specific classes of asset to reduce them to their residual value over their estimated useful economic lives.

Land and buildings	Lower of 50 years, or estimated useful life of the building, or lease. Indefinite lives are attached to any freehold land held and therefore it is not depreciated.
Plant and equipment	3–5 years
Fixtures and fittings	3–10 years

ROU assets arising under lease contracts are depreciated over the lease term (as defined in IFRS 16) being the period to the expiry date of the lease, unless it is expected that a break clause will be exercised when the lease term is the period to the date of the break.

The carrying values of property, plant and equipment are reviewed for impairment where an indicator of impairment exists, being events or changes in circumstances indicating that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal, with any gain or loss arising (calculated as the difference between the net disposal proceeds and the carrying amount of the item) included in the consolidated income statement in the year of disposal.

Leases

The Group has applied IFRS 16 only to those contracts that were previously identified as a lease under IAS 17 Leases; any contracts not previously identified as leases have not been reassessed for the purposes of adopting IFRS 16. Accordingly, the definition of a lease under IFRS 16 has only been applied to contracts entered into on or after 1 January 2019.

Leases, other than those with a lease period of less than one year at inception, or where the original cost of the asset acquired would be a negligible amount (see Note 22), are capitalised at inception at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

ROU assets are included within property, plant and equipment at cost and depreciated over their estimated useful lives, which normally equates to the lives of the leases, after considering anticipated residual values.

ROU assets which are sub-leased to customers are classified as finance leases if the lease agreements transfer substantially all the risks and rewards of usage to the lessee. All other sub-leases are classified as operating leases. When assets are subject to finance leases, the present value of the sub-lease is recognised as a receivable, net of allowances for expected credit losses and the related ROU asset is derecognised. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance lease income.

Finance lease interest income is recognised over the term of the lease using the net investment method (before tax) so as to give a constant rate of return on the net investment in sub-leases. Operating lease rental income is recognised on a straight-line basis over the life of the lease.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, short-term deposits (and customer balances).

Financial assets

Financial assets are recognised when the Group becomes party to the contracts that give rise to them. The Group classifies financial assets at inception as financial assets at amortised cost, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income.

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, financial assets at amortised cost are measured at fair value net of transaction costs.

Trade receivables are generally accounted for at amortised cost. Expected credit losses are recognised for financial assets recorded at amortised cost, including trade receivables. Expected credit losses are calculated by using an appropriate probability of default, taking accounts of a range of possible future scenarios and applying this to the estimated exposure of the Group at the point of default.

Financial assets at fair value through profit or loss include derivative financial instruments. Financial assets through profit or loss are measured initially at fair value with transaction costs taken directly to the consolidated income statement. Subsequently, the fair values are remeasured, and gains and losses are recognised in the consolidated income statement.

Financial assets at fair value through other comprehensive income comprise equity investments that are designated as such on acquisition. These investments are measured initially at fair value. Subsequently, the fair values are remeasured, and gains and losses are recognised in the consolidated statement of comprehensive income.

Financial liabilities

Financial liabilities comprise trade and other payables, interest-bearing loans and borrowings, contingent consideration, ante-post bets, guarantees and derivative financial instruments. On initial recognition, financial liabilities are measured at fair value net of transaction costs where they are not categorised as financial liabilities at fair value. Financial liabilities measured at fair value include contingent consideration, derivative financial instruments, ante-post bets and guarantees.

Financial liabilities at fair value are measured initially at fair value, with transaction costs taken directly to the consolidated income statement. Subsequently, the fair values are remeasured and gains and losses from changes therein are recognised in the consolidated income statement.

Trade and other payables are held at amortised cost and include amounts due to clients representing customer deposits and winnings, which are matched by an equal and opposite amount within cash and cash equivalents.

All interest-bearing loans and borrowings are initially recognised at fair value net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

All financial liabilities are recorded as cash flows from financing activities.

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets are derecognised when the right to receive cash flows from the assets has expired or when the Group has transferred its contractual right to receive the cash flows from the financial assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party, and either:

- substantially all the risks and rewards of ownership have been transferred; or
- substantially all the risks and rewards have neither been retained nor transferred but control is not retained.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Derivative financial instruments

The Group uses derivative financial instruments such as cross currency swaps, foreign exchange swaps and interest rate swaps, to hedge its risks associated with interest rate and foreign currency fluctuations. Derivative financial instruments are recognised initially and subsequently at fair value. The gains or losses on re-measurement are taken to the consolidated income statement.

Derivative financial instruments are classified as assets where their fair value is positive, or as liabilities where their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset if the transactions are with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense.

Foreign currency translation

The presentational currency of Entain plc and the functional currencies of its UK subsidiaries is Pounds Sterling (£).

Other than Sterling the main functional currencies of subsidiaries are the Euro (€), the US Dollar ($) and the Australian Dollar (A$). At the reporting date, the assets and liabilities of non-sterling subsidiaries are translated into Pounds Sterling (£) at the rate of exchange ruling at the balance sheet date and their cash flows are translated at the weighted average exchange rates for the year. The post-tax exchange differences arising on the retranslation are taken directly to other comprehensive income.

Transactions in foreign currencies are initially recorded in the subsidiary's functional currency and translated at the foreign currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign currency rate of exchange ruling at the balance sheet date.

All foreign currency translation differences are taken to the consolidated income statement. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

On disposal of a foreign entity, the deferred cumulative retranslation differences previously recognised in equity relating to that particular foreign entity are recognised in the consolidated income statement as part of the profit or loss on disposal.

The following exchange rates were used in 2023 and 2022:

	2023		2022	
Currency	**Average**	**Year end**	Average	Year end
Euro (€)	**1.149**	**1.151**	1.175	1.128
US Dollar ($)	**1.242**	**1.274**	1.245	1.208
Australian Dollar (A$)	**1.873**	**1.866**	1.788	1.775
NZ Dollars (NZD)	**2.024**	**2.010**	1.955	1.904

Income tax

Deferred tax is provided on all temporary differences at the balance sheet date, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes except:

- on the initial recognition of goodwill;
- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the tax profit; and
- associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Interest or penalties payable and receivable in relation to income tax are recognised as an income tax expense or credit in the consolidated income statement.

Income tax expenses are recognised within profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case they are recognised in other comprehensive income or directly in equity.

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

Accounting for uncertain tax positions

The Group is subject to various forms of tax in a number of jurisdictions. Given the nature of the industry within which the Group operates, the tax and regulatory regimes are continuously changing and, as such, the Group is exposed to a small number of uncertain tax positions. Judgement is applied to adequately provide for uncertain tax positions where it is believed that it is more likely than not that an economic outflow will arise. In particular, judgement has been applied in the Group's accounting for Greek tax and further disclosure is given in Note 33.

Equity instruments and dividends

Equity instruments issued by the Company are recorded at the fair value of proceeds received net of direct issue costs.

Final dividends proposed by the Board of Directors and unpaid at the year end are not recognised in the financial statements until they have been approved by shareholders at the Annual General Meeting. Interim dividends are recognised when paid..

Revenue

The Group reports the gains and losses on all betting and gaming activities as revenue, which is measured at the fair value of the consideration received or receivable from customers less free bets, promotions, bonuses and other fair value adjustments. Revenue is net of VAT/GST. The Group considers betting and gaming revenue to be out of the scope of IFRS 15 Revenue, and accounts for those revenues within the scope of IFRS 9 Financial Instruments.

For LBOs, on course betting, Core Telephone Betting, mobile betting and Digital businesses (including sportsbook, betting exchange, casino, games, other number bets), revenue represents gains and losses, being the amounts staked and fees received, less total payouts recognised on the settlement of the sporting event or casino gaming machine roulette or slots spin. Open betting positions ("ante-post") are carried at fair value and gains and losses arising on these positions are recognised in revenue. See Note 26 for details of ante-post positions at the year end.

The following forms of revenue, which are not significant in the context of Group revenue, are accounted for within the scope of IFRS 15 Revenue. Revenue from the online poker business reflects the net income (rake) earned from poker hands completed by the year end. In the case of the greyhound stadia, revenue represents income arising from the operation of the greyhound stadia in the year, including broadcasting rights, admission fees and sales of refreshments, net of VAT. Given the nature of these revenue streams they are not considered to be subject to judgement over the performance obligations, amount received or timing of recognition.

Finance expense and income

Finance expense and income arising on interest-bearing financial instruments carried at amortised cost are recognised in the consolidated income statement using the effective interest rate method. Finance expense includes the amortisation of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortisation of any other differences between the amount initially recognised and the redemption price. All finance expenses are recognised over the availability period.

Share-based payment transactions

Certain employees (including Directors) of the Group receive remuneration in the form of equity settled share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of equity settled transactions is measured by reference to the fair value at the date on which they are granted, further details of which are given in Note 31. In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Entain plc (market conditions).

4 Summary of significant accounting policies (continued)

4.3 Other accounting policies (continued)

Share-based payment transactions (continued)

The cost of equity settled transactions is recognised in the consolidated income statement, with a corresponding credit in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors of the Group at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share as shown in Note 12.

4.4 Future accounting developments

The standards and interpretations that are issued, but not yet effective, excluding those relating to annual improvements, up to the date of issuance of the Group's financial statements, are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. None of these are expected to have a significant effect on the consolidated financial statements of the Group as set out below:

IFRS 16	Leases	Lease liability in a sale and leaseback transaction	1 January 2024
IAS 1	Presentation of Financial Statements	Classification of liabilities as current or non-current Non-current liabilities regarding long-term debt with covenants	1 January 2024
IFRS 10	Consolidated Financial Statements	Sale or contribution of assets between an investor and its associate or joint venture	Date deferred
IAS 28	Investments in Associates and Joint Ventures	Sale or contribution of assets between an investor and its associate or joint venture	Date deferred
IFRS 7	Financial Instrument Disclosures	Supplier Financial Arrangements	1 January 2024
IAS 7	Statement of Cash Flows	Supplier Financial Arrangements	1 January 2024

5 Segment information

The Group's operating segments are based on the reports reviewed by the Executive Management Team (which is collectively considered to be the Chief Operating Decision Maker ("CODM")) to make strategic decisions, and allocate resources.

IFRS 8 requires segment information to be presented on the same basis as that used by the CODM for assessing performance and allocating resources. The Group's operating segments are split into the five reportable segments as detailed below:

- Online: comprises betting and gaming activities from online and mobile operations. Brands include bwin, Coral, Crystalbet, Eurobet, Ladbrokes, Sportingbet, SuperSport, Sports Interaction, STS, Tab NZ and BetCity, CasinoClub, Foxy Bingo, Gala, Gioco Digitale, partypoker and PartyCasino, Optibet, and Ninja;
- Retail: comprises betting and retail activities in the shop estates in Great Britain, Northern Ireland, Jersey, Republic of Ireland, Belgium, Italy, Croatia, New Zealand and Poland;
- New opportunities: Unikrn and innovation spend;
- Corporate: includes costs associated with Group functions including Group executive, legal, Group finance, US joint venture, tax and treasury; and
- Other segments: includes activities primarily related to Stadia.

