

Flutter Entertainment plc (“Flutter”)

Acquisition of Tombola, the UK’s most recreational online bingo operator

Flutter Entertainment plc is pleased to announce the acquisition of Tombola, one of the UK market’s leading online bingo operators, for an enterprise value of £402m.

Tombola, with teams primarily located in Sunderland and Gibraltar, is a successful bingo-led gaming company with an emphasis on providing a low staking bingo proposition to a highly engaged customer base. Tombola was the first major UK focused operator to introduce both mandatory staking and deposit limits, building a highly sustainable player base over the last 16 years. The key features of the business are as follows:

- Fully regulated revenue base with over 80% coming from the UK and 16% from Italy and Spain
- A market leading bingo proposition with a vibrant player community acting as brand advocates
- Revenue CAGR of 23% over the last 5 years¹
- Circa 400,000 average monthly players (AMPs)² with over 700 employees

The addition of Tombola to the Flutter portfolio delivers several key strategic advantages:

- **Diversification of Flutter’s products**, expanding the Group’s position in a product vertical in which it has historically under-indexed
- **Addition of an engaged and sustainable player base**, with many customers active with the brand for multiple years
- **Enhancement of Flutter’s online gaming presence in its core UK market**, at an attractive valuation
- **Addition of further product capabilities and expertise**
- **Aligns with Flutter’s safer gambling strategy** of expansion in our recreational customer base

In its financial year to end April 2021 Tombola generated pro forma revenue of £164m and EBITDA of £38.5m. Under the terms of the transaction, Flutter will pay £402m in cash upon completion for 100% of the business. The transaction is conditional on merger control clearance by the UK Competition and Markets Authority and is expected to complete in Q1 2022.

Peter Jackson, Flutter Chief Executive, commented:

“As the world’s leading online gambling operator, Flutter is delighted to add Tombola, the UK’s premier bingo brand to the Group. Tombola is a business we have long admired for its product expertise, highly recreational customer base and focus on sustainable play. The brand aligns closely with Flutter’s safer gambling strategy, a key area of focus for us. I am excited to combine Flutter’s digital marketing expertise with Tombola’s operational capabilities within the UK & Ireland division. As the time comes for Phil to hand over the reins, I would like to thank him for building the success story that the business is today, and I look forward to welcoming the Tombola team to Flutter and growing a sustainable business for the future together.”

Contacts:

Investor Relations:

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|---|-------------------|
| David Jennings, Group Director of Investor Relations & FP&A | + 353 87 951 3560 |
| Ciara O’Mullane, Investor Relations | + 353 87 947 7862 |
| Liam Kealy, Investor Relations | + 353 87 665 2014 |

Press:

| | |
|---|-------------------|
| Lindsay Dunford, Corporate Communications | + 44 79 3197 2959 |
| Robert Allen, Corporate Communications | + 44 75 5444 1363 |
| Billy Murphy, Drury Communications | + 353 1 260 5000 |
| James Murgatroyd, Finsbury | + 44 20 7251 3801 |

¹Growth from year ended 30 April 2016 to 30 April 2021

²Average number of players in the 12 months to 30 April 2021