

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank, solicitor, accountant or other appropriate independent professional financial adviser (being, in the case of Shareholders in Ireland, an organisation or firm authorised or exempted under the Investment Intermediaries Act, 1995 of Ireland (as amended) or the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) or, in the case of Shareholders in the United Kingdom, an adviser authorised pursuant to the Financial Services and Markets Act 2000 (the “**FSMA**”), or from another appropriately authorised independent financial adviser if you are in a territory outside Ireland or the United Kingdom).

This document constitutes a prospectus for the purpose of the EU Prospectus Regulation (as defined below) relating to Flutter Entertainment plc (“**Flutter**” or the “**Company**”), in connection with (a) the admission to the premium listing segment of the Official List of the Financial Conduct Authority of the United Kingdom (the “**FCA**”) and to trading on the London Stock Exchange plc’s (the “**London Stock Exchange**”) main market for listed securities (together, the “**UK Admission**”) of all the issued and to be issued ordinary shares of Flutter with a nominal value of €0.09 each (the “**Ordinary Shares**”) and (b) the admission to a secondary listing on the Official List of The Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) and to trading on the Euronext Dublin Market operated by Euronext Dublin of all of the issued and to be issued Ordinary Shares (the “**Irish Admission**” and, together with the UK Admission, “**Admission**”).

The Company proposes to issue up to 66,531,782 new Ordinary Shares (the “**New Shares**”) in connection with a proposed combination (the “**Combination**”) with The Stars Group Inc. (“**TSG**”) to be implemented by means of the acquisition of all of the issued and outstanding common shares of TSG by Flutter pursuant to a Court approved plan of arrangement under the *Business Corporations Act* (Ontario) (the “**Plan of Arrangement**”). Unless the context otherwise requires, this Prospectus has been drawn up on the assumption that the Combination will become effective as disclosed in further detail in this Prospectus.

This Prospectus has been drawn up in accordance with Chapter 1 of Part 23 of the Companies Act 2014, the European Union (Prospectus) Regulations 2019 (SI No 380/2019) (the “**Irish Prospectus Regulations**”), Part 4 of the Central Bank (Investment Market Conduct) Rules 2019 (SI No 366/2019) (the “**Market Conduct Rules**”) and Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**EU Prospectus Regulation**”). This Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the EU Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this Prospectus nor should it be considered as an endorsement of TSG or any securities of TSG. Investors should make their own assessment as to the suitability of investing in the securities. This Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the EU Prospectus Regulation.



## FLUTTER ENTERTAINMENT PLC

(incorporated and registered in Ireland under the *Companies Act* with registered number 16956)

**Recommended all-share combination of  
Flutter Entertainment plc and The Stars Group Inc.**

**Proposed issue of up to 66,531,782 Ordinary Shares of  
Flutter Entertainment plc in connection with the Combination**

**Application for admission of all of the issued and to be issued Ordinary Shares of Flutter Entertainment plc to the premium listing segment of the Official List of the Financial Conduct Authority and to a secondary listing on the Official List of Euronext Dublin and to trading on the London Stock Exchange’s main market for listed securities and to trading on the Euronext Dublin Market**

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The approval of the Central Bank relates only to the New Shares to be issued in connection with the Combination and admitted to trading on the regulated market of Euronext Dublin and the regulated market of the London Stock Exchange. This Prospectus has been made available to the public in Ireland in accordance with Article 21 of the EU Prospectus Regulation by the same being made available, free of charge, in electronic form on Flutter’s corporate website (<https://www.flutter.com/investors/proposed-combination-with-the-stars-group>). Flutter has requested that the Central Bank provides a certificate of approval and a copy of this Prospectus to the competent authority in the United Kingdom. This Prospectus will not be passported into any other jurisdiction.

Flutter, the directors of Flutter (the “**Flutter Directors**”), whose names appear on page 97 of this Prospectus, and those individuals who have agreed to become directors of Flutter on the Effective Date (the “**Proposed Directors**”), whose names appear on page 97 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of Flutter, the Flutter Directors and the Proposed Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus does not omit anything likely to affect the import of such information.

You should read this Prospectus and the documents incorporated herein by reference in their entirety. Your attention is specifically drawn to the risk factors set out in the Section “*Risk Factors*” of this Prospectus.

Applications will be made to the FCA for all of the issued and to be issued Ordinary Shares to be admitted to the premium listing segment of the Official List of the FCA and to Euronext Dublin for all of the issued and to be issued Ordinary Shares to be admitted to a secondary listing on the Official List of Euronext Dublin and to the London Stock Exchange for all of the issued and to be issued Ordinary Shares to be admitted to trading on its main market for listed securities and to Euronext Dublin for all of the issued and to be issued Ordinary Shares to be admitted to the Euronext Dublin Market. It is expected that Admission will become effective and that dealings for normal settlement in the New Shares will commence on the London Stock Exchange and Euronext Dublin at 8.00 a.m. (Irish time)/3.00 a.m. (Eastern time) on the business day on which the Plan of Arrangement becomes effective (the “**Effective Date**”).

Prospective investors should rely only on the information contained in this Prospectus and the documents incorporated herein by reference. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorised. Any delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of Flutter or TSG taken as a whole since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus or the date of the documents incorporated by reference herein. Flutter will comply with its obligation to publish a supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information. The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each recipient of this Prospectus should consult his, her or its own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice. None of Flutter, Goldman Sachs International (“**Goldman Sachs**”) or any of their respective representatives, is making any representation to any prospective investor in the New Shares regarding the legality of an investment in the New Shares by such prospective investor under the laws applicable to such prospective investor.

This Prospectus has been prepared as a requirement of admission to trading on (i) the main market of the London Stock Exchange (as required by Section 85(2) of FSMA) and (ii) the Euronext Dublin Market of Euronext Dublin (as required by Article 3 of the EU Prospectus Regulation), of all of the issued and to be issued Ordinary Shares of Flutter following completion of the Combination, including the New Shares to be issued by Flutter on completion of the Combination. For the avoidance of doubt, the allotment of the New Shares will, if the Combination becomes effective, occur as a consequence of the Plan of Arrangement and not in pursuance of any offer to sell or exchange or invitation to purchase, or the solicitation of an offer or invitation to purchase or subscribe for any securities or to become a member of Flutter.

This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Other than in Ireland and the United Kingdom, no action has been or will be taken by Flutter to permit an issue of the Ordinary Shares or to permit the possession or distribution of this Prospectus (or any other issuing or publicity materials relating to the Ordinary Shares) in any jurisdiction where action for that purpose may be required. Neither this Prospectus, any advertisement nor any other material relating to it may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violations of any such restrictions by any person.

Goldman Sachs, which is authorised by the United Kingdom Prudential Regulation Authority (the “**PRA**”) and regulated in the United Kingdom by the FCA and the PRA is acting as financial adviser, sponsor and corporate broker to Flutter and no one else in connection with the Combination and Admission. In connection with such matters, Goldman Sachs, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any person other than Flutter for providing the protections afforded to their clients or for providing advice in relation to the Combination, the Admission, the contents of this Prospectus or any transaction, arrangement or other matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Goldman Sachs by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Goldman Sachs and its affiliates, directors, officers, employees and advisers, accept no responsibility or liability whatsoever for, and do not make any representation or warranty, express or implied, as to the contents of this Prospectus, including its accuracy, completeness or verification or for any other statement made or purported to be made in connection with Flutter, TSG, the Combined Group or the Combination (including, without limitation, under section 1349 of the Companies Act 2014, or Regulation 35 of the Irish Prospectus Regulations), and nothing in this Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Goldman Sachs accordingly disclaims to the fullest extent permitted by law all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

PJT Partners, which is authorised and regulated by the FCA in the United Kingdom, is acting as financial adviser to Flutter and no one else in connection with the Combination and Admission. In connection with such matters, PJT Partners, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any person other than Flutter for providing the protections afforded to their clients or for providing advice in relation to the Combination, the Admission, the contents of this Prospectus or any transaction, arrangement or other matter referred to herein.

PJT Partners and its affiliates, directors, officers, employees and advisers, accept no responsibility or liability whatsoever for, and do not make any representation or warranty, express or implied, as to the contents of this Prospectus, including its accuracy, completeness or verification or for any other statement made or purported to be made in connection with Flutter, TSG, the Combined Group or the Combination (including, without limitation, under section 1349 of the Companies Act 2014, or Regulation 35 of the Irish Prospectus Regulations), and nothing in this Prospectus is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. PJT Partners accordingly disclaims to the fullest extent permitted by law all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

### **Canadian Investors**

No securities regulatory authority in any province or territory of Canada has expressed an opinion about these securities and it is an offence to claim otherwise. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or public offering of securities in Canada.

The New Shares to be issued to shareholders of TSG (the “**TSG Shareholders**”) in connection with the Combination will be issued pursuant to an exemption from the prospectus requirements of applicable Canadian securities laws under section 2.11 of National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators and will generally not be subject to any resale restrictions under applicable Canadian securities laws provided that the following conditions are satisfied: (i) the Combined Group is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade (pursuant to section 2.9 of National Instrument 45-102 *Resale Restrictions* of the Canadian Securities Administrators, following the completion of the Combination, the Combined Group will be deemed to have been a reporting issuer from the time that TSG became a reporting issuer in a jurisdiction of Canada, satisfying this requirement) so long as the Combined Group remains a reporting issuer; (ii) the trade is not a control distribution; (iii) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade; (iv) no extraordinary commission or consideration is paid to a person or company in respect of the trade; (v) if the selling securityholder is an insider or officer of the Combined Group, the selling securityholder has no reasonable grounds to believe that the Combined Group is in default of applicable Canadian securities legislation (each as set out in subsection 2.6(3) of National Instrument 45-102 *Resale Restrictions* of the Canadian Securities Administrators); and (vi) such holder is not a person or company engaged in or holding itself out as engaging in the business of trading securities or such trade is made in accordance with applicable dealer registration requirements or in reliance upon an exemption from such requirements.

The receipt of New Shares pursuant to the Combination by a Canadian resident TSG Shareholder may be a taxable transaction for Canadian income tax purposes.

TSG Shareholders should consult with their own financial, tax and legal advisers with respect to any restrictions on the resale of New Shares received following Completion and regarding the tax consequences of the Combination.

### **US Investors**

In connection with the Combination, Flutter will issue New Shares to existing TSG Shareholders in consideration for the acquisition by Flutter of the issued and outstanding common shares of TSG held by them. TSG is a Canadian company incorporated under the laws of the Province of Ontario and is a “foreign private issuer” as defined under the US Securities Exchange Act of 1934 (the “**US Exchange Act**”). The Plan of Arrangement will be submitted for approval at a meeting of TSG Shareholders to consider the Combination, which will be subject to the proxy solicitation requirements of Canadian securities law and Ontario corporate law, but will not be subject to the proxy solicitation rules under the US Exchange Act which do not apply to TSG as a foreign private issuer. As a result, the information included in the proxy circular delivered to TSG Shareholders in the United States may not be comparable to the information contained in proxy circulars for US domestic public companies.

The New Shares have not been and will not be registered under the US Securities Act of 1933 (the “**US Securities Act**”) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into or from the United States absent registration under the US Securities Act or an exemption therefrom, and in compliance with applicable state securities laws. The New Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof and corresponding exemptions under state securities laws. Section 3(a)(10) of the US Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely notice thereof. Flutter shall not be required to deliver New Shares to any existing TSG Shareholders located in any state where no corresponding securities registration or qualification exemption is available. Instead, Flutter shall be entitled to deliver the New Shares to which TSG Shareholders in such states would otherwise have been entitled to a selling

agent appointed by Flutter. The selling agent shall be directed to sell all the New Shares delivered to it, and to deliver to each TSG Shareholder in any such state its proportionate entitlement to the net cash proceeds of the sales of such New Shares. TSG Shareholders (whether or not they are located in the United States or US persons (as defined within Regulation S)) who are or will be affiliates (as defined within the US Securities Act) of Flutter prior to or after the Effective Date will be subject to certain US transfer restrictions relating to the New Shares received pursuant to the Combination that are applicable to affiliates of an issuer. For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by section 3(a)(10), TSG will advise the Court before the hearing that its approval of the Plan of Arrangement and determination of its procedural and substantive fairness to TSG Shareholders will be the basis on which Flutter will rely on the section 3(a)(10) exemption.

The financial information relating to Flutter included in this Prospectus has not been prepared in accordance with accounting standards applicable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States and therefore may not be comparable with financial information prepared in accordance with such standards. Further, the audited financial statements relating to Flutter included in this Prospectus have not been audited in accordance with public company auditing standards and practices applicable in the United States and may not be comparable to financial statements audited in accordance with such standards and practices.

The receipt of New Shares pursuant to the Combination by a US TSG Shareholder may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other, tax laws. Each TSG Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Combination.

It may be difficult for US TSG Shareholders to enforce their rights and claims arising out of the US federal securities laws, since Flutter and TSG are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US TSG Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement. US TSG Shareholders should note that the New Shares will not be listed on a US securities exchange. Although Flutter will become subject to the periodic reporting requirements of the US Exchange Act as a result of the Combination as a successor registrant to TSG, Flutter intends to take steps to terminate its US Exchange Act reporting obligations following the completion of the Combination, following which it will not be required to file any reports with the US Securities and Exchange Commission (the "SEC") thereunder.

None of the securities referred to in this Prospectus have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence.

### **Restricted Jurisdictions**

Unless otherwise determined by Flutter or required by applicable law, and in such circumstances, only to the extent permitted by applicable law and regulation, no person will be permitted to receive New Shares in, or from, a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction. Accordingly, copies of this Prospectus and all documents relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Prospectus and all documents relating to the Combination (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of New Shares under the Combination to TSG Shareholders who are not resident in Ireland, the United Kingdom, Canada or the United States may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in such jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements. Flutter shall not be required to deliver New Shares to any existing TSG Shareholders located in a Restricted Jurisdiction. Instead, Flutter shall be entitled to deliver the New Shares to which TSG Shareholders in such Restricted Jurisdictions would otherwise have been entitled to a selling agent appointed by Flutter. The selling agent shall be directed to sell all the New Shares delivered to it, and to deliver to each TSG Shareholder in any such Restricted Jurisdiction its proportionate entitlement to the net cash proceeds of the sales of such New Shares.

This Prospectus is dated 27 March 2020

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## SUMMARY

### A. INTRODUCTION AND WARNINGS

*Name and international securities identifier number (“ISIN”) of the securities*

Ordinary shares in the share capital of Flutter Entertainment plc with a nominal value of €0.09 each (the “**Ordinary Shares**”); ISIN code IE00BWT6H894.

*Identity and contact details of the issuer, including its Legal Entity Identifier (“LEI”)*

Flutter Entertainment plc (“**Flutter**” or the “**Company**”) is a public limited company, incorporated in Ireland. Its registered office is at Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, D04 V972, Ireland. Flutter’s telephone number is +353 1800 238 888 and its LEI is 635400EG4YIJLJMZJ782.

*Identity and contact details of the competent authority approving the prospectus*

This prospectus (the “**Prospectus**”) has been approved by the Central Bank of Ireland, as competent authority, with its head office at New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3, Ireland and telephone number: +353 1 224 5800, in accordance with Regulation (EU) 2017/1129.

*Date of approval of the prospectus*

This Prospectus was approved on 27 March 2020.

*Warning*

This summary has been prepared in accordance with Article 7 of Regulation (EU) 2017/1129 and should be read as an introduction to the Prospectus. Any decision to invest in the Ordinary Shares should be based on a consideration of the Prospectus as a whole by the investor. An investor could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.

### B. KEY INFORMATION ON THE ISSUER

*Who is the issuer of the securities?*

*Domicile, legal form, LEI, jurisdiction of incorporation and country of operation*

Flutter is a public limited company incorporated, operating under the laws of, and domiciled in Ireland. Flutter’s LEI is 635400EG4YIJLJMZJ782. Flutter was incorporated in Ireland on 8 April 1958 with registered number 16956.

*Principal activities*

Flutter is a highly diversified global online-led sports betting and gaming operator with over 7 million Active Customers globally, consolidated revenues of £2.14 billion and Underlying EBITDA (pre-IFRS 16) of £385 million for the financial year ended 31 December 2019. Flutter owns and operates a portfolio of premium betting brands including Paddy Power (UK and Ireland), Betfair (UK, Ireland and International), Sportsbet (Australia), TVG Network and FanDuel (USA), and Adjarabet (Georgia and Armenia), maintaining podium positions (i.e. top 3 positions in the relevant jurisdiction, based on market share of gross gaming revenue in that jurisdiction) in the majority of major regulated markets.

On 2 October 2019, Flutter and The Stars Group Inc. (“TSG”) jointly announced that they had reached agreement on the terms of a recommended all-share combination (the “**Combination**”) to be implemented through an acquisition of all of the issued and outstanding common shares of TSG by Flutter pursuant to a Court approved plan of arrangement under the *Business Corporations Act (Ontario)* involving TSG, its shareholders (“**TSG Shareholders**”) and Flutter (the “**Plan of Arrangement**”). If completed, the Combination will bring together two complementary businesses (the “**Combined Group**”) to create a global leader in sports betting and gaming.

TSG is a provider of technology-based product offerings in the global gaming and interactive entertainment industries. Its brands have millions of registered customers globally and collectively are leaders in online and mobile betting, poker, casino and other gaming-related offerings. TSG owns or licenses gaming and related consumer businesses and brands, including PokerStars, PokerStars Casino, BetStars, Full Tilt, FOX Bet, BetEasy, Sky Bet, Sky Vegas, Sky Casino, Sky Bingo, Sky Poker, and Oddschecker, as well as live poker tour and events brands, including the PokerStars Players No Limit Hold’em Championship, European Poker Tour and Asia Pacific Poker Tour.

### *Major shareholders*

The following table contains information with respect to the direct or indirect shareholdings in Flutter of (a) each holder of Ordinary Shares (“**Flutter Shareholders**”) as at the close of business on 25 March 2020 (being the latest practicable date prior to the date of this Prospectus for ascertaining certain information contained herein) (the “**Latest Practicable Date**”) which are notifiable under Irish law and (b) each person which is expected to be notifiable under Irish law after completion of the Combination (calculated on a fully-diluted basis), in each case so far as is known to Flutter by virtue of notifications made to the Company or, in the case of holders of the issued share capital of TSG (“**TSG Shareholders**”), to TSG under applicable law. As at the Latest Practicable Date, the Company is not aware of any person who, directly or indirectly, exercises or could exercise control over the Company.

<b>Shareholder</b>	<b>Amount of Ordinary Shares and voting rights as at the Latest Practicable Date</b>		<b>Amount of Ordinary Shares and voting rights following completion of the Combination<sup>(1)</sup></b>	
	<b>Number of Ordinary Shares</b>	<b>Percentage of voting rights</b>	<b>Number of Ordinary Shares</b>	<b>Percentage of voting rights</b>
The Capital Group Companies, Inc.	14,305,994	18.25%	19,310,629	13.34%
Parvus Asset Management				
Europe Limited	8,695,282	11.09%	8,695,282	6.00%
Massachusetts Financial Services				
Company	6,249,597	7.97%	6,249,597	4.32%
HSBC Holdings plc	5,582,116	7.12%	5,582,116	3.85%
Blackrock, Inc.	4,801,693	6.13%	5,882,966	4.06%
Caledonia (Private) Investments Pty Limited	3,992,140	5.09%	16,141,644	11.15%
Citigroup Global Markets Limited	3,772,073	4.81%	6,064,814	4.19%
David Power	3,472,822	4.43%	3,472,822	2.40%
Marathon Asset Management LLP	2,411,233	3.08%	2,411,233	1.67%

Notes:

<sup>(1)</sup> Assumes the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination and includes both Existing Shares held by, and New Shares issued to, certain shareholders of both Flutter and TSG.

### *Key managing directors*

The members of Flutter’s Board of Directors (the “**Flutter Board**”) are Gary McGann, Ian Dyson, Peter Jackson, Jonathan Hill, Jan Bolz, Zillah Byng-Thorne, Michael Cawley, Nancy Cruickshank, Andrew Higginson, Peter Rigby and Emer Timmons. Following completion of the Combination, the members of the Flutter Board will be Gary McGann, Divyesh (Dave) Gadhia, Andrew Higginson, Peter Jackson, Jonathan Hill, Rafael (Rafi) Ashkenazi, Zillah Byng-Thorne, Michael Cawley, Nancy Cruickshank, Ian Dyson, Richard Flint, Alfred F. Hurley, Jr., David Lazzarato, Peter Rigby and Mary Turner.

### *Identity of the statutory auditors*

Flutter’s statutory auditor is KPMG of 1 Stokes Place, St. Stephen’s Green, Dublin 2, D02 DE03, Ireland.

### *What is the key financial information regarding the issuer?*

#### *Selected historical financial information*

The following tables set out selected historical financial information which has been derived from Flutter and TSG’s consolidated statements of profit or loss, financial position and cash flows as at the dates and for the periods indicated, respectively. The selected consolidated financial information set out below for Flutter has been derived from the audited consolidated financial statements of Flutter as at and for the year ended 31 December 2019, the accompanying notes thereto and the independent auditor’s report thereon. The selected consolidated financial information set forth below for TSG has been extracted from the audited consolidated financial statements of TSG as at and for the year ended 31 December 2019, the accompanying notes thereto and the independent auditor’s report thereon.

*Consolidated income statement of Flutter*

	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	£'m (except per share amounts)	£'m (except per share amounts)
Revenue	2,140.0	1,873.4
EBITDA <sup>(1)</sup>	407.8	423.0
Group operating profit/(loss)	149.9	204.6
Profit/(loss) for the year	111.9	180.7
Earnings per share		
Basic	£1.832	£2.417
Diluted	£1.822	£2.404

Notes:

- <sup>(1)</sup> EBITDA is defined as profit for the year before depreciation, amortisation and impairment, financial income, financial expense and tax expense/credit. It is considered by the Flutter Directors to be a key measure of the Flutter Group's financial performance.

*Consolidated statement of financial position of Flutter*

	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	£'m	£'m
Total assets	5,401.2	5,178.5
Total equity	4,189.6	4,211.3

*Consolidated statement of cash flows of Flutter*

	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	£'m	£'m
Net cash from operating activities	419.4	330.4
Net cash used in investing activities	(234.2)	(74.3)
Net cash used in financing activities	(205.9)	(436.5)

*Consolidated statements of earnings/(loss) of TSG*

	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	\$'000 (except per share amounts)	\$'000 (except per share amounts)
Revenue	2,528,448	2,029,238
Operating income	264,199	260,124
Net earnings/(loss)	61,862	(108,906)
Earnings/(loss) per Common Share (US dollars)		
Basic	\$0.22	\$(0.49)
Diluted	\$0.22	\$(0.49)

*Consolidated statements of financial position of TSG*

	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Total assets	11,275,782	11,265,538
Total equity	4,519,443	4,153,400

*Consolidated statements of cash flows of TSG*

	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Net cash inflows from operating activities	670,634	559,844
Net cash outflows from investing activities	(139,784)	(1,934,173)
Net cash (outflows)/inflows from financing activities	(636,885)	1,592,579

*Key pro forma financial information*

The unaudited pro forma consolidated financial information of the Combined Group addresses a hypothetical situation and has been prepared for illustrative purposes only; namely, to illustrate the effect on Flutter's income statement as if the Combination

had taken place as at 1 January 2019 and on Flutter's net asset statement as if the Combination had taken place as at 31 December 2019. It does not represent Flutter's actual results of operations or financial condition or what the Combined Group's actual results of operations or financial condition would have been if the Combination had been completed on the dates indicated. The key pro forma financial information set forth below has been derived from the unaudited pro forma consolidated financial information.

*Unaudited pro forma consolidated income statement for the year ended 31 December 2019*

Income statement of Flutter for the year ended 31 December 2019	Income statement of TSG for the year ended 31 December 2019		Income statement of TSG for the year ended 31 December 2019		Cost of transaction	Pro forma adjustments	Pro forma income statement of Flutter for the year ended 31 December 2019 as if Completion had occurred
	£'m Note 1	\$'m Note 2	£'m Note 2	£'m Note 3			
				£'m			
Revenue .....	2,140.0	2,528.5	1,980.3	-			4,120.3
Gross profit .....	1,489.8	1,835.4	1,437.5	-			2,927.3
Operating profit .....	149.9	264.2	206.9	(58.3)			298.5
<b>Profit for the year .....</b>	<b>111.9</b>	<b>61.9</b>	<b>48.5</b>	<b>(58.3)</b>			<b>102.1</b>

Notes:

- (1) The consolidated financial information relating to Flutter has been extracted without adjustment from the audited consolidated income statement of Flutter for the year ended 31 December 2019 as contained in the Flutter 2019 Financial Statements.
- (2) The consolidated financial information relating to TSG has been extracted without adjustment from the audited consolidated statement of earnings/(loss) of TSG for the year ended 31 December 2019 as contained in the TSG 2019 Financial Statements and converted to pounds sterling at \$1.2768:£1, being the annual average \$:£ exchange rate over 2019 as derived from €:\$ and €:£ foreign exchange rates published by the European Central Bank.
- (3) Transaction costs have been estimated at £84.0 million, principally comprising financial advisory, legal/anti-trust, accounting, admission and other costs, of which £25.7 million had been expensed in 2019. The adjustment to the income statement is related to the transaction costs of £58.3 million that have not been recorded in either Flutter's financial information for the year ended 31 December 2019 or in TSG's financial information for the year ended 31 December 2019. No tax benefit has been assumed for the transaction costs. This adjustment does not have a continuing impact on the Combined Group.

*Unaudited pro forma consolidated statement of net assets as at 31 December 2019*

Net asset statement of Flutter as at 31 December 2019	Net asset statement of TSG as at 31 December 2019		Net asset statement of TSG as at 31 December 2019		Cost of transaction	Pro forma adjustments	Pro Forma net asset statement of Flutter as at 31 December 2019 as if Completion had occurred
	£'m Note 1	\$'m Note 2	£'m Note 2	£'m Note 3			
				£'m			
Total assets .....	5,401.2	11,275.8	8,539.6	(58.3)		2,621.0	16,503.5
Total liabilities .....	1,211.6	6,756.3	5,116.8	-		-	6,328.4
<b>Net assets/(liabilities) .....</b>	<b>4,189.6</b>	<b>4,519.5</b>	<b>3,422.8</b>	<b>(58.3)</b>		<b>2,621.0</b>	<b>10,175.1</b>

Notes:

- (1) The consolidated financial information relating to Flutter has been extracted without adjustment from the audited consolidated statement of financial position of Flutter as at 31 December 2019 as contained in the Flutter 2019 Financial Statements.
- (2) The consolidated financial information relating to TSG has been extracted without adjustment from the audited consolidated statement of financial position of TSG as at 31 December 2019 as published in the TSG 2019 Financial Statements and converted to pounds sterling at \$1.3204:£1, being the mid-spot \$:£ exchange rate as at 31 December 2019 as derived from €:\$ and €:£ foreign exchange rates published by the European Central Bank.
- (3) Transaction costs, principally comprising financial advisory, legal/anti-trust, accounting, admission and other costs, have been estimated at £84.0 million, of which £25.7 million had been expensed in 2019.
- (4) The unaudited pro forma statement of net assets has been prepared on the basis that the Combination will be treated as an acquisition of TSG by Flutter in accordance with IFRS 3 *Business Combinations* as though completion of the Combination occurred on 31 December 2019. The pro forma statement of net assets does not reflect any fair value adjustments to the acquired assets and liabilities required under IFRS 3 as the fair value measurement of these items can only be performed subsequent to completion of the Combination. For the purposes of the pro forma statement of net assets, the excess purchase consideration over the carrying amount of the net assets acquired has been attributed to goodwill and no pro forma impairment charge has been applied to the goodwill balance in the period presented. Following completion of the Combination, any fair value adjustments will be calculated by reference to applicable values at the Effective Date. When finalised following the completion of the Combination, the fair value adjustments may be material.

There are no qualifications in the accountants' reports on the financial information included in this Prospectus.

*What are the key risks that are specific to the issuer?*

The following is a selection of key risks that relate to Flutter, TSG and, following completion of the Combination, the Combined Group's industry and business, operations and financial condition. In making the selection, the Company has considered circumstances, such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact that the materialisation of the risk could have on Flutter, TSG and, following completion of the Combination, the Combined Group's business, financial condition, results of operations and prospects, and the attention that management of Flutter or the Combined Group, as applicable, would, on the basis of the current expectations, have to devote to these risks if they were to materialise.

- Completion is subject to the satisfaction or waiver of the Conditions and there may be an adverse impact on Flutter's reputation if the Combination does not proceed
- The integration of the business and operations of Flutter and TSG may be subject to significant unforeseen difficulties, which could adversely affect the business of the Combined Group
- The Combination will materially increase the indebtedness of Flutter which may restrict the Combined Group's operational flexibility
- Adverse changes to the regulation of online betting and gaming or the interpretation thereof by regulators could materially adversely affect the Combined Group
- A significant amount of the Combined Group's revenue is derived from jurisdictions where no regulatory framework exists and the approach to regulation and the legality of online betting and gaming varies from jurisdiction to jurisdiction and is subject to uncertainties
- The Combined Group may be unsuccessful in expanding its provision of online betting and gaming services into certain new and existing jurisdictions and markets where the regulatory status of the provision of such services has been clarified or liberalised
- Adverse changes to the taxation of betting and gaming or the imposition of statutory levies or other duties or charges could materially and adversely affect the operations, financial performance and prospects of the Combined Group
- Social responsibility concerns and public opinion regarding responsible gambling, gambling by minors and related matters could significantly influence the regulation of online betting and gaming and impact responsible gaming requirements and may adversely impact the reputation of the Combined Group
- The Combined Group's business and financial performance is likely to be affected by economic, social and political conditions, including the impact of the COVID-19 pandemic, globally and, in particular, in the jurisdictions in which it operates
- Flutter and TSG utilise different IT systems and platforms and the integration of those platforms in the Combined Group may cause challenges which could mean that the anticipated benefits of the integration of the businesses of Flutter and TSG in respect of IT systems may not be fully realised and/or the integration of different technologies, platforms, standards, processes, procedures and controls could result in the underperformance, interruption or failure of the IT systems of the Combined Group
- Flutter and TSG are, and therefore the Combined Group will be, highly dependent on the development and operation of its sophisticated technology and advanced information systems and could suffer failures, interruptions or disruptions to such systems or related development projects and/or could fail to effectively adopt and implement new technologies and systems required for the Combined Group's business to remain competitive
- The operating platforms used by Flutter, TSG and, following Completion, the Combined Group are and will be reliant on technologies and network systems, which may be vulnerable to cyber-attacks that negatively affect the customer experience or which could result in breach of privacy laws and misuse of customer data
- The financing synergies expected to result from the Combination will be subject to the availability of suitable refinancing options at the relevant time, which will depend on, among other factors, the state of the market for corporate debt

**C. KEY INFORMATION ON THE SECURITIES**

*What are the main features of the securities?*

*Type, class and ISIN*

The Ordinary Shares are ordinary shares in the share capital of Flutter with a nominal value €0.09 each. The ISIN of the Ordinary Shares is IE00BWT6H894.

*Currency, denomination, par value, number of securities issued and duration*

The Ordinary Shares are denominated in euro and trade in pounds sterling on the London Stock Exchange and in euro on Euronext Dublin. On Admission (as defined below), the issued share capital of Flutter will be up to €13,042,832.22, comprising up to 144,920,358 Ordinary Shares of €0.09 each, all of which will be fully paid or credited as fully paid on issue.

*Rights attached to the Ordinary Shares*

The holders of Ordinary Shares are entitled to vote on a poll on a one vote per Ordinary Share basis. The rights attaching to the Ordinary Shares upon Admission will be *pari passu* in all respects and they will form a single class for all purposes, including

with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of Flutter by reference to a record date on or after the Effective Date.

Subject to the provisions of the Companies Act 2014 of Ireland (the “**Companies Act**”), any equity securities issued by Flutter for cash must first be offered to the holders of Ordinary Shares in proportion to their holdings. The Companies Act and the UK Listing Rules allow for the disapplication of statutory pre-emption rights by way of a special resolution of the holders of Ordinary Shares, whether generally or specifically, for a maximum period not exceeding five years. These statutory pre-emption rights were last dis-applied in limited circumstances by Flutter Shareholders at the annual general meeting of the Company held on 15 May 2019. At the annual general meeting of Flutter Shareholders to be convened and held on 14 May 2020, Flutter Shareholders will be asked to renew the disapplication of pre-emption rights authority by reference to the enlarged issued share capital of Flutter following completion of the Combination. If approved, such authority will expire at the earlier of the close of the annual general meeting of Flutter held in 2021 or the close of business on 13 August 2021 (whichever is the earlier).

#### *Rank of securities in the issuer’s capital structure in the event of insolvency*

The Ordinary Shares do not carry any rights to participate in a distribution (including on a winding-up) other than those that exist under the Companies Act and Flutter’s Articles of Association (the “**Articles**”). The Ordinary Shares will rank *pari passu*.

#### *Restrictions on the free transferability of the securities*

Save for the Lock-up Agreement and the Voting Support Agreements, there are no agreements to which Flutter Shareholders are a party that are known to the Company that may result in restrictions on the transferability of Ordinary Shares.

Under the Articles, the Flutter Directors may decline to register a transfer of Ordinary Shares or to recognise an instrument of transfer in respect of Ordinary Shares in the circumstances permitted by the Companies Act and, in the case of uncertificated securities, the 1996 Regulations.

In addition, under the Articles, certain rights of Flutter Shareholders may be suspended and the Company may require the disposal of Ordinary Shares held by Flutter Shareholders in certain circumstances, including where any Gaming Regulatory Authority informs Flutter or any member of its group that any member of Flutter or any person interested or believed to be interested in shares of Flutter is, for whatever reason, unsuitable to be a person interested in shares of Flutter, not licenced or qualified to be a person interested in shares of Flutter or disqualified as a holder of interests in Flutter, in each case under any legislation regulating the operation of any betting or gaming activity undertaken or to be undertaken by Flutter or any member of its group.

#### *Dividend or payout policy*

Given the impact of the current disruption caused by COVID-19 and the ambition for the Combined Group to delever, the Flutter Board considers it prudent to suspend the dividend for the current financial year ending 31 December 2020. The Flutter Board will continue to monitor the calendar of sporting events and the associated performance of sports betting as well as the Combined Group’s anticipated deleveraging and balance sheet position to decide the appropriate time to reinstate a dividend for the Combined Group.

#### *Where will the securities be traded?*

As at the Latest Practicable Date, 78,388,576 existing Ordinary Shares (the “**Existing Shares**”) are publicly traded on the London Stock Exchange and Euronext Dublin, under the symbol “FLTR”.

Subject to completion of the Combination, applications will be made for (a) the admission to the premium listing segment of the Official List of the Financial Conduct Authority of the United Kingdom (the “**FCA**”) and to trading on the London Stock Exchange plc’s (the “**London Stock Exchange**”) main market for listed securities (together, the “**UK Admission**”) and (b) the admission to a secondary listing on the Official List of The Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) and to trading on the Euronext Dublin Market operated by Euronext Dublin (together, the “**Irish Admission**” and, together with the UK Admission, “**Admission**”), in each case of all of the issued and to be issued Ordinary Shares of the Company following completion of the Combination. The Ordinary Shares will trade on both the London Stock Exchange and Euronext Dublin Market under the symbol “FLTR”, with ISIN IE00BWT6H894 and will be registered with a SEDOL of BWXC0Z1.

#### *What are the key risks that are specific to the securities?*

The following are the key risks relating to the Ordinary Shares. In selecting these risks, the Company has considered circumstances, such as the probability of the risks materialising and the potential impact which the materialisation of these risks could have on holders of Ordinary Shares.

- The market price of the Ordinary Shares, including any New Shares, could be subject to significant fluctuations
- Risks of executing the Combination could cause the market price of Ordinary Shares, including any New Shares, to decline

## D. KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

### *Under which conditions and timetable can I invest in this security?*

Not applicable. This Prospectus does not constitute an offer or an invitation to any person to subscribe for or purchase any shares in the Company. The New Shares are being issued to TSG Shareholders in connection with the Combination and are not being offered to the public.

### *Expected Timetable of Principal Events*

<u>Event</u>	<u>Expected time/date</u>
TSG Shareholder Meeting .....	10.00 a.m. (Eastern time) on 21 April 2020, or shortly thereafter
Flutter EGM.....	11.00 a.m. (Irish time) on 21 April 2020
Long Stop Date for completion of the Combination.....	31 October 2020
<i>The following dates are indicative only and subject to change:</i>	
Court hearing in respect of the Final Order and Final Order obtained .....	23 April 2020, or shortly thereafter
TSG Articles of Arrangement issued by the OBCA Director and Flutter deposits the New Shares with the Depositary .....	A date expected to be in the second or third quarter of 2020 (“D”)
Expected Admission and commencement of dealings in New Shares, Completion .....	3.00 a.m. (Eastern time)/ 8.00 a.m. (Irish time) on D
New Shares credited to CREST accounts .....	As soon as reasonably practicable following delivery of letters of transmittal by former TSG Shareholders
Despatch of share certificates (where applicable).....	As soon as reasonably practicable following delivery of letters of transmittal by former TSG Shareholders

### *Delivery of Ordinary Shares*

Subject to completion of Combination, it is expected that Admission will become effective, and that dealings on the London Stock Exchange and Euronext Dublin in the New Shares will commence, at 8.00 a.m. (Irish time)/3.00 a.m. (Eastern time) on the Effective Date. From Admission, the New Shares will be capable of being held in uncertificated form and title to such New Shares may be transferred by means of a relevant system. Where New Shares are held in certificated form, certificates will be sent to the registered members by pre-paid post. Where New Shares are held in uncertificated form in CREST, the relevant CREST stock account of the registered members will be credited.

### *Dilution*

Subject to the Combination becoming effective, it is expected that up to 66,531,782 New Shares will be issued to TSG Shareholders. Assuming that the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination, this will result in Flutter’s issued share capital increasing by approximately 84.90%, relative to the number of Existing Shares in issue as at the Latest Practicable Date. If the Combination becomes effective, holders of Existing Shares (who are not also shareholders of TSG) will suffer an immediate dilution as a result of the Combination. Assuming that the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination, each holder of Existing Shares (who does not also hold shares of TSG) will be diluted by up to approximately 45.34%.

### *Estimated Expenses*

The total costs, charges and expenses payable by the Combined Group in connection with the Combination and Admission are estimated to be approximately £84 million.

### *Why is this prospectus being produced?*

On 2 October 2019, the Flutter Board and the TSG Board jointly announced that they had reached agreement on the terms of a recommended all-share combination to be effected by means of the Plan of Arrangement. The Prospectus is being produced in connection with Admission as contemplated by the terms of the Combination. It is expected that Admission will become effective, and that dealings on the London Stock Exchange and the Euronext Dublin Market in the Ordinary Shares will commence, at 8.00 a.m. (Irish time)/3.00 a.m. (Eastern time) on the Effective Date.

### *Use of proceeds*

The Company will not receive any proceeds in connection with Admission.

### *Most material conflicts of interest*

There are no conflicting interests that are material to the Combination.

## RISK FACTORS

A number of factors affect the operating results, financial condition and prospects of Flutter and TSG, and are expected to affect the Combined Group after Completion. The risks and uncertainties set out below represent those risks known to the Flutter Directors and the Proposed Directors as at the date of this Prospectus and include those risks relating to the Combination known to the Flutter Directors and the Proposed Directors as at the date of this Prospectus, in each case which the Flutter Directors and the Proposed Directors consider to be material. However, the risks and uncertainties set out below do not purport to be a complete list or explanation of all the risks and uncertainties facing Flutter and TSG, and which will face the Combined Group after Completion. Additional risks and uncertainties not currently known to the Flutter Directors or the Proposed Directors, or that they currently deem immaterial, may also have a material adverse effect on the business of Flutter and TSG, and on the business of the Combined Group in the future. If any, or a combination, of these risks occurs, the business, the financial condition, results of operations and prospects of Flutter and TSG, and, after Completion, the Combined Group could be materially and adversely affected. In such case, the price of Ordinary Shares may decline and investors could lose all or part of their investment.

### RISKS RELATING TO THE COMBINATION AND POTENTIAL FUTURE ACQUISITIONS

#### 1. *Completion is subject to the satisfaction or waiver of the Conditions and there may be an adverse impact on Flutter's reputation if the Combination does not proceed*

Completion is subject to the satisfaction or waiver of the Conditions as set out in the Arrangement Agreement and described in more detail in paragraph 8.1 (*Material contracts of the Flutter Group*) of Part VIII (*Additional Information*) of this Prospectus, including, amongst other things, the approval of Flutter Shareholders at the Flutter EGM, the approval of the TSG Resolution by at least 66<sup>2/3</sup>% of the votes cast by TSG Shareholders, present in person or represented by proxy, at the TSG Shareholder Meeting, the approval of the Court, the FCA, the London Stock Exchange and Euronext Dublin agreeing to provide the necessary listing and trading admissions in respect of Flutter's enlarged share capital and the receipt of all required regulatory and anti-trust approvals and gaming consents. If the Conditions are not satisfied or, where applicable, waived on or before the Long Stop Date, neither the Combination nor Admission will proceed, the benefits expected to result from the Combination will not be achieved, none of the New Shares will be issued and the market price of Ordinary Shares and TSG Shares may be adversely affected.

The regulatory approval processes and/or the anti-trust clearance processes required to implement the Combination may take a lengthy period of time to complete, which could delay Completion beyond its currently anticipated date or result in the abandonment of the Combination. In addition, as part of such approval processes, the relevant anti-trust authorities may impose conditions on Completion, such as the divestiture of certain business and assets of Flutter or TSG, or require changes to the terms of the Combination, including Conditions which are not commercially acceptable to Flutter and/or TSG. The terms and conditions of regulatory approvals that are granted, or any undertakings required from Flutter and/or TSG in order for such approvals to be granted, may impose additional requirements, limitations or costs on the business of the Combined Group. There can be no assurance that these terms, conditions or undertakings will not materially adversely affect the business of the Combined Group including, in particular, limiting the revenues of the Combined Group, increasing the costs of the Combined Group and reducing the ability of the Combined Group to achieve the anticipated cost synergies.

The Arrangement Agreement can be terminated by mutual consent of Flutter and TSG, or by either of them in certain circumstances set out in the Arrangement Agreement and described in more detail in paragraph 8 (*Material contracts*) of Part VIII (*Additional Information*) of this Prospectus. If the Combination does not proceed then, under certain circumstances, Flutter may also be required to pay a termination fee of approximately £60 million to TSG. The termination fee is payable by Flutter to TSG upon the termination of the Arrangement Agreement if: (i) the Combination is not consummated by the Long Stop Date because the mutual condition relating to obtaining Regulatory Approvals and Gaming Consents is not satisfied or a governmental entity has taken an action with respect to the required Regulatory Approvals (other than in respect of the approval under the *Investment Canada Act* or Foreign Investment Review Board Australia) that makes the Completion illegal or prohibited (provided in each case that TSG is not in breach of its covenants regarding Regulatory Approval and Gaming Consents and TSG Shareholder approval has been obtained); (ii) Flutter Shareholder approval is not obtained, provided the TSG Shareholder approval has been obtained; (iii) the Flutter Board changes its recommendation that the Flutter Shareholders approve the Combination or Flutter shall have wilfully or intentionally breached its non-solicitation obligations in any material respect; or (iv) Flutter enters into a Superior Proposal in compliance with the Arrangement Agreement.

The termination payment could discourage other parties from attempting to acquire Ordinary Shares or otherwise make an Acquisition Proposal to Flutter, even if those parties would otherwise be willing to offer greater value to Flutter Shareholders than that being provided under the Combination. In addition, if the Combination does not proceed, there may be an adverse impact on the reputation of the Flutter Group due to amplified media scrutiny arising in connection with the attempted Combination.

2. ***The integration of the business and operations of Flutter and TSG may be subject to significant unforeseen difficulties, which could adversely affect the business of the Combined Group***

The integration of the operations of Flutter and TSG will be a substantial challenge, requiring significant management attention and other resources and the Combined Group may be unable to efficiently integrate the operations of Flutter and TSG, realise cost reductions or avoid unforeseen costs or delays in the integration process.

The successful integration of the two groups will be subject to a number of risks and difficulties, including:

- the potential unexpected loss of key personnel and customers;
- challenges in harmonising business cultures;
- difficulties in integrating the financial, regulatory, technological and management standards, processes, procedures and controls of the two groups;
- continuing to integrate the business and operations of Flutter's and TSG's recent acquisitions, including TSG's acquisition of SBG;
- challenges in managing the increased scope, geographic diversity and complexity of the Combined Group's operations;
- attempts by third-parties to terminate or alter their contracts with Flutter or TSG as a result of the Combination;
- failure to mitigate contingent and/or assumed liabilities; and
- disruption to the services provided by each company's ongoing business to customers.

If some or all of these risks or difficulties materialise, or materialise to a greater degree than has been anticipated, the integration of Flutter and TSG could fail or be delayed or lead to higher than anticipated integration costs and may divert management time when seeking to deal with such issues. In those circumstances, the Combined Group may not be able to achieve the joint growth potential and synergies that underpin the economic and strategic rationale for the Combination. Moreover, this could affect the services that each of Flutter and TSG currently provide and the Combined Group will provide going forward and its ability to develop and launch new products and could have a material adverse impact on relationships with customers, regulators, employees, suppliers and other market participants. The image of the Combined Group and its individual brands might also be harmed by a failed integration.

In particular, combining the resources of two groups that rely on different technology platforms may prove costly and technically difficult to achieve. For further information on risks specific to the integration of Flutter and TSG's technology platforms please see the risk factor entitled "*Flutter and TSG utilise different IT systems and platforms and the integration of those platforms in the Combined Group may cause challenges which could mean that the anticipated benefits of the integration of the businesses of Flutter and TSG in respect of IT systems may not be fully realised and/or the integration of different technologies, platforms, standards, processes, procedures and controls could result in the underperformance, interruption or failure of the IT systems of the Combined Group*" in paragraph 27 below.

3. ***The Combination will materially increase the indebtedness of Flutter which may restrict the Combined Group's operational flexibility***

As at 31 December 2019, the Flutter Group had £372.8 million outstanding in total borrowings and the TSG Group had \$4.931 billion of outstanding long-term indebtedness. In the current financial year, the impact of the

disruption caused by COVID-19 to the global online betting and gaming sector, in particular the cancellation of major sporting events, is expected to impact the financial profile of the Combined Group. While the Flutter Board expects this impact to reduce over time, the current impact is likely to leave the Net Debt to Underlying EBITDA (pre-IFRS 16) ratio of the Combined Group at the end of the first financial reporting period following Completion higher than 3.5x, excluding synergies. For further information on the expected impact of COVID-19 on Flutter and TSG, see paragraph 9 (*Current trading and trend information of Flutter*) of Section A (*Information on Flutter*) of Part II (*Information on the Combined Group*) and paragraph 9 (*Current trading and trend information of TSG*) of Section B (*Information on TSG*) of Part II (*Information on the Combined Group*) of this Prospectus. Although, in Flutter's opinion, the working capital available to the Combined Group is sufficient for its present requirements, that is, for at least the next 12 months following the date of this Prospectus, like any company with borrowings, the Combined Group will be subject to the risk that, in the longer term, it may be unable to generate sufficient cash flow, or obtain sufficient funding, to satisfy its obligations to service or refinance this indebtedness. The Flutter Directors and the Proposed Directors believe that the Flutter Group's current financial condition, cash generation and capital reserves, coupled with those of the TSG Group, are sufficient to enable the Combined Group to comply with the financial covenants under its loan facilities for at least the next 12 months from the date of this Prospectus.

Nevertheless, the amount and terms of the TSG Group's indebtedness may limit its financial and operational flexibility and, following Completion, the financial and operational flexibility of the Combined Group including:

- limiting or restricting the Combined Group's or its subsidiaries' ability to pay dividends or make other distributions;
- requiring the use of available cash flow to service debt obligations, preventing acquisitions or limiting capital expenditure or other investment in the Combined Group's business;
- placing the Combined Group at a disadvantage compared to its competitors that may be less leveraged or restricted by financial covenants; and
- increasing the cost of servicing the Combined Group's borrowings in the event that such covenants have to be renegotiated.

As of 31 December 2019, a portion of the TSG Group's total debt was subject to variable interest rates, which exposes the TSG Group and, following Completion, the Combined Group, to interest rate risk to the extent that the Combined Group either chooses, or is unable, to hedge against that risk. If interest rates were to increase, TSG's debt service obligations on such variable rate indebtedness would increase even though the amount borrowed remained the same, and as a result, the TSG Group's and the Combined Group's net income and cash flows, including cash available for debt service and to pay dividends or fund other distributions (such as share repurchases) would correspondingly decrease. Although the TSG Group has entered into, and from time to time in the future may enter into additional, hedging instruments that it anticipates will result in fixed interest rates and/or lower interest payments on existing debt and potentially mitigate the impact of interest rate and exchange rate fluctuations, in particular in the euro and pound sterling to US dollar exchange rates with respect to such debt, there can be no assurance that the anticipated benefits will be realised and as such, the TSG Group remains, and following Completion, the Combined Group will be, subject to the risk of fluctuations in interest and exchange rates described herein. Subject to Completion, the Combined Group may amend and/or decide not to maintain some or all of the interest rate swaps with respect to some or all of the TSG Group's variable rate indebtedness, and any swaps the Combined Group enters into may not fully mitigate its interest rate risk. Any such changes are expected to take effect on or around the time of Completion, or shortly thereafter, subject to prevailing market conditions.

**4. *The Combined Group may not realise the targeted level of synergies, cost savings and other anticipated benefits of the Combination in full, at all or in the expected timeframe***

Flutter and TSG expect that the Combination will generate material pre-tax cost synergies of approximately £140 million per annum, with target run-rate phasing of £25 million, £115 million and £140 million in the three 12-month periods following Completion. The estimates regarding the quantum and timing of potential cost synergies, savings opportunities and other anticipated benefits resulting from the Combination included in this Prospectus are based on the Flutter Directors' and the Proposed Directors' assessment of information currently available and may prove to be incorrect. The Combined Group may not realise the anticipated synergies, cost saving or other benefits of the Combination in a timely manner or at all or may encounter difficulties or higher

costs in achieving these anticipated benefits and synergies. In particular, as described in further detail in paragraph 2.3 (*Deliver significant value for shareholders through the realisation of material cost synergies*) in Part I (*Information on the Combination*) of this Prospectus, there are various material assumptions underlying the statement of estimated cost synergies, which may result in the value of the estimated cost synergies being greater or less than anticipated, or which could result in the delay of their delivery. A failure to deliver all, or substantially all, of the expected cost synergies and saving opportunities or to realise such benefits in a timely manner, or at all, may result in the Combined Group's operating costs being greater than anticipated and may reduce the net benefits of the Combination.

While the Flutter Directors and the Proposed Directors also expect the Combination to generate revenue cross-sell opportunities, financing synergies and capital expenditure synergies, these synergies have not been quantified and the Combined Group may not be able to realise any or all of these expected benefits.

**5. *The terms of the Combination may restrict the Combined Group's ability to expand in certain US markets and its ability to fully integrate the respective US businesses of Flutter and TSG following Completion***

TSG is, and following Completion the Combined Group will be, party to the FOX Bet Agreements which provide for arrangements with FOX relating to the FOX Bet business, as detailed in paragraph 8.2 (*Material contracts of the TSG Group*) of Part VIII (*Additional Information*) of this Prospectus. As described in paragraph 8.2 of Part VIII (*Additional Information*), the FOX Bet Agreements contain exclusivity provisions which will, from Completion, restrict the Combined Group from engaging in business which competes with FOX Bet in the USA. The terms of that exclusivity restriction, as it may apply to FanDuel following Completion, were amended (including the grant of certain waivers by FOX) pursuant to the Term Sheets entered into with FOX (the terms of which are summarised in the sub-paragraph entitled "*Certain term sheet agreements in connection with the Combined Group's US business*" in paragraph 8.1 (*Material contracts of the Flutter Group*) in Part VIII (*Additional Information*) of this Prospectus). Under the Term Sheet entered into with FOX, the exclusivity restrictions referenced above will not apply to FanDuel provided that FanDuel does not, without FOX's prior consent, undertake any material M&A or fundamental business change. This would restrict FanDuel from, amongst other things: (i) making minority investments of more than \$50 million in any third party; (ii) acquiring any business or assets worth more than \$75 million; or (iii) investing in any digital sports betting business that does not use the FanDuel brand (subject to certain exceptions), without the consent of FOX.

It is the current intention, and following Completion it is expected to be the intention of the Combined Group, to discuss and negotiate the future ownership and operations of the US businesses of the Combined Group with FOX and other interested stakeholders. In the event that further agreement is not achieved, the integration of the US businesses of the Combined Group following Completion will be subject to the terms of the existing arrangements with FOX, which may limit the Combined Group's ability to operate its US businesses in the most efficient manner. Further, in the absence of such further agreement, the limitations on the scope of the waivers granted by FOX in respect of FanDuel may result in the Combined Group not having the flexibility to operate FanDuel as it would in the absence of such restrictions.

**6. *The Combined Group will incur significant Combination-related costs, which may be higher than expected***

The Combined Group expects to incur aggregate cash costs of approximately £180 million in delivering the identified annual cost synergies. These costs are expected to be incurred in the first two years following Completion. In addition, the Combined Group expects to incur financial advisory, legal/anti-trust, accounting, admission and other transaction costs of approximately £84 million in connection with the implementation of the Combination and Admission. Some of these costs are payable regardless of whether the Combination is completed (for example, where advisers are entitled to be paid for work undertaken up to the point at which the Combination is terminated) and such costs may be higher than anticipated.

In addition to these costs, the Combined Group expects to incur a number of additional non-recurring costs associated with integrating the operations of Flutter and TSG after Completion. There can be no assurance that the actual costs of this integration process will not exceed those estimated and the actual integration process may result in additional and unforeseen expenses.

While it is expected that the cost savings and synergies achieved by the Combined Group will offset these transaction and integration-related costs over time, this net benefit may not be achieved in the expected timeframe

or at all, particularly if the Combination is delayed or does not happen. Similarly, if costs are higher than Flutter anticipates, it may reduce the net benefits of the Combination.

**7. *The potentially disruptive effect of the Combination on Flutter and TSG could have an adverse effect on the business of the Combined Group***

Whether or not Completion occurs, the prospect of the Combination completing and the anticipated resulting changes in the respective businesses of Flutter and TSG could cause disruption in the businesses of Flutter and/or TSG. If Completion does occur, the process of integrating the businesses of the Combined Group could potentially lead to the interruption of operations of the businesses, system integration issues, the diversion of management time away from their usual roles and/or a loss of key personnel. In addition, the process of integrating the respective businesses of Flutter and TSG and the related time and resource commitments could interfere with existing business processes within Flutter and/or TSG, including, in particular, the development of new and existing products and services.

Following the mutual due-diligence exercise undertaken in connection with the Combination prior to the announcement of the Combination on 2 October 2019, the evaluation of cost savings opportunities following Completion remains ongoing and final proposals as to how such cost savings will be implemented will depend on the outcome of a further detailed business, operational and administrative review and the development of an integration plan, each of which will be finalised following Completion. As a result, while integration planning remains ongoing, some current and prospective employees may experience uncertainty about their future roles within the Combined Group, which may adversely affect Flutter's and TSG's and, following Completion, the Combined Group's ability to retain or recruit key managers and other employees.

**8. *Flutter Shareholders will experience dilution as a result of the Combination***

If the Combination becomes effective, it is expected that up to 66,531,782 New Shares will be issued to TSG Shareholders. Assuming that the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination, this will result in Flutter's issued share capital increasing by approximately 84.90%, relative to the number of Existing Shares in issue as at the Latest Practicable Date. If the Combination becomes effective, holders of Existing Shares (who are not also TSG Shareholders) will suffer an immediate dilution as a result of the Combination. Assuming that the maximum number of New Shares are issued to TSG Shareholders pursuant to the Combination, each holder of Existing Shares (who is not also a TSG Shareholder) will be diluted by up to approximately 45.34%. If the Combination becomes effective, TSG Shareholders will, following Completion and assuming that the maximum number of New Shares is issued to TSG Shareholders, hold approximately 45.34% of the Company's enlarged issued share capital (based on the fully diluted ordinary share capital of the Company and the fully diluted share capital of TSG as at the Latest Practicable Date and assuming no further share issuances). If the Combination becomes effective, Flutter Shareholders will therefore experience dilution in their ownership and voting interests in Flutter at Admission.

**9. *The Combined Group may be unsuccessful in the implementation of future acquisitions, joint ventures or alliances in existing jurisdictions***

Following the Combination, the Combined Group may seek to acquire or invest in other businesses if appropriate opportunities become available. Any future acquisition may pose regulatory, anti-trust and other risks, as well as integration risks in jurisdictions where the Combined Group already has a presence due to the Combined Group's size. Due to the regulatory environment in which the Combined Group will operate, it faces restrictions with respect to the way in which it conducts certain operations. These may limit the Combined Group's ability to implement its global strategy and its ability to achieve synergies as a consequence of the Combination or any future combinations. Additionally, the Combined Group may experience certain competitive disadvantages if it does not receive necessary regulatory approvals for new business initiatives, or if it receives them in an untimely manner. In particular, where the Combined Group already operates in a particular jurisdiction, certain competitors may be able to obtain regulatory approval more rapidly or with less cost or difficulty than the Combined Group, providing them with an advantage in a new market or product area. Competitors may be able to respond more quickly to competitive pressures, especially if they are not subject to the same degree of regulatory oversight as the Combined Group.

All of the foregoing factors may limit the Combined Group's ability to achieve future business growth. Such risk extends to new acquisitions or mergers and will be particularly relevant if the Combined Group seeks to develop business initiatives in existing jurisdictions.

**10. *Rights to terminate upon a change-of-control of TSG in TSG's contracts may be exercised by counterparties in connection with the Combination***

TSG is party to a number of ordinary course contracts that enable the counterparty to terminate the relevant contract on a change-of-control of TSG. While TSG has not identified any material contracts under which the counterparty is expected to exercise a right to terminate such contract as a result of the Combination, there can be no assurance that these contracts will not be terminated or that TSG has identified all contracts with change-of-control clauses that are material to its business or the business of the Combined Group. In addition, some of these counterparties could also seek to renegotiate these contracts as they consider exercising any such termination rights (including rights to terminate for convenience irrespective of change-of-control). There can be no assurance that the TSG Group or the Combined Group will be able to renegotiate any such contracts on favourable terms or at all. If a counterparty to a contract exercises their right to terminate a material contract or counterparties exercise their rights to terminate a number of contracts which cumulatively become material to the business of the Combined Group or, following Completion, the Combined Group or counterparties seek to re-negotiate any such contracts, this may have a material adverse effect on the Combined Group's operations by increasing costs (for example, by requiring the Combined Group to find alternative counterparties for contracts which are terminated or renegotiate contracts with existing counterparties) and may reduce the net benefits of the Combination.

**11. *Restrictions on the conduct of business by Flutter and TSG prior to Completion may have an adverse effect on the business of the Combined Group***

The Arrangement Agreement contains customary provisions that restrict both Flutter and TSG from taking specified actions without the consent of the other party (including, amongst other things, in connection with dividend payments, share capital, amendments to their respective constitutional documents, litigation, certain transactions and financing). These restrictions may prevent Flutter and TSG from pursuing attractive business opportunities that may arise prior to completion of the Combination.

While the terms of the Arrangement Agreement permit Flutter to consider unsolicited Acquisition Proposals prior to obtaining Flutter Shareholder approval under certain conditions, the Arrangement Agreement restricts Flutter from actively soliciting Acquisition Proposals from third-parties.

**RISKS RELATING TO THE REGULATION AND TAXATION OF ONLINE BETTING AND GAMING**

**12. *Adverse changes to the regulation of online betting and gaming or the interpretation thereof by regulators could materially adversely affect the Combined Group***

Flutter and TSG each have customers in numerous jurisdictions around the world. In the financial year ended 31 December 2019 Flutter and TSG generated 94% and 78%,<sup>1</sup> respectively, of their revenue from jurisdictions in which the provision of online betting and gaming services is regulated and/or licenced or, in the case of TSG, where the provision of such services is either regulated, licenced and/or taxed, at state/regional, national and/or supranational level. Where regulated, the provision of online betting and gaming services is subject to extensive laws, regulations and, where relevant, licensing requirements. These laws, regulations and licensing requirements vary from jurisdiction to jurisdiction but typically address the responsibility, financial standing and suitability of owners, directors and operators. Many of these laws, regulations and licensing requirements are recent and are subject to change at any time and relevant regulatory authorities may change their interpretation thereof at any time.

Any adverse changes to the regulation of online betting and gaming, the interpretation of these laws, regulations and licensing requirements by relevant regulators or the revocation of operating licences could materially adversely affect the Combined Group's ability to conduct its operations and generate revenue in the relevant jurisdiction. Changes to existing forms of regulation may include the introduction of punitive tax regimes, requirements for large bonds or other financial guarantees, limitations on product offerings, requirements for ring-fenced liquidity, requirements to obtain licences and/or caps on the number of licensees, restrictions on permitted marketing activities or restrictions on third-party service providers to online betting and gaming operators. The introduction of some or all of these measures in certain jurisdictions may render it commercially undesirable or impractical for the Combined Group to provide online betting and gaming services in these jurisdictions, may reduce the returns of the Combined Group from such jurisdictions and may result in the Combined Group reducing the scope of services it provides to certain jurisdictions or withdrawing from certain jurisdictions entirely, with a

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<sup>1</sup> Figures are based on internal management information and are unaudited.

consequent financial loss arising from the need to block access by customers located in the relevant jurisdictions. For example, Flutter estimates that the reduction in staking limits on fixed-odds betting terminals (“FOBT”) from £100 to £2 which was introduced by the UK Government with effect from 1 April 2019 had an approximate £23 million impact on Flutter’s EBITDA in the UK in that year.<sup>2</sup>

Failure to comply with relevant laws, regulations or licensing requirements may lead to penalties, sanctions or ultimately the revocation of relevant operating licences and may have an impact on licences in other jurisdictions. In addition, the compliance costs associated with these evolving and increasingly complex laws, regulations and licensing requirements may be significant. Following Completion, the Combined Group’s internal and external legal counsel will frequently review the ever-changing regulatory framework across all jurisdictions and markets where the Combined Group operates or may wish to operate in the future and determinations as to the application of relevant prohibitions will be made on a case by case basis. Where a prohibition is deemed to apply, technical steps will be introduced to effect compliance if required. However, the infringement by the Combined Group of the domestic regulatory regimes or those of other countries (even if inadvertent) or changes to those regulatory frameworks may result in additional compliance and litigation costs for the Combined Group, or could restrict the range of products and services it offers and the value of its assets and/or require the Combined Group to change certain of its business practices in some or all of the jurisdictions in which it operates.

**13. *A significant amount of the Combined Group’s revenue is derived from jurisdictions where no regulatory framework exists and the approach to regulation and the legality of online betting and gaming varies from jurisdiction to jurisdiction and is subject to uncertainties***

The regulation and legality of online betting and gaming and approaches to enforcement vary from jurisdiction to jurisdiction (from open licensing regimes to regimes that impose sanctions or prohibitions) and in certain jurisdictions there is no legislation which is directly applicable to the Combined Group’s business. In the financial year ended 31 December 2019 Flutter derived approximately 6%<sup>3</sup> of its revenues from jurisdictions which were not regulated markets and TSG derived approximately 22%<sup>4</sup> of its revenues from jurisdictions which were either not locally regulated markets or where such revenues were not subject to applicable taxation.

The legality of the supply of online betting and gaming services in certain jurisdictions is not clear or is open to interpretation. In many jurisdictions, there are conflicting laws and/or regulations, conflicting interpretations, divergent approaches by enforcement agencies and/or inconsistent enforcement policies and, therefore, some or all forms of online betting and gaming could be determined to be illegal in some of these jurisdictions, either when operated within the jurisdiction and/or when accessed by persons located in that jurisdiction. Moreover, the legality of online betting and gaming is subject to uncertainties arising from differing approaches among jurisdictions as to the determination of where online betting and gaming activities take place and which authorities have jurisdiction over such activities and/or those who participate in or facilitate them.

There is a risk that regulators or prosecutors in jurisdictions where the Combined Group provides online betting or gaming services to customers without a local licence or pursuant to a multi-jurisdictional licence, as described in the sub-paragraph “*Multi-jurisdictional licences*” in paragraph 4 (*TSG - licences*) of Part VII (*Regulatory Overview*) of this Prospectus, may take legal action in respect of the Combined Group’s operations in that jurisdiction and any defence raised by the Combined Group to such actions may not be successful. Actions that may be taken may include criminal sanctions and penalties, as well as civil and administrative enforcement actions, fines, funds and asset seizures, authorities seeking to seize funds generated from the allegedly illegal activity as well as payment blocks and ISP blacklisting, some of which may be more readily enforceable within an economic area such as the EEA. Even if such claims could be successfully defended, the process may result in a loss of reputation, potential loss of revenue and diversion of management resources and time.

In addition, there are many jurisdictions around the world where the legality of various forms of gambling is open to interpretation, often arising from a delay or failure to update gambling laws to reflect the availability of modern remote betting products. In those cases, there are justifiable arguments to support various forms of betting and gaming activities on the basis that they are not expressly prohibited, that their application to off-shore activities is

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<sup>2</sup> Figures are based on internal management accounts of revenues generated from FOBT machines in the UK in the nine months ended 31 December 2019 as compared with revenues generated from FOBT machines in the corresponding nine month period ended 31 December 2018 and are unaudited.

<sup>3</sup> Figures are based on internal management information and are unaudited.

<sup>4</sup> Figures are based on internal management information and are unaudited.

unclear, that betting and gaming products are readily available within the particular jurisdiction and/or that there is no history of enforcement in respect of the particular type of betting or gaming being offered. Changes in regulation in a given jurisdiction could result in it being re-assessed as a restricted territory without the potential to generate revenues on an ongoing basis. For example, in 2019, Flutter was required to switch off a number of international markets, including Albania, Serbia, Slovakia and Switzerland due to changing regulatory frameworks. While individually each of these markets represented a small fraction of Flutter's overall revenue, Flutter estimates that the combined effect of all switch offs adversely impacted Flutter's EBITDA by approximately £14 million on an annualised basis in the year ended 31 December 2019.<sup>5</sup> The inability of the Combined Group to operate in a large betting or gaming market in the future, for example Germany, or a number of smaller betting or gaming markets which collectively are material, could have a material adverse effect on the Combined Group's ability to generate revenue.

While the list of TSG's and Flutter's restricted territories and territories considered as unregulated markets is similar and includes several large countries, the lists are not identical. Any differences reflect the fact that the two entities have taken differing commercial views as to whether or not to permit customers to access their products or services in some jurisdictions.

The Combined Group's determination as to whether or not to permit customers in a given jurisdiction to access any one or more of the Combined Group's products and whether or not to engage in various types of marketing activity and customer contact will be made on the basis of a number of factors. These factors will include:

- (a) the laws and regulations of the jurisdiction;
- (b) the terms of the Combined Group's betting and gaming licences;
- (c) the approach by regulatory and other authorities to the application or enforcement of such laws and regulations, including the approach of such authorities to the extraterritorial application and enforcement of such laws;
- (d) state, federal or supranational law, including EU law if applicable; and
- (e) any changes to these factors.

There is a significant risk that the Combined Group's assessment of the factors referred to above may not always accurately predict the likelihood of one or more jurisdictions taking enforcement or other adverse action against the Combined Group, its customers or its third-party suppliers, which could lead to fines, criminal sanctions and/or the termination of the Combined Group's operations in such jurisdiction or jurisdictions. In addition, following Completion, the Combined Group will be required to align its view on the jurisdictions that constitute restricted territories. It is possible that certain jurisdictions into which Flutter or TSG have traditionally provided online betting and gaming services may be determined to be restricted territories of the Combined Group, resulting in a consequent loss of revenue from those jurisdictions.

14. ***The Combined Group may be unsuccessful in expanding its provision of online betting and gaming services into certain new and existing jurisdictions and markets where the regulatory status of the provision of such services has been clarified or liberalised***

Certain jurisdictions in which laws currently prohibit or restrict online betting and gaming or the marketing of those services, or protect monopoly providers of betting and gaming services, may implement changes to open their markets through the adoption of competitive licensing and regulatory frameworks. The Combined Group intends to expand its provision of online betting and gaming services into certain new and existing jurisdictions and markets where the regulatory status of the provision of such services has been clarified or liberalised, including within North America, Europe and elsewhere internationally. In particular, the Combined Group intends to rigorously pursue growth opportunities in the United States following the US Supreme Court's decision to strike down the Professional and Amateur Sports Protection Act ("PASPA") in May 2018.

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<sup>5</sup> Figures are management estimates based on internal management accounts of revenues generated in these markets in the financial year ended 31 December 2019 as compared with revenues generated in the financial year ended 31 December 2018 and are unaudited.

Whilst clarification and liberalisation of the regulation of online betting and gaming in certain jurisdictions and markets may provide growth opportunities for the Combined Group, successful expansion into each potential new jurisdiction or market will present its own complexities and challenges to the Combined Group. Efforts to access a new jurisdiction or market may require the Combined Group to incur significant costs, such as capital, marketing, legal and other costs, as well as the commitment of significant senior management time and resources. Notwithstanding such efforts, the ability of the Combined Group to successfully enter such jurisdictions or markets may be affected by future developments in state/regional, national and/or supranational policy and regulation, limitations on market access, competition from third parties and other factors that the Combined Group is unable to predict and are beyond its control. As a result, there can be no assurance that the Combined Group will be successful in expanding the provision of online betting and/or gaming services into such jurisdictions or markets or that its service and product offerings in such jurisdictions or markets will grow at expected rates or be successful in the long term.

For example, the failure of state/regional, national and/or supranational regulators (including, in particular, the relevant legislatures and regulators in various US states) to implement a regulatory framework for provision of betting and gaming services in their jurisdictions in a timely manner, or at all, may prevent, restrict or delay the Combined Group from accessing such markets. In addition, any regulation which is ultimately implemented by such regulators may prohibit or materially restrict the ability of the Combined Group to enter such jurisdictions. In particular, where licencing regimes are introduced in certain markets, there is no guarantee that the Combined Group will be successful in obtaining a licence to operate in such markets. Further, even if the Combined Group is successful in obtaining a licence, any such licence may be subject to onerous licensing requirements, together with sanctions for breach thereof and/or taxation liabilities that may make the market unattractive to the Combined Group or impose restrictions that limit its ability to offer certain of its key products or services or to market its products in the way it wants to. In addition, a licence may require the Combined Group to offer its products in partnership or cooperation with a local market participant, thereby exposing the Combined Group to the risk of poor or non-performance by such market participant of its applicable obligations, which could in turn disrupt or restrict the ability of the Combined Group to effectively compete and offer one or more of its products in the relevant market. Finally, the complexity arising as a result of the introduction of multiple state/regional regulatory regimes, in particular within the United States where multiple states are expected to introduce varying regulatory regimes, may result in considerable operational, legal and administrative costs for the Combined Group, particularly in the short term.

Furthermore, the Combined Group's competitors, or their partners, may already be established in a jurisdiction or market prior to the Combined Group's entry (for example, in certain US states). If regulation is liberalised or clarified in such jurisdictions or markets, then the Combined Group may face increased competition from other providers and competition from those providers may increase the overall competitiveness of the online betting and gaming industry. The Combined Group may face difficulty in competing with providers that take a more aggressive approach to regulation than the Combined Group and are consequently able to generate revenues in markets from which the Combined Group does not accept customers or in which it will not advertise. This is discussed in more detail in the risk factor entitled "*The business of the Combined Group will be exposed to competitive pressures given the international nature of competition in online betting and gaming*" in paragraph 42 below.

In addition, as discussed in more detail in the risk factor entitled "*The Combined Group's operational efforts to expand its customer base in existing and new geographic markets, including its efforts to cross-sell to existing customers, may not be successful*" in paragraph 41 below, the Combined Group may face operational difficulties in successfully entering new markets, even where regulatory issues do not materially restrict such entry.

**15. *Adverse changes to the taxation of betting and gaming or the imposition of statutory levies or other duties or charges could materially and adversely affect the operations, financial performance and prospects of the Combined Group***

The jurisdictions in which members of the Flutter Group and the TSG Group hold and, following Completion, members of the Combined Group will hold licences impose taxes and duties on their licensed activities. In addition to the direct and indirect taxes that apply generally to businesses operating in relevant jurisdictions, the Combined Group will be subject to specific taxes, duties and levies on the provision of betting and gaming services and related activities in a number of jurisdictions.

If the rates of such taxes, duties or levies were to be increased or if the tax base of such taxes, duties or levies were to be widened (for example, as a result of changes to the treatment of free bets, free plays, bonus credits or non-

stake amounts received by operators such as account management fees; or as a result of a move from a gross profits basis of taxation to a turnover basis, or from a place of supply basis to a place of consumption basis or the imposition of new or increased withholding obligations) this may have a material adverse effect on the overall tax burden borne by the Combined Group. For example, in Ireland, the duty on sports-betting stakes was doubled from 1% to 2% with effect from 1 January 2019. Similarly, with respect to gaming taxes, the UK government increased the UK remote gaming duty (“**RGD**”) payable on gaming revenue from 15% to 21% on 1 April 2019 and, with effect from 1 January 2019, the Italian government increased the gaming duty payable on gaming revenue from 20% to 25% and such duty on betting revenue from 22% to 24%. In addition, on 1 January 2019, Romania implemented a new 2% tax calculated on all deposits received from players. While some jurisdictions have increased or have announced increases to the taxes on betting and gaming-related activities, other jurisdictions have decreased or announced decreases to such taxes. For example, Spain decreased the Spanish gaming duty rate from 25% to 20% with effect from 1 July 2018.

Tax changes are not limited to markets in which the provision of betting and gaming services is regulated at local, national or federal level as Flutter and TSG pay and, following Completion, the Combined Group will pay VAT or other betting and gaming taxes in some unregulated markets (markets in which the provision of betting and gaming services is not regulated at local, national or federal level). For example, both Flutter and TSG have paid GST on revenue from local players in New Zealand since late 2016 and, in 2019, New Zealand passed a new law applying an additional point of consumption tax and separate New Zealand events tax. These new provisions were introduced with effect from 1 July 2019, but it is not yet clear what the applicable tax base or tax rate will be. The events tax is intended to apply to all betting globally on events that take place in New Zealand, which is different than equivalent taxes/levies in other jurisdictions, which only apply on bets placed by locals, e.g. the British Horse Racing Levy, which only applies on bets by British residents. If an events-based tax similar to the New Zealand one is introduced in other jurisdictions it could have a material adverse effect on the overall tax burden borne by the Combined Group.

Flutter and TSG currently pay VAT in territories where they have each determined that it is applicable but do not pay VAT in territories where they have determined that it is not applicable to their respective businesses. Due to the uncertainty of the application of VAT law to Flutter’s, TSG’s and, following Completion, the Combined Group’s services, there could be additional territories where local authorities consider that the interpretation that VAT does not apply to some or all of their respective businesses is incorrect, and that VAT does apply, which could have a material adverse impact on the tax burden of the Combined Group.

The Combined Group’s customers will be located worldwide. If jurisdictions where betting and gaming winnings are currently not subject to income tax or are taxed at low rates were to begin to levy taxes or increase the existing tax rates on winnings, betting and gaming might become less attractive for customers in those jurisdictions, which could have a material adverse effect on the Combined Group’s ability to generate revenues in such jurisdictions.

## **16. *Risk of disproportionate liability following changes in taxation law relating to the Combined Group’s operations***

The Combined Group is subject to a number of different tax regimes across the jurisdictions in which it operates. From time to time, these tax regimes change, often driven by new regulations or policies applicable to online betting and gaming in the relevant jurisdictions. In certain circumstances, the effect of such changes could have a disproportionate effect on some of the operations of the Combined Group.

For example, a sports betting tax was introduced in Germany in 2012 that Flutter believes should not have applied to the Betfair Exchange which was operating in Germany at that time. However, the German Tax Authorities have sought to apply this tax to the Betfair Exchange in the same manner as to other more traditional online betting and gaming companies, which has led to an effective tax rate on the operation of the Betfair Exchange equivalent to many times the revenue generated from the operation of the Betfair Exchange. As well as discontinuing the operation of the Betfair Exchange in Germany after the introduction of this tax, Betfair issued appeal proceedings in the German courts to challenge the German tax assessment on the basis that, in view of its distinct business model, a betting exchange should not be subject to the sports betting tax or, if it is, should be taxed differently to more traditional online betting and gaming companies. For further information on Flutter’s challenge to the German tax assessment, please see paragraph 7.1 (*Legal and arbitration proceedings relating to Flutter*) of Part VIII (*Additional Information*) of this Prospectus.

Additionally, the anti-Base Erosion and Profit Shifting (“**BEPS**”) project led by the Organisation for Economic Cooperation and Development (“**OECD**”), and related EU actions, have changed the global approach and attitude

to the taxation of multi-national companies' ("MNCs"). These projects are still ongoing, and further material reforms to international tax norms are anticipated. In January 2019, the OECD announced a new BEPS programme (referred to as "**BEPS 2.0**") with a view to creating an international consensus on new rules for the framework for international taxation, particularly for businesses with valuable intangible assets. The stated aim is to move beyond the arm's length principle and the scope of current corporate tax taxing rights which are limited to businesses with a physical presence in a country. The new rules, if adopted, would re-adjust the balance of taxing rights and profit allocation between jurisdictions where MNC assets/operations are established and the markets where users/consumers are based. BEPS 2.0 proposes to address this reform through two main pillars of work which are interlinked:

(i) *Pillar One: Arriving at a new basis for taxing profits attributable to intangible assets.*

This workstream includes consideration of new transfer pricing principles which could attribute greater profit to the value contributed by users/consumers. The design of a new tax framework would include new rules for defining a taxable presence for businesses which operate in a market without a physical presence by using a concept of "significant economic presence" or "significant digital presence". A revised basis for taxing profits from intangibles could potentially apply a formulary approach using attribution factors that give greater weight to the user or consumer market location once the threshold for triggering sufficient 'nexus' in that market has been reached. Such changes could result in the Combined Group being treated as having a taxable presence, and becoming subject to tax, in jurisdictions in which neither Flutter nor TSG is currently taxable but in which the Combined Group will have a "digital" presence and/or in the Combined Group's profits being allocated or attributed between the various jurisdictions in which it operates on a revised basis. This may have a material adverse effect on the overall tax burden borne by the Combined Group, including potentially increasing the Combined Group's overall effective tax rate. Other non-tax consequences could also occur as a result of these changes, which could include, in a worst case scenario (for example, where registration of a "digital tax presence" is required in a consumer jurisdiction which is not otherwise considered to be a regulated market), the requirement to exit certain markets.

(ii) *Pillar Two: Strengthening taxing rights to preserve the tax base and counteract profit shifting to jurisdictions with no or very low effective tax rates.*

Work in this area will consider developing both an income inclusion rule as well as a tax on base eroding payments. If the US tax reform model of international taxation (i.e. GILTI and/or BEAT-type arrangements) is used as a starting point for exploration of a new income inclusion rule, this could result in the development of a minimum tax rate concept applied by the tax authority of the jurisdiction of incorporation of a parent company to the profits of its subsidiaries above a routine return. This could be combined with an approach that would seek to tax, e.g. by denying deductions for, payments to entities in low tax jurisdictions. Flutter and TSG have, and the Combined Group will have, active subsidiaries in lower tax countries, including the Isle of Man and Malta, and the introduction of any such measures could have a material adverse effect on the overall tax burden borne by the Combined Group, including potentially increasing the Combined Group's overall effective tax rate and may also require the Combined Group to make changes to its organisational and operational structures.