The Executive Management Team of the Group has chosen to assess the performance of operating segments based on a measure of NGR, EBITDA, and operating profit with finance costs and taxation considered for the Group as a whole. See page 69 of this annual report for further considerations of the use of Non-GAAP measures. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

5 Segment information (continued)

The segment results for the year ended 31 December were as follows:

2023	Online £m	Retail £m	All other segments £m	New opportunities £m	Corporate £m	Elimination of internal revenue £m	Total Group £m
NGR[1]	3,426.5	1,386.7	26.7	–	–	(6.8)	4,833.1
VAT/GST	(59.9)	(3.6)	–	–	–	–	(63.5)
Revenue	3,366.6	1,383.1	26.7	–	–	(6.8)	4,769.6
Gross profit	1,980.1	900.2	26.7	–	–	–	2,907.0
Contribution[2]	1,369.8	890.3	26.3	(7.0)	–	–	2,279.4
Operating costs excluding marketing costs	(512.4)	(606.1)	(21.0)	(22.3)	(109.7)	–	(1,271.5)
Underlying EBITDA before separately disclosed items	857.4	284.2	5.3	(29.3)	(109.7)	–	1,007.9
Share-based payments	(7.3)	(2.4)	–	(0.7)	(11.3)	–	(21.7)
Depreciation and amortisation	(160.2)	(132.1)	(2.7)	(5.7)	(0.8)	–	(301.5)
Share of joint ventures and associates	(1.4)	–	2.0	(1.5)	(42.0)	–	(42.9)
Operating profit/(loss) before separately disclosed items	688.5	149.7	4.6	(37.2)	(163.8)	–	641.8
Separately disclosed items (Note 6)	(481.1)	(22.8)	–	(44.3)	(738.3)	–	(1,286.5)
Group operating profit/(loss)	207.4	126.9	4.6	(81.5)	(902.1)	–	(644.7)
Net finance expense							(197.9)
Loss before tax							(842.6)
Income tax							(36.1)
Loss for the year from continuing operations							(878.7)
Loss for the year from discontinued operations after tax (Note 21)							(57.8)
Loss for the year after discontinued operations							(936.5)

1. Included within NGR are amounts of £68.1m (2022: £65.6m) in relation to online poker services and £26.7m (2022: £25.1m) arising from the operation of greyhound stadia recognised under IFRS 15 Revenue.
2. Contribution represents gross profit less marketing costs and is a key performance metric used by the Group, particularly in Online.

5 Segment information (continued)

2022	Online £m	Retail £m	All other segments £m	New opportunities £m	Corporate £m	Elimination of internal revenue £m	Total Group £m
NGR[1]	3,050.5	1,277.8	25.1	–	–	(4.5)	4,348.9
VAT/GST	(52.0)	–	–	–	–	–	(52.0)
Revenue	2,998.5	1,277.8	25.1	–	–	(4.5)	4,296.9
Gross profit	1,829.6	860.0	25.1	–	–	–	2,714.7
Contribution[2]	1,254.2	852.1	25.0	(2.4)	–	–	2,128.9
Operating costs excluding marketing costs	(426.0)	(571.9)	(20.1)	(26.7)	(91.0)	–	(1,135.7)
Underlying EBITDA before separately disclosed items	828.2	280.2	4.9	(29.1)	(91.0)	–	993.2
Share-based payments	(7.8)	(2.3)	–	(0.3)	(8.8)	–	(19.2)
Depreciation and amortisation	(118.3)	(112.4)	(2.7)	(4.5)	(0.2)	–	(238.1)
Share of joint ventures and associates	(0.2)	–	0.4	(0.4)	(193.9)	–	(194.1)
Operating profit/(loss) before separately disclosed items	701.9	165.5	2.6	(34.3)	(293.9)	–	541.8
Separately disclosed items (Note 6)	(114.0)	(57.4)	(0.7)	–	(41.1)	–	(213.2)
Group operating profit/(loss)	587.9	108.1	1.9	(34.3)	(335.0)	–	328.6
Net finance income							(225.7)
Profit before tax							102.9
Income tax							(70.0)
Profit for the year from continuing operations							32.9
Loss for the year from discontinued operations after tax (Note 21)							(13.4)
Profit for the year after discontinued operations							19.5

Geographical information

Revenue by destination and non-current assets on a geographical basis for the Group, are as follows:

	2023		2022	
	Revenue £m	**Non-current assets[3] £m**	Revenue £m	Non-current assets[3] £m
United Kingdom	**1,953.8**	**3,076.8**	2,032.7	3,022.3
Australia and New Zealand	**515.1**	**1,475.4**	463.0	528.8
Italy	**517.4**	**512.2**	472.6	523.3
Rest of Europe[1]	**1,443.4**	**3,930.2**	968.7	2,922.4
Rest of the world[2]	**339.9**	**293.8**	359.9	259.6
Total	**4,769.6**	**9,288.4**	**4,296.9**	**7,256.4**

1. Rest of Europe is predominantly driven by markets in Croatia, Belgium, The Netherlands, Georgia, Germany, and Spain.
2. Rest of the world is predominantly driven by the markets in Brazil and Canada.
3. Non-current assets excluding other financial assets, deferred tax assets and retirement benefit assets.

6 Separately disclosed items

	2023 £m	2023 Tax impact £m	2022 £m	2022 Tax impact £m
Legal settlement[1]	585.0	–	–	–
Amortisation of acquired intangibles[2]	254.6	(41.6)	116.9	(16.5)
Impairment loss[3]	289.0	–	7.0	–
Restructuring costs[4]	49.7	(9.6)	11.8	(1.4)
Corporate transaction costs[5]	17.8	–	23.9	(0.6)
Legal and onerous contract provisions[6]	17.6	(3.0)	8.1	(0.8)
Movement in fair value of contingent consideration[7]	71.8	(15.5)	(1.0)	–
Loss on disposal of property, plant and equipment[8]	1.0	–	1.0	–
Financing[9]	1.0	–	5.7	–
Furlough[10]	–	–	45.5	(8.6)
Separately disclosed items for the year from continuing operations	1,287.5	(69.7)	218.9	(27.9)
Separately disclosed items for the year from discontinued operations (Note 21)	57.8	–	13.4	–
Total before tax	1,345.3	(69.7)	232.3	(27.9)
Separately disclosed items for the year after tax	1,275.6		204.4	

1. On 5 December 2023, Entain plc entered into a Deferred Prosecution Agreement ("DPA") with the Crown Prosecution Service ("CPS") in relation to historical conduct of the Group, thereby resolving the HM Revenue & Customs ("HMRC") investigation into the Group. As a result of the agreement reached, the Group has recognised a £585.0m discounted liability during the current year in relation to amounts it has agreed to be pay in relation to the disgorgement of profits, charitable donations and contributions to CPS costs. Further details are provided in Note 20.
2. Amortisation charges in relation to acquired intangible assets arising from the various acquisitions made by the Group in recent years, including Ladbrokes Coral, Crystalbet, Neds, Enlabs, Avid, SuperSport, STS, NZ Tab and 365Scores.
3. Relates to impairments recorded against the Group's Australian business of £190.0m, the assets associated with the Group's Unikrn and Africa operations which have closed as B2C operations during the year, of £78.1m, an £11.0m impairment of the Group's ROI retail portfolio, an impairment against the Group's Polish operation (excluding STS) of £5.1m and a number of smaller impairments against ROU assets that the Group no longer intends to use following their closure, including UK Retail shops. Further details are provided in Note 14.
4. Primarily relates to costs associated with the Group's restructuring programme Project Romer.
5. Transaction costs associated with the M&A activity including the acquisition of 365Scores, NZ Tab, STS and Angstrom (see Note 32).
6. Relates primarily to costs associated with the Group's legal expenses in cooperating with the HMRC investigation.
7. Reflects the movement in the fair value of contingent consideration arrangements on recent acquisitions as well as the associated discount unwind. Further details of contingent consideration liabilities are provided in Note 26.
8. Relates to the loss on disposal of certain assets within the Group's retail estates.
9. Fees incurred in respect of bridging loans and other financing activities.
10. Relates to the repayment of monies received under the Government furlough scheme in the prior year.

The items above reflect incomes and expenditures which are either exceptional in nature or size or are associated with the amortisation of acquired intangibles. The Directors believe that each of these items warrants separate disclosure as they do not form part of the day-to-day underlying trade of the Group.

7 Administrative costs

Profit before tax, net finance expense and separately disclosed items has been arrived at after charging:

	2023 £m	2022 £m
Betting and gaming taxes and duties	1,104.3	909.8
Revenue share arrangements (including content providers)	537.8	555.6
Software royalties	200.1	113.3
Other cost of sales	20.4	3.5
Cost of sales	1,862.6	1,582.2
Salaries and payroll-related expenses (Note 9)	725.0	652.0
Property expenses	92.7	80.0
Content and levy expenses	163.6	176.6
Marketing expenses	627.6	585.8
Depreciation and amortisation – owned assets	239.9	173.1
Depreciation and amortisation – leased assets	61.6	65.0
Other operating expenses	311.9	246.3
Administrative costs	2,222.3	1,978.8
Separately disclosed items before tax and finance expense (Note 6)	1,286.5	213.2
Total	5,371.4	3,774.2

Fees payable to KPMG were as follows:

	2023 £m	2022 £m
Audit and audit-related services:		
Audit of the parent Company and Group financial statements	0.6	0.6
Audit of the Company's subsidiaries	3.0	2.6
Audit-related assurance services	0.7	0.5
Total fees	4.3	3.7

8 Finance expense and income

	2023 £m	2022 £m
Interest on term loans, bonds and bank facilities	(229.2)	(76.2)
Interest on lease liabilities[1]	(12.6)	(12.8)
Other financing (Note 6)	(1.0)	(5.7)
Total finance expense	(242.8)	(94.7)
Interest receivable	12.4	4.3
Losses arising on financial derivatives	(90.6)	(23.1)
Gains/(losses) arising on foreign exchange on debt instruments	123.1	(112.2)
Net finance expense	(197.9)	(225.7)

1. Interest on lease liabilities of £12.6m (2022: £12.8m) is net of £0.2m of sub-let interest receivable (2022: £0.2m).

9 Employee staff costs

The average monthly number of employees (including Executive Directors) was:

	2023 Number	2022 Number
Online	**14,328**	11,868
Retail	**14,190**	14,184
Other	**467**	390
Corporate	**1,350**	1,012
	30,335	27,454

The number of people employed by the Group at 31 December 2023 was 31,180 (2022: 28,940).

