12 August 2022

Flutter Entertainment plc - 2022 Interim Results

Strong recreational player growth; US profitable in Q2; Group in line with expectations

Flutter Entertainment plc (the "Group") announces interim results for six months ended 30 June 2022.

	Reported[1]			Adjusted[2]			
	H1 2022 £m	H1 2021 £m	YoY %	**H1 2022 £m**	H1 2021 £m	YoY %	CC[3] YoY %
Average monthly players[4] ('000s)				**8,716**	7,625	*+14%*	
Group Revenue	**3,388**	3,053	*+11%*	**3,388**	3,053	*+11%*	*+9%*
Group EBITDA[5]	**434**	562	*-23%*	**476**	597	*-20%*	*-19%*
Group EBITDA excluding US				**608**	684	*-11%*	*-10%*
(Loss)/Profit after tax	**(112)**	(86)		**177**	306	*-42%*	
(Loss)/Earnings per share (pence)	**(64.7p)**	(50.4p)		**97.2p**	171.1p	*-43%*	
Net Debt at period end[6]	**3,004**	2,682					

Operational Highlights:

- **Group:** Positive revenue momentum of +9% driven by recreational player growth
  - Average monthly players ('AMPs') 1.1m or 14% higher at 8.7m
- **US**: Adjusted EBITDA positive in Q2
  - Sports betting market share accelerated to 51%[7] in Q2 driven by FanDuel's superior product, efficient customer acquisition and strong operational execution
  - Increasingly profitable player base underpinning confidence in full year 2023 EBITDA profit[8]
- **Group ex-US:**
  - **UK & Ireland**: H1 performance reflects safer gambling initiatives and prior year Covid frequency benefit; product improvements delivered in H1 support expected return to revenue growth in H2
  - **Australia**: AMPs 10% higher with strong customer retention driving revenue growth
  - **International**: Investments in high growth markets generating strong returns, partially offsetting known headwinds; Acquisition of Sisal completed on 4th August 2022
  - Three-year compound growth in revenue of 10% and in Adjusted EBITDA of 6% demonstrating growth through regulatory change, driven by operational execution, scale and diversification
- **Sustainability:** *Positive Impact Plan* launched in March; Safer gambling tool usage at 34.8% of online customers, two percentage points up from December 2021[9]

Financial Highlights:

- Adjusted EBITDA of £476m (Reported EBITDA of £434m), in line with expectations
  - Increased US investment as the business scales and builds towards full year profitability in 2023[8]
  - Proactive safer gambling initiatives and International regulatory changes improved sustainability of Group
- Reported loss after tax of £112m (2021: £86m) after £286m charge for amortisation of acquired intangibles
- Net debt increased £322m year-on-year to £3,004m at 30 June 2022 including H1 completion of Tombola acquisition. Leverage ratio of 3.4 times[6] (June 2021: 2.3 times), or 2.6 times excluding US losses

Outlook:

- H2 has started in line with expectations. No discernible signs of a consumer slow down currently, but we are closely monitoring key spend indicators given the uncertain macro economic outlook. Assuming normalised sports results, we anticipate full year EBITDA to be in line with market expectations:
  - **US**: Net revenue ahead of expectations at between £2.3bn and £2.5bn ($2.85bn - $3.1bn) and Adjusted EBITDA loss of between £225m and £275m
  - **Group ex-US**: Adjusted EBITDA of between £1,290m and £1,390m including a five-month contribution from Sisal (completed 4 August)
- Hosting an investor day on our US business on 16 November 2022

Peter Jackson, Chief Executive, commented:

"The first half of 2022 was positive for the Group with significant progress made against the strategic objectives we outlined in March. We expanded our recreational customer base by over one million players in the half and increased the proportion of customers using safer gambling tools to over one third.

We are particularly pleased with momentum in the US where we extended our leadership in online sports betting with FanDuel claiming a 51% share of the market and number one position in 13 of 15 states, helping contribute to positive earnings in Q2. We remain firmly on the path to profitability in 2023, driven by our compelling customer economics and disciplined investment.