While the BEPS 2.0 project remains ongoing, unilateral action is being taken by some jurisdictions through digital services tax ("**DST**") regimes. When it comes to DST, several European and other countries have determined that the original BEPS project did not go far enough in its approach to the taxation of digital MNCs (which under current international tax principles may not be required to pay material taxes in the jurisdictions where their customers or users reside) and that BEPS 2.0 is not moving quick enough. This has resulted in several proposals for new taxes levied by reference to the location of users/consumers with rates ranging from 2% to 7% based on gross revenue. These proposed taxes are intended to capture the value generated from users/consumers located in the taxing jurisdiction by certain digital business models such as search engines, social media platforms and online marketplaces. It is currently unclear how any additional tax payable in those other jurisdictions will impact on the tax payable in Ireland, or in any other jurisdiction in which the Combined Group will operate, on similar taxable income.

While Flutter and TSG currently believe that online gaming businesses are not the target of DSTs, tax authorities could seek to apply DSTs to the Combined Group's revenues, in particular Betfair Exchange and online poker revenues, depending on the terms of the applicable legislation. For example, France implemented a DST with effect from 1 January 2019 (although it was announced on 23 January 2020 that collection of that tax for 2020 would be delayed until December 2020); Italy has implemented a DST and Austria has implemented a tax on online advertising services, each with effect from 1 January 2020. While some guidance has been released in

relation to the application of these taxes, there is no certainty on the application of the rules to betting and gaming businesses. As at the Latest Practicable Date, other countries such as the UK and Spain, among others, have announced draft legislation or plans to implement DSTs. The EU and the OECD are also continuing their efforts for a coordinated approach on addressing this issue through the BEPS 2.0 measures referred to above.

17. *A challenge to the Combined Group's tax policies could have a material impact on the amount of tax payable by the Combined Group*

Flutter and TSG each have a policy and, following Completion, the Combined Group will have a policy, to conduct business, including transactions between members of the Combined Group, in accordance with current tax legislation, tax treaties and provisions applicable in the various jurisdictions in which it operates. The Combined Group could be adversely affected by changes in tax laws, tax treaties and provisions or changes in the interpretation of tax laws by any tax authority. Equally, if any member of the Combined Group is found to have a taxable presence in a jurisdiction where it had not registered a business presence, whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, this may have a material adverse effect on the amount of tax including corporate income tax, transaction or sales tax or VAT payable by the Combined Group.

It is also Flutter's and TSG's policy that the pricing of any arrangements between members of their respective groups, such as the intra-group provision of services, are, where required by applicable tax law, intended to be established on an arm's length basis. However, if the tax authorities in the relevant jurisdictions do not regard the arrangements between any members of the Combined Group as being made at arm's length in accordance with applicable tax law, the amount of tax payable by the Combined Group may increase materially.

Each of Flutter and TSG regularly reviews its tax provision on the basis of current law. It is possible that the Combined Group's tax provision may turn out to be insufficient.

18. *Social responsibility concerns and public opinion regarding responsible gambling, gambling by minors and related matters could significantly influence the regulation of online betting and gaming and impact responsible gaming requirements and may adversely impact the reputation of the Combined Group*

Public opinion can significantly influence the regulation of online betting and gaming. A further negative shift in the perception of online betting and gaming by the public or by politicians, lobbyists or others could affect future legislation or regulation in different jurisdictions. Among other things, such a shift could cause jurisdictions to abandon proposals to legalise or liberalise online betting and gaming, thereby limiting the number of new jurisdictions into which Flutter, TSG and, following completion of the Combination, the Combined Group could expand. Increasingly negative public perception could also lead to new restrictions on, or to the prohibition of online betting and gaming in, jurisdictions in which Flutter, TSG and, following completion of the Combination, the Combined Group currently, or may in the future, operate. If the Combined Group is required to restrict its marketing or product offerings or incur increased compliance costs as a result of any such regulation, this could have a material adverse effect on its revenues and could increase operating expenses. In particular, further changes to the UK's betting or gaming laws or regulations in reaction to the current adverse media coverage in that jurisdiction, including changes in the political or social attitude to online gaming caused by such coverage, could have a material impact on the Combined Group's operations and financial position and performance. Such changes may be more likely given the UK Conservative Party's election manifesto in December 2019 stated the party's intention to review the 2005 Act and the UKGC has repeatedly identified social responsibility issues with respect to gambling and a reduction of gambling harms as a key focus.

The betting and gaming industry is at times exposed to negative publicity, including in relation to the use of fixed-odds betting terminals, problem gambling, gambling by minors and gambling online. Publicity about problem gambling, gambling by minors and other problems, even if not directly or indirectly connected with the Combined Group or its products, may adversely impact the Combined Group's reputation and the willingness of the public to participate in betting and gaming or a particular form of betting and gaming. Any material reduction in the number of customers willing to participate in betting and gaming as a direct or indirect result of such negative publicity could have a material adverse impact on the Combined Group's revenues.

The reputation of the online betting and gaming industry is affected by the operations of, and issues associated with, the betting and gaming industry as a whole. The attraction of betting and gaming to players for whom betting and gaming activities assume too great a role in their lives poses a challenge to the online betting and gaming

industry in which the Combined Group will operate. If the perception develops that the online betting and gaming industry or the betting and gaming industry as a whole is failing to adequately protect vulnerable players, restrictions on the provision of betting and gaming services to such players may be imposed on the Combined Group. The Combined Group will continue Flutter and TSG's close work with industry stakeholders to further the objective of safer gambling, including Flutter's advocacy for collaboration across the industry on this issue through Flutter's membership of the Betting and Gaming Council and the Industry Group for Responsible Gambling in the UK and similar initiatives and supports in other key markets. Both Flutter and TSG incur costs in relation to implementing and operating self-exclusion in compliance with the United Kingdom Licence Conditions and Codes of Practice ("LCCP"). In addition, Flutter and TSG offer customers in the UK the ability to self-exclude across multiple brands thereby declining to accept revenues from those customers and the Combined Group may also do so. If it does so, and self-exclusion is offered across multiple brands of the Combined Group, the number of potential customers available to the Combined Group, and therefore the revenue it generates, could be materially adversely affected.

19. *The Combined Group may fail to maintain effective and compliant anti-money laundering, counter-terrorist financing and anti-corruption policies and procedures*

Flutter and TSG currently receive deposits and other payments from customers in the normal course of their business. The receipt of monies from customers imposes anti-money laundering, counter-terrorist financing and other obligations and potential liabilities on Flutter and TSG and, following completion of the Combination, will impose such obligations and potential liabilities on the Combined Group. Certain of the Combined Group's customers may seek to launder money through its businesses or use stolen funds to access betting or gaming services. Whilst Flutter and TSG have, and following completion of the Combination the Combined Group will have, processes in place regarding customer profiling and the identification of customers' source of funds, such processes may fail or prove to be inadequate, whether in respect of the source of customers' funds or otherwise. If the Combined Group is unsuccessful in detecting money laundering or terrorist financing activities, it could suffer loss directly, be subject to civil or criminal sanctions and/or lose the confidence of its customers, which could have a material adverse effect on the Combined Group's reputation, international brand expansion efforts, commercial relationships, ability to attract and retain employees and customers, qualification to have its securities listed on a stock exchange and, more generally, operations, financial performance and prospects. Furthermore, the Combined Group could also be subject to regulatory enforcement leading to fines or other sanctions which could also have a material adverse effect on the Combined Group. In addition, it is difficult for TSG and Flutter and, after the Combination, it will be difficult for the Combined Group, to estimate the time or resources that will be needed for the investigation and final resolution of any regulatory enforcement proceedings relating to money laundering, terrorist financing or related activities because, in part, the time and resources needed depend on the nature and extent of the information requested by the authorities involved, and such time or resources could be substantial.

The Combined Group will be required to comply with all applicable international trade, export and import laws and regulations and will be subject to export controls and economic sanctions laws and embargoes imposed by the governments of the jurisdictions in which it operates. Changes in economic sanctions laws may restrict the Combined Group's business practices, including potentially requiring the cessation of business activities in sanctioned countries or with sanctioned entities or persons, and may result in the Combined Group modifying its compliance programs. The Combined Group will also be subject to the Irish Corruption Offences Act, CFPOA, the FCPA, the UK Bribery Act, the IOM Bribery Act and other anti-bribery laws that generally prohibit the offering, promising, giving, agreeing to give, or authorising others to give anything of value, either directly or indirectly, to a government official in order to influence official action, or otherwise obtain or retain a business advantage. Certain of such laws also require public companies to make and keep books and records that accurately and fairly reflect the company's transactions and to devise and maintain an adequate system of internal accounting controls. The Combined Group's business will be heavily regulated and therefore involve significant direct and indirect interaction with public officials of various governments worldwide. Flutter and TSG have implemented, and the Combined Group will maintain, safeguards and policies to deter practices by its directors, officers, employees, agents, collaborators and contractors that would violate applicable laws. However, the Combined Group cannot ensure that its compliance controls, policies and procedures will in every instance protect it from acts committed by such persons that would violate the laws or regulations of the jurisdictions in which it will operate. For example, see the description of TSG's previously disclosed foreign payments matter in paragraph 7.2 (*Legal and arbitration proceedings relating to TSG*) of Part VIII (*Additional Information*) of this Prospectus. If the Combined Group is unsuccessful in detecting such acts it could suffer loss directly, be subject to civil or criminal sanctions and/or lose the confidence of its customers. Furthermore, the Combined Group could also be subject to regulatory enforcement leading to fines or other sanctions, such as disgorgement of profits, cessation

of business activities, implementation of new or enhanced compliance programmes, requirements to obtain additional licences and permits, exclusion from government contracts or programmes, prohibitions on the conduct of its business and/or restrictions on its ability to market and sell products or provide services in one or more jurisdictions, all of which could also have a material adverse effect on the Combined Group. In addition, there is a risk that increased regulatory measures regarding anti-money laundering and counter-terrorist financing may require the Combined Group to expend significant capital or other resources and/or may require certain businesses within the Combined Group to modify internal standards, procedures or their product offering or operations.

Flutter and TSG have each adopted various policies and procedures to comply with their respective anti-money laundering, counter-terrorist financing and anti-corruption obligations. These policies and procedures are not identical and reflect assessments made by each of Flutter and TSG in relation to their relevant obligations. Following completion of the Combination, the Combined Group will be required to align its view on such policies and procedures and it is possible that this process could result in certain activities which have previously been carried out by Flutter or TSG no longer being permitted under the Combined Group's aligned policies. If this was to occur, it could result in changes to the products and or services offered by certain aspects of the business of the Combined Group and to the closure of certain customer accounts, each of which could have an adverse impact on the Combined Group's revenue.

The tightening of anti-money laundering regulations may also affect the speed and convenience with which customers can access the Combined Group's products and services, which may also have a material adverse effect on the Combined Group's ability to generate revenues.

**20. *From time to time, the Combined Group will be exposed to player collusion and fraud and failures to accurately detect and prevent player collusion and fraud could have a material adverse effect on the Combined Group***

The online betting and gaming industry can be vulnerable to customer collusion and fraud. For example, collusion between online poker players may occur through "chip dumping" (depositing and losing money against another colluding customer in an attempt to launder money). In addition, customers may commit or attempt to commit fraud or cheat, including through the use of artificial intelligence or other sophisticated computer programmes ("bots") to create an artificial competitive advantage to increase winnings with respect to online poker products, or by so-called "account takeovers" (obtaining control of the account, and using the funds of, a third-party) in respect of betting and gaming products more generally. The use of bots to play other real-money games such as bingo, slots and other casino games are other known methods of online betting and gaming fraud. Acts of fraud or cheating may involve various tactics, possibly in collusion with employees or other customers of the Combined Group.

Flutter and TSG have each implemented a variety of detection and prevention controls to minimise the opportunities for fraudulent play and collusion (including through the use of artificial intelligence or bots), but must continually monitor and develop their effectiveness to counter innovative techniques. Acts of collusion, fraud and cheating have the potential to interfere with customers' enjoyment of a balanced game environment. If the Combined Group fails to detect collusion, fraud and cheating, including fraudulent use of third-party funds and the use of bots, the Combined Group could lose the confidence of its customers. In addition, negative publicity related to such schemes could lead to customers becoming dissatisfied with the Combined Group's sites, products and service. In addition, the Combined Group could face action from third-parties affected by such collusion, fraud or cheating, including where fraudulent use of third-party funds has occurred as a result of account takeovers. The occurrence of any or all of such consequences could result in reputational damage to the Combined Group, could materially adversely affect its revenue and could require significant capital expenditure to counteract.

**21. *The Combined Group will operate in a heavily regulated environment and any failure to adhere to regulatory requirements can lead to enforcement action by relevant regulators and fines***

Flutter and TSG supply and, following completion of the Combination, the Combined Group will continue to supply services subject to a number of licences and authorisations obtained from various regulators and/or licensing authorities around the world. Each such licence is subject to numerous compliance requirements relating to matters such as anti-money laundering, responsible gambling, data protection, advertising and consumer rights issues. Compliance with such requirements can be incorporated into the relevant licence authorisation as a licensing condition (or similar) with a corresponding requirement for the Combined Group to comply with such requirements.

In the event that such compliance obligations are not met, the relevant regulator may commence an enforcement action against the relevant entity with potential adverse consequences. Such enforcement action has, in the United Kingdom and United States particularly, led to significant fines being levied, including by the UKGC and relevant US regulators and it is likely that such enforcement initiatives will not only continue but could potentially increase in frequency and scope. For example, in October 2018 Flutter was fined £2.2 million by the UKGC in connection with customer activities in 2016. In addition, in the US, a subsidiary of TSG is currently subject to proceedings initiated by the Commonwealth of Kentucky in respect of activities carried out between 2006 and 2011. Further information on the Kentucky Proceedings is set out in the risk factor entitled "*The Combined Group could be exposed to liabilities arising from proceedings brought by the Commonwealth of Kentucky on behalf of Kentucky residents against certain subsidiaries of TSG for the recovery of gambling losses*" in paragraph 44 below and in paragraph 7.2 (*Legal and arbitration proceedings relating to TSG*) of Part VIII (*Additional Information*) of this Prospectus.

In addition to fines and other financial penalties, the consequences of such enforcement action could include a revocation of the relevant entity's licence, a suspension of that licence and/or the imposition of certain adverse licensing conditions. The loss of a gaming licence in one jurisdiction could trigger the loss of a gaming licence or affect Flutter's, TSG's or, following completion of the Combination, the Combined Group's eligibility for such a licence in another jurisdiction, and any of such losses, or potential for such loss, could cause the Combined Group to cease offering some or all of its services or products in the relevant jurisdictions.

If regulatory enforcement proceedings are brought against Flutter, TSG or, following completion of the Combination, the Combined Group, there is an increased risk that third-parties, including but not limited to customers and third-party service providers could commence litigation against Flutter, TSG or the Combined Group, particularly where such regulatory enforcement proceedings have been successful.

Certain jurisdictions also licence key management on an individual basis and, to the extent that any compliance shortcomings are evident and ultimately pursued through enforcement actions, there is a risk that certain regulatory sanctions could be imposed against key management of the Combined Group following Completion. If members of key management of the Combined Group become subject to regulatory sanctions in certain jurisdictions, the Combined Group may face difficulties in maintaining or renewing existing licences in other regulated jurisdictions in which it operates or in obtaining new licences in jurisdictions into which it wishes to expand.

**22. *The Combined Group faces the risk of loss, revocation, non-renewal or change in the terms of its betting and gaming licences***

Flutter's and TSG's betting and gaming licences tend to be issued for fixed periods of time, after which a renewal of the licence is required. For example, certain licences held by members of the TSG Group will expire and will need to be renewed in the ordinary course during the course of 2020, including licences held in Australia (30 June 2020), Estonia (21 September 2020), France (24 June 2020), New Jersey (30 March 2020 and, if renewed, 30 September 2020) and Spain (2 June 2020). Licences also typically include a right of revocation for the regulator in certain circumstances, for example, where the licensee is in breach of the relevant licence provisions. In addition, TSG has identified a limited number of licences (including those in Australia, Pennsylvania and New Jersey) which, as a result of the Combination, will require approval by the relevant regulators prior to Completion. If any of the Combined Group's betting and gaming licences are not renewed, there are material delays in renewal, such licences are revoked or such licences are renewed on terms which are materially less favourable to the Combined Group, this may restrict the Combined Group from providing some or all of its services to customers located in the relevant jurisdiction and may result in the Combined Group being required or choosing to withdraw from the jurisdiction either temporarily or permanently, either of which would have a consequent negative impact on the Combined Group's revenue.

In addition, the determination of suitability process as part of any renewal application may be expensive and time-consuming and any costs incurred are unlikely to be recoverable if the application is unsuccessful. While both Flutter and TSG have established procedures in place to monitor renewal dates (including substantial internal regulatory teams and retaining outside counsel, where appropriate), the revocation or non-renewal of the Combined Group's licences could arise if the Combined Group's directors, management, certain shareholders or business partners failed to comply adequately with the suitability, information reporting or other requirements of relevant licensing and regulatory authorities.

**23. *The Combined Group's systems and controls to restrict access to its products may not be adequate***

Flutter and TSG rely, and, following completion of the Combination, the Combined Group will rely, on technological systems and controls to block customers from certain jurisdictions from accessing their services. These systems and controls are intended to ensure that the Combined Group does not accept money from customers located in those jurisdictions, where it has made a decision not to offer its products and services. The blocking of access from customers in certain jurisdictions may arise either as a result of specific requirements imposed on Flutter or TSG as a result of holding certain licences or on the basis of a lack of coherent justification that offering betting and gaming services to customers resident in such a jurisdiction would not infringe the law of the jurisdiction in which the relevant player resides.

Where blocking obligations are currently imposed by licencing requirements, there is a risk that the relevant regulators could require the Combined Group to block customers resident in specific additional jurisdictions in the future. Where this occurs, it could have a material adverse effect on the Combined Group's ability to generate revenue in any such jurisdictions.

In addition, the technical systems and controls adopted by Flutter, TSG and, following completion of the Combination, the Combined Group, could fail or otherwise be found to be inadequate, either currently, as a result of future technological developments or as a result of customers in restricted jurisdictions seeking workarounds to the relevant systems and controls. This may result in violations of applicable laws or regulations. Any claims in respect of any such violations could have cost, resource and reputational implications, as well as implications on the ability of the Combined Group to retain, renew or expand its portfolio of licences.

**24. *The Combined Group's business and financial performance may be affected by the UK's exit from the European Union***

In June 2016, the British public voted for the UK to exit the EU ("Brexit"). Following the British government's decision to invoke Article 50 of the Treaty on the Functioning of the European Union on 29 March 2017 (and subsequent extensions to the exit date), the UK left the EU on 31 January 2020. The UK and EU have agreed a transitional period during which EU law will continue to apply in the UK in substantially the same way as immediately before Brexit until the expiry of the period (which is currently anticipated to occur on 31 December 2020). However, the nature of the future relationship between the UK and the remaining EU Member States following expiry of the transitional period has yet to be agreed and negotiations between the UK and EU on the terms of Brexit to date have demonstrated the difficulties that exist in reaching such an agreement. Until these negotiations have concluded, the impact of Brexit on the UK, European and global markets will remain uncertain.

The prospect of Brexit has already resulted in significant economic, political and social instability, not only in the United Kingdom and Europe, but across the globe generally. In particular, this has led to increased volatility in and an overall fall in the value of the pound sterling, which, if it continues, may affect the profitability of the Combined Group, for example but without limitation, due to customers deciding to spend less money on the products and services offered by the Combined Group.

Furthermore, Brexit has adversely affected the global markets, including the London Stock Exchange and Euronext Dublin Market, on which Flutter's Ordinary Shares are currently, and following completion of the Combination will (including the New Shares) be, admitted to trading. Brexit, and the terms of the future relationship between the EU and the UK following expiry of the transitional period, could further lead to volatility in the value of securities traded on the Main Market and Euronext Dublin Market, including the Company's shares. Lack of clarity about future UK laws and regulations as the UK determines which EU laws to replace or replicate, including financial laws and regulations, tax and free trade agreements, intellectual property rights, supply chain logistics, environmental, health and safety laws and regulations, immigration laws and employment laws, could decrease foreign direct investment in the UK, increase costs, depress economic activity and restrict the Combined Group's access to capital and impact revenues. In particular, because a significant proportion of the regulatory regime applicable to companies whose securities are traded on the London Stock Exchange and Euronext Dublin Market and forthcoming regulatory reform is derived from EU directives and regulations, Brexit could lead to material changes to the regulatory regimes that would be applicable to the Combined Group's operations in the UK in the future. This could increase compliance and operating costs for the Combined Group and have a material adverse effect on the Combined Group's business, prospects, revenues, operating results and financial condition.

Brexit may also adversely affect the operations and ongoing profitability of the Combined Group. This may include, among other things, as a result of losing the current benefit of and/or becoming subject to additional and more onerous rights and obligations relating to legal, regulatory, trade and taxation matters, owing to the UK

losing its EU and/or EEA membership rights. For example, if the UK is not the subject of an adequacy decision under Article 45 of the GDPR following Brexit, the Combined Group may face operational restrictions on the transfer of data between its UK and EU operations which may impact on its ability to provide services and products efficiently or effectively or may increase the cost of providing those services and products. Any negative change in barrier-free access between the UK and the EU (for instance, as a result of the UK losing access to the European single market, or as a result of any other Member State leaving the EU) may also affect the operations and ongoing profitability of the Combined Group.

25. *There have been, and continue to be, various attempts in the European Union to apply domestic criminal and administrative laws to prevent online betting and gaming operators licensed in other Member States from operating in or providing services to customers within their territory; the case law of the Court of Justice of the European Union (“CJEU”) on this issue continues to evolve and the reactions of the governments of Member States creates uncertainty for online gaming operators*

There have been, and continue to be, attempts by regulatory authorities, state licensees and incumbent operators, including monopoly operators, in certain Member States to apply domestic criminal and administrative laws to prevent, or try to prevent, online betting and gaming operators licensed in other Member States from operating in or providing services to customers within their territories. Flutter and TSG permit, and, following completion of the Combination, the Combined Group will permit customers in most Member States to access its services. Although certain Member States are subject to infringement proceedings initiated by the European Commission in relation to the laws that they apply to betting and gaming as being contrary to the EU law principles of free movement of services, the application and enforcement of these principles by the CJEU, the domestic courts and regulatory authorities in various Member States remains subject to continuing challenge and clarification. There have been, and continue to be, a considerable number of relevant proceedings before the domestic courts of various Member States and the CJEU. The outcomes of these proceedings remain uncertain and it may take some years before these proceedings are finally decided.

If the jurisprudence of the CJEU continues to recognise that Member States may, subject to certain conditions, establish or maintain exclusive licensing regimes that restrict the provision of online betting and gaming services by operators licensed in other Member States, this may adversely affect the Combined Group's ability to permit customers in a given Member State to access one or more of the Combined Group's online betting and gaming services and to engage in certain types of marketing activity and customer contact. Depending on the way in which national courts or competent authorities interpret EU law, the Combined Group may have to submit to local licensing, regulation and/or taxation in more Member States than is currently the case in respect of Flutter and TSG and/or exclude customers who are based in certain Member States, either entirely or from certain product offerings. Any such consequences could potentially increase the Combined Group's operating costs and/or reduce its revenues in the European Union.

#### **RISKS RELATING TO THE OPERATIONS OF FLUTTER AND/OR TSG AND, IF THE COMBINATION BECOMES EFFECTIVE, THE COMBINED GROUP**

26. *The Combined Group's business and financial performance is likely to be affected by economic, social and political conditions, including the impact of the COVID-19 pandemic, globally and, in particular, in the jurisdictions in which it operates*

Flutter and TSG are, and the Combined Group will be, directly and indirectly, subject to inherent risks arising from general economic conditions in the global economy and the jurisdictions in which it operates both generally, and as they specifically affect betting and gaming companies. Specific risks facing the Combined Group's business include, but are not limited to, risks associated with the following:

- changes in the policies, decisions and actions of governmental or regulatory authorities or courts in Ireland, the UK, the EU, the United States, Australia or elsewhere in relation to the betting and gaming industry, including the implementation and interpretation of key legislation and regulation permitting or regulating betting and gaming together with any resulting impact on the Combined Group's ability to operate in, or cost of operating in, certain jurisdictions;
- a change in market or public sentiment at a national or supranational level towards the betting and gaming industry, which could result in governmental or regulatory authorities adopting policies and/or implementing regulatory frameworks which increase the regulatory burden on the betting and gaming industry in a manner which adversely affects the Combined Group's cost of operating in those

jurisdictions and/or the Combined Group's ability to continue to operate in or establish operations in those jurisdictions;

- potential deterioration in the economic, social and political conditions in the jurisdictions in which the Combined Group operates, changes to the political leadership of member countries of the Eurozone as a result of national elections in the short to medium term, and/or other political instability or unrest that impacts Europe and/or other regions could result in increased volatility in the general economic or political conditions of those countries and/or regions;
- changes to the political leadership of the United States and any resulting changes to areas of policy that could impact the global economy, the betting and gaming industry and/or the markets in which the Combined Group operates;
- an increase in protectionism resulting in weaker global trade and economic activity and/or impacting the ability of the Combined Group to offer its betting and gaming products in particular jurisdictions in addition to growing populism increasing economic and political uncertainty;
- changes in the general economic and business conditions in the jurisdictions in which the Combined Group operates given the Flutter Directors and the Proposed Directors belief that demand for entertainment and leisure activities, including betting and gaming, is sensitive to changes in consumers' disposable income;
- changing customer behaviour including consumer spending, saving and borrowing habits or a pronounced rise in the price of consumer goods which impact customers' spending power and willingness to spend on the Combined Group's products;
- risks related to climate change including the risk that climate change increases the frequency and severity of events resulting in the postponement or cancellation of sporting fixtures which the Combined Group's customers wish to bet on. Recent examples of such events include the impact of Typhoon Hagibis on the 2019 Rugby World Cup which resulted in Paddy Power paying out on bets it would not otherwise have been required to and calls for the Australian Tennis Open in January 2020 to be re-scheduled due to player welfare concerns as a result of widespread bushfires in Australia;
- acts of war, other acts of hostility, terrorist acts and responses to those acts, geopolitical or other such events resulting in the postponement or cancellation of sporting fixtures which the Combined Group's customers wish to bet on; and
- natural disasters, pandemic, public health emergencies and other disasters, adverse weather and similar contingencies outside the Combined Group's control resulting in the postponement or cancellation of sporting fixtures which the Combined Group's customers wish to bet on.

In particular, the recent outbreak of a novel coronavirus (SARS-CoV-2) and related respiratory disease (coronavirus disease (COVID-19)) ("COVID-19") has resulted in the cancellation or postponement of major sporting events globally or the requirement that major sporting events be held without fans present. COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020 and there are cases in approximately 196 countries, areas or territories as at the Latest Practicable Date. This outbreak of novel coronavirus has also led (and may continue to lead) to disruptions to the worldwide economy, including jurisdictions in which Flutter and TSG operate and the Combined Group will operate. While it is impossible to determine the eventual scope of this outbreak or its ultimate impact on Flutter, TSG or the Combined Group, any sustained outbreak resulting in the postponement or cancellation of sporting events which the Combined Group's customers wish to bet on would have a material adverse effect on the Combined Group's sports betting revenue. Further, although the Combined Group will have business continuity plans and strategies in place, COVID-19 could lead to the interruption of operations of the Combined Group or the operations of third-party providers and other suppliers on whom the Combined Group will depend. For further information, see the risk factor entitled "*Aspects of the Combined Group's business will depend on the live broadcasting and scheduling of major sporting events*" on page 36 of this Prospectus and paragraph 9 (*Current trading and trend information of Flutter*) of Section A (*Information on Flutter*) of Part II (*Information on the Combined Group*) and paragraph 9 (*Current*

*trading and trend information of TSG) of Section B (Information on TSG) of Part II (Information on the Combined Group) of this Prospectus.*

27. ***Flutter and TSG utilise different IT systems and platforms and the integration of those platforms in the Combined Group may cause challenges which could mean that the anticipated benefits of the integration of the businesses of Flutter and TSG in respect of IT systems may not be fully realised and/or the integration of different technologies, platforms, standards, processes, procedures and controls could result in the underperformance, interruption or failure of the IT systems of the Combined Group***

The businesses of each of Flutter and TSG rely on complex IT systems which have been developed separately and which cover a wide range of systems critical to the operation of each business, including the collection, aggregation and distribution of operating and financial data, trade and price information, the generation and provision of analytics, risk management services, provision of market infrastructure (including platforms for the execution, clearing and settlement of bets, positions and trades), security systems and payment systems.

Although the Flutter Directors and the Proposed Directors believe that the Combined Group will be able to generate synergies and cost savings as a result of the Combination in respect of the integration of these IT systems, there can be no assurance that the post-Combination integration of the IT systems of Flutter and TSG will achieve the anticipated synergies and cost savings, in either a timely manner or at all.

The integration of the IT systems in a safe, resilient and regulatory-compliant manner will require considerable resources (including significant capital investment and personnel time and resource commitments) and presents numerous challenges, including because of the complexity of the systems, the potential loss of key personnel with extensive experience of the IT systems of Flutter and TSG respectively and due to difficulties in migrating existing products and services to new technological platforms and integrating different and complex technologies, platforms, standards, processes, procedures and controls. New or upgraded platforms also may not perform as intended or deliver the expected benefits, including, where relevant, increased transaction volumes and lower operating costs.

IT systems underpin all the main products and services that will be offered by the Combined Group and any difficulties in the integration of the IT systems could result in the underlying business of the Combined Group not performing in line with expectations, the incurring of greater costs than expected or the underperformance, interruption or failure of the IT systems. Any such consequences could impact the Combined Group's revenue (e.g. by impacting its ability to offer products and services to its customers) or increase its operating expenses.

28. ***Flutter and TSG are, and therefore the Combined Group will be, highly dependent on the development and operation of its sophisticated technology and advanced information systems and could suffer failures, interruptions or disruptions to such systems or related development projects and/or could fail to effectively adopt and implement new technologies and systems required for the Combined Group's business to remain competitive***

The businesses of each of Flutter and TSG rely, and the Combined Group will rely, on complex IT systems (including systems provided or supported by third-parties) that cover a wide range of systems critical to the operation of the business, including the collection, aggregation and distribution of operating and financial data, trade and price information, the generation and provision of analytics, risk management services, provision of market infrastructure (including platforms for the execution, clearing and settlement of bets, positions and trades), security systems and payment systems.

Flutter's, TSG's and the Combined Group's ability to provide uninterrupted services is dependent on these systems. While each of Flutter and TSG currently have, and the Combined Group will have, certain incident and disaster recovery plans, business contingency plans and back-up procedures in place to minimise, mitigate, manage and recover from the risk of an interruption of, or failure to, its critical IT operations, there is no guarantee that such plans and procedures will be able to adequately anticipate or plan for all such risks and the Combined Group cannot eliminate the risk of a system failure, interruption or disruption occurring. Such failures may arise for a wide variety of reasons, such as software malfunctions, insufficient capacity, including network bandwidth in particular during peak activity times, as well as hardware and software malfunctions or defects, or complications experienced in connection with the operation of such systems, including system upgrades.

If the Combined Group's technology and/or information systems suffer from major or repeated failures, this could interrupt or disrupt its trading, clearing, settlement, index, analytics, data information or risk management services

and undermine confidence in the Combined Group's platforms and services, cause reputational damage, impact operating results and/or cause delays to the integration of the Flutter and TSG businesses.

Each of Flutter and TSG rely, and following the Combination, the Combined Group will rely, to some extent on IT systems, cloud-based services or other networks that are provided, managed or hosted by third-parties. Coordination with such third-parties will be required to resolve any issues with IT systems, which may mean they take longer to resolve than if they were managed or hosted by the Combined Group alone.

To compete effectively, the Combined Group must be able to anticipate and respond, in a timely and effective manner, to the need for new and enhanced technology. The markets in which the Combined Group will compete are characterised by rapidly changing technology, evolving industry standards, frequent enhancements to existing products and services, the introduction of new services and products and changing customer demands. There can be no assurance that the current systems of Flutter, TSG and, following the Combination, the Combined Group, will be able to support any new or emerging technologies, industry standards or enhanced products or services, or be able to accommodate a significant increase in online traffic or increased customer numbers arising as a result of any such technologies, standards or products or services, without further development. If the Combined Group's systems are unable to expand to meet increased demand, are disrupted or otherwise fail to perform, or the adoption of new technologies requires greater investment than anticipated, this could have a material adverse effect on the Combined Group's revenues and could increase operating expenses.

29. ***The operating platforms used by Flutter, TSG and, following completion of the Combination, the Combined Group are and will be reliant on technologies and network systems, which may be vulnerable to cyber-attacks that negatively affect the customer experience or which could result in breach of privacy laws and misuse of customer data***

The operating platforms used by Flutter and TSG are and, following completion of the Combination, the Combined Group will be reliant on technologies and network systems to securely handle transactions and user information over the internet, which may be vulnerable to system intrusions, unauthorised access or manipulation.

As malicious users become increasingly sophisticated and devise new ways to commit fraud or cause disruption, the Combined Group's security and network systems may be tested and subject to attack. Computer malware, viruses, hacking, phishing and similar attacks have become more prevalent in the industry. Two of the more common security issues affecting the online gaming industry are "denial of service" and "Trojan horse" attacks. While Flutter and TSG employ and, following completion of the Combination, the Combined Group will employ intrusion detection and prevention measures, there is no assurance that such intrusions or attacks or other unauthorised access or manipulation of the software will or can be prevented in the future and any occurrences may cause a delay in or an interruption of operations of the Combined Group. Intrusions and interference in technology services may occur without warning, resulting in a negative experience that the Combined Group's customers may associate with use of the Combined Group's products, services or sites. If the Combined Group's efforts to combat these "denial of service" and "Trojan horse" attacks and other forms of cyber-crime are unsuccessful, the Combined Group's reputation and product offerings could be materially adversely affected with a consequent impact on its ability to generate revenue.

Flutter and TSG process and, following completion of the Combination, the Combined Group will continue to process, customer data about users of the online betting and gaming services they make available, including personal information about such customers and the customers' game play history, which comprises information, the storage, use or disclosure of which is regulated by data protection and privacy laws in the jurisdictions in which they operate and/or where their customers are located. For further information on the risks arising from the application of data protection and privacy laws to the Combined Group, see the risk factor entitled "*The increasing application of and any significant failure to comply with applicable data protection and privacy laws may have a material adverse effect on the Combined Group*" in paragraph 36 below.

30. ***TSG is subject to risks related to its and its subsidiaries' contractual relationships with its media partners, and events impacting those relationships or agreements could result in significant disruptions to TSG's and the Combined Group's business***

TSG and one or more of its subsidiaries have ongoing commercial relationships with Sky and FOX Sports, which allow TSG and one or more of its subsidiaries to use the Sky and FOX Sports brands and integrate with Sky's and FOX Sports' commercial and advertising platforms pursuant to several contractual agreements. Events impacting these media partner relationships with TSG, including triggers for terminating these contractual arrangements, could result in significant disruptions (including in the delivery of services provided to customers) and costs that

would adversely affect the overall operational performance, financial performance, financial position or prospects of TSG's business, as well as harm or cause loss of its reputation, brand and associated rights and/or attract increased regulatory scrutiny. Additionally, the commercial and advertising platforms that TSG's media partners provide to TSG may not operate as expected, may not fulfil their intended purpose or may be damaged or interrupted by unanticipated increases in usage, human error, unauthorised access, natural hazards or disasters or similar events. Any interruption to the services these media partners provide to TSG could damage the Combined Group's business and reputation, and could cause it to incur higher marketing and other costs.

TSG and one or more of its subsidiaries utilise their relationships with Sky and FOX Sports to attract customers. If the customer perception of the Sky or FOX Sports brand were to deteriorate (as a result of acts or omissions by Sky, FOX Sports, SBG, TSG or the Combined Group, including any acts or omissions which result in a material deterioration in Sky's and/or FOX Sports' reputations), or if Sky or FOX Sports were to lose some or all of its material licensing arrangements with respect to sports broadcasting, the perception of the Sky or FOX Sports brand, as applicable, could be impacted.

The contractual licence arrangement pursuant to which SBG and one or more subsidiaries of TSG uses the Sky brand is set to expire on 18 March 2040. There can be no assurances that TSG or the Combined Group will be able to extend the term of the licence beyond such expiration date. Additionally, Sky may terminate the licence if TSG (including SBG) does not comply with the licence terms. Any expiration or termination of this Sky brand licence could have a material adverse effect on the Combined Group's ability to generate revenue from the businesses of SBG and could diminish the value to the Combined Group of TSG's arrangements with Sky.

Pursuant to the terms of the licence, TSG (including SBG) is only entitled to use the Sky brand in approved territories, which currently comprise, among others, the UK, Ireland, Italy and Germany. Any use of the Sky brand in any other territory may be undertaken only with Sky's prior consent, and is subject to the satisfaction of certain conditions as to the legality of betting and gaming operations, no adverse impacts on the Sky brand, and the absence of conflicts with third-party rights and existing third-party restrictions and arrangements. While there have been no proposals to date to expand the number of territories in which the Sky brand is approved for use by TSG, there can be no guarantee that TSG or the Combined Group will be entitled to use the Sky brand in any additional territories other than the currently approved territories, if any such proposal is made in future.

TSG has secured certain limited rights to use the SBG brands in conjunction with TSG's brands in the approved territories where use of the Sky brand is permitted. These rights relate to the positioning of the SBG brands on websites, applications, marketing and promotional materials which also feature TSG's brands. TSG has also secured rights to use the benefits of the Advertising Agreement in relation to the promotion of TSG's brands in the UK and Ireland. Any loss of such rights and benefits could have a material adverse effect on TSG's and the Combined Group's UK and Irish business by restricting TSG's ability to advertise certain products on platforms owned by Sky which may result in a reduction in Active Customers and consequent loss of revenue and could diminish the value to TSG of its arrangements with Sky.

TSG's long-term commercial arrangement with FOX Sports, including the licence to use the FOX Bet brand, has a potential term of up to 25 years. FOX Sports has the ability to terminate the arrangement early in certain circumstances, with or without cause and for certain reasons outside of TSG's control. If FOX Sports exercises its right to terminate the arrangement, or if the relationship fails to provide the value anticipated by TSG, it could have a material adverse effect on TSG's US business, including the potential loss of the FOX Bet brand. Further, even if the term of the arrangement reaches its potential term of 25 years, there is no guarantee that any term extensions will be agreed between the parties. Additionally, much of the value from TSG's arrangement with FOX Sports relies on FOX Sports' significant media and other rights, which are not guaranteed to continue for the full term of the arrangement. For example, if FOX Sports were to lose the broadcast rights to one or more material sports leagues, such as the NFL, the value to TSG of the FOX Sports arrangement could be severely diminished, particularly when taking into account certain financial commitments of TSG and the corresponding loss of integrations in certain US sports programming. The arrangement also provides FOX Sports with broad pre-approval rights with respect to certain actions, activities or decisions by TSG, which could limit TSG's and the Combined Group's ability to realise the full anticipated value of the FOX Bet brand. Additionally, state laws or regulations could (i) fail to legalise online sports betting in enough states for TSG to make full use of the FOX Bet brand, and/or (ii) have the effect of prohibiting the use of the FOX Bet brand in those jurisdictions, which would further diminish the value to TSG of the arrangement with FOX Sports.

For further information on TSG's ongoing commercial relationships with Sky and FOX Sports see paragraph 8.2 (*Material contracts of the TSG Group*) of Part VIII (*Additional Information*) of this Prospectus.

**31. *The Combined Group may fail to retain existing customers for its poker offerings or add new customers or customers could decrease their level of engagement with poker offerings in general***

If people do not perceive TSG's and, following Completion, the Combined Group's poker offering to be enjoyable, reliable, relevant and trustworthy, the Combined Group may be unable to attract or retain customers or maintain or increase the frequency and duration of their engagement. A number of other online gaming and interactive entertainment companies that achieved early popularity in poker have since seen their active customer bases or levels of engagement decline.

The Combined Group's strategy will be to increase engagement, retention and monetisation of its poker customer base. Since the beginning of 2016, TSG has improved its poker ecosystem to benefit and attract high-value, net-depositing customers and reduce incentives for high-volume, net-withdrawing customers. As a result of this change in the poker ecosystem, TSG experienced, and may continue to experience, an expected overall decrease in the volume of gameplay and total deposit balances held by high-volume, net-withdrawing players. However, it is also possible that the online poker market is in structural decline more generally and that, as a result, the Combined Group could see an erosion of its Active Customer base or engagement or monetisation levels for its poker offerings in the future. Any such erosion or decreased engagement or monetisation could have a material adverse effect on the Combined Group's revenues given the expectation that online poker will generate a significant portion of the Combined Group's revenue.

**32. *The success of certain of the Combined Group's products including poker, exchange and daily fantasy sports depends upon maintaining liquidity***

Flutter's Betfair Exchange, FanDuel Group's daily fantasy sports business and TSG's poker businesses operate with, and their success is dependent on, high levels of liquidity. A significant reduction of this liquidity or any legislative or regulatory measures taken to ring-fence that liquidity could have a material adverse impact on the attractiveness of those products as well as eroding their key competitive strengths. The occurrence of any event causing an adverse impact on the liquidity available on Flutter's Betfair Exchange, FanDuel Group's daily fantasy sports business and TSG's poker businesses could result in a reduction in the number of customers who are willing to use these products and services which, if it were to arise to a material degree, would have a material adverse effect on the Combined Group's ability to generate revenue from those businesses.

**33. *The Combined Group will depend on third-party providers and other suppliers for a number of products (including data and content) and services that are important to its business. An interruption or cessation, or material change in the terms of provision, of an important product or service supplied by any third-party could adversely affect the Combined Group's business***

The business and technology systems and platforms of Flutter and TSG depend and, following completion of the Combination, the Combined Group will depend, on a variety of services from third-parties, such as telecommunications, data, content, advertising, technology, hosting, banking and other service providers. If there is any interruption to or cessation of the products or services provided by these software and payment providers, any material change to the terms on which such products or services are currently provided or their products or services are not as scalable as anticipated or at all, or if there are problems in upgrading such products or services, the Combined Group's business could be adversely affected, and the Combined Group may be unable to find adequate replacement services on a timely basis or at all and/or at a reasonable price.

Each of Flutter and TSG do, and the Combined Group will, increasingly rely on access to certain data used in its business through licences with third-parties and depend on third-party suppliers for data and content (for example sporting data), including data received from sporting bodies and various data partners, that will be used in its products and services. Some of this data will be provided exclusively by particular suppliers and may not be obtained, or obtainable, from other suppliers. If these third-parties were to discontinue providing products or services to the Combined Group for any reason or fail to provide the type of service agreed to, the Combined Group may experience significant disruption to its business. The general trend toward consolidation in the information services industry may increase the risk that such products or services, insofar as they relate to information services, may not be available to the Combined Group in the future, or may only be available at increased cost to the Combined Group. In addition, in the future, the Combined Group's data suppliers could enter into exclusive contracts with competitors of the Combined Group without its knowledge.

In particular, as discussed in more detail in the risk factor entitled "*The Combined Group will depend on the ongoing support of payment processors and international multi-currency transfer systems*" in paragraph 55

below, the Combined Group will depend on payment and multi-currency processing providers to facilitate the movement of funds between it and its customers and any deterioration in the quality of the payment processing services, any interruption to those services, any increase in the cost of such services or any reduction in the availability of such services to betting and gaming providers could have a material adverse effect on the ability of the Combined Group to accept customers' funds or significantly increase the costs of doing so.

There is a risk that if contracts with any of the third-parties referred to above are terminated and not renewed or replaced, or not renewed or replaced on favourable terms, or if such third-parties do not provide the level of support (in terms of updates and technical assistance) required as they grow, this will have a materially adverse effect the Combined Group's operations and may materially increase the Combined Group's costs of sales.

In addition, the Combined Group will be dependent upon the third-party suppliers referred to above defending any challenges to their intellectual property. Any litigation that arises as a result of such a challenge could have a material impact upon the Combined Group's business and, even if legal actions were successfully defended, disrupt their business in the interim, divert management attention and result in significant cost and expense for the Combined Group.

34. ***Uncertainty as to the legality of online betting and gaming or adverse public sentiment towards online betting and gaming may deter third-party suppliers from dealing with the Combined Group***

The willingness of third-party service providers to provide their services to the Combined Group may be affected by their own assessment of the legality of their provision of services to the Combined Group, of the Combined Group's business or of the online betting and gaming sector, and by political or other pressure brought to bear on them. Adverse changes in law or regulation or enforcement policies in any jurisdiction may make the provision of key services to the Combined Group unlawful or problematic in such jurisdictions. To the extent that third-party suppliers are unwilling or unable to provide services to the Combined Group, this may have a material adverse effect on the Combined Group's licences and impact the Combined Group's ability to generate revenue from offering its products and services to customers.

In addition to any legal or regulatory reasons why a third-party service provider may not be willing to provide services to the Combined Group, certain third-party service providers may be reluctant to provide services to the Combined Group due to concerns regarding public, political, regulatory or market sentiment towards the betting and gaming industry. Certain third-party service providers may determine that an association with the Combined Group could result, directly or indirectly, in adverse consequences for their business and so they may be unwilling to provide their services to the Combined Group and/or prohibit or restrict the Combined Group's customers from using such third-party service provider's technology, business or services for the purposes of interacting with and/or doing business with the Combined Group. For example, certain IT software and/or hardware companies may refuse to make their devices or software compatible with the Combined Group's gaming applications or other online offerings to customers and/or they may restrict access to the Combined Group's betting and gaming applications through such third-party's platforms. In addition, banks and/or other payment processors may prohibit or restrict customers' ability to process payments relating to online gaming websites or applications on a mandatory basis or at the request of a customer. Should such restrictions and rejections become more prevalent, betting and gaming activity by the Combined Group's customers or the conversion of registered customers into Active Customers could be adversely affected, which in turn could have a material adverse effect on the revenue of the Combined Group.

35. ***The loss of certain key members of the Combined Group's senior management team/staff and/or the failure of the cultural integration of Flutter and TSG could have adverse consequences on the Combined Group***

The Combined Group's future success depends in a large part upon the continued service of key members of its senior management team and employees. In particular, given the disparate product offerings of Flutter and TSG and the historical knowledge of those senior managers and key staff in relation to products currently offered exclusively by either Flutter or TSG, members of the senior management team and a number of other key staff will be critical to the overall management of the Combined Group as well as the integration of Flutter and TSG, the development of the Combined Group's technology, its culture and its strategic direction. The loss of any of the Combined Group's senior management or key personnel could seriously harm its business. The Combined Group's ability to compete effectively will be dependent upon its ability to attract new employees and to retain and motivate its existing employees. There can be no assurance that the Combined Group will be able to retain the personnel it requires when the Combination completes. The Combined Group's ability to retain key personnel

will depend upon a number of factors, including compensation packages offered by other companies and the impact of share price performance on the Combined Group's share schemes. For additional information on the Combined Group's executive directors, see Part III (*Board of Directors and Corporate Governance of Flutter Entertainment plc and the Combined Group*) of this Prospectus.

Flutter and TSG are large organisations, each with its own unique organisational culture and approach to its business, staff, customers and other stakeholders, which have developed organically over many years. Notwithstanding that Flutter will exercise strategic and operational control over the TSG business following Completion, the Combined Group's future success will depend in part on the ability of the senior management team to manage the cultural integration of Flutter and TSG. A failure to successfully integrate the organisational cultures of Flutter and TSG within the Combined Group could materially adversely affect the prospects of the Combined Group (for example, the Combined Group may be required to resolve differing opinions on technical decisions and product roadmaps, which may impact the operations of the relevant businesses).

**36. *The increasing application of and any significant failure to comply with applicable data protection and privacy laws may have a material adverse effect on the Combined Group***

Flutter and TSG process customer personal data (including name, address, age, payment details, gaming and self-exclusion history) and employee data as part of their businesses. This requires them to comply with strict data protection and privacy laws in the EU and many other jurisdictions in which they have customers or control, process or transfer such information. Such laws generally restrict the Combined Group's ability to collect and use personal information relating to customers and potential customers and typically also affect the Combined Group's ability to collect, use and transfer personal data relating to its customers and others, including through the use of cookies or similar technologies or by using such information across different brands, in a way that is of commercial use to the Combined Group. Notwithstanding the technical and organisational measures which the Combined Group will have in place following Completion, it will be exposed to the risk that this data could be wrongfully accessed and/or used, whether by employees, customers or other third-parties, or otherwise lost, disclosed or processed in breach of applicable data protection and privacy laws.

If the Combined Group fails to adhere to applicable data protection and privacy laws, it may be subject to administrative sanctions and/or civil litigation. In particular, the General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR") in the EU includes an administrative sanctions regime where non-compliance with GDPR standards can attract fines of up to €20 million or 4% of annual worldwide turnover (whichever is the higher). Data protection supervisory authorities also have extensive powers under the GDPR, including the power to impose a temporary or definitive ban on processing activity.

The GDPR also includes a right to compensation for data subjects who have suffered material or non-material damage as a result of an infringement of the GDPR and in certain cases, civil litigation can be brought by non-profit privacy advocacy groups. Liability can attach to the Combined Group not only for its own non-compliance, but also due to the acts, errors or omissions of those who process personal data in the course of providing services for the Combined Group, as the GDPR includes joint and several liability provisions in certain cases.

Any fines, civil litigation or licence revocations or refusals arising from a breach of applicable data protection, data security and privacy laws could materially adversely affect the Combined Group's revenue and operating expenses. If the Combined Group was to be held directly responsible for a data security breach, or was to be deemed to be jointly responsible for a data security or other data protection breach by one of its service providers, then the resultant losses suffered by the Combined Group could materially adversely affect Combined Group's operating expenses. There can be no assurances that the Combined Group would be able to recoup such losses, whether in whole or in part, from its service providers or insurers.

Breaches of the GDPR or other applicable data protection laws could also result in reputational damage to the Combined Group's brands resulting in the loss of the goodwill of customers and the potential to deter new and existing customers or could result in the Combined Group being subject to the revocation of existing licences and/or the refusal of new applications for licences.

It is likely that data protection regulatory standards in the EU will continue to increase following Completion. Regulatory guidance, caselaw and enforcement activity are increasing and significant further changes are likely to occur that will further enhance the data protection rights of individuals and have a commensurate impact upon the Combined Group's ability to process personal data in a manner that maximises its commercial value. For example, the EU has proposed a new regulation on ePrivacy that could further impact the use of cookies and similar technologies and there are cases pending before the Court of Justice of the EU that are due to examine the

validity of the “standard contractual clauses” mechanism, a mechanism that is used by the Combined Group and many other multinational organisations to support the lawful transfer of personal data from the EU to third countries.

Many jurisdictions outside of the EU have also introduced, or are in the course of introducing, more robust data protection laws, in many cases following the principles set out in the GDPR. For example, in the United States, where the Combined Group will focus on continued expansion following Completion, all 50 States have some form of data breach notification laws while individual states such as California have introduced broader consumer privacy legislation. Such laws may impact the ability of the Combined Group to effectively expand into these jurisdictions, through constraining processing activities, limiting the Combined Group’s ability to market to new customers and/or increasing operational and compliance costs, each of which are central to the Combined Group’s ability to expand into such jurisdictions effectively.

The introduction of further data protection laws in jurisdictions in which Flutter, TSG and, following Completion, the Combined Group currently operate may also limit the ability of the Combined Group to effectively market and cross-sell to its existing customers through constraining processing activities and/or increasing operational and compliance costs.

**37. *The Combined Group’s competitors may implement new technologies before the Combined Group is able to do so, or may implement them in a more appealing way***

The Combined Group will, in respect of its online offerings, be part of a relatively new and evolving industry and its competitors may implement new technologies before the Combined Group is able to do so or may implement them in a more appealing way. Flutter and TSG believe that product and technology offerings are a key differentiator in the betting and gaming market, with customer betting preferences largely driven by the speed, ease of use, and innovative betting features offered by operators. There can be no certainty that existing, proposed or as yet undeveloped technologies will not become dominant in the future or otherwise displace the Combined Group’s services and products or render them obsolete. If the Combined Group is not able to compete effectively with current or future competitors with earlier or more appealing technology, this could have a material adverse effect on the perception of the Combined Group’s products and consequently on the revenue generated from those products.

**38. *The Combined Group’s success depends on the maintenance, responsible development and enhancement of its brands***

The success of the Combined Group depends on the maintenance, responsible development and enhancement of its brands and reputation. The strong reputation of the Flutter and TSG businesses and their valuable brand names are important to, and will continue to be, a key competitive strength of the Combined Group. The image of the Combined Group and one or more of its individual brands might be harmed by a failed integration of the Flutter and TSG businesses, or any disruption to the products or services that the Combined Group provides under those brand names.

Maintaining and enhancing the Combined Group’s brands may require it to make or incur substantial investments, costs or fees. If the Combined Group is unable to maintain, develop and enhance its brands or if it incurs excessive expenses in this effort, its ability to implement its strategic goals may be adversely affected.

Damage to the reputation and brands of the Combined Group may arise from internal factors (technology failures, regulatory investigations, the conduct of current or former directors, employees, ambassadors or service providers of the Combined Group and litigation) and external factors (legal, economic and political factors) which make the markets and jurisdictions in which the Combined Group will operate less attractive. For example, the Combined Group intends to run a multiple-brand strategy in multiple markets and jurisdictions and there are risks associated with managing brands which are competing with one another. In addition, increased competition from third-parties in the markets and jurisdictions in which the Combined Group will operate may require more management time and resource and greater levels of expenditure to maintain, develop and enhance the Combined Group’s brands.

**39. *The Combined Group’s success depends on its ability to effectively conduct its marketing activities***

The Combined Group’s acquisition and retention of Active Customers depends significantly upon its ability to effectively market to its existing and potential customers, including through affiliate marketing. There are limitations to and, in some cases, prohibitions on the online and offline marketing channels that will be available to the Combined Group as a result of applicable law and regulation. For example, in July 2018 the Italian

Government introduced a ban on all gambling-related advertising and sports sponsorship which took effect in July 2019 and in Australia the Commonwealth Government recently strengthened restrictions on gambling advertising during children's viewing hours, prohibiting the advertising or promotion of odds during live sports broadcasts between 5.00 am and 8.30 pm (including online streaming of sporting events). Further restrictions or the loss of marketing channels that are currently available to Flutter and/or TSG may further restrict the Combined Group's ability to attract and maintain Active Customers and may have an adverse effect on its ability to generate revenue in any jurisdiction implementing such restrictions.

40. ***The Combined Group's revenue may fluctuate, particularly over shorter periods of time, based on sportsbook gross win percentages and online casino pay-outs***

A significant proportion of the Combined Group's revenue will be derived from fixed-odds betting which means winnings are paid on the basis of the stake placed and the odds quoted before the conclusion of the event (rather than, for example, being determined after the event from a pool of stake money from which the operator's revenue is deducted). As a result, in the absence of a balanced book, fixed-odds betting returns are volatile. While the odds offered to customers are intended to provide a target average return (or gross win percentage) to the bookmaker over a large number of events, this outcome is not guaranteed, particularly over a smaller number of events. From time to time the Combined Group could experience significant losses caused by unfavourable outcomes in individual events.

The Combined Group may experience returns below its expected gross win percentage owing to, among other reasons:

- a series of outcomes skewed towards its customers' betting selections in those events, particularly over shorter time periods (such as when a disproportionate number of 'favourites' win or a 'national' team/sportsperson from a major market wins);
- structural changes lowering the Combined Group's expected gross win percentages (such as offering more generous odds as a result of competition); or
- failures of the people, processes and/or systems which the Combined Group will have in place to manage its bookmaking risk, for example, by failing to apply appropriate limits or adjust odds.

In online casino, operator losses are limited per stake to a maximum pay-out. When looking at bets across a period of time, operator losses can potentially be larger in the short term, although in practice, this does not happen quickly and thus Flutter, TSG and, following completion of the Combination, the Combined Group can take mitigating action. Given the high volume of the business and the statistical gross win margin embedded within all casino games, major operator losses are infrequent over long periods, however, the Combined Group's earnings in any particular financial period may also fluctuate based on whether it pays out any jackpots to its customers during that period.

41. ***The Combined Group's operational efforts to expand its customer base in existing and new geographic markets, including its efforts to cross-sell to existing customers, may not be successful***

As a result of social, political and legal differences between jurisdictions, successful marketing in a new jurisdiction will often involve local adaptations to the Combined Group's overall marketing strategy. While Flutter and TSG have been successful in entering new geographic markets to date, future entry into new geographic markets may not be successful. In particular, the Combined Group's marketing strategy in new geographic markets may not be well received by target customers or may not otherwise be socially acceptable in that jurisdiction. The Combined Group may be unable to deal successfully with a new and different local operating environment. The Combined Group may also be unable, for technological or other reasons, to design and deliver the correct marketing strategy in its key markets to enable it to cross-sell within and across the Combined Group's brands.

In addition, as discussed in more detail in the risk factor entitled "*The Combined Group may be unsuccessful in expanding its provision of online betting and gaming services into new and existing jurisdictions and markets where the regulatory status of the provision of such services has been clarified or liberalised*" in paragraph 14 above, the Combined Group's ability to expand its customer base in new geographic markets may also be impacted by adverse regulatory developments in those markets.

42. ***The business of the Combined Group will be exposed to competitive pressures given the international nature of competition in online betting and gaming***

If the Combined Group is unable to compete effectively, it may lose existing customers and may not be able to attract new customers. Competition in online betting and gaming takes place on an international level, as evidenced by the fact that operators attract customers to their websites from countries around the world, the barriers to customer switching between competing operators are low and, in Flutter's view, the online betting and gaming market is increasingly competitive. The Combined Group may be unable to respond quickly or adequately to changes in the industry brought on by new products and technologies, the availability of products on other technology platforms and marketing channels, the introduction of new features and functionality or new marketing and promotional efforts by the Combined Group's competitors or new competitors and new technology.

In addition, the Combined Group is also subject to the risk of further consolidation in the betting and gaming industry which might result in the formation of a very large or successful competitor to whom the Combined Group might lose market share. Other competitors may have significantly greater financial, technical, marketing and other resources than the Combined Group in certain jurisdictions or markets in which it operates and may be able to secure greater liquidity than the Combined Group. A loss of market share could have a considerable adverse effect on the Combined Group's revenues.

Furthermore, betting and gaming faces competition from other leisure activities and there can be no assurance that the Combined Group will be able to increase or maintain its share of customers' discretionary spend against such other leisure activities.

43. ***The Combined Group, together with other operators in the betting and gaming industry, could face increased exposure to governmental investigations, inquiries, regulatory actions and litigation (including class action lawsuits) in respect of the Combined Group's products, operations and marketing activities in connection with concerns regarding the effects of betting and gaming***

Each of Flutter and TSG is committed to responsible betting and gaming. This has underpinned Flutter's strategy and will, following the Combination, underpin the strategy of the Combined Group, including the deployment of tools such as deposit limits, loss limits, reality checks, self-exclusion, active monitoring and intervention systems and continuing to have a key role in establishing progressive, constructive self-regulation that enhances customer protections. Each of Flutter and TSG has (and following the Combination, the Combined Group will have) detailed procedures and systems in place to comply with applicable betting and gaming laws and regulations and pursues, and will continue to pursue, a policy of full compliance with such laws and regulations.

As a result of greater public awareness of the potential adverse effects of the abuse or excessive use of products or services offered by service providers in the betting and gaming industry, there could be increased scrutiny of, or investigations into, the commercial practices of betting and gaming industry service providers, including by governmental agencies. There is also the risk of class action or individual lawsuits or litigation by individual or groups of users of such services, including under tort, recovery of betting/gaming losses, negligence, breach of contract, civil conspiracy, unjust enrichment, fraud, public nuisance or other common law or analogous claims, or for breaches of regulations, including in the areas of product liability, consumer protection, unfair or deceptive trade practices, false advertising, unlawful marketing, unlawful gaming/gambling or breach of gaming/gambling regulation or licensing. Although Flutter is not currently subject to any such claims or investigations, a subsidiary of TSG is subject to claim by the Commonwealth of Kentucky for the recovery of gambling losses relating to a period prior to the acquisition by TSG of the subsidiary in question (see paragraph 7.2 (*Legal and arbitration proceedings relating to TSG*) of Part VIII (*Additional Information*) of this Prospectus for further information in relation to these proceedings).

If the Combined Group were to be made the subject of or a defendant in any such investigations or legal actions, including as a result of a change in policy or regulation, or new judicial practices or precedents regarding liability for certain types of claim, or if it were to incur liability in respect of such investigations or legal actions, the Combined Group's reputation, prospects and operating expenses could be materially adversely affected.

44. ***The Combined Group could be exposed to liabilities arising from proceedings brought by the Commonwealth of Kentucky on behalf of Kentucky residents against certain subsidiaries of TSG for the recovery of gambling losses***

Certain subsidiaries of TSG are currently the subject of proceedings with the Commonwealth of Kentucky in respect of a claim to recover alleged gambling losses on behalf of Kentucky residents who played real-money

poker on the PokerStars website during a period between 12 October 2006 and 15 April 2011. Both this time period, and the making of the claim, pre-dated the acquisition of those subsidiaries by TSG. TSG successfully appealed an initial judgment against the subsidiaries in December 2018 (with the Kentucky Court of Appeals reversing in its entirety the original \$870 million judgment that had been awarded by the trial court judge). The Kentucky Supreme Court has granted a request by the Commonwealth of Kentucky for discretionary review of the case and TSG intends to, and, if applicable, following completion of the Combination, the Combined Group will, vigorously dispute the liability as it believes the action is frivolous. In the event TSG loses the appeal, following the Combination the Combined Group may be required to pay some or all of the amount awarded in the original judgment, together with related expenses.

See paragraph 7.2 (*Legal and arbitration proceedings relating to TSG*) of Part VIII (*Additional Information*) of this Prospectus for a more detailed description of the Kentucky Proceedings.

**45. *The Combined Group may face, or be required to make, litigation claims in the future***

In addition to litigation arising from the legal and regulatory obligations imposed on the Combined Group's business, or in relation to the Combined Group's or third parties' intellectual property, the Combined Group will operate, and is likely to expand its operations, in jurisdictions which have proven to be litigious environments and it may be subject to claims from customers, contractual counterparties or others and may be obliged to make claims against customers, contractual counterparties or others to enforce obligations owed to the Combined Group. If the Combined Group were to become involved, whether as plaintiff or defendant, in significant litigation then liability for damages and/or legal costs could have a material adverse effect on the Combined Group's operating expenses. See paragraph 7 (*Legal and arbitration proceedings*) of Part VIII (*Additional Information*) of this Prospectus for a more detailed description of ongoing proceedings currently affecting Flutter and TSG.

**46. *Any major health, safety or security incident that raises concerns over the Combined Group's health and safety regime could have a material adverse reputational and financial impact on the Combined Group***

A major health, safety or security incident in any of the Combined Group's retail betting outlets in Ireland, the UK, Georgia or the US or other physical premises could expose the Combined Group to significant potential liabilities, including potential civil or criminal claims against the Combined Group, the Flutter Directors and/or the Proposed Directors, as applicable. Such an incident could involve either or both the Combined Group's customers or employees at the relevant location. Although the Combined Group will maintain insurance that it believes is adequate, that insurance may prove inadequate to cover all the risks to which the business and its assets may be exposed and any such incident could raise concerns over the Combined Group's health and safety regime and could generate significant adverse publicity and reputational damage which could have a material adverse impact the Combined Group's relationships with customers and employees (with a consequent impact on revenue) and could, to the extent that it is uninsured, materially adversely affect the Combined Group's operating expenses.

**47. *The Combined Group may face claims alleging infringement of intellectual property rights held by others***

The Combined Group's operations are dependent on complex IT systems and its business activities, products and systems may infringe the proprietary rights of others, and other parties may assert infringement claims against it. Although neither the Flutter Directors nor the Proposed Directors are, as at the Latest Practicable Date, aware of the existence of any such matters that are material in context of the Combined Group as a whole, any such claim and any resulting litigation (including litigation against a third-party supplier), should it occur, could subject the Combined Group to significant liability for damages (or an account of profits) and legal costs and could result in invalidation of its proprietary rights, result in loss of rights to use software or other intellectual property rights or technology that are material to its business, distract management, and/or require it to enter into costly and burdensome royalty and licensing agreements. Such royalty and licensing agreements, if required, may not be available on terms acceptable to the Combined Group, or may not be available at all. In addition, parties making claims against the Combined Group may be able to obtain injunctive or other equitable relief which could effectively block the Combined Group from using such rights in its usual manner, or at all. Such litigation, whether successful or unsuccessful, could result in substantial costs and diversion of resources, including management time and resources, as well as potential negative publicity.

**48. *The Combined Group may face difficulties in protecting its intellectual property***

The Flutter Directors and the Proposed Directors consider the brands, know-how, copyright in software, copyright in data, trade-marks, domain names and other intellectual property of Flutter and TSG to be a competitive advantage and to be key to the future prospects of the Combined Group. The Combined Group will derive a significant proportion of its revenues from its services and information technology operations.

Flutter and TSG protect their intellectual property by relying upon a combination of trade-mark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with its affiliates, clients, customers, strategic partners and others. Such protection may be inadequate to deter misappropriation of the Combined Group's proprietary information and other intellectual property rights, and there can be no assurance that the Combined Group's registered intellectual property rights will not be successfully challenged or circumvented by competitors. The Combined Group may not be able to detect the unauthorised use of, or take adequate steps to enforce, its intellectual property rights. The Combined Group cannot be assured that obligations in confidentiality agreements will be maintained and honoured, and if these agreements are breached, it is unlikely that the remedies available to the Combined Group will be sufficient to compensate it for the damages suffered even if it promptly applies for injunctive relief. Failure to protect its intellectual property rights adequately, including its rights in know-how or trade secrets, could harm the Combined Group's reputation and affect the ability of the Combined Group to compete effectively. Further, defending or enforcing the Combined Group's intellectual property rights could result in the expenditure of significant financial and managerial resources, which could adversely affect the operating expenses of the Combined Group.

**49. *Aspects of the Combined Group's business will depend on the live broadcasting and scheduling of major sporting events***

The entrance of alternative media licensing and broadcasting organisations into the sport broadcasting industry (for example, Amazon, Eleven Sports and YouTube), which may not attract the volume of viewers traditionally attracted by television companies for major sporting events (in particular free-to-air broadcasters such as the British Broadcasting Corporation), has the potential to negatively impact the number of customers who have access to live sporting events. A material reduction in the number of the Combined Group's customers who have access to live sporting events could have an impact on the number of customers accessing the Combined Group's sports betting services and products which could in turn materially adversely affect the Combined Group's ability to generate revenue.

In addition, the sports betting operations of the Combined Group's business are subject to the seasonal variations dictated by the sporting calendar and are affected by the scheduling and live broadcasting of major sporting events. Disruptions to the scheduling and broadcasting of those events may have a material impact on the Combined Group's ability to generate revenue from betting on those events. In some instances, the scheduling of major sporting events occurs seasonally (for example, horse racing, the Premier League and the European Champions League, the NBA and the NFL) or at regular but infrequent intervals (for example, the FIFA World Cup, UEFA European Championships). Such seasonality or infrequent sporting events may increase the volatility of the Combined Group's financial performance. The cancellation, disruption to, or postponement of, the live broadcasting of sporting events, for example due to contractual disputes, technological or communication problems, or the insolvency of a major broadcaster, could materially adversely affect the Combined Group's ability to generate revenue from betting on those events.

For example, the effect of the recent COVID-19 pandemic, or the perception of its effects, if prolonged, will materially adversely affect the Combined Group's ability to generate revenue from betting on sporting events. The duration and extent of the COVID-19 pandemic and related actions may also impact many other aspects of the Combined Group's business. In particular, some government authorities and sports governing bodies have implemented and may continue to implement additional measures to try to halt or mitigate the COVID-19 outbreak, including the postponement or cancellation of sporting events, which, if prolonged, would materially adversely impact the Combined Group's operations and prospects. See the risk factor entitled "*The Combined Group's business and financial performance is likely to be affected by economic, social and political conditions, including the impact of the COVID-19 pandemic, globally and, in particular, in the jurisdictions in which it operates*" on page 24 of this Prospectus.

**50. *The Combined Group may prioritise customer growth and engagement and the customer experience over short-term financial results***

The Combined Group may in the future make, product and investment decisions that may not prioritise its short-term financial results if it believes that the decisions are consistent with its mission and long-term goals to benefit the aggregate customer experience, improve its financial performance and maximise shareholder value. For example, TSG has implemented and, after the Combination, the Combined Group may in the future implement changes to, including certain reductions in, its loyalty programmes to ensure that the distribution of rebates, rewards and incentives is aligned with its goal of incentivising customers for loyalty and behaviour that is positive to the overall customer experience and the particular product offering's ecosystem, such as the introduction of Stars Rewards, and introduced and may in the future introduce other changes, such as adjustments to product pricing. The Combined Group also may introduce changes to existing product offerings, or introduce new product offerings, that direct customers away from existing product offerings where it has a proven means of monetisation and which may reduce engagement with its core product offerings. The Combined Group also may take steps that limit distribution of certain product offerings, such as on mobile devices, in the short term to attempt to ensure the availability of such product offerings to its customers over the long term. These decisions may not produce the benefits that the Combined Group expects, in which case its customer growth and engagement, its relationships with third parties, and its business and results of operations could be harmed.

**FINANCIAL AND BANKING RISKS ASSOCIATED WITH THE OPERATIONS OF FLUTTER AND/OR TSG AND, IF THE COMBINATION BECOMES EFFECTIVE, THE COMBINED GROUP**

**51. *The financing synergies expected to result from the Combination will be subject to the availability of suitable refinancing options at the relevant time, which will depend on, among other factors, the state of the market for corporate debt***

The Combined Group expects to realise financing synergies through the refinancing of TSG's existing corporate debt as a result of the expected financial and credit profile of the Combined Group. It is the present intention of the Combined Group to seek a refinancing of the TSG First Lien Term Loans and the TSG Senior Notes in due course. TSG's existing indebtedness will remain the responsibility of the relevant existing members of the TSG Group (which in turn will form part of the Combined Group) following completion of the Combination, save to the extent that the debt is refinanced by the TLA/RCF Facilities Agreement described in paragraph 8.2 (*Material contracts of the TSG Group*) of Part VIII (*Additional Information*) of this Prospectus or subsequently refinanced or amended.

There can be no certainty that the Combined Group will be able to raise sufficient debt on suitably economically attractive terms (for example with respect to the amount, the maturity and the applicable interest rate or other pricing terms) or at all, at the time it seeks to refinance TSG's corporate debt. The availability and terms of suitable refinancing options at the relevant time will depend on, among other things: (i) macroeconomic factors, including the condition of the corporate debt market and the interest rates available to the Combined Group; (ii) the Combined Group's and the lenders' estimate of the stability of the Combined Group's expected cash flows and the expected evolution of the value of its assets; (iii) the credit rating of the Combined Group; and (iv) any other circumstance affecting the Combined Group's ability to refinance on more favourable terms, including the continued impact of the COVID-19 pandemic on global debt markets.

Any failure of the Combined Group to refinance the TSG Group's existing corporate debt may have a material impact on the anticipated interest cost savings that are expected to arise as a result of the planned refinancings. This is without prejudice to the working capital statement contained in paragraph 10 (*Working capital statement*) of Part VIII (*Additional Information*) of this Prospectus.

**52. *The Combined Group will be exposed to foreign exchange rate risk with respect to the translation of foreign currency denominated balance sheet amounts into pounds sterling and to the risk of interest rate fluctuations and its ability to mitigate its foreign exchange risk through hedging transactions may be limited***

Flutter's reporting currency is pounds sterling, and will remain so for the Combined Group following completion of the Combination, but part of its income, deposits and expenditure will be in other currencies, notably euro, US dollars, Canadian dollars and Australian dollars. As a result, revenues and costs will be affected by foreign exchange rate fluctuations and volatility in exchange rates between pounds sterling and relevant foreign-denominated currencies will result in volatility in the reported results of operations of the Combined Group.

Exchange rate fluctuations may affect the Combined Group's consolidated statement of financial position, particularly with respect to individual assets and liabilities, but the Combined Group will seek to minimise the effect on net assets where in the opinion of the Flutter Directors and the Proposed Directors it makes economic sense to do so. In addition, as noted in the risk factor entitled "*The Combined Group's business and financial performance may be affected by the UK's exit from the European Union*" in paragraph 24 above, the prospect of Brexit has led to increased volatility in and an overall fall in the value of the pound sterling. Continuing uncertainty surrounding the nature of the future relationship between the UK and the remaining EU Member States following expiry of the transitional period agreed between the UK and EU, and the overall impact of Brexit on the UK economy, could lead to continued volatility in the value of the pound sterling, and may result in volatility in the reported results of operations of the Combined Group.

The Combined Group may, from time to time, hedge a portion of its currency exposures and requirements to try to limit any adverse effect of exchange rate fluctuations on its operations, financial performance and prospects, but there can be no assurance that such hedging will eliminate the potentially material adverse effect of such fluctuations.

As a result of the cash generative nature of the Combined Group and the cash balances it retains on behalf of customers, the Combined Group will be exposed to interest rate risk affecting the income earned on such deposits.

**53. *The Combined Group will be subject to foreign exchange risk with respect to customer purchasing power in respect of certain TSG products and services which may cause certain customers to reduce the amount they would otherwise deposit***

TSG is exposed to foreign exchange risk with respect to customer purchasing power in respect of certain of its products and services. The primary depositing currencies on TSG's product offerings are currently currencies other than the US dollar. However, with respect to TSG's International segment, the primary currency of customer game play is the US dollar and a significant portion of its expenses are incurred in Canadian, US and Australian dollars, euro and pounds sterling. Consequently, past and potential future weakness in these and certain other global currencies against the US dollar decreases the purchasing power of TSG's International segment customer base, which could cause those customers to be unwilling to deposit and spend the same or similar amounts that they may otherwise deposit or spend. If a substantial weakness in one or more currencies against the US dollar caused a significant number of TSG's customers to reduce the amounts they would otherwise deposit or spend, it could have a material adverse effect on the attractiveness of TSG's products and impact the ability of the Combined Group to generate revenue from those products.

**54. *Funds held in accounts with third-party banking institutions may be subject to superior competing claims***

Funds, including customer funds, of Flutter and TSG are currently spread across leading banking groups. The failure of any one or more of these banking groups may result in all or some of the funds of the Combined Group being subject to superior competing claims by creditors of those banking groups and ultimately lost. This would have not only financial implications, but would also significantly impact the confidence that customers have in the security of their money held by the Combined Group which could materially adversely affect their willingness to transfer funds to the Combined Group. In addition, the Combined Group will have certain of its own funds deposited with such third-party banking groups and the failure of any one or more of those groups could result in the loss of some or all of such funds.

**55. *The Combined Group will depend on the ongoing support of payment processors and international multi-currency transfer systems***

Flutter and TSG each are and, following completion of the Combination, the Combined Group will be reliant on payment and multi-currency processing systems to facilitate the movement of funds between each of them and their customer base. Anything that could interfere with the Combined Group's relationships with payment service providers would have a material adverse effect on its business. The introduction of legislation or regulations restricting financial transactions with online betting and gaming operators or prohibiting the use of credit cards and other banking instruments for online betting and gaming transactions, or any other increase in the stringency of regulation of financial transactions, whether in general or in relation to the online betting and gaming industry in particular, may restrict the ability of the Combined Group to accept payment from its customers or facilitate withdrawals by them. For example, in January 2020 the UKGC announced that, with effect from 14 April 2020, betting and gaming operators will not be permitted to accept credit card payments from UK based customers.

Flutter expects that the annualised revenue impact on the Flutter Group of the introduction of this ban will be approximately £20-25 million.

Certain governments may seek to impede the online betting and gaming industry by introducing legislation or through enforcement measures designed to prevent customers or financial institutions based in their jurisdictions from transferring money to online betting and gaming operations. They may seek to impose embargoes on currency use, wherever transactions are taking place. For example, in June 2010, Norway enacted a law prohibiting the remittance of monies from Norwegian bank accounts to gaming operators and in November 2017, Russian President Vladimir Putin signed a bill into law to require certain banks and payment processors within Russia to block transactions between Russian-based customers and off-shore online gaming operators. This may result in the providers of payment systems for a particular market deciding to cease providing their services for such a market. This in turn would lead to an increased risk of payments due to the Combined Group being misappropriated, frozen or diverted by banks and credit card companies. There may be a limited availability of alternative systems, in particular in light of recent consolidation in the financial services industry. As a result, payment systems providers may increase their charges to the Combined Group or its customers, and/or the Combined Group may be required to source new payment systems providers of lesser quality and reliability than those providers previously used to service a particular market, which would also enhance the risk of default or delayed payments in circumstances where it would be too time consuming and challenging to sue for recovery. The likelihood of any such legislation or enforcement measures is greater in certain markets that seek to protect their state betting and gaming monopolies and/or that have foreign currency or exchange control restrictions.

The tightening, or other modifications to, or changes in interpretation of anti-money laundering regulations may also affect the speed and convenience of payment processing systems, resulting in added inconvenience to customers. Card issuers and acquirers may dictate how transactions and products need to be coded and treated which also may impact on acceptance rates. Certain card issuers, acquirers, payment processors and banks may also cease to process transactions relating to the (online) betting and gaming industry as a whole or certain operators, such as the Combined Group, for reputational and/or regulatory reasons or in light of increased compliance standards of such third-parties that seek to limit their business relationships with certain industry sectors considered as “high risk” sectors.

A number of issuing banks or credit card companies may, from time to time, reject payments to the Combined Group that are attempted to be made by customers. Should such restrictions and rejections become more prevalent, or any other restriction on payment processing be introduced, gaming activity by the Combined Group’s customers or the conversion of registered customers into Active Customers could be adversely affected, which in turn could have a material adverse effect on the Combined Group’s ability to generate revenue.

In addition, if any relevant regulator were to challenge the Combined Group’s payment arrangements, and the Combined Group was unable to withstand such challenge, it would have to reorganise the way in which it receives payments from its customers. Such a reorganisation of payment systems could disrupt the business and, as a result, have a material adverse effect on the Combined Group’s operations, financial performance and prospects.

**56. *The receipt and holding of customer funds could be regarded as deposit-taking business, requiring various financial services licences/authorisations***

In common with other online betting and gaming businesses, payments from Flutter’s and TSG’s customers are generally required in advance of permitting such customers to participate in betting and gaming activities. The receipt of funds from customers may be subject to regulation in various countries. For example, such payments may constitute ‘deposits’ for the purposes of the UK financial services regime. Accepting deposits in the UK is a regulated activity, generally requiring those that accept deposits in the UK to be authorised under applicable financial services legislation.

Flutter has previously received confirmation from the FCA that the acceptance by the relevant entity of such payments does not constitute “deposit taking” and that therefore they do not require authorisation under applicable financial services legislation in the United Kingdom. If this position were to change, the Combined Group may have to either reorganise the way in which it receives payments from its customers or seek to obtain relevant authorisations. Such a reorganisation of payment systems could disrupt the Combined Group’s operations and result in it incurring unforeseen costs and expenses. In addition, any failure to obtain a necessary authorisation may prevent the Combined Group from continuing to provide its products in the same way as it currently does which may impose additional costs on the provision of such products or prevent the Combined Group from providing some or all of its products to certain customers.

