

Chief Executive's Review

Entain is a leading consumer-focussed business operating in a global industry with attractive growth dynamics. The Group continues to make excellent progress as a global leader in betting, gaming and interactive entertainment. As the most diversified leader of scale with regulated market growth embedded in the business, the Group delivers profitable and sustainable returns for our stakeholders.

A differentiated leader in a global growth industry



2022 was another year of strong financial, operational and strategic progress for the Group.”



Jette Nygaard-Andersen Chief Executive Officer

I am pleased to report that 2022 was another year of strong financial, operational and strategic progress for the Group, despite facing some headwinds. Alongside further growth in our revenues, the Group delivered underlying EBITDA^{1,6} up +13%, announced five transactions including establishing Entain CEE (“Central & Eastern Europe”) to unlock significant growth opportunities across the region, and through unikrn launched a new segment of skill based wagering for esports.

The dynamics of our global industry remain highly attractive with the powerful combination of regulation, digitalisation and evolving customer behaviours underpinning a total addressable market opportunity of approximately \$170bn over the medium term. Entain’s position as a differentiated leader across diverse and regulated markets enables us to maximise this growth opportunity with the potential to treble the size of our business.

Our operations span over 40 regulated or regulating territories, with established leading brands in each of our key markets. Group Net Gaming Revenues (“NGR”) for 2022 grew +15%^{cc3} including our 50% share of BetMGM (up +10%^{cc3} excluding BetMGM). Our growth continues to be both diversified and sustainable through our growing global footprint, expanding product offer and broadening customer base. Our online business has 7% more active customers than in 2021 achieving record levels during the final quarter.

We continue to set the standards for our industry on responsibility and sustainability. Our ground-breaking approach to player protection through our Advanced Responsibility and Care™ programme (“ARC™”) was rolled out internationally to 22 markets during the year. Regulation is the cornerstone of a sustainable business and we are proud that we lead the industry with 100% of our revenue now coming from markets that are either domestically regulated or in the process of regulating – setting a new benchmark for our industry.

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Our commitment to this important agenda, elevating integrity within our industry and doing the right thing sees us absorb responsible gambling initiatives and impacts from changes in regulated and regulating markets. This has been particularly evident in the UK with the implementation of regulator enforced affordability checks, which created a headwind of approximately 10% on UK Online revenues in 2022, with ongoing impacts expected in 2023. We are tremendously proud of the leadership role we play in raising the bar for our industry and our efforts continue to be recognised with numerous awards as well as related index inclusions.

We have made excellent progress in 2022 across both our growth and sustainability pillars, to drive greater diversification across our business model, greater scale to leverage our capabilities as well as higher quality and more sustainable earnings. These achievements are testament to the high quality and talented teams we have across the Entain Group. I would like to thank all of our teams across the globe for their dedication and their commitment throughout the year that underpins this success.

Entain Platform powering growth

The Entain Platform continues to distinguish us as an operator of excellence; providing a unique competitive advantage and supporting strategic execution focused around the customer. Leveraging this powerful and unrivalled platform enables Entain to optimise core growth and embrace new opportunities, whilst focusing our customer centric approach across our business.

The Entain Platform is a unique and powerful combination that includes: our in-house technology; leading global brand portfolio; market leading product and content; CRM capabilities; marketing excellence; data analytics; industry leading talent; player protection; innovation; and, regulatory and operational expertise. It enables us to differentiate our offer, be flexible, responsive and agile, driving significant competitive advantages. This unique combination, operating at scale, creates a multiplier effect that helps drive outperformance in each of the markets in which we operate.



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Growth

As we grow in more markets around the world, we continue to evolve our structures and processes to maximise the scale efficiencies and benefits of the Entain Platform, while ensuring that we remain local and agile for our customers in each of our markets. Our in-house technology platform is the largest regulated platform in our industry supporting approximately £3bn of Online NGR in 2022. As we look to migrate more of our operations onto one core technology framework, fulfil our significant growth ambitions and broaden our customer appeal in interactive entertainment we are constantly looking to evolve our technology platform both through in-house development and by adding further capabilities through small bolt-on acquisitions. This will not only unlock further synergies and efficiencies, but will enable us to fully exploit the flywheel effects of our business model.

