

Chairman's introduction

2022 was another strong year for our business, and one in which we continued to make meaningful progress towards our ambition of being the world-leader in sports betting, gaming and interactive entertainment.

Delivering sustainable success



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Barry Gibson Chairman

I had the honour of being appointed your Chairman three years ago and so it seems timely to look back at the events of that period and reflect on what has been an intense period of transformation for Entain. Every aspect of our business model, strategy and culture has been reviewed, analysed, stress-tested and – where necessary – improved. As a result, we are a discernibly different company today than we were a few short years ago.

The progress that has been made since then has been structural, tangible and demonstrable:

- The Board and leadership teams have been overhauled;
- 100% of our revenue is now from markets around the world that are domestically regulated or which have a clear path to regulation – we are proud to be setting the standard for the industry as the only global operator focused solely on these markets;
- We have a compelling strategy and vision and a fresh corporate identity, underpinned by our core pillars of growth and sustainability;
- We have overhauled our governance processes across the organization to ensure the highest standards;
- We have developed an innovative and industry-leading technology – ARC™ – to keep our customers safe;
- We have launched the Entain Foundation, which focuses on making positive contributions in the communities in which we operate around the world; and
- We have worked constructively and proactively with regulators around the world to help create an environment that balances a fair and open recreational market with the need to provide protection for the small minority of customers who may run into problems.

Chairman's introduction continued



There remain historic issues that we have previously announced relating to our legacy business that need to be determined and which may result in outcomes that do not reflect the type of business that we are today, as we now have rigorous checks and balances in place to ensure that those types of issues should not reoccur in the future. It was, of course, disappointing to read the findings of the UK Gambling Commission in reaching a settlement with them during the year. But as part of our transformation, we are committed to ensuring that we have the requisite compliance processes in place in all our markets.

While a huge amount has been achieved there is still much to do, and we are determined to continue to innovate and progress – all the while staying true to our philosophy that only a truly responsible Company can be truly sustainable.

Delivering sustainable progress

One of the key ways in which we define sustainability is through a relentless focus on the needs, enjoyment and welfare of our customers. By providing them with an outstanding experience in a safe and protected environment, we build trust and loyalty. Our dedication to this is epitomised in our development of our industry-leading player protection system, ARC™ (Advanced Responsibility and Care™). Using artificial intelligence, ARC™ has revolutionised the way in which customers are protected. This is a truly ground-breaking approach to player protection and we are extremely proud that industry bodies continue to recognise our commitment to this area.

And as a result of all these significant evolutions, Entain is now the most awarded company in the sector for safer gambling. This year we were awarded GamCare's Advanced Safer Gambling Standard, and received numerous awards for safer gambling, including from S&P, SBC & EGR. As a founding partner of the Global Gaming Alliance, we're relentless in our pursuit of higher protection standards for players all over the world.

A strong platform for success

As well as being an integral part of our focus on the customer, our unique Entain Platform, which includes our industry leading technology, is the driver behind Entain's performance. It enables us to deliver organic growth, gives us the agility to successfully execute our M&A strategy, and provides us with a significant advantage when it comes to our rapidly expanding presence in North America via BetMGM.

Allied to this is the diversity of our geographic and product spread, which enables us to continue delivering growth even in the face of macroeconomic and regulatory challenges. That diversity was enhanced further during 2022 as a result of the 5 acquisitions that we announced during the year – including BetCity in The Netherlands, Sports Interaction in Canada, Klondaika in Latvia, Totolotek in Poland, and SuperSport in Croatia. We also opened in a number of new markets and launched unikrn in Brazil and Canada.

Healthy financial performance

2022 threw up many challenges as the world re-balanced from the effects of Covid and political events disturbed global supply chains. In spite of these I am pleased that your company managed to deliver a strong result for the year as we delivered on our strategy and benefitted from the diversity of our operations across geographies, product and customer base. With Group revenues up 12% in the year, a strong rebound in retail offset the rebalance of Online following Covid lockdowns. This enabled us to deliver underlying EBITDA for the year of £993m, at the top end of revised expectations.

Our strong financial performance and robust balance sheet continues to support the acquisitions I mention above as we continued to build scale, and the benefits that brings to our operations, in regulated markets.

Having returned to dividend payment with our interims in August 2022, I am delighted that your Board has approved the payment of a second interim dividend of 8.5p per share, taking the full year payment total to £100m.

Board structure

In February 2023 Mark Gregory and Vicky Jarman stepped down from the Board. I would like to thank them for their advice and support over the last two years. Following their departure, we made some changes to our Board committees and I would like to thank all of my Board colleagues for their continued support.

Rewarding performance

Of course, none of this success would be possible without the extraordinary dedication and expertise of Entain's c.29,000 colleagues all over the world. In recognition of this, we are pleased to have repeated our ShareSave plan and in 2022 we were able, with shareholder support, to gift all our colleagues free shares.

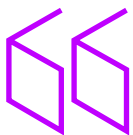
In reviewing colleagues salaries for the year ahead, in line with our core value of doing the right thing, we reduced Executive LTIP awards to reflect the regulatory settlement with the UK Gambling Commission and we targeted higher pay rises in percentage terms towards those on lower salaries across the Group. In particular, for our colleagues in retail in the UK we raised hourly pay rates in line with the real living wage and provided them with a one-off payment of £300 each ahead of the Christmas holidays. You will see on page 118 that, following an extensive shareholder consultation, we are proposing changes to our long term incentive plan to ensure that we are able to attract and retain the very best talent that your company deserves in order to ensure that we deliver on our ambitions.

Looking ahead

Good regulation is a vital part of our industry. It is why we only operate in regulated or regulating markets and why we like to enjoy positive and proactive engagement with our regulators in each of the markets in which we operate around the world to encourage fair, but firm, regulation that maintains a healthy balance of all interested bodies including sports, Governments, freedoms of players and responsibility of operators. In particular good regulation encourages the highest standards of player protection, such as that we can provide through ARC™. With that in mind we look forward to the publication of the much awaited Gambling Act (2005) review white paper in the UK which we hope will set the framework for the gold standard of regulation for our industry.

As the worlds of media, gaming, technology and entertainment converge, the experiences that we are able to give our customers are at the very centre of this hugely exciting inflection point. This positioning, along with the extraordinary talent, capabilities and commitment that are evident across the business, means that we are able to ambitiously pursue the \$170bn addressable market that we see in front of us.

It also gives us the fuel to further evolve our business and deliver on our ambition of being the global leader in betting, gaming and interactive entertainment all while delivering on our Sustainability Charter and being the most responsible operator in our industry. As a result, we are more confident than ever that Entain will continue to deliver strong returns for all our stakeholders.



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