	2023 £m	2022 £m
Wages and salaries	**623.9**	560.6
Redundancy costs[1]	**28.8**	6.2
Social security costs	**58.0**	49.9
Other pension costs	**21.4**	18.6
Share-based payments (Note 31)	**21.7**	19.2
	753.8	654.5

1. Included within redundancy costs are £28.8m (2022: £2.5m) which are included within separately disclosed items.

In addition to salary, employees may qualify for various benefit schemes operated by the Group. Eligibility for benefits is normally determined according to an employee's length of service and level of responsibility.

Benefits may include insured benefits that can cover private healthcare for the employee and their immediate family, long-term disability, personal accident and death in service cover. Company cars, including fuel benefits, are provided predominantly to meet job requirements but also to certain executives.

10 Income tax

Analysis of expense for the year:

	2023 £m	2022 £m
Current income tax:		
– current tax charge	**114.3**	91.4
– adjustments in respect of previous years	**(19.6)**	(7.9)
Deferred tax:		
– relating to origination and reversal of temporary differences	**(58.8)**	(17.5)
– adjustments in respect of previous years	**0.2**	4.0
Income tax expense reported in the income statement	**36.1**	70.0
Income tax expense is attributable to:		
Profit from continuing operations	**36.1**	70.0
Loss from discontinued operations	**–**	–
	36.1	70.0
Deferred tax credited directly to other comprehensive income	**(1.3)**	(8.6)

10 Income tax (continued)

A reconciliation of income tax expense applicable to loss (2022: profit) before tax at the UK statutory income tax rate to the income tax expense for the years ended 31 December 2023 and 31 December 2022 is as follows:

	2023			2022		
	Underlying £m	**Separately disclosed (Note 6) £m**	**Total £m**	Underlying £m	Separately disclosed (Note 6) £m	Total £m
Profit/(loss) from continuing operations before income tax	**444.9**	**(1,287.5)**	**(842.6)**	321.8	(218.9)	102.9
Loss from discontinued operations before tax	**–**	**(57.8)**	**(57.8)**	–	(13.4)	(13.4)
Profit/(loss) before tax	**444.9**	**(1,345.3)**	**(900.4)**	321.8	(232.3)	89.5
Corporation tax expense thereon at 23.52% (2022: 19.00%)	**104.6**	**(316.4)**	**(211.8)**	61.1	(44.1)	17.0
Adjusted for the effects of:						
– Higher/(lower) effective tax rates on overseas earnings	**(7.4)**	**19.9**	**12.5**	4.6	6.8	11.4
– Non-deductible expenses	**12.7**	**8.5**	**21.2**	25.9	9.3	35.2
– Non-deductible legal settlement	**–**	**137.6**	**137.6**	–	–	–
– Fair value adjustment to contingent consideration	**–**	**10.5**	**10.5**	–	(0.6)	(0.6)
– Goodwill impairment	**–**	**68.6**	**68.6**	–	–	–
– Impact of additional 50% deduction for marketing expenditure in Gibraltar	**–**	**–**	**–**	(20.3)	–	(20.3)
– Increase in unrecognised tax losses relating to US joint venture	**8.9**	**–**	**8.9**	40.7	–	40.7
– Increase/(decrease) in other unrecognised tax losses	**4.2**	**0.9**	**5.1**	(12.1)	1.0	(11.1)
– Increase/(decrease) in unrecognised deferred interest	**5.8**	**–**	**5.8**	0.4	–	0.4
– Difference in current and deferred tax rates	**(3.0)**	**0.1**	**(2.9)**	0.7	0.5	1.2
Adjustments in respect of prior years:						
– Deferred tax	**(0.4)**	**0.6**	**0.2**	4.8	(0.8)	4.0
– Current tax	**(19.6)**	**–**	**(19.6)**	(7.9)	–	(7.9)
Income tax expense	**105.8**	**(69.7)**	**36.1**	97.9	(27.9)	70.0

Deferred tax

Deferred tax at 31 December relates to the following:

	Deferred tax liabilities		Deferred tax assets	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Property, plant and equipment	**–**	–	**(31.0)**	(45.1)
Intangible assets	**731.8**	410.6	**(22.3)**	(25.1)
Retirement benefit assets	**21.6**	22.3	**–**	–
Losses	**–**	–	**(59.7)**	(56.9)
Contingent and deferred revenue share payments[1]	**–**	–	**(321.5)**	–
Other temporary difference[2]	**71.7**	62.5	**(58.7)**	(30.2)
Deferred tax liabilities/(assets)[3]	**825.1**	495.4	**(493.2)**	(157.3)

1. This deferred tax asset reflects tax deductions that will arise on future payment of the deferred and contingent consideration amounts by Tab NZ (see Note 32).
2. The deferred tax liability includes a provision for tax on unremitted earnings from overseas subsidiaries of £71.4m (2022: £61.8m) and other temporary differences of £0.3m (2022: £0.7m). The deferred tax asset comprises deferred interest relief of £52.2m (2022: £22.9m) and other temporary differences of £6.5m (2022: 7.3m).
3. Deferred tax assets and liabilities have been offset only where there is a legally enforceable right to do so, and the assets and liabilities relate to the same taxable entity or tax grouping.

10 Income tax (continued)

Movements in deferred tax during the year ended 31 December 2023 were recognised as follows:

Net deferred tax liabilities/(assets):

	Property, plant and equipment £m	Intangible assets £m	Retirement benefit assets £m	Losses £m	Contingent and deferred revenue share payments[1] £m	Other temporary differences £m	Total £m
At 31 December 2021	(62.3)	305.7	33.3	(27.0)	–	16.9	266.6
Income statement	17.7	(14.5)	0.1	(28.7)	–	11.9	(13.5)
Other comprehensive income	–	–	(8.6)	–	–	–	(8.6)
Arising on business combinations	–	85.4	–	–	–	0.5	85.9
Settlement of tax on pension asset	–	–	(2.5)	–	–	–	(2.5)
Exchange adjustment	(0.5)	8.9	–	(1.2)	–	3.0	10.2
At 31 December 2022	(45.1)	385.5	22.3	(56.9)	–	32.3	338.1
Income statement	**13.9**	**(46.7)**	**0.6**	**(3.3)**	**(5.1)**	**(18.0)**	**(58.6)**
Other comprehensive income	**–**	**–**	**(1.3)**	**–**	**–**	**–**	**(1.3)**
Arising on business combinations (Note 32)	**–**	**368.9**	**–**	**–**	**(309.8)**	**–**	**59.1**
Exchange adjustment	**0.2**	**1.8**	**–**	**0.5**	**(6.6)**	**(1.3)**	**(5.4)**
At 31 December 2023	**(31.0)**	**709.5**	**21.6**	**(59.7)**	**(321.5)**	**13.0**	**331.9**

Amounts presented on the consolidated balance sheet:

	2023 £m	2022 £m
Deferred tax liabilities	**825.1**	495.4
Deferred tax assets	**(493.2)**	(157.3)
Net deferred tax liability	**331.9**	338.1

The average standard rate of UK corporation tax during the period was 23.52% (2022: 19.0%).

The deferred tax assets and liabilities are measured at the tax rates of the respective territories which are expected to apply in the year in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets have been recognised based on the ability of future offset against deferred tax liabilities or against future taxable profits, to the extent they relate to the same taxable entity. The assessment of future taxable profits is based on forecasts and assumptions consistent with those used for impairment testing as set out in Note 14.

As at 31 December 2023, the Group had £1,760.9m (2022: £1,764.6m) of gross unrecognised deferred tax assets. This unrecognised deferred tax asset consists of £213.3m of capital losses (2022: £213.3m), £1,479.5m of income losses (2022: £1,538.3m), £66.2m of deferred interest relief (2022: £13.0m) and £1.9m of other deferred tax assets (2022: £nil). These assets arise in entities that do not have deferred tax liabilities they can be set against, and where there are either no forecast future taxable profits, or the potential future profits are not sufficiently certain to support the deferred tax asset recognition.

There are no significant unrecognised taxable temporary differences associated with investments in subsidiaries.

With effect from 1 April 2023 the standard rate of UK Corporation Tax was increased from 19% to 25%. The 25% rate has therefore been used in measuring the UK deferred tax items at the date of this Report. Deferred tax on retirement benefit assets is provided at 35.0%, which is the rate applicable to refunds at the date of this Report.

In Gibraltar, a temporary enhanced tax deduction for qualifying business marketing and promotion costs was introduced in July 2021, which applied for the years ended 31 December 2021 and 31 December 2022. The total impact of this measure for the Group has been a cumulative tax credit of £48.4m. In a subsequent Gibraltar Budget on 28 June 2022 the Chief Minister unexpectedly announced the retrospective removal of this enhanced deduction, except in very limited circumstances. This change had not been substantively enacted by the balance sheet date and so is not reflected in the tax charge for the year. The impact of this change, once enacted, will depend on how it is implemented and to which periods the change applies, but could result in a tax charge of up to £48.4m.

The Group's future tax charge, and effective tax rate, will be affected by a number of factors including the geographic mix of profits, changes to statutory corporate tax rates and the impact of continuing global tax reforms.

During 2023 the UK enacted legislation to implement the OECD's global minimum tax model rules for multinational groups ("Pillar Two"). This will apply from 1 January 2024 and is not expected not significantly increase the Group's future Effective Tax Rate. The Group has applied the temporary exception required under IAS 12 Income Taxes in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules.

11 Dividends

Pence per share	2023 pence	2022 pence	2023 Shares in issue number	2022 Shares in issue number
2022 interim dividend paid	–	8.5	–	588.8
2022 second interim dividend paid	8.5	n/a	588.8	n/a
2023 interim dividend paid	8.9	n/a	638.8	n/a

A second interim dividend of 8.9p (2022: 8.5p) per share, amounting to £56.9m (2022: £50.0m) in respect of the year ended 31 December 2023, was proposed by the Directors on 7 March 2024. The estimated total amount payable in respect of the final dividend is based on the expected number of shares in issue on 7 March 2024. There are no income tax implications for the Group and Company arising from the proposed second interim dividend. The 2022 second interim dividend of 8.5p per share (£50.0m) was paid on 26 April 2023. The 2023 interim dividend of 8.9p per share (£56.8m) was paid on 18 September 2023.

In the year, the Group paid a dividend totalling £7.4m to non-controlling interests (2022: £nil).

12 Earnings per share

Basic earnings per share has been calculated by dividing the loss for the year attributable to shareholders of the Company of £928.6m (2022: £24.2m profit) by the weighted average number of shares in issue during the year of 617.5m (2022: 588.2m).

The dilutive effects of share options and contingently issuable shares are not considered when calculating the diluted loss per share.

At 31 December 2023, there were 638.8m €0.01 ordinary shares in issue.

The calculation of adjusted earnings per share which removes separately disclosed items and foreign exchange gains and losses arising on financial instruments has also been disclosed as it provides a better understanding of the underlying performance of the Group. Separately disclosed items are defined in Note 4 and disclosed in Note 6.