**57. *If the Combined Group's internal controls are ineffective, its operating results and market confidence in its reported financial information could be adversely affected***

Flutter does currently and, following Completion, the Combined Group will continue to maintain internal controls which the Flutter Board believes to be sufficient to meet its obligations as a premium listed company under the UK Listing Rules and to comply with its obligations under other applicable law (including in respect of timely and accurate public disclosure requirements under the Disclosure and Transparency Rules). However, the Combined Group's internal control over financial reporting may not in fact prevent or detect misstatements in certain circumstances, including in the event of human error, the circumvention or overriding of controls or fraud. For example, as of 31 December 2018, TSG identified two material weaknesses, which have since been remediated, in its internal control over financial reporting, which led management to conclude that its internal control over financial reporting as of such date was not effective. In addition, and unrelated to the prior year's material weaknesses, as of 31 December 2019, TSG identified two material weaknesses in its internal control of financial reporting at BetEasy, which are in the process of being remediated. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If the Combined Group fails to maintain the adequacy of its internal controls, including any failure to implement required new or improved controls, if it experiences difficulties in their implementation, or if controls are disrupted or compromised it may have a material adverse effect on the accuracy of the Combined Group's financial reporting and could result in the Combined Group being subject to regulatory enforcement and fines or other sanctions.

**RISKS ASSOCIATED WITH THE HOLDING OF ORDINARY SHARES**

**58. *The market price of the Ordinary Shares, including any New Shares, could be subject to significant fluctuations***

The value of an investment in the Ordinary Shares of Flutter, including any New Shares, may go down as well as up. The market value of the Ordinary Shares can fluctuate and may not always reflect the underlying value of the assets of the Combined Group. A number of factors may impact on the price of the Ordinary Shares, including, but not limited to, (i) variations in the Combined Group's operating and financial results, (ii) possible differences between the actual results of the Combined Group and the results that were expected by investors and analysts, (iii) the Combined Group's implementation of strategic and operational plans, (iv) significant changes to the legal, regulatory or tax regimes in which the Combined Group operates, (v) fluctuations in the trading volume of the Ordinary Shares resulting in changes in the market price for such Ordinary Shares without any apparent correlation to the financial performance of the Combined Group, (vi) the outcome of material litigation affecting the Combined Group, (vii) fluctuations in foreign exchange rates which may impact reported financial performance, and (viii) national and global political, economic and financial conditions and sentiment (including, without limitation, arising as a result of Brexit, the impact of the COVID-19 pandemic and/or changes in US foreign or domestic policy).

**59. *Any future non pre-emptive Ordinary Share issues would dilute holders of Ordinary Shares***

Flutter may in future decide to issue/offer additional Ordinary Shares or other equity share capital on a non-pre-emptive basis. This could dilute the proportionate ownership and voting interests of holders of Ordinary Shares and may have a negative impact on the market price of Ordinary Shares.

The Companies Act provides for pre-emptive rights in respect of equity offerings for cash in favour of Flutter Shareholders unless such rights are dis-applied by a special resolution of shareholders. These statutory pre-emption rights were last dis-applied in limited circumstances by Flutter Shareholders at Flutter's annual general meeting held on 15 May 2019. Pursuant to the authorities conferred by Flutter Shareholders at its 2019 AGM, Flutter is authorised to issue up to 3,905,239 new Ordinary Shares for cash (which is equivalent to approximately 5% of Flutter's issued share capital, excluding Treasury Shares, on the date the notice of the 2019 AGM was issued to Flutter Shareholders) without first offering those Ordinary Share pre-emptively to Flutter Shareholders. This authority will expire at the earlier of the close of the AGM of the Company held in 2020 or 14 August 2020, unless previously renewed, varied or revoked by a special resolution of shareholders at an annual or extraordinary general meeting of the Company.

In addition, as noted in more detail in paragraph 8 (*Material contracts*) of Part VIII (*Additional Information*) of this Prospectus, put and call option arrangements are in place which will entitle, or may require, Flutter to acquire an additional 37% stake in the FanDuel Group in two 18.5% tranches in 2021 and 2023 (subject to the right of FSG Services to acquire the initial 18.5% tranche exercisable in accordance with terms agreed with FSG Services

for a period of 10 years from 2021) and the right to acquire a further 49% stake in Adjarabet in 2022. Where these put and call arrangements are exercised, Flutter will have the option to settle each of these arrangements through the issue of new Ordinary Shares to the relevant shareholders of the FanDuel Group and Adjarabet (at the prevailing mid-market price). Similarly, as described in more detail in paragraph 5.1 (*Material investments*) of Section B (*Information on TSG*) of Part II (*Overview of the Business of the Combined Group*) of this Prospectus, if completion of TSG's acquisition of the remaining 20% stake in BetEasy which is held by certain minority shareholders occurs after completion of the Combination, Flutter will have the right to settle the AUD\$151 million purchase price payable in respect of the acquisition in cash, through the issue of new Ordinary Shares or a combination of both. If Flutter elects to settle all or any of these arrangements through the allotment and issue of new Ordinary Shares, Flutter Shareholders' proportionate ownership and voting interests in the Combined Group would be diluted, and their Ordinary Shares would represent a reduced percentage of the issued share capital of Flutter following such issue(s) of Ordinary Shares, though Flutter's ownership stake in each entity would be increased by the relevant figure. Any such offering may also adversely affect the prevailing market price of the Ordinary Shares.

In addition, significant sales of Ordinary Shares by major shareholders, in the absence of market demand for such Ordinary Shares, or the perception that such sales might occur, could have an adverse effect on the market price of the Ordinary Shares as a whole.

**60. *Risks of executing the Combination could cause the market price of Ordinary Shares, including any New Shares, to decline***

The market price of the Ordinary Shares, including any New Shares, may decline for many reasons as a result of the Combination including, if:

- (a) the integration of Flutter and TSG is unsuccessful or is materially delayed;
- (b) Flutter does not achieve the expected benefits of its acquisition of TSG as rapidly or to the extent anticipated by Flutter's financial analysts or investors or at all;
- (c) the effect of Flutter's acquisition of TSG on the financial results of the Combined Group is not consistent with the expectations of financial analysts or investors; or
- (d) former TSG Shareholders sell a significant number of their Ordinary Shares after Completion.

If the Combination becomes effective, it is expected that up to 66,531,782 New Shares will be issued to TSG Shareholders. Assuming that the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination, this will result in former TSG Shareholders holding approximately 45.34% of the Company's enlarged issued share capital (based on the fully diluted ordinary share capital of Flutter and the fully diluted share capital of TSG as at the Latest Practicable Date and assuming no further share issuances). If a significant proportion of TSG Shareholders who receive New Shares in the Combination seek to sell those New Shares within a short period after the Effective Date, this could create selling pressure in the market for Ordinary Shares or a perception that such selling pressure may develop, either of which may adversely affect the market for, and the market price of, Ordinary Shares.

**61. *The ability of shareholders outside Ireland to enforce their pre-emption or other rights may be restricted by the securities laws of other jurisdictions***

Flutter is incorporated in Ireland. Irish company law grants (and following Admission will grant) Flutter Shareholders pre-emption rights on offers of shares for cash consideration, which may be dis-applied by a special resolution (i.e. the approval of 75% or more of Flutter Shareholders voting in person or by proxy at a meeting of Flutter Shareholders) of Flutter Shareholders. However, the securities laws of certain jurisdictions may restrict Flutter's ability to allow participation by Flutter Shareholders resident or otherwise located in those jurisdictions in future offerings, or the exercise of other rights by those Flutter Shareholders. In particular, Flutter Shareholders in the United States may not be entitled to exercise pre-emption rights unless those rights and shares are registered under the US Securities Act, or the rights and shares are offered pursuant to an exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

**62. *Flutter's dividend policy will be dependent on the financial condition of the Combined Group***

The level of any dividend paid in respect of the Ordinary Shares will, following completion of the Combination, be within the discretion of the Flutter Board and will be subject to a number of factors, including the business and financial condition, earnings and cash flow of, and other factors affecting, the Combined Group. In addition, Flutter will only be able to pay dividends to holders of its shares to the extent that it has sufficient distributable reserves and cash available for this purpose and Flutter may decide to use all or part of such cash for another purpose, for example, to invest in and further develop the Combined Group's business. As described in paragraph 1 (*The Combination*) of Part I (*Information on the Combination*) of this Prospectus, subject to approval of the 2019 Final Dividend by Flutter Shareholders at Flutter's 2020 AGM to be held on 14 May 2020, existing Flutter Shareholders will be entitled to receive a 2019 Final Dividend of 133 pence per Ordinary Share. Given the impact of the current disruption caused by COVID-19, the Flutter Board will propose that the 2019 Final Dividend is paid in the form of Ordinary Shares. At the announcement of the Combination, the Flutter Board had expected that Flutter Shareholders immediately prior to Completion would be entitled to a pro-rated dividend reflecting a time pro-rated amount of the total anticipated annual dividend for the financial year ending 31 December 2020, to which Flutter Shareholders would otherwise be entitled if the Combination had not proceeded. Given the anticipated financial profile of Flutter in the current year, the Flutter Board considers it no longer prudent to propose any pro-rated dividend. For information on the Combined Group's proposed dividend policy, see paragraph 6 (*Dividends and dividend policy*) of Part VIII (*Additional Information*) of this Prospectus. There is no guarantee that Flutter will be able to make dividend payments in the future or to sustain dividend payments at any particular level.

**63. *Shareholders may be subject to voting or distribution restrictions on, or be required to dispose of, their interests in Ordinary Shares as a result of the regulatory requirements to which Flutter and TSG are, and the Combined Group will be, subject***

The licensing or regulatory authorities in the principal jurisdictions in which Flutter and TSG have a betting and/or gaming licence or in which the Combined Group may seek a licence in the future may have broad powers to request or require reporting of various detailed information from and/or approve the qualification or suitability for licensing of, online betting and gaming operators, including their directors, management and the holders (legal and beneficial) of interests in shares. In some jurisdictions, such authorities may impose such information sharing and filing requirements on a continuous and ongoing basis, including in relation to the Combined Group, its Directors, management and the holders (legal and beneficial) of interests in Ordinary Shares. These powers may be exercised by regulators as against the holders, whether legal or beneficial, of interests in shares or other securities in betting and gaming operators, as well as against the betting and gaming operators themselves, their directors and management.

In some circumstances, the purpose of the exercise of powers by licensing or regulatory authorities may be to identify shareholders and directors whose involvement with the licensed entity the licensing or regulatory authority considers unacceptable because such persons are not suitable directors, managers or shareholders to have a direct or indirect financial interest in, or influence over, a betting and gaming operator in such jurisdiction.

The information required, qualification or suitability requirements to be satisfied and ongoing regulatory filings to be submitted, may be very detailed, onerous and/or intrusive and may include, for example, personal and financial information concerning the ultimate beneficial owners and/or persons influencing the control of corporate shareholders. In many cases, the terms of Flutter's and TSG's licences or the provisions of regulations in relevant jurisdictions require Flutter and TSG to produce such information on demand in relation to the holders (legal and beneficial) of interests in Ordinary Shares, as the case may be either following, or in some cases prior to, such persons acquiring specified percentage (legal or beneficial) interests in the share capital of Flutter. Any failure by the Combined Group, its directors, its management or, as applicable, any holder (or proposed investor) of an interest in Ordinary Shares, to comply with such requests could result in the relevant licensing or regulatory authority taking adverse action against the Combined Group in that jurisdiction which may include the suspension or revocation of licences and/or the imposition of fines.

To address the various requirements referred to above, certain provisions are contained in Flutter's Articles which permit it to restrict the voting or distribution rights attaching to Ordinary Shares or to compel the sale of Ordinary Shares if a holder (legal or beneficial) of interests in Ordinary Shares does not satisfactorily comply with a regulator's request(s) and/or the Combined Group's request(s) in response to regulatory action and/or the regulator indicates that such shareholder is not suitable (a determination which in all practical effects is at the sole discretion of such regulator) to be the holder (legal or beneficial) of interests in Ordinary Shares. Accordingly, to the extent

a relevant threshold of ownership is passed, or to the extent any shareholder may be found by any such regulator to be able to exercise significant or relevant financial influence over the Combined Group and is considered by a regulator to be unsuitable, there can be no assurance that any given holder of an interest in Ordinary Shares may not be subject to such restrictions or compelled to sell its Ordinary Shares (or have such Ordinary Shares sold on its behalf). If a holder of an interest in Ordinary Shares is required to sell its interests in Ordinary Shares (or have such Ordinary Shares sold on its behalf), subject to the Articles, any such sale may be required at a time, price or otherwise on terms not acceptable to such holder. Holders of interests in Ordinary Shares should be aware that none of Flutter, the Flutter Directors, the Proposed Directors, TSG or, following Completion, the Combined Group accept, to the maximum extent permitted by law, any responsibility whatsoever for any loss which any such holder may suffer as a result of the sale of any interests in Ordinary Shares held in connection with the exercise by Combined Group of the powers referred to above.

## DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

<b>Directors of Flutter.....</b>	Gary McGann	(Chair)
	Ian Dyson	(Senior Independent Director)
	Peter Jackson	(Chief Executive Officer)
	Jonathan Hill	(Chief Financial Officer)
	Jan Bolz	(Non-Executive Director)
	Zillah Byng-Thorne	(Non-Executive Director)
	Michael Cawley	(Non-Executive Director)
	Nancy Cruickshank	(Non-Executive Director)
	Andrew Higginson	(Non-Executive Director)
	Peter Rigby	(Non-Executive Director)
	Emer Timmons	(Non-Executive Director)
<b>Company Secretary of Flutter.....</b>	Edward Traynor	(Company Secretary)
<b>Directors of TSG.....</b>	Divyesh (Dave) Gadhia	(Executive Chairman)
	Rafael (Rafi) Ashkenazi	(Chief Executive Officer)
	Alfred F. Hurley, Jr.	(Lead Director)
	David Lazzarato	(Independent Director)
	Eugene O. Roman	(Independent Director)
	John Schappert	(Independent Director)
	Mary Turner	(Independent Director)
<b>Company Secretary of TSG.....</b>	Marlon Goldstein	(Company Secretary)
<b>Directors of Flutter following completion of the Combination .....</b>	Gary McGann	(Chair)
	Divyesh (Dave) Gadhia	(Deputy Chair)
	Andrew Higginson	(Senior Independent Director)
	Peter Jackson	(Chief Executive Officer)
	Jonathan Hill	(Chief Financial Officer)
	Rafael (Rafi) Ashkenazi	(Non-Executive Director)
	Zillah Byng-Thorne	(Non-Executive Director)
	Michael Cawley	(Non-Executive Director)
	Nancy Cruickshank	(Non-Executive Director)
	Ian Dyson	(Non-Executive Director)
	Richard Flint	(Non-Executive Director)
	Alfred F. Hurley, Jr.	(Non-Executive Director)

David Lazzarato (Non-Executive Director)  
Peter Rigby (Non-Executive Director)  
Mary Turner (Non-Executive Director)

**Registered Office and Principal Executive Office of  
Flutter**

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Ireland

**Legal Adviser to Flutter**

**as to Irish Law**

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**Legal Adviser to Flutter**

**as to English Law**

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**Legal Adviser to Flutter**

**as to Canadian Law**

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**Legal Adviser to Flutter**

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**Registrar to Flutter**

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Link Registrars Limited  
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Ireland

**Legal Adviser to TSG**

**as to Irish Law**

A&L Goodbody  
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North Wall  
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Ireland

**Legal Adviser to TSG**

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**Legal Advisers to TSG**

**as to Canadian Law**

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Canada

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Toronto  
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Canada

**Legal Adviser to TSG**

**as to US Law**

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United States

**Legal Adviser to TSG**

**as to Australian Law**

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**Reporting Accountants and  
Auditors to Flutter**

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D02 DE03  
Ireland

**Auditors to TSG**

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**Financial Adviser, Corporate Broker and Sponsor  
to Flutter**

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London EC4A 4AU  
United Kingdom

**Financial Advisers to TSG**

Barclays Capital Canada Inc.  
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333 Bay Street, Suite 4910  
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Canada

**Financial Adviser to Flutter**

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London W1J 5HD  
United Kingdom

Moelis & Company LLC  
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5th Floor  
New York, NY 10022  
United States

BMO Capital Markets  
100 King Street W  
Toronto  
Ontario M5X 1H3  
Canada

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Prospective investors should take note of the dates and times set forth in the table below in connection with the Combination. These dates and times are indicative only and may be changed by Flutter and TSG, acting jointly, in accordance with the terms and conditions of the Combination, as described in this Prospectus.

<u>Event</u>	<u>Expected time/date</u>
Court hearing in respect of the Interim Order and Interim Order obtained.....	13 March 2020
Publication of this Prospectus .....	27 March 2020
TSG Shareholder Meeting .....	10.00 a.m. (Eastern time) on 21 April 2020, or shortly thereafter
Flutter EGM .....	11.00 a.m. (Irish time) on 21 April 2020
Long Stop Date for completion of the Combination .....	31 October 2020 <sup>(1)</sup>
<i>The following dates are indicative only and subject to change:<sup>(2)</sup></i>	
Court hearing in respect of the Final Order and Final Order obtained.....	23 April 2020, or shortly thereafter
TSG Articles of Arrangement issued by the OBCA Director and Flutter deposits the New Shares with the Depository .....	A date expected to be in the second or third quarter of 2020 (“D”)
Expected Admission and commencement of dealings in New Shares, Completion <sup>(3)</sup> .....	3.00 a.m. (Eastern time)/ 8.00 a.m. (Irish time) on D
De-listing of TSG Shares from TSX and NASDAQ .....	Promptly following D
New Shares in uncertificated form credited to CREST accounts.....	As soon as reasonably practicable following delivery of letters of transmittal by former TSG Shareholders
Despatch of share certificates (where applicable) .....	As soon as reasonably practicable following delivery of letters of transmittal by former TSG Shareholders

Flutter will make appropriate announcements to a Regulatory Information Service promptly after the Flutter EGM giving details of the results thereof and on Admission giving details of the number of New Shares that have been issued.

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### Notes:

- (1) The Long Stop Date is capable of being extended by: (i) either Flutter or TSG, for up to two consecutive periods of 90 days in circumstances where certain regulatory approvals and gaming consents remain outstanding when all other Conditions have been satisfied or waived; or (ii) mutual consent of both Flutter and TSG.
- (2) These dates are indicative only and assume that the requisite regulatory clearances have been obtained and the other Conditions to Completion have been satisfied before the date estimated for Completion. If any such times and/or dates change, the revised times and/or dates will be notified by announcement through a Regulatory Information Service (and as otherwise required under applicable corporate and securities laws in Canada and the United States).
- (3) The New Shares shall be issued, credited as fully paid, rank *pari passu* with the Existing Shares and carry the right to receive all dividends and other distributions (if any) declared, made or paid by reference to a record date falling on or after the date of issue of the New Shares.

## IMPORTANT INFORMATION

### **Language of this Prospectus**

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### **Presentation of financial information**

This Prospectus contains certain financial information relating to Flutter and TSG, including the information contained in Part IV (*Financial Information*).

Flutter's audited consolidated financial statements for the financial year ended 31 December 2019, which are incorporated by reference into this document, have been prepared in accordance with IFRS adopted by the EU, as issued by the IASB, and Flutter's accounting policies.

TSG's audited consolidated financial statements for the financial year ended 31 December 2019, which are incorporated by reference into this document, have been prepared in accordance with IFRS, as issued by the IASB, and TSG's accounting policies.

The Combined Group's financial year will be 1 January to 31 December. The Combined Group will prepare its consolidated financial statements in accordance with IFRS adopted by the EU, as issued by the IASB, and its reporting currency will be pounds sterling. The Combined Group's consolidated primary financial statements will continue to be governed by IFRS adopted by the EU, after Completion.

### **Non-IFRS financial measures - Flutter**

This Prospectus contains the following Non-IFRS Measures relating to the performance of the Flutter Group's operations: Combined Underlying EBITDA, EBITDA, Net Debt, Net Debt to Underlying EBITDA (pre-IFRS 16) ratio, Underlying Earnings Per Share, Underlying EBITDA and Underlying EBITDA (pre-IFRS 16). These Non-IFRS Measures are not measures of performance or liquidity under IFRS and should not be considered by investors in isolation, as a measure of profit, or as a substitute for, or as an indicator of, operating performance or earnings per share as determined in accordance with IFRS.

The Non-IFRS Measures referenced above and described in more detail below are included in this document as a supplemental disclosure. The Flutter Group uses these Non-IFRS Measures to comment on its financial performance. These measures are used internally to evaluate performance, to establish strategic goals and to allocate resources. The Flutter Directors and the Proposed Directors also consider that these are commonly reported and widely used by investors as an indicator of operating performance and ability to incur and service debt and as a valuation metric.

Because the Non-IFRS Measures are not uniformly defined terms they may not be comparable with similar measures used by other companies to the extent such companies do not follow the same methodology used by the Flutter Group. Investors should therefore exercise caution in comparing the Non-IFRS Measures reported by the Flutter Group to similar measures of other companies. The Non-IFRS Measures should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with IFRS.

#### ***Combined Underlying EBITDA***

Combined Underlying EBITDA means the combination of Flutter's Underlying EBITDA and TSG's Adjusted EBITDA, each as described below.

#### ***EBITDA, Underlying EBITDA and Underlying EBITDA (pre-IFRS 16)***

Flutter defines EBITDA as profit for the year before depreciation, amortisation and impairment, financial income, financial expense and tax expense/credit. The basis of calculation of EBITDA (including a reconciliation to IFRS-compliant measures) is contained in Flutter's consolidated income statement in the Flutter 2019 Financial Statements which are incorporated herein by reference (investors are directed to page 103 of the Flutter Annual Report 2019 which is available at <https://www.flutter.com/investor-relations/annual-reports>).

Flutter defines Underlying EBITDA as EBITDA, adjusted to exclude separately disclosed items that are not part of the usual business activity of the Flutter Group and that are also excluded when internally evaluating performance. Separately disclosed items in respect of the years ended 31 December 2019 and 31 December 2018 are described in more detail in Note 4 to the Flutter 2019 Financial Statements and Note 4 to the Flutter 2018

Financial Statements, each of which are available at <https://www.flutter.com/investor-relations/annual-reports>. The basis of calculation of Underlying EBITDA (including a reconciliation to IFRS-compliant measures) is contained in Flutter's consolidated income statement in the Flutter 2019 Financial Statements (where it is referred to as EBITDA before separately disclosed items) which are incorporated herein by reference (investors are directed to page 103 of the Flutter Annual Report 2019 which is available at <https://www.flutter.com/investor-relations/annual-reports>).

Flutter defines Underlying EBITDA (pre-IFRS 16) as Underlying EBITDA, adjusted to include lease expenses from leases previously categorised as operating leases prior to the introduction of IFRS 16 within the calculation of Underlying EBITDA. The basis of calculation of Underlying EBITDA (pre-IFRS 16) (including a reconciliation to IFRS-compliant measures) is contained on page 44 of the Flutter Annual Report 2019 which is available at <https://www.flutter.com/investor-relations/annual-reports>.

From 1 January 2019, IFRS 16 – *Leases* replaced IAS 17 – *Leases*. Under IFRS 16, for leases previously classified as operating leases a right of use asset and an associated lease liability will be recognised in financial statements going forward. In addition, the nature of the operating lease expenses has changed under IFRS 16 as IFRS 16 replaces the previous operating lease expense with a depreciation charge on the asset and an interest expense on the liability. Following the introduction of IFRS 16, Flutter has adopted the modified retrospective approach by not restating the comparative period. Therefore, in order to maintain comparability with the prior period, Underlying EBITDA has also been presented on a pre-IFRS 16 basis with the relevant operating lease expense included within EBITDA.

Flutter does not currently intend to continue to report on a pre-IFRS 16 basis for future financial periods. However, Flutter expects to operate on a pre-IFRS 16 basis with regards to determining its Net Debt to Underlying EBITDA (pre-IFRS 16) ratio for the term of the TLA/RCF Facility Agreement entered into on 11 March 2020 (for further information on the TLA/RCF Facility Agreement, see paragraph 8.1 (*Material contracts of the Flutter Group*) of Part VIII (*Additional Information*) of this Prospectus) for covenant compliance purposes. The Company's lenders under the TLA/RCF Facility Agreement have accepted a pre-IFRS 16 basis with regards to determining Net Debt to Underlying EBITDA (pre-IFRS 16) ratio for covenant compliance purposes, and have provided Flutter with committed bank debt facilities for a period of 5 years from completion of the Combination on this basis.

#### ***Net Debt and Net Debt to Underlying EBITDA (pre-IFRS 16) ratio***

Flutter defines Net Debt as cash and cash equivalents (comprised of gross cash, excluding customer balances), less gross borrowings (comprised of amounts outstanding under Flutter's term loan facility, revolving credit facility, overdraft and accrued interest on borrowings).

Flutter defines Net Debt to Underlying EBITDA (pre-IFRS 16) ratio as Net Debt divided by Underlying EBITDA (pre-IFRS 16).

The following table contains a reconciliation of Flutter's Net Debt, for the financial years indicated:

	<b>Year ended 31 December</b>	
	<b>2019</b> £'m	<b>2018</b> £'m
Cash and cash equivalents	108.1	123.7
Revolving credit facility	(117.3)	(285.0)
Term loan facility	(250.0)	-
Overdraft	(5.0)	-
Accrued interest on borrowings	(0.5)	(0.4)
<b>Net Debt</b>	<b>(264.7)</b>	<b>(161.7)</b>

#### ***Underlying Earnings Per Share***

Flutter defines Underlying Earnings Per Share as earnings per share, adjusted to exclude separately disclosed items that are not part of the usual business activity of the Flutter Group and that are also excluded when internally evaluating performance. Separately disclosed items in respect of the years ended 31 December 2019 and 31 December 2018 are described in more detail in Note 4 to the Flutter 2019 Financial Statements and Note 4 to the Flutter 2018 Financial Statements, each of which are available at <https://www.flutter.com/investor-relations/annual-reports>.

Further information regarding Underlying Earnings Per Share (including its basis of calculation) is disclosed in Note 9 to the Flutter 2019 Financial Statements, where it is referred to as adjusted earnings per share.

#### **Non-IFRS financial measures - TSG**

This Prospectus contains the following Non-IFRS Measure relating to the performance of the TSG Group's operations: Adjusted EBITDA. This Non-IFRS Measure is not a measure of performance or liquidity under IFRS and should not be considered by investors in isolation, as a measure of profit, or as a substitute for, or as an indicator of, operating performance or earnings per share as determined in accordance with IFRS.

The Non-IFRS Measure referenced above and described in more detail below is included in this document as a supplemental disclosure. The Flutter Directors and the Proposed Directors believe that this measure provides useful historical financial information to investors, helps investors evaluate the performance of the underlying business of TSG and is a measure commonly used by certain investors and securities analysts for evaluating performance.

TSG's definition, presentation or calculation of the Non-IFRS Measure may be different from definitions, presentations and calculations used by other companies and therefore comparability may be limited. Investors should therefore exercise caution in comparing the Non-IFRS Measure reported by TSG to similar measures of other companies.

#### ***Adjusted EBITDA***

TSG defines Adjusted EBITDA as net earnings before financial expenses, income taxes expense (recovery), depreciation and amortisation, stock-based compensation, restructuring, net earnings (loss) on associate and certain other items.

The following table contains a reconciliation from TSG's net earnings (loss) to Adjusted EBITDA, for the financial years indicated:

	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	\$'000s	\$'000s
<b>Net earnings (loss)</b>	<b>61,862</b>	<b>(108,906)</b>
Income tax recovery	(197)	(988)
Net financing charges	202,534	371,086
Net earnings from associates	-	(1,068)
<b>Operating income</b>	<b>264,199</b>	<b>260,124</b>
Depreciation and amortisation	438,626	282,806
Add (deduct) the impact of the following:		
Acquisition-related costs and deal contingent forwards <sup>(1)</sup>	27,165	115,569
Stock-based compensation <sup>(2)</sup>	18,842	12,806
Gain (loss) from investments and associates	(2,520)	1,667
Impairment of intangibles assets and assets held for sale	3,931	6,223
Other costs <sup>(3)</sup>	170,882	101,754
<b>Total adjusting items</b>	<b>218,300</b>	<b>238,019</b>
<b>Adjusted EBITDA</b>	<b>921,125</b>	<b>780,949</b>

Notes:

- (1) Acquisition-related costs, deal contingent forward expenses and certain other costs related to the Combination are excluded from Adjusted EBITDA as TSG management believes these expenses are not representative of the underlying operations for the following reasons:
  - a. acquisition-related costs include legal and professional fees incurred in connection with the Acquisitions;
  - b. costs associated with the acquisition of the remaining 20% interest of BetEasy include costs incurred in connection with employee retention programs implemented by TSG management to manage certain personnel-related risks associated with the acquisition of the remaining 20% interest, and a contractual payment to a third-party supplier of pricing services to BetEasy due upon the completion of that acquisition;
  - c. deal contingent forward expenses include costs associated with forward contracts that were entered into to hedge foreign exchange risk associated with the purchase price of the Acquisitions; and

- d. other costs related to the Combination include legal and professional fees and costs incurred in connection with employee retention programs implemented by management to manage certain personnel-related risks associated with the Combination.
- (2) Stock-based compensation expense is excluded from Adjusted EBITDA primarily due to its discretionary nature.
- (3) Please see the table below for a presentation of certain items comprising “Other costs”.

The following table presents certain items comprising “Other Costs” in the Adjusted EBITDA reconciliation table above:

	Year ended 31 December	
	2019 \$'000s	2018 \$000s
Integration costs and acquired businesses	19,753	45,597
Financial expenses	1,733	446
Restructuring expenses <sup>(1)</sup>	37,474	8,827
AMF, foreign payments and other investigation and related professional fees <sup>(2)</sup>	18,896	6,673
Lobbying (US and non-US) and other legal expenses <sup>(3)</sup>	14,909	16,194
Professional fees in connection with non-core activities <sup>(4)</sup>	21,889	4,578
Austria gaming duty	-	(3,679)
Acquisition of market access rights	22,500	20,661
Legal settlement <sup>(5)</sup>	32,500	-
Other	1,228	2,457
<b>Other Costs</b>	<b>170,882</b>	<b>101,754</b>

Notes:

- (1) Restructuring expenses relate to certain restructuring programs implemented following the Australian Acquisitions and the SBG Acquisition, and certain of TSG’s recent strategic cost savings initiatives (referred to by TSG as “operational excellence” or “operational efficiency” programs), all of which TSG’s management does not consider to be part of core, ongoing operating activities or expenses of TSG. Following and as a result of the restructuring programs and efforts to achieve expected cost synergies related to the acquisitions in the United Kingdom and Australia segments, during the year ended 31 December 2019, TSG reassessed its fixed-cost base within its International segment and Corporate cost centre and implemented an operational excellence program to optimize the same, including a reduction in headcount and the relocation of certain roles across and within applicable geographies. As a result, costs related to this program that are excluded from Adjusted EBITDA for the year ended 31 December 2019 include (i) \$23.9 million of accrued termination payments recognized under IAS 37 and IAS 19, *Employee benefits* and (ii) \$13.6 million for salaries and associated compensation relating to roles that are either being made redundant or that are expected to be relocated (for relocations, to the extent that such salaries and associated compensation exceeds or will exceed the same in the new location for the respective relocated roles). TSG expects to continue excluding such costs from Adjusted EBITDA through the respective termination or relocation dates of the impacted personnel.
- (2) AMF, foreign payments and other investigation and related professional fees are professional fees relating to regulatory and legal investigations and proceedings concerning TSG, including those set out in paragraph 7.2 (*Legal and arbitration proceedings relating to TSG*) of Part VIII (*Additional Information*) of this Prospectus. On 6 June 2019, the AMF advised TSG that it had closed its investigation and no charges will be laid against TSG or any of its current directors or officers in connection with the AMF Investigation and related matters.
- (3) TSG excludes certain lobbying and legal expenses in jurisdictions where it is actively seeking licensure or similar approval because its management believes that TSG’s incremental cost of these lobbying and legal expenses in such jurisdictions is generally higher than its peers given liabilities and related issues primarily stemming from periods prior to the acquisition of the Stars Interactive Group in 2014 or from matters not directly involving TSG or its current business.
- (4) Professional fees in connection with non-core activities are excluded from Adjusted EBITDA as these expenses are not representative of the underlying operations including professional fees related to litigation matters, and incremental accounting and audit fees incurred in connection with the integration of the SBG Acquisition and the Australian Acquisitions, including as it relates to internal controls with respect to the same, and the previously announced partnership with FOX Sports and transactions in connection with obtaining and securing potential market access to certain US states in which TSG currently does not operate.
- (5) On 9 September 2019, TSG entered into minutes of settlement with respect to the appeal of the Ontario Superior Court of Justice’s prior dismissal of an application by certain holders of certain preferred shares regarding TSG’s mandatory conversion of its preferred shares in July 2018. On 23 September 2019, the Court of Appeal for Ontario entered an order dismissing the appeal with prejudice. The settlement of \$32.5 million has been and will be funded entirely by available cash on hand, and the currently remaining liability is included within accounts payable and other liabilities on the consolidated statement of financial position. For further information on the preferred shares

matter see the sub-paragraph entitled “*Preferred shares matter*” in paragraph 7.2 (*Legal and arbitration proceedings relating to TSG*) in Part VIII (*Additional Information*) of this Prospectus.

## Rounding

Certain figures contained in this Prospectus or in the documents incorporated by reference herein, including financial, statistical and operating information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this Prospectus or in the documents incorporated by reference herein may not conform exactly to the total figure given for that column or row.

## Currencies

In this Prospectus, references to “**US dollar**”, “**USD**” and “\$” are to the lawful currency of the United States, references to “**pounds sterling**”, “**pence**”, “**GBP**” and “£” are to the lawful currency of the United Kingdom, references to “**euro**”, “**cent**”, “**EUR**” and “€” are to the lawful currency of Ireland and to such other members states of the EU that have adopted euro as their currency, references to “**Canadian dollar**”, “**CAD**” and “C\$” are to the lawful currency of Canada, references to “**RUB**” are to the lawful currency of the Russian Federation and references to “**AUD**” and “**Australian dollar**” are to the lawful currency of Australia.

## Forward-looking statements

This Prospectus and the documents incorporated herein contain statements about Flutter, TSG and the Combined Group that are or may be forward-looking statements. All statements other than statements of historical facts included in this Prospectus may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “should”, “continue”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include all matters that are not historical facts and statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Flutter’s, TSG’s or the Combined Group’s operations and potential synergies resulting from the Combination; (iii) the effects of government regulation on Flutter’s, TSG’s or the Combined Group’s business; (iv) the ability of Flutter and TSG to satisfy the conditions to, and to complete, the Combination; (v) the timing and anticipated receipt of required regulatory, Court and Shareholder approvals for the Combination; and (vi) the anticipated timing of the Flutter EGM and the TSG Shareholder Meeting and completion of the Combination.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Combined Group’s operations and the development of the markets and the industry, in which the Combined Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the Combined Group’s results of operations, financial position and growth, and the development of the markets and the industry, in which the Combined Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments of the Combined Group to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in law or regulation, changes in taxation regimes, currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors discussed in the Section “*Risk Factors*” of this Prospectus. The forward-looking statements therein speak only at the date of this Prospectus and investors are cautioned not to place undue reliance on such forward-looking statements. Save as required by its legal and regulatory obligations (including under the EU Prospectus Regulation, Market Conduct Rules, Irish Market Abuse Law, the Market Abuse Regulation, the Transparency Regulations and Rules, the Disclosure and Transparency Rules, the Irish Listing Rules, the UK Listing Rules, Euronext Dublin and the London Stock Exchange or by applicable Canadian or US securities laws), the Combined Group undertakes no obligation to update these forward-looking statements and will not publicly release any revisions it may make to these forward-looking statements that may occur due to any change in the Combined Group’s expectations or to reflect events or circumstances after the date of this Prospectus. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this Prospectus.

### **Sources of third party information**

The information set out in this Prospectus that has been sourced from third parties has been accurately reproduced and, so far as Flutter is aware and has been able to ascertain from that published information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Prospectus, the source of such information has been identified.

### **Sources of information about Flutter and TSG**

All information contained in this Prospectus relating to Flutter has been provided by Flutter and relating to TSG has been provided by TSG.

### **No incorporation of website information**

Save for information expressly stated to be incorporated by reference into this Prospectus as described in the Section “*Documents Incorporated by Reference*”, information on or accessible through Flutter’s corporate website, [www.flutter.com](http://www.flutter.com) and through TSG’s corporate website, [www.starsgroup.com](http://www.starsgroup.com) does not form part of and is not incorporated into this Prospectus.

### **Certain defined terms**

Certain terms used in this Prospectus, including capitalised terms and certain technical and other items, are defined and explained in Part IX (*Definitions*) of this Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which Flutter and TSG have filed with the Central Bank in accordance with the EU Prospectus Regulation, are incorporated in and taken to form an integral part of this Prospectus:

### **Flutter**

1. Flutter's audited consolidated financial statements for the financial year ended 31 December 2019 including the notes thereto and audit report thereon, contained on pages 98 - 182 (inclusive) of the Flutter Annual Report 2019 (accessible at <https://www.flutter.com/investor-relations/annual-reports>)

### **TSG**

2. TSG's audited consolidated financial statements for the financial year ended 31 December 2019 including the notes thereto and audit report thereon, contained on pages 3 - 5 and 8 - 72 (inclusive) of the TSG 2019 Financial Statements (accessible at <http://www.starsgroup.com/the-stars-group/investor-relations/financial-and-corporate-information> under the heading "*Q4 2019 Financial Statements*")

The following table indicates where information required pursuant to Annexes 3 and/or 12 of the Commission Delegated Regulation (EU) 2019/980 to be disclosed in this Prospectus can be found in the documents incorporated by reference referred to above. The information incorporated by reference that is not referred to in the table below is considered additional information and is not required pursuant to Annexes 3 and/or 12 of the Commission Delegated Regulation (EU) 2019/980. Prospective investors should read this Prospectus and the documents incorporated herein by reference in their entirety before making any investment decision in relation to the Combination.

<b>Information incorporated by reference into this Prospectus</b>	<b>Reference document(s)</b>	<b>Title of Information</b>	<b>Page numbers in reference document</b>
Historical financial information for Flutter (including comparatives)	<b>Flutter Annual Report 2019</b>	Independent auditors' report	98-102
		Consolidated income statement	103
		Consolidated statement of other comprehensive income	104
		Consolidated statement of financial position	105
		Consolidated statement of cash flows	106
		Consolidated statement of changes in equity	107-108
		Notes to the consolidated financial statements	109-162
		Company statement of financial position	163
		Company statement of changes in equity	164-165
		Notes to the Company financial statements	166-182
Historical financial information for TSG (including comparatives)	<b>TSG 2019 Financial Statements</b>	Independent auditors' report	3-5
		Consolidated statements of earnings (loss)	8
		Consolidated statements of comprehensive income (loss)	9
		Consolidated statements of financial position	10
		Consolidated statements of changes in equity	11
		Consolidated statements of cash flows	12
		Notes to the consolidated financial statements	13-72

## PART I: INFORMATION ON THE COMBINATION

### 1. The Combination

On 2 October 2019, Flutter and TSG announced they had reached agreement on the terms of a recommended all-share combination to be implemented through an acquisition of TSG by Flutter pursuant to a Court-approved plan of arrangement under the *Business Corporations Act (Ontario)*.

Under the terms of the Combination (which are summarised in paragraph 8 (*Principal terms and conditions of the Combination*) of this Part I (*Information on the Combination*)), TSG Shareholders will be entitled to receive 0.2253 of a New Share in exchange for each outstanding TSG Share held by them at the Effective Time. In addition: (i) each TSG Option outstanding at the Effective Time under the TSG Employee Share Plans will be exchanged for an option to purchase such number of Ordinary Shares calculated in accordance with the Exchange Ratio; and (ii) each TSG RSU, TSG PSU and TSG DSU outstanding at the Effective Time under the TSG Equity Plan will be amended so as to substitute for the TSG Shares subject to such equity awards, a number of Ordinary Shares calculated in accordance with the Exchange Ratio, but subject to any adjustment required to that award by the TSG Equity Plan or grant documentation as a result of the Plan of Arrangement. The structure of the Combination and certain of the Conditions relating to the Combination are summarised in paragraph 8 (*Principal terms and conditions of the Combination*) and sub-paragraph 8.2 (*Conditions*) respectively of this Part I (*Information on the Combination*).

Assuming that the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination, following Completion of the Combination, Flutter Shareholders would own approximately 54.66% and TSG Shareholders would own approximately 45.34% of the issued share capital of the Combined Group (based on the fully diluted share capital of Flutter and the fully diluted share capital of TSG, as at the Latest Practicable Date and assuming no further share issuances ).

Subject to approval of the 2019 Final Dividend by Flutter Shareholders at Flutter's 2020 AGM to be held on 14 May 2020, existing Flutter Shareholders will be entitled to receive a 2019 Final Dividend of 133 pence per Ordinary Share. Given the impact of the current disruption caused by COVID-19, the Flutter Board will propose that the 2019 Final Dividend is paid in the form of Ordinary Shares. The record date and payment date for the 2019 Final Dividend, including the basis on which the number of new Ordinary Shares to be issued in satisfaction of the 2019 Final Dividend will be calculated, will be notified to Flutter Shareholders in the notice of the 2020 AGM which will be published in due course. For the avoidance of doubt, the New Shares will not carry any entitlement to the 2019 Final Dividend.

Following Completion, Flutter will be the parent company of the Combined Group. The Combined Group will be headquartered and domiciled in Dublin, Ireland. Flutter will have a premium listing on the London Stock Exchange and a secondary listing on Euronext Dublin.

Subject to the satisfaction, or where applicable, waiver of the Conditions, it is estimated that the Combination, which is to be implemented through the Plan of Arrangement, will become effective in the second or third quarter of 2020.

Due to the size of TSG in relation to the size of Flutter, the Combination is classified as a reverse takeover and a Class 1 Transaction under the UK Listing Rules and therefore its completion is both subject to and conditional upon approval of existing Flutter Shareholders. An extraordinary general meeting has been convened by Flutter for this purpose and will be held at Arthur Cox, Ten Earlsfort Terrace, Dublin, D02 T380, Ireland on 21 April 2020 at 11.00 a.m. (the "**Flutter EGM**"). Notice of the Flutter EGM, including the resolutions to be proposed at it, is contained in the Flutter Circular which is being issued separately to Flutter Shareholders on or about the date of this Prospectus. Subject to the approval of the Combination by Flutter Shareholders and the satisfaction or waiver of all other Conditions to completion of the Combination on or before the Long Stop Date, application will be made to the FCA, the London Stock Exchange and Euronext Dublin for all of the issued and to be issued Ordinary Shares of the Company following Completion to be admitted to: (i) listing on the premium listing segment of the Official List of the FCA and to a secondary listing on the Official List of Euronext Dublin; and (ii) trading on the London Stock Exchange's main market for listed securities and the Euronext Dublin Market.

The boards of Flutter and TSG have considered at length the impact of the current disruption caused by COVID-19 to both: (i) the global online betting and gaming sector (including, in particular, the cancellation of major sporting events); and (ii) the Combination specifically (including, in particular, the effect on equity and credit

markets). In addition, each of Flutter and TSG have recently issued trading updates setting out the impact of COVID-19 on their respective businesses. Notwithstanding the current disruption and the potential impact that this may have on the financial profile of the Combined Group in the current financial year, the boards of Flutter and TSG continue to believe that the strategic fit and the financial benefits of the Combination remain compelling to shareholders and the impact of COVID-19 reinforces the basis for the creation of the Combined Group as a highly diversified business from a geographic, product and brand perspective with an enhanced global platform. For further information, see paragraph 9 (*Current trading and trend information of Flutter*) of Section A (*Information on Flutter*) of Part II (*Information on the Combined Group*) and paragraph 9 (*Current trading and trend information of TSG*) of Section B (*Information on TSG*) of Part II (*Information on the Combined Group*) of this Prospectus.

## 2. Background to and reasons for the Combination

The Flutter Board believes that the global online betting and gaming sector continues to exhibit many characteristics that are structurally attractive. For example, in a total gambling market worth an estimated \$450 billion in gross revenues in 2018, online and mobile gambling comprised approximately 11% (\$50 billion), having increased at a compound annual growth rate of approximately 11% between 2013 and 2018 (*source: H2 Gambling Capital, H2 Detailed Global Summary Data, Jan 2020*). The Flutter Board is confident that there remains a long runway of growth for online and mobile betting and gaming. Migration from offline to online and mobile remains a key driver of growth. Flutter estimates that each one percentage point of migration generates an additional \$4 billion in extra online revenue (*source: internal management estimates; H2 Gambling Capital, H2 Detailed Global Summary Data, Jan 2020*).

While there are some regulatory challenges to the industry in certain core markets, significant favourable regulatory developments are opening up new opportunities within online betting and gaming markets, with the most significant example being the ongoing expansion of the US sports betting market. The Flutter Board believes that having a combination of proven, developed technology platforms, world-class brands and complementary product offerings will be key to taking advantage of these growth opportunities.

However, while the industry remains attractive from a structural growth perspective, it has historically been, and will continue to be, subject to local regulatory and tax changes that can adversely impact betting and gaming operators. Recent changes have included online gaming tax increases in the UK, Australia and Ireland, as well as changes to the regulation of fixed odds betting terminals and the prohibition on the use of credit cards for online betting in the UK. These changes, in what are already some of the most highly competitive online betting and gaming markets in the world, have emphasised the importance of having more diversified and sustainable revenue streams.

The Flutter Board believes the Combination provides a compelling strategic fit for Flutter and that the effect of the Combination will be to:

- accelerate delivery against each of the components of Flutter's four pillar strategy;
- create a highly diversified business from a geographic, product and brand perspective with an enhanced global platform;
- deliver significant value for shareholders through the realisation of material cost synergies;
- reinforce a robust financial profile which will facilitate strategic flexibility and sustainable long-term shareholder returns; and
- maintain a leading role in the promotion of responsible gambling through an enlarged global footprint.

### 2.1 Accelerate delivery against each of the components of Flutter's four pillar strategy

The Flutter Board believes that the diversification effects of the Combination will accelerate delivery against each of the components of Flutter's existing four pillar strategy, which comprise:

- Pillar 1 – to maximise profitable growth in core markets;
- Pillar 2 – to grow in the rest of the world;

- Pillar 3 – to attain podium positions in additional regulated markets; and
- Pillar 4 – to pursue US opportunities rigorously.

*Pillar 1 - to maximise profitable growth in core markets*

The Flutter Board expects the Combination to enhance Flutter's customer proposition and profitability in its core markets of the UK, Ireland and Australia.

The Flutter Board believes that the combined offering of Sky Bet, Paddy Power, Betfair and PokerStars in the UK and Ireland, and of Sportsbet and BetEasy in Australia will provide the Combined Group with access to trusted brands with a sustainable base of customers. In addition, the Combined Group will also benefit from "best practice" sharing, leading content innovation and the symbiotic relationship that Sky Bet has with Sky.

The Combined Group is also expected to benefit from significant cost synergies in its core markets from the integration of operations and technology platforms; savings in marketing and procurement; and gaining access to TSG's gaming skills and expertise.

If any of these benefits do not materialise, the Combination may be less beneficial from the perspective of the Flutter Group than is currently anticipated. These risks are addressed in the paragraphs entitled "*The Combined Group may not realise the targeted level of synergies, cost savings and other anticipated benefits of the Combination in full, at all or in the expected timeframe*", "*The Combined Group may fail to retain existing customers for its poker offerings or add new customers or customers could decrease their level of engagement with poker offerings in general*" and "*The Combined Group's operational efforts to expand its customer base in existing and new geographic markets, including its efforts to cross-sell to existing customers, may not be successful*" on pages 10, 29 and 33 respectively of this Prospectus.

*Pillar 2 - to grow in the rest of the world*

The Combination will facilitate a step-change in the international growth prospects of the Flutter Group.

Like Flutter, TSG has a strong track record of cross-selling across its customer base. TSG's International business segment currently has an annual Active Customer base of approximately 4 million. A significant proportion of TSG's Active Customer base in its international markets are now multi-product customers. The Flutter Board believes that the Combined Group will be well positioned to offer its high-quality sports betting offerings to that customer base, in turn driving revenue growth. In addition, the Flutter Board believes that existing international Flutter customers will benefit from having access to an improved casino and poker offering as a result of the Combination.

TSG's International poker business shares a number of characteristics with Flutter's Betfair Exchange business, including best-in-class liquidity, a highly regarded customer proposition, product investment and integrity to create a winning ecosystem. TSG's poker business is highly profitable and cash generative, delivering strong margins and free cash flow conversion.

Following Completion, the Combined Group will have leading franchises across free-to-play, daily fantasy sports, sports betting, horse racing, poker and casino, capable of being tailored to each market.

*Pillar 3 - to attain podium positions in additional regulated markets*

Flutter currently enjoys a podium position (i.e. a top 3 position in the relevant jurisdiction, based on market share of gross gaming revenue in that jurisdiction) in the US, Georgia and in Flutter's three core markets of the UK, Ireland and Australia. The Combination will increase the number of online markets where Flutter enjoys a podium position to eight by adding the Spain, Italy and Germany (*sources: UK: Regulus Partners, GB Remote Market Share and Growth, 2018; H2 Gambling Capital, H2 United Kingdom Data, Jan 2020; Ireland: Regulus Partners, ROI Remote Market Share and Growth, 2018; internal management estimates; Australia: internal management estimates based on publicly released financial statements from each competitor, 2019; US: Eilers & Krejcik, DFS Market Share, Dec 2019; New Jersey Division of Gaming Enforcement Revenue Reports, Sportsbook Report, Jan 2020; New Jersey Division of Gaming Enforcement Revenue Reports, Casino Report, Jan 2020; Pennsylvania Gaming Control Board, Gaming Revenue, Jan 2020; The West Virginia Lottery Commission, Sports Wagering, Jan 2020; Georgia: Alves, Georgian Deposit Data, Dec 2018; internal management estimates; Spain, Italy and Germany: Regulus Partners, Market Data, 2018*). As the number of regulated markets grows, TSG's strong

presence in a long list of other markets will enable the Combined Group to accelerate its international growth, targeting further podium positions. This will be aided by TSG's platform capabilities expanding Flutter's current offering of languages (to approximately 30), currencies (to more than 25) and payment options (to more than 55).

Flutter therefore expects the Combination to improve the diversification of the Combined Group and overall growth profile of the business outside of its current core markets.

*Pillar 4 - to pursue US opportunities rigorously*

In the United States, the Combined Group will benefit from excellent brand recognition and marketing assets through the combined offering of FanDuel, FOX Bet, TVG and PokerStars.

The Combination brings together a leading online sports betting operator in the United States (FanDuel) with a high-profile national media partner in FOX Sports. The Combined Group will benefit from a leading product ecosystem across free-to-play, daily fantasy sports, sports betting, horse racing, poker and casino.

The Combined Group's position will be underpinned by market access in up to 24 states, an established horse racing footprint in 33 states, access to daily fantasy sports across 43 states and access to free-to-play in nearly all states. It is also expected to benefit from best-in-class distribution across the United States through over 100 million FOX Sports viewers, a FanDuel customer database in excess of 8 million and two wagering focused TV channels available in 45 million homes across the United States.

Flutter and TSG expect that the Combined Group will deploy a dual brand strategy from a single platform to maximise the addressable market opportunity across a broader spectrum of customers whilst benefiting from significant operating leverage.

In order to achieve economic alignment of Flutter's and TSG's strategic third-party relationships across their respective US businesses, Flutter has entered into arrangements, conditional on Completion, with FOX (TSG's US media partner for FOX Bet), Fastball Holdings LLC and Boyd Interactive Gaming LLC (together Flutter's co-shareholders in FanDuel Group) in return for which each of FOX, Fastball Holdings LLC and Boyd Interactive Gaming LLC have waived certain of the exclusivity provisions that form part of the existing contractual arrangements in relation to the US subsidiaries of TSG and Flutter. Further details of these arrangements are set out under the heading "*Certain term sheet agreements in connection with the Combined Group's US business*" in paragraph 8.1 (*Material Contracts of the Flutter Group*) of Part VIII (*Additional Information*) of this Prospectus.

**2.2 Create a highly diversified business from a geographic, product and brand perspective with an enhanced global platform**

The Combination will bring together two complimentary businesses to create a global leader in sports betting and gaming. The Combined Group will have a diverse portfolio of leading brands and complementary best-in-class products with a broad geographic reach. Flutter and TSG will each bring to the Combined Group a proven track record of using product and brand leadership to create low-cost customer acquisition channels, while optimising value through product cross-sell. The Combined Group will benefit from both an enhanced global platform and improved reach within local markets. On a pro forma basis<sup>6</sup>, based on 2019 reported financials, the Combined Group's annual revenue would have been £4.12 billion in 2019, which would have made it the largest online betting and gaming operator globally.

Flutter believes that, following the Combination, the Combined Group will be better positioned to continue investing in its products and to enhance its customer offering while driving efficiencies across its cost base. The Combination will improve the operating efficiency of the business, lead to the sharing of best practice across both businesses and support continued investment in technology, product innovation, data analytics, brands and responsible gambling. Flutter expects this to result in enhanced returns on investment.

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<sup>6</sup> This pro forma figure has been extracted without adjustment from the pro forma financial information included in Section A (*Unaudited pro forma financial information*) of Part V (*Unaudited Pro Forma Financial Information of the Combined Group*) of this Prospectus. Such information is unaudited.

## 2.3 Deliver significant value for shareholders through the realisation of material cost synergies

Flutter and TSG have significant experience in delivering shareholder value from combining and successfully integrating large-scale businesses. Following an analysis of the Flutter and TSG businesses undertaken by Flutter and TSG's management teams, the Boards of Flutter and TSG expect material cost synergies to result from the Combination. These cost synergies underpin the strategic rationale for the transaction and the significant value creation opportunity for shareholders. The complementary nature of the businesses and ability to leverage product platforms to enhance the efficiency of the Combined Group are key drivers of the identified cost synergies.

Flutter and TSG expect that the Combination will generate pre-tax cost synergies of approximately £140 million per annum, with target run-rate phasing of approximately £25 million, £115 million and £140 million in the three 12-month periods following Completion. These synergies are separate from, and in addition to, TSG's previously announced synergies of \$100 million per annum resulting from the acquisition of SBG in July 2018, which it continues to expect to achieve in fiscal year 2020. The anticipated synergies from the Combination are expected to be achieved primarily in the following areas:

- corporate and administrative: removal of US/Canadian listing costs and realigning corporate costs in duplicative areas;
- procurement: driving efficiencies through purchasing opportunities;
- technology and risk: focusing on core platforms and streamlining risk capabilities; and
- marketing: driving efficiency across marketing platforms.

Approximately two thirds of the anticipated cost synergies are expected to be distributed roughly equally between the corporate and administrative and technology and risk cost bases, with the balance expected to be generated roughly equally between the procurement and marketing cost bases. The achievement of these cost synergies is contingent on the Combination completing and they could not be achieved independently.

In achieving these synergies, the Combined Group expects to incur aggregate cash implementation costs of approximately £180 million. These are expected to be incurred in the first two years following Completion.

In addition, the Combined Group is expected to realise (i) revenue benefits through cross-selling in international markets, and (ii) financing synergies through the refinancing of TSG's existing debt given the expected financial and credit profile of the Combined Group. These synergies have not been quantified or included in the statement of estimated cost synergies and any such synergies, to the extent they are realised, will be additional to the quantified cost synergies referred to above.

Flutter and TSG have a strong understanding of each other's respective businesses which has been supplemented by a focussed mutual due diligence exercise undertaken prior to announcement of the Combination on 2 October 2019. Prior to the announcement of the Combination, discussions were held between senior finance and commercial executives of Flutter and TSG across various segments of their respective businesses for the purposes of enabling the respective teams to compile their estimates of potential synergies and associated costs from the Combination.

As part of this process, Flutter and TSG developed initial estimates of cost synergies.

The methodology employed in quantifying the estimated cost synergies, has been to apply percentage savings from either the TSG, Flutter or Combined Group's cost base in each business division or segment (as appropriate) using a combination of prior experience, known benchmarks, strong knowledge of the respective businesses and with consideration for the anticipated operating model.

In preparing the statement of estimated cost synergies, both Flutter and TSG have shared certain operating and financial information to facilitate a detailed analysis in support of evaluating the potential cost synergies available from the Combination. In circumstances where data has been limited for commercial, competition or other reasons, estimates and assumptions have been made to aid the development of individual synergy targets.

There are various material assumptions underlying the statement of estimated cost synergies, which may result in the value of the estimated cost synergies being greater or less than anticipated, or which could result in the delay

of their delivery. In arriving at the estimate of the run rate for pre-tax cost synergies set out above, Flutter and TSG have made the following assumptions:

- the ability of the Combined Group to generate third party cost efficiencies from economies of scale will be consistent with Flutter's past experience of acquisitions;
- the delivery of identified cost synergies will not cause material disruption to the underlying operations of the Combined Group or its ability to conduct its business and will not materially impact revenue growth;
- cost synergies in general and administrative areas through the centralisation of functions and removal of duplication will be consistent with Flutter's past experience;
- it will be possible and efficient for the Combined Group to run a single global risk and trading function, across three regions (Europe, North America and Australia);
- it will be possible and efficient for the Combined Group to operate multiple brands in various geographies which will be supported by a single, or reduced number of, Sportsbook platforms;
- the quantum and nature of aggregate implementation costs and the phasing of anticipated synergies will be consistent with Flutter's past experience;
- the impact of the COVID-19 pandemic on the Combined Group's operations will not materially impact the cost or timing of the delivery of the anticipated cost synergies; and
- there will be no material changes to: (i) the underlying operations of the Combined Group; (ii) the competitive landscape or macroeconomic, political or regulatory outlook in the markets or regions in which the Combined Group will operate; (iii) foreign exchange rates; (iv) tax legislation or tax rates applicable to the Combined Group; or (v) other external factors that would materially impact on the ability of the Combined Group to achieve the anticipated cost synergies or the costs of achieving those synergies.

Following the mutual due diligence exercise undertaken in connection with the Combination prior to the announcement of the Combination, the evaluation of cost savings opportunities following Completion remains an on-going process and final proposals as to how such cost savings will be implemented will depend on the outcome of a further detailed business, operational and administrative review and the development of an integration plan, each of which will be finalised following Completion. Finalisation of the integration plan will be subject to engagement with appropriate stakeholders, including relevant employees and business partners. A key focus for the management of the Combined Group will be minimising disruption during the integration process, maintaining momentum in the existing businesses and progress on delivery of the Combined Group's strategy in the US.

These statements of estimated cost synergies reflect both the beneficial elements and relevant costs associated with achieving the relevant synergies. These statements of estimated cost synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. These statements are not intended as a profit forecast or profit estimate and should not be interpreted as such nor should they be interpreted to mean that the earnings per Ordinary Share, for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

#### **2.4 Reinforce a robust financial profile which will facilitate strategic flexibility and sustainable long-term shareholder returns**

The Flutter Board believes that fundamentally the Combined Group will have a robust financial profile given the strong cash generation profile of the Combined Group in conjunction with expected revenue, cost and financing synergies. In the current financial year, the impact of the disruption caused by COVID-19 to the global online betting and gaming sector, in particular the cancellation of major sporting events, is expected to impact the financial profile of the Combined Group. While we expect this impact to reduce over time, the current impact is likely to leave the Net Debt to Underlying EBITDA (pre-IFRS 16) ratio of the Combined Group at end of the first financial reporting period following Completion higher than 3.5x, excluding synergies.

Given the impact of the current disruption caused by COVID-19 and as part of prudent planning, the Flutter Board has considered its approach to Flutter's dividend policy and the Combined Group's proposed dividend policy as announced on 2 October 2019. For information on Flutter's, TSG's and the Combined Group's proposed dividend policies, see paragraph 6 (*Dividends and dividend policy*) of Part VIII (*Additional Information*) of this Prospectus. In addition, the Flutter Board will monitor the calendar of sporting events and the associated performance of sports betting as well as the Combined Group's anticipated deleveraging and balance sheet position and, if necessary, consider a broad range of options to accelerate the Combined Group's path to achieving its targeted Net Debt to Underlying EBITDA (pre-IFRS 16) ratio within its capital management policy.

The Flutter Board continues to expect the Combination to be value accretive.

These statements are not intended as a profit forecast or profit estimate and should not be interpreted as such nor be interpreted to mean that the earnings per Ordinary Share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

## 2.5     **Maintain a leading role in the promotion of responsible gambling through an enlarged global footprint**

The Flutter Board believes that, through its enhanced global footprint, the Combined Group can continue to be a strong, leading voice in the promotion of responsible gambling protections across the world. Both Flutter and TSG believe they are leading advocates for creating a culture of responsible gambling, by, among other things, building long-term sustainable relationships with their customers and utilising technology to protect their customers, especially those at risk from potential harm. The Board of Flutter believes that the Combined Group will be well placed to play a leading role in seeking industry progress in areas of concern from a regulatory perspective and to improve and lead industry standards for player protection by continuing to work collaboratively with regulators, while maintaining best-in-class responsible gambling product offerings.

### 3.       **Dividends and dividend policy**

#### *Flutter*

Subject to approval of the 2019 Final Dividend by Flutter Shareholders at Flutter's 2020 AGM to be held on 14 May 2020, existing Flutter Shareholders will be entitled to receive a 2019 Final Dividend of 133 pence per Ordinary Share. Given the impact of the current disruption caused by COVID-19, the Flutter Board will propose that the 2019 Final Dividend is paid in the form of Ordinary Shares. The record date and payment date for the 2019 Final Dividend, including the basis on which the number of new Ordinary Shares to be issued in satisfaction of the 2019 Final Dividend will be calculated, will be notified to Flutter Shareholders in the notice of the 2020 AGM which will be published in due course. For the avoidance of doubt, the New Shares will not carry any entitlement to the 2019 Final Dividend.

At the announcement of the Combination, the Flutter Board had expected that Flutter Shareholders immediately prior to Completion would be entitled to a pro-rated dividend, reflecting a time pro-rated amount of the total anticipated annual dividend for the financial year ending 31 December 2020, to which Flutter Shareholders would otherwise be entitled if the Combination had not proceeded. Given the anticipated financial profile of Flutter in the current year, the Flutter Board considers it no longer prudent to propose any pro-rated dividend.

#### *TSG*

TSG has never declared or paid dividends and is not expected to pay any dividend to the TSG Shareholders prior to Completion.

#### *Combined Group dividend policy*

Given the impact of the current disruption caused by COVID-19 and the ambition for the Combined Group to delever, the Flutter Board considers it prudent to suspend the dividend for the current financial year ending 31 December 2020. The Flutter Board will continue to monitor the calendar of sporting events and the associated performance of sports betting as well as the Combined Group's anticipated deleveraging and balance sheet position to decide the appropriate time to reinstate a dividend for the Combined Group.

The New Shares issued to TSG Shareholders pursuant to the Combination will carry the right to all dividends and other distributions declared, made or paid by Flutter on or after Completion, save for the 2019 Final Dividend.

#### **4. Flutter Board at Completion**

The Flutter Board at Completion will be drawn from the boards of both Flutter and TSG and is expected to comprise fifteen directors, including thirteen non-executive directors. The Board of the Combined Group is expected to be as follows:

Gary McGann .....	Chair
Divyesh (Dave) Gadhia.....	Deputy Chair
Andrew Higginson .....	Senior Independent Director
Peter Jackson .....	Chief Executive Officer
Jonathan Hill .....	Chief Financial Officer
Rafael (Rafi) Ashkenazi .....	Non-Executive Director
Zillah Byng-Thorne.....	Non-Executive Director
Michael Cawley .....	Non-Executive Director
Nancy Cruickshank.....	Non-Executive Director
Ian Dyson.....	Non-Executive Director
Richard Flint .....	Non-Executive Director
Alfred F. Hurley, Jr.....	Non-Executive Director
David Lazzarato .....	Non-Executive Director
Peter Rigby.....	Non-Executive Director
Mary Turner .....	Non-Executive Director

The composition of the Flutter Board at Completion has been determined between the Flutter Board and the TSG Board following extensive discussions. The aim of both parties during this process was to create a Board of the Combined Group which is well-balanced and has the appropriate skills, knowledge, experience and diversity for the current and future needs of the business of the Combined Group. Each director appointed to the Flutter Board at Completion will, in accordance with Flutter's Articles, hold office until the conclusion of the next annual general meeting of Flutter following such appointment, unless he or she is re-elected at that annual general meeting.

Ian Dyson is the current Senior Independent Director of Flutter. At the close of Flutter's 2020 AGM, Mr. Dyson will step down from this role and Andrew Higginson will assume the position of Senior Independent Director of Flutter and of the Combined Group following completion of the Combination. Mr. Dyson will remain a Non-Executive Director of the Company. Having served on the Flutter Board for more than nine years, Mr. Dyson will not, in that respect only, meet the usual criteria for independence of a non-executive director set out in the UK Corporate Governance Code. The Flutter Board has determined Mr. Dyson to be independent in character and judgement for the purposes of the UK Corporate Governance Code and confirmed his continued independence notwithstanding his length of service, taking into account his significant industry experience, his continued offering of constructive challenge within the Flutter Board and the fact he has only served with the current executive directors of Flutter since 2018.

Any executive or non-executive director of Flutter not appointed to the Flutter Board at Completion will step down from the Flutter Board with effect from Completion. Each such director who will be stepping down is fully supportive of the rationale for the Combination and of its terms and conditions.

Any executive or non-executive director of TSG not appointed to the Flutter Board at Completion will step down from the TSG Board with effect from Completion. Each such director who will not join the Flutter Board at Completion is fully supportive of the rationale for the Combination and of its terms and conditions.

The maximum number of directors currently permitted by Flutter's Articles is twelve. Accordingly, to accommodate the proposed changes to the Flutter Board at Completion as described above, Flutter intends to propose an increase in the maximum number of directors permitted under the Articles to fifteen for approval by Flutter Shareholders at the Flutter EGM. Completion of the Combination is not conditional upon this proposal being approved by Flutter Shareholders at the Flutter EGM.

#### **5. Management and employees**

Flutter and TSG recognise the skills and experience of their respective management and employees and expect certain of the management teams of both Flutter and TSG to play a leading role in the Combined Group in the

future and that employees will generally benefit from the greater opportunities for the business following Completion.

To achieve the full potential benefits of the Combination and in the long-term interests of Flutter, a business, operational and administrative review will be undertaken following Completion. The synergies work already carried out has highlighted the potential to generate savings for the Combined Group in areas where there may be duplication across general corporate overheads and facilities, and by rationalising certain operational and support functions.

No decisions have been made by either Flutter or TSG in relation to specific actions that will be taken as part of this business, operational and administrative review. Prior to any decisions being made, detailed discussions will be held between Flutter and TSG employees and relevant partners.

The boards of Flutter and TSG have each confirmed that the existing contractual and employment rights, including pension rights, of all Flutter and TSG employees will be fully safeguarded on Completion.

The Combined Group will be headquartered in Dublin.

## **6. Voting Support Agreements**

The directors of TSG have entered into voting support agreements with Flutter under which they have agreed, subject to certain termination rights, to vote the TSG Shares held by them in favour of the TSG Resolution at the TSG Shareholder Meeting in respect of their own beneficial holdings totalling approximately 0.11% of the issued and outstanding TSG Shares as at the Latest Practicable Date. Flutter has also entered into a voting support agreement with each of Caledonia (Private) Investments Pty Limited and ValueAct Holdings LLP under which they have each agreed, subject to certain termination rights, to vote all of the TSG Shares held by them in favour of the TSG Resolution at the TSG Shareholder Meeting, representing in total approximately 23.33% of the existing issued and outstanding TSG Shares as at the Latest Practicable Date.

The Directors of Flutter have entered into voting support agreements with TSG under which they have agreed, subject to certain termination rights, to vote the Ordinary Shares held by them in favour of the Combination in the relevant resolutions at the Flutter EGM in respect of their own beneficial holdings totalling 20,552 Ordinary Shares representing approximately 0.03% of existing issued ordinary share capital of Flutter as at the Latest Practicable Date.

## **7. Information relating to the Combined Group following the Combination**

### **7.1 Registered office**

The registered office and head office of Flutter, which will constitute the holding company of the Combined Group from Completion, will be Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, D04 V972, Ireland.

### **7.2 Accounting considerations**

Both the Flutter financial year and the TSG financial year end on 31 December.

It is intended that the Combined Group will have an accounting financial year ending on 31 December each year and that it will pay an interim dividend in September and a final dividend in May. It is also expected that Flutter's presentation currency will be GBP.

For accounting purposes, it is expected that TSG will be consolidated into Flutter's balance sheet. A fair value exercise in respect of TSG's assets and liabilities will be conducted following Completion, resulting in TSG's assets and liabilities being included at fair value on the Combined Group's balance sheet. Intangible assets arising will likely include goodwill and brands.

### **7.3 Listing, dealings and settlement of the Ordinary Shares**

Application will be made to the FCA, the London Stock Exchange and Euronext Dublin for all of the issued and to be issued Ordinary Shares of the Company following completion of the Combination to be admitted to: (i) listing on the premium listing segment of the Official List of the FCA and to a secondary listing on the Official List of Euronext Dublin; and (ii) trading on the London Stock Exchange's main market for listed securities and

the Euronext Dublin Market. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares, including the New Shares, will commence on the London Stock Exchange and Euronext Dublin at 8.00 a.m. (Irish time)/3.00 a.m. (Eastern time) on the Effective Date.

#### **7.4 Delisting of TSG Shares, de-registering TSG Shares under the US Exchange Act and TSG ceasing to be a reporting issuer in Canada**

Upon Completion, TSG will become a wholly-owned subsidiary of Flutter and each certificate representing TSG Shares outstanding immediately prior to the Effective Time shall be deemed to represent only the right to receive the consideration in respect of such TSG Shares required under the Plan of Arrangement, less any amounts withheld pursuant to the Plan of Arrangement.

It is expected that, upon Completion, the current listing of the TSG Shares on the TSX and NASDAQ will terminate, the TSG Shares will be de-registered under the US Exchange Act and TSG will apply to the Canadian Securities Administrators to cease to be a reporting issuer following Completion. Following the completion of the Combination, Flutter will become a “reporting issuer” within the meaning of applicable Canadian securities laws in certain jurisdictions of Canada and, as such, Flutter will be required to comply with the continuous and other timely disclosure requirements and securities rules under relevant Canadian securities laws until such time as Flutter ceases to be a “reporting issuer”. Further information is set out in paragraph 10 (*Canadian securities law obligations of Flutter*) of Part I (*Information on the Combination*) of this Prospectus.

#### **7.5 Listing and indexation**

In accordance with the current listing of Flutter, it is expected that, following Completion, Flutter will be re-listed on the premium listing segment of the Official List of the FCA with a secondary listing on the Official List of Euronext Dublin; and re-admitted to trading on the London Stock Exchange’s main market for listed securities and the Euronext Dublin Market.

Flutter is expected to remain a constituent of the FTSE 100 index.

#### **7.6 Dilution**

Subject to Completion, it is expected that up to 66,531,782 New Shares will be issued to TSG Shareholders. Assuming that the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination, this will result in Flutter’s issued share capital increasing by 84.90% and Flutter Shareholders (who currently own 100% of the issued share capital of Flutter) suffering immediate dilution. As a result of the Combination, Flutter Shareholders will hold approximately 54.66% of the Company’s enlarged issued share capital and TSG Shareholders will hold approximately 45.34% of the Company’s enlarged issued share capital (based on the fully diluted share capital of Flutter and the fully diluted share capital of TSG as at the Latest Practicable Date and assuming no further share issuances).

### **8. Principal terms and conditions of the Combination**

It is intended that the Combination will be implemented by way of an all-share combination to be effected by means of the Court-approved Plan of Arrangement, pursuant to which Flutter will acquire all of the issued and outstanding TSG Shares.

#### **8.1 Court Approval**

The Arrangement requires approval by the Court pursuant to the *Business Corporations Act (Ontario)*. Prior to the mailing of the TSG Circular, TSG will have obtained the Interim Order, providing for the calling and holding of the TSG Shareholder Meeting, prescribing rules for the conduct of the TSG Shareholder Meeting and providing for TSG Dissent Rights and other procedural matters.

Subject to the terms of the Arrangement Agreement and any applicable order of the Court, and if the TSG Resolution is approved by TSG Shareholders at the TSG Shareholders Meeting in the manner required by the Interim Order, TSG intends to make an application to the Court for the Final Order to take place promptly following the TSG Shareholder Meeting. Under the terms of the Interim Order, certain TSG securityholders will have the right to appear and make submissions at the application for the Final Order, by submitting a notice of appearance in compliance with the terms of the Interim Order. At the hearing for the Final Order, the Court will consider, among other things, the procedural and substantive fairness and reasonableness of the Arrangement and

the rights of every person affected. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. If the Court approves the Arrangement with amendments, depending on the nature of the amendments, Flutter and TSG may agree not to complete the Arrangement.

## 8.2 Conditions

The Combination is subject to the Conditions, which are set out in full in the Arrangement Agreement and include the following:

- approval of the Combination by Flutter Shareholders (by ordinary resolution) as a Class 1 Transaction under the UK Listing Rules at a general meeting of Flutter;
- the FCA, the London Stock Exchange and Euronext Dublin agreeing to admit Flutter's enlarged ordinary share capital to (i) listing on the premium listing segment of the Official List of the FCA and to a secondary listing on the Official List of Euronext Dublin; and (ii) trading on the London Stock Exchange's main market for listed securities and the Euronext Dublin Market;
- approval of the TSG Resolution by at least  $66\frac{2}{3}\%$  of the votes cast by TSG Shareholders, present in person or represented by proxy, at the TSG Shareholder Meeting;
- approval by the Court of the Plan of Arrangement;
- relevant merger control, foreign investment and gaming related approvals being obtained, including in the UK, Ireland, Australia, the US and Canada;
- the performance of or compliance in all material respects with all material covenants by TSG and Flutter;
- that, subject to certain qualifications set out in the Arrangement Agreement, all key representations and warranties of TSG and Flutter respectively are true and correct;
- in the case of Flutter, the total number of TSG Shares in respect of which TSG Dissent Rights have been exercised and not validly withdrawn not exceeding 5% of all outstanding TSG Shares as of the Filing Date; and
- that a Material Adverse Effect (as defined in the Arrangement Agreement) has not occurred on either Flutter or TSG.

The approval of Flutter Shareholders will be sought at the Flutter EGM which is scheduled to occur on 21 April 2020. The approval of TSG Shareholders will be sought at the TSG Shareholder Meeting, which is expected to occur on 21 April 2020, or shortly thereafter. Subject to the satisfaction of the Conditions, Completion is estimated to occur during the second or third quarter of 2020.

While Flutter does not anticipate any significant obstacle to obtaining all required regulatory and anti-trust approvals to the Combination, there can be no certainty that all required regulatory approvals will be forthcoming or that any conditions imposed by or undertakings required by the applicable regulatory authorities will be acceptable to Flutter and TSG. For more information see the risk factor entitled "*Completion of the Combination is subject to the satisfaction or waiver of the Conditions and there may be an adverse impact on Flutter's reputation if the Combination does not proceed*" on page 8 of this Prospectus.

In any event, if the Arrangement has not been completed on or before the Long Stop Date and the Arrangement Agreement is terminated in accordance with its terms, the Combination will not proceed.

Under the terms of the Combination, Flutter and TSG have agreed to use commercially reasonable efforts in order to, among other things, take, or procure the taking of, various steps in connection with the satisfaction of these Conditions.

### 8.3 Key terms

To give effect to the Plan of Arrangement, the Articles of Arrangement will be filed with the OBCA Director and the Certificate of Arrangement will be issued. Upon the Plan of Arrangement becoming effective, the following steps will occur and will be deemed to occur in the sequence and at the times set out in the Plan of Arrangement:

- each TSG Share outstanding at the Effective Time, other than: (i) any TSG Shares in respect of which TSG Dissent Rights have been properly exercised; and (ii) any TSG Shares held by Flutter, will be transferred and assigned by the holder thereof to, and acquired by, Flutter, in exchange for 0.2253 of a New Share and, in respect of each such TSG Share transferred and assigned pursuant to the Plan of Arrangement, each former TSG Shareholder will cease to be the holder of such TSG Shares so exchanged and such holder's name will be removed from the register of holders of TSG Shares at such time and will cease to have any rights as a holder of TSG Shares, other than the right to receive New Shares;
- each TSG Option that as of the Effective Time is outstanding under the TSG Employee Share Plans will cease to represent an option or other right to acquire TSG Shares and shall be exchanged at the Effective Time for an option to purchase from Flutter a number of New Shares (rounded down to the nearest whole number) equal to: (a) 0.2253, multiplied by (b) the number of TSG Shares subject to such TSG Option immediately prior to the Effective Time, at an exercise price per New Share (rounded up to the nearest whole cent) equal to (y) the exercise price per TSG Share otherwise purchasable pursuant to such TSG Option immediately prior to the Effective Time, divided by (z) 0.2253;
- each TSG RSU, TSG PSU and TSG DSU that as of the Effective Time is outstanding under the TSG Equity Plan shall be continued on the same terms and conditions as were applicable immediately prior to the Effective Time except that: (i) the terms of such TSG Equity Awards shall be amended so as to substitute for the TSG Shares subject to such TSG Equity Awards, New Shares (rounded down to the nearest whole number) equal to: (x) 0.2253, multiplied by (y) the number of TSG Shares subject to such TSG Equity Awards immediately prior to the Effective Time but subject to any adjustment required to that award by the TSG Equity Plan or grant documentation as a result of the Plan of Arrangement; and (ii) the terms of certain of the TSG PSUs shall be adjusted as to performance goals and vesting (see paragraph 9 (*Employee share plans*) of this Part I (*Information on the Combination*));
- as of the Effective Time, the TSG Employee Share Plans will be assumed by Flutter; and
- each TSG Share in respect of which TSG Dissent Rights have been properly exercised will be deemed to be transferred by the relevant TSG Dissenting Shareholder, without any further act or formality on its part, to TSG for cancellation in consideration for a claim against TSG for an amount determined in accordance with the Plan of Arrangement, and in respect of each such TSG Share transferred and assigned to TSG for cancellation, each such TSG Dissenting Shareholder will cease to be the holder of such TSG Shares.

Upon the Plan of Arrangement becoming effective, it will be binding on all TSG Shareholders, irrespective of whether they attended or voted at the TSG Shareholder Meeting (and, if they attended and voted, whether or not they voted in favour of the TSG Resolution). Each certificate representing TSG Shares immediately prior to the Effective Time shall be deemed to represent only the right to receive the consideration in respect of such TSG Shares required under the Plan of Arrangement, less any amounts withheld pursuant to the Plan of Arrangement.

The issued and outstanding TSG Shares acquired by Flutter pursuant to the Plan of Arrangement will be fully paid and free from all liens, charges, security interests, encumbrances, mortgages, hypothecaries, restrictions, adverse claims or other claims of third parties of any kind.

The New Shares issued to TSG Shareholders pursuant to the Plan of Arrangement will be issued credited as fully paid and free of any pre-emptive rights and liens and will rank *pari passu* in all respects with existing Ordinary Shares then in issue, including in respect of the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date. For the avoidance of doubt, the New Shares will not carry any entitlement to the 2019 Final Dividend. The New Shares will trade under the same ISIN number as the existing Ordinary Shares (IE00BWT6H894).

The Ordinary Shares are currently capable of being held in uncertificated form through CREST and the New Shares will be capable of being held in uncertificated form through CREST at Admission.