Our strategy of leveraging and embracing the powerful advantages of the unique Entain Platform to deliver on our core pillars of growth and sustainability is clear. Entain is a truly differentiated business with customers at our core. Our unwavering ambition to be the world leader in betting, gaming and interactive entertainment and benefit from the sizeable growth opportunities ahead of us will drive significant value creation for our stakeholders.

Our strategy for Growth

Entain is a business delivering sustainable and profitable growth. We operate in a global industry with attractive dynamics embedded as regulation, online migration and customer behaviours expand the markets available to us. Today we operate in over 40 regulated or regulating territories with our betting and gaming offering across both online and retail.

Our online operations have delivered a three year compound annual growth rate of +12%cc³, or +18%cc³ including our share of BetMGM. Our Retail operations are +66% ahead of a lockdown impacted 2021 and customer volumes in our two largest retail estates, the UK and Italy, are ahead of pre-Covid levels.

Our growth strategy comprises four pillars which will continue to broaden our reach, diversify our audiences, increase our scale and drive a strong sustainable performance across the Group. These pillars are: leadership in the US; grow our presence in existing markets; expand into new regulated markets – both organically and via M&A; and extend into interactive entertainment.

Leadership in the US

BetMGM is firmly established as a leading operator of sports betting and iGaming in the US and Ontario, Canada. This success is built on the Entain Platform comprising powerful scaled capabilities including in-house technology, industry leading talent, data, analytics and MarTech, supported by the brand strength of our joint venture partner. The North American market is expected to be worth around \$37bn (which includes Canada) over the long term, and we are on track for our expected market share of 20-25% over the long term.

Throughout 2022, we continued to build on early successes and BetMGM has gone from strength to strength, delivering NGR of \$1.44billion for the year, ahead of expectations⁴. In 2023, we expect that this will grow to \$1.8bn - \$2.0bn in NGR.

Through the Entain Platform we expanded our BetMGM footprint, launching on day one in 6 new online markets and opening four new retail sportsbooks. As at the end of December 2022, we were live in 24 jurisdictions, with further launches in Ohio and Massachusetts in early 2023, meaning we now have access to approximately 48% of the adult US population.



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In the three months to December 2022, our share of GGR (gross gaming revenue) in the sports betting and iGaming markets in which we operate was 18% and 20% excluding New York.

Our leadership in iGaming continues with a 29% market share. The unique range of own and exclusive products provided through our platform and award winning in-house studios continues to differentiate BetMGM's offer, drive customer engagement and embed our competitive advantage as market leader. In sports betting, we continue to build our position with a 12% share in GGR across active markets, in spite of our increasing focus on NGR, discussed below. We continue to make improvements to our offer with the revamp of BetMGM's sportsbook

app, updating the design, improving the user experience with simpler and faster optionality and overall enabling easier navigation of the end to end customer journey. As well as garnering positive feedback, ratings by third party industry bodies have improved and have driven greater customer engagement and retention. In Q4 2022, BetMGM's average monthly active gaming customers were up +51% and up +61% for active sports-betting customers, compared to Q4 2021.

Alongside our success in securing a market leadership position, we have also maintained strong financial discipline. Supported by the significant embedded margin advantage BetMGM enjoys through its parental structure, 2022 saw

us increase focus on building a sustainable and profitable business for the long term.

The prioritisation of NGR over GGR, through progressively strategic bonus optimisation, has seen sports NGR margins double year on year in Q4. More rigorous customer segmentation and player analytics, coupled with a data-led approach to marketing, enables bonusing to be effective and efficient. Key customer metrics of cost per acquisition (CPA) and first time depositors (FTD) are ahead or inline with forecasts, which reaffirms expectation of long-term CPA of approximately \$250.

Having already achieved profitability in several states, we expect BetMGM to be EBITDA positive in the second half of 2023 and a long term target EBITDA margin of 30-35%. In summary, BetMGM remains firmly on track for its path to profitability and has secured its position as a leader in the US sports-betting and iGaming markets.