Total earnings per share

Weighted average number of shares (millions)	2023	2022
Shares for basic earnings per share	616.0	588.2
Potentially dilutive share options and contingently issuable shares	1.5	4.5
Shares for diluted earnings per share	617.5	592.7

Total profit	2023 £m	2022 £m
(Loss)/profit attributable to shareholders	(928.6)	24.2
– from continuing operations	(870.8)	37.6
– from discontinued operations	(57.8)	(13.4)
Losses arising from financial instruments	90.6	23.1
(Gains)/losses arising from foreign exchange debt instruments	(123.1)	112.2
Associated tax charge on (losses)/gains arising from financial instruments and foreign exchange debt instruments	1.1	(2.4)
Separately disclosed items net of tax (Note 6)	1,232.7	201.4
Adjusted profit attributable to shareholders	272.7	358.5
– from continuing operations	272.7	358.5
– from discontinued operations		–

The secret animal #5 is a

Earnings per share (pence)	pe 2023	2022	ed earnings per share 2023	2022
Basic earnings per share				
– from continuing operations	(141.4)	6.4	44.3	60.9
– from discontinued operations	(9.3)	(2.3)	–	–
From profit for the period	(150.7)	4.1	44.3	60.9
Diluted earnings per share				
– from continuing operations	(141.4)	6.3	44.2	60.5
– from discontinued operations	(9.3)	(2.2)	–	–
From profit for the period	(150.7)	4.1	44.2	60.5

12 Earnings per share (continued)

The earnings per share presented above is inclusive of the performance from the US joint venture BetMGM. Adjusting for the removal of the BetMGM performance would result in a basic adjusted earnings per share of 51.1p (2022: 93.9p) and a diluted adjusted earnings per share of 51.0p (2022: 93.2p) from continuing operations.

13 Goodwill and intangible assets

	Goodwill £m	Licences £m	Software £m	Customer relationships £m	Trade-marks & brand names £m	Total £m
Cost						
At 1 January 2022	3,492.5	49.7	622.0	1,005.0	2,017.5	7,186.7
Exchange adjustment	153.6	7.1	28.3	34.1	44.9	268.0
Additions	–	–	129.9	–	–	129.9
Additions from business combinations (Note 32)[1]	624.0	149.1	7.4	201.9	207.0	1,189.4
Disposals	–	(0.5)	(13.9)	–	–	(14.4)
Reclassification	–	–	(1.0)	–	–	(1.0)
At 31 December 2022 (restated)[1]	4,270.1	205.4	772.7	1,241.0	2,269.4	8,758.6
Exchange adjustment	**(68.2)**	**11.8**	**(12.7)**	**(12.3)**	**(17.4)**	**(98.8)**
Additions	**–**	**–**	**191.5**	**–**	**–**	**191.5**
Additions from business combinations (Note 32)	**1,067.5**	**747.8**	**49.8**	**275.5**	**439.5**	**2,580.1**
Disposals	**–**	**–**	**(2.9)**	**–**	**–**	**(2.9)**
At 31 December 2023	**5,269.4**	**965.0**	**998.4**	**1,504.2**	**2,691.5**	**11,428.5**
Accumulated amortisation and impairment						
At 1 January 2022	275.5	13.3	405.8	942.0	180.6	1,817.2
Exchange adjustment	13.7	0.3	19.8	23.6	11.7	69.1
Amortisation charge	–	12.7	109.1	52.4	54.9	229.1
Impairment charge	–	0.5	–	–	–	0.5
Disposals	–	(0.5)	(13.9)	–	–	(14.4)
At 31 December 2022	289.2	26.3	520.8	1,018.0	247.2	2,101.5
Exchange adjustment	**(13.3)**	**(0.1)**	**(9.1)**	**(13.8)**	**(7.3)**	**(43.6)**
Amortisation charge	**–**	**45.3**	**138.0**	**141.4**	**90.4**	**415.1**
Impairment charge	**277.5**	**–**	**2.2**	**0.5**	**2.1**	**282.3**
Disposals	**–**	**–**	**(2.9)**	**–**	**–**	**(2.9)**
At 31 December 2023	**553.4**	**71.5**	**649.0**	**1,146.1**	**332.4**	**2,752.4**
Net book value						
At 31 December 2022	3,980.9	179.1	251.9	223.0	2,022.2	6,657.1
At 31 December 2023	**4,716.0**	**893.5**	**349.4**	**358.1**	**2,359.1**	**8,676.1**

1. Restatement of prior year intangible valuations has been made in relation to the prior year SuperSport acquisition during the subsequent measurement period. See note 32 for further details.

At 31 December 2023 the Group had not entered into contractual commitments for the acquisition of any intangible assets (2022: £nil).

Included within trade-marks and brand names are £1,398.4m (2022: £1,398.4m) of intangible assets considered to have indefinite lives. These assets relate to the UK Ladbrokes and Coral brands which are considered to have indefinite durability that can be demonstrated, and their value can be readily measured. The brands operate in longstanding and profitable market sectors. The Group has a strong position in the market and there are barriers to entry due to the requirement to demonstrate that the applicant is a fit and proper person with the 'know-how' required to run such operations.

Goodwill reflects the value by which consideration exceeds the fair value of net assets acquired as part of a business combination including the deferred tax liability arising on acquisitions.

Licences comprise the cost of acquired betting shop and online licences, as well as licences acquired as part of the NZ Tab acquisition (see Note 32).

Software relates to the cost of acquired software, through purchase or business combination, and the capitalisation of internally developed software. Additions of £191.5m (2022: £128.8m) include £92.6m of internally capitalised costs (2022: £58.0m).

Customer relationships, trade-marks and brand names relate to the fair value of customer lists, trade-marks and brand names acquired as part of business combinations, primarily relating to the bwin, Ladbrokes Coral Group, Enlabs, Sport Interaction, SuperSport, BetCity, 365Scores, and Tab NZ businesses.

14 Impairment testing of goodwill and indefinite life intangible assets

An impairment loss is recognised for any amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Within UK, European Retail, CEE, and Tab NZ Retail, the cash-generating units ("CGUs") are generally an individual Licensed Betting Office ("LBO") and, therefore, impairment is first assessed at this level for licences (intangibles) and property, plant and equipment, with any impairment arising booked to licences and property, plant and equipment on a pro-rata basis. Since goodwill and brand names have not been historically allocated to individual LBOs, a secondary assessment is then made to compare the carrying value of the segment against the recoverable amount with any additional impairment then taken against goodwill first.

For Online the CGU is the relevant geographical location or business unit, for example Australia, European digital (defined as websites hosted by proprietary platforms based in European constituent countries), Digital (defined as websites hosted by Entain proprietary platforms) etc. and any impairments are made firstly to goodwill, next to any capitalised intangible asset and then finally to property, plant and equipment. The expected cash flows generated by the assets are discounted using appropriate discount rates that reflect the time value of money and risks associated with the group of assets.

For both tangible and intangible assets, the future cash flows are based on the forecasts and budgets of the CGU or business discounted to reflect time value of money. The key assumptions within the UK and European Retail budgets are OTC wagers (customer visits and spend per visit), the average number of machines per shop, gross win per shop per week, salary increases, the potential impact of the shop closures and the fixed costs of the LBOs. The key assumptions within the budgets for Online are the number of active customers, net revenue per head, win percentage, marketing spend, revenue shares and operating costs. All forecasts take into account the impact of the Group's commitment to be Net Zero by 2035 as well as the impact of climate change.

The value in use calculations use cash flows based on detailed, Board approved, financial budgets prepared by management covering a three-year period. These forecasts have been extrapolated over years 4 to 8 representing a declining growth curve from year 3 until the long-term forecast growth rate is reached. The growth rates used from years 4 to 8 range from 0% to 10%. From year 9 onwards long-term growth rates used are between 0% and 2% (2022: between 0% and 2%) and are based on the long-term GDP growth rate of the countries in which the relevant CGUs operate or the relevant outlook for the business. An eight-year horizon is considered appropriate based on the Group's history of underlying profit as well as ensuring there is an appropriate decline to long-term growth rates from those growth rates currently observed in our key markets. A 0% growth rate has been used for the UK Retail operating segment. All key assumptions used in the value in use calculations reflect the Group's past experience unless a relevant external source of information is available. Whilst the same approach is adopted for Tab NZ impairment reviews, the value-in-use is assessed over the 25-year life of the licence rather than into perpetuity.

The discount rate calculation is based on the specific circumstances with reference to the WACC and risk factors expected in the industry in which the Group operates.

The pre-tax discount rates used, which have remained consistent year-on-year, and the associated carrying value of goodwill by CGU is as follows:

Goodwill	**2023** **%**	2022 %	**2023** **£m**	2022 restated[1] £m
Digital	**11.1**	12.6–12.9	**2,263.4**	2,230.7
UK Retail	**12.6**	12.6	**76.4**	76.4
Australia	**13.5**	13.5	**145.0**	347.5
European Retail	**9.5–13.3**	9.5–13.3	**147.1**	161.5
European Digital	**9.5–13.3**	9.5–13.3	**343.3**	350.4
Enlabs	**11.8**	11.8	**205.3**	209.6
BetCity	**12.7**	n/a	**200.1**	n/a
SuperSport	**11.5**	11.8	**527.8**	538.4
STS	**11.7**	n/a	**389.1**	n/a
365Scores	**12.3**	n/a	**86.8**	n/a
Tab NZ	**11.1**	n/a	**255.5**	n/a
All other segments	**11.1–12.6**	12.4	**76.2**	66.4
			4,716.0	3,980.9

1. Restatement of prior year intangible valuations has been made in relation to the prior year SuperSport acquisition during the subsequent measurement period. See note 32 for further details.

It is not practical or material to disclose the carrying value of individual licences by LBO.

Impairment recognised during the year

Impairments of intangible assets and property, plant and equipment are recognised as separately disclosed items within operating expenses.

Australia impairment

During the current year, the Group recorded a non-cash impairment charge of £190.0m against the Online division. The charge has arisen in the Group's Australian CGU and 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.

14 Impairment testing of goodwill and indefinite life intangible assets (continued)

Whilst our Australian business continues to be profitable and strategically important, market conditions and tax headwinds have reduced the value in use of the business resulting in the impairment charge. Post the annualisation of the tax increases and stabilisation of local market conditions, we expect our Australian business to return to growth.