Fractions of New Shares will not be allotted or issued to TSG Shareholders and entitlements will be rounded down to the nearest whole number of New Shares and all fractions of New Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be paid by (or on behalf of) Flutter in due proportions to TSG Shareholders who would otherwise have been entitled to such fractions, save that individual entitlements to amounts of less than £5.00 will be retained for the benefit of the Combined Group.

If the Plan of Arrangement has not been completed on or before the Long Stop Date and the Arrangement Agreement is terminated in accordance with its terms, the Combination will not proceed.

#### 8.4 **Dissent Rights**

TSG Shareholders may exercise TSG Dissent Rights in respect of the TSG Resolution under section 185 of the *Business Corporations Act (Ontario)* (as modified by the Plan of Arrangement and the Interim Order). If the Combination is completed, TSG Dissenting Shareholders who comply with the procedures set forth in the *Business Corporations Act (Ontario)* (as modified by the Plan of Arrangement and the Interim Order) will be entitled to be paid the fair value of their TSG Shares in respect of which TSG Dissent Rights have been properly exercised.

It is a Condition to Flutter's obligation to complete the Combination that the total number of TSG Shares with respect to which TSG Dissent Rights have been properly exercised does not exceed 5% of the outstanding TSG Shares as of the Effective Date.

### 9. **Employee share plans**

Both Flutter and TSG operate a number of employee share plans. Information regarding the Flutter Employee Share Plans, including the maximum number of Ordinary Shares to be allotted in respect of outstanding awards under the Flutter Employee Share Plans as of 31 December 2019, is contained in Note 18 to the Flutter 2019 Financial Statements which are incorporated by reference into this Prospectus. Information regarding the TSG Employee Share Plans, including the maximum number of TSG Shares to be allotted in respect of outstanding awards under the TSG Employee Share Plans as of 31 December 2019, is contained in Note 25 to the TSG 2019 Financial Statements which are incorporated by reference into this Prospectus. The impact of the Combination on the Flutter Employee Share Plans and the TSG Employee Share Plans is set out below.

#### 9.1 **Flutter Employee Share Plans**

Outstanding awards and options under the Flutter Employee Share Plans will remain unchanged and will continue in accordance with their terms except that, in due course, Flutter will determine whether any adjustment to performance conditions applicable to awards and options granted under the Flutter Employee Share Plans is necessary to reflect the impact of the Combination on those performance conditions.

#### 9.2 **TSG Employee Share Plans**

Under the Arrangement Agreement, Flutter is required to take all corporate action necessary to reserve for issuance a sufficient number of New Shares for delivery upon the exercise of the outstanding TSG Options and TSG Equity Awards. A summary of the effect of the Combination on the outstanding TSG Options and TSG Equity Awards under the TSG Employee Share Plans is as follows.

##### *Outstanding TSG Options*

Subject to any required approvals being obtained by TSG, each TSG Option that as of the Effective Time is outstanding will cease to represent an option or other right to acquire TSG Shares and shall be exchanged at the Effective Time for an option to purchase from Flutter a number of New Shares (calculated by reference to the Exchange Ratio). All other terms and conditions of such options, including the term to expiry and conditions to and manner of exercising, will be the same as the TSG Option so exchanged, and will be governed by the terms of the TSG Option Plan or the TSG Equity Plan, as applicable, and any document evidencing a TSG Option will thereafter evidence and be deemed to evidence such exchanged option.

Flutter and TSG have agreed that, as soon as reasonably practicable after the Effective Time, Flutter will provide all holders of outstanding TSG Options with replacement grant documentation to evidence such exchanged options and the terms and conditions thereof. Such terms and conditions in respect of any TSG Options will provide that such TSG Options so exchanged will be exercisable until the original expiry date of such TSG Options notwithstanding the employment status of the holder thereof with the TSG Group, unless such director, officer or employee has resigned without good reason or is terminated for cause following the Effective Time.

#### *Outstanding TSG PSUs*

Flutter and TSG have agreed that the TSG PSUs 2017 and any TSG PSUs 2018 with Performance Goals (as defined in the TSG Equity Plan) measured at the period ending 31 December 2019 will be treated as determined after 31 December 2019, in accordance with the terms of the TSG Equity Plan.

Subject to any required approvals being obtained by TSG, other than the TSG PSUs 2018 with Performance Goals measured at the period ending 31 December 2019, the terms of all unvested TSG PSUs, effective prior to the Effective Time, will be amended on the following basis:

- the TSG PSUs 2018 Performance Goals (as defined in the TSG Equity Plan) will be deemed satisfied based on 150% of the target number of TSG PSUs obtainable under each TSG PSUs 2018 Award Agreement (as defined in the TSG Equity Plan); and
- the TSG PSUs 2019 Performance Goals (as defined in the TSG Equity Plan) will be deemed satisfied based on 100% of the target number of TSG PSUs obtainable under each TSG 2019 Awards Agreement (as defined in the TSG Equity Plan) and the balance of such number of TSG PSUs under each TSG PSUs 2019 will be forfeited,

provided that, in each case, such TSG PSUs will become subject to further vesting (if any) in accordance with their terms, as if they had in respect of time-based vesting been originally issued as TSG RSUs.

#### *Other outstanding TSG Equity Awards*

Each of the TSG Equity Awards that as of the Effective Time is outstanding (other than the TSG PSUs set out above) will be continued on the same terms and conditions as were applicable immediately prior to the Effective Time except that the terms of such TSG Equity Awards will be amended so as to substitute New Shares for the TSG Shares subject to such TSG Equity Awards (calculated by reference to the Exchange Ratio). All other terms and conditions of such award, including the term to expiry and conditions to and manner of exercising, will be the same as the TSG Equity Award and will be governed by the terms of the TSG Equity Plan and any document evidencing a TSG Equity Award will thereafter evidence and be deemed to evidence such an amended award.

#### *TSG Employee Stock Purchase Plan*

All TSG Shares that are subject to the TSG Employee Stock Purchase Plan will be subject to the Plan of Arrangement and the holders thereof will be entitled to receive the consideration in respect of such TSG Shares at the same time and on the same conditions as the holders of the TSG Shares pursuant to the Plan of Arrangement. TSG will take all actions (including obtaining any necessary determinations and/or resolutions of the TSG Board or a committee thereof and, if appropriate, amending the terms of the TSG Employee Stock Purchase Plan) that may be necessary or required under the TSG Employee Stock Purchase Plan to ensure that, subject to the Arrangement becoming effective, the TSG Employee Stock Purchase Plan will terminate in its entirety at or prior to the Effective Time.

### **10. Canadian securities law reporting obligations of Flutter**

Flutter is not currently a “reporting issuer” in any province or territory of Canada. Following Completion, Flutter will become a “reporting issuer” within the meaning of applicable Canadian securities laws in certain jurisdictions of Canada and, as such, Flutter will be required to comply with the continuous and other timely disclosure requirements and securities rules under relevant Canadian securities laws, in addition to its disclosure and other reporting obligations under applicable Irish and UK law.

However, following Completion, Flutter expects to qualify as a “designated foreign issuer” within the meaning of applicable Canadian securities laws and, as such, expects to satisfy its ongoing Canadian reporting obligations by sending to Canadian holders of Ordinary Shares and filing with Canadian Securities Administrators the

materials that it sends to Shareholders and files with the FCA, the London Stock Exchange, the Central Bank and Euronext Dublin, as applicable, pursuant to the applicable laws, regulations and rules in Ireland and the United Kingdom, including the Companies Act, the Market Abuse Regulation, Market Abuse Law, the Transparency Regulations and Rules, the Market Conduct Rules, the Disclosure and Transparency Rules, the UK Listing Rules and the Irish Listing Rules. In addition, for such time as Flutter qualifies as a “designated foreign issuer”, Flutter Shareholders will not be subject to the Canadian early warning requirements pertaining to disclosure of beneficial ownership of 10% or more of any of Flutter’s voting or equity securities, provided such persons comply with the disclosure requirements relating to reporting of beneficial ownership of Flutter’s voting or equity securities pursuant to the Transparency Regulations and Rules, UK Listing Rules, the Disclosure and Transparency Rules, the Irish Listing Rules and any other applicable securities laws.

If Flutter does not qualify or ceases to qualify as a “designated foreign issuer” following completion of the Combination, including in circumstances where Canadian residents own, directly or indirectly, 10% or more of the total number of outstanding Ordinary Shares (on a fully-diluted basis), Flutter would be required to file continuous disclosure documents in accordance with applicable Canadian securities laws. The principal additional continuous and other timely disclosure requirements under Canadian continuous disclosure and securities rules that may apply to Flutter following completion of the Combination require the preparation and public filing of, among other things:

- quarterly unaudited financial statements and related management’s discussion and analysis;
- annual information forms (which provide a comprehensive overview of Flutter, as well as its history, operations, prospects and risks);
- Chief Executive Officer and Chief Financial Officer certifications with respect to annual and interim filings;
- material change reports (in respect of material changes in the business, operations or capital of Flutter); and
- business acquisition reports (including financial statements and pro forma financial statements) in respect of significant acquisitions.

Flutter may in the future take actions to cease to be a “reporting issuer” under applicable Canadian securities laws.

## PART II: OVERVIEW OF THE BUSINESS OF THE COMBINED GROUP

### Section A: Information on Flutter

The following information should be read in conjunction with the information appearing elsewhere in this Prospectus, including the financial and other information in Part IV (*Financial Information*). Save where otherwise stated, the financial information included in this Section A “*Information on Flutter*” has been extracted without material adjustment from the audited financial information included in Part IV (*Financial Information*).

#### 1. Flutter Entertainment plc

Flutter Entertainment plc (“**Flutter**”), formerly known as Paddy Power Betfair plc, is a highly diversified global online-led sports betting and gaming operator with over 7 million Active Customers globally, consolidated revenues of £2.14 billion and Underlying EBITDA (pre-IFRS16) of £385 million for the financial year ending 31 December 2019. Flutter owns and operates a portfolio of premium betting brands including Paddy Power (UK and Ireland), Betfair (UK, Ireland and International), Sportsbet (Australia), TVG Network (“**TVG**”) and FanDuel (USA) and Adjarabet (Georgia and Armenia), with podium positions in the major regulated markets of the UK, US and Australia. Flutter is a FTSE 100 business (dual-listed) with a market capitalisation of £5.9 billion as at the Latest Practicable Date, and a broad shareholder base.

Flutter is a predominantly online-focused sports betting and gaming operator (online revenue represented 84% of revenue in the financial year ended 31 December 2019<sup>7</sup>), with the online sector continuing to structurally grow with the ongoing migration from retail/land-based betting and gaming to demand via mobile devices (typically smartphones). As such, Flutter is very well positioned to exploit the highly material growth opportunities in online betting and gaming markets, which have historically experienced double-digit growth but which still only accounts for an estimated 11% of global gaming revenues, the rest remaining land-based (*source: H2 Gambling Capital, H2 Detailed Global Summary Data, Jan 2020*). Flutter’s online operations are complemented by its retail channels in the UK and Ireland where it has more than 620 Paddy Power branded shops (as at 31 December 2019), in the US where FanDuel offers retail sports betting in select states, primarily as part of market access arrangements to facilitate online sports betting, and in Georgia where Adjarabet operates 3 Adjarabet branded shops.

Flutter (then named Paddy Power) was formed in 1988 through the merger of three independent bookmakers. In December 2000, Paddy Power listed on the Irish and London Stock Exchanges and launched its website, paddypower.com. In 2002, Paddy Power opened its first betting shop in the United Kingdom. Between 2004 and 2006, Paddy Power launched its e-gaming platform via paddypowergames.com, paddypowercasino.com, paddypowerpoker.com and paddypowerbingo.com. In 2009, Paddy Power entered the Australian market through the acquisitions of Sportsbet and IAS and, in 2010, the Paddy Power group became the first online bookmaker to launch a mobile application.

In 2016, Flutter (then named Paddy Power plc) expanded significantly following its merger with Betfair Group plc to create Paddy Power Betfair plc, combining two highly complementary businesses to create one of the largest online betting and gaming operators in the world based on gross gaming revenue (*source: internal management analysis of publicly available financial information of competitors*).

In 2018, Flutter’s Betfair US business merged with FanDuel, a leading daily fantasy sports provider in the US (*source: Eilers & Krejci, DFS Market Share, Dec 2019; internal management estimates*) with approximately 7 million registered users across 41 states. The merged entity is the FanDuel Group, of which Flutter currently has a 58% ownership stake with the option to acquire a further 37% in two tranches by 2023. Following completion of the Combination, FSG Services will have the right to acquire an approximate 18.5% interest in FanDuel Group exercisable for a ten-year period commencing in 2021 as further described in paragraph 5 (*Business combinations*) of this Part II (*Overview of the Business of the Combined Group*).

In February 2019, Flutter acquired a controlling 51% interest in Adjarabet, Georgia’s largest online gaming operator, with a leading position (based on gross gaming revenue) as at 31 December 2018 in this regulated and growing market (*source: Alves, Georgian Deposit Data, Dec 2018; internal management estimates*). Flutter has the right to acquire the remaining 49% of this business in 2022.

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<sup>7</sup> Figures are based on internal management accounts for the financial year ended 31 December 2019 and are unaudited.

The Flutter Group has a strong track record of growth in revenues and profits. Between 2000 and 2019, the Flutter Group's compound annual growth rate in revenues and basic earnings per share has been 13% and 16%, respectively. This growth has been achieved by the Flutter Group continually adapting to a rapidly changing consumer and industry environment, in particular, the migration of traditional betting and gaming from retail to online and increased smartphone penetration and usage.

Flutter holds gambling licences in the UK, Ireland, Italy, Australia, Denmark, Romania, Spain, Sweden, Malta, Georgia, Armenia and the US states of New Jersey and Pennsylvania.

Flutter is headquartered in Dublin, Ireland and employs approximately 9,000 people worldwide.

## 2. Description of the business

Flutter delivers sports betting online in each of the jurisdictions in which it operates and through its retail outlets in Ireland, the UK, Georgia, Armenia and the US. Flutter's full suite of gaming products is provided across its online business in many, but not all (e.g. Australia), jurisdictions in which it offers its sports betting services. It also offers select gaming products in its UK retail estate through fixed-odds betting terminals.

### *Sports betting*

Flutter's fixed-odds Sportsbook offers customers the opportunity to place bets on the likelihood of an event occurring. Flutter believes that it is a market leader in terms of the range of sports and markets in which it offers its customers the opportunity to place bets. In 2019, over £11.4 billion was staked on events online (principally sports-based) with a further £2.2 billion staked in retail.<sup>8</sup>

### *Gaming*

Flutter's gaming product suite allows customers to bet on a range of skill-based games or games of chance and also offers peer to peer games. Flutter's gaming products can be sub-divided into four segments: casino, poker, bingo and games. The Flutter Group provides a combination of third-party content and proprietary games, reflecting a shift to in-house developed products in order to differentiate itself from competitors.

## 3. Sources of revenue

Revenue by division	Year ended 31 December 2019 (£'m)	Year ended 31 December 2018 (£'m)
PPB Online (ex Australia and US)	1,006.2	947.6
Australia	445.8	402.9
US	376.3	191.4
PPB Retail	311.7	331.5
<b>Flutter Group revenue</b>	<b>2,140.0</b>	<b>1,873.4</b>

## 4. Principal divisions

Flutter operates under a range of international brands and is organised into four divisions; the PPB online division (which excludes Australia and US), the Australia division, the US division and the PPB retail division. These divisions accounted for 47.0%, 20.8%, 17.6% and 14.6% respectively of 2019 annual revenues.

Across the four divisions Flutter operates a portfolio of sports betting and gaming products, each with a different mechanic, such as Sportsbooks, exchange, daily fantasy sports, advanced deposit wagering, gaming products (online casino, poker, bingo and games), along with machine gaming terminals in UK retail betting shops. Flutter's Timeform business (based in Halifax) provides form, tipping and content services across a range of sports, including horseracing, football and basketball. Flutter's TVG business is the #1 horse-racing broadcaster in the US, with over 86 million hours of horse racing content viewed in 2019 (*source: Comscore, TV Essentials®, All Day, Sports, TVG vs NBC, NBCN, FS1, FS2, Total horse-racing hours viewed, Jan 2020*), acting like a

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<sup>8</sup> Figures are based on internal management accounts for the financial year ended 31 December 2019 and are unaudited.

combination of Racing TV and Sky Sports Racing in the UK, with TVG1 and TVG2 broadcast into approximately 45 million homes.

In 2019, Flutter generated 50.5% of revenue in the UK and Ireland, 20.8% in Australia, 17.6% in the US and 11.1% in the rest of the world.

#### 4.1 PPB online division

The PPB online division<sup>9</sup> comprises the Paddy Power online (and telephone betting) operations across the UK and Ireland, the Betfair online operations across the UK and Ireland and international markets, the Dial-a-Bet telephone betting service in the UK and Ireland, as well as a small number of B2B partnerships (where Flutter supplies either pricing or exchange technology to third parties).<sup>10</sup> The division originated in 2000 with the launch of paddy power.com in the UK and Ireland. The Betfair betting exchange was also launched in 2000. Since 1 February 2019, the PPB online division also includes Adjarabet, the Georgian-based online business in which Flutter has acquired an initial 51% controlling stake.

The PPB online division is a leading online sports betting operator across the UK and Ireland. Betfair is also licensed to operate in Malta, Denmark, Italy, Romania, Spain and Sweden.

Earnings growth for the division in 2019 was depressed by three factors:

- **first**, the Flutter Group experienced increased taxes in the UK (principally, an increase in the rate of remote gaming duty) and in Ireland (where there was a doubling of betting duty);
- **second**, by the Flutter Group's decision to introduce a series of enhanced responsible gambling measures to more proactively engage with customers who may be at a higher risk of developing problem gambling habits; and
- **third**, the international business experienced an unusually high level of disruption from market switch offs and payment blocking.

The underlying performance of the PPB online division, after adjusting for the factors outlined above, remains positive and in line with management expectations. The Adjarabet integration is proceeding well, with continued double-digit growth and increased leveraging of Flutter Group capabilities.

In line with the second pillar of Flutter's strategy to grow in the rest of world, management has flagged that ongoing investment in international markets in 2018 and 2019 will be a key driver of growth from 2020 onwards. The introduction of Sportsbook country-specific pricing has materially improved the expected net revenue margin for Betfair's Sportsbook while work is ongoing to add more languages and currency offerings. For example, Betfair introduced Brazilian Real as a payment method in March 2019 for its Brazilian customers which resulted in its customer acquisition cost reducing significantly in that market. Introducing content localisation such as this and continuing to change these features should make the Betfair product more appealing to international customers.

The PPB online division has demonstrated consistent growth and the progress made in implementing Flutter's strategy in the PPB online division is reflected in the performance in the financial year ended 31 December 2019 where net revenue was £1.0 billion in 2019, an increase of 6% compared to the financial year ended 31 December 2018 and Underlying EBITDA was £312.8 million in 2019. This is comprised of £666.3 million in sports revenue (comprising Sportsbook, exchange sports betting, daily fantasy sports and pari-mutuel betting) and £339.9 million

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<sup>9</sup> The Flutter Group's PPB online division encompasses the group's online activities outside of Australia and the US.

<sup>10</sup> Flutter provides select B2B partners with back end processing of betting volumes under revenue share arrangements. This provides exposure to markets where Flutter may not look to develop a dedicated B2C offering. Flutter currently operates five relationships in regulated markets, with nominal contribution to earnings. During 2019, as part of its ongoing review of business relationships, Flutter took the decision to stop taking business from a small number of Betfair Exchange B2B partners where it felt that their compliance policies were no longer sufficiently aligned with those of the Flutter Group. Flutter estimates that the decision to switch off these B2B partners will result in a reduction in Betfair Exchange revenues, equivalent to less than 1% of Flutter Group revenues in 2020.

in gaming revenue. PPB Online's Underlying EBITDA was £312.8 million which represents 68% of group Underlying EBITDA excluding US. Over 3.7 million business-to-customer customers were active in the year.

#### 4.2 Australia division

The Australia division comprises Sportsbet, a leading corporate bookmaker in the Australian online market. The business offers sports betting online and via the telephone. In addition, Betfair licenses the right to operate the Betfair Exchange exclusively to Betfair Australia in Australia and New Zealand. Betfair Australia is owned by the ASX-listed Crown Resorts Limited.

The Australia division was formed in 2009 when Flutter (then Paddy Power) acquired a 51% stake in Sportsbet. Flutter subsequently acquired the remaining 49% stake during 2010 and 2011. Since acquisition, sportsbet.com.au has grown considerably to become one of the largest online brands in Australia based on brand awareness (*source: Kantar Brand Tracker, Dec 2019*).

Sportsbet combines innovative products and high levels of promotional generosity to form a leading customer proposition. It is well-known for its dynamic marketing campaigns around national sports events.

The Australian division has grown consistently in recent years by investing in innovative, differentiated products and distinctive brand and marketing capabilities. In 2019, the Australia division contributed net revenue of £445.8 million or 20.8% of group revenue and Underlying EBITDA of £127.5 million.

The Australian division has continued to grow strongly over the last six years, with Active Customers growing at 17% per annum CAGR to 1.2 million at 31 December 2019. Sportsbet continues to outperform peers on all key metrics, particularly brand awareness and primary mobile app status, including TAB which holds the retail monopoly.

The introduction of point of consumption taxes ("POCTs") in the following Australian states impacted performance in the year ended 31 December 2019 through a step-up in cost of sales (now approximately 40% of revenue, including POCTs, product fees and goods and service tax ("GST")):

<u>State</u>	<u>Applicable rate of POCT in 2019</u>
Australian Capital Territory	15%
New South Wales	10%
Northern Territory	Nil
Queensland	15%
South Australia	15%
Tasmania <sup>(1)</sup>	Nil
Victoria	8%
Western Australia	15%

Notes:

<sup>(1)</sup> The state of Tasmania has introduced a POCT at a rate of 15% with effect from 1 January 2020.

Sportsbet's underlying performance remains very strong; excluding tax changes, EBITDA would have risen by 49%<sup>11</sup> year-on-year in constant currency<sup>12</sup>, driven by strong revenue growth and some lower marketing spend (given higher spend ahead of the change). The new tax regime in Australia also appears to be impacting media demand from peers as most battle with profitability metrics. This has resulted in some media-asset price deflation benefits accruing to Sportsbet.

In addition to the taxes, a number of other changes are being instituted via the National Consumer Protection Framework in the Australian market in an effort to combat problem-gambling issues, including a prohibition on

<sup>11</sup> Figures are management estimates based on internal management accounts for the financial year ended 31 December 2019 and are unaudited.

<sup>12</sup> Constant currency revenue growth is calculated by retranslating the non-sterling denominated component of 2018 revenue at 2019 exchange rates. For further information, please see page 41 of the Flutter 2019 Annual Report which is available at <https://www.flutter.com/investor-relations/annual-reports>.

sign-up offers, and deposit limit rules. These are likely to impact smaller peers with inferior brand awareness disproportionately compared to Sportsbet.

#### 4.3 US division

The US division, known as FanDuel Group, is currently 58% owned by Flutter with the Flutter Group retaining options to bring this share up to 95% by 2023 (subject to the right of FSG Services to acquire an 18.5% stake in FanDuel Group which is exercisable for a period of 10 years from 2021) as described in more detail in paragraph 5 (*Business combinations*) below.

FanDuel operates (i) FanDuel branded online and retail sports betting operations in a growing number of states (eight currently) and its daily fantasy sports product (“**DFS**”) across 43 states; (ii) TVG, which broadcasts horseracing across the US and operates an online advance deposit wagering network offered in 33 states; and (iii) the Betfair and FanDuel online casinos in New Jersey (through a partnership with land-based Golden Nugget Casino) and Pennsylvania (through a partnership with land-based Valley Forge Casino).

In total, 14 US states have now legislated for online sports betting, covering approximately 24% of the US population. This has led to the creation of a sizable addressable market for FanDuel and the Flutter Group anticipates that further US states will consider sports betting regulation in due course. In this rapidly evolving US sports betting market, FanDuel is focused on going live in as many regulated states as soon as practically possible following state openings. FanDuel is focused on acquiring sports-betting customers through a combination of direct customer acquisition and through cross-sell of sportsbook to the Flutter Group’s daily fantasy sports customer database. The Company estimates that FanDuel’s DFS customer base is enabling FanDuel to acquire sports betting customers at approximately half the cost of direct acquisition.

The launch of the FanDuel Sportsbook in New Jersey has proven highly successful, with approximately 50% handle share secured in this market across online and retail (approximately 47% revenue share) in 2019 (*source: New Jersey Division of Gaming Enforcement Revenue Reports, Sportsbook Report, Jan 2020*). FanDuel has also launched online Sportsbooks in Pennsylvania, West Virginia and Indiana.

Critical to Flutter’s US strategy is leveraging the existing DFS user base of some 8.5 million players across all 50 US states, given brand awareness and propensity for betting. Flutter estimates that DFS players are approximately 3.5x more likely to bet on sports (*source: Populus Data Solutions, Brand Study, April 2018*). In an April 2018 brand study, 85% of active DFS users surveyed said they are likely to bet with FanDuel (*source: Populus Data Solutions, Brand Study, April 2018*).

In addition to sports betting, FanDuel’s established US products – TVG, DFS and Betfair Casino – are each gaining market share through product enhancements and leveraging cross-sell opportunities between verticals. For instance, the Flutter Group’s growth in the New Jersey online casino market in 2019 has been driven predominantly by cross-sell to FanDuel Sportsbook customers.

Underlying EBITDA losses of £(36.2) million in the US for the financial year ended 31 December 2019 reflect the ongoing customer acquisition that the Flutter Group has achieved across the states in which sports betting has become regulated. By 31 December 2019, the Flutter Group had acquired 2 million Active Customers in the US.

#### 4.4 PPB Retail

As at 31 December 2019 Flutter had more than 620 Paddy Power betting shops across Ireland and the United Kingdom. These betting shops contributed £311.7 million or 15% of 2019 group net revenues and generated post-IFRS 16 Underlying EBITDA of £76.3 million in 2019. While Flutter is not actively growing its estate footprint (shop numbers have been roughly flat over the last three years), the Flutter Group has committed to maintaining its existing stores. While Flutter also operates betting premises in the US and Georgia, they are not included within the PPB retail division.

The significance of the PPB retail division is not only related to its profitability; it also helps to promote the Paddy Power brand, delivering a ‘halo effect’ for the online business. It also leads to the Flutter Group acquiring multi-/omni-channel customers, who play in-store and online. These multi-channel customers are estimated to be worth twice as much as single channel players (*source: internal management estimates based on 1 year player values per marketing channel*).

New taxation and regulatory headwinds impacted performance for the PPB retail division overall in the financial year ended 31 December 2019, with an estimated approximate £23 million EBITDA impact in the UK from the reduction in staking limits on fixed-odds betting terminals (“**FOBT**”) from £100 to £2.<sup>13</sup> This change came into effect on 1 April 2019. In addition, the Company estimates that a doubling of turnover betting duty in Ireland cost the Flutter Group an approximate £11 million in EBITDA across its retail estate.

The impact of these changes in future financial periods remains to be seen. Competing operators have signalled that they will close a considerable number of shops as a result of these changes. Already, for example, William Hill has closed approximately 700 stores across the UK while GVC has guided a closure of 450 stores over the next two years.

## 5. Business combinations

The Flutter Group does not have any material investments other than its subsidiaries which are all directly or indirectly 100% owned except for Flutter’s 58% stake in the FanDuel Group (acquired in 2018) and 51% stake in Adjarabet (acquired in 2019). The cash consideration payable by Flutter for the acquisition of the initial 58% stake in FanDuel (\$19 million) and 51% stake in Adjarabet (£101 million) was financed from Flutter’s own funds and funds drawn from its existing revolving credit facility.

At the time of the acquisition by Flutter of its initial stake in FanDuel, a mechanism was agreed to take Flutter’s ownership of FanDuel to 80% after three years and 100% after five years, consisting of call and put options at the prevailing market valuations. Subsequent to this agreement being reached, a market access deal was agreed with Boyd which saw it take a 5% stake in FanDuel Group.

In order to achieve economic alignment of Flutter’s and TSG’s strategic third-party relationships across their respective US businesses, Flutter has entered into arrangements, conditional on completion of the Combination, with FOX (TSG’s US media partner for FOX Bet), Fastball and Boyd (together Flutter’s co-shareholders in FanDuel Group) pursuant to which:

- FSG Services, a wholly-owned subsidiary of FOX Sports, will have the right to acquire an approximate 18.5% equity interest in FanDuel Group at its market value in 2021 (structured as a 10-year option from 2021, subject to a carrying value adjustment);
- Fastball and Boyd will receive a total payment of 12.5% of the increase in FOX Bet’s market value between completion of the Combination and the exercise of Flutter’s option to acquire Fastball’s remaining equity interest in FanDuel Group in July 2023 (also subject to a carrying value adjustment); and
- there is a commitment by all parties to discuss options for further alignment prior to completion of the Combination.

In return, each of FSG Services and FOX, and, as applicable, Fastball and Boyd have waived certain of the exclusivity provisions that form part of the existing contractual arrangements in relation to the US subsidiaries of TSG and Flutter.

In relation to Adjarabet, there is a put/call arrangement in place in respect of the minority 49% equity stake in Adjarabet not currently owned by Flutter, which allows Flutter to acquire the remaining stake after three years at seven times the 2021 EBITDA of the Adjarabet business, adjusted for net debt, which can be cash or equity settled by Flutter.

There have been no material investments made by Flutter since 31 December 2019, being the date of the last published financial statements of Flutter and, save for the Combination, which is described in Part I (*Information on the Combination*) of this Prospectus, there are no material investments in progress for which firm commitments have already been made since that date.

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<sup>13</sup> Figures are based on internal management accounts of revenues generated from FOBT machines in the UK in the nine months ended 31 December 2019 as compared with revenues generated from FOBT machines in the corresponding nine month period ended 31 December 2018 and are unaudited.

## 6. Strategy

The Flutter Group has a clear, four-pillar strategy to capitalise on the sector's opportunities. These are:

- to maximise profitable growth in our core markets;
- to grow in the rest of the world;
- to attain podium positions in additional regulated markets; and
- to pursue the US opportunity rigorously.

These pillars are supported by investment in Flutter's key enablers, namely its people, products and technology. Flutter's approach is under-pinned by its core values; to operate responsibly and with a customer-centric focus.

The Flutter Group's vision is to be a global leader in online sports betting, combining a diversified portfolio of strong national brands with the world's leading betting exchange, and its purpose is to bring excitement to life for customers in a safe, responsible and ultimately sustainable way.

The Flutter strategy has been successful to date, with strong organic growth in sustainable markets, supplemented by key mergers and acquisitions in target markets. Together this has helped to improve the diversification of the group's revenues, with progress over the past two years summarised below:

### 6.1 Maximise profitable growth in core markets

Flutter enjoys leading positions in its core markets of the UK, Ireland and Australia (*sources: UK: Regulus Partners, GB Remote Market Share and Growth, 2018; H2 Gambling Capital, H2 United Kingdom Data, Jan 2020; Ireland: Regulus Partners, ROI Remote Market Share and Growth, 2018; internal management estimates; Australia: internal management estimates based on publicly released financial statements from each competitor, 2019*). The Flutter Group has continued to invest in products, value/generosity and marketing in these core markets, while preserving or improving margins.

**Paddy Power:** Following a successful platform integration in 2018, the Paddy Power brand's product offering has significantly improved after a period of limited product development during the integration programme. Specifically, the brand began to grow following the launch of a new betting app, significant new product releases that were rolled out across divisions (e.g. a wider array of games in the casino offering and an improved cash-out product on Sportsbook betting), increased promotional activity and investment in brand and marketing to support these new launches.

The brand's focus continues to be on the acquisition and retention of customers in the UK and Ireland and to this end, progress has continued in 2019. Product improvements included, for example, personalising gaming products with the introduction of game recommendations based on individual game play. Investment in brand and marketing resulted in a 99% increase in new sign-ups for the brand's loyalty programme 'Paddy's Rewards Club' during 2019.<sup>14</sup>

**Betfair:** The Betfair brand offers customers a separate proposition which leverages a combined exchange, Sportsbook and gaming proposition, with greater product alignment and personalisation over time.

To support this objective, Betfair launched 'My Betfair Rewards' in Ireland and the UK, designed to personalise the customer proposition and increase customer engagement. Upon qualification, customers can opt for a no-frills basic commission rate on the exchange or opt to pay higher commission but with access to other benefits such as cash back on exchange losses, free spins on gaming or Sportsbook free bets. This is expected to increase player engagement. Betfair is also enhancing value/generosity capabilities on the Betfair Exchange, allowing the brand to compete more directly with low margin sportsbooks.

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<sup>14</sup> Figure is based on internal management information and are unaudited.

**Sportsbet:** The Sportsbet brand has continued to innovate in the core areas of product, value and marketing to further consolidate its position as a leading Australian corporate bookmaker. Sportsbet's spontaneous brand awareness is currently running at 68% (TabCorp 60%).

Sportsbet's innovations in product, value and marketing have driven revenue growth which has virtually offset the bottom line impact of the introduction of POCT during 2019.

**Retail:** The introduction of new staking limits on FOBTs in the UK, from 1 April 2019, and a doubling of tax on sports-betting stakes in Ireland from 1 January 2019 has changed the landscape across the UK and Irish retail markets, making it even harder for sub-scale operators to survive. Paddy Power's relatively modest UK retail footprint combined with the strength and quality of its sports-led estate, has somewhat mitigated the impact of the staking size reduction on group revenues.

Flutter continues to invest in its retail estate, to offer a superior proposition to retail and multichannel customers. PPB Retail sports revenue was up 4% in the year ended 31 December 2019 while gaming revenue was down 25% due to the introduction of the £2 staking limit on FOBTs. This trend improved during 2019 as competitors reduced their retail estates with gaming revenues 21% lower in the fourth quarter of 2019 than in the fourth quarter of 2018.<sup>15</sup>

## 6.2 To grow our business in the rest of the world

Flutter's Betfair brand currently operates in a large number of international markets, predominantly appealing to customers through the brand's unique customer value proposition. Flutter continues to invest in its technology and product offering to serve its international customers. The Flutter Board believes that there is still a considerable runway of growth for the Flutter Group from international markets through:

- building an efficient global product that offers tailored regional customer propositions;
- investing further in regional promotional and marketing spend on a returns-based approach; and
- leveraging the Flutter Group's global scale and technology platform to minimise the cost to serve customers.

In 2019, Flutter rolled out Sportsbook country-specific pricing, to enable the Flutter Group to tailor pricing in markets where sports-betting taxes are higher, thus improving contribution levels. In addition, Flutter has focused on conducting targeted development work to reduce the time required to offer international customers localised content. Based on its experience with launching in new jurisdictions, Flutter estimates that these steps will ultimately reduce the length of time taken to launch in a new jurisdiction by up to 50%, which is expected to facilitate accelerated growth.

Successful execution of this strategy should increase the Flutter Group's international diversification, while ensuring that the Flutter Group's overall profitability is not exposed to any material concentration of revenues within particular markets. The nature of the Betfair Exchange liquidity ecosystem also means that growing international revenues can also improve the Betfair proposition within its core markets.

## 6.3 Attain podium positions in additional regulated markets

Flutter has a proven track record of successfully achieving podium positions in each of its core markets (the UK, Ireland and Australia) (sources: UK: *Regulus Partners, GB Remote Market Share and Growth, 2018*; H2 *Gambling Capital, H2 United Kingdom Data, Jan 2020*; Ireland: *Regulus Partners, ROI Remote Market Share and Growth, 2018*; internal management estimates; Australia: *internal management estimates based on publicly released financial statements from each competitor, 2019*). As such, Flutter believes that having a local focus and strong brand presence are advantageous to effectively compete in many online regulated markets. Accordingly, the Flutter Group is looking to identify additional markets (beyond its core markets) in which to target podium positions through a combination of organic and acquisitive growth. Successful execution of this strategy can ensure that the Flutter Group capitalises on the global trend towards online regulation, increases its diversification and ultimately expands the number of core markets that generate sustainable cash flows.

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<sup>15</sup> Figures are based on internal management information and are unaudited.

In February 2019, Flutter acquired a controlling 51% stake in Adjarabet, the number one online operator in Georgia. Once the Flutter Group established that this was an attractive market in which it wanted to have meaningful presence, it concluded that the strength of local incumbents meant that achieving a podium position through organic investment was probably not viable. This regulated online market is estimated to have grown at a CAGR of 40% from 2016 to 2018 to approximately £180 million of gross revenue (*source: Alves, Georgian Deposit Data, Dec 2018; internal management estimates*), with specific market dynamics including the strength of the incumbent local brands – the top 5 operators represent over 90% of market. Adjarabet is the primary online brand in Georgia with an estimated 35-40% share of total online revenues and a spontaneous brand awareness that is significantly higher than competing brands (*source: TNS, Georgian Gambling Market, 2018; internal management estimates*). This brand presence is driven in part by the business' exclusive long-term marketing relationship with Adjaranet, the leading Georgian media website. The business also has exposure to the nascent regulated Armenian online market, with approximately 10% market share.

The acquisition has enhanced the Flutter Group's diversification with exposure to two additional fast-growing, regulated markets. The combination of local scale and brand presence with the Flutter Group's technology and sports capabilities positions us strongly for continued success in this market.

Beyond this latest acquisition, the Flutter Group remains receptive to bolt-on M&A opportunities where the economics are compelling and transaction features are aligned with stated leverage targets.

#### 6.4 Pursue US opportunity rigorously

The US Supreme Court's decision to strike down PASPA in May 2018 has opened up a very significant long-term future growth opportunity that is likely to be transformative for the sector. While it is difficult to quantify precisely how big that opportunity is (without knowing how many US states will ultimately regulate sports betting), the Group believes that the US opportunity will dwarf that of any new market opening over the next decade.

In total, 14 US states have now legislated for online sports betting, covering approximately 24% of the US population. The table below shows the proportion of the total US population that these states represent.

States legislated	Online Sportsbook	Online casino	Population as % of US
New Jersey	Yes	Yes	2.7%
Pennsylvania	Yes	Yes	3.9%
West Virginia	Yes	Yes	0.6%
Tennessee	Yes	No	2.1%
Iowa	Yes	No	1.0%
Indiana	Yes	No	2.0%
Illinois <sup>(1)</sup>	Yes	No	3.9%
Colorado	Yes	No	1.7%
Michigan	Yes	No	3.1%
<b>Total (excluding states with restricted access)</b>			<b>21.0%</b>
Delaware <sup>(2)</sup>	Yes	Yes	0.3%
New Hampshire <sup>(2)</sup>	Yes	No	0.4%
Oregon <sup>(2)</sup>	Yes	Yes	1.3%
Montana <sup>(2)</sup>	Yes	No	0.3%
Nevada <sup>(3)</sup>	Yes	No <sup>(4)</sup>	0.9%
<b>Cumulative total</b>			<b>24.2%</b>

Notes:

(1) Initial in-store sign-up period followed by untethered mobile.

(2) Legislation enables lottery to award sports betting contracts to operators.

(3) Initial in-store registration followed by tethered mobile.

(4) Online poker offerings are permitted but other online casino offerings are not.

The Flutter Group believes that it has attained each of the key assets required to be successful in the US sports betting market:

- *leading brand*: FanDuel is a well-established, national sports-focused brand;
- *market access*: FanDuel has secured market access in most of the key states that are likely to regulate in the coming years and is confident that it will secure access in further states as required;
- *extensive customer base and distribution*: over 8 million registered customers across US; valuable fantasy sports customer acquisition funnel; TV channels reaching approximately 45 million households;
- *unique cross-sell opportunity*: FanDuel has an extensive product suite with leading online and retail sports betting expertise; fantasy sports advantage, leading US racing product and online casino; and
- *operational expertise*: Flutter's multi-year, multi-state experience (it operates in 46 states with real money wagering in 33 states), including managing the various different licensing and payment processing challenges gives it an advantage as it applies learnings to state-by-state regulation in sports betting.

By utilising these assets, Flutter is confident that it can deliver podium positions in key regulated states, in turn enabling it to generate sustainable positive returns on its sports-betting investment.

Progress to date has been very encouraging. The Flutter Group is currently live in six US states, four online (New Jersey, Pennsylvania, West Virginia and Indiana) and two more in retail (New York and Iowa). In New Jersey, FanDuel enjoyed an online market share of 47% in 2019 while in Pennsylvania, its share since going live in September 2019 was 56% (*source: New Jersey Division of Gaming Enforcement Revenue Reports, Sportsbook Report, Jan 2020; Pennsylvania Gaming Control Board, Gaming Revenue, Jan 2020; internal management estimates*). In addition to achieving these market shares of online Sportsbetting, FanDuel's share of online casino has benefitted from cross-sell from Flutter's gaming offerings in the US.

## **7. Competition**

The Flutter Group faces competition from a considerable number of operators in the online space globally. For the PPB online division, competition in the UK and Ireland is intense with established operators leveraging their considerable scale to invest in product, price and promotion. In addition, the market has seen a wave of new entrants over time for whom the barriers to entry are low, encouraged by the fact that the barriers to switching for consumers are also low. In the UK and Ireland, key competitors include bet365, GVC, William Hill, Betway, Betfred, BetVictor, 888 Holdings, Kindred, BoyleSports and Gamesys.

In Australia, Flutter's key competitors include TabCorp, Ladbrokes, Neds, PointsBet and bet365.

In the US the Flutter Group's principal competitors include DraftKings, Roar (the GVC-MGM joint venture), Caesars El Dorado, Churchill Down, William Hill and bet365.

In UK retail, Flutter's principal competitors are William Hill, GVC (via its Ladbrokes and Coral brands) and Betfred, all of which have considerably larger retail estates than Flutter. In Irish retail, competition is comprised of BoyleSports, Ladbrokes and a number of smaller, independent operators.

## **8. Significant change to operations and principal activities**

Save as disclosed below in paragraph 9 (*Current trading and trend information of Flutter*) of Section A (*Information on Flutter*) of this Part II (*Information on the Combined Group*) in relation to the impact of COVID-19, there have been no significant changes impacting Flutter's operations and principal activities since 31 December 2019, being the end of the period covered by the latest published audited financial statements of Flutter.

## **9. Current trading and trend information of Flutter**

On 16 March 2020, the Flutter Group announced an update on the potential impact on current trading given many national governments and sports authorities around the world had made the decision to postpone/cancel high attendance sports events in an effort to delay the spread of COVID-19. These postponements and cancellations will obviously have a material impact on the revenue and earnings of the Flutter Group which, in 2019, generated approximately 78% of its revenues through bets placed on global sporting events.

Quantifying the precise earnings impact on the Flutter Group is difficult at this point as the Flutter Board does not have visibility on the duration of restrictions on sporting events. While most major global sports have been suspended/cancelled, there are some exceptions where events are now being scheduled to take place behind closed doors.

In order to assist in the quantification of the impact on the Flutter Group at this point, the Flutter Board estimates that in a scenario where restrictions remain in place until the end of August (including full suspension of Australian sports and the cancellation of Euro 2020), EBITDA for the Flutter Group would be reduced by approximately £90-110 million. This estimate assumes that Flutter's UK and Irish shops remain open and that scheduled UK, Irish and Australian horse racing fixtures continue to run, albeit behind closed doors. Should horse racing be cancelled in the three regions and its UK/Irish shops be closed, Flutter estimates that this would incrementally reduce Flutter Group EBITDA by approximately £30 million per month. Following Flutter's announcement, Irish and UK authorities announced the cancellation of horse racing for an initial period ending 19 April 2020, in Ireland, and the end of April 2020, in the UK. Measures announced in Ireland and the UK have also resulted in the closure of Flutter's Irish and UK retail betting shops.

In terms of the operational management of the Flutter Group's business, Flutter successfully deployed its business continuity plan during the week commencing 9 March 2020, with all systems performing well. Prior to the announcement of cancellations, trading in the quarter had been running ahead of the Company's expectations, assisted by good customer momentum and favourable sporting results.

The Flutter Group retains a strong balance sheet with a leverage ratio (Net Debt to Underlying EBITDA (pre IFRS 16) ratio) of 0.7 times as at 31 December 2019, well below its covenant level of 3.5 times. Flutter will continue to explore ways to mitigate the impact of cancellations through multiple measures.

The PPB online division will see a number of regulatory changes this year. In particular, on 14 January 2020, the United Kingdom Gambling Commission announced that betting and gaming operators will no longer be permitted to accept credit card payments from UK based customers with effect from 14 April 2020. The annualised revenue impact of this is expected to be approximately £20-25 million. During 2019, as part of its ongoing review of business relationships, Flutter also took the decision to stop taking business from a small number of Betfair Exchange B2B partners where it felt that their compliance policies were no longer sufficiently aligned with those of the Flutter Group. Flutter estimates that the decision to switch off these B2B partners will result in a reduction in Betfair Exchange revenues, equivalent to less than 1% of Flutter Group revenues in 2020.

In the US, FanDuel continues to enjoy very strong momentum. Subject to the evolving impact of COVID-19 on resources, FanDuel plans to launch and invest in its online Sportsbook in at least three additional states in 2020.

The recent trend by governments, both national and local, to introduce "regulate and tax" regimes is leading to an opening up of additional regulated online markets. The repeal of the federal ban on sports betting in the US and the Brazilian government announcing its intention to regulate sports betting are two examples of this trend. In the last two years alone, markets with a total potential online customer base of over 400 million adults have either introduced regulation, or been given the authority to do so.

The challenge posed by COVID-19 currently facing Flutter's business and the industry more widely is unprecedented in modern times. Flutter's focus, first and foremost, is on protecting the welfare of its employees and its customers and Flutter will leave nothing to chance in this regard. While Flutter's near-term profitability will be impacted by the essential measures being taken globally, the Flutter Board will remain focused on protecting shareholder value and managing the business through these turbulent times.

## Section B: Information on TSG

The following information should be read in conjunction with the information appearing elsewhere in this Prospectus, including the financial and other information in Part IV (*Financial Information*). Save where otherwise indicated, the financial information included in this Section B “*Information on TSG*” has been extracted without material adjustment from the audited financial information included in Part IV (*Financial Information*).

### 1. The Stars Group Inc.

TSG is a provider of technology-based product offerings in the global online and mobile gaming and interactive entertainment industries. Its brands have millions of registered customers globally and collectively are leaders in online and mobile betting, poker, casino and other gaming-related offerings. TSG is a corporation existing under the *Business Corporations Act (Ontario)*. It was incorporated in 2004 and completed its initial public offering and listing on the TSX Venture Exchange in July 2010. TSG graduated to the Toronto Stock Exchange (“**TSX**”) in October 2013, was added to the S&P/TSX Composite Index in September 2014 and was listed on the NASDAQ in June 2015.

TSG’s primary business and source of revenue is its online gaming and betting business. This currently consists of the operations of Stars Interactive Holdings (IOM) Limited and its subsidiaries and affiliates (collectively, “**Stars Interactive Group**”), which it acquired in August 2014, the operations of Cyan Blue Topco Limited and its subsidiaries and affiliates (collectively, “**Sky Betting & Gaming**” or “**SBG**”), which it acquired in July 2018 (the “**SBG Acquisition**”), and the operations of TSG Australia Pty Ltd and its subsidiaries and affiliates (collectively, “**BetEasy**”), which it acquired an 80% equity interest in between February 2018 and April 2018, and announced in December 2019 that it has agreed to acquire the remaining 20% interest (BetEasy acquired what was formally the William Hill Australia business in April 2018) (collectively, the “**Australian Acquisitions**” and together with the SBG Acquisition, the “**Acquisitions**”). Stars Interactive Group is headquartered in the Isle of Man and Malta and operates globally; SBG is headquartered in and primarily operates in the United Kingdom; and BetEasy is headquartered in and primarily operates in Australia.

Through these businesses, TSG owns and operates gaming and related interactive entertainment businesses, such as online real-money betting (also sometimes known as sportsbook), casino and poker and play-money poker, casino and sports prediction games, which are delivered through mobile, including iOS and Android, web and desktop applications. TSG offers these products and others directly or indirectly under several ultimately owned or licensed gaming and related consumer businesses and brands, including, among others, *PokerStars*, *PokerStars Casino*, *BetStars*, *Full Tilt*, *FOX Bet*, *BetEasy*, *Sky Bet*, *Sky Vegas*, *Sky Casino*, *Sky Bingo*, *Sky Poker*, and *Oddschecker*, as well as live poker tour and events brands, including the *PokerStars Players No Limit Hold’em Championship*, *European Poker Tour* and *Asia Pacific Poker Tour*. TSG is one of the world’s most licensed online gaming operators with its subsidiaries collectively holding licences or approvals in 23 jurisdictions throughout the world, including in Europe, Australia, and the Americas. TSG’s vision is to become the world’s favourite iGaming destination and its mission is to provide its customers with winning moments.

TSG has a customer-centric focus, which extends into its rewards and loyalty programmes and initiatives. Understanding how to reward loyal customers and creating appropriate product offerings is critical to ensure a healthy product ecosystem. TSG has made, and may continue to make, changes to its pricing and incentives to ensure that they align with its objectives to reward customers for loyalty and behaviour that is positive to the overall customer experience and the particular product’s ecosystem. Examples of TSG’s innovative approach to player loyalty and rewards can be found across its offerings with the Stars Rewards programme, Sky Bet Club and My Rewards in its international, United Kingdom and Australian business segments, respectively, which reward players with personalised promotions to enhance the player experience.

TSG’s growth and innovation plans in its online gaming and betting business are supported by its technology strategy. TSG management believes that TSG’s proprietary technology is highly scalable, customisable and resilient, and employs a variety of security and data integrity practices. Most elements of TSG’s betting and gaming technology are proprietary and controlled in-house, with selected use of third-party technology providers for certain elements. TSG’s robust and scalable proprietary technological ecosystem, such as its player account management system and suite of software products, allows it to operate in dozens of countries around the world, supporting approximately 30 languages and 25 currencies. Since inception, TSG has invested significantly in its technology infrastructure to provide what it believes is a positive, and enjoyable experience for its customers. This investment is focused on providing appealing product offerings to its customers, both in terms of the quality of the offerings and the user experience, and also with respect to data security and integrity across its offerings. TSG

dedicates nearly all its R&D investments to its online gaming business, which seeks to provide broad market applications for product offerings derived from its technology base, and it expects to continue investing significantly in R&D in an effort to constantly improve customer experience and engagement. To support its strong reputation for security and integrity, TSG employs what it believes to be appropriate practices and systems with respect to various aspects of its technology infrastructure, including information and payment security, game integrity, customer fund protection, marketing and promotion, customer support, responsible gaming, loyalty programmes, rebates and rewards (i.e. incentives).

TSG reported total assets of \$11.28 billion as at 31 December 2019. For the financial year ended 31 December 2019, TSG reported Adjusted EBITDA of \$921.1 million and earnings before tax of \$61.67 million (compared to a loss before tax of \$(109.9) million in 2018).

## 2. Description of the business

TSG has three reporting segments, *International*, *United Kingdom* and *Australia*, each with certain major lines of operations, and a *Corporate* cost centre.

The International segment currently includes the business operations of Stars Interactive Group (i.e. *PokerStars*, *PokerStars Casino*, *BetStars*, *Full Tilt* and their related brands) and FOX Bet and its related brands. In 2019, the International segment generated revenues of \$1.3 billion and Adjusted EBITDA of \$604.9 million.

The United Kingdom segment currently includes the business operations of Sky Betting & Gaming (i.e. *Sky Bet*, *Sky Vegas*, *Sky Casino*, *Sky Bingo*, *Sky Poker*, *Oddschecker* and their related brands). In 2019, the United Kingdom segment generated revenues of \$946.7 million and Adjusted EBITDA of \$324.6 million.

The Australia segment currently includes the business operations of BetEasy. In 2019, the Australia segment generated revenues of \$274.4 million and Adjusted EBITDA of \$44.4 million.

In 2019, TSG generated 52% of its revenue in its International segment, 37% in its United Kingdom segment and 11% in its Australia segment.

As at 31 December 2019, TSG had up to four major lines of operations within each of its reporting segments, as applicable: real-money online betting (“**Betting**”), real-money online poker (“**Poker**”), real-money online casino and, where applicable, bingo (collectively, “**Gaming**”), and other gaming-related revenue, including, without limitation, revenue from social and play-money gaming, live poker events, branded poker rooms, Oddschecker and other nominal sources of revenue, as applicable (collectively, “**Other**”). As it relates to these lines of operations, online revenue includes revenue generated through TSG’s online, mobile and desktop client platforms, as applicable.

### 2.1 Online betting

TSG is a global leader in the online betting market, providing its betting offerings through Sky Bet, BetStars, and BetEasy and, most recently in certain states in the United States, FOX Bet. Online betting is available to these customers in a seamless fashion, including, where applicable, through a single wallet and customer account.

TSG initially launched limited online betting during 2015 and later introduced its BetStars brand in December 2015. In 2018, TSG significantly expanded its online betting offerings through the Acquisitions to include Sky Bet, a leading online betting brand focused primarily on the UK, the world’s largest locally regulated online gambling market, and BetEasy, also a leading online betting brand focused primarily on Australia, the world’s second largest locally regulated online gambling market (*source: Regulus, Market Data, 2018; internal management estimates*). In May 2019, TSG entered into a first-of-its kind national media and sports wagering partnership in the United States with FOX Sports, a unit of FOX Corporation. In 2019, betting became the largest product vertical of TSG, amounting to 34.4% of revenue. TSG believes that its real and play-money betting offerings will attract new customers, through both cross-selling PokerStars customers to its betting brands, and directly through external marketing.

Through its betting brands, as applicable, TSG offers a range of betting options such as pre-match and in-play odds across dozens of sports, including soccer, horseracing, football, tennis, basketball, golf, rugby and greyhound racing, as well as specialty offerings such as eSports, poker, politics, and TV and film. Its offerings also feature a range of in-play betting options (where permitted) and exclusive offers and promotions. Certain of TSG’s offerings include accumulator bets, or parlays, which are particularly popular as customers can add together

multiple different outcomes to increase the potential winnings for a given wager. For example, Sky Bet features RequestABet, a particularly popular type of accumulator that it pioneered where customers request their own combination of items, often within the same game. To expand its offering in the future, TSG intends to introduce innovative new betting products on its platforms to distinguish its brands from competitors. TSG is also currently developing a proprietary global sportsbook and trading platform to consolidate what it believes to be the most popular, relevant or useful betting capabilities and features from Sky Bet, BetStars and BetEasy. TSG believes that this global sportsbook and trading platform will enable it to deliver faster product innovation, as well as leverage economies of scale in the business.

In addition to enhanced product features, a broader range of betting options and improved functionality, TSG intends to continue to expand into certain additional jurisdictions, including the United States, where in 2018 it launched its first sportsbook in New Jersey under the BetStars brand and then further launched its sportsbook offerings in New Jersey and Pennsylvania in 2019 under the FOX Bet brand. TSG also intends to continue focusing on increasing its cross-sell to poker players and developing sportsbook as a strong customer acquisition channel by, among other things, improving the localisation of its offering in certain European markets, improving the user experience, closing product gaps, enhancing its mobile applications, increasing marketing initiatives and utilising unique promotional programmes.

(a) **Sky Bet**

SBG's betting brand, Sky Bet, is one of the UK's largest online betting operators. It offers a full range of pre-match and in-play odds in a wide range of markets, including soccer, horseracing, greyhound racing, golf, cricket, tennis, rugby, politics and TV and film. Sky Bet focuses on low-spending entertainment. Sky Bet features some of the UK's most popular free-to-play sports games such as *Soccer Saturday Super 6*, where users predict the score of six selected soccer matches for a chance to win up to £1 million, Sky Sports *Fantasy Football*, and ITV *Pick 7*. Through free-to-play games, its sponsorship of the English Football League and close links to Sky Sports, TSG believes that Sky Bet has a leading position in the UK betting market. With a single wallet across the Sky Bet and other SBG brands, TSG is able to use large data set computational analysis and data science ("big data") and personalised offers to keep customers engaged across product verticals. In Germany, TSG operates Sky Sports 6erpack in partnership with Sky Deutschland, a free-to-play game that is similar to *Soccer Saturday Super 6*, and currently plans to launch a similar game in Italy during 2020.

(b) **BetEasy**

BetEasy is based and primarily operates in Australia, the world's second largest locally regulated online gambling market (*source: Regulus, Market Data, 2018*). As a leader in online and mobile wagering in Australia, BetEasy offers its customers a wide range of betting options across thoroughbred, greyhound and harness racing as well as sporting competitions, including the Australian Football League, National Rugby League and overseas competitions such as the National Basketball Association and English Premier League. It offers customers what TSG management believes to be innovative and exciting promotions, which are increasingly being personalised to meet individual customers' needs, and is the only corporate bookmaker to provide its customers with access to the popular Sky Racing channels.

The BetEasy platform is proprietary, cloud-based, reliable and highly scalable, which BetEasy believes is a competitive advantage over other online gaming operators in the Australian market. Its mobile-first strategy offers customers an easy-to-use, engaging and exciting betting experience on its mobile app.

The current BetEasy brand was launched in August 2018 following BetEasy's acquisition of William Hill Australia. Shortly after that acquisition, BetEasy successfully migrated the customers of William Hill Australia onto its platform. BetEasy is the official wagering partner of the Australian Football League, premier wagering partner of thoroughbred broadcaster Racing.com and is a founding member of Responsible Wagering Australia, which advocates for enhanced consumer protection and sporting integrity outcomes in the Australian wagering industry. On 30 May 2019, BetEasy entered into a partnership with streaming service Kayo Sports to become its exclusive wagering partner. This partnership will enable BetEasy to, among other things, integrate its wagering offerings into the Kayo Sports platform and deliver innovative content, statistics and promotional integrations that deepen engagement and enhance the wagering and viewing experience for Australian customers. In Australia, TSG, in partnership with Racing.com, operates *Pick7*, a free-to-play game where users predict the winning horse in each of the seven nominated races for a chance to win up to AUD\$100,000.

(c) **FOX Bet**

FOX Bet is an online and mobile sports betting product developed through a first-of-its kind national media and sports wagering partnership in the United States between TSG and FOX Sports. The FOX Bet online and mobile sportsbook, which is currently available in New Jersey and Pennsylvania, brings sports fans closer to the games they love by integrating regulated real-money sports wagering on a wide range of sporting events with interactive and content rich programming, including expert commentary and insights from some of the nation's most celebrated sports commentators and analysts.

TSG currently operates its FOX Bet real-money wagering products and *PokerStars*-branded real-money poker and casino products in New Jersey and Pennsylvania. It has made good progress since launching FOX Bet in New Jersey and Pennsylvania in 2019 in terms of Active Customer growth on a month-to-month basis, with approximately 65,000 combined Active Customers.

TSG and FOX Sports have also launched *FOX Sports Super 6*, a nationwide (excluding Washington) free-to-play game in the United States that awards cash prizes to players who correctly predict the outcome of sports games. *FOX Sports Super 6* quickly became one of the most popular sports apps and was downloaded more than 1.3 million times in 2019 since its launch, with over 500,000 average weekly customers playing in the fourth quarter of 2019.

(d) **BetStars**

TSG introduced its *BetStars* brand in December 2015. This emerging offering has seen strong revenue growth since its introduction and focuses primarily on certain markets within the European Union. *BetStars* is a multilingual and multicurrency offering, supporting nine languages and four different currencies. It offers customers access to a full range of pre-match and in-play odds on a wide range of markets. *BetStars* offers odds on both traditional betting sports such as soccer, tennis, horse racing and certain US sports, as well as less traditional betting sports that are increasing in popularity throughout Europe such as handball, volleyball, futsal and e-sports. In 2020, TSG intends to further enhance the global appearance of the *PokerStars* brand by, among other things, launching the *Pokerstars Sports* brand, leveraging the operational capabilities of the Sky Bet business.

**2.2 Online poker**

TSG is a global leader in online poker. While TSG operates distinct poker brands, such as *PokerStars*, *Full Tilt* and *Sky Poker*, the vast majority of its poker customers currently play on the same *PokerStars* platform. This means that a player using the *Full Tilt* client could be playing against a player using the *PokerStars* client. This improves liquidity and the range of games available, thus benefiting players, as well as having financial and strategic benefits for TSG by increasing the scalability of its business model and allowing it to focus R&D and operational resources primarily on its *PokerStars* platform, which includes its *Full Tilt* brand.

TSG's large poker customer base gives it unique customer insights (e.g. gameplay and feedback), which when combined with its scalable proprietary technology platform, guides the creation of new and innovative content, features, games and game variants. For example, since 2012 TSG has launched the highly popular *Zoom* and *Spin & Go* offerings, and its variants *Spin & Go Max* and *Spin & Go Flash*, as well as *Knockout Poker*, *PokerStars VR*, *Tempest*, *Fusion*, *6+Hold'em*, *6 Card Omaha* and numerous other variants of traditional poker games. TSG also works on developing new features such as all-in cashouts, mobile applications and real-time promotions. TSG continues to focus on developing new and innovative poker products and variants to attract new audiences. It believes that such innovation helps to attract new customers (including those who may not have previously considered playing real-money poker games, such as play-money or social players and the video gaming community), reactivate inactive players with exciting new games, and continuously engage and retain existing Active Customers. In addition, over the years, TSG has and continues to introduce certain improvements in the poker ecosystem to benefit and attract high-value, net-depositing customers and reduce incentives for high-volume, net-withdrawing customers. These changes, among others, have the effect of balancing the poker ecosystem and broadening the appeal of TSG's poker offerings by creating more winning moments for its customers.

TSG is currently pursuing growth opportunities in poker in existing and new markets, including through the innovation of new product features and enhancements, geographic expansion, improvements to the poker ecosystem and new and innovative brand marketing campaigns.

(a) **PokerStars**

*PokerStars* is TSG's flagship poker brand. Launched in 2001, TSG believes that *PokerStars* is the world's largest online and mobile poker site by reference to poker revenue and Active Customers (source: *internal data and management review of data derived from publicly available information regarding competitors*) and, together with its related brands (including *Full Tilt*), it has millions of registered customers globally. *PokerStars*' online poker product offerings are currently varied among buy-in and limit amounts and types, as well as among numerous poker game variants (e.g. *Texas Hold-'Em*, *Omaha*, *Stud*, *Draw* and mixed games). The wide variety of game types and stake sizes is supported by its leading liquidity and provides what management believes is a superior offering to its customers, allowing them to play their preferred game type at their preferred staking level. *PokerStars* also offers play-money and social poker, which are designed to create social interaction, engagement and competition, and allow customers to learn to play poker without the need to spend money.

TSG believes that *PokerStars* is home to some of the largest online poker events and the biggest weekly tournaments, both in terms of dollar amount and number of players, and has greater player liquidity and offers more daily tournaments than any other online poker site. *PokerStars* has set many records, including the largest number of players in an online poker tournament, the largest prize pool awarded for a series of online tournaments and the largest ever single online tournament prize. *PokerStars*' mobile applications are currently among the most popular real-money poker applications on the iOS and Android platforms according to App Annie and Apple's App Store and based on the number of downloads and overall customer ratings.

(b) **Other online poker brands**

TSG also offers online poker through other brands such as *Full Tilt* and *Sky Poker*. *Full Tilt* launched in 2004 and quickly became a popular poker website for delivering what TSG believes was innovative and realistic online poker game play, which was based on input from some of the world's most well-known poker players. TSG migrated *Full Tilt* onto the *PokerStars* platform in May 2016. Similar to *PokerStars*, under the *Full Tilt* brand customers can play both ring games, including traditional games and its fast-fold variants, such as *Zoom*, and tournament-style games, including scheduled multi-table games and sit and go variants, such as *Jackpot Sit & Go*. *Sky Poker* is one of the UK's leading online poker rooms, with a mobile-friendly interface that enables an enriched experience that includes chat, tournaments and poker in contemporary formats that are played in pounds sterling. In the future, TSG plans to integrate *Sky Poker* within the *PokerStars* ecosystem, which would deliver a much wider range of games with significantly enhanced liquidity to the SBG customer base.

**2.3 Online casino and gaming**

TSG is a leading global online casino and gaming operator, with distinct brands such as *PokerStars Casino*, *Sky Vegas*, *Sky Casino* and *Sky Bingo*, providing entertainment to its customers through slots, casino and bingo products. As a global leader, TSG is able to offer a broad portfolio of popular and innovative gaming content developed both in-house and sourced from third-party suppliers with the range and quality of content available as well as an increasing use of personalised offers benefiting its customers.

TSG believes there are significant opportunities for further growth and diversification of revenues in the online casino and gaming vertical, including through direct customer acquisition, leveraging its brand awareness and cross-selling its new and existing product offerings to its customer base. TSG continues to improve its online casino and gaming product offerings, expand the range of game content and enter into new markets. It also continues to invest in product enhancements, improving the user experience and personalisation of its websites and mobile applications. These improvements are accompanied by external marketing campaigns for certain of TSG's brands to drive direct customer acquisition, improve cross-sell to existing customers, and expand the geographic reach of its offerings. In addition, TSG currently intends to expand upon and explore other growth opportunities, including expanding upon its current social gaming offering and pursuing other interactive entertainment opportunities.

(a) **Casino and gaming brands**

In January 2014, TSG first began offering a variety of online play-money table and casino games through its *Full Tilt* brand, including a range of blackjack and roulette variations, online slots and live dealer games. In November 2014, TSG introduced play- and real-money online casino games under the *PokerStars* brand to players in eligible markets, and in 2016 it introduced the *PokerStars Casino* brand, with its own standalone mobile application. *PokerStars Casino* currently offers a full suite of casino table games, blackjack, roulette, live dealer games and slot machines. Beginning in 2017, *PokerStars Casino* started production of in-house slot games, and it has and

intends to continue to invest in this in-house production. These in-house slot games are owned by TSG and therefore are not subject to third-party revenue share obligations and other similar costs. A number of internal and external content studios are now producing bespoke exclusive slot games content for *PokerStars Casino*, which are integrated via TSG's Games Developer Kit ("GDK"), a tool set and application programming interface. Core Gaming, SBG's wholly-owned content development house, now delivers games to *PokerStars Casino* via GDK. In 2019, *PokerStars Casino* launched more than 400 new slot games from leading studios, broadening the range of top-tier content available to its customers, and supplementing this with proprietary and exclusive games.

Through organic growth and acquisitions, TSG has grown quickly to become one of the leading online casino operators. The main driver of this growth to date has been cross-selling to its existing poker and betting customer bases, with single wallets and easy access to casino games, which are integrated within the interfaces.

*Sky Vegas* is a leading casino brand in the UK. TSG believes that exclusive content and effective promotions underpin *Sky Vegas'* appeal, with 37 new exclusive games launched during 2019. *Sky Casino*, which primarily focuses on casino table games, has grown rapidly since its launch in August 2014. *Sky Casino* features what management believes to be a cutting-edge player interface, featuring a modern and stylish live dealer studio and a high-performance casino. *Sky Bingo* is one of the leading UK-facing online bingo operators, aiming to provide the exciting and social feel of bingo including a chat function and competitions. Customers of these products have a seamless experience through an integrated account and wallet, and a single sign-on between its different mobile apps, including across its gaming, betting and poker offerings.

TSG also offers play-money and social casino through its desktop client and mobile applications, including through *PokerStars*, *Jackpot Poker by PokerStars*, *Casino Rush by PokerStars* and *PokerStars Play*, which are available on various online, mobile, social and television platforms and applications, such as Facebook, Apple's iOS and Apple TV, Google's Android and Amazon's Kindle. Play-money and social casino involves playing casino games for virtual currency through free websites, social networks, or other mobile or television applications. These offerings help drive brand awareness, promote the enjoyment of such games, and provide TSG with additional customer data and insight, which it can then use to refine the user experience to further enhance players' enjoyment.

#### 2.4 Other gaming related, affiliate and media offerings

TSG offers other gaming-related offerings such as Oddschecker, the UK's leading odds comparison website. Established in 1999, Oddschecker provides its customers with easy access to some of the best odds in the market, as well as tips and other information. Oddschecker operates websites in the UK, Italy, Australia, Spain and the United States.

Oddschecker provides new customer leads, brand exposure and returning traffic to its betting operator partners, including the majority of the leading betting operators in the UK, and offers users information, news and odds to help with betting and allows those users to place bets directly with certain of its betting operator partners via the Oddschecker products (including web, mobile web and app). Oddschecker also has a B2B product, "**Oddschecker Connect**", which allows betting partners to display their odds within third-parties' content (display includes single odds or odds comparison).

### 3. Revenue model

TSG's revenue model for its core product offerings is primarily based on two offerings, real-money games and play-money games. Nearly all of TSG's revenues during the year-ended 31 December 2019 were, and it expects its revenues to continue to be, generated by its real-money online gaming offerings. For the year ended 31 December 2019, TSG's consolidated revenues were generated fairly evenly among its real-money betting, online poker and gaming (casino and bingo) offerings. These revenues were derived entirely by TSG's subsidiaries and affiliates based outside of Canada and predominantly from customers based in the European Union and Australia. For additional information regarding TSG's revenues, see Note 6 to the TSG 2019 Financial Statements.

<b>Revenue by line of operations</b>	<b>Year ended 31 December 2019</b> (\$'000)	<b>Year ended 31 December 2018</b> (\$'000)
Poker (real-money online poker)	793,284	892,557
Betting (real-money online betting)	870,938	491,139
Gaming (real-money online casino and bingo)	792,299	585,846
Other revenue	71,927	59,696
<b>TSG revenue</b>	<b>2,528,448</b>	<b>2,029,238</b>

TSG's revenues can be influenced by numerous factors, many of which it is unable to predict or are outside of its control, including the, impact of seasonality and sporting results, as described in the risk factor entitled "*Aspects of the Combined Group's business will depend on the scheduling and live broadcasting of major sporting events*" on page 36 of this Prospectus.

#### 4. Principal offerings

##### 4.1 Real-money games offering

TSG's current core real-money online gaming offerings are betting, poker and gaming (casino and bingo), each with its own revenue model.

**Betting:** Betting involves customers wagering on certain sporting and non-sporting events, also referred to as turnover or stakes. Like casino offerings, customers "play", or bet, against the house, thus TSG is exposed to risk with respect to these bets. TSG attempts to set odds such that there is built-in theoretical margin into each set of odds and each market. Over the long term this usually delivers a fairly stable betting win margin, but given the variance and unpredictability in sporting results, this can be volatile in the short term. These amounts are reduced by applicable VAT in certain jurisdictions and offsets to arrive at revenue.

In addition to the above-noted revenues, revenues from real-money games also includes revenue earned on the processing of real-money deposits and cash outs in specific currencies, which is sometimes referred to as conversion margins.

Offsets for each line of operation are the portion of gross revenue that TSG allocates to rebates, incentives and promotions, which it awards as a result of game play or at its discretion through loyalty programmes, free plays, sign-up bonuses, discounts, rebates, other rewards and incentives, and tournament overlays. Offsets are generally used to acquire new customers and retain and reactivate existing customers.

**Poker:** Poker is a peer-to-peer game where individuals play against other individuals, not against the "house". In contrast to other types of house-banked gaming, such as slots, blackjack or sportsbook, where individuals play against the operator, poker operators are generally not exposed to the risks of game play or the outcome of the game. As a peer-to-peer game, liquidity, or the number or volume of players with an operator, is critical to the success of the game, with a greater number of players supporting a wider range and greater volume of games and larger tournaments, increasing the quality of the offering to the consumer. As a result, larger scalable poker operations will benefit from superior liquidity in their systems, which in turn improves their offering to customers, creating a positive feedback loop effect.

Typically, poker game operators generate revenue by charging a fee from ring games (i.e. games for cash on a hand-by-hand basis), known as "rake", or by charging entry fees for tournaments (i.e. where players play against each other for tournament chips with prize money distributed to the last remaining competitors), or variations thereof. TSG collects the rake up to a capped amount in ring games and a tournament entry fee for scheduled tournaments and sit and go tournaments, and does not generally have any of its own capital at risk (with an exception being the *Spin & Go* product where the tournament prize pool is a randomly determined multiple of the buy-in and certain multi-table tournaments with guaranteed prize pools or overlays). These amounts are then reduced by applicable VAT in certain jurisdictions and offsets to arrive at revenue.

**Gaming:** Online gaming offerings typically include the full suite of games available in land-based casinos, such as blackjack, roulette and slot machines, as well as bingo. For these offerings, TSG functions similarly to land-based casinos, generating revenue through hold, or gross winnings, as players play against the house, and then these amounts are reduced by applicable VAT in certain jurisdictions and offsets to arrive at revenue. In online

gaming, TSG believes there is typically lower volatility from the statistical norm versus land-based casinos as there is generally a larger number of bets placed at small denominations.

#### 4.2 Play-money games offering

Play-money gaming involves players receiving virtual currency for free or paying a fee to receive additional virtual currency, which can be used to play certain gaming offerings. Play-money gaming is permitted in various jurisdictions that may not otherwise permit real-money gaming, including most of the states in the United States. In addition to the sale of virtual currency, in the future, TSG may also generate revenue from advertising through its play-money gaming offering. TSG's current play-money game offering primarily consists of poker, including on PokerStars.net and FullTilt.net and through the social gaming brands *PokerStars Play*, *Jackpot Poker by PokerStars* and *Casino Rush by PokerStars*. In these circumstances, there are no cash prizes or other prizes for monetary value, and in most cases, all the player fees are passed to TSG as revenue, unless the games are played through social platforms, in which case the platform operator retains a certain percentage for distributing the offering. TSG's play-money games may be played through the desktop client interface or through online, television and mobile platforms, including on social gaming platforms. The revenue for play-money is the sum of fees paid by customers (net of any percentage of the same retained by the particular platform operators), less applicable VAT in certain jurisdictions and certain promotional costs. TSG includes such revenue in its "other" revenues in its financial statements.

#### 4.3 Other sources of revenue

TSG sponsors certain live poker tours and events, uses its industry expertise to provide consultancy and support services to the casinos that operate the events, and has marketing arrangements for branded poker rooms at various locations around the world. TSG generates revenue from these sponsorships and marketing arrangements, which it includes in "other" revenue.

TSG also derives revenues from certain of its other gaming-related offerings such as its other media and affiliate businesses and certain retail sports betting services in the United States, with revenue generated primarily through affiliate commissions, service agreements, revenue share arrangements and advertising income, as applicable.

### 5. Business combinations and partnerships

#### 5.1 Material investments

TSG does not have any material investments other than its primary operating subsidiaries which are all, directly or indirectly, 100% owned, save for its 80% equity stake in BetEasy in respect of which it announced in December 2019 that it had agreed to acquire the remaining 20% interest, as described in further detail below.

On 27 February 2018, a subsidiary of TSG acquired a 62% equity interest in BetEasy from Crown Resorts Limited. On 6 March 2018, TSG also entered into agreements to increase its equity interest in BetEasy from 62% to 80% and for BetEasy to acquire TSGA Holdco Pty Limited and its subsidiaries and affiliates (formerly the William Hill Australia business), an Australian-based online sportsbook. These transactions were completed on 24 April 2018. The Australian Acquisitions enhanced TSG's position for the potential legalisation of online poker in Australia as well as increase its proportion of revenues generated from regulated markets and improve the geographic diversification of revenues. In August 2018, the two acquired businesses were combined and relaunched under the BetEasy brand. In December 2019, TSG announced that (i) TSG has agreed with the minority shareholders of BetEasy to acquire the remaining 20% interest in BetEasy and (ii) that TSG has agreed to pay AUD\$100 million to settle the previously disclosed performance payment under the agreement for its 2018 acquisition of the initial 80% stake in BetEasy. Under the terms of the agreement to acquire the remaining 20% stake, if completion of the acquisition occurs following completion of the Combination, Flutter will have the right to settle the acquisition in cash, through the issue of new Ordinary Shares or a combination of both.

There have been no material investments made by TSG since 31 December 2019, being the date of the last published financial statements of TSG and, save for the above mentioned acquisition of the remaining 20% interest in BetEasy and the Combination, which is described in Part I (*Information on the Combination*) of this Prospectus, there are no material investments in progress for which firm commitments have already been made since that date.

## 5.2 SBG Acquisition and relationship with Sky

On 10 July 2018, a subsidiary of TSG acquired SBG. SBG operates mobile-led betting, poker and gaming platforms primarily in the United Kingdom. SBG benefits from its strong relationship with Sky and the Sky brand, and leverages Sky's entertainment heritage to appeal to a growing, mass-market customer base in the fast-growing mobile channel. SBG generates 100% of its revenue from regulated or taxed markets. On 11 October 2018, the UK Competition and Markets Authority cleared the SBG Acquisition following its Phase 1 review under the Enterprise Act 2002, which permitted TSG to begin executing its integration plans. TSG's management believes that SBG is a key component of its strategic plan to grow both globally and in key markets.

To pay for the SBG Acquisition, TSG's subsidiary used a combination of cash and equity. To finance the cash portion of the purchase price, repay Stars Group Holdings B.V.'s then-existing first lien term loans and repay SBG's then-existing long-term debt, the TSG Group used cash on its balance sheet and raised \$4.567 billion in first lien term loans, \$1.00 billion in 7.00% unsecured senior notes (the "**TSG Senior Notes**") and \$621.8 million of net proceeds (before expenses), excluding the overallotment, from the issuance of TSG Shares as a result of the previously disclosed underwritten public offering of TSG Shares at a price of \$38.00 per share. Stars Group Holdings B.V. also obtained a new first lien revolving facility of \$700.0 million, of which it had drawn \$100.0 million as of completion of the SBG Acquisition, but fully repaid soon after. 37.9 million newly issued TSG Shares were also delivered to the sellers of SBG (collectively with the foregoing, the "**SBG Financing**"). See Notes 17 and 24 to the TSG 2019 Financial Statements for additional information regarding the SBG Financing.

TSG believes that it benefits from its association with Sky, one of Europe's best known entertainment brands, with a shared heritage of innovation, quality and customer focus. Sky is Europe's leading media and entertainment brand, with more than €8billion in annual content acquisition and development. According to Millward Brown, Sky is the sixth most valuable UK brand (*source: Millward Brown, Top 75 UK Brands, 2019*) and, according to Forbes, Sky Sports is the fifth most valuable global sports brand (*source: Forbes, Most Valuable Sports Brands, 2019*). In addition to high brand recognition, Sky has a large customer base in many European markets, with 24 million customers across seven countries including UK and Ireland, Germany, Austria, Italy, Switzerland and Spain.

TSG considers SBG's symbiotic relationship with Sky Sports a key strength, and SBG has developed a strong, collaborative relationship with Sky that TSG believes will continue to drive its value. In addition to commercial agreements, benefits of SBG's relationship with Sky include customer recognition of the Sky brand, integrated marketing campaigns and cross promotion across Sky Sports channels and platforms, as well as the free-to-play games operated by SBG and jointly promoted by SBG and Sky, which provides multiple customer touchpoints and lowers the cost of customer acquisition. SBG leverages Sky's entertainment heritage to appeal to a large mass-market customer base. SBG operates using the Sky brand in jurisdictions such as the UK, Ireland, Italy and Germany (both as a part of TSG platform), with the opportunity to extend to other jurisdictions.

As part of TSG's relationship with Sky it has entered into the Sky Brand Licence, Sky Commercial Relationship Agreement and Sky Advertising Agreement which are further described in paragraph 8 (*Material contracts*) of Part VIII (*Additional Information*) of this Prospectus.

## 5.3 Launch of the FOX Bet brand and FOX Sports relationship

TSG and FOX Sports have launched FOX Bet, which provides customers in certain US states with regulated betting the opportunity to place real-money wagers on the outcome of a wide range of sporting events in accordance with applicable laws and regulations, and has also launched *FOX Sports Super 6*, a nationwide (excluding Washington) free-to-play game in the United States that awards cash prizes to players who correctly predict the outcome of sports games.