Outside of the US, the business remains well positioned thanks to its leadership positions in its mature markets and the investment we are making in attractive, high growth markets such as India, Canada and Brazil. In the UK, while the delay in publishing the Gambling Act Review White Paper has been disappointing, we are confident that the safer gambling changes we have already made to date position us well for the future. In Australia, we delivered another excellent performance with revenue and players continuing to grow. We were also delighted to welcome Sisal to the Group earlier this month, a business that performed strongly during H1.

The second half of the year has started well and we look forward to the start of the football seasons in both the US and Europe. Being part of the Flutter Group provides unique strategic advantages to our portfolio of brands, giving access to expertise, technology and resources to drive performance and capitalise on further growth opportunities we see ahead."

Analyst briefing:
The Group will host a questions and answers call for institutional investors and analysts this morning at 9:30am (BST). Ahead of that call, a pre-recorded presentation will be made available on the Group's corporate website (www.flutter.com/investors) from 8:00am. To dial into the conference call, participants need to register here where they will be provided with the dial in details to access the call.

Contacts:

Investor Relations:

Paul Tymms, Group Director of Investor Relations and FP&A	+ 44 75 5715 5768
Ciara O'Mullane, Director of Investor Relations	+ 353 87 947 7862
Liam Kealy, Director of Investor Relations	+ 353 87 665 2014

Press:

Kate Delahunty, Group Director of Corporate Communications	+ 44 78 1077 0165
Lindsay Dunford, Group Head of Corporate Affairs	+ 44 79 3197 2959
Rob Allen, Group Head of Corporate Campaigns	+ 44 75 5444 1363
Billy Murphy, Drury Communications	+ 353 1 260 5000
James Murgatroyd, Finsbury	+ 44 20 7251 3801

Business review [2-5]

The scale and diversification of the Group have been transformed during the last three years with the US accounting for over one third of Group revenue in Q2. FanDuel has strengthened its clear leadership position in US online sports betting, gaining market share through a combination of superior product, efficient customer acquisition and strong operational execution. Our US business was profitable during Q2 (£16m/$22m) and remains firmly on track to be EBITDA positive for the full year 2023[8].

During the same period the Group's ex-US business has also grown and been reshaped. We have expanded our gold medal positions in the UK&I and Australia. With the recent acquisition of Sisal in Italy providing another number one position in one of the world's largest regulated markets, our International division is on a more sustainable footing with 86% of revenue from regulated or regulating markets[10]. These strong podium positions are combined with high growth opportunities in a number of markets that have significant long term market potential. The Group's track record of operational execution, combined with its scale and diversification give us confidence that the ex-US Group can continue to outgrow regulatory headwinds.

Being part of the Flutter Group provides unique strategic advantages to our portfolio of brands, driving both revenue growth and operating efficiencies. Our people have industry leading sports betting and gaming expertise, with high levels of talent and idea sharing in the Group. Our products enable the broadest and deepest range of options for local hero brands, while our technology stack delivers scalable, reliable platforms for growth. Our strong cash generation profile allows us to allocate resources to power the 'flywheel' at a local market level.

In March, we launched our sustainability strategy, the *Positive Impact Plan*. Good progress has been made in the half with (i) Safer gambling tool usage two percentage points higher at 34.8%[9] of AMPs, (ii) the launch of global advocacy and Pride groups and (iii) significant time (nearly 2,200 hours) and monetary (£1.1m) donations as we continue to contribute positively to the communities in which we operate.

H1 2022 review

The Group delivered positive top line momentum with revenue growth of 9% driven by a 14% increase in our recreational player base. Adjusted EBITDA of £476m included a £132m investment loss from our US division. The Group ex-US had Adjusted EBITDA of £608m, a 10% decline on the prior year, with continued growth in Australia, offset by our proactive safer gambling initiatives in the UK&I and regulatory changes in International markets, all as previously guided. Excluding these guided items, Group ex-US Adjusted EBITDA was 4% higher year-on-year.

US

Our US division delivered another excellent performance during H1. Quarterly revenue exceeded $750m for the first time in Q2 with positive Adjusted EBITDA of $22m in the same period. We expanded our clear number one position in the market, growing online sports betting market share[7] to 51% in Q2 and an overall combined online share of 36%[7], clearly demonstrating our significant operational and structural advantages over the rest of the market. This competitive lead is delivered by winning in two key areas: (i) customer acquisition and (ii) product.