Grow presence in core markets

Entain's operations span over 40 regulated or regulating territories, with established leading brands in many of our markets. Our existing markets are expected to grow by approximately mid to high single digit over the medium term, presenting a significant addressable market opportunity. We are well positioned to benefit from this long growth runway with the Entain Platform providing a differentiated competitive advantage.

The Entain Platform powers our brands to outperform their markets enabling our Online business as a whole to grow at a compound annual growth rate over the last three years of 12%, including acquisitions.

Excluding our share of BetMGM, full year Group NGR was up +12% (+10%cc³) year on year. Online NGR was -2%cc³ lower year on year, behind our initial expectations, as the business lapped strong Covid comparators and faced regulatory headwinds, particularly in the UK as well as the required closure of our Netherlands business ahead of new licencing. We estimate regulatory changes, particularly affordability measures in the UK, created a mid-single digit headwind in terms of Group NGR growth over the year. Having fully lapped prior year Covid comparators by the end of Q3, we returned to year on year Online NGR growth in Q4 of +8%cc³, helped by the men's World Cup.

We have continued to evolve our offering and appeal, creating moments of excitement and entertainment for a broader, more recreational customer base. This resulted in record active customer levels in the year, up +7% year on year.



In the UK, we made further progress on our brand re-positioning strategy to engage with a broader and more recreational audience. As a result online actives were +13% higher year on year. Our Rocky and GalaLand advertising campaigns, the Coral Racing Club and innovative Jockeycam, as well as Ladbrokes Fanzone all drove increased customer engagement. Our award winning Rocky campaign increased new visitors to our website by 75%. Ladbrokes Fanzone has, since launch, seen over 90% of customer enrolled selecting a Premier League team and unlocking personalised benefits such as boosted markets and free 5-a-side bets. We further enhanced our customer offering and user experience with new games, products and content, documentaries and social channel engagement.



In Australia, our business continues to go from strength to strength with excellent performances from both Ladbrokes and Neds. NGR was up +12% (+8%cc³) versus 2021 despite lapping strong Covid comparators. By leveraging our different brands as well as launching new and innovative products and content, we continue to outperform the market and grow market share, with active customers up +7% versus last year. During the year Ladbrokes' launch of Mates Mode is resonating well with customers, enabling them to chat, share and bet as a group. Neds continued to perform strongly, with its exclusive partnership with the UFC delivering both engagement and branding, as well as its eye catching and humorous 'Take it to the Ned's Level' advertising, illustrating our unwavering focus on customer experience. We have also collaborated with the Australian Hotels Associates (AHA) New South Wales in a long term advertising and sponsorship agreement, providing Ladbrokes and Neds the opportunity to reach new customers across AHA's 1,800 licensed venues.

Our business in Italy performed strongly again in 2022 despite lapping a year heavily impacted by Covid. We continue to see the benefits of our omni-channel offering with combined online and retail NGR up +22%cc³ year on year, with Online NGR growing at +26%cc³ on a 3 year CAGR basis.

Our Brazilian business continues to perform well in this fast growing market. Despite heightened competition ahead of regulation, NGR was up +20%cc³ year on year. Actives were up +25%, demonstrating the strength of our Sportingbet brand, quality of offer and operational expertise. While domestic regulation has been held up following the election of a new Government, we look forward to a market post regulation with clear demand for the high quality customer experiences and breadth of product offering which Entain provides.

In Germany, whilst our gaming licenses were issued in late 2022, the German market is only just starting to experience the emergence of a robust regulatory regime, although there remains much for the regulator still to do. As such, the German online betting and gaming market remained challenging for compliant operators like us, whilst also seeing the introduction of deposit limits for sports customers. We look forward to 2023 with optimism and the expectation of greater regulatory oversight providing a more balanced trading environment and a safe and entertaining experience for all customers. Bwin is a leading brand across Germany (as well as in many of our other global markets) underpinned by the quality of our products and offer as well as great partnerships with the DFB and UEFA Europa League.



We made further progress on our brand re-positioning strategy to engage with a broader and more recreational audience.”

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Enlabs in the Baltics delivered another strong year despite the challenging economic environment in the region, with proforma² NGR up +5%^{cc3} compared to 2021. Entain's core products are now fully integrated in the customer proposition, strengthening our product offering and helping to drive actives, which are up +17% proforma² year on year. Ninja Casino launched in Sweden in H2 and early results have been promising.