Impairment testing across the business

	Licences/ Franchisees	PPE & Software	Customer relationships	Goodwill	Brand name
UK Digital	**Digital** Impairment review				**Combined Digital/UK Retail** Impairment review
UK Retail	**UK Retail** site by site Impairment review		**UK Retail** Impairment review		
ROI	**ROI** Impairment review				
Eurobet Digital	**Eurobet Digital** Impairment review				**Eurobet** Impairment review
Eurobet Retail	**Eurobet Retail** Impairment review				
Belgium Digital	**Belgium Digital** Impairment review				**Belgium** Impairment review
Belgium Retail	**Belgium Retail** Impairment review				
Australia	**Australia** Impairment review				
Enlabs	**Enlabs** Impairment review				
BetCity	**BetCity** Impairment review				
SuperSport Digital	**SuperSport Digital** Impairment review		**SuperSport** Impairment review		
SuperSport Retail	**SuperSport Retail** Impairment review				
STS	**STS** Impairment review				
365Scores	**365Scores** Impairment review				
Tab NZ Digital	**Tab NZ Digital** Impairment review				**Tab NZ** Impairment review
Tab NZ Retail	**Tab NZ Retail** Impairment review				

14 Impairment testing of goodwill and indefinite life intangible assets (continued)

Unikrn impairment

During the year, the Group took the decision to close its B2C eSports business operating under the Unikrn brand, in favour of developing a leading eSports proposition on existing labels. As a result of the decision to turn off its B2C operations, the Group has recorded an £43.2m impairment of goodwill and £1.1m impairment of trade-marks and brands associated with the Unikrn operation during the current year within the New Opportunities segment.

Impala impairment

The Group has also taken the decision during 2023 to close its B2C operations in Zambia and Kenya, operations that were run out of the previously acquired African subsidiary. As a result of the decision to close these operations and focus resources to drive growth in other markets, the Group has recorded an impairment against the value of assets carried against this business. The resulting impairment has been booked against goodwill of £29.9m, and against software of £4.0m within the Online segment.

In addition, an impairment charge of £11.0m has been recognised during the current year against our Retail estate in ROI as a result of a reduced outlook for this market, and £5.0m against Totolotek following its closure post the STS acquisition.

Sensitivity analysis

With the exception of Australia, no reasonable change in assumptions would cause an additional impairment, including A 5% decrease in all cash flows or a 0.5pp increase in discount rates.

For Australia, a 10% increase in revenue would reduce the impairment by £110.0m, whereas a 5% decrease in revenue would increase the impairment by £48.0m. Each 0.5pp movement in the discount rate impacting the charge by £20.0m.

15 Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Leased assets £m	Total £m
Cost					
At 1 January 2022	26.8	102.5	188.3	572.3	889.9
Exchange adjustment	0.7	3.2	7.0	5.2	16.1
Additions	24.9	50.6	11.1	61.8	148.4
Additions from business combinations	0.2	3.2	4.4	9.5	17.3
Disposals	(10.4)	(20.2)	(16.1)	(3.5)	(50.2)
Reclassification	(1.6)	1.9	42.9	(42.2)	1.0
At 31 December 2022	40.6	141.2	237.6	603.1	1,022.5
Exchange adjustment	**(0.3)**	**(2.1)**	**(3.5)**	**(1.4)**	**(7.3)**
Additions	**18.0**	**27.0**	**45.9**	**45.6**	**136.5**
Additions from business combinations (Note 32)	**4.9**	**8.1**	**2.2**	**26.9**	**42.1**
Disposals	**(4.5)**	**(6.7)**	**(5.7)**	**(49.8)**	**(66.7)**
Reclassification	**–**	**0.9**	**(0.9)**	**–**	**–**
At 31 December 2023	**58.7**	**168.4**	**275.6**	**624.4**	**1,127.1**
Accumulated depreciation					
At 1 January 2022	11.3	38.3	52.2	320.9	422.7
Exchange adjustment	0.5	2.7	2.0	4.2	9.4
Depreciation charge	11.4	23.5	26.0	65.0	125.9
Impairment	–	0.1	1.9	4.5	6.5
Disposals	(10.3)	(20.0)	(16.1)	(2.8)	(49.2)
Reclassification	–	–	21.7	(21.7)	–
At 31 December 2022	12.9	44.6	87.7	370.1	515.3
Exchange adjustment	**(0.2)**	**(1.5)**	**(2.0)**	**(0.6)**	**(4.3)**
Depreciation charge	**13.7**	**29.4**	**36.6**	**61.3**	**141.0**
Impairment	**0.9**	**0.7**	**0.4**	**4.7**	**6.7**
Disposals	**(4.5)**	**(6.0)**	**(5.1)**	**(49.4)**	**(65.0)**
Reclassification	**–**	**(0.2)**	**0.2**	**–**	**–**
At 31 December 2023	**22.8**	**67.0**	**117.8**	**386.1**	**593.7**
Net book value					
At 31 December 2022	27.7	96.6	149.9	233.0	507.2
At 31 December 2023	**35.9**	**101.4**	**157.8**	**238.3**	**533.4**

15 Property, plant and equipment (continued)

At 31 December 2023, the Group had not entered into contractual commitments for the acquisition of any property, plant and equipment (2022: £nil).

Included within fixtures, fittings and equipment are assets in the course of construction which are not being depreciated of £17.1m (2022: £10.6m), relating predominantly to self-service betting terminals and the new point of sale system in UK Retail.

An impairment charge of £6.5m (2022: £6.5m) has been made against closed retail shops and office buildings included within leased assets in the year. See Notes 6 and 14 for further details.

Analysis of leased assets:

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 January 2022	520.7	51.6	572.3
Exchange adjustment	5.0	0.2	5.2
Additions	60.0	1.8	61.8
Additions from business combinations	9.5	–	9.5
Disposals	(2.0)	(1.5)	(3.5)
Reclassification	–	(42.2)	(42.2)
At 31 December 2022	593.2	9.9	603.1
Exchange adjustment	**(1.3)**	**(0.1)**	**(1.4)**
Additions	**32.8**	**12.8**	**45.6**
Additions from business combinations	**26.0**	**0.9**	**26.9**
Disposals	**(49.8)**	**–**	**(49.8)**
At 31 December 2023	**600.9**	**23.5**	**624.4**
Accumulated depreciation			
At 1 January 2022	299.8	21.1	320.9
Exchange adjustment	4.1	0.1	4.2
Depreciation charge	55.1	9.9	65.0
Impairment	4.5	–	4.5
Disposals	(2.0)	(0.8)	(2.8)
Reclassification	–	(21.7)	(21.7)
At 31 December 2022	361.5	8.6	370.1
Exchange adjustment	**(0.6)**	**–**	**(0.6)**
Depreciation charge	**59.0**	**2.3**	**61.3**
Impairment	**4.7**	**–**	**4.7**
Disposals	**(49.4)**	**–**	**(49.4)**
At 31 December 2023	**375.2**	**10.9**	**386.1**
Net book value			
At 31 December 2022	231.7	1.3	233.0
At 31 December 2023	**225.7**	**12.6**	**238.3**

16 Interest in joint venture

	Share of joint venture's net assets £m
Cost	
At 1 January 2022	9.7
Additions	175.1
Exchange adjustment	3.7
Share of loss after tax	(193.9)
Share of other comprehensive loss	(0.4)
Contributions to be made	5.8
At 31 December 2022	–
Additions	**40.7**
Exchange adjustment	**0.5**
Share of loss after tax	**(42.0)**
Share of other comprehensive loss (movement in translation reserve)	**(0.6)**
Contributions to be made	**1.4**
At 31 December 2023	**–**

The joint venture represents the Group's investment in BetMGM set up in the US in which a 50% stake is held.

The Group has committed to provide its final committed equity injection to BetMGM over the course of 2024, with $25.0m additional contributions expected ($50.0m split between both joint venture partners). This will take the Group's total investment to $705.0m ($1.41bn across both joint venture partners).

Given the net liabilities position of the joint venture, the Group has recorded £7.2m of these future contributions as a liability at the year end, an increase of £1.4m on the prior year.

Summarised financial information in respect of the Group's joint venture's net assets is set out below:

	2023 £m	2022 £m
Non-current assets	**118.1**	148.6
Cash and cash equivalents	**138.7**	308.7
Other current assets	**182.7**	92.4
Current assets	**321.4**	401.1
Balances with customers	**(208.6)**	(234.4)
Other current liabilities	**(224.0)**	(310.0)
Current liabilities	**(432.6)**	(544.4)
Non-current liabilities	**(21.2)**	(17.0)
Net liabilities	**(14.3)**	(11.7)
Group's share of net liabilities	**(7.2)**	(5.8)

Summarised statement of comprehensive income	**2023 £m**	2022 £m
Revenue	**1,582.4**	1,174.8
Depreciation and amortisation	**(8.2)**	(28.5)
Other operating expenses	**(1,658.1)**	(1,534.1)
Loss for the year	**(83.9)**	(387.8)
Other comprehensive loss	**(1.2)**	(0.8)
Total comprehensive loss	**(85.1)**	(388.6)
Group's share of loss	**(42.6)**	(194.3)

There are no contingent liabilities relating to the Group's interest in the joint venture (2022: £nil).

The risks associated with the Group's interest in joint ventures are aligned to the same risks the Group is exposed to on the basis that they operate wholly within the betting and gaming market.

17 Interest in associates and other investments

	Share of associates' net assets £m	Other investments £m	Total £m
Cost			
At 1 January 2022	44.2	14.2	58.4
Revaluation loss	–	(5.1)	(5.1)
Arising on business combinations	–	4.9	4.9
Dividends received	(3.6)	–	(3.6)
Share of loss after tax	(0.2)	–	(0.2)
Foreign exchange	(0.9)	–	(0.9)
At 31 December 2022	39.5	14.0	53.5
Revaluation gain	–	2.6	2.6
Additions	–	3.1	3.1
Dividends received	(9.8)	–	(9.8)
Share of loss after tax	(0.9)	–	(0.9)
Share of other comprehensive expense	(1.1)	–	(1.1)
Foreign exchange	–	(0.3)	(0.3)
At 31 December 2023	**27.7**	**19.4**	**47.1**

Revaluation loss includes £1.1m (2022: £2.6m) recognised through other comprehensive income with the remaining loss of £2.5m (2022: £2.5m) recognised through profit or loss.

Associates

Summarised financial information in respect of the associates is set out below:

	2023 £m	2022 £m
Non-current assets	**42.5**	52.0
Current assets	**78.0**	132.4
Non-current liabilities	**(5.7)**	(2.5)
Current liabilities	**(73.1)**	(90.1)
Net assets	**41.7**	91.8
Group's share of net assets	**27.7**	39.4
Revenue for the year	**370.1**	337.1
Profit for the year	**10.4**	0.1
Other comprehensive expense	**(4.7)**	–
Total comprehensive income	**5.7**	0.1
Group's share of total comprehensive expense	**(2.0)**	(0.2)

Further details of the Group's associates are listed in Note 34.

The financial year end of Sports Information Services (Holdings) Limited (SIS), an associate of the Group, is 31 March. The Group has included the results for SIS for the 12 months ended 31 December 2023.

All associates are private companies and there are no quoted market prices available for their shares.

The risks associated with associate investments are considered to be aligned to the same risks the Group is exposed to on the basis that they operate wholly within the betting and gaming market.

Other investments of £19.4m (2022: £14.0m) consist of investments which have no fixed maturity date or coupon rate.