Customer acquisition: The strength of the FanDuel brand, coupled with strategic partnerships including Turner Sports and Pat McAfee, have ensured we are accessing the broader population of sports bettors more quickly, leading to faster adoption curves as each state launches. In the four years since launch, FanDuel has refined its state launch 'play book', converting customers from our daily fantasy sports database at a faster rate with each new state. Combined with a disciplined and efficient approach to marketing investment, FanDuel's cost per acquisition[11] has remained attractive at under $300.

Product: FanDuel has the best sports betting product in the market, benefitting from Flutter's global pricing and risk management capabilities. We are continually improving, with incremental features such as '*Same Game Parlay+*', helping FanDuel fortify its sportsbook leadership position and maintain its competitive edge. Penetration of higher margin parlay products was over 80% of customers in Q2 and is a major factor in FanDuel's superior monetisation of customers. Retention rates also remain strong as customers favour FanDuel's market leading product. US customer cohorts are exhibiting reassuringly familiar characteristics to those in our existing established businesses, with each cohort's revenue growing year-on-year as the customer base matures.

We continue to improve our iGaming proposition, with the launch of FanDuel branded live dealer tables in the first half as well as adding new content to our platform. Through leveraging our market leading gaming capabilities in the Group, we are focusing on growing our market share in our existing five iGaming states and ensuring we are well positioned to leverage our sportsbook penetration as future states regulate.

Execution across customer acquisition and product continues to deliver attractive customer economics with payback periods of 12-18 months. As noted at our preliminary results announcement dated 1 March 2022, customer acquisition is now being funded by profits from existing customers. As the existing customers continue to become an increasingly large proportion of our total customer base, profits will increase, delivering an expected EBITDA profit for the full year 2023[8]. This pattern can be evidenced in H1, where sportsbook and iGaming contribution was more than three times greater than for the entire year in 2021.

In states that launched before 2021, bonus and marketing spend is reducing toward levels observed in existing businesses and profit margins are increasing. Operating leverage is also clearly evident as we have grown revenue more than twice as fast as other operating costs since H1 2019, with further operating efficiency expected as our US footprint expands. We estimate that New Jersey EBITDA margin is already 17%[12] despite the early stage of the market and continued disciplined investment behind the strong customer economics we see.

Group excluding the US

UK & Ireland

Revenue declined 4% as a result of our proactive safer gambling actions and the prior year Covid-related increase in player days, which has now moderated towards pre-Covid levels. The significant actions taken in 2021 to improve the sustainability of our business in advance of the Government's review of the Gambling Act had an annualised revenue impact of £48m during H1, in line with previous guidance. While the delay to the publication of the UK Gambling Act Review White Paper has been disappointing, our proactive safer gambling actions position us well for the future. In Ireland, we welcome and fully support the recent progress towards regulation, and we are meaningfully contributing to the legislative process.

Online performance has improved sequentially with Q2 just 4% lower versus 20% lower in Q1. This included a return to year-on-year gaming revenue growth in June 2022 as we lapped the introduction of some of these safer gambling measures, giving us confidence of delivering growth in H2. This growth will be driven by continued expansion of our recreational customer base, which has increased at a compound rate of 13% since 2019. Combined with our safer gambling initiatives just 5% of revenue, excluding Tombola, came from the highest value tier in H1. The proportion of revenue from our lowest value tier has increased by 14% percentage points since H1 2019 to 43%.

In H1, Sky Bet released a number of improvements to its pre-game sports betting product, including the launch of *'BuildABet'*, which has already been used by nearly one-third of football customers. Further enhancements are planned for H2. On the gaming side, Paddy Power continues to innovate its offering with branded slots content and free-to-play initiatives proving popular with direct gaming customers. Over 80% of customers are playing with our daily engagement tool *'Wonder Wheel'*, which is powering record gaming customer volumes and retention levels.

As we further integrate the businesses, we have also identified a range of efficiency initiatives:

- Optimising the efficiency of marketing and promotional spend by delivering more value to the right customers at the right time and a greater allocation of spend to our more recreational brands
- Integrating more of the SBG technology stack onto proprietary platforms
- Removing team structure complexity

These initiatives will both help offset the current high inflationary headwinds we are seeing, and ensure the UK&I division is well-placed ahead of the pending Gambling Act Review.