FOX Bet is an online and mobile sports betting product developed through a first-of-its kind national media and sports wagering partnership in the United States between TSG and FOX Sports. The FOX Bet online and mobile sportsbook, which is currently available in New Jersey and Pennsylvania, brings sports fans closer to the games they love by integrating regulated real-money sports wagering with interactive and content rich programming, including expert commentary and insights from some of the nation's most celebrated sports commentators and analysts.

In May 2019, TSG and FOX Sports entered into a first-of-its kind national media and sports wagering partnership in the United States. In connection with that partnership, TSG and FOX Sports entered into a long-term

commercial arrangement for up to 25 years, through which FOX Sports granted TSG with an exclusive licence for the use of certain FOX trademarks for a range of immersive games and online sports wagering, and certain exclusive advertising and integration rights on certain FOX Sports broadcast media and digital assets. As part of the transaction, FOX Sports will receive certain brand licence, integration and affiliate fees. In addition, during the term of the commercial agreement, TSG has agreed to a minimum annual advertising commitment on certain FOX media assets. Prior to the tenth anniversary of the commercial agreement, and subject to certain conditions and applicable gaming regulatory approvals, FOX Sports has the right to acquire up to a 50% equity stake in TSG's US business.

TSG believes that it benefits from its association with FOX Sports' wide array of multi-platform US-based sports assets. Built with brands capable of reaching more than 100 million viewers in a single weekend, FOX Sports has ownership and interests in linear television networks, digital and mobile programming, broadband platforms, multiple web sites, joint-venture businesses and several licensing relationships.

## 6. Business strategy of TSG

TSG focuses on creating long-term shareholder value by building upon its existing key strengths, including enhancing its portfolio of products and services and expanding into new markets, which in return it expects will deliver sustainable, profitable long-term growth. TSG places great emphasis on the customer and its goal is to become the world's favourite online gaming destination, which it believes it can achieve by creating a fun and positive customer experience.

To do this, management seeks certain ongoing, principal strategic initiatives, including:

- (a) strengthening, expanding and diversifying its offerings;
- (b) expanding its geographical reach and promoting regulation of online gaming;
- (c) continuing to elevate and improve the customer experience; and
- (d) pursuing operating efficiencies.

### 6.1 Strengthening, expanding and diversifying its offerings

TSG is well diversified by vertical with revenues fairly evenly split among online betting (the world's largest and fastest growing online gaming segment), online casino and online poker.

**Betting:** TSG's exposure to betting is primarily through its high-quality, mobile-led online products such as Sky Bet, BetEasy, BetStars and FOX Bet, each with robust technology platforms and rich customer data sources. During 2019, betting became the largest product vertical for TSG by revenue (34.4%), with leading positions across many of the most attractive end markets, positioning TSG to take advantage of further growth potential in online betting. The continuing growth of betting as a low-cost customer acquisition channel will complement TSG's poker business and enable more effective cross-sell to gaming and poker.

**Poker:** TSG will continue to focus on its core poker offerings, which historically have been its primary customer acquisition channel and in which TSG believes it currently has a competitive advantage, with scale benefits and network effects as it is significantly larger than its nearest publicly-listed competitor in terms of poker revenues and intends to maintain its leadership position while continuing to improve, expand and innovate its poker product offerings and expand its geographic reach. TSG intends to achieve these objectives through the continued rollout and introduction of new and innovative poker offerings, poker oriented innovative marketing campaigns, continued improvements in the poker ecosystem to benefit and attract high-value, net-depositing customers as well as launching in certain new markets as and when local regulation allows.

**Casino:** TSG intends to continue to develop, improve and expand its online casino products, including *PokerStars Casino*, *Sky Vegas* and *Sky Casino*, with improved content, products and innovative promotions. In 2019, TSG launched over 400 new casino games onto *PokerStars Casino* in multiple markets to increase the diversification of its offerings. TSG also intends to improve the content variety and profitability of both *PokerStars Casino* and *Sky Vegas* by leveraging its in-house designed content across both platforms. In addition to increased breadth, TSG is investing to improve the user experience and user access to further increase customer engagement as well as increase the cross-selling of its casino offerings to its existing online poker and betting customer bases. TSG

has historically used a combination of cross-selling and direct marketing to acquire and retain customers and it currently expects to continue with this approach, with an increased focus on direct marketing in 2020.

**Other:** TSG intends to selectively expand upon its current free-to-play offerings and pursue other interactive entertainment opportunities, such as social and freemium offerings. TSG and SBG's free-to-play and freemium products, such as *FOX Sports Super 6* and *Soccer Saturday Super 6*, have or are developing significant player bases, which promote customer engagement and can be cross-sold into real-money products where available.

## 6.2 Expanding its geographical reach and promoting regulation of online gaming

TSG has a strong presence in regulated markets, particularly within the United Kingdom, Australia, Italy, France, Spain and the United States, which are or are currently expected to become some of the world's largest regulated online gaming markets. For the year ended 31 December 2019, TSG's consolidated revenue exposure by geography saw increased diversification, comprising 40% UK, 32% other European Union countries, 11% Australia, 8% other Europe, 7% Americas and 2% rest of the world.<sup>16</sup> Additionally, for the year ended 31 December 2019, 78% of TSG's revenues originated from regulated and/or locally taxed jurisdictions.<sup>17</sup>

TSG currently intends to expand its geographical reach by offering its products and services in certain additional jurisdictions, including through the promotion of the regulation of online gaming in new and emerging markets and potential partnerships or arrangements with existing operators or other third parties, including in the United States and certain countries within Asia, South America and Eastern Europe.

TSG intends to focus on becoming a market leader in the emerging US online gaming market. Currently, a subsidiary of TSG is authorised to conduct online gaming (poker, casino and betting) in New Jersey and Pennsylvania using the *PokerStars* and *FOX Bet* brands, and also received a conditional approval in New York to operate retail sports betting through a local partner, with the potential to operate online sports betting in the future to the extent it becomes regulated in the state. TSG intends to seek approval to offer its online gaming product offerings in certain other US states if and when they regulate and establish an applicable licensing regime. For further information on the risks relating to expanding its business into new jurisdiction, including the United States, see the risk factor entitled "*The Combined Group may be unsuccessful in expanding its provision of online betting and gaming services into new and existing jurisdictions and markets where the regulatory status of the provision of such services has been clarified or liberalised*" on page 15 of this Prospectus.

TSG's current strategy in Asia, South America and Eastern Europe primarily seeks to promote brand awareness and market development through various gaming, non-gaming and land-based efforts, including, as applicable, establishing relationships with existing operators, including business-to-business ("B2B") arrangements, sponsoring local and international brand ambassadors, live events, *PokerStars LIVE* branded poker rooms, and promoting TSG's play-money offerings. TSG also promotes shared liquidity for online poker in and across jurisdictions where it believes there would be a benefit not only to its business, but also to its customers, those jurisdictions and the overall online gaming industry. For example, in January 2018, TSG became the first online operator approved to offer a shared player pool between the locally licensed markets of France and Spain, which it then expanded to Portugal in May 2018, and intends to seek approval to expand to Italy if and when permitted.

TSG's overall strategy to expand its geographical reach includes building relationships with governments and private operators, and working with regulators and government officials to implement regulations beneficial to its customers, the regulating jurisdictions and the industry as a whole.

## 6.3 Continuing to elevate and improve the customer experience

TSG seeks to become the world's favourite online gaming destination through, among other things, creating winning moments for its customers. It plans to do so through its comprehensive and innovative product offerings and its focus on creating the best customer experience in the industry by concentrating on customer enjoyment, engagement and service as well as its dedication to responsible gaming, security, game integrity and transparency. TSG's customer databases give it unique access to customer data and insight to enhance and improve its product range, content and user experience to further enhance its competitive position. Furthermore, TSG intends to continue to grow its strong brand and marketing assets, leveraging the brand heritage of its media partners,

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<sup>16</sup> Figures are based on internal management information and are unaudited.

<sup>17</sup> Figures are based on internal management information and are unaudited.

including Sky plc (or its successor entity) (together with all its subsidiaries, collectively “**Sky**”) and FOX Sports, and *PokerStars*, and expanding its other betting and gaming brands and products.

TSG also plans to expand upon its strong record of mobile technology development, as well as further developing its in-house big data platform to give it better insight into customer data and behaviour. Within TSG, SBG was an early adopter of big data, which helped it maintain customer loyalty by delivering personalised offers and incentives to customers who value them. TSG believes that ongoing investments in big data will further increase the efficiency of free bet and marketing spend and further believes its dedication to technology is a key differentiating factor that will continue to help it grow in the online gaming industry. TSG has also launched a proprietary, cloud-hosted trading engine, which enables it to create new, unique betting opportunities, including the roll-out of RequestABet at speed and scale. The proprietary trading engine significantly increases the level of automation with respect to managing risk and liabilities across sporting and non-sporting events (primarily by continually adjusting the odds offered in response to wagering activity and information received), which is traditionally completed by in-house personnel called “traders”, and allows TSG to integrate suppliers and develop improved trading tools for alerting and monitoring, all of which permits traders to manage a larger catalogue of events and markets, providing a broad range of betting opportunities to its customers.

TSG views the safety and welfare of its customers as critical to its business and has made appropriate investments into people and processes to identify and protect vulnerable customers. Accordingly, TSG is committed to effective and useful responsible gaming practices and seeks to provide its customers with the resources and services required to play responsibly, including through its dedicated responsible gaming staff. These practices, resources and services include deposit limits, table and game play limits, voluntary restrictions on access to and use of certain games, temporary self-exclusion and cooling off periods, voluntary permanent exclusions from TSG’s offerings, sites and applications and, where relevant, activity monitoring, including through the use of indicator reports and data science technology. TSG has also partnered with various responsible gaming organisations that conduct research and offer education and direct counselling for players. These organisations include Adictel in France, GamCare and GambleAware in the UK, the National Council on Problem Gambling in the United States and GamblingTherapy.org worldwide. TSG also promotes its responsible gaming tools, resources and initiatives on its websites and platforms and through other channels.

TSG regularly submits its responsible gaming policies and procedures for independent accreditation via various expert organisations that have developed comprehensive responsible gaming standards and measurements designed to determine the effectiveness of a gaming company’s policies, procedures and practices in addressing problem gaming. Independent organisations that have accredited TSG’s responsible gaming programme include GamCare, the National Council on Problem Gambling in the United States and the Responsible Gambling Council of Canada. In addition, TSG is increasingly using data science to improve the player experience and player protection. For instance, TSG’s real-time promotions platform provides a real-time view of customer interactions, enabling the creation of innovative personalised products and promotions based on game play and customer success. For example, a customer with an unusually unlucky run on roulette might receive an instant real-time bonus, delivered within seconds inside the game itself, but the same technology is also used to suppress marketing to a similar customer who is showing signs of potential problem gambling or harm. The segmentation, decision-making and fulfilment mechanics all occur within the window of a game spin. A customer deemed to be at risk will instead receive safer gaming messages and prompts to use the self-help tools such as deposit limits and self-exclusion.

In addition to TSG’s various responsible gaming accreditations, it has also built strong relationships with various gaming-related regulatory and consumer protection bodies such as the Gambling Commission, the Independent Betting Adjudication Service and the International Betting Integrity Association. Furthermore, SBG was one of the initial UK gaming company signatories to a package of UK-focused safer gambling commitments to strengthen safer gambling measures and minimise gambling -related harm and SBG will represent TSG as a member of the newly-established UK betting and gaming industry trade body, the Betting & Gaming Council.

#### **6.4 Pursuing Operating Efficiencies**

TSG constantly reviews its fixed cost base to identify areas for improvement that it believes will enhance shareholder value, particularly through the ability to invest in technology and marketing. TSG also implements operational excellence programmes from time to time based on certain circumstances. For example, during 2019 TSG reassessed its fixed cost base within its international and corporate operations and implemented an operational excellence programme to optimise its operations, including a reduction in headcount and the relocation of certain roles across and within applicable geographies. TSG expects to continue to focus on further optimising

its operations to potentially achieve a higher level of efficiency, effectiveness and quality throughout the organisation. TSG also continuously assesses and monitors the overall impact and performance of these initiatives.

TSG has realised cost synergies resulting from the SBG Acquisition, including the rationalisation of overlapping roles and responsibilities, non-headcount general and administrative savings, marketing spend optimisation in the UK, Italy and Germany, and optimisation of TSG's betting costs (e.g. mitigating duplicative data feeds) and, as a result, entered 2020 with the full \$100 million run-rate of expected cost synergies realised through the SBG Acquisition.

## 7. Competition

The industries in which TSG currently operates are highly competitive, constantly evolving and subject to regulatory and rapid technological change. TSG faces significant competition in all aspects of its business and competes for customers with other online (including mobile) and land-based gaming and interactive entertainment developers and operators based on many factors, including the quality of the customer experience, brand awareness, reputation, security, integrity and access to other distribution channels. Although TSG believes that it competes favourably, its competitors could develop more compelling product offerings, services or content, which could adversely affect TSG's ability to attract and retain customers. As TSG introduces new product offerings, its existing products evolve, or other companies introduce new product offerings or merge with competitors into larger entities, TSG may become subject to additional and/or more intense competition. TSG's competitors, whether known or unknown, may also take advantage of large user and customer bases, networks through social networks, and third-party relationships to grow rapidly. For further information on TSG and the Combined Group's exposure to competitive pressures see the risk factor entitled "*The business of the Combined Group will be exposed to competitive pressures given the international nature of competition in online betting and gaming*" on page 34 of this Prospectus.

Many competitors specialise in offering online gaming and interactive entertainment products, including developers for online, mobile and social networks, operators of regulated and unregulated online real-money gaming, live poker tournaments, developers for consoles and other platforms, and other forms of media, content and entertainment. For example, although TSG has been, and continues to be, a significant competitor in online poker, it has only recently, including through the Acquisitions as well as organic growth such as through the launch of FOX Bet, become a more substantial competitor in online casino and betting, where competition is significant and formidable. TSG's competitors range from small, localised companies to large multinational corporations. These competitors include, among others, bet365, William Hill (including Mr. Green), GVC (including bwin, party poker and Ladbrokes Coral Group), Betway, Betfred, BetVictor, 888 Holdings, Kindred Group, Betsson, Winamax, Gamesys, Cherry, LeoVegas, DraftKings and certain government operators and smaller operators in specific regions. There is also increasing competition with social and video gaming companies as well as interactive content and media companies which provide monetised interactive entertainment offerings that compete with real-money online gaming companies for time and wallet share of consumers.

TSG's ability to compete effectively with its competitors is based on a number of factors, including its ability to (i) maintain its strong reputation among its customers and global brand awareness, (ii) maintain appropriate liquidity in online poker, and continue to grow its large customer base and customer engagement across existing and new lines of operation, (iii) provide comprehensive and varied gaming and entertainment offerings at competitive prices, (iv) provide a superior customer experience, including through appropriate responsible gaming policies and related customer support tools, promotions, incentives, features, customer protections, and effective software development and efficient back-office infrastructure, customer service, payment processing, security and integrity, as applicable, (v) develop product offerings designed for distribution across multiple channels and to new, large audiences with superior functionality and efficient implementation, including through the use of innovative architecture and technologies that TSG believes will result in a higher degree of customer acceptance and player preference, (vi) successfully promote the regulation of online gaming, and maintain its existing and obtain new licences or approvals to operate and offer online gaming in existing and new jurisdictions, as applicable, and (vii) maintain a strong culture of environmental, social and corporate responsibility.

## 8. Significant change to operations and principal activities

Save as disclosed below in paragraph 9 (*Current trading and trend information of TSG*) of Section B (*Information on TSG*) of this Part II (*Information on the Combined Group*) in relation to the impact of COVID-19, there have been no significant changes impacting TSGs operations and principal activities since 31 December 2019, being the end of the period covered by the latest published audited financial statements of TSG.

## 9. Current trading and trend information of TSG

### Consolidated

On 16 March 2020, TSG announced an update on its current trading. So far in 2020, TSG is pleased with its performance, which is currently performing ahead of TSG management's expectations, with the first quarter currently expected to see strong year-over-year growth in revenues. In addition to its performance, TSG entered 2020 with the full \$100 million run-rate of expected cost synergies from the SBG Acquisition and has already prepaid \$100 million of debt in the year, underpinning its ability to execute on complex integrations and the highly cash-generative nature of the business.

The continued and prolonged cancellation or postponement of, or disruption to, sporting events due to the effect of the COVID-19 pandemic, or the perception of the continued and prolonged effects of COVID-19, is expected to have a material adverse impact on TSG's ability to generate revenue from betting on sporting events, and could have a material adverse impact on the operations of TSG or the operations of third-party providers and other suppliers on whom TSG depends, and if there is such an impact, TSG would be required to change or adjust its operational and related plans for 2020 and beyond. The outbreak has so far resulted in the cancellation of some large-scale events and sporting seasons, including in the sports industry, and additional actions may be taken to try to halt or mitigate the outbreak. A prolonged cessation of sporting events could have a material impact on the carrying value of TSG's goodwill and intangible assets. TSG also believes there is a risk that customer behaviour could change the longer the COVID-19 situation continues, including participation in its poker and gaming product offerings, as a result of possible significant economic downturn or otherwise. In addition, the coronavirus may result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could materially affect demand for TSG's product offerings overall. At this point, management is assessing the extent to which the coronavirus may impact TSG's results, goodwill and intangible assets, but it cannot quantify the potential impact at this time. See the risk factor entitled "*The Combined Group's business and financial performance is likely to be affected by economic, social and political conditions, including the impact of the COVID-19 pandemic, globally and, in particular, in the jurisdictions in which it operates*" on page 24 of this Prospectus and the risk factor entitled "*Aspects of the Combined Group's business will depend on the live broadcasting and scheduling of major sporting events*" on page 36 of this Prospectus. Notwithstanding, while it remains difficult to predict the scope, timing and length of the impact of the COVID-19 pandemic, TSG's material business is online-only with a global geographic reach and a majority of revenues (62% in 2019) generated from online poker and gaming. To date, TSG has successfully deployed its business continuity plans, with all relevant systems currently performing well. TSG's management therefore believes TSG will continue to drive revenue growth in the years ahead, despite the inevitable disruption due to the COVID-19 pandemic during 2020.

As at December 31, 2019, TSG had cash and cash equivalents of approximately \$321 million, and subsequently prepaid \$100 million of the USD First Lien Term Loan in February. In addition, TSG has access to the TSG Revolving Facility, among other potential sources of liquidity that, together with its current cash and cash equivalents, provides approximately \$1 billion of liquidity.

### Segmental

TSG's International segment continues to see disruptions and regulatory headwinds in certain markets due to local restrictions on some methods of payment processing and on certain methods of downloading TSG's products, particularly related to online casino and poker. Some of these disruptions, notably the closure of poker in Switzerland, began in the second half of 2019 and as such, TSG will continue to see the impact of such disruptions through at least the first half of 2020. However, TSG has a deep pipeline of new product launches and marketing plans, in addition to expected new market expansion plans, that it believes should support the development of its international poker business through 2020. TSG also currently plans to increase marketing investment in its international gaming business during 2020, which it expects to deliver strong returns over time, but to negatively impact profitability during 2020.

In the US, TSG continues to execute on its plans through its FOX Bet real-money wagering products and PokerStars-branded real-money poker and casino products in New Jersey and Pennsylvania as well as its FOX Sports Super 6 app nationwide (excluding Washington state). So far in 2020, TSG has announced a market access agreement with the Little Traverse Bay Bands of Odawa Indians Gaming Authority for first-skin online betting and gaming market access in the state of Michigan, and currently expects to increase investments in the US to support planned FOX Bet launches in further states, including Colorado. To date, TSG now has combined access

to up to 20 states under its applicable market access agreements, subject to license availability, state law and regulatory approvals.

The strong operational momentum across the UK segment's betting and gaming products has so far continued into 2020, and the segment has seen further operator-favourable sporting results in the first quarter, driving strong year-over-year revenue growth. Although the cancellation or postponement of global sports as a result of COVID-19 is likely to materially impact the UK's sports betting revenues in the near-term, TSG's UK segment is online-only and its online casino offerings in the UK currently remain available to customers. In addition, in advance of the UKGC credit card ban that will take effect 14 April 2020, TSG began prohibiting the addition of new credit cards by UK-based customers in February 2020 as part of a phased process towards the full implementation of the restrictions.

TSG's Australian segment's focus on targeted, personalised promotions during 2019 has continued into 2020, and TSG believes that it remains well positioned for revenue growth in the future. However, TSG management currently expects there to be a negative impact to revenues in the near term as a result of potential wide scale cancellations and postponements of sporting events relating to COVID-19.

Other than as set forth above, there has been no significant change in the financial position or financial performance of TSG since 31 December 2019.

**PART III: BOARD OF DIRECTORS AND CORPORATE GOVERNANCE OF FLUTTER ENTERTAINMENT PLC AND THE COMBINED GROUP**

**1. Board of Directors**

The following table lists the names, positions and ages of the Flutter Directors as at the date of this Prospectus:

<b>Name</b>	<b>Age</b>	<b>Current Position</b>
Gary McGann .....	69	Chair
Ian Dyson .....	57	Senior Independent Director
Peter Jackson .....	44	Chief Executive Officer
Jonathan Hill.....	51	Chief Financial Officer
Jan Bolz.....	59	Non-Executive Director
Zillah Byng-Thorne.....	45	Non-Executive Director
Michael Cawley.....	65	Non-Executive Director
Nancy Cruickshank .....	49	Non-Executive Director
Andrew Higginson .....	62	Non-Executive Director
Peter Rigby.....	64	Non-Executive Director
Emer Timmons .....	51	Non-Executive Director

The business address of the Flutter Directors is Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, D04 V972, Ireland.

The following table lists the names, positions and ages of the Flutter Directors as at Completion:

<b>Name</b>	<b>Age<sup>(1)</sup></b>	<b>Position with the Combined Group</b>	<b>Current Position</b>
Gary McGann .....	69	Chair	Flutter Chair
Divyesh (Dave) Gadhia .	57	Deputy Chair	TSG Executive Chairman
Andrew Higginson .....	62	Senior Independent Director	Flutter Non-Executive Director
Peter Jackson .....	44	Chief Executive Officer	Flutter Chief Executive Officer
Jonathan Hill.....	51	Chief Financial Officer	Flutter Chief Financial Officer
Rafael (Rafi) Ashkenazi	44	Non-Executive Director	TSG Chief Executive Officer
Zillah Byng-Thorne .....	45	Non-Executive Director	Flutter Non-Executive Director
Michael Cawley.....	65	Non-Executive Director	Flutter Non-Executive Director
Nancy Cruickshank .....	49	Non-Executive Director	Flutter Non-Executive Director
Ian Dyson .....	57	Non-Executive Director	Flutter Senior Independent Director
Richard Flint.....	48	Non-Executive Director	Former CEO of SBG
Alfred F. Hurley, Jr. ....	65	Non-Executive Director	TSG Lead Director
David Lazzarato .....	64	Non-Executive Director	TSG Independent Director
Peter Rigby .....	64	Non-Executive Director	Flutter Non-Executive Director
Mary Turner .....	67	Non-Executive Director	TSG Independent Director

Notes:

<sup>(1)</sup> As at the Latest Practicable Date.

The business address of the Flutter Directors following Completion will be Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, D04 V972, Ireland.

## 2. Board structure

The Flutter Board has overall responsibility for the leadership, control and oversight of Flutter and, following Completion, the Combined Group. Responsibility for the day-to-day management of Flutter has been delegated by the Board to executive management. This delegation is effected through the Chief Executive Officer, who is accountable to the Flutter Board. The functions of Chair and Chief Executive Officer are not combined and both roles' responsibilities are clearly divided. A number of responsibilities of the Flutter Board are delegated to sub-committees of the Flutter Board, details of which are set out below.

The Flutter Board has overall responsibility for Flutter's objectives; strategy; annual budgets; major acquisitions and capital projects; treasury policy and succession. It sets governance policies, ensures implementation thereof and monitors and reviews evolving governance best-practice. It defines the roles and responsibilities of the Chair, Chief Executive Officer, other directors and the Flutter Board sub-committees. In addition, the Flutter Board approves the interim management statements, half-yearly and annual financial statements, reviews Flutter's systems of internal control and approves any significant changes in accounting policies. The Flutter Board approves all resolutions and related documentation put before shareholders at general meetings. The Flutter Board also sets Flutter's dividend policy, approves the interim dividend and recommends the final dividend. With effect from Completion, the Flutter Board will have overall responsibility for the Combined Group's objectives, strategy, annual budgets, major acquisitions and capital projects, treasury policy and succession.

The following biographies provide information on the Flutter Directors:

### ***Gary McGann***

Gary McGann was appointed as a Non-Executive Director of Flutter in November 2014 and as Chair from July 2015. Gary was previously a Non-Executive Director of Smurfit Kappa Group having been Group Chief Executive prior to this and having previously held a number of senior roles, including President and Chief Operations Officer. Prior to this, he held the position of Group Chief Executive Officer of Aer Lingus and Chief Executive Officer of Gilbeys of Ireland. In addition, Gary is the Chair of Aon Ireland and Sicon Limited, was the Chair of the nomination and remuneration committees and a non-executive director of Green REIT plc and a non-executive director of Multi-Packaging Solutions International Limited. Gary is currently the Chair of ARYZTA AG. He holds BA (UCD) and MSc Management (Trinity) degrees and is a Fellow of the Association of Chartered Certified Accountants (FCCA).

### ***Ian Dyson***

Ian Dyson was appointed as a Non-Executive Director of Betfair Group plc in February 2010 and became a Non-Executive Director of Flutter in February 2016 following completion of the merger of Flutter (then Paddy Power plc) and Betfair Group plc. Ian is a Non-Executive Director and Chair of the audit committee of InterContinental Hotels Group PLC and SSP Group plc and Senior Independent Director and Chair of the Audit Committee of ASOS plc. He was previously a Non-Executive Director of Punch Taverns plc, having previously served as Chief Executive Officer, Group Finance & Operations Director at Marks & Spencer plc and Finance Director of The Rank Group plc. Prior to this he was Group Financial Controller of Hilton Group plc. He joined Hilton from Le Meridien, a division of Forte plc, where he had been Finance Director. His early career was spent with Arthur Andersen, where he qualified as a Chartered Accountant in 1986 and was promoted to a Partner of the firm in 1994. Ian was a Non-Executive Director of Misys plc until September 2005.

### ***Peter Jackson***

Peter Jackson was appointed as a Non-Executive Director of Betfair Group plc in April 2013 and became a Non-Executive Director of Flutter in February 2016 following completion of the merger of Flutter (then Paddy Power plc) and Betfair Group plc. Peter was appointed Chief Executive Officer of Flutter in January 2018. Prior to becoming Chief Executive Officer, Peter was Chief Executive Officer of Worldpay UK, an operating division of Worldpay Group plc. Peter was group chief executive officer of Travelex from March 2010 until March 2015, leaving following the successful sale of the business. He then joined Santander as Head of Global Innovation at Banco Santander and a Director of Santander UK Group Holdings plc. Before Travelex, Peter was Managing Director of consumer banking for the Lloyds Banking Group plc, having previously held a number of senior roles within the retail arm of HBOS plc before its merger with Lloyds. Peter started his career at McKinsey and Co. Peter holds a MEng degree.

### ***Jonathan Hill***

Jonathan Hill was appointed as a Director and Chief Financial Officer of Flutter in October 2018. He was previously the Chief Financial Officer at Saga plc and Bovis Homes Group plc. He previously worked at TUI Travel plc and Centrica plc. Jonathan is a qualified Chartered Accountant having worked at Price Waterhouse.

### ***Jan Bolz***

Jan Bolz became a Non-Executive Director of Flutter in September 2017. Prior to joining Flutter, Jan was Chief Executive Officer at Tipico, a German sports betting business. Prior to this, Jan held several senior executive roles with Electronic Arts, including that of Vice President of Marketing and Sales for International, and Bertelsmann Music Group as Managing Director of BMG Ariloa Munich. Jan will resign from the Flutter Board at Completion.

### ***Zillah Byng-Thorne***

Zillah Byng-Thorne became a Non-Executive Director of Betfair Group plc in September 2013 and became a Non-Executive Director of Flutter in February 2016 following completion of the merger of Flutter (then Paddy Power plc) and Betfair Group plc. She is also Chief Executive Officer of Future plc, having previously served as Chief Financial Officer and Company Secretary, and is a Non-Executive Director and Chair of the audit and risk committee of Gocompare.com Group plc. Prior to this, Zillah was Chief Financial Officer of the Trader Media Group from 2009 (serving latterly as interim Chief Executive Officer) until July 2013, CFO of Fitness First Group Limited from 2006 until 2009, and CFO of the Thresher Group from 2002 until 2005. Zillah has also previously held senior finance positions with GE Capital and HMV Media Group and qualified as an accountant with Nestle UK Limited and was a Non-Executive Director of Mecom Group plc from 2011 until February 2015. Zillah is a chartered management accountant and qualified treasurer, and holds an MA in management studies and MSc in behavioural change.

### ***Michael Cawley***

Michael Cawley was appointed as a Non-Executive Director of Flutter and as a member of the Audit Committee in July 2013. Michael served as Deputy Chief Executive Officer and Chief Operating Officer of Ryanair Holdings plc from 2003 to 2014, having previously served as Ryanair Holdings plc's Chief Financial Officer and Commercial Director since 1997. Michael is a Non-Executive Director of Prepaypower Holdings Limited since 2013. Prior to joining Ryanair Holdings plc, Michael was Group Finance Director of Gowan Group Limited, one of Ireland's largest private companies and the main distributor for Peugeot and Citroen automobiles in Ireland. Michael holds a Bachelor of Commerce degree and is a Fellow of the Institute of Chartered Accountants in Ireland. Michael is Chair of Hostelworld Group plc and Fáilte Ireland and a Non-Executive Director of Ryanair Holdings plc and Kingspan Group plc.

### ***Nancy Cruickshank***

Nancy Cruickshank was appointed as an Independent Non-Executive Director of Flutter in May 2019. She is also a member of the board of Cosmetic Executive Women, and a Non-Executive Director of TelecityGroup, OnMobi and Bango. Nancy previously held the position of Senior Vice President of Digital Transformation at the Carlsberg Group, Chief Executive Officer of VideoJug and Weve, and Director at Conde Nast and Telegraph Media Group. Nancy holds a BA in History.

### ***Andrew Higginson***

Andrew Higginson was appointed as an Independent Non-Executive Director of Flutter on 2 October 2019. He is Chair of Wm Morrison Supermarkets PLC, a position he held since January 2015. He is also the Chair of Evergreen Garden Care Limited and Chair of Premiership Rugby Limited.

Andrew served as an Executive Director at Tesco PLC for 15 years and was previously the Chair of Poundland Group PLC and N Brown Group Plc, Senior Independent Director of Sky plc and a Non-Executive Director of the Rugby Football Union. Andrew spent his early career in various roles in Unilever, Guinness, Laura Ashley and the Burton Group.

### **Peter Rigby**

Peter Rigby was appointed as a Non-Executive Director of Betfair Group plc in April 2014 and became a Non-Executive Director of Flutter in February 2016 following completion of the merger of Flutter (then Paddy Power plc) and Betfair Group plc. Peter was Chief Executive Officer of Informa plc until the end of 2013. Peter previously held the role of Finance Director for Stonehart Publications and then IBC plc, which later became Informa plc. He holds a BA in Economics from Manchester University, and is a qualified accountant.

### **Emer Timmons**

Emer Timmons was appointed as an Independent Non-Executive Director of Flutter in May 2017. She is also Chief Marketing Officer at Brightstar. Emer previously worked as President of Strategic Deals and Customer Engagement of Global Services at BT and holds a degree in Maths and Economics. Emer will resign from the Flutter Board at Completion.

The following biographies provide information on the Proposed Directors:

#### ***Divyesh (Dave) Gadhia***

Mr. Divyesh (Dave) Gadhia is the Executive Chairman of TSG's Board. Mr. Gadhia is and has been the President of Atiga Investments Inc., an investment firm focused on consumer products, since 2010. He served as the Chief Executive Officer and Executive Vice Chairman of Gateway Casinos & Entertainment Limited from 1992 until 2010, where he was responsible for strategic initiatives, regulatory matters and governmental relations. He has served as a director of a number of other private and public companies, as well as charities, including a director of the Canadian Gaming Association from 2005 to 2010, a director of Gateway Casinos & Entertainment Limited from 1999 to 2007, and a director of Trian Equities from 1994 to 1999.

In 2009, Mr. Gadhia was awarded the Canadian Gaming News Outstanding Achievement Award and was previously awarded the Business in Vancouver's Top 40 Under 40 Award. Mr. Gadhia is a Fellow of Chartered Professional Accountants, FCA, a member of the Institute of Corporate Directors and holds a business degree from Simon Fraser University.

#### ***Rafael (Rafi) Ashkenazi***

Mr. Rafael (Rafi) Ashkenazi currently serves as the Chief Executive Officer of TSG and is a current director of TSG, and is responsible for devising and implementing its business plan and strategies. Mr. Ashkenazi is also the Chief Executive Officer for TSG's primary operating business, Stars Interactive Group, and is responsible for the performance and strategy of its offerings, including PokerStars and related brands.

Mr. Ashkenazi, who initially joined Stars Interactive Group in January 2013 as Chief Operating Officer, is an experienced gaming industry executive who previously served as Chief Operating Officer of Playtech plc, a global gaming software development company, from January 2006 to January 2010 and then from September 2011 to January 2013, and as a member of the board of directors of Playtech plc from March 2006 to January 2010. From January 2010 to September 2011, Mr. Ashkenazi served as Vice President of Business Operations of Playtech plc.

He was appointed Senior Vice President of Strategy for TSG in April 2015, Chief Executive Officer of Stars Interactive Group in November 2015, Interim Chief Executive Officer of TSG in March 2016 and then permanent Chief Executive Officer of TSG in November 2016. Mr. Ashkenazi graduated with honours from Shenkar College in Israel where he earned a B.A. in Industrial Engineering.

#### ***Richard Flint***

Mr. Richard Flint formerly served as Executive Chair of Sky Betting & Gaming ("SBG"). Prior to his appointment as Executive Chair of Sky Betting & Gaming in October 2018, Mr. Flint served as Chief Executive Officer of Sky Betting & Gaming for 10 years. He was awarded Glassdoor's No. 1 CEO in 2018.

He has over 20 years' experience in online businesses, starting as a Channel Director at FT.com and then as the Product Director of the original flutter.com, which merged with Betfair in 2001. Prior to that, he worked as a consultant at McKinsey & Company from 1997 to 1999. He is also currently Chair of the Board of online petfood company Butternut Box and serves on the Board of welcome to Yorkshire.

Mr. Flint graduated from Keble College, Oxford with a 1<sup>st</sup> class degree in Engineering, Economics and Management. He also graduated with a Master's in public policy from the Kennedy School of Government, Harvard University on a Fulbright Scholarship.

***Alfred F. Hurley, Jr.***

Mr. Alfred F. Hurley, Jr., is the Lead Director of TSG and Chairman of TSG's Compensation Committee. Mr. Hurley has been a director of New Mountain Finance Corporation, a NYSE-listed business development company ("NMFC"), since 2010. He is the Chairman of NMFC's Nomination and Governance and Compensation Committees, a member of its Audit and Valuation Committees and a director and member of various board committees of certain other non-public NMFC entities. Mr. Hurley has also been a director of Merrill Corporation, which is a privately held company that provides outsourced solutions for complex, regulated and confidential business information since 2013. He serves as Chairman of Merrill's Compensation, Governance and Human Resources Committee and as a member of the Audit Committee. He has also been the Fortress voting proxy to, a member of the Board of Managers, and a member of the Audit Committee of Ligado Networks Corporation, a privately held company ("Ligado"), since December 2017. Ligado is a satellite communications company that is developing a satellite-terrestrial network. He also has been the Chairman of privately held TSI Holdings, which is the holding company for TransWorld Systems, Inc. ("TWS") since May 2018. He also serves as Chairman of TSI Holdings' Compensation Committee and is a member of its Audit Committee. TWS is a leading analytics driven provider of accounts receivable management, healthcare revenue cycle and loan servicing solutions. Since May 2019, Mr. Hurley has served as Chairman of privately held Purefield Ingredients, a leading producer of wheat protein, biofuels and animal nutrition. He also serves as Chairman of Purefield's Compensation Committee and is a member of its Audit Committee. Mr. Hurley is also the sole member of a consulting business, Alfred F. Hurley, Jr. & Company, LLC, which he started in 2014. He previously was Vice Chairman of Emigrant Bank and Emigrant Bancorp (collectively, the "Bank") from 2007 and 2009, respectively, to December 2012, and was a consultant at the Bank during 2013. His responsibilities at the Bank included advising the Bank's Chief Executive Officer on strategic planning, acquisitions and divestitures, asset/liability management, on-line banking and new products. In addition, he was Chairman of the Bank's Credit and Risk Management Committee from November 2008 to January 2012 and the Bank's acting Chief Risk Officer from January 2009 until January 2012. Before joining the Bank, Mr. Hurley was the Chief Executive Officer of M. Safra & Co., a private money management firm, from 2004 to 2007. Prior to joining M. Safra & Co., Mr. Hurley worked at Merrill Lynch ("ML") from 1976 to 2004. His latest management positions prior to his departure included serving as Senior Vice President of ML & Co. and Head of Global Private Equity Investing, Managing Director and Head of Japan Investment Banking and Capital Markets, Managing Director and Co-Head of the Global Manufacturing and Services Group, and Managing Director and Head of the Global Automotive, Aerospace, and Transportation Group. As part of his management duties, he was a member of the Corporate and Institutional Client Group Executive Committee which had global responsibility for ML's equity, debt, investment banking and private equity businesses, a member of the Japan Corporate and Institutional Client Group Executive Committee and a member of the Global Investment Banking Management and Operating Group Committees. Mr. Hurley graduated from Princeton University with an A.B. in History, cum laude.

***David Lazzarato***

Mr. David Lazzarato, is a current director, Chairman of the Audit Committee, and a member of the Corporate Governance and Nominating Committee of TSG and is a media and broadcast industry consultant who assists companies in the areas of strategy development, mergers and acquisitions and financing. He served as a member of the board of directors and chair of the audit committee of Yellow Pages Limited from December 2012 to May 2018 and was Senior Vice President, Finance at Bell Canada in 2010 and 2011. From 2009 until 2013, Mr. Lazzarato served on the board of directors and was the chair of the audit committee of LED Roadway Lighting and from 2004 to 2013, he was vice chair of the Trillium Health Centre Foundation. In 2008, Mr. Lazzarato was Chief Executive Officer of Craig Wireless Systems. Prior to joining Craig Wireless Systems, Mr. Lazzarato served as Executive Vice President and Chief Financial Officer of Alliance Atlantis Communications Inc. and Chairman of Motion Picture Distribution from 2005 to 2007. From 1999 to 2004, Mr. Lazzarato served as Executive Vice President and Chief Financial Officer of Allstream Inc. (formerly, AT&T Canada Inc.) and was Chief Corporate Officer of MTS Allstream Inc. in 2004. Mr. Lazzarato is past Chair of the McMaster University Board of Governors and of the Council of Chairs of Ontario Universities. Mr. Lazzarato is currently the Vice Chair of Hamilton Health Sciences, a medical group located in Ontario, Canada , and serves as the Chair of its Resources Committee and its Audit Committee. Mr. Lazzarato earned a Bachelor of Commerce degree from McMaster University and is a Chartered Accountant, having received the FCA designation from the Ontario Institute of Chartered Accountants in 2006. Mr. Lazzarato received the ICD.D certification from the Institute of Corporate

Directors in 2008 and has also completed the Senior Executive Program at the Massachusetts Institute of Technology.

#### ***Mary Turner***

Ms. Mary Turner, is a current director, Chair of the Corporate Governance and Nominating Committee and member of each of the Audit Committee and the Technology Committee of TSG. Ms. Turner served as President and Chief Executive Officer and board member of Canadian Tire Bank, a subsidiary of Canadian Tire Corporation, from 2012 until her retirement in 2016. She has over 25 years of experience in financial services, payments, customer service, credit risk management, enterprise risk management, operations, finance and information technology at Canadian Tire. Prior to joining Canadian Tire, Ms. Turner was a partner at Deloitte & Touche (now Deloitte LLP) in Toronto from 1985 to 1992. Throughout her career, Ms. Turner has been a member of several boards of directors, including Mackenzie Financial Corporation, a subsidiary of IGM Financial Inc., where she is a member of the Fund Oversight Committee. She is currently serving on the board of directors of Canadian Tire Jumpstart Charities, where she is a member of its Audit Committee, and on the board of directors of the 2021 Canada Games Host society, where she is also a member of its Audit Committee. She also previously served on the boards of directors of YMCA Canada, where she was a member of its Governance Committee and Niagara College, where she chaired its New Member Search Committee and its Audit Committee. Ms. Turner has an honours B.Sc and is a graduate of the Chartered Director Program at McMaster University. She is a Chartered Accountant and received the FCA designation from the Ontario Institute of Chartered Accountants in 2003.

#### **Re-election of Flutter Directors**

In line with best practice principles set out in the UK Corporate Governance Code, Flutter has adopted a policy of annual re-election for all Flutter Directors. Flutter Directors seeking re-election are subject to a performance appraisal. This is an annual process for all directors under the policy of annual re-election. The Combined Group will continue to adopt this policy from Completion.

### **3. Committees of the Board**

#### **3.1 Audit Committee**

The Audit Committee is primarily responsible for ensuring the integrity of Flutter's financial reporting; internal control and risk management procedures; and reviewing the work of the internal and external auditors. Following Completion of the Combination, the Audit Committee will be responsible for the Combined Group's financial reporting; internal control and risk management procedures.

The Audit Committee is comprised of five non-executive directors all of whom have been determined by the Board to be independent. The Audit Committee currently comprises the following independent non-executive directors: Michael Cawley (Chair), Jan Bolz, Zillah Byng-Thorne, Ian Dyson, and Emer Timmons. Following Completion of the Combination, the Flutter Board will meet to determine the appropriate composition of the Audit Committee in the context of the Combined Group.

The Audit Committee carries out the duties below for Flutter, major subsidiary undertakings and the Flutter Group as a whole, as appropriate.

The Audit Committee monitors the integrity of the financial statements of Flutter, including its annual and interim reports, interim management statements, preliminary results announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain. The Audit Committee also reviews summary financial statements and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

The Audit Committee reviews and challenges where necessary:

- the consistency of, and any changes to, accounting policies both on a year-on-year basis and across the Flutter Group;
- the methods used to account for significant or unusual transactions where different approaches are possible;

- whether Flutter has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor;
- the clarity of disclosure in Flutter's financial reports and the context in which statements are made; and
- all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

The Audit Committee keeps under review the effectiveness of Flutter's internal controls and risk management systems, with the exception of bookmaking risk, which falls within the ambit of the Risk Committee. The Audit Committee also reviews and approves the statements to be included in Flutter's Annual Report and Accounts concerning internal controls and risk management, with the exception of bookmaking risk.

The Audit Committee reviews Flutter's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee ensures that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

The Audit Committee:

- monitors and reviews the effectiveness of Flutter's internal audit function in the context of Flutter's overall risk management system;
- approves the appointment and removal of the head of the internal audit function;
- considers and approves the remit of the internal audit function and ensures it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Audit Committee shall also ensure the function has adequate standing and is free from management or other restrictions;
- reviews and assesses the annual internal audit plan;
- reviews and monitors management's responsiveness to the findings and recommendations of the internal auditor and internal audit reports; and
- meets the head of internal audit at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out. The head of internal audit has the right of direct access to the members of the Audit Committee.

The Audit Committee considers and makes recommendations to the Flutter Board in relation to the appointment, re-appointment and removal of Flutter's external auditor. The Audit Committee oversees the relationship with the external auditor and meets regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage.

The Audit Committee reviews and approves the annual audit plan and ensures that it is consistent with the scope of the audit engagement. The Audit Committee also:

- reviews the findings of the audit with the external auditor;
- assesses the effectiveness of the audit process;
- reviews any representation letter(s) requested by the external auditor before they are signed by management;
- reviews the management letter and management's response to the auditor's findings and recommendations; and
- develops and implements a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter.

The Audit Committee Chair reports formally to the Flutter Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Audit Committee makes whatever recommendations to the Flutter Board it deems appropriate on any area within its remit where action or improvement is needed.

The Audit Committee is authorised to seek any information it requires from any employee of Flutter in order to perform its duties. To discharge its responsibilities effectively, the Audit Committee has unrestricted access to the Flutter Group's external auditor, KPMG, and the Company's internal audit function, with whom it meets throughout the year with, and without, management, as appropriate. In addition, the Audit Committee is authorised to obtain, at Flutter's expense, outside legal or other professional advice on any matter within its terms of reference and to call any employee to be questioned at a meeting of the Audit Committee as and when required.

### 3.2 Nomination Committee

The Nomination Committee is primarily responsible for recommending candidates to the Flutter Board for appointment as directors and ensuring that appropriate procedures are followed for all such appointments. On behalf of the Flutter Board, the Nomination Committee also continually reviews the composition and diversity of the Flutter Board and the skills and experience of each of the Flutter Directors, to ensure that the Flutter Group has a board of directors which is fit for purpose and capable of protecting and creating value for shareholders.

The Nomination Committee comprises the Chair and five independent non-executive directors. In line with best practice, at least half of the Nomination Committee is comprised of independent non-executive directors. The Nomination Committee currently comprises the following directors: Ian Dyson (Chair), Michael Cawley, Andrew Higginson, Gary McGann, Emer Timmons and Nancy Cruickshank. Following Completion, the Flutter Board will meet to determine the appropriate composition of the Nomination Committee in the context of the Combined Group.

The Nomination Committee regularly reviews the structure, size and composition (including the skills, knowledge and experience) required of the Flutter Board compared to its current position and makes recommendations to the Flutter Board with regard to any changes. The Nomination Committee gives full consideration to succession planning for directors in the course of its work, taking into account the challenges and opportunities facing Flutter, and what skills and expertise are therefore needed in the future.

The Nomination Committee is responsible for identifying and nominating for the approval of the Flutter Board, candidates to fill vacancies on the Flutter Board as and when they arise. Before making an appointment, the Nomination Committee will evaluate the balance of skills, knowledge and experience on the Flutter Board and agree the preferred profile for a particular appointment. The Nomination Committee keeps under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

The Nomination Committee keeps up to date and fully informed about strategic issues and commercial challenges affecting Flutter and the market(s) in which it operates; and ensures that, on appointment to the Flutter Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Flutter Board meetings.

The Nomination Committee also makes recommendations to the Flutter Board concerning:

- plans for succession for both executive and non-executive directors and in particular for the key roles of Chair and Chief Executive Officer;
- suitable candidates for the role of Senior Independent Director;
- membership of the Audit, Remuneration and other Flutter Board committees, in consultation with the Chairs of those committees;
- the re-appointment of any non-executive director at the conclusion of their specified term of office, having given due regard to their performance and ability to continue to contribute to the Flutter Board in the light of the knowledge, skills and experience required;
- the retirement age for directors and its application;

- the re-election by shareholders of any director under the ‘retirement by rotation’ provisions in the Articles and annual re-election under the UK Corporate Governance Code having due regard to their performance and ability to continue to contribute to the Flutter Board in the light of the knowledge, skills and experience required; and
- any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of Flutter, subject to the provisions of applicable law.

The Nomination Committee Chair reports formally to the Flutter Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Nomination Committee makes whatever recommendations to the Flutter Board it deems appropriate on any area within its remit where action or improvement is needed.

The Nomination Committee is authorised to seek any information it requires from any employee of Flutter in order to perform its duties and is authorised to obtain, at Flutter’s expense, outside legal or other professional advice on any matters within its terms of reference.

### **3.3 Remuneration Committee**

The Remuneration Committee is primarily responsible for making recommendations to the Flutter Board on remuneration policy for the Flutter Group’s executive directors and other senior executives. The Remuneration Committee is comprised of five independent non-executive directors and the Chair. In line with best practice, the Remuneration Committee is not chaired by the Chair of the Flutter Board. The Remuneration Committee currently comprises the following directors: Peter Rigby (Chair), Jan Bolz, Ian Dyson, Andrew Higginson, Gary McGann and Emer Timmons. Following Completion of the Combination, the Remuneration Committee will be responsible for making recommendations to the Flutter Board on remuneration policy for the Combined Group’s executive directors and other senior executives. Following Completion, the Flutter Board will meet to determine the appropriate composition of the Remuneration Committee in the context of the Combined Group.

The Remuneration Committee determines and agrees with the Flutter Board the framework or broad policy for the remuneration of Flutter’s Chief Executive Officer, the executive directors and such other members of the executive management team as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Flutter Board. The remuneration of the Chair of the Board shall be determined by the Flutter Board, excluding the Chair. In determining such policy, the Remuneration Committee will take into account all factors which it deems necessary. The objective of such policy is to ensure that members of the executive management of Flutter are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of Flutter.

The Remuneration Committee reviews the ongoing appropriateness and relevance of the remuneration policy and reviews the design of all share incentive plans. For any such plans, the Remuneration Committee determines each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and members of the executive management team and the performance targets to be used. The Remuneration Committee determines the policy for, and scope of, pension arrangements for each executive director and other senior executives.

Within the terms of the agreed policy, the Remuneration Committee determines the total individual remuneration package of each executive director and such other members of the executive management team as it is designated to consider including basic salary, any benefits in kind, any annual bonuses, participation in any share option or award schemes, pension rights and any compensation payments and to regularly review and monitor the potential value of new package. In determining such packages and arrangements, the Remuneration Committee shall give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the Irish Listing Rules and associated guidance.

The Remuneration Committee ensures that all provisions regarding disclosure of remuneration including pensions is clear and transparent and is exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee.

The Remuneration Committee Chair reports formally to the Flutter Board on its proceedings after each meeting on all matters within its duties and responsibilities and makes whatever recommendations to the Flutter Board it deems appropriate on any area within its remit where action or improvement is needed.

The Remuneration Committee is authorised by the Flutter Board to seek any information it requires from any employee of Flutter in order to perform its duties. In connection with its duties the Remuneration Committee is authorised by the Flutter Board to obtain, at Flutter's expense any outside legal or other professional advice within any budgetary restraints imposed by the Flutter Board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

#### **3.4 Risk Committee**

The Risk Committee is responsible for reviewing the reputational impact of the Flutter Group's activities and how these are being managed; the Flutter Group's responsible gambling strategy and objectives; the Flutter Group's corporate social responsibility strategy and objectives; the Flutter Group's risk management activities for assurance that these are appropriate and in line with the risk appetite of the Flutter Group; and the Flutter Group Risk Register (together with the Audit Committee). The Risk Committee also sets overall policy for betting risk. Limits are agreed with the Risk Committee and set annually but are subject to review by the Risk Committee at any time.

The Risk Committee currently comprises the following persons: Zillah Byng-Thorne (Chair), Michael Cawley, Gary McGann, Peter Rigby and Nancy Cruickshank. Following Completion of the Combination, the Flutter Board will meet to determine the appropriate composition of the Risk Committee in the context of the Combined Group.

#### **3.5 Additional committees**

If the need should arise, the Flutter Board may establish such additional committees as are deemed appropriate from time to time.

### **4. Roles and responsibilities of the Chair of the Flutter Board**

The Chair is responsible for the leadership of the Flutter Board, ensuring its continued effectiveness in carrying out its duties and setting its agenda. The Chair is also responsible for ensuring that all directors receive accurate, timely and clear information. He facilitates the effective contribution of his non-executive colleagues, encourages openness, debate and challenge at Flutter Board meetings, and ensures constructive relationships exist between executive and non-executive directors.

The Chair is the guarantor of effective communications with shareholders and ensures that the Flutter Board is kept aware of the views of Flutter Shareholders. The Chair also meets with the non-executive directors independently of the executive directors. The Chair meets regularly with the Chief Executive Officer to discuss all aspects of the business's performance and, on an occasional basis, meets with other senior members of the management team.

### **5. Roles and responsibilities of the Senior Independent Director**

The Senior Independent Director is available to shareholders who have concerns that cannot be addressed through the Chair, Chief Executive Officer or Chief Financial Officer.

### **6. Company Secretary**

The appointment and removal of the Company Secretary is a matter for the Flutter Board. All directors have access to the advice and services of the Company Secretary, who is responsible to the Flutter Board for ensuring that board procedures are complied with. The Company Secretary ensures that Flutter Board members receive appropriate induction and ongoing training and development to enable them to discharge their duties. The Company Secretary is also responsible for advising the Flutter Board on all corporate governance matters.

The Company Secretary is Edward Traynor. Edward was appointed as general counsel and Company Secretary of Flutter in May 2015. A solicitor, Edward was previously a director and head of legal and regulatory of Vodafone Ireland. Prior to that, Edward was in private practice with Eugene F. Collins and McCann FitzGerald.

### **7. Corporate governance**

Flutter is, and will be governed according to its Articles and the applicable laws of Ireland and the applicable rules and regulations of the relevant regulatory bodies to which it is subject. The Flutter Board is a single-tier board and is responsible for the proper management of Flutter. The Flutter Board is committed to maintaining high standards

of corporate governance and to continually reviewing current practice in the context of evolving best-practice. Flutter applies and will continue to apply the 2018 UK Corporate Governance Code and the Irish Corporate Governance Annex which sets out principles of good governance and a code of best practice.

## 8. Confirmations

None of the Flutter Directors, the Proposed Directors or the Company Secretary has, during the five years prior to the date of this Prospectus been:

- (a) convicted in relation to a fraudulent offence;
- (b) associated with any bankruptcy, receivership, liquidation or company put into examinership or administration while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company;
- (c) subject to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
- (d) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any company.

## 9. Conflicts of interest

None of the Flutter Directors, the Proposed Directors or the Company Secretary has any actual or potential conflicts of interest between their duties to Flutter or TSG (as the case may be) and the private interests and/or other duties he/she may also have.

No Flutter Director or Proposed Director was selected to be a director of Flutter or TSG pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with the Flutter Group or the TSG Group.

The Company Secretary was not selected as a member of the administrative, management or supervisory bodies or member of senior management of Flutter pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with Flutter or TSG.

In connection with his appointment as a non-executive director of Flutter following completion of the Combination, Rafael (Rafi) Ashkenazi has undertaken that, subject to certain exceptions, for as long as he remains a director of Flutter he will not transfer any Ordinary Shares that he acquires as a result of the Combination (by virtue of his holding of TSG Shares) or that he acquires following completion of the Combination upon the exercise of any TSG Options or the settlement of any TSG PSUs.

Save as set out above, no other restrictions have been agreed to by any Flutter Director, Proposed Director or the Company Secretary on the disposal within a certain period of time of his holding of Ordinary Shares (if any).

There are no family relationships between any of the Flutter Directors, or the Proposed Directors.

## 10. Directorships and partnerships

Save as set out below, the Flutter Directors have not held any directorships of any company, other than those companies which are subsidiaries of Flutter or an issuer identified below, or been a partner in a partnership at any time in the five years prior to the date of this Prospectus:

Director	Current directorships/partnerships	Former directorships/partnerships
Gary McGann .....	Aon Investment Holdings Ireland Limited ARYZTA AG Barnardos - Republic of Ireland Company Limited by Guarantee Crest Asset Management Limited Kanical Limited	Green REIT Public Limited Company IBEC Company Limited by Guarantee Smurfit Kappa Group Public Limited Company

<b>Director</b>	<b>Current directorships/partnerships</b>	<b>Former directorships/partnerships</b>
	Sicon Limited The Ireland Funds	Multi Packaging Solutions International Limited Social Entrepreneurs Ireland Company Limited by Guarantee
Ian Dyson .....	ASOS plc InterContinental Hotels Group plc Fan Duel Group, Inc. SSP Group plc	Punch Taverns Limited
Peter Jackson .....	Aire Labs Ltd	Carbuyers Limited BMB Battersea LLP Redux Laboratories LLP Santander UK Group Holdings plc Travelex Holdings Limited Worldpay (UK) Limited
Jonathan Hill.....	N/A	Saga plc
Jan Bolz.....	Digital Transformation GmbH IOI Capital GmbH	N/A
Zillah Byng-Thorne .....	Byng & McKenzie Consultants Limited Etihad Topco Limited Future plc Goco Group plc Maxza Enterprises Limited Professional Publishers Association Ltd The Hut Group Limited The Surelight Project Limited	Mecom Group plc One Rebel Limited Trainline Investments Holdings Limited
Michael Cawley.....	Clancourt Holdings Limited Fáilte Ireland Limited Flybondi Limited GMS Professional Imaging Limited Gowan Group Limited Hostelworld Group plc Kingspan Group Public Limited Company Linked Finance Limited Mazine Limited Prepaypower Holdings Limited Ryanair Holdings Public Limited Company	N/A
Nancy Cruickshank .....	Bango plc Nancy Cruickshank Limited OnMobile Global Limited	Carlsberg A/S Connock (London) Limited Myshowcase Limited Telecity Group Limited Sharing Economy UK Limited
Andrew Higginson .....	Clearwater Corporate Finance LLP Cornthwaite Seven Limited Evergreen Garden Care Limited	Bliss Topco Limited N Brown Group plc The McCurrach Group Limited TMGL Investments Limited

<b>Director</b>	<b>Current directorships/partnerships</b>	<b>Former directorships/partnerships</b>
	Goalcrave Limited Loch Lomond Golf Club Limited WM Morrisons Supermarkets plc Woolworths Holdings Limited YourParkingSpace Limited	VDC Trading Limited
Peter Rigby .....	Lock Topco Limited (t/a MVF) MA Agriculture limited Mark Allen Holdings Limited (Mark Allen Group) Populous Limited (Populous London Holdings Board) Riverbird LLP The Rigby Partnership Limited The Rigby Staff Trustee Limited Tiger Acquisitions (Jersey) Limited Waterloo Street BPRA Property Fund LLP	Capital Economics Research Limited Comete Holding SAS (Comexposium)
Emer Timmons .....	ET Solutions Limited Leaders as Change Agents	Brightstar Corporation Limited

Save as set out below, the Proposed Directors have not held any directorships of any company, other than those companies which are subsidiaries of TSG or an issuer identified below, or been a partner in a partnership at any time in the five years prior to the date of this Prospectus:

<b>Director</b>	<b>Current directorships/partnerships</b>	<b>Former directorships/partnerships</b>
Divyesh (Dave) Gadhia .....	N/A	Gateway Casinos & Entertainment Limited Canadian Gaming Association Trian Equities
Rafael (Rafi) Ashkenazi .....	N/A	Playtech plc
Richard Flint.....	Butternut Box	Sky Betting & Gaming
Alfred F. Hurley, Jr.	New Mountain Finance Corporation Merrill Corporation Ligado Networks Corporation TSI Holdings Purefield Ingredients	Emigrant Bank and Emigrant Bancorp
David Lazzarato	Hamilton Health Sciences	Yellow Pages Limited LED Roadway Lighting Trillium Heath Care Foundation Motion Picture Distribution McMaster University Board of Governors Council of Chairs of Ontario Universities
Mary Turner	Canadian Tire Jumpstart Charities Mackenzie Financial Corporation 2021 Canada Games Host Society	Canadian Tire Bank YMCA Canada Niagara College

Save as set out below, the Company Secretary has not held any directorships of any company, other than those companies which are subsidiaries of Flutter or an issuer identified below, or been a partner in a partnership at any time in the five years prior to the date of this Prospectus:

<b>Secretary</b>	<b>Current directorships/partnerships</b>	<b>Former directorships/partnerships</b>
Edward Traynor.....	N/A	Ozteach Limited Stentor Limited Fónua Limited Cable & Wireless Gn Limited Vodafone Global Network Limited Vodafone Enterprise Global Limited Vodafone Ireland Limited Vodafone Ireland Marketing Limited

## PART IV: FINANCIAL INFORMATION

### Section A: Financial information of Flutter

The audited consolidated financial statements of Flutter for the year ended 31 December 2019, as set out in the Flutter 2019 Annual Report and Accounts are incorporated by reference into this Prospectus.

The Flutter 2019 Financial Statements have been audited in accordance with International Standards on Auditing (Ireland) (the “**International Standards on Auditing**”) and applicable law.

The information set forth below is only a summary that should be read together with the audited consolidated financial statements of Flutter and the related notes thereto. Historical results are not necessarily indicative of any results to be expected in the future.

#### **Summarised consolidated income statement of Flutter**

	<b>Financial year ended 31 December</b>	
	<b>2019</b> £'m (except per share amounts)	<b>2018</b> £'m (except per share amounts)
<i>Continuing operations</i>		
<b>Revenue</b>	2,140.0	1,873.4
Cost of sales	(650.2)	(469.9)
<b>Gross profit</b>	<b>1,489.8</b>	<b>1,403.5</b>
Operating costs excluding depreciation, amortisation and impairment	(1,082.0)	(980.5)
<b>EBITDA<sup>(1)</sup></b>	<b>407.8</b>	<b>423.0</b>
Depreciation and amortisation	(257.9)	(191.2)
Impairment	-	(27.2)
<b>Group operating profit/(loss)</b>	<b>149.9</b>	<b>204.6</b>
Financial income	1.0	21.6
Financial expense	(15.2)	(7.5)
<b>Profit/(loss) before tax</b>	<b>135.7</b>	<b>218.7</b>
Tax expense	(23.8)	(38.0)
<b>Profit/(loss) for the year</b>	<b>111.9</b>	<b>180.7</b>
<b>Earnings per share</b>		
Basic	£1.832	£2.417
Diluted	£1.822	£2.404

#### Notes:

- <sup>(1)</sup> EBITDA is defined as profit for the year before depreciation, amortisation and impairment, financial income, financial expense and tax expense/credit. It is considered by the Flutter Directors to be a key measure of the Flutter Group’s financial performance. Note as a result of the adoption of IFRS 16 Leases from 1 January 2019, under the modified retrospective approach, the rent expense which in 2018 was reflected in operating costs excluding depreciation, amortisation and impairment, is no longer recorded as an expense in 2019 but is replaced by a depreciation charge and finance expense which are recorded after EBITDA. There is no restatement of comparative information. See Note 2 to the Flutter 2019 Financial Statements for further detail on the impact of IFRS 16.

**Summarised consolidated statement of financial position of Flutter**

	<b>Financial year ended 31 December</b>	
	<b>2019</b> £'m	<b>2018</b> £'m
Total non-current assets	5,039.4	4,805.8
Total current assets	361.8	372.7
<b>Total assets</b>	<b>5,401.2</b>	<b>5,178.5</b>
<b>Total equity</b>	<b>4,189.6</b>	<b>4,211.3</b>
Total current liabilities	885.5	578.4
Total non-current liabilities	326.1	388.8
<b>Total liabilities</b>	<b>1,211.6</b>	<b>967.2</b>
<b>Total equity and liabilities</b>	<b>5,401.2</b>	<b>5,178.5</b>

**Summarised consolidated statement of cash flows of Flutter**

	<b>Financial year ended 31 December</b>	
	<b>2019</b> £'m	<b>2018</b> £'m
<b>Net cash from operating activities</b>	<b>419.4</b>	<b>330.4</b>
<b>Net cash used in investing activities</b>	<b>(234.2)</b>	<b>(74.3)</b>
<b>Net cash used in financing activities</b>	<b>(205.9)</b>	<b>(436.5)</b>
Net (decrease)/increase in cash and cash equivalents	(20.7)	(180.4)
Cash and cash equivalents at start of year/period	123.7	306.6
Foreign currency exchange gain/(loss) on cash and cash equivalents	0.1	(2.5)
<b>Net Cash and cash equivalents at end of year/period</b>	<b>103.1</b>	<b>123.7</b>
Bank Overdraft	5.0	-
<b>Cash and cash equivalents at end of year/period</b>	<b>108.1</b>	<b>123.7</b>

## **Section B: Financial information of TSG**

The audited and consolidated financial statements of TSG for the year ended 31 December 2019, as set out in the TSG 2019 Financial Statements are incorporated by reference into this Prospectus.

The TSG 2019 Financial Statements have been audited in accordance with the audit standards of the Public Company Accounting Oversight Board (United States) (the “**PCAOB**”). These standards require that TSG’s auditors plan and perform the audit to obtain reasonable assurance about whether TSG’s financial statements are free of material misstatement, whether due to error or fraud. In 2019, TSG’s auditor’s audit included performing procedures to assess the risks of material misstatement of its financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. TSG’s auditor’s audit also included evaluating the accounting principles used and significant estimates made by TSG management, as well as evaluating the overall presentation of the financial statements.

PCAOB auditing standards require TSG’s auditors to carry out additional audit procedures in excess of those required under International Standards on Auditing. In particular, PCAOB auditing standards contain additional requirements over and above those required under International Standards on Auditing in relation to:

- risk assessment;
- communications with Those Charged with Governance (as defined in the PCAOB audit standards);
- documentation requirements;
- confirmation letters;
- use of an auditor’s expert; and
- procedures to be performed over the design and implementation of controls on a company’s internal control over financial reporting.

The information set forth below is only a summary that should be read together with the audited consolidated financial statements of TSG and the related notes thereto. Historical results are not necessarily indicative of any results to be expected in the future.

**Summarised consolidated statements of earnings/(loss) of TSG**

	<b>Financial year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	\$'000 (except per share amounts)	\$'000 (except per share amounts)
<b>Revenue</b>		
Cost of revenue (excluding depreciation and amortisation)	2,528,448	2,029,238
	(693,062)	(459,164)
<b>Gross profit (excluding depreciation and amortisation)</b>	<b>1,835,386</b>	<b>1,570,074</b>
General and administrative <sup>(1)</sup>	(1,155,440)	(976,992)
Sales and marketing	(360,662)	(292,963)
Research and development	(55,085)	(39,995)
<b>Operating income</b>	<b>264,199</b>	<b>(260,124)</b>
 <b>Net financing charges<sup>(1)</sup></b>	 <b>(202,534)</b>	 <b>(371,086)</b>
Net earnings/(loss) from associates	-	1,068
<b>Earnings/(loss) before income taxes</b>	<b>61,665</b>	<b>(109,894)</b>
Income tax recovery/(expense)	197	988
<b>Net/earnings/(loss)</b>	<b>61,862</b>	<b>(108,906)</b>
 <b>Net/earnings/(loss) attributable to:</b>		
Shareholders of The Stars Group Inc.	62,822	(102,452)
Non-controlling interest	(960)	(6,454)
<b>Net/(loss) earnings</b>	<b>61,862</b>	<b>(108,906)</b>
 <b>Earnings/(loss) per Common Share (US dollars)</b>		
Basic	\$0.22	\$(0.49)
Diluted	\$0.22	\$(0.49)

Notes:

<sup>(1)</sup> TSG has reclassified a loss of \$7.2 million for the year ended 31 December 2018 related to the foreign currency translation of financial instruments with respect to financing activities, primarily intercompany loans. The loss was previously reported within general and administrative expenses and was reclassified to net financing charges relating to unrealized foreign exchange loss on financial instruments associated with financing activities.

**Summarised consolidated statements of financial position of TSG**

	<b>Financial year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
Total non-current assets	10,298,143	10,224,113
Total current assets	977,639	1,041,425
<b>Total assets</b>	<b>11,275,782</b>	<b>11,265,538</b>
<b>Total equity</b>	<b>4,519,443</b>	<b>4,153,400</b>
Total current liabilities	1,150,894	1,011,974
Total non-current liabilities	5,605,445	6,100,164
<b>Total liabilities</b>	<b>6,756,339</b>	<b>7,112,138</b>
<b>Total equity and liabilities</b>	<b>11,275,782</b>	<b>11,265,538</b>

**Summarised consolidated statements of cash flows of TSG**

	<b>Financial year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	\$'000	\$'000
<b>Net cash inflows from operating activities</b>	<b>670,634</b>	<b>559,844</b>
<b>Net cash outflows from investing activities</b>	<b>(139,784)</b>	<b>(1,934,173)</b>
<b>Net cash (outflows)/inflows from financing activities</b>	<b>(636,885)</b>	<b>1,592,579</b>
(Decrease)/increase in cash and cash equivalents	(106,035)	218,250
Cash and cash equivalents at beginning of year/period	721,076	510,323
Unrealised foreign exchange difference on cash and cash equivalents	6,883	(7,497)
<b>Cash and cash equivalents at end of year/period</b>	<b>621,924</b>	<b>721,076</b>

## PART V: UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE COMBINED GROUP

### Section A: Unaudited pro forma financial information

#### Unaudited pro forma financial information relating to the Combined Group

Set out below is the consolidated pro forma income statement of the Combined Group for the year ended 31 December 2019 and the consolidated pro forma statement of net assets of the Combined Group as at 31 December 2019 (the “**pro forma financial information**”). The pro forma financial information is unaudited.

The unaudited consolidated pro forma income statement of the Combined Group has been prepared to illustrate the effect of the Combination on the earnings of Flutter as if the Combination had taken place on 1 January 2019.

The unaudited consolidated pro forma statement of net assets of the Combined Group has been prepared to illustrate the effect of the Combination on the consolidated net assets of Flutter as at 31 December 2019 as if the Combination had taken place on that date.

The pro forma financial information has been prepared on the basis set out in the notes below and is based on the audited income statement and statement of financial position of Flutter for the year ended 31 December 2019 and the audited statement of earnings (loss) and statement of financial position of TSG for the year ended 31 December 2019.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent Flutter’s actual financial position or results. In addition, the unaudited pro forma consolidated income statement set out below does not reflect any expected cost savings or other synergies which the Combined Group expect to realise following Completion.

The pro forma financial information has been prepared in accordance with the requirements of paragraphs 1 to 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980 and has been prepared in a manner consistent with the accounting policies of Flutter for the financial year ended 31 December 2019.

Shareholders should read the whole of this document and not rely solely on the pro forma financial information contained in this Part V (*Unaudited Pro Forma Financial Information of the Combined Group*).

KPMG’s report on the unaudited pro forma financial information is set out in Section B (*Accountant’s report on the unaudited pro forma financial information*) of this Part V.

**Unaudited pro forma income statement of the Combined Group for the year ended 31 December 2019**

	Income statement of Flutter for the year ended 31 December 2019	Income statement of TSG for the year ended 31 December 2019	Income statement of TSG for the year ended 31 December 2019	Pro forma adjustments	Pro forma income statement for Flutter for the year ended 31 December 2019 as if Completion had occurred
	£'m Note 1	\$'m Note 2	£'m Note 2	£'m Note 3	£'m
Revenue.....	2,140.0	2,528.5	1,980.3	-	4,120.3
Cost of sales .....	(650.2)	(693.1)	(542.8)	-	(1,193.0)
<b>Gross profit.....</b>	<b>1,489.8</b>	<b>1,835.4</b>	<b>1,437.5</b>	<b>-</b>	<b>2,927.3</b>
Operating costs.....	(1,339.9)	(1,571.2)	(1,230.6)	(58.3)	(2,628.7)
Operating profit .....	149.9	264.2	206.9	(58.3)	298.5
Finance income/(expense) (net) ..	(14.2)	(202.5)	(158.6)	-	(172.8)
<b>Profit before tax.....</b>	<b>135.7</b>	<b>61.7</b>	<b>48.3</b>	<b>(58.3)</b>	<b>125.7</b>
Income tax (expense)/credit .....	(23.8)	0.2	0.2	-	(23.6)
<b>Profit for the year .....</b>	<b>111.9</b>	<b>61.9</b>	<b>48.5</b>	<b>(58.3)</b>	<b>102.1</b>

**Notes to the unaudited pro forma statement of comprehensive income of the Combined Group**

1. The consolidated financial information relating to Flutter has been extracted without adjustment from the audited consolidated income statement of Flutter for the year ended 31 December 2019 as contained in the Flutter 2019 Financial Statements.
2. The consolidated financial information relating to TSG has been extracted without adjustment from the audited consolidated statement of earnings/(loss) of TSG for the year ended 31 December 2019 as contained in the TSG 2019 Financial Statements and converted to pounds sterling at \$1.2768:£1, being the annual average \$:£ exchange rate over 2019 as derived from €:\$ and €:£ foreign exchange rates published by the European Central Bank.
3. Transaction costs, principally comprising financial advisory, legal/anti-trust, accounting, admission and other costs, have been estimated at £84.0 million, of which £25.7 million had been expensed in 2019. The adjustment to the income statement is related to the transaction costs of £58.3 million that have not been recorded in either Flutter's financial information for the year ended 31 December 2019 or in TSG's financial information for the year ended 31 December 2019. No tax benefit has been assumed for the transaction costs. This adjustment does not have a continuing impact on the Combined Group.
4. Certain figures contained in this table have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row.

**Unaudited pro forma statement of net assets of the Combined Group as at 31 December 2019**

	Net asset statement of Flutter as at 31 December 2019	Net asset statement of TSG as at 31 December 2019	Net asset statement of TSG as at 31 December 2019	<u>Pro forma adjustments</u>		Pro Forma statement of net assets of Flutter as at 31 December 2019 as if Completion had occurred			
				Costs of transaction	Goodwill				
				£'m Note 1	£'m Note 2	£'m Note 2	£'m Note 3	£'m Note 4	£'m
<b>Assets</b>									
<b>Non-current assets</b>									
Property plant and equipment..	298.2	139.2	105.4	-	-	403.6			
Intangible assets .....	558.5	4,550.2	3,446.1	-	-	4,004.6			
Goodwill.....	4,120.3	5,349.0	4,051.0	-	2,621.0	10,792.3			
Other.....	62.4	259.8	196.7	-	-	259.1			
<b>Total non-current assets .....</b>	<b>5,039.4</b>	<b>10,298.2</b>	<b>7,799.2</b>	-	<b>2,621.0</b>	<b>15,459.6</b>			
<b>Current assets</b>									
Trade and other receivables.....	64.6	240.3	182.0	-	-	246.6			
Financial assets – restricted cash.....	189.1	307.3	232.7	-	-	421.8			
Current investments – customer deposits .....	-	109.0	82.6	-	-	82.6			
Cash and cash equivalents.....	108.1	321.0	243.1	(58.3)	-	292.9			
<b>Total current assets .....</b>	<b>361.8</b>	<b>977.6</b>	<b>740.4</b>	<b>(58.3)</b>	-	<b>1,043.9</b>			
<b>Total assets .....</b>	<b>5,401.2</b>	<b>11,275.8</b>	<b>8,539.6</b>	<b>(58.3)</b>	<b>2,621.0</b>	<b>16,503.5</b>			
<b>Current liabilities</b>									
Trade and other payables.....	548.8	972.2	736.3	-	-	1,285.1			
Derivative financial liabilities .	20.4	17.6	13.3	-	-	33.7			
Provisions.....	2.9	64.9	49.1	-	-	52.0			
Current tax payable .....	20.0	40.8	30.9	-	-	50.9			
Lease liabilities.....	38.4	19.6	14.8	-	-	53.2			
Borrowings.....	255.0	35.8	27.1	-	-	282.1			
<b>Total current liabilities .....</b>	<b>885.5</b>	<b>1,150.9</b>	<b>871.6</b>	-	-	<b>1,757.1</b>			
<b>Non-current liabilities</b>									
Trade and other payables.....	11.5	1.8	1.4	-	-	12.9			
Derivative financial liabilities .	0.7	95.9	72.6	-	-	73.3			
Provisions.....	1.1	2.9	2.2	-	-	3.3			
Current tax payable .....	-	21.6	16.4	-	-	16.4			
Lease liabilities .....	132.1	35.7	27.0	-	-	159.1			
Borrowings.....	115.7	4,895.4	3,707.5	-	-	3,823.2			
Deferred income taxes .....	65.0	552.1	418.1	-	-	483.1			
<b>Total non-current liabilities..</b>	<b>326.1</b>	<b>5,605.4</b>	<b>4,245.2</b>	-	-	<b>4,571.3</b>			
<b>Total liabilities .....</b>	<b>1,211.6</b>	<b>6,756.3</b>	<b>5,116.8</b>	-	-	<b>6,328.4</b>			
<b>Net assets/(liabilities).....</b>	<b>4,189.6</b>	<b>4,519.5</b>	<b>3,422.8</b>	<b>(58.3)</b>	<b>2,621.0</b>	<b>10,175.1</b>			

**Notes to the unaudited pro forma statement of net assets of the Combined Group:**

1. The consolidated financial information relating to Flutter has been extracted without adjustment from the audited consolidated statement of financial position of Flutter as at 31 December 2019 as contained in the Flutter 2019 Financial Statements.

2. The consolidated financial information relating to TSG has been extracted without adjustment from the audited consolidated statement of financial position of TSG as at 31 December 2019 as published in the TSG 2019 Financial Statements and converted to pounds sterling at \$1.3204:£1, being the mid-spot \$:£ exchange rate as at 31 December 2019 as derived from €:\$ and €:£ foreign exchange rates published by the European Central Bank.
3. Transaction costs, principally comprising financial advisory, legal/anti-trust, accounting, admission and other costs, have been estimated at £84.0 million, of which £25.7 million had been expensed in 2019.
4. The unaudited pro forma statement of net assets has been prepared on the basis that the Combination will be treated as an acquisition of TSG by Flutter in accordance with IFRS 3 *Business Combinations* as though completion of the Combination occurred on 31 December 2019. The pro forma statement of net assets does not reflect any fair value adjustments to the acquired assets and liabilities required under IFRS 3 as the fair value measurement of these items can only be performed subsequent to completion of the Combination.

For the purposes of the pro forma statement of net assets, the excess purchase consideration over the carrying amount of the net assets acquired, in each case calculated as at 31 December 2019, has been attributed to goodwill and no pro forma impairment charge has been applied to the goodwill balance in the period presented. Following completion of the Combination, any fair value adjustments will be calculated by reference to applicable values at the Effective Date. When finalised following the completion of the Combination, the fair value adjustments may be material. The pro forma goodwill arising as though completion of the Combination occurred on 31 December 2019 has been calculated as follows:

	£'m
Share consideration <sup>(1)</sup> .....	6,043.8
Less carrying amount of net assets acquired .....	(3,422.8)
<b>Goodwill (before measurement of the net assets acquired and liabilities at their fair value).....</b>	<b>2,621.0</b>

Notes:

- <sup>(1)</sup> The estimated consideration of £6,043.8 million comprises the value of newly issued Ordinary Shares plus the portion of replacement TSG Options and TSG Equity Awards that are unvested and is determined as follows:

	£'m (except for per share amounts)
Number of TSG Common Shares outstanding as at 31 December 2019, extracted without adjustment from the TSG 2019 Financial Statements	288,564,432
Exchange ratio	0.2253
Total number of newly-issued Flutter Ordinary Shares	65,013,567
Closing price of Flutter Ordinary Shares at 31 December 2019	£92.24
Value of newly-issued Flutter Ordinary Shares	5,996.9
Assumption of unvested employee incentive awards	46.9
<b>Estimated consideration</b>	<b>6,043.8</b>

5. Certain figures contained in the tables above have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row.

## **Section B: Accountant's report on the unaudited pro forma financial information**



**KPMG**  
**Chartered Accountants**  
Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

The Directors and the Proposed Directors  
Flutter Entertainment plc  
Belfield Office Park  
Beech Hill Road  
Dublin 4

27 March 2019

Dear Sir or Madam:

### **Flutter Entertainment plc**

We report on the pro forma financial information (the “**pro forma financial information**”) set out in Part V (*Unaudited Pro Forma Financial Information of the Combined Group*) of the Company’s prospectus dated 27 March 2020 which has been prepared on the basis described in the notes thereto, for illustrative purposes only, to provide information about how the proposed acquisition of The Stars Group Inc. by Flutter Entertainment plc (the “**Company**”) (the “**Combination**”) might have affected the financial position of the Company as if the Combination had completed on 1 January 2019, presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2019. This report is required by paragraph 11.5 of Annex 3 and Section 3 of Annex 20 to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Commission Regulation (EU) 2017/1129 (“**Commission Delegated Regulation (EU) 2019/980**”) and is given for the purpose of complying with those paragraphs and for no other purpose.