18 Trade and other receivables

	2023 £m	2022 £m
Trade receivables	**40.6**	34.1
Other receivables	**399.0**	430.8
Finance lease receivable	**4.3**	3.5
Prepayments	**91.1**	70.5
	535.0	538.9

18 Trade and other receivables (continued)

Trade and other receivables are presented on the Balance Sheet as follows:

	2023 £m	2022 £m
Current	503.2	500.3
Non-current	31.8	38.6
Total	535.0	538.9

Trade and other receivables are non-interest bearing and are generally on 30–90 day terms. Trade and other receivables are reviewed for impairment on an ongoing basis, taking account of the ageing of outstanding amounts and the credit profile of customers. Impaired receivables, including all trade receivables that are a year old, are provided for in an allowance account. Impaired receivables are derecognised when they are assessed as irrecoverable. The expected credit losses arising from receivables are not considered to be significant.

The balance of other receivables consists of the receivable for Greek tax of €34.9m (2022: €34.9m), amounts receivable from payment service providers of £176.0m (2022: £149.8m), and other smaller items such as regulatory deposits, security deposits, rent deposits and balances due from affiliates and partners. The Group does not perceive there to be a material credit risk against these items.

19 Cash and cash equivalents

	2023 £m	2022 £m
Cash and short-term deposits	400.6	658.5

Cash and cash equivalents in the consolidated statement of cash flows comprises cash at bank, overdrafts net of short-term investments and includes £154.6m (2022: £52.1m) restricted in respect of customers.

20 Trade and other payables

	2023 £m	2022 Restated[1] £m
Trade payables	56.9	64.4
Other payables[1]	719.9	135.4
Social security and other taxes	197.6	181.0
Accruals	338.0	339.2
	1,312.4	720.0

1. Restatement of prior year intangible valuations increasing prior year other payables by £0.2m has been made in relation to the prior year SuperSport acquisition during the subsequent measurement period. See Note 32 for further details.

Trade and other payables are presented on the Balance Sheet as follows:

	2023 £m	2022 Restated[1] £m
Current	878.6	720.0
Non-current	433.8	–
Total	1,312.4	720.0

HMRC settlement liability within other payables

On 5 December 2023, Entain plc entered into a Deferred Prosecution Agreement ("DPA") with the Crown Prosecution Service ("CPS") in relation to historical conduct of the Group, thereby resolving the HM Revenue & Customs ("HMRC") investigation into the Group.

The DPA relates to alleged offences under Section 7 of the Bribery Act 2010 and, in particular, a failure by the Company to have adequate procedures in place to prevent bribery in relation to its legacy Turkish-facing business. The Turkish-facing business was sold by a former management team in 2017.

Under the terms of the DPA, the Group has agreed to pay a financial penalty plus disgorgement of profits totalling £585 million, to make a charitable donation of £20 million and to pay a contribution of £10 million to HMRC's and the CPS's costs. The financial penalty, disgorgement of profits and the charitable donation will be paid in instalments over the term of the DPA, which will be four years from the date of the DPA. During the current financial year, the Group has provided for £585m representing the discounted value of all future payments over the four-year term.

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. Recognition of the significant improvements made by the Company is an integral feature of achieving a DPA.

21 Discontinued operations

During the current year, the Group recorded a £57.8m loss in discontinued operations relating to its former business Intertrader which was disposed of in November 2021. The loss recorded primarily reflects legal costs associated with historic matters as well as a provision liability for a potential settlement with the former owners of the business following a long-running legal dispute. The charge has been recognised in within separately disclosed items in the year (Note 6).

In 2022, loss on disposal was £13.4m relating to ongoing costs of disposal of the Intertrader business and the settlement of various associated legal matters.

22 Lease liabilities

	2023 £m	2022 £m
Current		
Lease liabilities	**65.7**	65.1
Non-current		
Lease liabilities The secret instrument is a	**10.2**	215.8
Total lease liabilities	**75.9**	280.9

The Group's leasing activity consists of leases on property, cars, self-service betting ter he majority of those relate to the leasing of LBOs within the Retail estates and office buildings.

Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments on gaming machines based on a percentage of revenue) are excluded from the measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 15).

Leases of vehicles and IT equipment are generally limited to a new lease term of 3 to 5 years. Leases of property generally have a lease term ranging from 5 to 10 years, with some legacy leases extending out to 20 years and beyond. Most new leases of property are now generally expected to be limited to no more than 10 years, with a break option after no more than 5 years, except in special circumstances.

The maturity analysis of lease liabilities at 31 December 2023 is as follows:

	Minimum lease payments due				
	Within 1 year £m	1–2 years £m	2–5 years £m	> 5 years £m	Total £m
2023					
Net present value	**65.7**	**57.8**	**106.7**	**45.7**	**275.9**
2022					
Net present value	65.1	56.2	106.5	53.1	280.9

The Group secures the use of its retail premises primarily through taking out leases for these premises. Typically, the leases are for a duration between 5 and 10 years. In respect of the UK property portfolio there is commonly a right to negotiate replacement leases on expiry, by virtue of the Landlord and Tenant Act 1954. Details of undiscounted amounts payable under leases are set out in Note 25.

Certain lease payments are not recognised as a liability. This arises when the Group continues to pay rents and occupy properties after the lease has expired. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments and irrecoverable VAT are not permitted to be recognised as lease liabilities and are expensed as incurred.

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

Amounts paid for short-term and low-value leases not included within the lease liability are immaterial.

The Group incurred rent and associated costs of £20.8m (2022: £15.3m). These are predominantly driven by VAT on rental charges not being recoverable and held over leases.

Details of total cash outflow relating to leases, are disclosed in the consolidated statement of cash flows.

Group as lessor:

Finance lease receivables are included in the statement of financial position within trade and other receivables and is as follows:

	2023 £m	2022 £m
Current	**1.1**	1.0
Non-current	**3.2**	2.5

22 Lease liabilities (continued)

The maturity analysis of lease receivables, including the undiscounted lease payments to be received, are as follows:

	Minimum lease payments due				
	Within 1 year £m	1–2 years £m	2–5 years £m	> 5 years £m	Total £m
2023					
Lease payments receivable	**1.4**	**1.3**	**2.0**	**0.8**	**5.5**
Interest	**(0.3)**	**(0.3)**	**(0.5)**	**(0.1)**	**(1.2)**
Present value of lease payments receivable	**1.1**	**1.0**	**1.5**	**0.7**	**4.3**
2022					
Lease payments receivable	1.1	0.9	1.1	0.9	4.0
Interest	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)
Present value of lease payments receivable	1.0	0.8	0.9	0.8	3.5

Operating lease commitments – Group as lessor

A number of the sublease agreements for unutilised space in the UK shop estate are not classified as finance leases within IFRS 16. These non-cancellable leases have remaining lease terms of between one and six years. The future minimum rentals receivable under these non-cancellable operating leases at 31 December are as follows:

	2023 £m	2022 £m
Within one year	**0.4**	0.6
After one year but not more than five years	**0.6**	1.0
After five years	**0.1**	0.1
	1.1	1.7

23 Interest-bearing loans and borrowings

	2023 £m	2022 £m
Current		
Euro-denominated loans	**0.4**	0.9
USD-denominated loans	**23.4**	17.7
Sterling-denominated loans	**295.4**	406.3
	319.2	424.9
Non-current		
Euro-denominated loans	**869.4**	994.7
USD-denominated loans	**2,172.1**	1,694.4
Sterling-denominated loans	**(2.7)**	–
	3,038.8	2,689.1

As at 31 December 2023 there were £515.0m (2022: £515.0m) of committed bank facilities of which £295.0m (2022: £nil) were drawn down and £5.2m (2022: £52.1m) of facilities which have been utilised for letters of credit.

On 6 December 2022, the Group agreed pricing and allocation of two new tranches of First Lien Term Loans, namely a EUR tranche of €800m with a maturity in June 2028 and a USD tranche of $375m which was added to the $1,000m term loan which had an October 2029 maturity. These new loans were issued on 11 January 2023 and used to repay the existing €1,125m loan in January 2023, ahead its March 2024 maturity.

On 26 June 2023, the Group agreed pricing and allocation of add ons to existing First Lien Term Loans. €230m was added onto the €800m term loan, with maturity remaining in June 2028 and $385m was added onto the $1,375m term loan, with maturity remaining in October 2029. A total of c£500m GBP equivalent was issued and these funds were part used to fund the repayment of the Ladbrokes Group Finance plc £400m bond in July 2023, a bond which was due for repayment in September 2023.

The Group's senior facilities agreement contains a single financial covenant: a springing leverage covenant (subject to customary cure rights) and solely for the benefit of the lenders under the revolving credit facility ("RCF"). The financial covenant is tested only in respect of a quarter-end date where the aggregate outstanding principal amount of all loans under the RCF (excluding utilisations of the RCF by way of letters of credit or bank guarantees) exceeds 40% of the total RCF commitments as at that date.

24 Provisions

	Property provisions[1] £m	Restructuring provisions[2] £m	Litigation and regulation provisions[3] £m	Total £m
At 1 January 2022	9.1	0.8	40.0	49.9
Provided	10.1	1.8	33.6	45.5
Utilised	(7.5)	(2.0)	(35.9)	(45.4)
Released	(4.5)	(0.6)	(1.9)	(7.0)
Reclassification	–	–	(17.0)	(17.0)
At 31 December 2022	7.2	–	18.8	26.0
Provided	**4.4**	**28.8**	**28.2**	**61.4**
Utilised	**(5.3)**	**(25.5)**	**(30.4)**	**(61.2)**
Released	**(1.0)**	**–**	**(0.1)**	**(1.1)**
At 31 December 2023	**5.3**	**3.3**	**16.5**	**25.1**

1. The Group is party to a number of leasehold property contracts. Provision has been made against the unavoidable non-rent costs on those leases where the property is now vacant. Provisions have been based on management's best estimate of the minimum future cash flows to settle the Group's obligations, considering the risks associated with each obligation, discounted at a risk-free interest rate of 3.5%. The periods of vacant property commitments range from 1 to 12 years (2022: 1 to 13 years). In accordance with IFRS 16, the rental elements of certain property provisions are included within lease liabilities.
2. Restructuring provisions relate to redundancy costs.
3. Litigation and regulation provisions relate to estimates for potential liabilities which may arise in the Group as a result of customer claims and past practices. Whilst the nature of legal claims means that the timing of settlement can be uncertain, we expect all claims to be settled in the next 1 to 2 years. Whilst the provisions are based on management's best estimate of the likely liability for obligations that exist at the year end date, the maximum potential exposure is not expected to be materially different to the provision made.

Of the total provisions at 31 December 2023, £20.9m (2022: £20.6m) is current and £4.2m (2022: £5.4m) is non-current. Provisions expected to be settled in greater than one year are discounted at the risk-free rate.