In Georgia, the Crystalbet brand remains the market leader and has responded well to the new regulatory regime which came into effect at the start of 2022.

Our Party brands continue to perform in-line with expectations. We are delighted our Party brands are now active in the newly regulated Ontario market, alongside our bwin and BetMGM brands. We welcomed Ontario customers to their first poker tournament series, the Ontario Poker Championships in September. Party has continued with its renewed focus on the recreational player's entertainment experience, with Partypoker Sports launching its first free-to-play game, Football Full House. This correct score game enables cross sell to customers with sport, casino and poker prizes available to win.

In the Netherlands, having been required, along with all responsible operators, to withdraw from the market by the regulator in Q4 2021, we are pleased to have acquired BetCity which provides us with a strong platform to drive further growth in this newly regulated market.

Our Retail operations have performed strongly during 2022, a year which was largely uninterrupted by Covid related restrictions. On a like-for-like basis, Retail NGR for 2022 was +66%⁵ ahead of a lockdown impacted 2021 and customer volumes in our two largest retail estates, the UK and Italy, are ahead of pre Covid levels. This is clear evidence that our customers value and enjoy the in-shop experience. The reinvigoration of our retail offering leveraging digital touchpoints, our best in class betting and gaming terminals combined with our shop colleagues' interaction provides customers in the UK with an enjoyable and engaging experience whilst also broadening our audience demographic.

Expand into new regulated markets

Regulation and evolving consumer needs and behaviours continue to prove to be exciting growth drivers as we expand into the \$170bn addressable market we have identified for betting, gaming and interactive entertainment. We can expand into these opportunities through organic or inorganic expansion as well as developing an offer into new product verticals.

We have a strong track record of integration and value creation through M&A – the acquisitions over the last four years (excluding SuperSport and BetCity) will see us double their value and create approximately £900m of value in the first three years of acquisition. This reflects the revenue and cost synergies benefits as well as improved margins that we can generate as these businesses benefit from the scale and efficiencies of the Entain Platform. Many of these businesses have high quality in-house technology into which we are able to plug products and capabilities to support synergy delivery. As we evolve our technology platform we expect that many of the businesses we have acquired will, over time, migrate more fully on to the Entain Platform, providing further synergy benefits in years to come.

During the year we announced five acquisitions. In Canada we acquired Avid Gaming which saw Sports Interaction join our bwin, Party and BetMGM brands licensed to operate in Ontario. Sports Interaction provides access to the highly attractive, fast growing and regulating sports betting and gaming market across Canada, outside of the province of Ontario. The acquisition of Klondaika in Latvia, and Totolotek in Poland, expanded and deepened our access in these regulated markets where we provide a broader offering of engaging products and services for customers in their respective markets.

Our acquisition of BetCity, announced in June, and completed in early January 2023, brought one of the Netherlands' leading operators in the newly regulated online sports betting and gaming market into the Group. Since its licencing in October 2021, BetCity has grown strongly, establishing a share of over 20% of this attractive and fast-growing market.





Extending into interactive entertainment

Technology continues to change consumer behaviours, creating new trends and experiences, and opportunities for Entain to explore.

We listen to customers to better understand these trends to inform how we adapt and innovate to capture growth across new audiences. Customers are seeking more content, more engagement, more interactive and social experiences, more video, more audio and more free to play entertainment. Interactive entertainment and media are converging with our traditional markets of betting and gaming. Entain sits at the heart of this convergence and as such provides us with a unique strategic opportunity as we continue to expand our product, offering and content ensuring our customer experience evolves to remain engaging, innovative and relevant.

Towards the end of 2022 we took our first steps into the esports and skill based wagering market with the launch of unikrn's new esports offer. unikrn soft launched in Brazil and Canada (outside of Ontario) with an offer that includes innovative new features that meet the needs of the skill based wagering market for esports, such as round the clock video game stream featuring the world's most popular video game titles, and offering players more ways to bet while watching and playing their favourite games. The esports market continues to grow strongly, and we will be expanding our presence as we rollout to further markets during 2023.