### **Responsibilities**

It is the responsibility of the directors of the Company to prepare the pro forma financial information in accordance with Annex 20 to Commission Delegated Regulation (EU) 2019/980.

It is our responsibility to form an opinion, as required by section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980 as to the proper compilation of the pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any liability arising under section 1349(2) of the Companies Act 2014 to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 1.3 of Annex 3 to Commission Delegated Regulation (EU) 2019/980, consenting to its inclusion in the Prospectus.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board of the United Kingdom and Ireland. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted

primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside Ireland and the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion:

- a) the pro forma financial information has been properly compiled on the basis stated; and
- b) such basis is consistent with the accounting policies of the Company.

### **Declaration**

We are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and this report contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex 3 of Commission Delegated Regulation (EU) 2019/980.

Yours faithfully

KPMG  
*Chartered Accountants*  
Dublin, Ireland

## PART VI: TAXATION

The following sections of this Prospectus generally summarise the material Irish, UK, Canadian and US tax consequences of owning and disposing of Ordinary Shares. The tax legislation of an investor's EU Member State of residence (or, in the case of an investor who is not tax resident in an EU Member State, that investor's third country jurisdiction of tax residence) and of the Company's jurisdiction of incorporation may have an impact on the income received from the Ordinary Shares. The following summaries are based on the law in force on the date of this Prospectus and are subject to change. Such changes may apply retrospectively and could affect the treatment and consequences described below. Investors are advised to consult their professional advisers on their tax position before taking any action with respect to Ordinary Shares.

### Section A: Irish taxation

*The following comments do not constitute tax advice and are intended only as a guide to Irish law and Revenue Commissioners' practice in Ireland as at the date of this Prospectus. The comments relate only to certain limited aspects of the possible Irish taxation treatment of Flutter Shareholders and are intended to apply only to Flutter Shareholders who are the absolute beneficial owners of their Ordinary Shares, and who hold, and will hold, them as investments (and not as securities to be realised in the course of a trade). The comments may not apply to certain Flutter Shareholders, such as dealers in securities, close companies, insurance companies and collective investment schemes, Flutter Shareholders who are exempt from taxation and Flutter Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules. This section is not intended to be, and should not be construed to be, legal or taxation advice to any particular Flutter Shareholder. All Flutter Shareholders are advised to consult their professional advisors on their tax position, based on their own particular circumstances, before taking any action in respect of the Ordinary Shares.*

#### 1. Taxation of dividends

##### 1.1 Irish tax resident individuals (i.e. an individual who is resident or ordinarily resident in Ireland for tax purposes) and Irish tax resident companies

###### Individual shareholders within the charge to Irish income tax

###### (a) Standard rate taxpayers

In the case of a Flutter Shareholder who is liable to income tax at the standard rate only, the Flutter Shareholder will be subject to Irish income tax on the gross dividend at the rate of 20% (plus Universal Social Charge ("USC") and pay-related social insurance ("PRSI"), if applicable).

###### (b) Higher rate taxpayers

In the case of a Flutter Shareholder who is liable to income tax at the higher rate of income tax, the Flutter Shareholder will be subject to Irish income tax on the gross dividend at the rate of 40% (plus USC and PRSI, if applicable).

###### (c) Credit for tax withheld

Individual Flutter Shareholders within the charge to Irish income tax may be entitled to a credit against their income tax liability for any amount of dividend withholding tax ("DWT") withheld by Flutter. Further details on when DWT will apply and exemptions available are set out in paragraph 2 (*Dividend withholding tax*) of this Part VI (*Taxation*). Where the amount of tax withheld exceeds that Flutter Shareholder's Irish income tax liability a refund of the balance may be claimed from the Revenue Commissioners when filing a tax return for the relevant tax year.

###### Corporate shareholders within the charge to Irish corporation tax

Irish tax resident corporate Flutter Shareholders who beneficially hold their Ordinary Shares in Flutter as investments and not as trading stock should not be subject to Irish corporation tax on dividends received in respect of their Ordinary Shares, as dividend income from the Ordinary Shares should be 'franked investment income' not chargeable to corporation tax pursuant to section 129 of the Taxes Consolidation Act 1997 of Ireland (the "TCA").

**1.2 Non-Irish tax resident individuals (i.e. an individual who is not resident or ordinarily resident in Ireland for tax purposes) and non-Irish tax resident companies not within the charge to Irish corporation tax**

Where a non-Irish tax resident individual (i.e. an individual who is not resident or ordinarily resident in Ireland for tax purposes), or non-Irish corporate Flutter Shareholder correctly receives dividends in respect of the Ordinary Shares free from Irish DWT (as described below) then those Flutter Shareholders have no further liability to Irish income tax (or, in general, USC or PRSI for individuals) in respect of those dividends on the Ordinary Shares.

However, where a non-Irish tax resident individual (i.e. an individual who is not resident or ordinarily resident in Ireland for tax purposes) or non-Irish corporate Flutter Shareholder suffered DWT or ought to have suffered DWT on dividends paid in respect of the Ordinary Shares then such Flutter Shareholders may be liable to income tax (plus USC and PRSI, if applicable) in Ireland on those dividends, with a credit given for the DWT withheld. Where the liability is less than the DWT withheld, the Flutter Shareholder may be entitled to a refund of the excess over the actual liability to Irish tax.

**2. Dividend withholding tax**

DWT at the standard rate of income tax (currently 25%) must be deducted from dividends paid by Flutter unless a shareholder is entitled to an exemption and has submitted a properly completed declaration providing for exemption to Flutter's Registrar.

**2.1 Irish tax resident individuals (i.e. an individual who is resident or ordinarily resident in Ireland for tax purposes) and Irish tax resident companies**

For an individual Flutter Shareholder tax resident, or ordinarily tax resident, in Ireland, no exemption from DWT is generally available and DWT currently at 25% (with effect from 1 January 2020) will be deducted from dividend payments in respect of the Ordinary Shares.

Flutter Shareholders who suffer DWT may however be entitled to a credit against their income tax liability for this tax withheld by Flutter, as set out above.

Certain Irish companies, trusts, pension schemes, investment undertakings and charities may be entitled to claim an exemption from DWT where they have submitted a properly completed declaration providing for exemption to Flutter's Registrar. Copies of the DWT exemption forms may be obtained from Flutter's Registrar.

**2.2 Non-Irish tax resident individuals (i.e. an individual who is not resident or ordinarily resident in Ireland for tax purposes) and non-Irish tax resident companies**

Certain classes of non-Irish tax resident Flutter Shareholders may also be entitled to claim exemption from DWT where they have submitted a properly completed declaration providing for exemption to Flutter's Registrar.

Such Flutter Shareholders would include:

- (a) an individual Flutter Shareholder (not being a company) who is neither resident nor ordinarily resident in Ireland and who is resident for tax purposes in a Relevant Territory;
- (b) a corporate Flutter Shareholder which is not resident for tax purposes in Ireland and which is resident for tax purposes in a Relevant Territory provided that the corporate Flutter Shareholder is not under the control, whether directly or indirectly, of a person or persons who is or are resident in Ireland;
- (c) a corporate Flutter Shareholder which is not resident for tax purposes in Ireland and which is ultimately controlled, directly or indirectly, by persons resident in a Relevant Territory;
- (d) a corporate Flutter Shareholder which is not resident for tax purposes in Ireland and whose principal class of Ordinary Shares (or those of its 75% parent) is substantially and regularly traded on a recognised stock exchange either in a Relevant Territory, Ireland or on such other stock exchange approved by the Minister for Finance; or
- (e) a corporate Flutter Shareholder which is not resident for tax purposes in Ireland and is wholly-owned, directly or indirectly, by two or more companies where the principal class of shares of each of such

companies is substantially and regularly traded on a recognised stock exchange in a Relevant Territory, Ireland or on such other stock exchange approved by the Minister for Finance.

In this context, Relevant Territory means (i) a Member State of the European Union (other than Ireland) or (ii) a country with which Ireland has a tax treaty in force by virtue of section 826(1) TCA or (iii) a country with which Ireland has a tax treaty that is signed and which will come into force once all the ratification procedures set out in section 826(1) TCA have been completed

Flutter Shareholders should note that DWT will be deducted in cases where a properly completed DWT exemption form has not been received before the next dividend is declared and paid on the Ordinary Shares. Where a non-Irish tax resident person suffers DWT on a distribution which would not have been deducted had Flutter received a properly completed DWT declaration from that person, then that person should be entitled to receive a refund of the full amount of the DWT deducted on application to the Irish Revenue Commissioners.

### **3. Capital gains tax on a subsequent disposal of the Ordinary Shares**

#### **3.1 Irish tax resident individuals (i.e. an individual who is resident or ordinarily resident in Ireland for tax purposes) and Irish tax resident companies**

For the purposes of taxation of capital gains and corporation tax on chargeable gains (as appropriate) (“Irish CGT”), where a Flutter Shareholder disposes of some or all of their Ordinary Shares they should be treated as having made a disposal of those Ordinary Shares for Irish tax purposes. This may, subject to the Flutter Shareholder’s particular circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of Irish CGT (currently at a rate of 33%).

#### **3.2 Non-Irish tax resident individuals (i.e. an individual who is not resident or ordinarily resident in Ireland for tax purposes) and non-Irish tax resident companies**

Non-Irish tax resident Flutter Shareholders (who do not hold their shares in connection with a trade carried on by them in Ireland) will not be subject to Irish CGT on a disposal of the Ordinary Shares so long as they remain listed on a recognised stock exchange. To the extent that the shares were not listed, a charge to CGT on disposal should only arise where the shares derive the greater part of their value from Irish land or Irish minerals/certain mineral assets. In such circumstances, other exemptions may be available from Irish CGT.

### **4. Stamp duty on a transfer of Ordinary Shares**

Where the Ordinary Shares are transferred by a Flutter Shareholder to another person, Irish stamp duty at a rate of 1% is generally payable on the greater of the consideration or market value of the Ordinary Shares (provided the shares do not derive the greater part of their value from non-residential Irish immovable property, which can trigger a 7.5% rate of stamp duty). Stamp duty is usually payable by the transferee. Exemptions from stamp duty may be available.

### **5. Capital acquisitions tax**

A gift or inheritance of Ordinary Shares will be within the charge to capital acquisitions tax (which, subject to available exemptions and reliefs, is currently levied at 33%) as the Ordinary Shares are property situate in Ireland (as the share register is located in Ireland).

## **Section B: UK taxation**

*The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares. They are based on current UK law and what is understood to be the current practice of HMRC as at the date of this Prospectus, both of which may change, possibly with retroactive effect. They apply only to Flutter Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in (and only in) the UK, who hold their Ordinary Shares as an investment (other than where a tax exemption applies, for example where the Ordinary Shares are held in an individual savings account or pension arrangement) and who are the absolute beneficial owner of both the Ordinary Shares and any dividends paid on them. The tax position of certain categories of Flutter Shareholders who are subject to special rules is not considered and it should be noted that they may incur liabilities to UK tax on a different basis to that described below. This includes persons acquiring their Ordinary Shares in connection with employment, dealers in securities, insurance companies, collective*

*investment schemes, charities, exempt pension funds, temporary non-residents and non-residents carrying on a trade, profession or vocation in the UK).*

The statements summarise the current position and are intended as a general guide only. TSG Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

## 1. Taxation of dividends

### 1.1 Withholding tax on dividends

Dividend payments may be made without withholding or deduction for or on account of UK income tax.

Please refer to Section A (*Irish taxation*) of this Part VI (*Taxation*) above for information regarding the entitlement of a UK resident Flutter Shareholder to claim exemption from Irish withholding tax on dividends.

### 1.2 Direct taxation of dividends paid to individuals

Liability to tax on dividends will depend upon the individual circumstances of a Flutter Shareholder.

#### (a) UK resident individual Flutter Shareholders

Dividends received by individual Flutter Shareholders resident and domiciled for tax purposes in the UK will be subject to UK income tax. This is charged on the gross amount of any dividend paid before the deduction of Irish withholding taxes, if applicable (together, the “**gross dividend**”).

Under the current UK tax rules specific rates of tax apply to dividend income. These include a nil rate of tax (the “**nil rate band**”) for the first £2,000 of non-exempt dividend income in any tax year and different rates of tax for dividend income that exceeds the nil rate band. No tax credit attaches to dividend income. For these purposes “**dividend income**” includes UK and non-UK source dividends and certain other distributions in respect of shares.

An individual Flutter Shareholder who is resident for tax purposes in the UK and who receives a dividend from Flutter will not be liable to UK tax on the dividend to the extent that (taking account of any other non-exempt dividend income received by the Flutter Shareholder in the same tax year) that dividend falls within the nil rate band.

To the extent that (taking account of any other non-exempt dividend income received by the Flutter Shareholder in the same tax year) the dividend exceeds the nil rate band, it will be subject to income tax at 7.5% to the extent that it falls below the threshold for higher rate income tax. To the extent that (taking account of other non-exempt dividend income received in the same tax year) it falls above the threshold for higher rate income tax then the dividend will be taxed at 32.5% to the extent that it is within the higher rate band, or 38.1% to the extent that it is within the additional rate band.

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Flutter Shareholder’s income. In addition, dividends within the nil rate band which would (if there was no nil rate band) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

#### (b) UK resident corporate Flutter Shareholders

Corporate Flutter Shareholders who are within the charge to UK corporation tax in respect of their Ordinary Shares will be subject to corporation tax on the declared dividend (subject to any available credit for Irish withholding tax) unless the dividend is exempt. It is likely that most dividends paid on the Ordinary Shares to UK resident corporate shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules.

Where a dividend paid by Flutter is treated as exempt, the holder will not be entitled to claim relief by way of credit in the United Kingdom in respect of any tax on that dividend incurred by the holder under the laws of Ireland, whether directly or by withholding.

## 2. Taxation of disposals

A disposal or deemed disposal of Ordinary Shares by a Flutter Shareholder who is resident (and, in the case of individuals, domiciled) in the UK for tax purposes may, depending upon the Flutter Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

## 3. UK stamp duty and SDRT

No liability to UK stamp duty or SDRT will arise on the issue of the New Shares.

UK stamp duty will not normally be payable in connection with a transfer of Ordinary Shares, provided that the instrument of transfer is executed outside the UK and does not relate to any property situated in, or to any matter or thing done or to be done in, the UK. Where such an instrument is chargeable to stamp duty in both the UK and Ireland and has been duly stamped in one of those countries, it is deemed to be stamped in the other country up to the amount of duty paid in the first country and need be stamped only for any excess in the other country.

No UK SDRT will be payable in respect of any agreement to transfer Ordinary Shares, provided that the Ordinary Shares are not registered in a register kept in the UK by or on behalf of Flutter.

## 4. UK inheritance tax

Liability to UK inheritance tax may arise in respect of the Ordinary Shares on the death of, or on a gift of the Ordinary Shares by, an individual Flutter Shareholder who is domiciled, or deemed to be domiciled, in the UK.

For UK inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares, bringing them within the charge to inheritance tax. Flutter Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than full market value, intend to reserve or retain a benefit following a gift or if they intend to hold any Ordinary Shares through trust arrangements.

## Worldwide taxation

Flutter Shareholders located in or having a taxable presence in jurisdictions other than Ireland or the United Kingdom may be subject to tax in those jurisdictions and should consult their local tax advisors.

## Section C: Canadian taxation

*The following is a summary of the principal Canadian federal income tax considerations generally applicable to a Flutter Shareholder who, for the purposes of the Income Tax Act (Canada) (the "ITA") and at all relevant times: (i) is the beneficial owner of Ordinary Shares; (ii) is resident or is deemed to be resident in Canada; (iii) deals at arm's length with, and is not affiliated with, the Company, and (iv) holds its Ordinary Shares as capital property (a "Canadian Holder"). The Ordinary Shares will generally be capital property to a Canadian Holder unless such shares are held by the Canadian Holder in the course of carrying on a business of trading or dealing in securities or have been acquired in a transaction or transactions considered to be an adventure or concern in the nature of trade.*

*This summary does not apply to a Canadian Holder: (i) that is a "financial institution" as defined in the ITA for purposes of the mark-to-market rules; (ii) that is a "specified financial institution" as defined in the ITA; (iii) an interest in which is a "tax shelter investment" for the purposes of the ITA; (iv) that reports its "Canadian tax results", as defined in the ITA, in a currency other than the Canadian currency; (v) that enters into a "derivative forward agreement", as defined in the ITA, with respect to its Ordinary Shares; (vi) in relation to which the Company or any of its subsidiaries is, or will be, a "foreign affiliate" within the meaning of the ITA, or (vii) that is a corporation resident in Canada (or a corporation that does not deal at arm's length, for purposes of the ITA, with a corporation resident in Canada) and is, or becomes, controlled by a non-resident person or a group of non-resident persons for purposes of the "foreign affiliate dumping" rules in section 212.3 of the ITA. This summary also does not apply to a Canadian Holder if one of the main reasons for the Canadian Holder acquiring, holding or having an interest in Ordinary Shares is to derive a benefit from portfolio investments in such a manner that the taxes, if any, on the income, profits and gains from such portfolio investments are significantly less than*

*the tax that would have been applicable under Part I of the ITA had the Canadian Holder earned such income, profits and gains directly. Such Canadian Holders should consult their own tax advisors.*

*This summary is based upon the current provisions of the ITA, the regulations thereunder, all specific proposals to amend the ITA publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and on an understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency (the “**CRA**”). No assurances can be given that the Tax Proposals will be enacted as proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or any changes in the administrative practices or assessing policies of the CRA. This summary does not take into account tax legislation of any province, territory or foreign jurisdiction, which may differ from the Canadian federal income tax considerations discussed below.*

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Flutter Shareholder. Accordingly, Flutter Shareholders should consult their own tax advisors for advice with respect to the Canadian income tax consequences to them of holding and disposing of Ordinary Shares, having regard to their own particular circumstances.**

### **1. Currency conversion**

In general terms, for the purposes of the ITA, all amounts relating to the acquisition, holding or disposition of Ordinary Shares must be expressed in Canadian dollars. Amounts denominated in foreign currencies must be converted into Canadian dollars using the applicable exchange rates determined in accordance with the ITA.

### **2. Dividends on Ordinary Shares**

The amount of any dividends received or deemed to be received by a Canadian Holder on its Ordinary Shares will be included in computing the Canadian Holder’s income for the taxation year in which the dividends are received. In the case of a Canadian Holder that is an individual, such dividends will not be subject to the gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations (as defined in the ITA). In the case of a Canadian Holder that is a corporation, such dividends will not be eligible for the deduction that is generally available for taxable dividends received from taxable Canadian corporations.

If a government of a country other than Canada imposes a withholding tax on dividends paid by Flutter on Ordinary Shares held by a Canadian Holder, the amount of such tax will generally be eligible for a foreign tax credit or deduction, subject to the detailed rules and limitations under the ITA. Canadian Holders are advised to consult their own tax advisors with respect to the availability of a foreign tax credit or deduction to them having regard to their particular circumstances.

Please refer to Section A (*Irish taxation*) of this Part VI (*Taxation*) above for information regarding the entitlement of a Canadian Holder to claim exemption from Irish withholding tax on dividends.

### **3. Disposition of Ordinary Shares**

A Canadian Holder who disposes or is deemed to dispose of an Ordinary Share will generally realise a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Ordinary Share, less any reasonable costs of disposition, exceed (or are exceeded by) the Canadian Holder’s adjusted cost base of the Ordinary Share immediately before the disposition.

Generally, one-half of any capital gain (a “**taxable capital gain**”) will be included in computing the Canadian Holder’s income under the ITA for the taxation year of disposition and one-half of any capital loss (an “**allowable capital loss**”) will be deducted by the Canadian Holder from the taxable capital gains realised in the taxation year of disposition. Allowable capital losses realised by a Canadian Holder for a taxation year that are in excess of taxable capital gains realised by the Canadian Holder in that taxation year may be carried back and deducted in any of the three preceding taxation years or any subsequent taxation year to the extent and in the circumstances described in the ITA.

Individuals (other than certain trusts) may be subject to alternative minimum tax in respect of realised capital gains as calculated in accordance with the detailed rules set out in the ITA.

#### 4. Additional refundable tax

A Canadian Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the ITA) may be liable to pay an additional refundable tax on its “aggregate investment income” (as defined in the ITA) for the taxation year, including: (i) dividends received on Ordinary Shares, and (ii) taxable capital gains realised on a disposition (or deemed disposition) of Ordinary Shares.

#### 5. Foreign property information reporting

A Canadian Holder that is a “specified Canadian entity” (as defined in the ITA) for a taxation year or fiscal period whose total cost amount of “specified foreign property” (as defined in the ITA), which includes Ordinary Shares, at any time in the year or fiscal period exceeds C\$100,000, is required to file an information return for the year or period disclosing prescribed information in respect of such property. Such Canadian Holders are advised to consult their tax advisors.

#### 6. Investment by registered plans

Provided the Ordinary Shares are listed on a designated stock exchange (which currently includes the London Stock Exchange and Euronext Dublin), an Ordinary Share will be a qualified investment under the ITA for trusts governed by a registered retirement savings plan (an “**RRSP**”), a registered retirement income fund (a “**RRIF**”), a registered education savings plan (an “**RESP**”), a deferred profit sharing plan, a registered disability savings plan (an “**RDSP**”) or a tax-free savings account (a “**TFSA**” and together with an RRSP, RRIF, RESP and RDSP, a “**Registered Plan**”). However, if an Ordinary Share is a “prohibited investment” for a Registered Plan, the “controlling individual” (as defined in the ITA for purposes of the prohibited investment rules) of such Registered Plan will be subject to a penalty tax unless the such controlling individual: (i) deals at arm’s length with the Company, and (ii) does not have a “significant interest” (as defined in the ITA for purposes of the prohibited investment rules) in the Company. A controlling individual of a Registered Plan that holds Ordinary Shares should consult with its own tax advisor in this regard.

### Section D: US taxation

#### 1. Certain US federal income tax considerations

The following discussion is a general summary based on present law of certain US federal income tax considerations relevant to the ownership and disposition of the Ordinary Shares. This discussion is not a complete description of all tax considerations that may be relevant. It addresses only US Holders (as defined below) who hold or will hold Ordinary Shares as capital assets and use the US dollar as their functional currency. This discussion does not address the tax treatment of persons subject to special rules, such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers, traders in securities that elect to mark-to-market, tax-exempt entities, persons owning directly, indirectly or constructively 10% or more of the Company’s share capital, US expatriates, persons liable for alternative minimum tax, persons holding Ordinary Shares as part of a hedge, straddle, conversion, constructive sale or other integrated financial transaction or persons holding Ordinary Shares in connection with a permanent establishment or fixed base outside the United States. It also does not address US federal taxes other than income tax (e.g. estate and gift taxes), US state and local, or non-US tax considerations, and does not address the US tax treatment of the exchange of TSG Shares for Ordinary Shares in the Combination.

As used in this section, “**US Holder**” means a beneficial owner of Ordinary Shares that is, for US federal income tax purposes (i) a citizen or individual resident of the United States, (ii) a corporation or other business entity treated as a corporation created or organised under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of one or more US persons and the primary supervision of a US court or (iv) an estate the income of which is subject to US federal income tax without regard to its source.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds Ordinary Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships that hold Ordinary Shares should consult their own tax advisors regarding the specific US federal income tax consequences to their partners of the partnership’s ownership and disposition of Ordinary Shares.

Flutter believes, and the following discussion assumes, that Flutter has not been a passive foreign investment company (“**PFIC**”) for US federal income tax purposes in any prior taxable year and, based on the composition

of Flutter's current gross assets and income and the manner in which both Flutter and (if the Combination becomes effective) the Combined Group expect to operate their business in future years, Flutter believes that it should not be classified as a PFIC for US federal income tax purposes for Flutter's current taxable year or in the foreseeable future. The tests to determine whether a company is a PFIC apply annually and a company's status can change depending, among other things, on changes in the composition and relative value of its gross receipts and assets, changes in its operations and changes in the market value of its stock. Accordingly, no assurance can be provided by Flutter that it will not become a PFIC in any future year.

## 2. **Dividends**

Distributions on the Ordinary Shares, to the extent paid out of Flutter's current or accumulated earnings and profits ("E&P") (as determined for US federal tax purposes), should be included in a US Holder's gross income as ordinary dividend income from foreign sources upon receipt. Distributions in excess of Flutter's current and accumulated E&P will be treated as a non-taxable return of capital to the extent of the US Holder's basis in the Ordinary Shares and thereafter as capital gain. However, Flutter does not maintain calculations of its E&P in accordance with US federal income tax accounting principles. US Holders should therefore assume that any distributions by Flutter with respect to other Ordinary Shares will constitute ordinary dividend income.

Dividends will not be eligible for the dividends-received deduction generally available to US corporations. Dividends on the Ordinary Shares will qualify for the reduced rates applicable to qualified dividend income of certain eligible non-corporate US Holders that satisfy a minimum holding period and other generally applicable requirements provided that Flutter qualifies for benefits under the United States-Ireland tax treaty, which Flutter believe that it does, and is not a PFIC in the year of distribution or in the preceding year.

Dividends paid in a currency other than US dollars will be includable in income in a US dollar amount based on the exchange rate in effect on the date of receipt whether or not the currency is converted into US dollars or otherwise disposed of at that time. A US Holder's tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss realised on a subsequent disposition or conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss. If dividends paid in a currency other than US dollars are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Please refer to Section A (*Irish taxation*) of this Part VI (*Taxation*) above for information regarding the entitlement of a US Holder to claim exemption from Irish withholding tax on dividends.

## 3. **Sale or other dispositions**

A US Holder generally will recognise capital gain or loss on the sale or other disposition of Ordinary Shares in an amount equal to the difference between the US Holder's adjusted tax basis in such holder's Ordinary Shares and the amount realised from the sale or other disposition, each determined in US dollars.

Any gain or loss generally will be treated as arising from US sources and will be long-term capital gain or loss if the US Holder's holding period exceeds one year. Deductions for capital loss are subject to limitations. A loss may nonetheless be a long-term capital loss regardless of a US Holder's actual holding period to the extent the US Holder has received qualified dividends eligible for reduced rates of tax prior to a sale or other disposition of its Ordinary Shares that exceeded 10% of such US Holder's basis in those Ordinary Shares.

A US Holder that receives a currency other than US dollars on the sale or other disposition of Ordinary Shares will realise an amount equal to the US dollar value of the currency received at the spot rate on the date of sale or other disposition (or, in the case of cash basis and electing accrual basis US Holders, the settlement date). An accrual basis US Holder that does not elect to determine the amount realised using the spot rate on the settlement date will recognise foreign currency gain or loss equal to the difference between the US dollar value of the amount received based on the spot exchange rates in effect on the date of sale or other disposition and the settlement date. A US Holder will have a tax basis in the currency received equal to the US dollar value of the currency received at the spot rate on the settlement date. Any gain or loss realised on a subsequent disposition or conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss.

## 4. **Tax on net investment income**

Certain non-corporate US Holders whose income exceeds certain thresholds generally will be subject to a 3.8% surtax tax on their "net investment income" (which generally includes, among other things, dividends on, and

capital gain from the sale or other disposition of Ordinary Shares). Non-corporate US Holders should consult their own tax advisors regarding the possible effect of such tax on their ownership and disposition of Ordinary Shares.

##### **5. Reporting and backup withholding**

Dividends on the Ordinary Shares and proceeds from the sale or other disposition of Ordinary Shares may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to reportable payments unless the holder makes the required certification, including providing its taxpayer identification number or otherwise establishes a basis for exemption. Any amount withheld may be credited against a US Holder's US federal income tax liability or refunded to the extent it exceeds the holder's liability, provided the required information is timely furnished to the IRS.

Certain US Holders are required to report information with respect to Ordinary Shares not held through an account with a financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors about these and any other reporting obligations arising from their investment in Ordinary Shares.

**THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR SHAREHOLDER. EACH SHAREHOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF OWNERSHIP AND DISPOSITION OF ORDINARY SHARES IN LIGHT OF SUCH SHAREHOLDER'S OWN CIRCUMSTANCES.**

## PART VII: REGULATORY OVERVIEW

### 1. Introduction

Flutter and TSG operate in a heavily regulated industry across multiple geographical jurisdictions. The area of legal and regulatory compliance continues to evolve in all of their markets. As a result, the industry is subject to uncertainties arising from differing approaches among jurisdictions as to the determination of where betting and gaming activities take place and which authorities have jurisdiction over such activities. Compliance with the laws and regulations in place in each jurisdiction is a key risk area monitored and reported on by the Flutter and TSG audit committees.

### 2. Flutter regulatory environment

On 14 January 2020, the UKGC announced that betting and gaming operators will no longer be permitted to accept credit card payments from UK based customers with effect from 14 April 2020. In its submission to the UKGC on the ban prior to its introduction, Flutter had acknowledged that there was a need for some change in this area. Flutter will be in a position to implement the required changes on schedule. The annualised revenue impact of the restriction on UK credit card deposits on the Flutter Group is expected to be approximately £20-25 million. For further information on the potential impact of the introduction of legislation or regulations restricting financial transactions with online betting and gaming operators or prohibiting the use of credit cards and other banking instruments for online betting and gaming transactions on the Combined Group, see the risk factor entitled "*The Combined Group will depend on the ongoing support of payment processors and international multi-currency transfer systems*" on page 38 of this Prospectus.

Save as set out above, there has been no material change to Flutter's regulatory environment since the 12 months ended 31 December 2019, being the period covered by Flutter's latest published audited financial statements.

Following Completion, Flutter will be subject to certain additional reporting obligations under Canadian securities law details of which are set out further in paragraph 10 (*Canadian securities law reporting obligations of Flutter*) of Part I (*Information on the Combination*) of this Prospectus.

### 3. TSG regulatory environment

TSG seeks to ensure that it obtains all available, lawful gaming licences necessary to offer its product offerings in the jurisdictions in which it operates, where its customers are located and/or where it is otherwise required to do so. In particular, TSG intends to seek licensure with respect to more European Union Member States if and when such Member States introduce their own independent regulatory and licensing regimes compliant with European Union law. Outside of the European Union, TSG anticipates there may be a potential for the regulation of online gaming, including with respect to shared liquidity, and that this may result in potential licensing or partnerships with private operators in various jurisdictions. TSG supports the regulation of online gaming, including licensing and taxation regimes and pooled poker liquidity, which it believes will promote sustainable online gaming markets that are beneficial for consumers, governments and the citizens of the regulating jurisdiction, operators and the gaming industry as a whole. TSG expects to continue to invest substantial resources into these efforts, particularly in markets that management believes may in the future have the greatest impact on its business. TSG strives to work with applicable governmental authorities to develop regulations that it expects would protect consumers, encourage responsible gaming, ensure reasonable levels of taxation, promote regulated gameplay and keep crime and the proceeds of crime out of gaming. TSG also strives to be among the first licensed operators to obtain gaming licences and provide online gaming to customers in newly regulated jurisdictions, in each case to the extent it would be in furtherance of TSG's business goals and strategy and in compliance with its policies and procedures.

TSG also seeks to ensure that its systems and product offerings comply with all the regulations and guidelines published by the gaming authorities that licence TSG. TSG works with regulatory and governmental bodies to ensure its products, including the software and technological infrastructure underlying the same, undergo comprehensive, exhaustive and rigorous testing by such regulatory and governmental bodies, as well as by independent industry leading testing, accreditation and certification laboratories (including GLI and BMM). The objective of this testing is to certify to, among other things, security, conformity to applicable regulations and game integrity. TSG seeks to meet or exceed best operational and customer protection practice requirements, each with an emphasis on fair and responsible gaming.

The methods and tools TSG uses to permit or restrict access to its online gaming product offerings within a territory are typically mandated or approved by the applicable gaming regulatory authority in each jurisdiction where a subsidiary of TSG holds a gaming licence. In particular, TSG employs the following methods and tools across such jurisdictions: (i) IP address blocking, which identifies the location of the player and blocks his or her IP address; and (ii) country-specific blocking based on the residence of the player. In certain jurisdictions, TSG also employs geolocation blocking, which restricts access based upon the player's geographical location determined through a series of data points such as mobile devices and wi-fi networks.

TSG has a zero-tolerance approach to money laundering, terrorist financing, fraud, collusion and other forms of cheating and works with regulators and law enforcement globally on such matters. TSG believes that it has a robust and extensive set of policies and procedures designed to identify such issues, including, without limitation its (i) anti-money laundering and countering the financing of terrorism policy; (ii) political activities policy; (iii) staff online and live play policies; (iv) information security policy; (v) third party due diligence policy; (vi) compliance committee charter; (vii) sanction and export controls policy; (viii) anti-fraud policy; (ix) anti-bribery policy; (x) code of business conduct; (xi) whistle-blower policy; (xii) compensation recoupment policy; and (xiii) charities policy. Among other measures, it conducts escalating risk-based customer due diligence investigations and routinely monitors customer activity, including to identify the use of potential "proceeds of crime" in gaming. Customer activities that can trigger customer interactions initiated by TSG include abnormal deposit and cashout patterns, customer-to-customer transfers and game play and prolonged, repetitive and unprofitable gaming. These are all monitored in accordance with local regulations and the guidelines of the relevant gaming authorities. TSG also has a dedicated compliance team that works with TSG's employees and various departments to implement routine business activity monitoring and seeks to ensure that TSG complies with its regulatory obligations under its gaming licences, as well as with all the other law and regulation applicable to its business in each jurisdiction to which it is subject.

#### 4. **TSG - licences**

TSG, through certain of its subsidiaries, is licensed or approved to offer, including under third-party gaming licences, its gaming product offerings in various jurisdictions worldwide, including in Europe, both within and outside of the European Union, which is currently its primary market, Australia, North America and elsewhere. In particular, and as of the date hereof, TSG, through its subsidiaries, holds gaming licences in 23 jurisdictions, and PokerStars is the world's most licensed online gaming brand, holding licences in 19 of those jurisdictions.

TSG views its gaming licences in two categories: (i) jurisdictions where TSG's relevant operating subsidiary has either obtained a local gaming licence directly from the local gaming authority or where it offers TSG's product offerings under a third-party gaming licence through a third-party relationship (for example, Belgium) on a B2B basis; and (ii) jurisdictions where its real-money online gaming product offerings are offered pursuant to a "multi-jurisdictional" gaming licence instead of a local licence.

##### **Local licences and approvals**

Set forth below is an overview of certain of TSG's local gaming licences (including arrangements with third parties) covering the operation of its real-money online product offerings. Poker customers in certain jurisdictions, however, are permitted to participate in TSG's shared-liquidity global player pool on its .com and .eu sites. Applicable gaming duty and/or VAT is payable on TSG's revenue from online gaming offered through these local gaming licences.

##### **Australia**

The Northern Territory Racing Commission ("NTRC") is responsible for licensing, regulating and supervising gambling activities authorised under the Racing and Betting Act 1983 (NT) ("Racing and Betting Act"), including the conduct of a sports betting business. Holders of sportsbookmaker licences issued by the NTRC are permitted to provide sports betting services over the Internet to customers throughout Australia.

The NTRC conducts ongoing suitability and due diligence investigations in relation to its licence holders, their shareholders and key management personnel. NTRC licence holders are also required to comply with all relevant Australian state and territory laws as well as applicable federal legislation, including the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth).

The applicable Australian subsidiaries of TSG hold licences to conduct sports betting issued by the NTRC under the Racing and Betting Act. These licences issued are valid through 30 June 2024 and 30 June 2020. Other than

as described above, TSG's online real-money gaming product offerings are not offered to persons physically located in Australia.

## **Belgium**

The Belgium Gaming Commission (the “**Belgian Commission**”) is responsible for issuing gaming licences for the operation of games of chance in Belgium, ensuring the proper supervision of these games and implementing any regulations promulgated under applicable law. Belgian law generally prohibits the operation of a gaming establishment or the offering of gaming in any form, in any place, or in any direct or indirect way, unless a licence is granted by the Belgian Commission in accordance with Belgian law. The Belgian licensing regime provides that only land-based licensees may offer online gaming as a supplementary product to the land-based gaming offerings, meaning that an online gaming operator that does not also operate a land-based gaming business in Belgium typically needs to enter into an arrangement with an existing land-based licensee.

Gambling Management S.A., the owner and operator of Casino de Namur in Belgium, has a licence to offer online gaming operated by a Maltese subsidiary of TSG through one of TSG's domain names. The Maltese subsidiary, which received a Class E gaming licence on 20 April 2011, provides online gaming to Casino de Namur, which in turn offers such gaming to its customers in Belgium. So long as the applicable licence fees are paid, the Maltese subsidiary remains compliant with applicable licensure requirements and the licence is not suspended, revoked or otherwise surrendered, TSG expects that the licence will remain valid for 10 years with a renewal procedure available no later than five months prior to its expiration.

## **Bulgaria**

In Bulgaria the State Commission for Gambling (“**Bulgarian Commission**”) issues and maintains licences for “gambling games” including online casino games. A licence for organising online gaming must explicitly state the intended gaming activity by the holder. Bulgaria requires that the licensee be registered in a European Union Member State, another state signatory to the European Economic Area Agreement or in the Swiss Confederation. The licensee must also appoint an authorised representative with an address in Bulgaria, with the authority to represent the licensee before state authorities or Bulgarian courts. The Bulgarian Gambling Act also requires that certain communication equipment be located in Bulgaria for reporting purposes.

On 18 February 2014, one of TSG's subsidiaries was awarded a licence to offer online poker and casino to Bulgarian residents. The licence is valid for 10 years and may not be transferred.

## **Czech Republic**

Under the Act on Gambling Coll. 186/2016, the State Supervision of Gambling and Lotteries Department of the Ministry of Finance of the Czech Republic (the “**MFCR**”) maintains the licensing procedure for individuals and entities seeking to provide betting and online casino services to customers in the Czech Republic. The MFCR defines online casino services as “*an internet game, the gambling participant shall play against the operator's software-based gaming system or against another person mediated by that system*”. Online casino games can include “technical games”, which are games of chance operated via a technical device directly handled by the bettor, such as slot reel games, and live games, which include roulette, card games and games operated in the form of a tournament.

On 28 January 2017, one of TSG's subsidiaries was granted a six-year licence to provide online casino and poker games to customers in the Czech Republic, which will expire on 27 January 2023. On 4 October 2017, the MFCR granted approval to this same subsidiary to provide sports betting to customers in the Czech Republic. After evaluating its sports betting business in the Czech Republic, the subsidiary holding the sports betting approval suspended its offering on 8 October 2019 and voluntarily surrendered that licence on 3 January 2020.

## **Denmark**

Under the Danish Gambling Act, the Danish Gambling Authority (the “**DGA**”) maintains the licensing procedure for individuals and entities looking to provide betting and online casino services to customers in Denmark. The DGA defines online casino services as “*those where the player and operator do not meet physically, for instance where games are sold via the internet, telephone or television*”. Online casino games can include roulette, blackjack, baccarat, punto banco, poker and “combination games.” A licence to operate online casino services is valid for a term of five years. If the applicant has not yet obtained the required certifications for its gaming system through testing, the DGA will issue a fixed-term one-year licence until such certifications are complete.

One of TSG's subsidiaries renewed a five-year licence to provide online casino and poker games that will expire on 31 December 2021 and was granted a five-year licence to provide online sports betting that will expire on 31 December 2021.

### **Estonia**

The Estonian Tax and Customs Board maintains responsibility for the issuance of "activity licences" and "operating permits" for the supply of gaming and lotteries to customers in Estonia, and also acts as the gaming supervisory agency in Estonia.

The Estonia Gambling Act, RT I 2008, 47, 261 (the "**Estonia Gambling Act**") was enacted to establish strict requirements for gaming operators, provide measures for the protection of players and reduce the negative consequences of gaming and its impact on society. "Remote gambling" under the Estonia Gambling Act is defined as "*the organisation of gambling in a manner where the outcome of the game is determined by an electronic device and the player can participate in the game by electronic means of communication, including telephone, internet and media services*".

On 18 August 2010, one of TSG's subsidiaries was awarded an activity licence, which became effective on 23 August 2010. Activity licences are generally valid for an unspecified period of time. On 20 September 2010, that subsidiary was further awarded an operating permit for the organising of games of chance in the form of remote gambling concerning one of TSG's domain names. This operating permit, which was subsequently renewed in September 2015, is valid through 21 September 2020.

### **France**

The *Collège de l'Autorité de régulation des jeux en ligne* ("ARJEL") oversees gaming licensing with respect to customers in France. Act No. 2010-476 of 12 May 2010 authorised online gaming with respect to customers in France only for poker and betting on sports, horse races and circle games. Each type of online gaming requires a separate gaming licence. Government decrees and orders are also a part of the French regulatory system. The decrees and orders that TSG believes are relevant to its business, address, among other topics, changes of control, customer accounts and the licensing process. French regulation requires the submission of an annual certification audit, which is a technical and security audit relating to the hosting platforms that power the services provided under the applicable ARJEL gaming licence. Additionally, licensees are required to submit weekly financial reports to the ARJEL.

One of TSG's subsidiaries renewed a five-year licence granted by ARJEL for online poker games that will expire on 24 June 2020. On 7 June 2016, one of TSG's subsidiaries was granted a five-year licence by ARJEL for sports betting, which will expire on 6 June 2021.

On 6 July 2017, the gaming authorities of Portugal, Spain, France and Italy signed an agreement in Rome providing for online poker liquidity to be pooled across all four jurisdictions. This concordat has taken some time to implement as it depends upon each jurisdiction issuing local clearance for its players to take part. On 14 December 2017, TSG's subsidiary licensed by ARJEL received authorisation to include French players into the merged player pools. On 15 January 2018, the Spanish gaming regulator, *Dirección General de Ordenación del Juego* (the "**DGOJ**"), granted an authorisation to a subsidiary of TSG to include Spanish players in the merged player pools. TSG's relevant subsidiaries therefore inaugurated pooled Franco-Spanish poker gameplay on 16 January 2018 and added Portuguese players on 23 May 2018. TSG anticipates the necessary local authorisation from the gaming authority in Italy to permit players from that jurisdiction to join the pooled liquidity in the near future.

### **Germany—Schleswig Holstein**

The German state of Schleswig Holstein issued a gaming licence to a Maltese subsidiary of TSG pursuant to a state law adopted in 2012 that regulated and licensed online gaming. Although the law has since been repealed and the gaming licence expired on 21 December 2018, in December of 2018, the Schleswig Holstein Ministry of Interior issued an order permitting the Maltese subsidiary to continue operating under the gaming licence and, on 25 June 2019, the Schleswig Holstein Ministry of Interior issued a supplementary ancillary authorisation allowing the Maltese subsidiary to offer poker games and certain casino games to customers in Schleswig Holstein until the earlier of 30 June 2021 or such time another German licensing regime is implemented with validity in Schleswig Holstein.

## Greece

In Greece, the Hellenic Gaming Commission (the “**HGC**”), in partnership with the Greek Ministry of Finance (the “**Greek Ministry**”) is responsible for regulating and supervising the online gaming industry. In 2011, the Greek government enacted new legislation, Law 4002/2011, relating to all forms of gaming (the “**Greek Gambling Act**”). Under the Greek Gambling Act, companies that have been licensed by the Greek Ministry through public tenders were authorised to offer online gaming. The Greek Gambling Act also allows for companies that hold gaming licences in other Member States of the European Union to apply for interim temporary licences, which would remain valid until the formal licences are awarded. The HGC issued twenty-four temporary gaming licences under the Greek Gambling Act. In November 2013, TSG partnered with Diamond Link Ltd. (“**Diamond Link**”) to allow Greek customers to utilise TSG’s online gaming products. Diamond Link is one of the twenty-four temporary gaming licence holders in Greece, and through TSG’s partnership, two of TSG’s websites operate under that authorisation utilising Diamond Link’s Maltese gaming licence. In May 2017, a subsidiary of TSG purchased all the outstanding interests of Diamond Link and maintains the temporary gaming licence that allows Greek customers to utilise TSG’s online gaming products.

Greek authorities have announced regulations that would make permanent the Greek temporary regime and the consultation on those regulations concluded in February 2019. The Greek authorities amended and enacted the Greek Gambling Act on 30 October 2019, which adopted a permanent licensing regime that is expected to replace the interim regime with effect from 1 April 2020. The Greek state will issue an unlimited number of permanent licences for online gaming to all applicants meeting specific criteria. The licensing procedure will be permanently “open”. Two types of licences will be available for online betting and for online “other” games, which includes casino games of chance, poker and its variations. On 29 November 2019, TSG submitted an application for the extension of its interim licence to the HGC until permanent licences are issued.

## Ireland

In Ireland, sports betting services are regulated by the Betting Acts 1931 - 2015 and licensed through the Irish National Excise Licence Office. The primary suitability and probity requirement of the Irish authorities is that individual applicants for betting licences as well as officers of corporate applicants must hold a “Certificate of Personal Fitness” issued by the Department of Justice and Equality as well as a “Tax Clearance” certificate.

In July 2015, a subsidiary of TSG received an online betting licence from the Irish National Excise Licence Office to provide online sports betting to customers in Ireland, and as a result of the SBG Acquisition, another subsidiary of TSG also holds an online betting licence. All Irish online betting licences are valid for two years and commence and expire on the same dates, having been renewed as a class in June 2019 and are therefore currently valid through 30 June 2021.

In addition, as a result of the SBG Acquisition, another subsidiary of TSG also holds an online betting licence from the Irish National Excise Licence Office to provide online sports betting to customers in Ireland, which is currently valid through 30 June 2021.

Poker and casino games are made available to persons in Ireland through either TSG’s Maltese or Alderney multi-jurisdictional gaming licence (discussed below in more detail) pending the Irish government’s enactment of the more comprehensive gaming licensing regime based on the “General Scheme of the Gambling Control Bill” that has been stalled in the Irish legislature since 2013.

## Italy

Currently, the *Agenzia delle Dogane e dei Monopoli* (the “**ADM**”) regulates gaming in Italy. All operators, both foreign and domestic, are required to obtain a gaming licence from the ADM to provide online gaming products to residents in Italy. Applicants based in the European Economic Area (“**EEA**”), or those with their registered office within the EEA, are eligible for a licence.

On 17 December 2010, the ADM amended a concession to operate, among other things, poker, casino and sports betting in Italy to one of TSG’s subsidiaries. Under a new tender process announced by the ADM in January 2018, the ADM awarded 120 gaming licences. One of TSG’s subsidiaries received one such licence which is valid until 31 December 2022.

In addition, as a result of the SBG Acquisition, another subsidiary of TSG also holds a gaming licence covering poker, casino and sports betting in Italy, which is currently valid through 3 February 2022, although with the

permission of the ADM the relevant subsidiary voluntarily suspended all operations under this licence in December 2018. As noted above, on 6 July 2017, the gaming authorities of Portugal, Spain, France and Italy signed an agreement providing for online poker liquidity to be pooled across all four jurisdictions. This concordat has taken some time to implement as it depends upon each jurisdiction issuing local clearance for its players to take part. The relevant subsidiaries of TSG commenced shared poker liquidity involving French and Spanish players on 16 January 2018 and added Portuguese players on 23 May 2018 but the necessary ADM authorisation for the addition of Italian players has not yet been finalised.

## **Portugal**

Under the Online Gambling and Betting Legal Regime, approved by Decree Law No. 66/2015, the *Regulação e Inspeção de Jogos*, or the Gambling Inspection and Regulation Service, is responsible for the control, inspection and regulation of gambling activities, including through any electronic, computer-based, telematic or any other interactive means (i.e. online gaming). Portuguese regulation requires the submission of monthly financial reports regarding, among other things, customer liability information and gaming duty reporting.

On 25 November 2016, one of TSG's subsidiaries was granted a three-year licence to offer certain online poker and casino games to customers in Portugal. This licence was renewed in November 2019 for another three-year period until November 23, 2022.

As noted above, on 6 July 2017, the gaming authorities of Portugal, Spain, France and Italy signed an agreement providing for online poker liquidity to be pooled across all four jurisdictions. This concordat has taken some time to implement as it depends upon each jurisdiction issuing local clearance for its players to take part. The relevant subsidiaries of TSG commenced shared poker liquidity involving French and Spanish players on 16 January 2018 and added Portuguese players on 23 May 2018.

## **Romania**

In Romania, the *Oficiul Național pentru Jocuri de Noroc* (the “ONJN”) issues and maintains licences for online gaming. In August 2015, one of TSG's subsidiaries was awarded an interim gaming licence by the ONJN to offer online casino, poker and sports betting to customers in Romania. The interim gaming licence was valid for one year and on 12 August 2016, the ONJN awarded TSG's relevant subsidiary a full licence for organising remote gambling games, which is valid for 10 years and allows such subsidiary to provide online poker, casino and sports betting to customers in Romania. The gaming licence is subject to an annual reauthorisation by the ONJN, which is based on a review of the licensee's compliance with the applicable licence terms.

## **Spain**

In Spain, gaming is traditionally regulated by each of the seventeen autonomous regions. Spain's Gambling Act (the “**Spanish Gambling Act**”) became effective on 29 May 2011, in order to, among other things, regulate online gaming nationwide. The Spanish Gambling Act covers “gaming operations through electronic, interactive, and technological means” including the internet, television, mobile phones and land lines. The types of gaming activities controlled under the Spanish Gambling Act include sports betting, horse racing betting, raffles, competitions and “other games”, which includes poker and casino games. The DGOJ is responsible for enforcing the Spanish Gambling Act and has sanctioning authority.

The Spanish Gambling Act establishes two categories of gaming licences: general and single, as well as a permit for offering occasional games. A “general licence” is required to offer certain types of betting games, raffles and games categorised as other games. General licences are valid for a 10-year term, and may be renewed for additional 10-year periods. The DGOJ offers general licences through a competitive and public tendering process. The Gambling Act requires applicants to apply for provisional registration in the General Register of Gambling Licences prior to requesting a call, or public notice of application, for a general licence. The Gambling Act grants the DGOJ the authority to restrict the number of licences awarded for each type of game based on public interest and whether a company requests a call, in each case allowing the DGOJ to control the licence review and authorisation process. If the number of licences for a particular type of game is restricted, the licences offered during that call are not automatically renewable.

On 1 June 2012, one of TSG's subsidiaries was granted a general licence to develop and operate games in the other games category and a singular licence to offer online poker. The same subsidiary is also authorised to advertise, sponsor and promote the games authorised by the gaming licences. The general licence is valid for a 10-year term, and the singular licence is valid for a five-year term and has been renewed through 1 June 2022.

This subsidiary has also been granted singular licences for blackjack, roulette and sports betting and a general licence for sports betting. The gaming licences for blackjack and roulette expire on 2 February 2021. The singular and general sports betting licences expire on 2 June 2025 and 2 June 2020, respectively.

On 15 January 2018, TSG's subsidiary licensed by the DGOJ received authorisation for shared liquidity, permitting it to offer merged player pools comprising players from Italy, Portugal and France. Pooled liquidity between Spanish and French players launched on 16 January 2018 and Portuguese players were added on 23 May 2018. TSG is awaiting the necessary local authorisations to include Italian players.

## **Sweden**

Prior to 1 January 2019, in Sweden the Lotteries Act 1994 (Sw: Lotterilagen 1994:1000) (the “**Lotteries Act**”) was the primary legislation with respect to gambling and governs all categories of gambling offered to the public in Sweden. The Lotteries Act prohibited the arrangement of unlicensed lotteries and the promotion or participation, in commercial operations or otherwise for the purpose of profit, in unlawful domestic lotteries or foreign lotteries. The definition of “lottery” was broad and explicitly included betting, bingo, casino games and other similar games. The Lotteries Act did not in any material way distinguish between land-based gambling and online gambling. Under the Lotteries Act regime it was not possible for a private commercial entity to obtain a licence to provide online gambling services to Swedish customers. It was however, not illegal for private operators established in another European Union Member State to offer gambling services to Swedish customers. On 16 October 2014, the European Commission took two separate decisions to bring infringement proceedings against the Swedish government to the CJEU in relation to the Swedish legislation for gambling services.

In Sweden, court cases have found that the only activity covered by the Lotteries Act was local advertising carried out by local media companies. These cases are against the media companies and courts tended to find that the prohibition of advertising for operators not holding a Swedish licence was unenforceable because the Lotteries Act was widely regarded as being in violation of the TFEU. Furthermore, the launch of infringement proceedings against Sweden reinforced TSG's then-current position that the supply of gambling services to Swedish players from another European Union Member State is permitted.

In June 2018, the Swedish Parliament passed new legislation that introduced a point-of-consumption based licensing system to regulate online gaming and betting similar to other European “regulated markets” regimes. The new system, The Gambling Act (SFS 2018:1138), came into effect on 1 January 2019. On 10 December 2018, a subsidiary of TSG was awarded a licence under the new act and launched a licensed offering of poker, casino and betting on 1 January 2019. This subsidiary suspended its sports offering on 10 July 2019.

## **Great Britain**

Betting and gaming with respect to customers in Great Britain (England, Scotland and Wales, but excluding Northern Ireland, the Channel Islands and the Isle of Man) is regulated by the Gambling Act 2005 (the “**2005 Act**”). The 2005 Act established the UK Gambling Commission (the “**UKGC**”) as the regulator responsible for granting licences to operate gambling services as well as overseeing compliance with applicable law and regulation. In 2014, the UK Parliament passed the Gambling (Licensing and Advertising) Act 2014, which required all remote gambling operators serving customers in Great Britain or advertising in Great Britain to obtain a licence from the UKGC. On 1 November 2014, one of TSG's subsidiaries obtained a “continuation” (i.e. interim) licence issued by the UKGC, and on 18 March 2015 a full operating licence was issued along with the separate software and “key personnel” individual licences. Various additional operating subsidiaries of TSG are endorsed upon the licences and are hence authorised to carry out the licenced activities on a so-called “umbrella” basis in addition to the “primary” licensee. In addition, as a result of the SBG Acquisition, another subsidiary of TSG also holds a full operating licence as well as the separate gambling software and “key personnel” individual licences (referred to as “personal management licences”). The terms of these operating licences require that the relevant subsidiaries of TSG must source all gambling software used in connection with British players from the holder of a gambling software licence issued by the UKGC. So long as the applicable licence fees are paid and the British licences are not suspended, revoked or otherwise surrendered, TSG expects that the licences will remain valid indefinitely.

British regulations require licensed companies to file quarterly returns as well as a more extensive “annual assurance statement” to provide the UKGC with information regarding matters such as significant changes in control systems, risk management and governance since the last assurance statement, how the licensee is addressing gambling by problem and at-risk customers and any improvements that the licensee plans to implement to its control systems, risk management and governance and/or its approach to addressing problem and at-risk

gambling and promoting socially responsible gambling. The UKGC also subjects its licensees to periodical regulatory compliance visits subsequent to which recommendations may be issued to the licensee.

On 14 January 2020, the UKGC announced that betting and gaming operators will no longer be permitted to accept credit card payments from UK based customers with effect from 14 April 2020. For further information on the potential impact of the introduction of legislation or regulations restricting financial transactions with online betting and gaming operators or prohibiting the use of credit cards and other banking instruments for online betting and gaming transactions on the Combined Group, see the risk factor entitled “*The Combined Group will depend on the ongoing support of payment processors and international multi-currency transfer systems*” on page 38 of this Prospectus.

## United States

Generally, intrastate online gaming is lawful in the United States provided the relevant gaming complies with the Unlawful Internet Gambling Enforcement Act (the “**UIGEA**”) and the particular state has enacted legislation or otherwise properly authorised the same. Further, the Federal Wire Act of 1961 (the “**Federal Wire Act**”) makes it unlawful to use electronic communications to make interstate bets or wagers, or transmit information that assists in making such bets or wagers, on any sporting event or contest unless the information assisting in the bet or wager is transmitted to and from a jurisdiction in which such activity has been authorised.

In December of 2011, the United States Department of Justice (the “**DOJ**”) issued an opinion from its Office of Legal Counsel (“**OLC**”) indicating that it is the official opinion of the DOJ that the Federal Wire Act “*prohibits only the transmission of communications related to bets or wagers on sporting events or contests*”. More specifically, “*interstate transmissions of wire communications that do not relate to a ‘sporting event or contest’ [ . . . ] fall outside of the reach of the Wire Act*” (the “**2011 DOJ Opinion**”). Pursuant to this guidance, the legislatures of New Jersey, Nevada, Delaware and Pennsylvania authorised intrastate online gaming, provided that the gambling does not concern a sporting event or contest.

On 14 January 2019, the DOJ made public a 2 November 2018 OLC opinion reversing the 2011 DOJ Opinion, finding the prohibitions in the Federal Wire Act were not limited to wire communications relating to bets or wagers on sporting events or contest, but rather extend to all forms of bets or wagers (the “**2018 DOJ Opinion**”). Further, the 2018 DOJ Opinion detailed the OLC’s position that the enactment of UIGEA did not modify the scope of the Federal Wire Act. More specifically, the OLC determined that by excluding certain activities from UIGEA’s definition of ‘unlawful Internet gambling,’ UIGEA did not exclude those same activities from the prohibitions of the Federal Wire Act. The 2018 DOJ Opinion stated that anyone who reasonably relied on the 2011 DOJ Opinion may have a defence for actions taken in such reliance through 2 November 2018. On 15 January 2019, DOJ Deputy Attorney General Rod Rosenstein issued a memorandum (the “**2019 Memorandum**”) to United States Attorneys, Assistant Attorneys General and the Director of the Federal Bureau of Investigations stating that the DOJ should exercise discretion in applying the new interpretation provided under 2018 DOJ Opinion for a period of 90 days in order to “*give businesses that relied on the 2011 DOJ Opinion time to bring their operations into compliance with federal law*”. Subsequent to the 2019 Memorandum being issued, the New Hampshire Lottery Commission filed suit against the Attorney General (at the time of filing, Jeff Sessions; at the time of ruling, William Barr) (the “**New Hampshire Litigation**”). On 3 June 2019, a federal district court in New Hampshire set aside the 2018 DOJ Opinion and held that the “*the text, context, and structure of the Wire Act*” limit its applicability to sports gambling, and not to other types of gambling. The court’s order leaves in place the 2011 DOJ Opinion. The 2019 Memorandum was subsequently updated on 12 June 2019 to extend the period until 21 December 2019 or 60 days after entry of final judgment in the New Hampshire Litigation, whichever is later. On 16 August 2019, the DOJ appealed the court’s decision, leaving unclear what standard the Federal government will apply to online gaming operators.

On 27 September 2017, New Jersey joined the Multi-State Internet Gaming Agreement (the “**MSIGA**”), which was previously entered into between Delaware and Nevada. The MSIGA permits New Jersey, Nevada and Delaware to share liquidity among players in both online poker and certain online casino games. Under the MSIGA, customers can only access online gaming sites that are licensed by the state in which they are located, i.e. Nevada residents can play online games on sites licensed in Nevada. The MSIGA sets forth certain minimum standards that each state is expected to have in place, including common standards in the regulated gaming industry, such as age and identity verification, anti-money laundering and related protocols, data security, and other measures intended to assure the integrity of wagering conducted pursuant to the MSIGA. TSG believes MSIGA is intended to be expanded beyond its current membership of New Jersey, Nevada and Delaware. Due to the 2018 DOJ Opinion and the ongoing litigation with the DOJ, there is a likelihood that interstate Internet poker

and online casino games may fall within the DOJ's current view of the Federal Wire Act prohibitions and threaten the existing MSIGA participants and any future growth of operations under MSIGA.

On 14 May 2018, the United States Supreme Court (the “**Supreme Court**”) issued an opinion in *Murphy v. National Collegiate Athletic Association* (formerly known as *Christie v. National Collegiate Athletic Association*), No. 16-476, determining that PASPA was unconstitutional. PASPA prohibited a state from “authorising by law” any form of sports betting. In striking down PASPA, the Supreme Court opened the potential for state-by-state authorisation of sports betting. Several states, including New Jersey, Pennsylvania, West Virginia, Michigan, Mississippi, Montana, Nevada, New Mexico, Oregon, Delaware, Rhode Island, Iowa, Indiana, New York, New Hampshire, Tennessee, Illinois, Colorado, North Carolina and Arkansas already have laws authorising sports betting. Regardless of the Supreme Court’s decision, sports betting in the United States has proven to be subject to additional laws, rules and regulations at the state level.

More detail on the regulatory framework in New Jersey, New York and Pennsylvania, where TSG currently holds gaming licences, is provided directly below.

## New Jersey

In New Jersey, the provision of online gaming, sports wagering and other aspects of casino gaming are subject to the requirements of the New Jersey Casino Control Act (the “**NJ Act**”) and the regulations promulgated thereunder. Under the online gaming laws in New Jersey, third-party companies may provide services to casino licensees to facilitate online poker casino and sports wagering, including website hosting and the providing game content. Such service providers must first obtain a casino service industry enterprise (a “**CSIE**”) licence. The New Jersey Division of Gaming Enforcement (the “**NJ DGE**”) is responsible for investigating all licence applications and prosecuting violations of the NJ Act.

Due to the length of investigative time prior to issuing of a plenary CSIE licence, the New Jersey regulations allow a CSIE applicant to petition the NJ DGE for a transactional waiver, which allows a CSIE applicant to conduct business with a casino licensee prior to the issuance of a licence at the discretion of the NJ DGE and subject to certain conditions.

Certain subsidiaries of TSG were issued an initial six-month transactional waiver on 30 September 2015 in relation to an agreement entered into with an affiliate of Resorts Casino Hotel in Atlantic City, New Jersey to conduct online gaming in the state. Additional six-month renewal transactional waivers have been granted to these subsidiaries to continue operations with the most recent transactional waiver granted on 30 September 2019 and valid until 30 March 2020. The transactional waiver may be renewed in six-month intervals until a full, five-year licence is issued; while there can be no assurance that such a licence will be issued, TSG anticipates that it will be renewed following its expiration. The transactional waiver contains certain conditions, including, prohibiting certain individuals from having any relationship with TSG and informing the NJ DGE of various actions of such individuals, providing the NJ DGE with notice of certain corporate actions and copies of records relating to the same, and providing certain inspection rights to the NJ DGE.

## New York

On 13 November 2019, the New York State Gaming Commission (“**NYSGC**”) issued a conditional temporary gaming service registration to a subsidiary of TSG in connection with retail sports betting operations at the Akwesasne Mohawk Casino Resort.

## Pennsylvania

In 2017, the Commonwealth of Pennsylvania passed gambling expansion legislation which included the authorisation of online gaming and sports wagering, both land-based and online. Oversight of gambling in Pennsylvania is controlled by the Pennsylvania Gaming Control Board (“**PGCB**”). Under the gambling expansion legislation, third-party operators may offer online poker, casino and sports betting on behalf of, or in partnership with, an interactive gaming certificate holder, i.e. a land-based casino operator, subject to receipt of an interactive gaming operator licence issued by the PGCB. The term of the operator licence is for a period of five years and may be renewed thereafter. The PGCB is also authorised to issue conditional licences upon the completion of its preliminary investigation, which authorise providers to conduct interactive gaming on behalf of an interactive gaming certificate holder subject to completion of certain conditions by the interactive gaming certificate holder.

On 28 November 2018, a subsidiary of TSG was issued a conditional interactive gaming operator licence by the PGCB and on 19 December 2018 that same subsidiary was issued a conditional sports wagering operator licence by the PGCB. On 15 August 2018, Mount Airy #1, LLC, d/b/a Mount Airy Resort Casino (“**Mount Airy**”), received approval by the PGCB of its petition to conduct interactive gaming, naming TSG as an interactive gaming operator on its behalf. TSG, in association with Mount Airy, currently offers poker, casino and sports betting in the Commonwealth of Pennsylvania.

### **US market access arrangements**

In furtherance of TSG’s strategy, from time to time it has entered and may continue to enter into market access arrangements with third-parties for the option to, among other things, operate and brand real-money online sports betting and gaming and retail betting, in one or more US states. While the terms of these market access agreements will and do vary, they generally involve either TSG paying to the third-party a revenue share from the operations of such betting and/or gaming operations, or the payment of certain fees. As of the date hereof, TSG now has combined access to up to 20 states under its applicable market access agreements with Resorts Casino Hotel, Mount Airy Casino Resort, Akwesasne Mohawk Casino Resort, Eldorado Resorts, Inc., Penn National Gaming and Little Traverse Bay Bands of Odawa Indians Gaming Authority, subject to licence availability, state law and regulatory approvals. In addition, pursuant to one of its market access agreements, as of 9 September 2019, TSG began providing support services for a retail sportsbook at the Akwesasne Mohawk Casino Resort in Northern New York.

### **Multi-jurisdictional licences**

TSG, through certain subsidiaries, holds gaming licences in Malta, the Isle of Man and Alderney, which are often referred to as “multi-jurisdictional” or “point-of-supply” licences (as opposed to the local, territory-specific or “point-of-consumption” licences detailed in the paragraph headed “*Local Licences and Approvals*” above in this Part VII (*Regulatory Overview*)). These multi-jurisdictional licences are used by TSG’s various subsidiaries to supply TSG’s online gaming products to persons located in jurisdictions where TSG does not possess a local, territory-specific or point-of-consumption gaming licence authorising the same.

Where online gaming products hosted on Maltese, Isle of Man or Alderney servers pursuant to the relevant multi-jurisdictional licences are made available by TSG for online usage by customers in other jurisdictions it is done based on the well-established general principle of e-commerce and Internet law that deems the provision of online product offerings to take place where the operator’s server and/or the operator itself is established and located. This principle is widely relied upon by online gaming operators as well as by many other e-commerce businesses.

Accordingly, TSG relies on the fact that its supply of online gaming product offerings is lawfully licensed or approved within the jurisdiction of origin (i.e. Malta, the Isle of Man or Alderney) as the rationale for TSG’s lawful offer of gaming product offerings to other jurisdictions where either: (i) such other jurisdictions have not established a regulatory and licensing framework for online gaming; (ii) the availability to citizens of online gaming hosted outside their jurisdictional boundaries is not clearly prohibited by the law of the jurisdiction; or (iii) the local laws of such other jurisdiction lack extra-territorial effect, including where local law is contrary to any supra-national law from which TSG benefits.

Where, however, any jurisdiction has enacted local domestic laws that clearly prohibit the availability to citizens of online gaming products hosted abroad, and where it is clear that such local domestic law has extra-territorial application to TSG to the extent that the principle of extra-territoriality described above is clearly overridden, TSG will take technical and administrative measures aimed at preventing persons from the relevant jurisdictions accessing its gaming product offerings.

Set forth below is an overview of TSG’s multi-jurisdictional licences.

#### **Alderney**

The Bailiwick of Guernsey includes Alderney, which has been recognised as a leading offshore licensing jurisdiction for remote gambling since 2000. Alderney has its own government and legislature, and online gambling in Alderney is regulated by the Alderney Gambling Control Commission (“**AGCC**”).

Section 5(1) of the Gambling (Alderney) Law 1999 operates so as to make all forms of gambling unlawful unless conducted in accordance with the terms of an ordinance. Alderney (unlike neighbouring Guernsey) issued an ordinance in 2001 providing that only online gambling (known as eGambling) conducted under a licence is lawful.

The state has subsequently refined the regulation of eGambling by adopting various amendments to this ordinance and by issuing the Alderney eGambling Regulations 2009. The current ordinance regulating online gambling in Alderney is the Alderney eGambling Ordinance 2009. Various licences are available in Alderney and are determined by the nature of the services being supplied and the location and set-up of the licence-holders' infrastructure. Remote operators, B2B core service providers and key individuals all require a licence issued by the AGCC to offer their services from Alderney.

A subsidiary of SBG currently holds Category 1 and Category 2 eGambling licences, which permit it to host remote gambling equipment in Guernsey and to offer sports betting, virtual sports, bingo, casino games and poker to its online customers based in Gibraltar, the Isle of Man and the Channel Islands, as well as Ireland in respect of bingo, casino games and poker only.

### **Isle of Man**

Under the Online Gambling Regulation Act 2001, the Isle of Man Gambling Supervision Commission (the “**GSC**”) has responsibility for regulating and supervising all online gaming activities in the Isle of Man, and for investigating the character and financial status of any person applying for or holding a licence in connection with online gaming. The GSC is authorised to grant a licence to conduct online gaming to a company if the GSC is satisfied: (i) that the company is under the control of persons of integrity; (ii) as to the beneficial ownership of the company's share capital; (iii) that the company's activities are under the management of persons of integrity and competence; and (iv) that the company has adequate financial means available to conduct online gaming. Licences are generally valid for a maximum of five years. The GSC may revoke a gaming licence if the licensee fails, at any time, to meet any of the initial licensure requirements. The GSC may suspend or revoke a gaming licence if the holder of the gaming licence or designated official is convicted of certain offenses, or is convicted “*by a court in any country or territory in the world of an offense punishable (in that country or territory) in the case of an adult by custody for an unlimited period or a term of two years or more*”. Gaming licences may also be suspended or revoked for other reasons, including the failure to pay required fees or failure to comply with licence conditions or obligations.

One of TSG’s subsidiaries holds a five-year network services licence issued by the GSC allowing TSG to provide poker, casino and betting product offerings. The licence was renewed on 10 March 2019 and remains valid until 9 March 2024.

### **Malta**

On 1 August 2018, the Maltese Gaming Act (Chapter 583 of the Laws of Malta) (the “**Malta Act**”) came into force. The Malta Act, together with the regulations promulgated under it, repealed the prior laws governing gaming in Malta, namely the Lotteries and Other Games Act 2001 (Chapter 438 of the Laws of Malta) and the Remote Gaming Regulations (Subsidiary Legislation 438.04). This major legal overhaul had long been announced by the Malta Gaming Authority (the “**MGA**” or the “**Maltese Authority**”), which is the agency that regulates all aspects of gaming in Malta. The Malta Act is intended to address a number of matters that the gaming industry had been striving to achieve for a number of years.

As under the previous legislation, the Malta Act requires any person who operates, promotes, sells, supplies or manages interactive gaming in or from Malta to obtain the appropriate licence from the Maltese Authority. The Malta Act’s licensing framework provides for two types of licences, namely: (i) a B2B licence; and (ii) a B2C licence. Within the B2C licence category, the MGA requires licensees to obtain approval for each game type that the licensee intends to provide thereunder (i.e., sports betting, casino and/or games of skill). Licences issued under the Malta Act have a ten-year term.

Four of TSG’s subsidiaries collectively hold four B2C licences covering sports betting, games of skill (including poker), casino and games, which are set to expire on 25 June 2027, 23 May 2028, 17 October 2028 and 27 June 2029, respectively. Another subsidiary of TSG holds a B2B licence, which is set to expire on 21 December 2026.

Under the Malta Act, TSG is required to make monthly compliance contributions that are payable in Malta and are calculated on TSG’s revenue from online gaming offered through its Maltese gaming licences. With respect to online gaming offered under its Maltese gaming licences to customers in certain other jurisdictions such as Germany (other than Schleswig-Holstein) and Ireland (poker and casino), TSG also pays applicable gaming duty or VAT in those jurisdictions on some or all of the online gaming offerings in those jurisdictions.

In accordance with EU law, rules and principles on the free movement of services, TSG's Maltese gaming licences entitle the holders of such licences to provide online gaming services to other EU Member States, unless those Member States have their own national regulatory and licensing regime that is compatible with those same European Union rules and principles, in particular the core principles of the TFEU.

Set forth below is an overview of certain jurisdictions for which TSG relies on its multi-jurisdictional licences.

### Austria

TSG offers services to residents in Austria on its Malta licenced platform. Online gaming is regulated in Austria by the Ministry of Finance pursuant to the Austrian Gambling Act. This act's compliance with European Union law is heavily disputed and has been the subject of several rulings from the European Court of Justice. In these judgments the court has determined that there are major violations of European Union law within the act. Austria has amended the act several times but the main issues remain in that there is a lack of consistency due to liberal laws on slot machine gambling and betting while maintaining a restrictive system for online gaming. There is also a lack of transparency in relation to the awarding of a single licence for online gaming. TSG is registered for and pays gaming duty in Austria on the revenues derived from residents.

In Austria, although the Austrian federal government has put forward a programme for regulating betting centrally, this programme has not yet been implemented and each Austrian state continues to regulate betting independently.

### Brazil

Brazil's Article 50 of Decree Law 3688/1941 ("Article 50") prohibits certain types of gaming activities. The law defines gaming as games in which the gain or loss depends on luck. Several judicial opinions, administrative opinions, and other reports and legal opinions have held that poker is a game of skill, and accordingly, it is not prohibited under Article 50. While there have also been conflicting views, the consideration of poker as a game of skill appears to be the majority view in Brazil, and the Brazilian Sports Ministry has also recognised poker as a "sport". Further, it is not clear whether Article 50's restrictions apply to online gaming supplied into the jurisdiction from offshore operators as the law does not mention Internet gaming and there are no specific laws or regulations concerning Internet gaming. TSG also believes that Brazilian law may take a narrow approach to the extra-territorial effect of Brazilian law with respect to the Internet. A different interpretation of Article 50 may be adopted by a court of competent jurisdiction, which could have a material adverse effect on TSG's business, financial condition and operating results.

### Canada

In Canada, gaming regulation exists in a type of shared jurisdiction between the federal government of Canada and the provincial and territorial governments across the country. At the federal level, the Canadian Criminal Code (the "Criminal Code") contains provisions that both prohibit and allow certain types of gambling activity. Each province has the exclusive jurisdiction and power to regulate and offer or further restrict, within its borders, gambling activity.

Part VII of the Criminal Code establishes a number of offences related to gaming, betting, and lottery schemes, and also sets out a number of exemptions. The applicability of the various Criminal Code offences depends to a great extent on the nature of the specific gaming or betting activity itself, ancillary and related activities, and the extraterritorial limits of the Criminal Code. The Criminal Code does not specifically contemplate online gambling. The relevant provisions of the Criminal Code prohibit: (a) keeping a common gaming house (which requires a specific physical location); (b) betting activities; (c) games of pure chance; and (d) traditional gambling.

TSG, aided by input from external legal advisors and TSG's Compliance Committee (as defined below), has formed the reasoned view that Part VII of the Criminal Code does not prohibit peer-to-peer online poker services, which are currently TSG's only real-money services accessible in Canada. Although no Canadian court has yet considered this question, TSG holds this view because, among other reasons: (a) online poker does not occur in a specific physical location; (b) playing poker constitutes gaming and not "betting"; (c) poker is a game of skill with some element of chance; and (d) online poker, where the stakes are won and lost between the players who participate directly in peer-to-peer interactions around a virtual table, is not "traditional gambling" where players compete against the house. As such, TSG does not currently hold or believe that it is required to hold a gaming licence in any Canadian jurisdiction with respect to its online peer-to-peer poker offering. Although Canadian authorities have brought a number of prosecutions in relation to gaming, these are understood to have involved

physical gaming operations based within the jurisdiction. A different interpretation of the Criminal Code may be adopted by a court of competent jurisdiction, which could have a material adverse effect on TSG's business, financial condition and operating results.

### **Germany (other than Schleswig-Holstein)**

With respect to Germany (other than Schleswig-Holstein), TSG's online poker, casino and sports betting product offerings are accessible to customers in Germany pursuant to its Maltese licences in accordance with the right to offer services freely across European Union Member State borders set out in the Treaty on the Functioning of the European Union ("TFEU").

The "*Glücksspielstaatsvertrag*" or Interstate Treaty on Gambling of 1 July 2012 (the "**German Interstate Treaty**") generally provides for Germany's 16 states to assume responsibility for aspects of gambling regulation. Attempts have been made in Germany to maintain the state monopoly on lotteries, prohibit the offering of online casino games (including poker), and permit the licensing of only 20 sports betting operators. The German authorities, however, have been reluctant to initiate any enforcement actions regarding unlicensed online gaming services due to uncertainty over the compatibility of the German Interstate Treaty with the TFEU, particularly in relation to sports betting subsequent to the February 2016 decision of the Court of Justice of the European Union ("CJEU") in the *Ince* case (C-336/14). In the *Ince* case, the CJEU ruled that Germany runs an unlawful de facto state monopoly on sports betting due to the non-transparent, discriminatory licensing procedure under which private betting licences could not be granted in practice all while the state-owned gaming operators are allowed to continue their respective businesses. The CJEU cited the incompatibility of the German Interstate Treaty with the TFEU on the basis it does not observe the principles of equal treatment and non-discrimination on grounds of nationality and the consequent obligation of transparency. The CJEU's judgment also called into question the regulation of online gaming in Germany as a whole, demanding clear licensing criteria. Given the CJEU's position in February 2016 as well as wider European Union and domestic German concerns with the lawfulness of the German Interstate Treaty, TSG currently believes that it is justified in deriving revenue from the supply of TSG's online poker, casino and sports betting services to German customers using its Maltese licences on the basis of the German Interstate Treaty's incompatibility with Germany's obligations under the TFEU.

In its judgment of 27 October 2017, the *Bundesverwaltungsgericht* (the "**Federal Administrative Court of Germany**") confirmed the lawfulness of the German Interstate Treaty's current ban on unlicensed gambling. The Federal Administrative Court of Germany upheld two prohibition orders issued by the authorities of Baden-Württemberg against online gaming and sports betting operators based in Malta and Gibraltar. In relation to online gaming, including poker, TSG currently believes that there are still good arguments as to why the German Interstate Treaty remains non-compliant with the TFEU and a constitutional complaint is pending against the above-mentioned judgment. As such, TSG continues to believe that it is justified in deriving revenue from the supply of TSG's online poker, casino and sports betting services to German customers using its Maltese licences on the basis of the German Interstate Treaty's incompatibility with Germany's obligations under the TFEU.

The European Commission continues to question the legality of the ban in its recent statement dated 30 July 2019, in connection with the ratification of the 3<sup>rd</sup> State Treaty amending the German Interstate Treaty by the German federal states. The European Commission expressly referred to its comments on the 1<sup>st</sup> State Treaty dated 20 March 2012, amending the German Interstate Treaty in which it had criticised the retention of the ban on online casino games and online poker. In the European Commission's view, federal sports betting licences issued for a maximum validity of 18 months do not provide an attractive framework for operators. Furthermore, the European Commission has criticized the federal states for failing to carry out an in-depth analysis on the alleged risks posed by internet games. If Germany does not heed to the European Union's requirements in this regard, the European Commission may escalate its European Union pilot proceeding against Germany. If that occurs, German courts could - as has happened in the past - stop the German online gambling regulations based on a failed European Union compliance test.

The State of Hesse is currently managing an ongoing licensing process for the issuing of federal sports betting licences, with such licences being valid until 30 June 2021. It is not yet known when the first licences under this process will be issued.

On 17 and 18 January 2020, the Heads of the States' Chancelleries reached an agreement for a new Interstate Treaty on Gambling which would come into force on 1 July 2021. The draft agreement is currently subject to written and oral hearings, with oral hearings having occurred in mid-February 2020. It is anticipated that the Prime Ministers will pass a resolution to approve the draft at the Prime Ministers Conference in March 2020.

Besides the provision of licences for sports betting, the draft includes a nationwide licensing model for virtual slot machines and online poker. In addition, a regulation for other casino games such as roulette and black jack is foreseen, either in a monopoly or as a concession model also available for private companies, potentially in partnership with land based (state) casinos.