Australia

Sportsbet delivered another strong performance, once again demonstrating excellent execution across product, value and brand. Following significant retail restrictions in H2 2021, we focused on retaining customers through targeted generosity initiatives ahead of the new AFL and NRL season in H1. As a result AMPs were 10% higher year-on-year, driving revenue growth of 5% despite the adverse impact of year-on-year sports results. Penetration of our long-established Same Game Multi product continues to increase and a number of new product features were rolled out during Q2, helping to drive player engagement levels. *'Same Game Multi Cash*

Out' and '*Same Game Multi Bet Tracker'* have proven very popular with punters, further enhancing our market leading product.

We remain well positioned to capitalise on the recent Point of Consumption ('POC') tax changes announced in Queensland, New South Wales and the Australian Capital Territory which will cost an estimated £22m in 2022 with an annualised impact in 2023 of £73m (AUD $125m). Sportsbet has a strong track record of managing regulatory risk, having taken meaningful market share and grown profits after the initial implementation of POC taxes in 2019.

International

In our International division, we continue to refine our approach to the diverse range of markets we operate in. This consists of four categories where we will:

- **Consolidate our existing #1 positions** and drive market share growth across Italy, Georgia, Armenia and Spain. Following the Sisal acquisition, Italy now accounts for approximately 50% of the division's EBITDA
- **Invest for leadership in the high growth regulated and regulating markets** including Canada, Brazil and India. We will continue to innovate with PokerStars virtual reality poker and casino products, a top five experience in the Oculus app store and the highest revenue generating freemium product on the market
- **Optimise return on investment in key regulated markets** by supporting the liquidity they provide with targeted marketing spend. While these markets have some attractive qualities, our current lack of scale limits the returns from increasing investment. This covers several, mostly European, regulated markets
- **Maintain existing position** in the tail of remaining unregulated or non-regulating markets, which now make up 14% of revenue for the International division, of which the largest market is 0.3% of Flutter Group revenue[10]

The acquisition of Junglee in January 2021 is a great example of our investment in a high growth market. India is one of the fastest growing gaming market globally powered by both a doubling of India's internet and smartphone penetration, and a 45% increase in disposable income over the last five years. The online gaming market is expected to reach £4.2bn by 2026, from £1.4bn in 2021, of which rummy is the fastest growing segment, accounting for 57% of revenue[13]. Junglee is the fastest growing rummy brand and now number two in the rummy market. Product leadership and increased investment in player acquisition has resulted in compound growth of 73% in gross gaming revenue and 112% in players since H1 2019. Since acquisition, Flutter has added its global gaming product expertise and sophisticated marketing capabilities to accelerate Junglee's growth, in tandem with excellent execution from the local team.

Capital structure and balance sheet update[6]

The Group had gross debt of £3,785m[14] at 30 June 2022 and a net debt position of £3,004m (30 June 2021: £2,682m) which represents a leverage ratio of 3.4x. During the period the Group acquired Tombola for a cash cost of £410m in January and post period end the Group completed the acquisition of Sisal on 4 August 2022 utilising existing debt facilities.

This acquisition will result in an increased leverage ratio in the near term of 4.1 times or 3.3 times excluding US losses. As previously highlighted, the Group continues to generate significant free cash flow which will facilitate de-levering quickly. In addition, as the US business becomes profitable this will transform the earnings and debt profile of the Group.

The Group remains committed to its medium-term leverage target of 1-2 times at which point the Board will review the Group's dividend policy.

Other updates

As previously disclosed, the Group is in a legal arbitration process with FOX Corporation with respect to its option to acquire an 18.6% stake in FanDuel and related issues. The arbitration hearing commenced in June and, should the parties not reach a negotiated agreement in the interim, we expect a binding decision from the arbitrator in October 2022. The Group continues to vigorously defend its position.