25 Financial risk management objectives and policies

The Group's treasury function provides a centralised service for the provision of finance and the management and control of liquidity, foreign exchange rates and interest rates. The function operates as a cost centre and manages the Group's treasury exposures to reduce risk in accordance with policies approved by the Board.

The Group's principal financial instruments comprise term loans, bank facilities, overdrafts, loan notes, bonds, financial guarantee contracts, and cash and short-term deposits, together with certain derivative financial instruments. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade receivables, trade payables and accruals that arise directly from its operations. Details of derivatives are set out in Note 26.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken other than betting. Activity of this nature is only undertaken by the customer and is not speculative activity of the Group. The Group's exposure to ante-post betting and gaming transactions is not significant.

The main financial risks for the Group are exchange rate risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. The Group also monitors the market price risk arising from all financial instruments.

Interest rate risk

The Group is exposed to interest rate risk on certain of its interest-bearing loans and borrowings and on cash and cash equivalents.

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risk. At 31 December 2023, 65% (2022: 50%) of the Group's post-swap gross debt (excluding leases) was at fixed interest rates.

Interest on financial instruments at floating rates is repriced at intervals of less than six months. Interest on financial instruments at fixed rates is fixed until the maturity of the instrument.

The table below demonstrates the sensitivity to reasonably possible changes in interest rates on income for the year when this movement is applied to the carrying value of financial liabilities:

	Profit before tax	
Effect on:	**2023**	2022
25 basis points decrease	**1.1**	4.1
100 basis points increase	**(4.6)**	(16.3)

Foreign currency risk

Given the multi-national nature of the business, the Group is exposed to foreign exchange gains and losses on its trading activities, the net assets of its overseas subsidiaries and its non-GBP-denominated financing facilities. The primary currencies that the Group is exposed to fluctuations in are the Euro, Australian Dollar and US Dollar.

25 Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

Whilst the Group does not actively hedge the foreign exposure on its trading cash flows, it continuously monitors exposures to individual currencies, taking remediating actions as necessary to manage any significant risks as they arise. In the event that the Group anticipates large transactions in currencies other than GBP, forward exchange contracts are taken out to manage the potential foreign exchange exposure.

The Group's exposure to the translation of net assets on foreign currency subsidiaries into its reporting currency is partially offset by the opposite exposure on the Group's financing facilities providing a natural economic hedge, even though the Group does not apply hedge accounting. The Group's policy on borrowings is broadly aligned to the underlying cash flows of the business.

The Group has financing facilities in GBP, Euros and US Dollars. As the Group's overseas subsidiaries largely report in Euros, the Group has taken out swap contracts to hedge the US Dollar debt into Euros in order to align the foreign currency exposure on the Group's financing facilities with that on the net assets of its subsidiaries. The Group has also taken out swap contracts to hedge US Dollar debt into GBP and Australian Dollars.

A 5% weakening in the Euro would reduce Group operating profit by £21.6m (2022: £27.7m) and net assets by £22.0m (2022: £0.8m) when applied to the results of the year in question.

A 5% weakening in the Australian Dollar would reduce Group operating profit by £3.4m (2022: £4.6m) and net assets by £7.1m (2022: £19.0m) when applied to the results of the year in question.

A 5% weakening in the US Dollar would increase Group operating profit by £2.0m (2022: £9.2m) arising from the share of loss of joint venture. There are no material net assets held in US Dollar as at 31 December 2023 and 31 December 2022.

Credit risk

The Group is not subject to significant concentration of credit risk, with exposure spread across a large number of counterparties and customers.

Receivable balances are monitored on an ongoing basis. Any changes to credit terms are assessed and authorised by senior management on an individual basis.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a primary exposure equal to the carrying amount of these instruments. Credit risk in respect of cash and cash equivalents is managed by restricting those transactions to banks that have a defined minimum credit rating and by setting an exposure ceiling per bank.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings with a range of maturities. The Group's policy on liquidity is to ensure that there are sufficient medium-term and long-term committed borrowing facilities to meet the medium-term funding requirements. At 31 December 2023, there were undrawn committed borrowing facilities of £220.0m (2022: £515.0m). Total committed facilities had an average maturity of 4.5 years (2022: 3.7 years).

The total gross contractual undiscounted cash flows of financial liabilities, including interest payments, fall due as follows. Cash flows in respect of financial guarantee contracts reflect the probability weighted cash flows.

2023	**On demand or within 1 year £m**	**1–2 years £m**	**2–5 years £m**	**> 5 years £m**	**Total £m**
Interest-bearing loans and borrowings	**573.7**	**558.1**	**1,223.1**	**1,401.9**	**3,756.8**
Other financial liabilities	**252.7**	**692.4**	**378.5**	**2,855.8**	**4,179.4**
Trade and other payables	**681.0**	**151.3**	**302.5**	**–**	**1,134.8**
Lease liabilities	**77.5**	**66.8**	**122.9**	**54.0**	**321.2**
Total	**1,584.9**	**1,468.6**	**2,027.0**	**4,311.7**	**9,392.2**

2022	On demand or within 1 year £m	1–2 years £m	2–5 years £m	> 5 years £m	Total £m
Interest bearing loans and borrowings	548.4	1,310.6	1,131.2	914.5	3,904.7
Other financial liabilities	210.7	56.5	205.5	1.7	474.4
Trade and other payables	538.8	–	–	–	538.8
Lease liabilities	72.4	61.6	116.6	59.8	310.4
Total	1,370.3	1,428.7	1,453.3	976.0	5,228.3

Details of discounted contractual cash flows of leasing liabilities are set out in Note 22.

25 Financial risk management objectives and policies (continued)

Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains a credit quality that enables the Group to raise funds at an economic interest rate and to maintain healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, adjust borrowings, return capital to shareholders or issue new shares.

The Group monitors capital using an adjusted net debt to underlying EBITDA ratio. The ratio at 31 December 2023 was 3.3 times (2022: 2.8 times). See Note 27 for further details.

The Group's funding policy is to raise funds centrally to meet the Group's anticipated requirements. These are planned so as to mature at different stages in order to reduce refinancing risk. The Board reviews the Group's capital structure and liquidity periodically.

26 Financial instruments and fair value disclosures

The table below analyses the Group's financial instruments into their relevant categories:

31 December 2023	Amortised cost £m	Assets/ (liabilities) at fair value through profit and loss £m	Assets at fair value through other comprehensive income £m	Total £m
Assets				
Non-current:				
Other investments (Note 17)	1.3	10.9	7.2	19.4
Current:				
Trade and other receivables	443.9	–	–	443.9
Derivative financial instruments	–	31.9	–	31.9
Cash and short-term investments (including customer funds)	400.6	–	–	400.6
Total	845.8	42.8	7.2	895.8

The secret drink is 

Customer balances	(196.8)	–	–	(196.8)
Interest-bearing loans and borrowings[1]	(319.2)	–	–	(319.2)
Trade and other payables	(681.0)	–	–	(681.0)
Derivative financial instruments	–	(117.5)	–	(117.5)
Other financial liabilities[2]	–	(157.0)	–	(157.0)
Lease liabilities (Note 22)	(65.7)	–	–	(65.7)
Non-current:				
Interest-bearing loans and borrowings	(3,038.8)	–	–	(3,038.8)
Trade and other payables	(433.8)	–	–	(433.8)
Other financial liabilities[2]	(905.7)	(835.8)	–	(1,741.5)
Lease liabilities (Note 22)	(210.2)	–	–	(210.2)
Total	(5,851.2)	(1,110.3)	–	(6,961.5)
Net financial (liabilities)/assets	(5,005.4)	(1,067.5)	7.2	(6,065.7)

1. The fair value of interest-bearing loans and borrowings at 31 December 2023 and 31 December 2022 is not materially different to their original cost.
2. Other financial liabilities include £1,335.5m deferred and contingent consideration (2022: £261.7m), a put liability of £536.3m (2022: £180.4m), £9.6m of financial guarantees (2022: £2.9m) and £17.1m of ante-post liabilities (2022: £17.2m).

26 Financial instruments and fair value disclosures (continued)

31 December 2022	Amortised cost £m	Assets/ (liabilities) at fair value through profit and loss £m	Assets at fair value through other comprehensive income £m	Total £m
Assets				
Non-current:				
Other investments (Note 17)	1.3	6.6	6.1	14.0
Other financial assets	0.2	–	–	0.2
Current:				
Trade and other receivables	464.9	–	–	464.9
Derivative financial instruments	–	72.9	–	72.9
Cash and short-term investments (including customer funds)	658.5	–	–	658.5
Total	1,124.9	79.5	6.1	1,210.5
Liabilities				
Current:				
Customer balances	(200.5)	–	–	(200.5)
Interest-bearing loans and borrowings[1]	(424.9)	–	–	(424.9)
Trade and other payables	(538.8)	–	–	(538.8)
Derivative financial instruments	–	(79.2)	–	(79.2)
Other financial liabilities[2]	–	(208.8)	–	(208.8)
Lease liabilities (Note 22)	(65.1)	–	–	(65.1)
Non-current:				
Interest-bearing loans and borrowings	(2,689.1)	–	–	(2,689.1)
Other financial liabilities[2]	(183.3)	(70.1)	–	(253.4)
Lease liabilities (Note 22)	(215.8)	–	–	(215.8)
Total	(4,317.5)	(358.1)	–	(4,675.6)
Net financial (liabilities)/assets	(3,192.6)	(278.6)	6.1	(3,465.1)

Fair value hierarchy

IFRS 13 requires financial assets and liabilities recorded at fair value to be categorised in three levels according to the inputs used in the calculation of their fair value:

- Level 1 – uses quoted prices as the input to fair value calculations
- Level 2 – uses inputs other than quoted prices, that are observable either directly or indirectly
- Level 3 – uses inputs that are not observable

The following tables illustrate the Group's financial assets and liabilities measured at fair value after initial recognition at 31 December 2023 and 31 December 2022:

2023	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets measured at fair value				
Derivative financial instruments	**–**	**31.9**	**–**	**31.9**
Other investments	**7.1**	**2.5**	**8.5**	**18.1**
	7.1	**34.4**	**8.5**	**50.0**
Liabilities measured at fair value				
Derivative financial instruments	**–**	**(117.5)**	**–**	**(117.5)**
Other financial liabilities	**–**	**–**	**(992.8)**	**(992.8)**
	–	**(117.5)**	**(992.8)**	**(1,110.3)**
Net assets/(liabilities) measured at fair value	**7.1**	**(83.1)**	**(984.3)**	**(1,060.3)**

26 Financial instruments and fair value disclosures (continued)

				2022
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets measured at fair value				
Derivative financial instruments	–	72.9	–	72.9
Other investments	5.5	1.8	5.4	12.7
	5.5	74.7	5.4	85.6
Liabilities measured at fair value				
Derivative financial instruments	–	(79.2)	–	(79.2)
	–	–	(278.9)	(278.9)
Other financial liabilities	–	(79.2)	(278.9)	(358.1)
Net assets/(liabilities) measured at fair value	5.5	(4.5)	(273.5)	(272.5)

There have been no transfers of assets or liabilities recorded at fair value between the levels of the fair value hierarchy.