### The Netherlands

TSG's online gaming offerings are also accessible to customers in the Netherlands pursuant to its Maltese licences. The Dutch Betting and Gaming Act 1964 (the “**BGA**”) generally prohibits the provision of gambling without a licence. It has been debated whether the BGA also applies to gambling provided via the Internet and if it is also applicable to actions taken outside of the Netherlands. However, the Dutch legislature passed a new law on 7 July 2016 introducing a new licensing framework for remote (and non-remote) gambling products as well as remote gambling regulations to implement the licensing regime. The Dutch senate passed the law on 19 February 2019, and TSG currently expects that licensing under the new law will be available in 2021. The new regime will introduce a point-of-consumption regime to allow operators wishing to provide their remote gambling products to persons in the Netherlands to apply for, and obtain, a licence to do so.

In the meantime, the Dutch Gaming Authority will set out its approach to regulating gambling during the period pending the introduction of the new licensing regime, during which TSG expects to be able to keep offering services to Dutch players.

On 3 September 2019, the Dutch Gaming Authority, in the context of administrative proceedings filed against TSG, issued a decision and a fine in the amount of 400,000 euro for alleged breaches of the BGA, which prohibits the offering of unlicensed games of chance. An objection to the decision was filed on 29 November 2019 and is currently pending.

### Russian Federation

In the Russian Federation, TSG's primary offering is online poker offered in conjunction with the sponsored live events in Sochi, Russia. These live events have included (i) the PokerStars Championship Sochi, which included the largest guaranteed prize pool event in Russian poker history, (ii) the European Poker Tour Sochi, which was held in March 2019, and (iii) European Poker Tour Open Sochi in October 2019. TSG is scheduled to hold the European Poker Tour Sochi again in March 2020, which is expected to include 25 events and include a series of qualifying online events worldwide. TSG also works with the Marriott Krasnaya Polyana Hotel and Casino, the tournament venue, to arrange additional entertainment for visitors, including seasonal activities such as skiing and snowboarding, player parties and other tourist activities.

In November 2017, Russian President Putin signed a bill into law that introduced financial blocking measures in Russia for illegal gambling services (the “**Financial Blocking Bill**”), enforcement of which started in late May 2018. Although the Financial Blocking Bill does not clearly specify enforcement measures, as of the date of this annual information form certain measures to block certain transactions using domestic credit and debit cards have been implemented and some offshore payment processors and gambling companies have been “blacklisted”, which has caused certain locally licensed banking institutions to cease conducting business with such payment processors and gambling companies. TSG is currently monitoring and assessing the actual and potential impact and disruptions to its business caused by the Financial Blocking Bill and it is engaging in various activities that it believes are and may continue to mitigate the potential impact of the Financial Blocking Bill. An example of TSG's mitigating activities is the marketing of its live events in Sochi, such as the European Poker Tour Sochi described above. Nevertheless, the Financial Blocking Bill could materially adversely affect its business, results of operations and financial condition.

### Switzerland

In June 2018, the Swiss government passed legislation that provided for the granting of licences to land-based gaming operators that hold a gaming licence in Switzerland to offer online gaming services. This legislation came into effect on 1 January 2019, and consequently, TSG stopped offering sports betting or casino games in Switzerland on that date. Since 1 July 2019, the Swiss government launched a licensing system that allows holders of a local land-based casino licence to offer poker and casino games online. As such, TSG has partnered with Casino Davos, a locally licensed land-based casino in Switzerland, pursuant to which TSG will serve as Casino Davos' online poker software provider. TSG has been working with Casino Davos and the Swiss gaming regulator, the *Eidgenössische Spielbankenkommission* (the “**ESBK**”), to get TSG's online poker games approved and launched in Switzerland. In November 2019, TSG's online poker cash games were added to the official list

of approved games in Switzerland and as of the Latest Practicable Date, these online poker cash games are undergoing testing with the ESBK for final approval before TSG can launch them in Switzerland.

### **Certain other regulatory considerations**

TSG handles, collects, stores, receives, transmits and otherwise processes certain personal information of its customers and employees, which is subject to the laws relating to privacy as well as the protection and use of personal information that apply in various jurisdictions in which it operates and/or where its customers are located. Privacy and information protection laws, require, among other things, that entities collecting and processing such personal information do so in accordance with applicable legal and regulatory conditions. For example, the GDPR cites as its core principles: (i) lawful, fair and transparent processing; (ii) processing for specific, explicit and legitimate purposes; (iii) that personal information be adequate, relevant and limited to what is necessary for the purposes in hand; (iv) that personal information be accurate and kept updated; (v) that personal data be retained for only as long as necessary; and (vi) appropriate security against loss, destruction, damage or theft is implemented. Failure to comply with applicable privacy and personal information laws can result in regulatory sanctions, fines and, in certain cases, criminal liability.

With regards to TSG's operations in Europe, particularly where the personal information being processed relates to residents of European Union Member States, the EU enacted the GDPR on 25 May 2018 to replace European Union Directive 95/46/EC as well as the national implementing legislation in each EU Member State. For example, the UK has adopted the GDPR along with supplementary legislation in the form of the Data Protection Act 2018. The GDPR imposes more stringent operational requirements for entities processing personal information and significant penalties for non-compliance. For instance, the GDPR introduces two categories of administrative fines depending on the seriousness of the breach that will range from: (a) up to €20 million or 4% of worldwide revenues of the preceding year (whichever is higher) for serious infringements; or (b) up to €10 million or 2% of worldwide revenues of the preceding financial year for less serious infringements. With respect to the GDPR, TSG, among other things, maintains records of its data processing activities and carries out its own due diligence on entities that act as data processors on its behalf, and has introduced an automated process to delete personal information that is no longer in use. Additionally, to help ensure that personal information belonging to TSG's customers and employees will be processed in accordance with the GDPR (as well as any other relevant privacy and data and information protection legislation), TSG has posted revised privacy statements together with updated terms and conditions for use of its product offerings on its websites.

TSG is also subject to numerous other domestic and foreign laws and regulations. These can take the form of complex and evolving domestic and foreign laws and regulations regarding the Internet, privacy, data protection, competition, consumer protection and other matters. Many of these laws and regulations are subject to change and uncertain interpretation and could result in claims, changes to TSG's business practices, monetary penalties, increased operating costs, or declines in customer growth or engagement, or otherwise harm its business. For further information see the risk factor entitled "*The increasing application of and any significant failure to comply with applicable data protection and privacy laws may have a material adverse effect on the Combined Group*" on page 31 of this Prospectus.

## PART VIII: ADDITIONAL INFORMATION

### 1. Responsibility

Flutter, the Flutter Directors (whose names appear on page 97 of this Prospectus) and the Proposed Directors (whose names appear on page 97 of this Prospectus) accept responsibility for the information contained in this Prospectus. To the best of the knowledge of Flutter, the Flutter Directors, and the Proposed Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus does not omit anything likely to affect the import of such information.

### 2. Information on Flutter

Flutter was incorporated and registered in Ireland as a private limited company on 8 April 1958 with registered number 16956 under the name Corcoran's Management Limited. It re-registered as a public limited company on 15 November 2000 and it changed its name to Flutter Entertainment public limited company on 27 May 2019. Flutter's legal entity identifier ("LEI") is 635400EG4YIJLJMZJ782.

The Ordinary Shares have been admitted to listing on the Official Lists and to trading on the main markets for listed securities of Euronext Dublin (formerly the Irish Stock Exchange) and the London Stock Exchange since 7 December 2000.

The principal legislation under which Flutter operates, and under which the New Shares will be issued, is the Companies Act and the regulations made thereunder.

The registered office of Flutter is, and following Completion will continue to be, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, D04 V97Z, Ireland (Tel: + 353 1 800 238 888).

The liability of the shareholders of Flutter is limited to amounts, if any, unpaid on the shares issued to them.

The financial year end of Flutter is 31 December.

Flutter is domiciled in Ireland and resident in Ireland for tax purposes.

Flutter's corporate website is [www.flutter.com](http://www.flutter.com). Save for information expressly stated to be incorporated by reference into this Prospectus as described in the Section "*Documents Incorporated by Reference*", information on or accessible through Flutter's corporate website does not form part of and is not incorporated into this Prospectus.

KPMG Chartered Accountants, whose address is 1 Stokes Place, St. Stephen's Green, Dublin 2, D02 DE03, Ireland, has been appointed as the statutory auditor of Flutter. KPMG is a member firm of Chartered Accountants Ireland. KPMG have also prepared the report required by paragraph 11.5 of Annex 3 to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Commission Regulation (EU) 2017/1129 on the pro forma financial information set out in Section B (*Accountant's report on the unaudited pro forma financial information*) of Part V (*Unaudited Pro Forma Financial Information of the Combined Group*) of this Prospectus.

### 3. Share capital of Flutter

#### Authorised and issued share capital

As at the date of this Prospectus, Flutter has one class of shares in issue, having a nominal value of €0.09 per share, namely the Ordinary Shares.

As at the Latest Practicable Date, the authorised and issued share capital of Flutter (excluding Treasury Shares), all of which is fully paid up, is as follows:

<u>Class of shares</u>	<u>Authorised number</u>	<u>Issued and fully paid number</u>
Ordinary Shares of €0.09 each	150,000,000	78,388,576

## **Authorised and issued share capital after the Combination**

Assuming there is no change to the authorised share capital of Flutter after the date of this Prospectus other than the allotment and issue of up to 66,531,782 New Shares in connection with Completion of the Combination, following Admission and assuming that the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination, the authorised and issued share capital of Flutter (excluding Treasury Shares), all of which will be fully paid up on issue, is expected to be as follows:

<b><u>Class of shares</u></b>	<b><u>Authorised number</u></b>	<b><u>Issued and fully paid number</u></b>
Ordinary Shares of €0.09 each	150,000,000	144,920,358

Because the issue of the New Shares pursuant to the Combination will result in the Company having a headroom of authorised but unissued Ordinary Shares of approximately 3,114,042 (excluding Treasury Shares) following Completion (on a fully-diluted basis), the Flutter Board intends to seek the approval of Flutter Shareholders, conditional upon completion of the Combination, to increase Flutter's authorised share capital from €13.5 million (comprised of 150,000,000 Ordinary Shares of €0.09 each) to €27 million (comprised of 300,000,000 Ordinary Shares of €0.09 each) at the Flutter AGM to be held on Thursday, 14 May 2020. If such resolution is approved by Flutter Shareholders, it will become effective on completion of the Combination. The full text of the resolution to be proposed at Flutter's 2020 AGM will be contained in the notice of meeting which will be issued to Flutter Shareholders in advance of the AGM.

## **Treasury Shares**

As at 31 December 2019, the Flutter Group held 1,965,600 Ordinary Shares as Treasury Shares, the aggregate nominal value of which was €176,904, and the book value of which was £40.7 million. As at the Latest Practicable Date, the Flutter Group held 1,965,600 Ordinary Shares as Treasury Shares.

## **Convertible, exchangeable securities and capital increases**

Flutter has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue.

Other than in connection with the Flutter Employee Share Plans and the TSG Employee Share Plans which Flutter will assume as of the Effective Time on Completion of the Combination, there are no acquisition rights and/or obligations over authorised but unissued capital of Flutter, or undertakings to increase the capital. Information regarding the Flutter Employee Share Plans is contained in Note 18 to the Flutter 2019 Financial Statements which are incorporated by reference into this Prospectus. Information regarding the TSG Employee Share Plans is contained in Note 25 to the TSG 2019 Financial Statements which are incorporated by reference into this Prospectus. Information on the treatment of the Flutter Employee Share Plans and the TSG Employee Share Plans as a result of the Combination is contained in paragraph 9 (*Employee share plans*) of Part I (*Information on the Combination*) of this Prospectus.

## **Flutter Shareholder share capital authorities to be proposed at the Flutter EGM**

The following resolutions (together with other resolutions not relating to share capital) are set out in the Flutter Circular sent to Flutter Shareholders on or around the date of this Prospectus and it is proposed that these resolutions will be voted on at the Flutter EGM in connection with the Combination:

### ***Resolution 1. As an ordinary resolution***

*"That, subject to and conditional on the passing of resolution 2 set out in this Notice, the proposed recommended all-share combination between the Company and The Stars Group Inc. on the terms, and subject to the conditions, of the Arrangement Agreement (as defined in the circular of the Company to its shareholders dated 27 March 2020 (the 'Circular')) including any ancillary or associated agreements contemplated by the Arrangement Agreement and/or described in the Circular (the 'Combination'), which constitutes a reverse takeover for the purpose of the Listing Rules of the United Kingdom Financial Conduct Authority, be and is hereby approved and the board of directors of the Company (or any duly authorised committee thereof) be and is hereby authorised:*

- (a) *to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as the directors (or any duly authorised committee thereof) consider necessary, desirable or expedient to implement, or otherwise in connection with, the Combination; and*

- (b) *to agree such modifications, variations, revisions, waivers, extensions, additions or amendments to any of the terms and conditions of the Combination and/or to any documents relating to it, as the directors (or any duly authorised committee thereof) may in their absolute discretion think fit, provided such modifications, variations, revisions, waivers, extensions, additions or amendments are not of a material nature.”*

**Resolution 2. As an ordinary resolution**

*“That, subject to and conditional on the passing of resolution 1 set out in this Notice, and in addition, and without prejudice, to all existing authorities given to the directors of the Company for the purposes of section 1021 of the Companies Act 2014, the directors of the Company be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 1021 of the Companies Act 2014) up to an aggregate nominal amount of €5,987,861 (66,531,782 ordinary shares of €0.09 each ('Ordinary Shares'), being the Ordinary Shares to be allotted pursuant to the Combination; and the authority hereby conferred shall expire on the Long Stop Date (as defined in the Circular), save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the directors may allot any such securities in pursuance of any such offer or agreement as if the authority hereby conferred had not expired.”*

**Resolution 4. As an ordinary resolution**

*“That, subject to and conditional on completion of the Combination, for the purposes of Article 125 of the Articles of Association of the Company, the capitalisation of any amount standing to the credit of the merger reserve account of the Company resulting from the issuance of New Flutter Shares (as defined in the Circular) pursuant to the Combination for the purpose of applying such sum in paying up in full unissued shares to be allotted as fully paid bonus shares in accordance with the said Article 125 (the ‘Capitalisation’) be and is hereby approved and the board of directors of the Company, acting through one or more of the Company’s directors, be and is hereby authorised to determine, on behalf of the Company, the amount of the Capitalisation, to determine whether or not to proceed with the Capitalisation and to implement any such Capitalisation in accordance with the provisions of Article 126 of the Articles of Association of the Company.”*

**Resolution 5. As a special resolution**

*“That, subject to and conditional on completion of the Combination, the Capitalisation occurring and the confirmation of the High Court pursuant to sections 84 and 85 of the Companies Act 2014:*

- (a) *in accordance with section 84 of the Companies Act 2014, the company capital of the Company be reduced by the cancellation of up to the entire amount of the undenominated capital standing to the credit of the Company’s share premium account arising from the Capitalisation and the reserve resulting from the cancellation of such undenominated capital shall be treated as profits available for distribution as defined by section 117 of the Companies Act 2014; and*
- (b) *the board of directors of the Company, acting through one or more of the Company’s directors, be and is hereby authorised to determine, on behalf of the Company, the amount of undenominated capital to be reduced pursuant to paragraph (a) of this resolution, provided such amount shall not exceed the amount of undenominated capital created by the Capitalisation, and to proceed to seek the confirmation of the High Court to such reduction of company capital pursuant to sections 84 and 85 of the Companies Act 2014 or to determine not to proceed to seek the confirmation of the High Court at all.”*

Further detail on each of the resolutions to be proposed at the EGM are contained in the Flutter Circular.

#### 4. **The Ordinary Shares**

##### 4.1 **Restrictions on transferability of the Ordinary Shares**

Save for the Lock-up Agreement and the Voting Support Agreements, there are no agreements to which Flutter Shareholders are a party that are known to the Company that may result in restrictions on the transfer of Ordinary Shares.

Pursuant to Article 35(a) of the Articles, the Flutter Directors may, in their absolute discretion and without assigning any reason therefor, decline to register (a) any transfer of an Ordinary Share which is not fully paid or

(b) any transfer of an Ordinary Share to or by a minor or person of unsound mind, but this shall not apply to a transfer of an Ordinary Share resulting from a sale of the share through a stock exchange on which the share is listed.

Pursuant to Article 35(b) of the Articles, the Flutter Directors may also decline to recognise any instrument of transfer in respect of a transfer of Ordinary Shares held in certificated form unless (i) the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Flutter Directors may reasonably require to show the right of the transferor to make the transfer; (ii) the instrument of transfer is in respect of one class of share only, (iii) the instrument of transfer is in favour of not more than four transferees, and (iv) the instrument of transfer is lodged at the registered office of Flutter or at such other place as the Flutter Directors may appoint.

The Flutter Directors may decline to register any transfer of Ordinary Shares held in uncertificated form pursuant to the 1996 Regulations only in such circumstances as may be permitted or required by the 1996 Regulations.

In addition, under the Companies Act and under the Articles the Flutter Directors may at any time give a shareholder a notice requiring that shareholder to notify the Company of that shareholder's interest in any Ordinary Shares pursuant to section 1062 of the Companies Act (a "**Section 1062 Notice**") and, where a shareholder fails to comply with such notice in respect of Ordinary Shares representing at least 0.25% of the issued share capital of that class, the Flutter Directors may serve a further notice on the relevant shareholder directing that, amongst other things, save in specified circumstances, no transfer of any such shares shall be registered.

Flutter from time to time by ordinary resolution may increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe. Save for Treasury Shares, all shares currently issued are held as Ordinary Shares.

#### 4.2 **Voting rights**

The Articles provide that at any general meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded.

On a poll, every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share carrying voting rights of which that member is the holder. On a poll taken at a meeting of Flutter or a meeting of any class of members of Flutter, a member, whether present in person or by proxy, entitled to more than one vote need not (if he votes) use all his votes or cast all the votes he uses in the same way. A member of Flutter shall not be entitled, in respect of any share held by him, to vote (either personally or by proxy) at any general meeting of Flutter unless all amounts payable by him in respect of that share in Flutter have been paid.

Subject to the provisions of the Companies Act and the Articles and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands, every member present in person and every proxy has one vote, so, however, that no individual has more than one vote.

#### 4.3 **Dividends**

Subject to the provisions of the Companies Act, Flutter may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Flutter Directors. Subject to the provisions of the Companies Act, the Flutter Directors may declare and pay interim dividends if it appears to them that they are justified by the profits of Flutter available for distribution. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

The Flutter Directors may deduct from any dividend or other moneys payable to any member in respect of a share any moneys immediately payable by that member to Flutter in respect of that share. No dividend or other moneys payable in respect of a share shall bear interest against Flutter unless otherwise provided by the rights attached to the share. If the Flutter Directors so resolve, any dividend which has remained unclaimed for 12 years from the date of its declaration shall be forfeited in favour of Flutter and cease to remain owing by Flutter.

A general meeting declaring a dividend may direct, upon the recommendation of the Flutter Directors, that the dividend shall be satisfied wholly or partly by the distribution of assets (and, in particular, of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways) and the Flutter Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution, the Flutter Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof in order to adjust the rights of all the parties and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust rights of all the parties and may vest any such specific assets in trustees, upon trust for the persons entitled to the dividend as the Flutter Directors think expedient, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part thereof, and otherwise as they may think fit.

Flutter has in the past declared an interim dividend when it announced its half-year results and a final dividend when it announced its full year results. There is no set dividend rate, and payments are not cumulative. In 2019, a final dividend was paid in May in respect of the financial year ended 31 December 2018 and an interim dividend was paid in October. There is no fixed date on which entitlement to dividend arises or dividends are paid. Flutter Shareholders are entitled to participate in dividends and/or distribution of profits in proportion to the capital paid up or credited as paid up on the shares on which the dividend or distribution of profits is paid. When declaring a dividend to non-residents, Flutter has previously requested confirmation (in the form of an undertaking, warranty or representation) that the shareholder observed the laws of the relevant territory in respect of the return of cash to a shareholder in that jurisdiction. Flutter does not have any set procedures in respect of dividend restrictions for non-resident shareholders.

#### **4.4 Distribution of assets**

In the event of Flutter being wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up or credited as paid up share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or credited as paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the share capital paid up or credited as paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital at the commencement of the winding up paid up or credited as paid up on the said shares held by them respectively. Provided that this shall not affect the rights of the holders of shares issued upon special terms and conditions.

#### **4.5 Conversion, redemption, allotment and pre-emption**

Flutter may by ordinary resolution convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination.

Subject to the provisions of the Companies Act, any shares may be issued on the terms that they are, or at the option of Flutter are, liable to be redeemed on such terms and in such manner as Flutter may by special resolution determine. In addition and subject as aforesaid, Flutter is authorised to redeem (on such terms as may be contained in, or be determined pursuant to the provisions of, the Articles or a special resolution of Flutter) any of its shares which have been converted into redeemable shares. Subject as aforesaid, Flutter may cancel any shares so redeemed or may hold them as treasury shares and re-issue such treasury shares as shares of any class or classes or cancel them.

Certain statutory pre-emption rights under the Companies Act apply automatically in favour of Flutter Shareholders where shares in Flutter are proposed to be allotted for cash. These statutory pre-emption rights do not apply (i) where shares are allotted for non-cash consideration (such as in a share-for-share acquisition like the Combination), (ii) to the allotment of non-equity shares (such as shares that have the right to participate only up to a specified amount in any income or capital distribution) or (iii) where shares are allotted pursuant to an employee option or similar equity plan. The Companies Act and Flutter's Articles also permit Flutter Shareholders to disapply these statutory pre-emption rights in certain circumstances. Specifically, pursuant to Article 8(d) of the Articles, where the Flutter Directors are authorised to allot relevant securities in accordance with section 1021 of the Companies Act, Flutter Shareholders may at any time and from time to time resolve by a special resolution that the Flutter Directors be empowered pursuant to section 1023 of the Companies Act to allot equity securities (as defined by section 1023 of the Companies Act) for cash pursuant to their authority to allot relevant securities

as if sub-section (1) of section 1022 of the Companies Act did not apply to any such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with any rights issue, open offer or otherwise in favour of ordinary shareholders (other than those holders with registered addresses outside the State to whom an offer would, in the opinion of the Flutter Directors, be impractical or unlawful in any jurisdiction) and/or any persons having a right to subscribe for or convert securities into ordinary shares in the capital of Flutter (including without limitation any holders of options under any of the Company's share option schemes for the time being) where the equity securities respectively attributable to the interests of such ordinary shareholders or such persons are proportionate (as nearly as may be) to the respective number of ordinary shares held by them or for which they are entitled to subscribe or convert into subject to such exclusions or other arrangements as the Flutter Directors may deem necessary or expedient to deal with any regulatory requirements, legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise; and
- (b) the allotment of equity securities (other than pursuant to any such issue as referred to in paragraph (a) above) up to the maximum aggregate nominal value specified in such special resolution;

and such power (unless otherwise specified in such special resolution or varied or abrogated by special resolution passed at an intervening extraordinary general meeting) shall expire at the earlier of the close of business on the date of the next annual general meeting of Flutter after the passing of such special resolution or the day which is 18 calendar months after the date of passing of such special resolution, provided that Flutter may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Flutter Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

On 15 May 2019, the following resolutions were passed at the annual general meeting of Flutter:

#### As an ordinary resolution

##### **Resolution 8**

*“That the Directors of the Company are hereby unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 1021 of the Companies Act 2014) up to an aggregate nominal amount of €2,343,143.34 (26,034,926 shares), representing approximately 33.3% of the aggregate nominal value of the issued share capital of the Company (excluding treasury shares).*

*The authority hereby conferred by this resolution shall expire at the earlier of the close of the AGM of the Company held in 2020 or 14 August 2020, unless previously renewed, varied or revoked by the Company in a general meeting, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.”*

#### As a special resolution

##### **Resolution 9**

*“That pursuant to Article 8(d) of the Articles of Association of the Company, the Directors be and are hereby empowered pursuant to the Companies Act 2014 to allot equity securities (as defined by Section 1023 of the Companies Act 2014) for cash pursuant to the authority conferred on the Directors by Resolution 8 as if sub-section (1) of Section 1022 of the Companies Act 2014 did not apply to any such allotment, provided that:*

- (i) *such authority is to be limited to allotments for rights issues, open offers and other pre-emptive issues pursuant to the terms of Article 8(d)(i) of the Articles of Association; and*
- (ii) *the nominal value of all equity securities allotted in accordance with Article 8(d)(ii) of the Articles of Association (otherwise than under paragraph (i) above) together with the nominal value of any treasury shares (as defined in Section 1078 of the Companies Act 2014), which may be re-issued pursuant to Resolution 11 during the period of this authority, may not exceed €351,471.51 (3,905,239 shares, which is equivalent to approximately 5% of the Company's issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date).*

*The authority hereby conferred by this resolution shall expire at the earlier of the close of the AGM of the Company held in 2020 or 14 August 2020, unless previously renewed, varied or revoked, provided that the Company may make an offer or agreement before the expiry of this authority, which would or might require any such securities to be allotted after this authority has expired, and in that case, the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.”*

The Flutter Board intends to seek the approval of Flutter Shareholders to renew each of the above authorities at the Flutter AGM to be held on Thursday, 14 May 2020. The full text of the resolutions to be proposed at Flutter’s 2020 AGM will be contained in the notice of meeting which will be issued to Flutter Shareholders in advance of the AGM.

#### **4.6 Suspension of rights of members and disposal of shares**

Flutter’s Articles provide for the suspension of certain rights of members and the requirement to dispose of shares in certain circumstances, as set out in more detail below.

##### **Suspension of rights of members**

If at any time Flutter determines that a Shareholder Regulatory Event (as defined in the paragraph entitled “*Meaning of Shareholder Regulatory Event*” below) has occurred, it may, in its absolute discretion at any time, by written notice (a “**Shareholder Regulatory Event Notice**”) to the holder(s) of any interest(s) in any shares in Flutter to whom a Shareholder Regulatory Event relates (or to whom Flutter reasonably believes it to relate), (the “**Relevant Shares**”) with immediate effect (or with effect from such date as is specified in such Shareholder Regulatory Event Notice), suspend one or more of the following rights attaching to such Relevant Shares:

- (i) the right to attend and speak at meetings of Flutter and to vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or to demand and vote on a poll exercisable in respect of any Relevant Shares;
- (ii) the right to receive any payment or distribution (whether by way of dividend or otherwise) in respect of any Relevant Shares; and
- (iii) the right to the issue of further shares or other securities in respect of the Relevant Shares.

##### **Required disposal of Disposal Shares**

In addition to the rights described above, if at any time Flutter determines that a Shareholder Regulatory Event has occurred it may, in its absolute discretion at any time, by written notice (a “**Disposal Notice**”) to a holder of Relevant Shares require the recipient of the Disposal Notice or any person named therein as interested in (or reasonably believed to be interested in) shares of Flutter to dispose of such number of shares as is specified in the Disposal Notice (the “**Disposal Shares**”) and for evidence in a form reasonably satisfactory to Flutter that such disposal shall have been effected to be supplied to Flutter within 14 days from the date of the Disposal Notice or within such other period as Flutter shall (in its absolute discretion) consider reasonable. Flutter may withdraw a Disposal Notice so given whether before or after the expiration of the period referred to therein if it appears to Flutter that the grounds or purported grounds for its service do not exist or no longer exist.

##### **Right of Company to sell Disposal Shares**

If a Disposal Notice is not complied with in accordance with its terms or otherwise not complied with to the satisfaction of Flutter within the time specified, and has not been withdrawn, Flutter shall, in its absolute discretion, be entitled, so far as it is able, to dispose (or procure the disposal) of the Disposal Shares at the highest price reasonably obtainable by Flutter or its agents in the circumstances and shall give written notice of any such disposal to those persons on whom the Disposal Notice was served. Subject to all applicable law and regulation, Flutter itself may acquire any Disposal Shares. Any such disposal by Flutter shall be completed as soon as reasonably practicable after expiry of the time specified in the Disposal Notice and, in any event, within 90 days after the expiry of the time specified in the Disposal Notice provided that a disposal may be suspended during any period when dealings by the directors in Flutter shares are not permitted by applicable law or regulation but any disposal of Disposal Shares so suspended shall be completed within 30 days after the expiry of the period of such suspension.

### **Steps to be taken in connection with sale of Disposal Shares**

Neither Flutter nor any director, officer, employee or agent of Flutter shall be liable to any holder of or any person having any interest in Disposal Shares disposed of in accordance with the provisions described above or to any other person provided that, in disposing of such Disposal Shares, Flutter acts in good faith within the time periods specified above. For the purpose of effecting any disposal of Disposal Shares held in uncertificated form, Flutter may make such arrangements on behalf of the registered holder of the Disposal Shares as it may think fit to transfer title to those shares through a relevant system (as defined in the 1996 Regulations). For the purpose of effecting any disposal of Disposal Shares held in certificated form, Flutter may authorise in writing any, director, officer, employee or agent of Flutter to execute any necessary transfer on behalf of the registered holder(s) and may issue a new share certificate or other document of title to the purchaser and enter the name of the transferee in the register. The net proceeds of any such disposal shall be received by Flutter whose receipt shall be a good discharge for the purchase money and shall be paid (without interest being payable thereon) to the former registered holder of the Disposal Shares upon surrender by him of all relevant share certificate(s) or other documents of title in respect of such Disposal Shares. The transferee shall not be bound to see the application of such proceeds and, once the name of the transferee has been entered into the register in respect of the Disposal Shares, the validity of the transfer of the Disposal Shares shall not be questioned. Any delay on the part of Flutter in exercising any or all of its rights under the provisions described above shall not in any way invalidate the transfer of any Disposal Shares made hereunder or any other steps undertaken in connection therewith. Save as otherwise specifically provided by the provisions described above, the manner, timing and terms of any disposal of Disposal Shares by (or on behalf of) Flutter shall be determined by Flutter and Flutter may take advice from such persons as are considered by it to be appropriate as to the manner, timing and terms of any such disposal.

### **Meaning of Shareholder Regulatory Event**

For the purposes of the provisions described above, a “**Shareholder Regulatory Event**” shall occur if:

- (i) a Gaming Regulatory Authority (as defined in the paragraph entitled “*Interpretation of provisions regarding Shareholder Regulatory Event*” below) informs Flutter or any member of its group that any member of Flutter or any person interested or believed to be interested in shares of Flutter is for whatever reason:
  - (A) unsuitable to be a person interested in shares of Flutter;
  - (B) not licensed or qualified to be a person interested in shares of Flutter; or
  - (C) disqualified as a holder of interests in shares of Flutter,under any legislation regulating the operation of any betting or gaming activity or any activity ancillary or related thereto undertaken or to be undertaken by Flutter or any member of its group or any other company, partnership, body corporate or other entity in which Flutter or any member of its group is interested;
- (ii) a Gaming Regulatory Authority by reason, in whole or in part, of the interest of any person or persons in shares of Flutter (or by its belief as to the interest of any person or persons in such shares) has:
  - (A) refused or indicated to Flutter or any member of its group or any other company, partnership, body corporate or other entity in which Flutter or any member of its group is interested that it will or is likely to or may refuse;
  - (B) revoked or cancelled or indicated to Flutter or any member of its group or any other company, partnership, body corporate or other entity in which Flutter or any member of its group is interested that it will or is likely to or may revoke or cancel;
  - (C) opposed or indicated to Flutter or any member of its group or any other company, partnership, body corporate or other business in which Flutter or any member of its group is interested that it will or is likely to or may oppose; or
  - (D) imposed any condition or limitation which may have a material adverse impact upon the operation of any betting or gaming activity or any activity ancillary or related thereto undertaken or to be undertaken by Flutter or other entity in which Flutter or any member of its group is

interested, or upon the benefit of which Flutter or any other member of its group derives or is likely to derive from the operation by any other member of its group or any other company, partnership, body corporate, or other entity in which Flutter or any member of its group is interested in any betting or gaming activity or any activity ancillary or related thereto or indicated to Flutter or any member of its group or any such other company, partnership, body corporate or other entity that it will or is likely to or may impose any such condition or limitation, in relation to,

the grant, renewal, or the continuance of any registration, licence, approval, finding of suitability, consent, or certificate required by any legislation regulating (or code of conduct or practice recognised or endorsed by the Gaming Regulatory Authority relevant to) the operation of any betting or gaming activity or any activity ancillary or related thereto undertaken or to be undertaken by Flutter or any member of its group or any other company, partnership, body corporate or other entity in which Flutter or any member of its group is interested, which is held by or has been applied for by Flutter or any member of its group or other such person.

### **Interpretation of provisions regarding Shareholder Regulatory Event**

For the purpose of the paragraphs described above:

- (a) Flutter may, in determining the reason for any action or potential action of a Gaming Regulatory Authority, have regard to any statements or comments made by any members, officers, employees or agents of the Gaming Regulatory Authority whether or not such statements or comments form part of or are reflected in any official determination issued by the Gaming Regulatory Authority, and may act notwithstanding any appeal in respect of the decision of any Gaming Regulatory Authority;
- (b) a “**Gaming Regulatory Authority**” means any authority wherever located (whether a government department, independent body established by legislation, a government, self-regulating organisation, court, tribunal, commission, board, committee or otherwise) vested with responsibility (with or without another or others) for the conduct of any betting or gaming activity or any activity ancillary, or related thereto;
- (c) the Flutter Board may exercise the powers of Flutter under the provisions described above and any powers, rights or duties conferred by the provisions described above on Flutter and exercisable by the Flutter Board may be exercised by a duly authorised committee of the Flutter Board or any person(s) to whom authority has been delegated by the Flutter Board or any such committee of the Flutter Board, as applicable;
- (d) any resolution or determination of, or any decision or the exercise of any discretion or power under the provisions described above by Flutter, the Flutter Board, a duly authorised committee of the Flutter Board or any person to whom authority has been delegated thereby shall be final and conclusive and binding on all concerned, and neither Flutter, the Flutter Board, nor any person acting under the authority thereof shall be obliged to give any reason(s) therefor; and
- (e) “**betting or gaming activity or any activity ancillary or related thereto**” includes (but is not limited to) the provision of online services to customers in connection with such activity or activities and shall include the provision of financial services.

#### **4.7 National legislation on takeovers**

As an Irish company with shares admitted to listing on the Official List of the FCA and the Official List of Euronext Dublin, the Irish Takeover Panel has jurisdiction to monitor and supervise any takeover bid for Flutter. The Irish Takeover Panel Act 1997, Irish Takeover Rules 2013 (the “**Irish Takeover Rules**”) and the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (the “**2006 Regulations**”) regulate takeovers and bids to acquire Flutter as well as certain acquisitions of Flutter’s securities.

Rule 5 of the Irish Takeover Rules restricts the acquisition of securities or rights over securities in Flutter by any person (or any person acting in concert with that person within the meaning of the Irish Takeover Rules) holding, in aggregate, less than 30% of the voting rights in the Company if, following such acquisition, the aggregate of that person’s initial voting rights, the voting rights carried by any acquired securities and the voting rights conferred by securities the subject of any such rights which have been acquired, if any, would amount to 30% or

more of the voting rights of the Company. Any such acquisition is prohibited save in certain limited circumstances specified in the Irish Takeover Rules, including purchases of securities or rights over securities from a single holder of securities (in the circumstances permitted by the Irish Takeover Rules) or purchases immediately before a person announces a firm intention to make an offer for the purposes of the Irish Takeover Rules which has been recommended for acceptance by the Company. Acquisitions by and holdings of concert parties must be aggregated for these purposes.

In addition, under Rule 5, any person holding securities or rights over securities which in the aggregate carry 30% or more of the voting rights of the Company is also restricted from acquiring securities carrying 0.05% or more of the voting rights, or rights over such securities, in a 12-month period, save as expressly permitted under the Irish Takeover Rules. This latter prohibition does not apply to the extent a person already holds securities, or rights over securities, which represent in excess of 50% of the voting rights of the Company.

Rule 9 of the Irish Takeover Rules provides that, where a person acquires securities in Flutter which, when taken together with any securities held by concert parties, amount to 30% or more of the voting rights of the Company, that person will be required under to make a general offer (a “**mandatory offer**”) to the holders of each class of equity share capital carrying voting securities of the Company to acquire their securities. The obligation to make a mandatory offer under Rule 9 is also imposed on any person (or persons acting in concert) who holds securities conferring 30% or more of the voting rights in the Company and who increases that stake by 0.05% or more in any 12-month period. Again, a single holder of securities (including persons regarded as such under the Irish Takeover Rules) who holds securities conferring in excess of 50% of the voting rights in the Company may purchase additional securities without incurring an obligation to make a Rule 9 mandatory offer.

### **Squeeze out**

The 2006 Regulations set out a procedure enabling a bidder for an Irish company which has securities admitted to trading on an EU regulated market (such as Flutter) to acquire compulsorily the securities of those holders who have not accepted a general offer (the “**squeeze-out**” right) on the terms of the general offer.

The main condition which needs to be satisfied before the “squeeze-out” right can be exercised is that the bidder, pursuant to acceptance of a bid for the beneficial ownership of all the transferable voting securities (other than securities already in the beneficial ownership of the bidder) in the capital of the company, has acquired, or unconditionally contracted to acquire, securities which amount to not less than nine tenths of the nominal value of the securities affected and carry not less than nine tenths of the voting rights attaching to the securities affected.

### **Sell-out**

The 2006 Regulations also provide for rights of “sell-out” for shareholders in Irish companies which have securities admitted to trading on an EU regulated market, such as Flutter. Holders of securities carrying voting rights in the company who have not accepted a bid by way of a general offer for the beneficial ownership of all of the voting securities in the company (other than securities already in the beneficial ownership of the bidder) have a corresponding right to oblige the bidder to buy their securities, on the terms of the general offer under which the beneficial ownership of the securities of the assenting security holders was acquired by the bidder. The main condition to be satisfied to enable the exercise of “sell-out” rights is that the bidder has acquired, or unconditionally contracted to acquire, securities which amount to not less than nine tenths in nominal value of the securities affected and which carry not less than nine-tenths of the voting rights attaching to the securities affected.

### **Substantial acquisition rules**

The Substantial Acquisition Rules are designed to restrict the speed at which a person may increase a holding of voting securities (or rights over such securities) of a company which is subject to the Irish Takeover Rules, including Flutter. The Substantial Acquisition Rules prohibit the acquisition by any person (or persons acting in concert with that person) of shares or rights in shares carrying 10% or more of the voting rights in Flutter within a period of seven calendar days if that acquisition would take that person’s holding of voting rights to 15% or more but less than 30% of the voting rights in Flutter.

#### **4.8 Public takeover bids**

There have been no public takeover bids by third parties in respect of the share capital of Flutter during the previous financial year or the current financial year and no such public takeover bids are outstanding as at the Latest Practicable Date.

#### 4.9 Settlement

The Ordinary Shares are currently capable of being held in uncertificated form through CREST and the New Shares will be capable of being held in uncertificated form through CREST at Admission.

As a consequence of Brexit, it is expected that EUI, the current operator of CREST, will cease to be authorised to provide certain settlement services in respect of Irish corporate securities, including the Ordinary Shares, under the EU CSD Regulation with effect from 30 March 2021. As a result, the Irish Government has announced proposals for the migration of the system for settlement of Irish corporate securities from CREST to an industry-selected CSD operated by Euroclear Bank. In order to facilitate this migration, the Irish Government has published the Migration of Participating Securities Act 2019, which provides a legislative mechanism for the migration of uncertificated securities from CREST to a CSD authorised under the EU CSD Regulation, subject to the approval of shareholders and certain other requirements. Under the current timetable proposed by the Irish Government, migration to the Euroclear Bank settlement system will need to be complete before 30 March 2021.

The settlement system operated by Euroclear Bank is different from the CREST system in a number of respects. In particular, under the Euroclear Bank settlement system, Ordinary Shares are expected to be held in intermediated form in accordance with the terms and conditions of the Euroclear Bank system and will no longer be capable of being held in uncertificated form pursuant to the 1996 Regulations.

The Flutter Board has not yet made a formal decision to propose the migration of Ordinary Shares to the Euroclear Bank settlement system and any such migration is expected to be subject to the prior approval of Flutter Shareholders. If a decision to propose the migration of Ordinary Shares to the Euroclear Bank settlement system is made, Flutter Shareholders will be provided with further details regarding the proposed migration, including how it will affect the rights of members of Flutter and an explanation of the options available to Flutter Shareholders who do not wish for their Ordinary Shares to be migrated. Given the anticipated timetables for completion of the Combination and migration of Irish corporate securities to the Euroclear Bank settlement system, it is not anticipated that any proposed migration would become effective before completion of the Combination.

#### 5. Major shareholders

The following table contains information with respect to the direct or indirect shareholdings of each Flutter Shareholder as at the close of business on the Latest Practicable Date, which are notifiable under Irish law, in so far as is known to Flutter by virtue of notifications made to the Company under Irish or other applicable law. As at the Latest Practicable Date, the Company is not aware of any person who, directly or indirectly, exercises or could exercise control over the Company.

Shareholder	Amount of Ordinary Shares and voting rights as at the Latest Practicable Date	
	Number of Ordinary Shares	Percentage of voting rights
The Capital Group Companies, Inc <sup>(1)</sup>	14,305,994	18.25%
Parvus Asset Management Europe Limited <sup>(2)</sup>	8,695,282	11.09%
Massachusetts Financial Services Company	6,249,597	7.97%
HSBC Holdings plc	5,582,116	7.12%
Blackrock, Inc.	4,801,693	6.13%
Caledonia (Private) Investments Pty Limited	3,992,140	5.09%
Citigroup Global Markets Limited	3,772,073	4.81%
David Power	3,472,822	4.43%
Marathon Asset Management LLP	2,411,233	3.08%

Notes:

<sup>(1)</sup> As notified by The Capital Group Companies, Inc, EuroPacific Growth Fund (“EUPAC”) and Capital World Growth and Income Fund (“WGI”) are mutual funds registered in the United States that are interested in 8.0036%, 4.9435% and 4.2765% respectively of Flutter’s Ordinary Shares. Their voting rights have been delegated to Capital Research and Management Company (“CRMC”). CRMC’s holdings under management are reported in aggregate by The Capital Group Companies, Inc. Accordingly, EUPAC’s and WGI’s interests are included in the 18.25% interest of The Capital Group Companies, Inc.

- (2) Parvus Asset Management Europe Limited is the holder of a derivative position in Flutter Ordinary Shares via equity swap.

The above listed Flutter Shareholders do not have different voting rights.

Flutter is not aware of any person who, as at the Latest Practicable Date, directly or indirectly, jointly or severally, exercises or could exercise control over Flutter nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change-of-control of Flutter.

The following table contains information with respect to the direct or indirect shareholdings of each TSG Shareholder as at the Latest Practicable Date, which are notifiable under Canadian law, in so far as is known to Flutter by virtue of notifications made by the relevant TSG Shareholders under applicable law.

<b>Shareholder</b>	<b>Amount of share capital and voting rights as at the Latest Practicable Date</b>	
	<b>Number of shares</b>	<b>Percentage of voting rights</b>
Caledonia (Private) Investments Pty Limited	53,925,897	18.62%

The above listed TSG Shareholders do not have different voting rights.

Flutter is not aware of any person who, as at the Latest Practicable Date, directly or indirectly, jointly or severally, exercises or could exercise control over TSG nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change-of-control of TSG (other than completion of the Combination).

At Admission, the interests of the above-mentioned Flutter Shareholders will be diluted following the issue of the New Shares to TSG Shareholders. Assuming that the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination and that there are no other changes to the holdings of the above Flutter Shareholders or TSG Shareholders or to the share capital of Flutter or TSG, it is expected that the Flutter Shareholders will own 54.66%, and TSG Shareholders will own 45.34%, of Flutter on a fully diluted basis taking into account existing share options and award schemes for both companies as at the Latest Practicable Date and assuming no further share issuances.

The following table contains information with respect to the direct or indirect shareholdings of each person which is expected to be notifiable under Irish law for its shareholding in Flutter after completion of the Combination, in so far as is known to the Company and based on the following assumptions: (i) the maximum number of New Shares will be issued to TSG Shareholders pursuant to the Combination; (ii) the shareholdings of Flutter Shareholders and TSG Shareholders set out above do not change between the Latest Practicable Date and the Combination becoming effective and (iii) no issue of Ordinary Shares other than the issue of the New Shares occurs between the Latest Practicable Date and the completion of the Combination.

<b>Shareholder</b>	<b>Amount of Ordinary Shares and voting rights following completion of the Combination</b>	
	<b>Number of Ordinary Shares</b>	<b>Percentage of voting rights</b>
The Capital Group Companies, Inc. <sup>(1)</sup>	19,310,629	13.34%
Caledonia (Private) Investments Pty Limited <sup>(1)</sup>	16,141,644	11.15%
Parvus Asset Management Europe Limited <sup>(2)</sup>	8,695,282	6.00%
Massachusetts Financial Services Company	6,249,597	4.32%
Citigroup Global Markets Limited <sup>(1)</sup>	6,064,814	4.19%
Blackrock, Inc. <sup>(1)</sup>	5,882,966	4.06%
HSBC Holdings plc	5,582,116	3.85%
David Power	3,472,822	2.40%
Marathon Asset Management LLP	2,411,233	1.67%

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Notes:

- (<sup>(1)</sup>) The indicative interests in Ordinary Shares of The Capital Group Companies, Inc., BlackRock, Inc., Citigroup Global Markets Limited and Caledonia (Private) Investments Pty Limited take into account these shareholders' (and Citigroup Inc.'s) existing shareholdings in Flutter as at the Latest Practicable Date as well as their interests in TSG Shares, based on the interests disclosed to TSG through Bloomberg as at the Latest Practicable Date, of approximately 31.5% in aggregate of the issued share capital of TSG, which will be exchanged for New Shares on Completion.
- (<sup>(2)</sup>) Parvus Asset Management Europe Limited is the holder of a derivative position in Flutter Ordinary Shares via equity swap.

## 6. Dividends and dividend policy

### *Flutter dividends in respect of the year ended 31 December 2019*

Flutter distributed (or in the case of the 2019 Final Dividend will, if approved by Flutter Shareholders at the 2020 AGM, distribute) the following dividends in respect of the year ended 31 December 2019:

	<b>Financial year ended 31 December 2019 (in pounds sterling)</b>
Interim dividend per share (total):	0.67 (52.2 million)
2019 Final Dividend per share (total):	1.33 (104 million) <sup>(1)</sup>
<b>Total dividends:</b>	<b>2.00 (156.2 million)</b>

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Notes:

- (<sup>(1)</sup>) The Flutter Board has proposed a final dividend in respect of the financial year ended 31 December 2019 of 133 pence per Ordinary Share which is subject to approval by Flutter Shareholders at the 2020 AGM. Given the impact of the current disruption caused by COVID-19, the Flutter Board will propose at the 2020 AGM that the 2019 Final Dividend is paid in the form of Ordinary Shares. As a result, the total cost of the 2019 Final Dividend recorded in the table above will be satisfied by the allotment of Ordinary Shares to Flutter Shareholders rather than by way of a cash distribution. The record date and payment date for the 2019 Final Dividend, including the basis on which the number of new Ordinary Shares to be issued in satisfaction of the 2019 Final Dividend will be calculated, will be notified to Flutter Shareholders in the notice of the 2020 AGM which will be published in due course.

### *Flutter pro-rated dividend*

At the announcement of the Combination, the Flutter Board had expected that Flutter Shareholders immediately prior to Completion would be entitled to a pro-rated dividend, reflecting a time pro-rated amount of the total anticipated annual dividend for the financial year ending 31 December 2020, to which Flutter Shareholders would otherwise be entitled if the Combination had not proceeded. Given the anticipated financial profile of Flutter in the current year, the Flutter Board considers it no longer prudent to propose any pro-rated dividend.

### *TSG dividends*

As part of the agreed terms of the Combination, TSG has agreed not declare or pay any dividend or other distribution (whether in cash, stock or in kind) in the period before the Effective Time, other than as is consistent with past practice as regards to amount per share, declaration record and payment dates. TSG has no present plans to pay dividends to its shareholders.

### *Pre Combination dividend policy*

Save as set out above, the Boards of Directors of Flutter and TSG have agreed to retain their current dividend policies for the period prior to Completion of the Combination.

## *Post Combination dividend policy*

Given the impact of the current disruption caused by COVID-19 and the ambition for the Combined Group to delever, the Flutter Board considers it prudent to suspend the dividend for the current financial year ending 31 December 2020. The Flutter Board will continue to monitor the calendar of sporting events and the associated performance of sports betting as well as the Combined Group's anticipated deleveraging and balance sheet position to decide the appropriate time to reinstate a dividend for the Combined Group.

The New Shares issued to TSG Shareholders pursuant to the Combination will carry the right to all dividends and other distributions declared, made or paid by Flutter on or after the Effective Date. For the avoidance of doubt, this will not include any entitlement to the 2019 Final Dividend.

## **7. Legal and arbitration proceedings**

### **7.1 Legal and arbitration proceedings relating to Flutter**

Save as described below, there are no legal or arbitration proceedings, including governmental proceedings, pending or known by the Flutter Group to be contemplated which may or have had in the recent past a significant effect on the financial position or profitability of the Flutter Group taken as a whole.

In December 2018, the Greek tax authorities issued the Flutter Group with a tax assessment for the financial years ending 31 December 2012, 2013 and 2014, relating to paddypower.com's Greek interim licence. This assessment concluded that the Flutter Group is liable to pay €15 million in taxes including penalties and interest. This represents a multiple of the total cumulative revenues ever generated by paddypower.com in Greece. The Flutter Group has since paid the Greek tax liability (including interest and penalties) and, following the rejection of the Flutter Group's initial appeal against the assessments by the Greek Dispute Resolution Directorate, the Flutter Group filed an appeal with the Athens Administrative Court of Appeal in June 2019, which is scheduled to hear the case in September 2020.

In February 2019, the Hessen Fiscal Court in Germany provided the Flutter Group with its decision relating to the Flutter Group's appeal of a 2012 German tax assessment relating to the Betfair Exchange, which operated in Germany until November 2012. In its February 2019 decision, the Fiscal Court found against the Flutter Group and deemed that a tax liability of approximately €40 million is payable (including accrued interest) by the Flutter Group. This represents a multiple of the revenues generated by the Betfair Exchange in Germany during the assessment period. The Flutter Group has since paid the German tax liability but has also filed an appeal of the decision of the Hessen Fiscal Court to the German Federal Tax Court in June 2019.

The Flutter Group strongly disputes the basis of these assessments and, in line with the legal and tax advice it has received, is confident in its grounds of appeal. Accordingly, the Flutter Group has recorded as a receivable the amounts paid in 2019.

### **7.2 Legal and arbitration proceedings relating to TSG**

Save as described below, there are no legal or arbitration proceedings, including governmental proceedings, pending or known by the Flutter Group to be contemplated which may or have had in the recent past a significant effect on the financial position or profitability of the TSG Group taken as a whole.

### **Kentucky Proceedings**

Prior to the Stars Interactive Group Acquisition, the Commonwealth of Kentucky filed a legal proceeding against Stars Interactive Group, then named Oldford Group Limited, and certain affiliates thereof (together, the "**Oldford Parties**") and various other defendants (the "**Kentucky Proceeding**"), pursuant to which the Commonwealth of Kentucky sought to recover alleged gambling losses on behalf of Kentucky residents who played real-money poker on the PokerStars website during the period between 12 October 2006 and 15 April 2011. Oldford Group Limited was acquired by a wholly-owned subsidiary of TSG in 2014 as part of the Stars Interactive Group Acquisition. On 12 August 2015, the trial court in the Kentucky Proceeding entered a default judgment against the Oldford Parties following certain alleged discovery failures, including by certain former owners of Stars Interactive Group, and partial summary judgment on liability in favour of the Commonwealth of Kentucky. On 23 December 2015, the trial court entered an order for damages in the amount of approximately \$290 million, which the trial court trebled to approximately \$870 million.

TSG, through certain subsidiaries, filed a notice of appeal to the Kentucky Court of Appeals and posted a \$100 million supersedes bond to stay enforcement of the order for damages during the pendency of the appeals process. In connection with the posting of the bond, TSG delivered cash collateral in the amount of \$5 million and letters of credit in the aggregate amount of \$65 million. On 21 December 2018, the Kentucky Court of Appeals ruled in TSG's favour and reversed in its entirety the \$870 million judgment issued against TSG by the trial court judge in December 2015.

On 18 January 2019, the Commonwealth of Kentucky filed a motion for discretionary review with the Kentucky Supreme Court asking the court to determine if it will hear an appeal of the decision issued by the Kentucky Court of Appeals. On 11 April 2019, the Kentucky Supreme Court granted discretionary review of the Kentucky Court of Appeals' ruling in TSG's favour.

In late-January 2016, pursuant to and in accordance with the procedures set forth in the merger agreement governing the Stars Interactive Group Acquisition, a subsidiary of TSG submitted a notice of claim to the sellers' representative and escrow agent seeking indemnification for losses and potential losses caused by breaches under the merger agreement and requesting, among other things, that the escrow agent retain the then-remaining balance of the escrow fund established under the merger agreement in an aggregate amount equal to \$300 million. Since 2016, the escrow fund was reduced according to the settlement of certain of the claims and on 30 September 2019, the parties settled the remaining disputed claim regarding the Kentucky Proceedings and the escrow agent released the remaining funds to a payment agent designated by the former owners of Stars Interactive Group.

### **Foreign payments matter**

The TSG Board, with the involvement of external counsel, is undertaking a review of whether TSG or any of its subsidiaries or personnel has made improper payments, directly or through external consultants, to governmental officials in certain jurisdictions outside of Canada and the United States.

This review includes reviewing historic and current operations, reviewing TSG's use of external consultants in foreign markets, and revising internal policies, controls and procedures relating to its global anti-corruption compliance programme. As a result of this review, TSG initially voluntarily contacted the Royal Canadian Mounted Police ("RCMP") in Canada and the DOJ and SEC in the United States in 2016. These authorities are investigating these matters and TSG continues to cooperate with them, including, without limitation, by responding to information requests from the RCMP, the DOJ and the SEC, and voluntarily providing records and information to these authorities. This review and cooperation is ongoing.

TSG cannot predict at this time the outcome or impact of the government investigations or its own internal review or the costs which may be involved. See the risk factor entitled "*The Combined Group may fail to maintain effective and compliant anti-money laundering, counter-terrorist financing, anti-corruption and other regulatory policies and procedures*" on page 20 of this Prospectus.

### **Quebec Class Action**

On or about 25 July 2018, a re-re-amended motion for authorisation of a class action and for authorisation to bring an action pursuant to Quebec securities law (the "**Re-Re-Amended Derome Class Action**"), *Derome v. The Stars Group Inc. et al.* (Case No. 500-06-000785), was filed in the Superior Court of Quebec, Province of Quebec, Canada, District of Montreal, amending a prior class action complaint previously filed in early 2016. The Re-Re-Amended Derome Class Action names TSG, its former Chief Executive Officer, Mr. David Baazov, its former Chief Financial Officer, Mr. Daniel Sebag, TSG's Executive Chairman, Mr. Gadhia, and former directors, Mr. Harlan Goodson and General Wesley K. Clark, as defendants. It was filed by an individual shareholder on behalf of himself and a class of persons, composed of a sub-class of primary market purchasers and a sub-class of secondary market purchasers, who purchased TSG's securities between 31 March 2014 and 22 March 2016 (the day before the announcement of the filing of charges brought by the AMF against Mr. Baazov).

The plaintiff generally alleged that throughout the class period above the defendants violated certain Canadian securities laws by misrepresenting or failing to disclose (or acquiescing in the same), among other things, that Mr. Baazov allegedly was engaged in an insider trading scheme which allegedly made possible certain acquisitions of TSG. The plaintiff also alleged that TSG did not properly disclose that it had inadequate or ineffective internal controls, that one or more of its directors and Mr. Baazov were in breach of TSG's Code of Business Conduct and that certain public statements made by TSG in respect of the AMF Investigation were false or misleading.

The Re-Re-Amended Derome Class Action sought damages stemming from losses the plaintiffs claim to have suffered as a result of the foregoing. On 25 November 2019, the parties entered into a settlement agreement with respect to a settlement of the Re-Re-Amended Derome Class Action, which is subject to court approval and will be funded entirely by TSG's insurance carriers.

### **Preferred shares matter**

On 18 July 2018, TSG implemented a previously announced mandatory conversion of all of its then issued and outstanding preferred shares and issued 51,996,623 new TSG Shares to the holders thereof. Prior to completion of the conversion, Polar Multi-Strategy Master Fund (and certain affiliated funds) and Verition Canada Master Fund Ltd. applied to the Ontario Superior Court of Justice for a declaration that the mandatory conversion would contravene TSG's articles of continuance. On 17 July 2018, the Ontario Superior Court ruled in favour of TSG and dismissed the application. As a result, TSG proceeded with the conversion. The applicants subsequently appealed the Ontario Superior Court decision and, in the appeals sought, among other relief, rescission of the conversion or potential damages and costs. On 9 September 2019, TSG entered into minutes of settlement with respect to the appeal of the Ontario Superior Court of Justice's prior dismissal of the application, and on 23 September 2019, the Court of Appeal for Ontario entered an order dismissing the appeal with prejudice. The matter was subsequently settled for \$32.5 million.

## **8. Material contracts**

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by members of the Flutter Group and members of the TSG Group: (a) within the two years immediately preceding the date of this Prospectus which are, or may be, material to the Combined Group; or (b) at any time containing obligations or entitlements which are, or may be, material to the Combined Group as at the date of this Prospectus:

### **8.1 Material contracts of the Flutter Group**

#### **Confidentiality Agreement**

In connection with the Combination, Flutter and TSG entered into a mutual confidentiality agreement dated 5 August 2019 pursuant to which each of Flutter and TSG has undertaken to keep certain information relating to the Combination and the other party confidential and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation.

#### **Arrangement Agreement**

Flutter and TSG entered into the Arrangement Agreement on 2 October 2019 in connection with the Combination.

The Arrangement Agreement details the terms of the Combination, which is conditional upon, among other things: (i) approval of the Combination by Flutter Shareholders (by ordinary resolution) as a Class 1 Transaction under the UK Listing Rules of the FCA voting at the Flutter EGM; (ii) the FCA, the London Stock Exchange and Euronext Dublin agreeing to admit Flutter's enlarged ordinary share capital to: (1) listing on the premium listing segment of the Official List of the FCA and to a secondary listing on the Official List of Euronext Dublin and (2) trading on the London Stock Exchange's main market for listed securities and the Euronext Dublin Market; (iii) approval of the TSG Resolution by at least 66<sup>2/3</sup>% of the votes cast by TSG Shareholders, present in person or represented by proxy, at the TSG Shareholder Meeting and Court approval of the Plan of Arrangement; (iv) relevant merger control, foreign investment and gaming related approvals being obtained, including in the UK, Ireland, Australia, the US and Canada; (v) holders of not more than 5% of TSG Shares outstanding on the Effective Date exercising TSG Dissent Rights with respect to the Combination; (vi) the absence of a Material Adverse Effect (as defined in the Arrangement Agreement); and (vii) other customary closing conditions.

The Arrangement Agreement also contains customary representations and warranties made by each of Flutter and TSG and contains customary covenants, including, among others, agreements by Flutter and TSG to, and to cause their respective subsidiaries to, conduct each of its and their respective business only in, not take any action except in, and maintain each of their respective facilities in, the ordinary course of business and use commercially reasonable efforts to preserve intact each of its and their present business organisation and goodwill, to preserve themselves intact and each of their assets and properties, to keep available the services of each of its executive officers and employees as a group and to maintain relationships consistent with past practice with customers,

employees, governmental entities and others having business relationships with each of them, as in the ordinary course of business, all during the period between the execution of the Arrangement Agreement and the Effective Date and to not engage in certain kinds of transactions or take certain actions during this period unless consented to in writing by the other party, in each case subject to customary exceptions as applicable.

In addition, on the terms and subject to conditions set forth in the Arrangement Agreement, each party has agreed to use its commercially reasonable efforts to obtain the Regulatory Approvals and the Gaming Consents (each as defined in the Arrangement Agreement), as outlined in the Arrangement Agreement, subject to exceptions in respect of certain remedies which the parties are not required to accept.

The Arrangement Agreement includes customary provisions relating to non-solicitation, subject to customary “fiduciary out” provisions, that entitle each party to consider and accept a Superior Proposal (as defined in the Arrangement Agreement) prior to the receipt of required approvals of the Combination by Flutter Shareholders and TSG Shareholders (and provided the party considering or accepting such Superior Proposal is not in material breach of the non-solicitation provisions of the Arrangement Agreement) if the other party does not match the Superior Proposal.

The Arrangement Agreement may be terminated prior to the Effective Date: (i) by mutual written agreement of Flutter or TSG; (ii) by either Flutter or TSG, if the Combination is not consummated by 31 October 2020, which date can be extended by (a) either Flutter or TSG for 90 days (provided that there shall be no more than two such 90-day extensions), if the only unsatisfied condition is the required Regulatory Approvals or Gaming Consents; or (b) by mutual agreement of Flutter and TSG (the “**Long Stop Date**”), provided the terminating party is not the cause of such delay (iii) by either party, if the Flutter Shareholder approval or TSG Shareholder approval is not obtained at the respective meeting of shareholders or (iv) by either Flutter or TSG, if: (1) the other party’s board of directors changes its recommendation that its shareholders approve the Combination; (2) there exists an incurable breach of the representations, warranties or covenants of the other party; (3) the other party wilfully or intentionally breaches the non-solicitation provisions of the Arrangement Agreement in a material respect or (4) such party wishes to enter into a Superior Proposal in compliance with the Arrangement Agreement (subject to payment of a termination payment (discussed below)).

Flutter has agreed to pay a termination payment of approximately £60 million to TSG upon the termination of the Arrangement Agreement if: (i) the Combination is not consummated by the Long Stop Date because the mutual condition relating to obtaining Regulatory Approvals and Gaming Consents is not satisfied or a governmental entity has taken an action with respect to the required Regulatory Approvals (other than in respect of the approval under the *Investment Canada Act* or Foreign Investment Review Board Australia) that makes the completion of the Combination illegal or prohibited (provided in each case that TSG is not in breach of its covenants regarding Regulatory Approval and Gaming Consents and TSG Shareholder approval has been obtained); (ii) Flutter Shareholder approval is not obtained, provided the TSG Shareholder approval has been obtained; (iii) the Flutter Board changes its recommendation that the Flutter Shareholders approve the Combination or Flutter shall have wilfully or intentionally breached its non-solicitation obligations in any material respect; or (iv) Flutter enters into a Superior Proposal in compliance with the Arrangement Agreement.

TSG has agreed to pay a termination payment of approximately £60 million to Flutter upon the termination of the Arrangement Agreement if: (i) TSG Shareholder approval is not obtained at the Meeting, provided the Flutter Shareholder approval has been obtained; (ii) the TSG Board changes its recommendation that the TSG Shareholders approve the Combination or (iii) TSG enters into a Superior Proposal in compliance with the Arrangement Agreement.

### **Voting support agreements**

Flutter has entered into voting support agreements with the directors of TSG, Caledonia (Private) Investments Pty Limited and ValueAct Holdings LP under which they have each agreed, subject to certain termination rights, to vote all of the TSG Shares held by them in favour of the Combination at the TSG Shareholder Meeting, which represent in total approximately 23.44% of the existing issued TSG Shares as at the Latest Practicable Date. The Flutter Directors have entered into voting support agreements with TSG (the “**Voting Support Agreements**”) under which they have agreed, subject to certain termination rights, to vote the Ordinary Shares held by them in favour of the Combination at the Flutter EGM in respect of the Ordinary Shares held by them, which represents in total approximately 0.03% of the existing issued Ordinary Shares as at the Latest Practicable Date.

## **Revolving Credit Facility Agreement**

Flutter and certain of its subsidiaries entered into a revolving credit facility agreement originally dated 18 May 2015 with Barclays Bank PLC as co-ordinating mandated lead arranger, Barclays Bank PLC and Lloyds Bank plc as mandated lead arrangers, Lloyds Bank plc as agent and the financial institutions specified therein as original lenders, as amended and restated pursuant to the terms of amendment and restatement agreements dated 26 April 2018 and 10 May 2019 (the “**Revolving Credit Facility Agreement**”). Pursuant to the current terms of the Revolving Credit Facility Agreement, Flutter can avail of a multicurrency revolving credit facility in an aggregate amount of up to £450,000,000 to fund the general corporate purposes of the Flutter Group. The term of the revolving credit facility expires on 26 April 2023, however, Flutter intends to prepay and cancel the facility made available under the Revolving Credit Facility Agreement on the Effective Date (at which point the facilities under the TLA/RCF Facilities Agreement (please see below) are expected to be available).

The Revolving Credit Facility Agreement contains customary representations, undertakings, events of default and prepayment events. Financial covenants apply and are tested twice-yearly. Interest is payable at the end of each interest period in respect of the amounts then drawn under the Revolving Credit Facility Agreement and is calculated as the percentage rate per annum which is the aggregate of a margin plus EURIBOR (in the case of a loan in euro), BBSY Bid (in the case of a loan in Australian dollars) or LIBOR (in relation to any other loan). The margin is subject to a margin ratchet based on the ratio of consolidated net borrowings of the Flutter Group to Underlying EBITDA (pre-IFRS 16) of the Flutter Group. Commitment fees are chargeable in respect of undrawn commitments and the fee is based on a percentage of the applicable margin. Default interest is chargeable in respect of amounts due but unpaid, as is customary.

## **Term Loan Facility Agreement**

Flutter and certain of its subsidiaries entered into a £250,000,000 term loan facility agreement dated 10 May 2019 arranged by Barclays Bank Ireland PLC, Lloyds Bank plc, Banco Santander S.A., London Branch, National Australia Bank Limited, Allied Irish Banks, plc, Ulster Bank Ireland Designated Activity Company and The Governor and Company of the Bank of Ireland as mandated lead arrangers, Lloyds Bank plc as agent and the financial institutions specified therein as original lenders (the “**Term Loan Facility Agreement**”). The term loan facility is made available for an original term of 18 months with two extension options available to Flutter to extend the term for up to an additional 12-month period, at the absolute discretion of the lenders. The term loan facility is made available to fund the general corporate purposes of the Flutter Group, however, Flutter intends to prepay and cancel the facility made available under the Term Loan Facility Agreement on the Effective Date (at which point the facilities under the TLA/RCF Facilities Agreement (please see below) are expected to be available).

The Term Loan Facility Agreement contains customary representations, undertakings, events of default and prepayment events. The cash proceeds (net of fees and properly incurred transaction costs and expenses) of any debt capital markets issue received by any member of the Flutter Group must be applied in prepayment of the term loan facility. Financial covenants apply and are tested twice-yearly. Interest is payable at the end of each interest period in respect of the amount drawn under the Term Loan Facility Agreement and is calculated as the percentage rate per annum which is the aggregate of a margin plus LIBOR. The margin is subject to gradual increase throughout the term and extended term of the Term Loan Facility Agreement. Default interest is chargeable in respect of amounts due but unpaid, as is customary.

## **TLA/RCF Facilities Agreement**

Flutter and certain of its subsidiaries entered into a £1,300,000,000 term loan and revolving credit facilities agreement dated 11 March 2020 arranged by Banco Santander S.A., London Branch and National Westminster Bank plc as global coordinators and Banco Santander, S.A., London Branch, Ulster Bank Ireland Designated Activity Company, Barclays Bank plc, Deutsche Bank AG, London Branch, and J.P. Morgan Securities plc as mandated lead arrangers, Lloyds Bank plc as agent, and the financial institutions specified therein as original lenders (the “**TLA/RCF Facilities Agreement**”). The term loan and revolving credit facilities made available under the TLA/RCF Facilities Agreement are contingent on completion of the Combination and repayable in full on the fifth anniversary of the first utilisation of those facilities (which is expected to be the Effective Date). The term loan facility is made available for the refinancing of existing indebtedness of the Flutter Group and the TSG Group and the payment, in each case, of related fees, costs and expenses. The revolving credit facility is made available for the general corporate purposes of the Flutter Group (including, once fully combined, the TSG Group) including, but not limited to, refinancing existing financial indebtedness of the borrowers and guarantors.

The TLA/RCF Facilities Agreement contains customary representations, undertakings, events of default and prepayment events. A net total leverage ratio financial covenant applies and is tested twice-yearly. Interest is payable at the end of each interest period in respect of the amounts drawn under either facility and is calculated as the percentage rate per annum which is the aggregate of a fixed margin plus EURIBOR (in the case of loans denominated in euro), BBSY Bid (in the case of loans denominated in Australian dollars) or LIBOR (in relation to any other loan). Default interest is chargeable in respect of amounts due but unpaid, as is customary.

#### **Acquisition of a controlling stake in Adjarabet**

On 31 January 2019, Atlas Holdings LLC, a wholly-owned subsidiary of Flutter entered into a sale and purchase agreement with, amongst others, City Loft LLC for the acquisition by Atlas Holdings from City Loft LLC of a 51% stake in Atlas LLC, a holding company for the Adjarabet business. The initial cash consideration paid by the Flutter Group for the 51% stake was £101 million, subject to a working capital adjustment. At the same time, Atlas Holdings LLC entered into a shareholders agreement with, amongst others, City Loft LLC which included both (i) arrangements for the ongoing governance of the Adjarabet business, including certain customary minority protections for City Loft LLC as well as certain obligations and restrictions on the parties in respect of their holdings in Atlas LLC and (ii) a mechanism, consisting of call and put options, which enables the Flutter Group (via Atlas Holdings LLC) to acquire the remaining 49% of Atlas LLC after a period of approximately three years (extendable with the agreement of both parties) at a valuation equivalent to seven times the 2021 EBITDA of the Adjarabet business, adjusted for net debt. The call/put option consideration can be settled, at Flutter election, in cash or Ordinary Shares (at the prevailing mid-market price).

The terms of the acquisition contained customary protections for Atlas Holdings LLC, including certain indemnities as well as customary warranties and representations from City Loft LLC as well as certain post-closing protective covenants including a restrictive covenant and non-solicit obligations given by City Loft LLC to Atlas Holdings LLC for a period of two years.

#### **Acquisition of a controlling stake in FanDuel**

On 23 May 2018, 10 July 2018 and 17 October 2018, TSE Holdings Limited, a wholly-owned subsidiary of Flutter, entered into certain agreements, including a stockholder agreement, a limited liability company agreement and an investor members agreement (including amendments to certain of such agreements) with, amongst others, Fastball Holdings LLC, Boyd Interactive Gaming LLC and FanDuel Group Parent LLC, pursuant to which the Flutter Group's US business was merged with the FanDuel business. The Flutter Group also agreed to make a cash contribution to the FanDuel Group of \$158 million for the purposes of paying down debt and providing working capital. The merger was conditional on certain regulatory approvals and was completed on 10 July 2018. Following certain amendments to these agreements, the proportions of equity ownership of FanDuel Group Parent LLC as between TSE Holdings Limited, Fastball Holdings LLC and Boyd Interactive Gaming LLC was approximately 58%, 37% and 5% respectively. These agreements (as amended) contain arrangements for the ongoing governance of the FanDuel business, including certain minority protections for Fastball Holdings LLC and Boyd Interactive Gaming LLC as well as certain obligations and restrictions on the parties in respect of their holdings in FanDuel Group Parent LLC. The agreements also contain mechanisms, consisting of put and call options, which enable the Flutter Group (via TSE Holdings Limited) to acquire the remaining approximately 42% of FanDuel Group Parent LLC. In the case of the 37% owned by Fastball Holdings LLC, the put and call options expire in July 2021 (as to 18.5%) and July 2023 (as to the remaining 18.5%); in the case of the 5% owned by Boyd Interactive Gaming LLC, the put and call options expire in August 2028. The consideration payable by TSE Holdings Limited will be calculated by reference to the prevailing market value of the FanDuel business at the relevant times and can be settled, at Flutter's election, either in cash or Ordinary Shares (at the prevailing mid-market price).

#### **Certain term sheet agreements in connection with the Combined Group's US business**

On 2 October 2019, in connection with and conditional upon the completion of the Combination between Flutter and TSG, Flutter entered into certain term sheets, with amongst others, FSG Services, a wholly-owned subsidiary of FOX Sports, Fastball Holdings LLC and Boyd Interactive Gaming LLC (the "**Term Sheets**"). Under the Term Sheets:

- (a) FSG Services has the right to acquire from the Flutter Group an approximate 18.5% equity interest in FanDuel Group Parent LLC at its market value in 2021 (structured as a 10-year option from 2021, subject to a carrying value adjustment);

- (b) Fastball Holdings LLC and Boyd Interactive Gaming LLC have the rights to a total payment from the Flutter Group of 12.5% of the increase in the market value of the FOX Bet business between Completion and the exercise of Flutter's option to acquire Fastball Holdings LLC's remaining equity interest in FanDuel Group Parent LLC in July 2023 (subject to a carrying value adjustment);
- (c) all parties have committed to discuss options for further alignment between the US businesses of Flutter and TSG prior to Completion; and
- (d) each of FSG Services, Fastball Holdings LLC and Boyd Interactive Gaming LLC have waived certain of the exclusivity provisions that formed part of the existing contractual arrangements in relation to the US subsidiaries of Flutter and TSG.

## 8.2 Material contracts of the TSG Group

### **Arrangement Agreement**

TSG is a party to the Arrangement Agreement, the terms of which are summarised in paragraph 8.1 (*Material Contracts of the Flutter Group*) of this Part VIII (*Additional Information*).

### **SBG sale and purchase deed**

TSG was a party to a sale and purchase deed dated 21 April 2018 relating to the acquisition by the TSG Group of SBG from Cyan Blue JerseyCo Limited (the holding vehicle for investment funds and vehicles advised by affiliates of CVC Capital Partners Limited), Sky UK Limited (a subsidiary of Sky plc) and certain management shareholders. Under the terms of the sale and purchase deed and based on the closing price of TSG Shares on 20 April 2018, the transaction had an enterprise value of approximately \$4.7 billion, of which \$3.6 billion was payable by TSG in cash. The remainder of the consideration was paid by TSG through the issue of new TSG Shares representing approximately 20% of TSG's issued and outstanding shares at the time of completion of the transaction. As part of the transaction, TSG became owner of the SBG Business and, subject to certain amendments, retained SBG's rights under certain commercial, licensing and marketing arrangements with Sky. The transaction was completed on 10 July 2018 and TSG is not subject to any material ongoing obligations under the sale and purchase deed.

### **TSG Senior Note Indenture**

On 10 July 2018, two subsidiaries of TSG, Stars Group Holdings B.V. and Stars Group (US) Co-Borrower, LLC (the "TSG Note Issuers") issued the 7% senior notes due 2026 at par in an aggregate principal amount of \$1.00 billion (the "TSG Senior Notes"). The TSG Senior Notes mature on 15 July 2026. Interest on the TSG Senior Notes is payable semi-annually on 15 January and 15 July of each year, commencing on 15 January 2019. The TSG Senior Notes are the senior unsecured obligations of the TSG Note Issuers, are guaranteed by certain of the TSG Note Issuer's subsidiaries and rank equally in right of payment with all of the TSG Note Issuers' existing and future senior indebtedness.

The indenture governing the TSG Senior Notes (the "TSG Senior Note Indenture") provides the holders of the TSG Senior Notes with customary rights, including the right to require Stars Group Holdings B.V. to offer to repurchase the TSG Senior Notes in certain limited circumstances and it also provides the TSG Note Issuers with the right to redeem some or all of the TSG Senior Notes at defined redemption prices based on when the redemption occurs. The TSG Senior Notes include, among other terms and conditions, certain customary limitations on the TSG Note Issuers' ability to take certain actions or engage in certain activities. As at the Latest Practicable Date, the aggregate principal amount of outstanding TSG Senior Notes is \$1.00 billion.

### **TSG syndicated facility agreement**

In connection with the SBG Acquisition, certain subsidiaries of TSG, its lenders, Deutsche Bank AG New York Branch, as administrative agent, and certain other parties entered into a new credit agreement (the "Credit Agreement") for the TSG First Lien Term Loans and the TSG Revolving Facility (each as defined below) to, among other things, reflect the transactions described below and add certain operational and financial flexibility, particularly as it relates to Stars Group Holdings B.V. on a combined basis following the SBG Acquisition. The Credit Agreement limits Stars Group Holdings B.V. and its subsidiaries' ability to, among other things, (i) incur additional debt, (ii) grant additional liens on their assets and equity, (iii) distribute equity interests and/or distribute any assets to third parties, (iv) make certain loans or investments (including acquisitions), (v) consolidate, merge,

sell or otherwise dispose of all or substantially all assets, (vi) pay dividends on or make distributions in respect of capital stock or make restricted payments, (vii) enter into certain transactions with affiliates, (viii) change lines of business, and (ix) modify the terms of certain debt or organisational documents, in each case subject to certain exceptions. The Credit Agreement also provides for customary mandatory prepayments, including a customary excess cash flow sweep if certain conditions are met.

On 10 July 2018, as part of financing the SBG Acquisition, Stars Group Holdings B.V. replaced its previous revolving facility with a new first lien revolving facility of \$700 million (the “**TSG Revolving Facility**”). Maturing on 10 July 2023, the TSG Revolving Facility includes a margin of 3.25% for borrowings which is subject to leverage-based step-downs. The commitment fee on the TSG Revolving Facility varies from 0.250% to 0.375% based on first lien leverage. Borrowings under the TSG Revolving Facility are subject to the satisfaction of customary conditions, including the absence of a default and compliance with certain representations and warranties. The TSG Revolving Facility requires, subject to a testing threshold, that Stars Group Holdings B.V. comply on a quarterly basis with a maximum net first lien senior secured leverage ratio of 6.75 to 1.00. The TSG Revolving Facility can be used for working capital needs and for general corporate purposes. It is a requirement of the utilisation of the facilities under the TLA/RCF Facilities Agreement that the TSG Revolving Facility is cancelled in full. As at 31 December 2019, there were no amounts outstanding under the TSG Revolving Facility. As disclosed in further detail in Note 17 to the TSG 2019 Financial Statements, TSG had \$74.0 million of letters of credit issued but undrawn as of 31 December 2019 under the TSG Revolving Facility. This position remains unchanged as at the Latest Practicable Date.

Also on 10 July 2018, as part of financing the SBG Acquisition, Stars Group Holdings B.V. repaid its previous first lien term loans and issued new first lien term loans of \$3.575 billion priced at LIBOR plus 3.50% (the “**USD First Lien Term Loan**”) and new EUR first lien term loans of €850 million priced at EURIBOR plus 3.75% (the “**EUR First Lien Term Loan**” and, together with the USD First Lien Term Loan, the “**TSG First Lien Term Loans**”), each with a maturity date of 10 July 2025 and a LIBOR and EURIBOR floor, as applicable, of 0%. Starting on the last day of the first fiscal quarter ending after 10 July 2018, the USD First Lien Term Loan requires scheduled quarterly principal payments in amounts equal to 0.25% of the aggregate principal amount of the USD First Lien Term Loan, with the balance due at maturity. There is no amortisation on the EUR First Lien Term Loan and the principal is due at maturity. During the year ended 31 December 2019, TSG made voluntary prepayments totalling \$450 million on its USD First Lien Term Loan, and in February 2020 TSG prepaid a further \$100 million, including accrued and unpaid interest.

### **TSG deed of variation and amendment**

TSG and a number of its subsidiaries (including SBG) entered into a deed of variation and amendment with the Sky group dated 10 July 2018 (the “**Sky Deed of Variation**”) in connection with the SBG Acquisition. The Sky Deed of Variation amended each of the Sky Brand Licence, Sky Advertising Agreement and Sky Commercial Relationship Agreement each, as defined below, providing TSG and its relevant subsidiaries with rights and obligations under those Sky group agreements as summarised below.