Technology continues to evolve and the diverse scale of the Entain Platform puts us in a unique position to be able to explore and innovate to further create exciting new unique products and experiences for our customers.

In August 2022, we partnered with EMMA Capital, a leading investment firm in the Central and Eastern European region to form Entain CEE as an innovative approach to expansion into the CEE region. Entain CEE's first acquisition was SuperSport, the leading gaming and sportsbook operator in Croatia. SuperSport has both online and retail operations with its unrivalled brand and proprietary technology solution delivering a c.50% share in the fully regulated Croatian market.

The Group's portfolio of strong and globally recognised brands enables us to expand into new markets organically where no clear M&A opportunity provides a more attractive proposition. During the year, we launched bwin in Zambia and Ninja in Sweden. New market entries via both M&A and organic expansion, contributed to Online NGR during the year, with SuperSport also generating retail revenue.

There continues to be significant growth opportunities in regulated markets across the globe, and we continue to look for further opportunities where we can drive incremental value for shareholders. There are at least 40 markets where we do not currently operate today, including Central & Eastern Europe, Latin America as well as Africa and potentially over time, parts of Asia.

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Sustainability

Entain proudly places sustainability as one of our two strategic pillars and it remains at the heart of everything we do. We embrace our role within society and lead our industry on the issues that matter to us – sustainability, diversity and responsibility – with our firmly held belief that the most sustainable business will be the most successful business in our industry. Paired with our strategic growth priorities, our strategic sustainability pillar is underpinned by the core principles of our Sustainability Charter which outlines our ESG leadership ambitions.

We aim to meet, and exceed the highest standards in everything we do, from the way we run our business to the way we support our colleagues, our customers and our communities. Our Sustainability strategy is underpinned by four pillars of: lead on responsibility; diversify our regulated activities; broaden our customer base; and, invest in our people and communities.

Lead on responsibility

Responsible engagement and player protection is an important part of our sustainability commitment. ARCTM is our pioneering approach to customer protection and its ongoing development continues. During 2022, we saw greater accuracy of our predictive tools, as well as ARCTM being rolled out internationally, with its principles implemented across 22 of our markets by the end of 2022. ARCTM has delivered over 3.7 million proactive interactions in the UK, and our most successful ARCTM model showed a 36% drop in customer risk rating following intervention, demonstrating that ARCTM is successfully preventing harmful behaviours amongst our customers and helping them to keep their play safe with us.

The ARCTM programme represents a step-change in player protection and we were pleased to see the success of our approach recognised in 2022 with the award of

the Advanced Safer Gambling Standard by GamCare.

Safer betting and gaming underpins everything we do. Reflecting this, metrics regarding the effectiveness of ARCTM as well as completion levels for colleagues' safer betting and gaming training are included in our Group wide annual bonus plan.

In the US, BetMGM was amongst the first operators to have supported PlayPause, a project intended to introduce cross-state self-exclusion. We also led a collaboration of four of the leading US operators to establish the 12 Principles of Responsible Online Gaming, providing an industry benchmark for responsible operators. A number of other operators have since joined the collaboration.

Diversify our regulated activities

Entain is currently licensed in over 30 countries, and that number will continue to rise through a combination of positive regulatory developments as well as our expansion into new regulated markets. Operating in a well-structured regulatory regime enables us to deliver higher quality earnings with greater certainty and sustainability as we continue to grow and expand our global footprint and scale.

During 2022, Entain made further and significant progress towards our commitment to only operate in regulated markets, and in January 2023 we announced that we would accelerate our plans. As a result, Entain is the only global operator with 100% of revenues from domestically regulated or regulating markets. Of these markets where there is a clear path to regulation in due course, Brazil is the most significant for Entain operations.



Safer betting and gaming underpins everything we do.”



In the UK, we continue to wait for the publication of the White Paper outlining the review of the regulatory framework of the 2005 Gambling Act. Along with other industry operators we continue to actively engage with appropriate parties in order to help find a balance between protecting a minority who are at risk while supporting a healthy entertainment experience as well as an environment that is commercially viable for operators and related sports and industries.