Included within other financial assets and derivative financial instruments measured at fair value are: the Group's currency swaps held against debt instruments as an asset of £31.9m (2022: asset of £72.9m) and a liability of £117.5m (2022: £79.2m), investment in RAS Technology, designated as fair value through other comprehensive income, £2.1m (2022: £1.0m), an investment in Scout Gaming of £0.3m (2022: £0.3m), a convertible equity instruments with Visa Inc. for £2.5m (2022: £1.8m) and Greenrun Inc. for £3.1m (2022: £nil),and an investment fund of £5.0m (2022:£4.9m), all designated as fair value through profit and loss. During the year, the Group disposed of its investment in Hui10 (2022: £5.1m) as a share-for-share exchange with Intuitive Investment Group plc ("IIG) at a £nil profit or loss. The investment in IIG of £5.1m is designated as fair value through other comprehensive income. The fair value of the investments at 31 December 2023 and 31 December 2022 is not materially different to their original cost.

Contingent and deferred consideration

Contingent and deferred consideration arises through business combinations, the fair value for which is reassessed at each reporting date using updated inputs and assumptions based on the latest financial forecasts of each respective business. As at 31 December 2023 contingent and deferred consideration included within other financial liabilities was £1,335.5m (2022: £261.7m), including £1,155.1m on Tab NZ as well as from the Group's acquisitions of SuperSport in the prior year, and in year acquisitions of ASF Limited, BetCity, and 365Scores.

The valuation of the contingent element of consideration is subject to estimation uncertainty as the amount payable is based on various factors, including future profitability. With the exception of Tab NZ, based on the current profit forecast and reasonable upside and downside sensitivities, the range of potential valuations is not expected to be materially different from that provided for in the financial statements. For Tab NZ where the range of potential outcomes could be materially different from the amounts provided as it is subject to the future performance of the business over a 25-year time period. The fair value of contingent consideration for Tab NZ at 31 December 2023 was £788.3m. The valuation technique used for calculating the contingent consideration was a discounted cash flow model. The key unobservable inputs for the calculation are revenue growth rates, adjusted gross profit margin and discount rate. A 5% movement in forecast cash flows, both positive and negative, would impact the contingent consideration liability by approximately £50m, whereas the 0.5pp movement in the discount rate would affect the liability by approximately £40m.

During the year, the Group paid £266.7m (2022: £32.9m) of deferred and contingent consideration in relation to the aforementioned acquisitions.

Put option liability

The amortised costs of the put option liability recognised is not materially different to fair value.

Ante-post

Ante-post liabilities are valued using methods and inputs that are not based upon observable market data. The principal assumptions relate to anticipated gross win margins on unsettled bets. There are no reasonably probable changes to assumptions or inputs that would lead to material changes in the fair value determined, although the final value will be determined by future sporting results.

27 Net debt

The components of the Group's adjusted net debt are as follows:

	2023 £m	2022 £m
Current assets		
Cash and short-term deposits	400.6	658.5
Current liabilities		
Interest-bearing loans and borrowings	(319.2)	(424.9)
Non-current liabilities		
Interest-bearing loans and borrowings	(3,038.8)	(2,689.1)
Net debt	(2,957.4)	(2,455.5)
Cash held on behalf of customers	(196.8)	(200.5)
Fair value swaps held against debt instruments (derivative financial (liability)/asset)	(85.6)	(6.5)
Deposits	48.8	43.8
Balances held with payment service providers	176.0	149.8
Sub-total	(3,015.0)	(2,468.9)
Lease liabilities	(275.9)	(280.9)
Adjusted net debt including lease liabilities	(3,290.9)	(2,749.8)

Cash held on behalf of customers represents the outstanding balance due to customers in respect of their online gaming wallets.

28 Share capital

	Number of €0.01 ordinary shares	Total €m	Total £m
Authorised:			
At 31 December 2022 and 31 December 2023	773,000,000	7.7	6.4
Issued and fully paid:			
At 1 January 2022	586,550,219	5.9	4.8
Exercise of share options	2,296,623	–	–
At 31 December 2022	588,846,842	5.9	4.8
Allotment of shares	48,827,271	0.5	0.4
Exercise of share options[1]	1,125,778	–	–
At 31 December 2023	638,799,891	6.4	5.2

1. Share options exercised in the year included 56,527 (2022: 239,116) deferred bonus shares not disclosed as part share options exercised in Note 31.

The Company's share capital consists entirely of ordinary shares, accordingly all shares rank pari passu in all respects.

On 16 June 2023, the Company issued an additional 48,827,271 of ordinary shares for net proceeds of £589.8m.

See Note 31 for further information on terms and amounts of shares reserved for issue under options.

29 Notes to the statement of cash flows

29.1 Reconciliation of (loss)/profit to net cash inflow from operating activities:

	2023 £m	2022 £m
(Loss)/profit before tax from continuing operations	**(842.6)**	102.9
Net finance expense	**197.9**	225.7
(Loss)/profit before tax and net finance expense from continuing operations	**(644.7)**	328.6
Loss before tax and net finance expense from discontinued operations	**(57.8)**	(13.4)
Loss/(profit) before tax and net finance expense including discontinued operations	**(702.5)**	315.2
Adjustments for:		
Impairment	**289.0**	7.0
Loss on disposal	**1.0**	1.0
Depreciation of property, plant and equipment	**141.0**	125.9
Amortisation of intangible assets	**415.1**	229.1
Share-based payments charge	**23.6**	19.2
Decrease/(increase) in trade and other receivables	**42.2**	44.7
Increase in other financial liabilities	**62.7**	2.2
(Decrease)/increase in trade and other payables	**506.0**	(85.9)
Decrease in provisions	**(1.9)**	(6.9)
Share of results from joint venture and associate	**42.9**	194.1
Pension settlement	**–**	7.0
Other	**(9.1)**	(5.7)
Cash generated by operations	**810.0**	846.9

29.2 Cash flows arising from discontinued operations:

	2023 £m	2022 £m
Cash used in operating activities	**(57.8)**	(13.4)
Cash used in investing activities	**–**	–
Net cash outflow arising from discontinued operations	**(57.8)**	(13.4)

29 Notes to the statement of cash flows (continued)

29.3 Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2023				2022			
	Other loans and borrowings £m	**Lease liabilities £m**	**Other financial liabilities £m**	**Total £m**	Other loans and borrowings £m	Lease liabilities £m	Other financial liabilities £m	Total £m
Balance at 1 January	**3,114.0**	**280.9**	**462.2**	**3,857.1**	2,282.4	293.7	88.7	2,664.8
Changes from financing cash flows								
Proceeds from borrowings, net of issue costs	**1,780.3**	**–**	**–**	**1,780.3**	838.4	–	–	838.4
Repayments	**(1,419.2)**	**–**	**(266.7)**	**(1,685.9)**	(109.0)	–	(32.9)	(141.9)
Repayment of borrowings on acquisition	**(9.4)**	**–**	**–**	**(9.4)**	(162.8)	–	–	(162.8)
Repayment of lease liabilities[1]	**–**	**(68.5)**	**–**	**(68.5)**	–	(83.0)	–	(83.0)
Total changes from financing cash flows	**351.7**	**(68.5)**	**(266.7)**	**16.5**	566.6	(83.0)	(32.9)	450.7
Other changes								
Business combination consideration (Note 32)	**–**	**–**	**1,254.4**	**1,254.4**	–	–	216.7	216.7
Recognition of put option liability (Note 32)	**–**	**–**	**350.5**	**350.5**	–	–	181.2	181.2
Interest expense/discount unwind	**229.2**	**12.8**	**70.4**	**312.4**	76.2	13.0	2.9	92.1
Interest paid[2]	**(224.2)**	**(12.8)**	**–**	**(237.0)**	(91.9)	(13.0)	–	(104.9)
New lease liabilities	**–**	**45.6**	**–**	**45.6**	–	61.8	–	61.8
Finance fees	**1.0**	**–**	**–**	**1.0**	5.7	–	–	5.7
Re-measurement adjustments	**–**	**(7.4)**	**1.4**	**(6.0)**	–	(5.0)	(6.1)	(11.1)
Total other changes	**6.0**	**38.2**	**1,676.7**	**1,720.9**	(10.0)	56.8	394.7	441.5
Arising through business combinations	**9.4**	**26.9**	**7.0**	**43.3**	162.8	9.5	–	172.3
The effect of changes in foreign exchange	**(123.1)**	**(1.6)**	**19.3**	**(105.4)**	112.2	3.9	11.7	127.8
Balance at 31 December	**3,358.0**	**275.9**	**1,898.5**	**5,532.4**	3,114.0	280.9	462.2	3,857.1

1. In addition to the above, the Group received £0.2m (2022: £0.2m) in respect of lease receivables resulting in a net repayment of finance leases of £68.3m (2022: £82.8m).
2. In addition to the above, the Group received £12.4m (2022: £4.3m) of interest income resulting in a net finance expense paid of £224.6m (2022: £100.6m).

Non-cash movements include amounts acquired as a result of business combinations and the amortisation of issue costs incurred in respect of debt instruments.

30 Retirement benefit schemes

Defined contribution schemes

During the year the Group charged £23.1m of contributions (2022: £18.9m) to the consolidated income statement in relation to the defined contribution pension schemes.

Defined benefit plans

Judgement is applied, based on legal, actuarial, and accounting guidance in IFRIC 14, regarding the amounts of net pension asset that are recognised in the consolidated balance sheet.

Following the buy-out of the Ladbrokes Pension Plan, the Group now only has one pension scheme, the Gala Coral Pension Plan, which is a final salary pension plan for UK employees and closed to new employees and future accrual.

At retirement each member's pension is related to their 'career average earnings' for the Gala Coral Pension Plan. The weighted average duration of the expected benefit payments from the plan is around 15 years (2022: 15 years).

The plan's assets are held separately from those of the Group. The plan is approved by HMRC for tax purposes, and is managed by independent Trustees. The plan is subject to UK regulations, which require the Group and Trustees to agree a funding strategy and contribution schedule at least every three years. Under the current contribution schedule in place, the Group does not pay contributions to Gala Coral Pension Plan but is paying the administrative costs.

There is a risk to the Group that adverse circumstances, such as a disconnect between changes in asset investment values and required funding obligations, could lead to a requirement for the Group to make additional contributions to fund any deficit that arises. As at the date of signing the financial statements no such event has arisen.

The results of the latest formal actuarial valuation 30 June 2022 for the Gala Coral Pension Plan was updated to 31 December 2023 by an independent qualified actuary in accordance with IAS 19 (Revised) Employee Benefits. The value of the defined benefit obligation and current service cost have been measured using the projected unit credit method, as required by IAS 19 (Revised). Actuarial gains and losses are recognised immediately through other comprehensive income.