### **TSG brand licence agreement**

A subsidiary of TSG is a licensee under a brand licence agreement with the Sky group dated 19 March 2015 (the “**Sky Brand Licence**”). The Sky Brand Licence grants one or more subsidiaries of TSG exclusive brand IP rights in relation to betting and gaming products and non-exclusive rights in connection with certain other entertainment activities such as free-to-play games. The subsidiary of TSG has secured certain limited rights to use the SBG brands in conjunction with the brands of TSG in the approved territories where the use of the Sky brand is permitted. The licence is currently limited to the UK, Ireland, Italy, Germany, Channel Islands and Isle of Man, however, there is a contractual process to extend the licence to new jurisdictions with Sky’s consent.

The Sky Brand Licence has an initial term of 25 years from 19 March 2015 and may be extended for any additional period if agreed between the parties. Each of TSG and Sky possesses termination rights in respect of certain triggering events, such as material breach by the other party, which are generally subject to applicable remedy periods and escalation procedures. On expiry of the initial term, each party must use reasonable endeavours to agree to an extended term. Post-termination or on expiry, Sky is not entitled to use the brand or grant any third party the right to use the brand for betting or gaming for five years from expiry and three years from the date of termination if Sky terminates. There is no such restriction on Sky if TSG terminates the agreement.

## **TSG advertising services agreement**

TSG's subsidiary SBG is party to an advertising services agreement with Sky dated 19 March 2015 (the "**Sky Advertising Agreement**"). The Sky Advertising Agreement relates to the purchasing of advertising across all Sky platforms, consistent with the rights granted under the Sky CRA (as defined below). Under the Sky Advertising Agreement, SBG commits to spending advertising revenue with Sky in return for certain discounts for fixed periods of time. If SBG fails to meet the minimum spend requirement, SBG forgoes any rights to the discount for the remainder of the contractual term.

Under the Sky Advertising Agreement, SBG has the exclusive right to advertise for betting and gaming on Sky Sports digital platforms until the expiration of the exclusivity period under the Sky CRA, provided SBG's minimum qualifying spend is achieved. SBG has non-exclusive rights on other digital Sky platforms (i.e. non-sports). SBG also benefits from annual digital advertising discounts in consideration for meeting the minimum annual spend commitments. This discount agreement relating to digital advertising expires on the earlier of 25 years from 19 March 2015 and the date when the Sky CRA terminates or expires. Sky may terminate the Sky Advertising Agreement for material breach by SBG, subject to a remedy period and certain escalation procedures.

The Sky Advertising Agreement also covers airtime advertising which may be procured by SBG on a non-exclusive basis. Similar to digital advertising, SBG also benefits from an annual airtime discount in consideration for meeting the minimum annual spend commitments. This discount agreement relating to airtime advertising expires 30 June 2022.

TSG has also secured rights to utilise the benefits of the Sky Advertising Agreement in relation to the promotion of the brands of TSG in the UK and the Republic of Ireland in certain circumstances in substitution for the brands of SBG, subject to Sky's prior approval.

## **TSG commercial relationship agreement**

TSG's subsidiary SBG is party to a commercial relationship agreement with Sky dated 19 March 2015, as amended, (the "**Sky Commercial Relationship Agreement**" or "**Sky CRA**"), pursuant to which Sky appointed SBG as its exclusive partner for betting and gaming activities on the Sky Sports platforms in, among other jurisdictions, the UK and Ireland, and both parties have agreed to continue to undertake certain marketing and cross-promotional activities on such platforms. Under the Sky CRA, the parties have agreed to cooperate in good faith to maximise the value of their commercial relationships, including, but not limited to, their broadcasting relationship, free-to-play games, platforms relationship, further future developments, joint initiatives and personality promotions.

The Sky CRA includes an initial five year exclusivity period commencing on and from the date on which TSG acquired SBG (with SBG's option to renew for an additional five year period) where Sky exclusively supplies to SBG in the relevant territories exposure across its platforms, including digital integration and inventory, promotional opportunities, screen space, access to personalities, personnel, assets and services and rights in relation to betting and gaming activities. The Sky CRA will continue in force until the expiry or termination of the Sky Brand Licence for each relevant territory.

## **Agreements relating to FOX Bet**

TSG is party to a commercial agreement (the "**FOX Bet Commercial Agreement**") and a trademark and brand licence agreement (the "**FOX Bet Trademark Agreement**"), each dated 8 May 2019, with FSG Services LLC, FOX Sports 1 LLC and TSG Interactive and TSG Interactive is party to a forward subscription and contribution agreement dated 8 May 2019 (the "**FOX Bet Subscription Agreement**") with FSG Services LLC. The FOX Bet Commercial Agreement, FOX Bet Trademark Agreement and the FOX Bet Subscription Agreement (collectively, the "**FOX Bet Agreements**") govern the ownership and operation of FOX Bet, TSG's national media and sports wagering partnership in the US.

The FOX Bet Commercial Agreement and FOX Bet Trademark Agreement each have a term of up to 25 years, under which FOX Sports has granted TSG Interactive an exclusive licence for the use of certain FOX Sports trademarks for a range of immersive games and online sports wagering and certain exclusive advertising and editorial integration rights on certain FOX Sports broadcast media and digital assets. The FOX Bet Trademark Agreement also governs TSG Interactive's key rights with respect to the current and potential future uses of the FOX trademarks and certain restrictions on FOX's activities relating to any competitors of the FOX Bet brand.

Under the FOX Bet Agreements, FOX Sports is entitled to receive certain brand licence, integration and affiliate fees.

In addition, during the term of the FOX Bet Commercial Agreement, TSG Interactive has agreed to a minimum annual advertising commitment on certain FOX media assets. Prior to the tenth anniversary of the FOX Bet Commercial Agreement, and subject to certain conditions and applicable gaming regulatory approvals, FOX Sports has the right acquire up to a 50% equity stake in TSG Interactive's US business.

Under the terms of the FOX Bet Subscription Agreement, TSG Interactive agreed to exclusivity provisions restricting its involvement with any businesses competing with FOX Bet anywhere in the US. As summarised in the sub-paragraph entitled "*Certain term sheet agreements in connection with the Combined Group's US business*" in paragraph 8.1 (*Material contracts of the Flutter Group*) in this Part VIII, certain of these exclusivity provisions have been waived by the Term Sheets.

Concurrent with the entering into of the FOX Bet Agreements, FOX Corporation acquired 14,352,331 newly issued TSG Shares, representing 4.99% of TSG's then issued and outstanding common shares, at a price of \$16.4408 per share, the prevailing market price leading up to the commencement of exclusive negotiations.

#### **9. Related party transactions**

No related party transactions of the kind set out in the standards adopted according to Regulation (EC) No. 1606/2002 have been entered into by Flutter during the period between 31 December 2019 and the Latest Practicable Date save for continuing arrangements with directors and key management personnel of the nature disclosed in Note 31 of the Flutter 2019 Financial Statements.

In connection with their appointments as non-executive directors of the Company following Completion, Divyesh (Dave) Gadhia, Rafael (Rafi) Ashkenazi, Richard Flint, Alfred F. Hurley, Jr, David Lazzarato and Mary Turner (the "**Proposed Directors**"), will enter into letters of appointments in line with the terms of Flutter's remuneration policy.

In addition to his appointment as a non-executive director of Flutter following completion of the Combination, Mr. Ashkenazi will be engaged as a consultant to the Company with effect from Completion advising the Company on integration matters relating to the Combination and advising the Chief Executive Officer on strategy for poker and TSG's other businesses contributed to the Combined Group. Under the consultancy arrangement, Mr. Ashkenazi will be entitled to receive annual consulting fee of £250,000, paid in monthly instalments. The consultancy arrangement will come to an end on the earliest of: (a) the date he ceases to be a non-executive director; (b) such other date as the Company and Mr. Ashkenazi may agree to terminate the consultancy arrangement; and (c) the date of Flutter's 2021 annual general meeting. Mr Ashkenazi will not be entitled to any contractual termination payment other than fees accrued up to the date of termination.

No related party transactions of the kind set out in the standards adopted according to Regulation (EC) No. 1606/2002 have been entered into by TSG during the period between 31 December 2019 and the Latest Practicable Date save for continuing arrangements with directors and key management personnel of the nature disclosed in Note 30 of the TSG 2019 Financial Statements.

#### **10. Working capital statement**

Flutter is of the opinion that, taking into account Flutter's cash resources and available bank facilities, Flutter has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this Prospectus.

Flutter is of the opinion that, taking into account the Combined Group's cash resources and available bank facilities, the Combined Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this Prospectus.

#### **11. No significant change**

Save as disclosed in paragraph 9 (*Current trading and trend information of Flutter*) of Section A (*Information on Flutter*) of Part II (*Information on the Combined Group*) of this Prospectus in relation to the impact of COVID-19, there has been no significant change in the financial position or financial performance of the Flutter Group

since 31 December 2019 (the date to which the latest published audited financial statements of Flutter were prepared).

Save as disclosed in paragraph 9 (*Current trading and trend information of TSG*) of Section B (*Information on TSG*) of Part II (*Information on the Combined Group*) of this Prospectus in relation to the impact of COVID-19, there has been no significant change in the financial position or financial performance of the TSG Group since 31 December 2019 (the date to which the latest published audited financial statements of TSG were prepared).

## 12. Capitalisation and indebtedness

### 12.1 Capitalisation and indebtedness of Flutter

The following table sets out the capitalisation of the Flutter Group as at 31 December 2019:

	£'m
<b>Current debt</b>	
Guaranteed <sup>(1)</sup>	255.0
Secured	-
Unguaranteed/unsecured <sup>(2)</sup>	217.6
<b>Total current debt</b>	<b>472.6</b>
<b>Non-current debt (excluding current portion of non-current debt)</b>	
Guaranteed <sup>(3)</sup>	115.7
Secured	-
Unguaranteed/unsecured <sup>(4)</sup>	132.1
<b>Total non-current debt</b>	<b>247.8</b>
<b>Shareholders' equity</b>	<b>£'m</b>
Issued share capital and share premium	428.3
Treasury shares	(40.7)
Shares held by employee benefit trust	(6.1)
Other reserves	63.7
<b>Total shareholders' equity</b>	<b>445.2</b>

Notes:

- (1) Guaranteed current debt is comprised of Flutter's Term Loan Facility Agreement (£250 million), overdraft facility (£5 million) and accrued interest on borrowings (£0.5 million), less expenses relating to the Term Loan Facility Agreement (£0.5 million).
- (2) Unguaranteed/unsecured current debt is comprised of lease liabilities (£38.4 million) and customer balances (£179.2 million).
- (3) Guaranteed non-current debt is comprised of Flutter's Revolving Credit Facility Agreement (£117.3 million), less expenses relating to the Revolving Credit Facility Agreement (£1.6 million).
- (4) Unguaranteed/unsecured non-current debt is comprised of lease liabilities (£132.1 million).

The following table sets out the indebtedness of the Flutter Group as at 31 December 2019:

	£'m
A. Cash and cash equivalents	108.1
B. Cash equivalents	-
C. Other current financial assets <sup>(1)</sup>	189.1
<b>D. Liquidity (A) + (B) +(C)</b>	<b>297.2</b>
<b>E. Current trade and other receivables</b>	<b>64.6</b>
F. Current financial debt <sup>(2)</sup>	(293.4)
G. Current portion of non-current debt	-
H. Current trade and other payables	(548.8)
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>(842.2)</b>
<b>J. Net current financial indebtedness (D) + (E) + (I)</b>	<b>(480.4)</b>
K. Non-current financial debt <sup>(3)</sup>	(247.8)
L. Debt instruments	-
M. Non-current trade and other payables	(11.5)
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>(259.3)</b>
<b>O. Total financial indebtedness (J) + (N)</b>	<b>(739.7)</b>

Notes:

- (1) Other current financial assets are comprised of financial assets – restricted cash (£189.1 million).
- (2) Current financial debt is comprised of Flutter's Term Loan Facility Agreement (£250 million), overdraft facility (£5 million) and accrued interest on borrowings (£0.5 million), less expenses relating to the Term Loan Facility Agreement (£0.5 million), together with lease liabilities (£38.4 million).
- (3) Non-current financial debt is comprised of Flutter's Revolving Credit Facility Agreement (£117.3 million), less expenses relating to the Revolving Credit Facility Agreement (£1.6 million), together with lease liabilities (£132.1 million).

The Flutter Group had no indirect or contingent indebtedness at 31 December 2019.

On 11 March 2020, Flutter entered into the TLA/RCF Facilities Agreement as described in more detail under the sub-heading “*TLA/RCF Facilities Agreement*” in paragraph 8.1 (*Material contracts of the Flutter Group*) of Part VIII (*Additional Information*) of this Prospectus. The TLA/RCF Facilities Agreement comprises a £1,300,000,000 term loan and revolving credit facility. The term loan facility is made available for the refinancing of existing indebtedness of the Flutter Group and/or the TSG Group and the payment, in each case, of related fees, costs and expenses. The revolving credit facility is made available for the general corporate purposes of the Flutter Group (including, once fully combined, the TSG Group) including, but not limited to, refinancing existing financial indebtedness of the borrowers and guarantors under the TLA/RCF Facilities Agreement. It is a requirement of the utilisation of the facilities under the TLA/RCF Facilities Agreement that the TSG Revolving Facility is cancelled in full. Because it will not be drawn until the Effective Date, the TLA/RCF does not impact Flutter's indebtedness on the date of this Prospectus. Save for the entry into of the TLA/RCF Facilities Agreement by Flutter, there has been no material change in the Flutter Group's capitalisation or indebtedness since 31 December 2019.

## 12.2 Capitalisation and indebtedness of TSG

The following table sets out the capitalisation of the TSG Group as at 31 December 2019:

	\$'000
<b>Current debt</b>	
Guaranteed and secured <sup>(1)</sup>	35.8
Guaranteed but unsecured <sup>(2)</sup>	32.3
Unguaranteed and unsecured <sup>(3)</sup>	429.0
<b>Total current debt</b>	<b>497.1</b>
 <b>Non-current debt (excluding current portion of non-current debt)</b>	
Guaranteed and secured <sup>(4)</sup>	3,913.4
Guaranteed but unsecured <sup>(5)</sup>	982.0
Unguaranteed and unsecured <sup>(6)</sup>	35.7
<b>Total non-current debt</b>	<b>4,931.1</b>
 <b>Shareholders' equity</b>	
Share capital	4,374.2
Reserves	(423.3)
<b>Total equity</b>	<b>3,950.9</b>

Notes:

- (1) Guaranteed and secured current debt is comprised of the current portion of the USD First Lien Term Loan (\$35.8 million).
- (2) Guaranteed but unsecured current debt is comprised of accrued and unpaid interest on the TSG Senior Notes (\$32.3 million).
- (3) Unguaranteed and unsecured current debt is comprised of the current portion of lease liabilities (\$19.6 million) and customer deposits (\$409.4 million).
- (4) Guaranteed and secured non-current debt is comprised of the non-current portion of the USD First Lien Term Loan (\$3,035.6 million) and the EUR First Lien Term Loan (\$953.2 million) less expenses relating to the TSG First Lien Term Loans (\$75.4 million).
- (5) Guaranteed but unsecured non-current debt is comprised of the TSG Senior Notes (\$1,000.0 million) less expenses relating to the TSG Senior Notes (\$18.0 million).
- (6) Unguaranteed/unsecured non-current debt is comprised of the non-current portion of lease liabilities (\$35.7 million).

The following table sets out the indebtedness of the TSG Group as at 31 December 2019:

	\$'000
A. Cash and cash equivalents <sup>(1)</sup>	621.9
B. Cash equivalents	-
C. Other current financial assets <sup>(2)</sup>	6.4
<b>D. Liquidity (A) + (B) + (C)</b>	<b>628.3</b>
 <b>E. Current accounts receivable</b>	 <b>111.2</b>
 F. Current financial debt <sup>(3)</sup>	 (87.7)
G. Current portion of non-current debt	-
H. Current trade and other payables <sup>(4)</sup>	(939.8)
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>(1,027.5)</b>
 <b>J. Net current financial indebtedness (D) + (E) + (I)</b>	 <b>(288.0)</b>
 K. Non-current financial debt <sup>(5)</sup>	 (4,931.1)
L. Debt instruments	-
M. Non-current trade and other payables	(1.8)
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>(4,932.9)</b>
<b>O. Total financial indebtedness (J) + (N)</b>	<b>(5,220.9)</b>

Notes:

- (1) Cash and cash equivalents is comprised of operational cash of \$321.0 million and customer deposits of \$300.9 million.
- (2) Other current financial assets is comprised of restricted cash advances and collateral (\$6.4 million).
- (3) Current financial debt is comprised of the current portion of the USD First Lien Term Loan (\$35.8 million) and accrued and unpaid interest on the TSG Senior Notes (\$32.3 million), together with the current portion of lease liabilities (\$19.6 million).
- (4) Current trade and other payables is comprised of customer deposits (\$409.4 million) and accounts payable and other liabilities (\$562.7 million) less the accrued and unpaid interest on the TSG Senior Notes (\$32.3 million) which is included within current financial debt.
- (5) Non-current financial debt is comprised of the non-current portion of the USD First Lien USD Term Loan (\$3,035.6 million), the EUR First Lien Term Loan (\$953.2 million), the TSG Senior Notes (\$1,000.0 million) less expenses relating to the TSG First Lien Term Loans and TSG Senior Notes (\$93.4 million) together with the non-current portion of lease liabilities (\$35.7 million).

TSG had \$74.0 million of letters of credit issued but undrawn against the TSG Revolving Facility as at 31 December 2019 (the “TSG Letters of Credit”). Save for the TSG Letters of Credit, the TSG Group had no indirect or contingent indebtedness at 31 December 2019.

On 21 February 2020, TSG prepaid \$100.0 million, including accrued and unpaid interest, of the USD First Lien Term Loan. There has been no other material change in the TSG Group’s capitalisation or indebtedness since 31 December 2019.

### 13. Consents

Goldman Sachs has given and has not withdrawn its written consent to the publication of this Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.

PJT Partners has given and has not withdrawn its written consent to the publication of this Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.

KPMG is a member firm of Chartered Accountants Ireland and has given and not withdrawn its written consent to the publication of this Prospectus with the inclusion of its name and its report on the pro forma financial information set out in Part V (*Unaudited Pro Forma Financial Information of the Combined Group*) and the references thereto and its confirmation of the continued application of its report on the in the form and context in

which they are included for the purposes of section 1353 of the Companies Act 2014. KPMG has authorised the contents of that part of this Prospectus which comprises its report and has confirmed that the information contained in that report is in accordance with the facts and contains no omission likely to affect its import.

#### 14. General

Other than Flutter's audited consolidated financial statements for the financial year ended 31 December 2019, which are incorporated by reference into this Prospectus, the financial information set out in this Prospectus does not constitute statutory financial statements within the meaning of section 340 of the Companies Act and has been published to meet the requirements of the EU Prospectus Regulation and Commission Delegated Regulation (EU) 2019/980. The statutory financial statements for the year ended 31 December 2019 and the report of the statutory auditor thereon, KPMG, were published on 28 February 2020, and are expected to be delivered to the Registrar of Companies of Ireland by the deadline for doing so under Irish law. The matters referred to in the statutory auditor's report were unqualified, and did not include references to any matters to which the statutory auditor drew attention by way of emphasis without qualifying the report.

The total costs, charges and expenses payable by the Combined Group in connection with the Combination and Admission are estimated to be approximately £84 million. This is principally comprised of financial advisory, legal/anti-trust, accounting, admission and other transaction costs.

Subject to completion of the Combination, it is expected that the Admission will become effective, and that dealings on the London Stock Exchange and Euronext Dublin in the New Shares will commence, at 8.00 a.m. (Irish time)/3.00 a.m. (Eastern time) on the Effective Date. From Admission, the New Shares will be capable of being held in uncertificated form and title to such New Shares may be transferred by means of a relevant system. Where New Shares are held in certificated form, certificates will be sent to the registered members by pre-paid post. Where New Shares are held in uncertificated form in CREST, the relevant CREST stock account of the registered members will be credited. The Ordinary Shares have the ISIN IE00BWT64894.

#### 15. Documents available for inspection

The following documents are available for inspection at the registered office of Flutter and at the offices of Arthur Cox, Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland and 12 Gough Square, London EC4A 3DW, United Kingdom during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months from the date of publication of this Prospectus:

- (a) the Flutter Memorandum of Association and the Articles of Association;
- (b) the documents which are incorporated by reference as set forth on the Section entitled "*Documents Incorporated by Reference*";
- (c) the report on pro forma financial information prepared by KPMG contained in Part V (*Unaudited Pro Forma Financial Information of the Combined Group*) of this Prospectus;
- (d) consent letters referred to in paragraph 13 (*Consents*) of this Part VIII (*Additional Information*); and
- (e) this Prospectus.

In addition, the above documents are available for inspection in electronic form, free of charge, on Flutter's corporate website <https://www.flutter.com/investors/proposed-combination-with-the-stars-group>.

#### 16. Regulatory disclosures

In the preceding 12 months, Flutter has made the following disclosures under Regulation (EU) No 596/2014 (the "Market Abuse Regulation"):

- (a) On 27 March 2020, Flutter provided an update in relation to the Combination, the composition of the Flutter Board following completion of the Combination and the terms of the 2019 Final Dividend. Flutter also informed shareholders it had published and would post the Flutter Circular and of the expected publication of this Prospectus;

- (b) On 16 March 2020, Flutter provided an update regarding the cancellation and/or postponement of multiple sports fixtures globally in connection with COVID-19. It noted that quantifying the precise earnings impact on Flutter was difficult given the lack of visibility on the duration of restrictions on sporting events but estimated that, in a scenario where restrictions remained in place until the end of August 2020 (including full suspension of Australian sports and the cancellation of Euro 2020), Flutter's EBITDA would be reduced by approximately £90 million – £110 million. That estimate assumed that Flutter's UK and Irish retail shops remained open and that scheduled UK, Irish and Australian horse racing fixtures continue to run, albeit behind closed doors. Should horse racing be cancelled in the three regions and Flutter's UK/Irish retail shops be closed, Flutter estimated that this would incrementally reduce Flutter's EBITDA by approximately £30 million per month. For further information, please see paragraph 9 (*Current trading and trend information of Flutter*) of Section A (*Information on Flutter*) of Part II (*Overview of the Business of the Combined Group*) of this Prospectus;
- (c) On 2 October 2019, Flutter, together with TSG, announced that they had reached agreement on the terms of the Combination, details of which are set out further in Part I (*Information on the Combination*) of this Prospectus; and
- (d) Disclosures of dealings in Ordinary Shares by persons discharging managerial responsibilities:
  - (i) On 15 May 2019, Flutter announced Zillah Byng-Thorne had acquired 336 Ordinary Shares at a price of £58.62 per share;
  - (ii) On 11 October 2019, Flutter announced that Jonathan Hill had received a grant of options under the Flutter Entertainment plc Sharesave Scheme over 286 Ordinary Shares at an option price of €62.74 per share exercisable from 1 December 2022 to 31 May 2023;
  - (iii) On 15 November 2019, Flutter announced that Zillah Byng-Thorne, a non-executive director of Flutter, notified the Company on 14 November 2019 that she had been made aware of the sale of 930 Ordinary Shares at a price of GBP 65.98278 per share made by third party investment managers acting on her behalf. Flutter announced on 25 November 2019 that the relevant third party investment manager had reversed this erroneous trade;
  - (iv) On 4 December 2019, Flutter announced that Peter Jackson had received an additional grant of options over 136 Ordinary Shares pursuant to the terms of the Flutter Entertainment plc 2015 Restricted Share Plan under the terms of that plan with an exercise price of £0; and
  - (v) On 4 March 2020, Flutter announced that Peter Jackson and Jonathan Hill each received grants of share options over Ordinary Shares under the Flutter 2015 Deferred Share Incentive Plan of 3,911 options and 2,484 options, respectively. These options, which have an exercise price of £0, will normally vest 50% after one year and 50% after two years from the date of grant, subject to continued employment and will then normally remain exercisable for seven years from the date of grant.

## 17. Sources of information

The sources and bases of statements relating to the market position of Flutter are set out in this Prospectus where the statement is made. Certain information has been obtained from external publications and, where applicable, the source of such information is stated in this Prospectus where the information is included. Flutter confirms that this information has been accurately reproduced and, so far as Flutter is aware and is able to ascertain from the information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Unless otherwise stated, such information has not been audited.

## 18. Dilution, announcement of allotment of New Shares and Admission of New Shares

Subject to the Combination becoming effective, it is expected that up to 66,531,782 New Shares will be issued to TSG Shareholders. Assuming that the maximum number of New Shares is issued to TSG Shareholders pursuant to the Combination, this will result in Flutter's issued share capital increasing by approximately 84.90%, relative to the number of Existing Shares in issue as at the Latest Practicable Date. If the Combination becomes effective, holders of Existing Shares (who are not also shareholders in TSG) will suffer an immediate dilution as a result of the Combination. Assuming that the maximum number of New Shares are issued to TSG Shareholders pursuant to the Combination, each holder of Existing Shares (who does not also hold shares in TSG) will be diluted by up

to approximately 45.34%. If the Combination becomes effective, TSG Shareholders will, following completion of the Combination, hold approximately 45.34% of the Company's enlarged issued share capital (based on the fully diluted ordinary share capital of the Company and the fully diluted share capital of TSG as at the Latest Practicable Date and assuming no further share issuances).

Subject to completion of the Combination, it is expected that the Admission will become effective, and that dealings on the London Stock Exchange and Euronext Dublin in the New Shares will commence, at 8.00 a.m. (Irish time)/3.00 a.m. (Eastern time) on the Effective Date. From Admission, the New Shares will be capable of being held in uncertificated form and title to such New Shares may be transferred by means of a relevant system. Where New Shares are held in certificated form, certificates will be sent to the registered members by pre-paid post. Where New Shares are held in uncertificated form in CREST, the relevant CREST stock account of the registered members will be credited.

Flutter will make appropriate announcements to a Regulatory Information Service giving details of the number of New Shares allotted pursuant to the Combination and the expected date of Admission as soon as practicable following Completion of the Combination.

This Prospectus is dated 27 March 2020.

## PART IX: DEFINITIONS

The definitions set out below apply throughout this Prospectus, unless the context requires otherwise.

<b>1996 Regulations</b>	the Companies Act 1990 (Uncertificated Securities) Regulations, 1996, SI No 68 of 1996 and the Companies Act 1990 (Uncertified Securities) (Amendment) Regulations 2005, including any modification or any regulations in substitution therefore made under section 1086 of the Companies Act 2014 or otherwise and for the time being in force
<b>2005 Act</b>	the United Kingdom Gambling Act, 2005
<b>2006 Regulations</b>	the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006
<b>2011 DOJ Opinion</b>	the opinion issued by the OLC in December 2011 in respect of the Federal Wire Act as more particularly described in the paragraph “ <i>United States</i> ” in Part VII ( <i>Regulatory Overview</i> ) of this Prospectus
<b>2018 DOJ Opinion</b>	the opinion issued by the OLC on 2 November 2018 in respect of the Federal Wire Act, reversing the 2011 DOJ Opinion as more particularly described in the paragraph “ <i>United States</i> ” in Part VII ( <i>Regulatory Overview</i> ) of this Prospectus
<b>2019 Final Dividend</b>	the final dividend of 133 pence per Ordinary Share declared by the Board of Flutter for the financial year ended 31 December 2019 to be paid in the form of Ordinary Shares and to be approved by a requisite majority of Flutter Shareholders at Flutter’s 2020 AGM
<b>2019 Memorandum</b>	a memorandum issued by DOJ Deputy Attorney General Rod Rosenstein on 15 January 2019
<b>888 Holdings</b>	888 Holdings plc incorporated in Gibraltar and listed on the London Stock Exchange
<b>Acquisition Proposal</b>	has the meaning given to it in the Arrangement Agreement
<b>Acquisitions</b>	the Australian Acquisitions together with the SBG Acquisition
<b>Active Customer</b>	with respect to Flutter, those customers who have deposited real money and have bet in the relevant reporting period. With respect to TSG, a customer who played or used one of TSG’s real-money offerings at least once during the applicable period, and excludes duplicate counting even if that customer is active across multiple lines of operation (i.e. poker, gaming and/or betting)
<b>Adjarabet</b>	the betting brand and business in Georgia and Armenia in which Flutter has an initial 51% controlling stake
<b>Adjusted EBITDA</b>	has the meaning given to it in the paragraph “ <i>Non-IFRS Measures – TSG</i> ” in the “ <i>Important Information</i> ” Section of this Prospectus. Adjusted EBITDA is a Non-IFRS Measure
<b>ADM</b>	the <i>Agenzia delle Dogane e dei Monopoli</i> of Italy
<b>Admission</b>	the UK Admission and the Irish Admission

<b>AGCC</b>	the Alderney Gambling Control Commission
<b>AGM</b>	annual general meeting
<b>allowable capital loss</b>	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>AMF</b>	the <i>Autorité des marchés financiers</i> (Quebec), the organisation responsible for financial regulation in the Canadian province of Québec
<b>AMF Investigation</b>	the AMF's investigation of trading activities in TSG securities surrounding TSG's announcement of the Stars Interactive Group Acquisition, which investigation closed on 6 June 2019
<b>API</b>	application programming interface
<b>ARJEL</b>	the <i>Collège de l'Autorité de régulation des jeux en ligne</i> , which oversees gaming licensing with respect to customers in France
<b>Arrangement</b>	the arrangement pursuant to section 182 of the <i>Business Corporations Act (Ontario)</i> on the terms and subject to the conditions set out in the Plan of Arrangement, pursuant to which Flutter shall acquire the entire issued and outstanding share capital of TSG, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Plan of Arrangement or made at the direction of the Court in the Final Order (provided that any such amendment is acceptable to Flutter and TSG, each acting reasonably)
<b>Arrangement Agreement</b>	the arrangement agreement entered into between TSG and Flutter on 2 October 2019 in connection with the Combination, as amended
<b>Article 50</b>	Brazil's Article 50 of Decree Law 3688/1941
<b>Articles of Arrangement</b>	the articles of arrangement in respect of the Combination to be sent to the OBCA Director after the Final Order is made which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to Flutter and TSG, each acting reasonably
<b>Articles or Articles of Association</b>	the articles of association of Flutter for the time being
<b>Asia Pacific Poker Tour</b>	TSG's international series of poker tournaments bearing that name
<b>ASX</b>	the Australian Stock Exchange
<b>AUD or Australian dollar</b>	the lawful currency of Australia
<b>Audit Committee</b>	the audit committee of Flutter
<b>Auditing Practices Board</b>	the Auditing Practices Board of the United Kingdom
<b>Australian Acquisitions</b>	the acquisition by TSG of an 80% equity interest in BetEasy between February 2018 and April 2018, and the acquisition by TSG of the remaining 20% interest in BetEasy as announced in December 2019

<b>B2B</b>	business-to-business
<b>B2C</b>	business-to-consumer
<b>Bank</b>	Emigrant Bank and Emigrant Bancorp
<b>BBSY Bid</b>	the Australian interbank market bid rate
<b>BEAT</b>	base erosion anti-abuse tax
<b>Belgian Commission</b>	the Belgian Gaming Commission
<b>BEPS</b>	the OECD's base erosion and profit shifting programme
<b>BEPS 2.0</b>	the new BEPS programme announced by the OECD in January 2019
<b>bet365</b>	bet365 Group Ltd, an online gambling company based in the United Kingdom
<b>BetEasy</b>	the operations of TSG Australia Pty Ltd, incorporated in Australia, and its subsidiaries and affiliates
<b>Betfair</b>	the online gambling company incorporated in the UK, wholly-owned by Flutter
<b>Betfair Australia</b>	Betfair Pty Limited incorporated in Australia with Australian Company Number 110 084 985
<b>Betfair Casino</b>	the online casino betting service operated by Betfair
<b>Betfair Exchange</b>	the Betfair betting exchange, which is based on the concepts and systems underpinning an order-based stock exchange model and which enables customers to bet at odds sought by themselves or offered by other customers instead of against a traditional bookmaker
<b>Betfred</b>	the online bookmaker based in the United Kingdom operating under the "Betfred" brand
<b>Betsson</b>	Betsson AB, incorporated in Sweden
<b>BetStars</b>	an online betting service operated internationally by the TSG Group
<b>Betting</b>	the real-money online betting line of operation within TSG's reporting segments
<b>BetVictor</b>	the independent bookmaker headquartered in Gibraltar operating under the "BetVictor" brand
<b>Betting Acts 1931 – 2015</b>	the Irish Betting Act 1931, as amended
<b>BGA</b>	the Dutch Betting and Gaming Act, 1964
<b>big data</b>	large data set computational analysis and data science
<b>BMM</b>	BMM Testlabs, a testing, accreditation and certification laboratory

<b>Board</b> .....	the board of directors of a company as the same is constituted from time to time
<b>Board of the Combined Group</b> .....	the board of directors of Flutter at the date of Completion of the Combination, being Gary McGann, Divyesh (Dave) Gadhia, Andrew Higginson, Peter Jackson, Jonathan Hill, Rafael (Rafi) Ashkenazi, Zillah Byng-Thorne, Michael Cawley, Nancy Cruickshank, Ian Dyson, Richard Flint, Alfred F. Hurley, Jr., David Lazzarato, Peter Rigby and Mary Turner
<b>bots</b> .....	has the meaning given to it in the risk factor entitled “ <i>From time to time, the Combined Group will be exposed to player collusion and failures to accurately detect and prevent player collusion and fraud could have a material adverse effect on the Combined Group</i> ” on page 21 of this Prospectus
<b>Boyd</b> .....	Boyd Interactive Gaming LLC
<b>BoyleSports</b> .....	the independent bookmaker operating in Ireland and the UK under the “BoyleSports” brand
<b>Brexit</b> .....	the withdrawal of the UK from the EU
<b>Bulgarian Commission</b> .....	the Bulgarian State Commision for Gambling
<b>Business Corporations Act (Ontario)</b> .....	the <i>Business Corporations Act (Ontario)</i> 1990, as amended
<b>business day</b> .....	a day, not being a public holiday, Saturday or Sunday, on which banks in Dublin, Ireland and the City of London, United Kingdom are open for normal business
<b>CAGR</b> .....	compound annual growth rate
<b>Canadian dollar, CAD or C\$</b> .....	the lawful currency of Canada
<b>Canadian Holder</b> .....	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>Canadian Securities Administrators</b> .....	British Columbia Securities Commission, Alberta Securities Commission, Financial and Consumer Affairs Authority of Saskatchewan, The Manitoba Securities Commission, Ontario Securities Commission, AMF, Nova Scotia Securities Commission, Financial and Consumer Services Commission (New Brunswick), Office of the Superintendent of Securities (Prince Edward Island), Office of the Superintendent of Securities Service Newfoundland and Labrador, Office of the Superintendent of Securities (Yukon Territory), Office of the Superintendent of Securities (Northwest Territories) and Nunavut Securities Office
<b>Casino Rush</b> .....	a social gaming brand by Pokerstars
<b>Central Bank</b> .....	the Central Bank of Ireland
<b>CEO</b> .....	chief executive officer
<b>Certificate of Arrangement</b> .....	the certificate of arrangement giving effect to the Combination, issued pursuant to subsection 183(2) of the <i>Business Corporations Act (Ontario)</i> after the Articles of Arrangement have been filed

<b>CFO</b>	chief financial officer
<b>CFPOA</b>	the Corruption of Foreign Public Officials Act of Canada
<b>CJEU</b>	the Court of Justice of the European Union
<b>Class 1 Transaction</b>	a class 1 transaction for the purpose of the UK Listing Rules of the FCA
<b>Combination</b>	the recommended all-share combination of Flutter and TSG to be implemented through an acquisition of all of the issued and outstanding TSG Shares by Flutter pursuant to the Plan of Arrangement
<b>Combined Group</b>	the combined group of Flutter and its subsidiaries and TSG and its subsidiaries following Completion of the Combination
<b>Combined Underlying EBITDA</b>	has the meaning given to it in the paragraph “ <i>Non-IFRS Measures – Flutter</i> ” in the “ <i>Important Information</i> ” Section of this Prospectus. Combined Underlying EBITDA is a non-IFRS measure
<b>Commission Delegated Regulation (EU) 2019/980</b>	Commission Relegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the EU Prospectus Regulation
<b>Commonwealth Government</b>	the Government of Australia
<b>Commonwealth of Kentucky</b>	the Commonwealth of Kentucky of the United States
<b>Commonwealth of Pennsylvania</b>	the Commonwealth of Pennsylvania of the United States
<b>Companies Act</b>	the Companies Act 2014 of Ireland, and every statutory modification and re-enactment of such legislation for the time being in force
<b>Company</b>	Flutter Entertainment plc
<b>Company Secretary</b>	the company secretary of Flutter
<b>Completion</b>	the Combination having become effective pursuant to the terms of the Plan of Arrangement
<b>Conditions</b>	the conditions of the Combination as set out in Article 6 of the Arrangement Agreement and including those summarised in Part I ( <i>Information on the Combination</i> ) of this Prospectus and as described in further detail under the heading “ <i>Arrangement Agreement</i> ” in paragraph 8.1 ( <i>Material contracts of the Flutter Group</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>Confidentiality Agreement</b>	the mutual confidentiality agreement entered into by Flutter and TSG on 5 August 2019
<b>COO</b>	chief operating officer
<b>Core Gaming</b>	SBG’s wholly-owned content development unit
<b>core markets</b>	Flutter’s core markets of the UK, Ireland and Australia
<b>Court</b>	the Ontario Superior Court of Justice (Commercial List) in Ontario, Canada or other court, as applicable

<b>Court Hearing</b>	the hearing by the Court to approve the Plan of Arrangement
<b>COVID-19</b>	the novel coronavirus (SARS-CoV-2) and related respiratory disease (coronavirus disease (COVID-19))
<b>CRA</b>	the Canada Revenue Agency
<b>Credit Agreement</b>	has the meaning given to it in the sub-paragraph entitled “ <i>TSG syndicated facility agreement</i> ” in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>CREST</b>	the relevant system (as defined in the 1996 Regulations) in respect of which Euroclear UK and Ireland Limited is the operator (as defined in the 1996 Regulations) in accordance with which securities may be held and transferred in uncertificated form
<b>Criminal Code</b>	the Canadian Criminal Code
<b>CRMC</b>	Capital Research and Management Company
<b>CSD</b>	has the meaning given to it in the EU CSD Regulation
<b>CSIE</b>	the New Jersey, US casino service industry enterprise designation
<b>Depository</b>	Computershare Investor Services Inc., or such other person as Flutter and TSG agree in writing, in its capacity as depositary under the Plan of Arrangement
<b>DFS</b>	daily fantasy sports
<b>DGA</b>	the Danish Gambling Authority
<b>DGOJ</b>	the <i>Dirección General de Ordenación del Juego</i> , the Spanish gaming regulator
<b>Dial-a-Bet</b>	a telephonic betting service provided by Flutter
<b>Diamond Link</b>	Diamond Link Ltd, TSG’s Greek partner
<b>Disclosure and Transparency Rules</b>	the Disclosure and Transparency Rules of the FCA in its capacity as the UK Listing Authority under FSMA and contained in the UKLA’s publication of the same name
<b>Disposal Notice</b>	has the meaning given to it in paragraph 4.6 ( <i>Suspension of rights of members and disposal of shares</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>Disposal Shares</b>	has the meaning given to it in paragraph 4.6 ( <i>Suspension of rights of members and disposal of shares</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>dividend income</b>	has the meaning given to it in paragraph 1.2(a) ( <i>UK resident individual Flutter Shareholders</i> ) of Section B ( <i>UK taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>DOJ</b>	the United States Department of Justice

<b>DST</b>	digital services tax
<b>Dutch Gaming Authority</b>	the national gaming authority of the Netherlands
<b>DWT</b>	dividend withholding tax
<b>E&amp;P</b>	earnings and profit
<b>EBITDA</b>	has the meaning given to it in the paragraph “ <i>Non-IFRS Measures – Flutter</i> ” in the “ <i>Important Information</i> ” Section of this Prospectus. EBITDA is a Non-IFRS Measure
<b>EEA</b>	European Economic Area
<b>Effective Date</b>	the date upon which the Arrangement becomes effective, as set out in the Plan of Arrangement
<b>Effective Time</b>	means 03.00 a.m. (Eastern time) on the Effective Date, or such other time as Flutter and TSG agree to in writing before the Effective Date in accordance with the terms of the Arrangement Agreement
<b>eGambling</b>	the designation given to online gambling in Alderney
<b>ESBK</b>	the <i>Eidgenössische Spielbankenkommission</i> , the Swiss gaming regulator
<b>Estonia Gambling Act</b>	the Estonia Gambling Act, RT I 2008, 47, 261
<b>EU</b>	the European Union
<b>EU CSD Regulation</b>	Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012
<b>EU Prospectus Regulation</b>	Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
<b>EUI</b>	Euroclear UK & Ireland Limited, the operator of CREST for the purposes of the 1996 Regulations
<b>EUPAC</b>	EuroPacific Growth Fund
<b>EUR First Lien Term Loan</b>	has the meaning given to it in the sub-paragraph entitled “ <i>TSG syndicated facility agreement</i> ” in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>EURIBOR</b>	the Euro Interbank Offered Rate
<b>euro, cent, EUR or €</b>	the lawful currency of Ireland
<b>Euroclear Bank</b>	Euroclear Bank SA/NV
<b>Euronext Dublin</b>	The Irish Stock Exchange plc, trading as Euronext Dublin

<b>Euronext Dublin Market</b>	the Euronext Dublin Market, operated by Euronext Dublin
<b>European Commission</b>	the Commission of the European Union
<b>European Poker Tour</b>	TSG's poker tournament of that name
<b>Exchange Ratio</b>	0.2253 of a New Share for each TSG Share held
<b>Existing Shares</b>	the Ordinary Shares in issue on the Latest Practicable Date
<b>FanDuel</b>	the US-based bookmaker and daily fantasy sports provider, majority owned by Flutter
<b>FanDuel Group</b>	Flutter's US division, following the acquisition of FanDuel
<b>Fastball</b>	Fastball Holdings LLC
<b>FCA or Financial Conduct Authority</b>	the UK Financial Conduct Authority or its successor from time to time
<b>FCPA</b>	the Foreign Corrupt Practices Act of 1977 of the United States
<b>Federal Administrative Court of Germany</b>	the <i>Bundesverwaltungsgericht</i> , the German federal administrative court
<b>Federal Wire Act</b>	the Federal Wire Act of 1961 of the United States
<b>FIFA</b>	the <i>Fédération Internationale de Football Association</i>
<b>Filing Date</b>	the date on which the Articles of Arrangement are filed with the OBCA Director, as set out in the Arrangement Agreement
<b>Final Order</b>	the final order of the Court pursuant to section 182(5) of the <i>Business Corporations Act (Ontario)</i> in a form acceptable to Flutter and TSG, each acting reasonably, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of Flutter and TSG, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended (provided that any such amendment is acceptable to Flutter and TSG, each acting reasonably) on appeal
<b>Financial Blocking Bill</b>	the legislation of the Russian Federation enacted in November 2017 which introduced financial blocking measures in Russia for illegal gambling
<b>Flutter</b>	Flutter Entertainment plc, incorporated in Ireland with registered number 16956
<b>Flutter 2018 Annual Report and Accounts</b>	Flutter's Annual Report and Accounts for the financial year ended 31 December 2018 which is available at <a href="https://www.flutter.com/investor-relations/annual-reports">https://www.flutter.com/investor-relations/annual-reports</a>
<b>Flutter 2018 Financial Statements</b>	the audited consolidated financial statements of Flutter for the financial year ended 31 December 2018 as set out on pages 102 – 185 of the Flutter 2018 Annual Report and Accounts
<b>Flutter 2019 Annual Report and Accounts or Flutter Annual Report 2019..</b>	Flutter's Annual Report and Accounts for the financial year ended 31 December 2019

<b>Flutter 2019 Financial Statements .....</b>	the audited consolidated financial statements of Flutter for the financial year ended 31 December 2019 as set out on pages 98 – 182 of the Flutter 2019 Annual Report and Accounts which are incorporated by reference into this Prospectus
<b>Flutter Circular .....</b>	the notice of the Flutter EGM and accompanying explanatory circular, including all schedules, appendices and exhibits thereto and enclosures therewith, including information incorporated therein, to be sent to the Flutter Shareholders in connection with the Flutter EGM, as amended, supplemented or otherwise modified from time to time
<b>Flutter Directors or Directors of Flutter or Flutter Board .....</b>	the board of directors of Flutter from time to time, comprising, at the date of this Prospectus, Gary McGann, Ian Dyson, Peter Jackson, Jonathan Hill, Jan Bolz, Zillah Byng-Thorne, Michael Crawley, Nancy Cruickshank, Andrew Higginson, Peter Rigby and Emer Timmons
<b>Flutter EGM .....</b>	the extraordinary general meeting of the Company convened for 11.00am on 21 April 2020 at Arthur Cox, Ten Earlsfort Terrace, Dublin, D02 T380, Ireland, including any adjournement thereof, in connection with the Combination to consider and if thought fit pass, inter alia, the Flutter Resolutions
<b>Flutter Employee Share Plans .....</b>	the Betfair Group plc 2009 Long Term Incentive Plan, the Betfair Group plc Deferred Share Incentive Plan, the Flutter Entertainment plc Sharesave Scheme (together with the Australia, Bulgaria, Gibraltar, Italy, Malta, Portugal, Romania, UK and US Schedules), the Flutter Entertainment plc 2015 Long Term Incentive Plan (together with the Australian and US Appendices and the Clawback Appendix); the Flutter Entertainment plc 2015 Medium Term Incentive Plan (together with the Australian and US Appendices and the Clawback Appendix); the Flutter Entertainment plc 2015 Deferred Share Incentive Plan (together with the Australian and US Appendices and the Clawback Appendix) and the Flutter Entertainment plc 2015 Restricted Share Plan (together with the Australian and US Appendices and the Clawback Appendix) and the TSE Holdings Ltd FanDuel Group Parent LLC Non-Resident Employee Share Award Agreements, each as amended, operated by the Flutter Group
<b>Flutter Group.....</b>	Flutter and its subsidiary undertakings and associated undertakings and, where the context permits, each of them
<b>Flutter Resolutions .....</b>	the resolutions to be proposed to Flutter Shareholders at the Flutter EGM
<b>Flutter's Registrar .....</b>	Link Asset Services, Link Registrars Limited, P.O. Box 1110, Maynooth, Co. Kildare, Ireland
<b>Flutter Shareholders .....</b>	holders of Ordinary Shares of Flutter from time to time
<b>FOBT .....</b>	fixed-odds betting terminal
<b>FOX .....</b>	FOX Corporation
<b>FOX Bet.....</b>	an online and mobile sports betting product developed between TSG and FOX Sports

<b>FOX Bet Agreements</b> .....	has the meaning given to it in the sub-paragraph entitled “ <i>Agreements relating to FOX Bet</i> ” in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) in Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>FOX Bet Commercial Agreement</b> .....	has the meaning given to it in the sub-paragraph entitled “ <i>Agreements relating to FOX Bet</i> ” in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) in Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>FOX Bet Subscription Agreement</b> .....	has the meaning given to it in the sub-paragraph entitled “ <i>Agreements relating to FOX Bet</i> ” in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) in Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>FOX Bet Trademark Agreement</b> .....	has the meaning given to it in the sub-paragraph entitled “ <i>Agreements relating to FOX Bet</i> ” in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) in Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>FOX Sports</b> .....	the sports programming division of the FOX Corporation
<b>FOX Sports Super 6</b> .....	a nationwide (excluding Washington) free-to-play game in the United States that awards cash prizes to players who correctly predict the outcome of sports games launched by FOX Bet
<b>FSG Services</b> .....	FSG Services LLC, a wholly-owned subsidiary of FOX Sports
<b>FSMA</b> .....	the Financial Services and Markets Act 2000 of the United Kingdom
<b>FTSE</b> .....	the Financial Times Stock Exchange Index
<b>Full Tilt</b> .....	an Irish online poker cardroom and online casino owned by TSG
<b>Gaming</b> .....	the real-money online casino and, where applicable, bingo line of operation within TSG’s reporting segments
<b>Gaming Consents</b> .....	the gaming notices, approvals, decisions, clearances and confirmations necessary to implement the Combination, as set out in the Arrangement Agreement
<b>Gaming Regulatory Authority</b> .....	has the meaning given to it in paragraph 4.6 ( <i>Suspension of rights of members and disposal of shares</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>GDK</b> .....	TSG’s games developer kit, a tool set and application programming interface used for the integration of content
<b>GDPR</b> .....	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data
<b>German Interstate Treaty</b> .....	the Interstate Treaty on Gambling in Germany of 1 July 2012
<b>German Tax Authorities</b> .....	the <i>Bundeszentralamt für Steuern</i>
<b>GILTI</b> .....	global intangible low-taxed income

<b>GLI</b>	Gaming Laboratories International, a testing, accreditation and certification laboratory
<b>Golden Nugget Casino</b>	Golden Nugget Las Vegas Hotel & Casino
<b>Goldman Sachs</b>	Goldman Sachs International
<b>Great Britain</b>	the United Kingdom, excluding Northern Ireland
<b>Greek Gambling Act</b>	Law 4002/2011 of the Greek government
<b>Greek Ministry</b>	the Greek Ministry of Finance
<b>gross dividend</b>	the gross amount of any dividend paid (including the gross amount of any local tax credit) before the deduction of Irish withholding taxes
<b>gross income</b>	has the meaning given to it in paragraph 1.2(a) ( <i>UK resident individual Flutter Shareholders</i> ) of Section B ( <i>UK taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>GSC</b>	the Gambling Supervision Commission of the Isle of Man
<b>GST</b>	goods and service tax
<b>GVC</b>	GVC Holdings plc incorporated in the Isle of Man with company number 4685V
<b>HGC</b>	the Hellenic Gaming Commission
<b>HMRC</b>	HM Revenue & Customs
<b>IASB</b>	the International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>iGaming</b>	electronic or online gaming
<b>Interim Order</b>	the interim order of the Court pursuant to section 182(5) of the <i>Business Corporations Act (Ontario)</i> providing for, among other things, the calling and holding of the TSG Shareholder Meeting, as the same may be amended by the Court with the consent of Flutter and TSG, each acting reasonably
<b>International</b>	TSG’s “International” business segment
<b>International Standards on Auditing</b>	has the meaning given to it in Section A ( <i>Financial Information of Flutter</i> ) of Part IV ( <i>Financial Information</i> ) of this Prospectus
<b>IOM Bribery Act</b>	the Isle of Man Bribery Act 2013
<b>IP address</b>	internet protocol address
<b>Ireland</b>	Ireland, excluding Northern Ireland and the word “ <b>Irish</b> ” shall be construed accordingly
<b>Irish Admission</b>	the admission of all of the issued and to be issued Ordinary Shares to a secondary listing on the Official List of Euronext Dublin and to trading on the Euronext Dublin Market operated by Euronext Dublin following Completion of the Combination

<b>Irish CGT</b>	taxation of capital gains and corporation tax on chargeable gains in Ireland
<b>Irish Corporate Governance Annex</b>	the Annex to the Irish Listing Rules
<b>Irish Corruption Offences Act</b>	the Criminal Justice (Corruption Offences) Act 2018
<b>Irish Listing Rules</b>	Book I: Harmonised Rules of the Euronext Rule Book and Book II: Listing Rules of Euronext Dublin, taken together
<b>Irish Market Abuse Law</b>	has the meaning specified in section 1365(1) of the Companies Act
<b>Irish Prospectus Regulations</b>	the European Union (Prospectus) Regulations 2019 (SI No. 380/2019)
<b>Irish Takeover Panel</b>	the Irish Takeover Panel established under the Irish Takeover Panel Act
<b>Irish Takeover Panel Act</b>	the Irish Takeover Panel Act, 1997
<b>Irish Takeover Rules</b>	the Irish Takeover Panel Act 1997, Takeover Rules, 2013
<b>ISIN</b>	International Securities Identification Number
<b>IT</b>	information technology
<b>ITA</b>	the Income Tax Act (Canada)
<b>ITV Pick 7</b>	a free-to-play sports prediction game operated by SBG
<b>Jackpot Poker</b>	a social play money gaming brand by Pokerstars
<b>Kayo Sports</b>	an Australian sport streaming service launched on 26 November 2018
<b>Kentucky Proceeding</b>	has the meaning given to it in paragraph 7.2 ( <i>Legal and arbitration proceedings relating to TSG</i> ) of Part VIII (Additional Information) of this Prospectus
<b>Knockout Poker</b>	a variant of traditional poker offered by TSG where the prize money is split, with a part going to the overall prize pool, and the other part distributed among players for each opponent they knock out
<b>KPMG</b>	KPMG Chartered Accountants, 1 Stokes Place, St. Stephen's Green, Dublin 2, D02 DE03, Ireland
<b>Latest Practicable Date</b>	close of business on 25 March 2020, being the latest practicable date prior to the publication of this Prospectus
<b>LCCP</b>	the United Kingdom Licence Conditions and Codes of Practice
<b>LEI</b>	legal entity identifier
<b>LIBOR</b>	the British Bankers' Association London Interbank Offered Rate
<b>Ligado</b>	Ligado Networks Corporation, a privately held company

<b>Lock-up Agreement</b>	means the agreement between the Company and Rafael (Rafi) Ashkenazi detailed in paragraph 9 ( <i>Conflicts of interest</i> ) of Part III ( <i>Board of Directors and Corporate Governance of Flutter Entertainment plc and the Combined Group</i> ) of this Prospectus
<b>London Stock Exchange</b>	the London Stock Exchange plc
<b>Long Stop Date</b>	31 October 2020 or such later date as may be extended by: (i) either of Flutter or TSG, for up to two consecutive periods of 90 days in circumstances where certain regulatory approvals and gaming consents remain outstanding when all other Conditions have been satisfied or waived; or (ii) mutual consent of both Flutter and TSG
<b>Lotteries Act</b>	the Swedish Lotteries Act, 1994 (Sw: Lotterilagen 1994:1000)
<b>M&amp;A</b>	mergers and acquisitions
<b>Malta Act</b>	the Maltese Gaming Act (Chapter 583 of the Laws of Malta)
<b>Maltese Authority or MGA</b>	the Malta Gaming Authority
<b>mandatory offer</b>	has the meaning given to it in paragraph 4.7 ( <i>National legislation on takeovers</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>Market Abuse Regulation</b>	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
<b>Market Conduct Rules</b>	the Central Bank (Investment Market Conduct) Rules (SI No. 366/2019) and any other rules issued by the Central Bank from time to time under section 1363 of the Companies Act 2014
<b>Member States</b>	member states of the European Union
<b>ML</b>	Merrill Lynch
<b>Memorandum of Association</b>	the memorandum of association of Flutter
<b>MFCR</b>	the Ministry of Finance of the Czech Republic
<b>MNC</b>	multi-national company
<b>Mount Airy</b>	Mount Airy #1, LLC, d/b/a Mount Airy Resort Casino
<b>MSIGA</b>	the Multi-State Internet Gaming Agreement of the United States
<b>My Rewards</b>	TSG's player loyalty and reward offering in its Australian business segment
<b>NASDAQ</b>	the NASDAQ Global Select Market
<b>National Consumer Protection Framework</b>	measures developed by the Department of Social Services of Australia to mitigate the risk of online gambling

<b>NBA</b>	the US National Basketball Association
<b>Net Debt</b>	has the meaning given to it in the paragraph “ <i>Non-IFRS Measures – Flutter</i> ” in the “ <i>Important Information</i> ” Section of this Prospectus. Net Debt is a non-IFRS measure
<b>Net Debt to Underlying EBITDA (pre-IFRS 16) ratio</b>	has the meaning given to it in the paragraph “ <i>Non-IFRS Measures – Flutter</i> ” in the “ <i>Important Information</i> ” Section of this Prospectus. Net Debt to Underlying EBITDA (pre-IFRS 16) ratio is a non-IFRS measure
<b>New Hampshire Litigation</b>	has the meaning given to it in the sub-paragraph entitled “ <i>United States</i> ” in paragraph 4 ( <i>TSG – licences</i> ) of Part VII ( <i>Regulatory Overview</i> ) of this Prospectus
<b>New Shares</b>	the new Ordinary Shares to be issued credited as fully paid to TSG Shareholders pursuant to the Combination
<b>NFL</b>	the US National Football League
<b>nil rate band</b>	has the meaning given to it in paragraph 1.2(a) ( <i>UK resident individual Flutter Shareholders</i> ) of Section B ( <i>UK taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>NJ Act</b>	the New Jersey Casino Control Act
<b>NJ DGE</b>	the New Jersey Division of Gaming Enforcement
<b>NMFC</b>	New Mountain Finance Corporation, a NYSE listed business development company
<b>Nomination Committee</b>	the nomination committee of Flutter
<b>Non-IFRS Measures</b>	Adjusted EBITDA, Combined Underlying EBITDA, EBITDA, Net Debt, Net Debt to Underlying EBITDA (pre-IFRS 16) ratio, Underlying Earnings Per Share, Underlying EBITDA and Underlying EBITDA (pre-IFRS 16), which do not have any standardised meaning under IFRS and, therefore, may not be comparable to similar measure presented by other peers. These measures may be present in order to quantify the impact of the Combination on the financial performance of Flutter, TSG or the Combined Group
<b>NTRC</b>	the Northern Territory Racing Commission
<b>NYSGC</b>	the New York State Gaming Commission
<b>OBCA Director</b>	the Director appointed pursuant to section 278 of the <i>Business Corporations Act (Ontario)</i>
<b>Oddschecker</b>	an odds comparison website owned by TSG
<b>Oddschecker Connect</b>	an app offered by Oddschecker which allows the distribution of aggregated services (odds, betting, data) to third parties’ content
<b>OECD</b>	the Organisation for Economic Cooperation and Development
<b>Official List</b>	the Official List of the FCA or the Official List of Euronext Dublin (as applicable)

<b>OLC</b>	the Office of Legal Counsel of the DOJ
<b>Oldford Parties</b>	has the meaning given to it in paragraph 7.2 ( <i>Legal and arbitration proceedings relating to TSG</i> ) of Part VIII (Additional Information) of this Prospectus
<b>ONJN</b>	<i>Oficiul National pentru Jocuri de Noruc</i> , the Romanian online gaming regulator
<b>Ordinary Shares</b>	the ordinary shares of €0.09 each in the capital of Flutter which, following Admission, will include the New Shares
<b>Other</b>	TSG's operating line encompassing other gaming-related revenue, including, without limitation, revenue from social and play-money gaming, live poker events, branded poker rooms, Oddschecker and other nominal sources of revenue, as applicable
<b>Paddy Power</b>	the Irish online and retail bookmaker brand owned by Flutter
<b>Paddy's Rewards Club</b>	Paddy Power loyalty club which offers free bets and other benefits
<b>PASPA</b>	the Professional and Amateur Sports Protection Act of 1992 of the United States
<b>PCAOB</b>	the Public Company Accounting Oversight Board (United States)
<b>Pegasus Cup</b>	a thoroughbred horse race in the United States
<b>PFIC</b>	passive foreign investment company
<b>PGCB</b>	the Pennsylvania Gaming Control Board
<b>PJT Partners</b>	PJT Partners (UK) Limited incorporated in England with registered number 09424559
<b>Plan of Arrangement</b>	the plan of arrangement under the <i>Business Corporations Act (Ontario)</i> substantially in the form and content set forth in Schedule A to the Arrangement Agreement, and any amendments or variations thereto made in accordance with the Arrangement Agreement and the Plan of Arrangement or upon the direction of the Court in the Final Order with the consent of TSG and Flutter, each acting reasonably, pursuant to which Flutter will acquire the entire issued and to be issued share capital of TSG in order to implement the Combination
<b>POCT</b>	point of consumption tax
<b>podium position</b>	a top 3 position in a relevant jurisdiction, based on market share of gross gaming revenue in that jurisdiction
<b>Poker</b>	the real-money online poker line of operation within TSG's reporting segments
<b>PokerStars</b>	an online poker cardroom owned by TSG
<b>PokerStars Casino</b>	PokerStars' online casino platform offering games including blackjack and roulette

<b>PokerStars LIVE</b>	a brand of live poker rooms with which TSG has marketing arrangements
<b>PokerStars Play</b>	a social gaming brand by TSG
<b>PokerStars Players No Limit Hold'em Championship</b>	a rake-free live poker tournament which was first held in the Bahamas in January 2019 organised by PokerStars
<b>PokerStars VR</b>	a variant of traditional poker offered by TSG which involves virtual reality
<b>pounds sterling, pence, GBP or £</b>	the lawful currency of the United Kingdom
<b>Power Up</b>	a feature that brings personalised price boosts to Paddy Power customers
<b>PRA</b>	the Prudential Regulation Authority of the United Kingdom
<b>Premier League</b>	the English Premier League, the top level of the English football league system
<b>Proposed Directors</b>	the individuals who have agreed to become directors of Flutter on the Effective Date, being Divyesh (Dave) Gadhia, Rafael (Rafi) Ashkenazi, Richard Flint, Alfred F. Hurley, Jr., David Lazzarato and Mary Turner.
<b>pro forma financial information</b>	the consolidated pro forma income statement of the Combined Group for the year ended 31 December 2019 and the consolidated pro forma statement of net assets of the Combined Group as at 31 December 2019 contained in Section A ( <i>Unaudited pro forma financial information</i> ) of Part V ( <i>Unaudited Pro Forma Financial Information of the Combined Group</i> )
<b>Prospectus</b>	this Prospectus issued by Flutter in relation to Admission of all of the issued and to be issued Ordinary Shares to trading on the London Stock Exchange and Euronext Dublin and approved by the Central Bank under the EU Prospectus Regulation
<b>PRSI</b>	pay-related social insurance
<b>R&amp;D</b>	research and development
<b>Racing and Betting Act</b>	the Racing and Betting Act 1983 (NT), of the Northern Territory, Australia
<b>Racing TV</b>	a British television channel specialising in horse racing
<b>Racing.com</b>	an Australian free-to-air digital television channel focussed on horse racing
<b>RCMP</b>	the Royal Canadian Mounted Police, the federal and national police service of Canada
<b>RDSP</b>	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>Registered Plan</b>	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus

<b>regulated markets .....</b>	in respect of Flutter, “regulated markets” are markets in which the provision of online betting or gaming services are regulated by local, national or federal authorities and/or where Flutter holds a licence for the provision of online betting or gaming services issued by local, national or federal authorities. In respect of TSG, “regulated markets” are markets in which the provision of online betting or gaming services are regulated and/or taxed by local, national or federal authorities or where TSG holds a licence for the provision of online betting or gaming services issued by local, national or federal authorities
<b>Regulation S .....</b>	Regulation S under the US Securities Act
<b>Regulatory Approvals .....</b>	the regulatory approvals, decisions, clearances, confirmations and other requirements necessary to implement the Combination, as set out in the Arrangement Agreement
<b>Regulatory Information Service .....</b>	a regulatory information service authorised by the FCA to receive, process and disseminate regulatory information in respect of listed companies, as defined in the UK Listing Rules
<b>Relevant Shares .....</b>	has the meaning given to it in paragraph 4.6 ( <i>Suspension of rights of members and disposal of shares</i> ) of Part VIII ( <i>Additional information</i> ) of this Prospectus
<b>Relevant Territory .....</b>	means (i) a Member State (other than Ireland) or (ii) a country with which Ireland has a tax treaty in force by virtue of section 826(1) TCA or (iii) a country with which Ireland has a tax treaty that is signed and which will come into force once all the ratification procedures set out in section 826(1) TCA have been completed
<b>Remuneration Committee .....</b>	the remuneration committee of Flutter
<b>RequestABet .....</b>	a Sky Bet betting accumulator
<b>Re-Re-Amended Derome Class Action .....</b>	<i>Derome v. The Stars Group Inc. et al.</i> (Case No. 500-06-000785), a re-re-amended motion for authorisation of a class action and for authorisation to bring an action pursuant to Quebec securities law filed in the Superior Court of Quebec on or about 25 July 2018 in Province of Quebec, Canada, District of Montreal, amending a prior class action complaint previously filed in early 2016
<b>RESP .....</b>	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>Responsible Wagering Australia .....</b>	a body which advocates for enhanced consumer protection and sporting integrity outcomes in the Australian wagering industry
<b>Restricted Jurisdictions .....</b>	any jurisdiction where local laws or regulations do not permit the offer, sale or delivery of New Shares
<b>Revolving Credit Facility Agreement .....</b>	the revolving credit facility agreement originally dated 18 May 2015 between, among others, the Company as borrower and Lloyds Bank plc as agent of the finance parties specified therein, as amended and restated pursuant to the terms of amendment and restatement agreements dated 26 April 2018 and 10 May 2019

<b>RGD</b> .....	UK remote gaming duty
<b>Risk Committee</b> .....	the Risk Committee of Flutter
<b>RRIF</b> .....	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>RRSP</b> .....	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>RUB</b> .....	the lawful currency of the Russian Federation
<b>SBG or Sky Betting and Gaming</b> .....	Cyan Blue Topco Limited, a UK-based gambling company indirectly owned by TSG, and its subsidiaries and affiliates
<b>SBG Acquisition</b> .....	the acquisition of Sky Betting & Gaming by TSG in 2018
<b>SBG Business</b> .....	the businesses operated by SBG at the time of the SBG Acquisition, including Sky Bet, Sky Bingo, Sky Casino, Sky Poker and Sky Vegas
<b>SBG Financing</b> .....	the financing of the SBG Acquisition by TSG through the use of cash on its balance sheet, \$4.567 billion in first lien term loans, the Senior Notes, \$621.8 million of net proceeds from the issuance of TSG Shares at a price of \$38.00 per share, a new first lien revolving facility of \$700.0 million, of which it had drawn \$100.0 million as of completion of the SBG Acquisition, but fully repaid soon after and the issue to the sellers of SBG of 37.9 million new TSG Shares
<b>SDRT</b> .....	UK stamp duty reserve tax
<b>SEC</b> .....	the US Securities and Exchange Commission
<b>Section 1062 Notice</b> .....	a notice served by the Company on a shareholder pursuant to section 1062 of the Companies Act
<b>separately disclosed items</b> .....	the items referenced in the consolidated financial statements of Flutter that, in Flutter management's judgement, should be disclosed separately in the financial statements by virtue of their size, incidence or because they are not part of the Flutter Group's normal trading activities. In Flutter management's view, the separate reporting of these items helps provide a better understanding of the Flutter Group's underlying performance. Such items may include the amortisation of acquisition related intangibles, the incremental fair value uplift for share options replaced under the terms of the merger between Paddy Power and Betfair, significant restructuring and strategic initiative costs, material fees in respect of acquisitions, significant impairment of property, plant and equipment and intangible assets and also significant movement in the fair value of contingent consideration. Separately disclosed items in respect of the years ended 31 December 2019 and 31 December 2018 are described in more detail in Notes 2 and 4 to the Flutter 2019 Financial Statements and Notes 2 and 4 to the Flutter 2018 Financial Statements
<b>Shareholder Regulatory Event</b> .....	has the meaning given to it in paragraph 4.6 ( <i>Suspension of rights of members and disposal of shares</i> ) of Part VIII ( <i>Additional information</i> ) of this Prospectus

<b>Shareholder Regulatory Event Notice .....</b>	has the meaning given to it in paragraph 4.6 ( <i>Suspension of rights of members and disposal of shares</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>Shareholders .....</b>	Flutter Shareholders or TSG Shareholders from time to time
<b>Sky .....</b>	Sky plc, together with its subsidiaries
<b>Sky Advertising Agreement .....</b>	the advertising services agreement dated as of 19 March 2015 between Sky UK Limited and Bonne Terre Limited, as amended
<b>Sky Bet.....</b>	SBG's online betting brand
<b>Sky Bet Club .....</b>	TSG's player loyalty and reward offering in its United Kingdom business segment
<b>Sky Bingo .....</b>	SBG's online bingo brand
<b>Sky Brand Licence.....</b>	the brand licence agreement dated 19 March 2015 between Sky plc, Sky UK Limited, Sky International AG, Sky Italian Holdings S.P.A. and TSG's subsidiary Cyan Blue IPCO Limited
<b>Sky Casino.....</b>	SBG's online casino brand
<b>Sky Commercial Relationship Agreement or Sky CRA.....</b>	the commercial relationship agreement dated 19 March 2015 between Sky UK Limited and Bonne Terre Limited
<b>Sky Deed of Variation .....</b>	has the meaning given to it in the sub-paragraph entitled " <i>TSG deed of variation and amendment</i> " in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) in Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>Sky Poker .....</b>	SBG's online poker brand
<b>Sky Sports 6erpack.....</b>	a free-to-play game operated by TSG in Germany
<b>Sky Sports Fantasy Football.....</b>	a free-to-play sports prediction game operated by SBG
<b>Sky Sports Racing .....</b>	a British pay television channel operated through a joint venture between Sky Limited and Arena Racing Company
<b>Sky Vegas .....</b>	SBG's online gaming brand
<b>Soccer Saturday Super 6.....</b>	a Sky Bet free-to-play sports game
<b>Spanish Gambling Act .....</b>	the gambling act of Spain which became effective on 29 May 2011, as amended, replaced or superseded from time to time
<b>Spin &amp; Go.....</b>	a variant of traditional poker offered by TSG where there are randomly assigned prize pools
<b>Sportsbet .....</b>	Flutter's Australian subsidiary, Sportsbet Pty Limited with registered number 088326612
<b>Sportsbook .....</b>	the betting product whereby bets are taken on sporting events and winnings are paid out

<b>squeeze-out</b> .....	has the meaning given to it in paragraph 4.7 ( <i>National legislation on takeovers</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>Stars Interactive Group Acquisition</b> .....	the acquisition by TSG of Star Interactive Holdings (IOM) Limited and its subsidiaries and affiliates in August 2014
<b>Stars Interactive Group</b> .....	Stars Interactive Holdings (IOM) Limited, previously named Oldford Group Limited, and its subsidiaries and affiliates
<b>Stars Interactive Group Acquisition</b> .....	the acquisition by TSG of Stars Interactive Group in August 2014
<b>Stars Rewards</b> .....	TSG's integrated cross-vertical loyalty programme
<b>subsidiary undertaking</b> .....	has the meaning given to it in section 275 of the Companies Act
<b>Substantial Acquisition Rules</b> .....	the Irish Takeover Panel Act 1997, Substantial Acquisition Rules
<b>Superior Proposal</b> .....	has the meaning given to it in the Arrangement Agreement
<b>Supreme Court</b> .....	the Supreme Court of the United States
<b>TAB or TabCorp</b> .....	TabCorp Holdings, a gambling entertainment group based in Australia
<b>Tax Proposals</b> .....	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>taxable capital gain</b> .....	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) Part VI ( <i>Taxation</i> ) of this Prospectus
<b>TCA</b> .....	the Taxes Consolidation Act 1997 of Ireland
<b>Term Loan Facility Agreement</b> .....	the £250,000,000 term loan facility agreement dated 10 May 2019 between, among others, the Company as a borrower and Lloyds Bank plc as agent of the finance parties specified therein
<b>Term Sheets</b> .....	has the meaning given to it in paragraph 8.1 ( <i>Material contracts of the Flutter Group</i> ) in Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>TFEU</b> .....	the Treaty on the Functioning of the European Union
<b>TFSA</b> .....	has the meaning given to it in Section C ( <i>Canadian taxation</i> ) of Part VI ( <i>Taxation</i> ) of this Prospectus
<b>Timeform</b> .....	Flutter's racing form data division operated by Portway Press Limited, a subsidiary of Flutter
<b>TLA/RCF Facilities Agreement</b> .....	the term loan A and revolving credit facility agreement dated 11 March 2020 between, among others, the Company as a borrower and Lloyds Bank plc as agent of the finance parties specified therein
<b>Toronto Stock Exchange</b> or <b>TSX</b> .....	the Toronto Stock Exchange
<b>Transparency Regulations and Rules</b> .....	the Transparency (Directive 2004/109/EC) Regulations 2007 (SI No 277 of 2007) as amended by the Transparency

	(Directive 2004/109/EC) Regulations 2017 (SI No 336 of 2017) and Part 2 of the Market Conduct Rules
<b>Treasury or Treasury Shares.....</b>	shares held as treasury shares as provided for in the Companies Act 2014
<b>TSG.....</b>	The Stars Group Inc., a corporation existing under the laws of the Province of Ontario
<b>TSG 2019 Financial Statements .....</b>	the audited consolidated financial statements of TSG for the financial year ended 31 December 2019, which are incorporated by reference into the Prospectus
<b>TSG Circular .....</b>	the notice of the TSG Shareholder Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto and enclosures therewith, including information incorporated therein, to be sent to TSG Shareholders in connection with the TSG Shareholder Meeting, as amended, supplemented or otherwise modified from time to time
<b>TSG Directors or TSG Board .....</b>	the board of directors of TSG at the date of its Prospectus being Divyesh (Dave) Gadhia, Rafael (Rafi) Ashkenazi, Alfred F. Hurley, Jr., David Lazzarato, Eugene O. Roman and Mary Turner
<b>TSG Dissent Rights.....</b>	the rights of dissent in respect of the Arrangement granted to the registered TSG Shareholders, pursuant of the Interim Order and the Plan of Arrangement, and as described in the Plan of Arrangement
<b>TSG Dissenting Shareholder .....</b>	a registered TSG Shareholder who has duly and validly exercised its TSG Dissent Rights pursuant to the Plan of Arrangement and has not withdrawn or been deemed to have withdrawn such exercise of TSG Dissent Rights, but only in respect of the TSG Shares for which TSG Dissent Rights have been validly exercised by such registered TSG Shareholder
<b>TSG DSUs .....</b>	deferred share units issued under the TSG Equity Plan
<b>TSG Employee Share Plans .....</b>	the TSG Option Plan and the TSG Equity Plan
<b>TSG Employee Stock Purchase Plan .....</b>	The Stars Group Inc. Stock Purchase Plan, dated 2 August 2017, as may be amended from time to time
<b>TSG Equity Awards .....</b>	each TSG RSU, TSG DSU, TSG PSU, or similar interest covering TSG Shares granted pursuant to the TSG Equity Plan, but not including a TSG Option
<b>TSG Equity Plan .....</b>	the equity incentive plan dated 22 June 2015, as amended, of TSG
<b>TSG First Lien Term Loans .....</b>	has the meaning given to it in the sub-paragraph entitled “ <i>TSG syndicated facility agreement</i> ” in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>TSG Group.....</b>	TSG and its subsidiary undertakings and associated undertakings and, where the context permits, each of them

<b>TSG Letters of Credit</b>	has the meaning given to it in paragraph 12.2 ( <i>Capitalisation and indebtedness of TSG</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>TSG Note Issuers</b>	Stars Group Holdings B.V. and Stars Group (US) Co-Borrower, LLC
<b>TSG Option Plan</b>	the stock option plan dated 21 July 2010, as amended, of TSG
<b>TSG Options</b>	the options to purchase TSG Shares granted under the TSG Employee Share Plans
<b>TSG PSUs</b>	performance share units issued under the TSG Equity Plan
<b>TSG PSUs 2017</b>	TSG PSUs issued in calendar year 2017
<b>TSG PSUs 2018</b>	TSG PSUs issued in calendar year 2018
<b>TSG PSUs 2019</b>	TSG PSUs issued in calendar year 2019
<b>TSG Resolution</b>	the special resolution of the TSG Shareholders approving the Combination and the Plan of Arrangement to be considered at the TSG Shareholder Meeting
<b>TSG Revolving Facility</b>	has the meaning given to it in the sub-paragraph entitled “ <i>TSG syndicated facility agreement</i> ” in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>TSG RSUs</b>	restricted share units issued under the TSG Equity Plan
<b>TSG Senior Note Indenture</b>	the indenture governing the TSG Senior Notes dated 10 July 2018
<b>TSG Senior Notes</b>	the senior notes issued by the TSG Notes Issuers due 2026 at par in an aggregate principal amount of \$1.00 billion
<b>TSG Shareholder Meeting</b>	the special meeting of TSG Shareholders, including any adjournment or postponement thereof, to be called and held on 21 April 2020 in accordance with the Interim Order, or shortly thereafter, to consider the TSG Resolution
<b>TSG Shareholders</b>	holders of TSG Shares from time to time
<b>TSG Shares</b>	the common shares in the capital of TSG
<b>TSX</b>	Toronto Stock Exchange
<b>TVG or TVG Network</b>	Flutter’s US online horseracing advanced deposit wagering business
<b>TVG1 and TVG2</b>	the television channel networks of TVG
<b>TWS</b>	TSI Holdings, the holding company for TransWorld Systems, Inc.
<b>UEFA European Championships</b>	the Union of European Football Associations European Championships

<b>UIGEA</b> .....	the Unlawful Internet Gambling Enforcement Act of the United States
<b>UK Admission</b> .....	the admission of all of the issued and to be issued Ordinary Shares to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities following completion of the Combination
<b>UK Bribery Act</b> .....	the Bribery Act 2010 of the United Kingdom
<b>UK Competition and Markets Authority</b> .	a non-ministerial government department in the United Kingdom, responsible for strengthening business competition and preventing and reducing anti-competitive activities
<b>UK Corporate Governance Code</b> .....	the UK Corporate Governance Code, published by the Financial Reporting Council
<b>UK Listing Rules</b> .....	the rules and regulations made by the FCA under Part VI of the FSMA, and contained in the FCA's publication of the same name (as amended from time to time)
<b>UK or United Kingdom</b> .....	the United Kingdom of Great Britain and Northern Ireland
<b>UKGC</b> .....	the United Kingdom Gambling Commission
<b>Underlying Earnings Per Share</b> .....	has the meaning given to it in the paragraph “ <i>Non-IFRS Measures – Flutter</i> ” in the “ <i>Important Information</i> ” Section of this Prospectus. Underlying Earnings Per Share is a Non-IFRS Measure
<b>Underlying EBITDA</b> .....	has the meaning given to it in the paragraph “ <i>Non-IFRS Measures – Flutter</i> ” in the “ <i>Important Information</i> ” Section of this Prospectus. Underlying EBITDA is a Non-IFRS Measure
<b>Underlying EBITDA (pre-IFRS 16)</b> .....	has the meaning given to it in the paragraph “ <i>Non-IFRS Measures – Flutter</i> ” in the “ <i>Important Information</i> ” Section of this Prospectus. Underlying EBITDA (pre-IFRS 16) is a Non-IFRS Measure
<b>US dollar, USD or \$</b> .....	the lawful currency of the United States
<b>US Exchange Act</b> .....	the Securities Exchange Act of 1934 of the United States
<b>US or United States</b> .....	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
<b>US Securities Act</b> .....	the Securities Act of 1933 of the United States, as amended, and the rules and regulations made thereunder
<b>USC</b> .....	universal social charge
<b>USD First Lien Term Loan</b> .....	has the meanng given to it in the sub-paragraph entitled “ <i>TSG syndicated facility agreement</i> ” in paragraph 8.2 ( <i>Material contracts of the TSG Group</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>value/generosity</b> .....	special offers that Flutter makes to its customers from time to time, which may include things as money-back specials, free

	bets, enhanced odds on certain markets and commission discounts on the Betfair Exchange
<b>VAT</b> .....	value added tax
<b>Voting Support Agreements</b> .....	means the voting support agreements between TSG and each of the Flutter Directors as further described in paragraph 8.1 ( <i>Material contracts of the Flutter Group</i> ) of Part VIII ( <i>Additional Information</i> ) of this Prospectus
<b>WGI</b> .....	Capital World Growth and Income Fund
<b>William Hill</b> .....	William Hill plc, a company incorporated in England with registered number 4212563
<b>William Hill Australia</b> .....	the William Hill online sportsbook business operated in Australia
<b>Zoom</b> .....	a variant of traditional poker offered by TSG where players play against a pool of players