Entain is a strong supporter of good regulation. We engage openly and proactively with regulators around the world to encourage well-structured and robust regulatory environments which balance the highest regulatory standards and responsible player protection, whilst also upholding customer freedoms and right of choice.

Broaden our customer appeal

We made further progress in broadening our appeal towards more recreational audiences, providing a safe and engaging entertainment experience. Understanding our customers and changing trends enables the evolution of our brands and offering to remain engaging and relevant to an ever-broadening customer base.

The Entain Platform’s powerful capabilities and data analytics underpin the execution of our audience expansion. As part of this broadening customer experience, we continue to enhance our customer proposition with new games, experiences, products and content, documentaries and social channel interactions.

Invest in our people and communities

Investing in our people and communities is a cornerstone of our strategic sustainability pillar. Recruiting, retaining, and nurturing top talent from diverse backgrounds is important to ensure that we maintain our industry leading entertainment proposition. Our ambition is to be the employer of choice, attracting, engaging and retaining the best talent globally, bringing the best thinking to the business from inside and outside of our sector.

Our “Everyone’s in The Game” people strategy is underpinned by diversity and inclusion, to ensure everyone at Entain feels valued, respected and included. 2022 was the first year of our new Diversity, Equity, and Inclusion (“DE&I”) strategy, supported by a key commitment to creating a safe place to work. We proactively listen to our people to shape our DE&I agenda, leveraging the nine employee forums globally and the results of our 2022 Your Voice employee engagement survey.

2022 was an important year for the Group in delivering against our efforts to reduce our impact on the environment, as we set out on our pathway to be Net Zero for carbon emissions throughout our operations by 2035. Having achieved our previous greenhouse gas (GHG) emissions reduction target, we are now focused on achieving our new ‘near term’ science-based targets. Our commitment to a reduction of 29.4%¹ in our scope 1, 2 and 3 emissions by 2027 has been formally submitted to the Science-based Targets initiative to ensure our journey to decarbonisation is in line with limiting global warming to 1.5 degrees, as per the Paris Agreement.

Our two Foundations – the Entain Foundation and the Entain Foundation US, continue to support research into problem gambling and education initiatives that align with our sustainability ambitions, as well as investing into local communities and grass roots sports across our key markets.

Building on our EnTrain initiative, with its goal to positively impact one million people through education in technology by the end of the decade, we announced a new partnership with McLaren Racing in January 2023 to support women returning to the tech sector. Through our joint returnship programme, we aim to help reignite the careers of women returning to roles in STEM (Science, Technology, Engineering and Mathematics). We have also initiated returnship programmes in our offices in Hyderabad, India and Manila, Philippines.

A key focus for the Entain Foundation is supporting grassroots sports through our Pitching In programme. Our extended partnership with the Pitching In Trident Leagues supports 248 clubs and over 15,000 community based non-league football players. In 2022 we launched the Pitching In Volunteer Hub, a unique online platform enabling every Trident League Club to easily connect with potential volunteers. In addition, we continue our long term collaboration with SportsAid, the UK based sports charity, through which we sponsor and provide personal development coaching to 50 young athletes each year. We have also internationalised our investment in grassroots sport with new projects funded in Austria, Italy, Spain, Greece, Latin America and Africa.

Notes

1. This target has been restated from our 2021 ESG Report as part of our submission to the Science-Based Targets Initiative (SBTi).
2. Proforma results are presented as if the Group had owned the entities since 1 January 2021.
3. Growth on a constant currency basis is calculated by translating both current and prior year performance at the 2022 exchange rates.
4. BetMGM guidance on 2022 NGR of over \$1.3bn, as stated at Business Update on 19 January 2022.
5. Retail performance numbers are quoted on a LFL basis and also excludes the post acquisition performance of shops in Croatia.
6. EBITDAR is defined as earnings before interest, tax, depreciation and amortisation, rent and associated costs, share based payments and share of JV income. EBITDA is defined as EBITDAR after charging rent and associated costs. Both EBITDAR and EBITDA are stated pre separately disclosed items.

Note: Retail operates in UK, Italy, Belgium, Croatia and Republic of Ireland. During 2022, there was an average of 4,310 shops in the estate, compared to an average of 4,540 in the same period last year.