Current trading/outlook

In the first 5 weeks to 7 August, Group revenue was in line with our expectations. We currently see no discernible signs of a consumer slow down and resultant reduced spending levels across our businesses. However, we will continue to closely monitor key spend indicators as we move through H2 given the uncertain macro economic outlook. Assuming normalised sport results for the remainder of the year, the Group anticipates:

- **US revenue of between £2.3bn - £2.5bn ($2.85bn - $3.1bn)** and an **Adjusted EBITDA loss of between £225m - £275m**. This assumes we launch online in Kansas in Q4 2022
- **Group ex-US** Adjusted EBITDA in line with market expectations of between **£1,290m - £1,390m**, including a five-month contribution from Sisal, which completed on 4 August 2022, and Australian point of consumption tax changes

The Group also anticipates for 2022:

- An effective Group ex-US corporate tax rate for the full year of between 22% - 24% including Sisal
- Capital expenditure of between £360m - £390m including Sisal
- A weighted average cost of debt for H2 of 3.4%

Operating and financial review[1-6]

Group

Unaudited Adjusted	**H1 2022 £m**	H1 2021 £m	Change %	CC Change %
Average monthly players ('000s)	**8,716**	7,625	*+14%*	
Sports revenue	**2,118**	1,894	*+12%*	*+10%*
Gaming revenue	**1,270**	1,159	*+10%*	*+8%*
Total revenue	**3,388**	3,053	*+11%*	*+9%*
Cost of sales	**(1,353)**	(1,109)	*+22%*	*+20%*
Cost of sales as a % of net revenue	***39.9%***	*36.3%*	*+360bps*	*+350bps*
Gross profit	**2,036**	1,944	*+5%*	*+3%*
Sales and marketing	**(819)**	(728)	*+12%*	*+9%*
Contribution	**1,216**	1,215	*—%*	*-1%*
Other operating costs	**(686)**	(563)	*+22%*	*+19%*
Corporate costs	**(55)**	(55)	*-1%*	*-6%*
Adjusted EBITDA[2,5]	**476**	597	*-20%*	*-19%*
Adjusted EBITDA margin %	***14.1%***	*19.6%*	*-550bps*	*-500bps*
Depreciation and amortisation	**(143)**	(125)	*+14%*	*+11%*
Adjusted operating profit	**334**	472	*-29%*	*-28%*
Net finance expense	**(57)**	(74)	*-23%*	
Adjusted profit before tax	**277**	398	*-30%*	
Taxation	**(100)**	(91)	*+10%*	
Adjusted profit for the period	**177**	307	*-42%*	
Adjusted basic earnings per share	**97.2p**	171.1p	*-43%*	
Net debt[6] at period end	**3,004**	2,682	*+12%*	

Note: Junglee, acquired in January 2021, Singular, acquired in September 2021 and Tombola, acquired in January 2022, have been included on a reported basis due to materiality. A full analysis of the Group's reported performance can be found at pages 16-17. A reconciliation to the Group's consolidated income statement is included in Appendix 2.

During the half we increased our recreational customer base by over one million monthly players to 8.7m, 14% higher than the prior year. The rapid expansion of our US business has been key to this growth, along with good underlying player momentum in the UK&I and Australia. This resulted in revenue growth of 9% to £3.4bn, including a 50% increase in the US. Outside of the US, the increase in revenue as a result of strong customer retention in Australia and the addition of Tombola was offset by regulatory changes in International markets and our proactive safer gambling initiatives in the UK&I, both of which put our business on a more sustainable footing for growth.

Cost of sales as a percentage of net revenue increased by 350 basis points to 39.9% with a greater proportion of revenue coming from higher direct cost markets.

Sales and marketing costs increased by 9% in line with revenue growth. Marketing spend in the US increased 29% as we acquired large volumes of new players but reduced as a percentage of revenue, declining by 620 basis points. Other operating costs increased 19% or 9% for Group ex-US where the return of retail and addition of Tombola more than offset synergies and cost efficiencies in the UK&I. Corporate costs remain tightly controlled.

Adjusted EBITDA was £476m with the US investment-led loss increasing by £46m to £132m, despite being profitable in Q2. As expected, Group ex-US Adjusted EBITDA was 10% lower due to the regulatory changes and safer gambling initiatives noted above. Excluding these headwinds, Adjusted EBITDA increased 4% in H1.

The Group's Adjusted effective tax rate in the period was 36.2% (HY 2021: 22.9%), primarily driven by the changing mix of taxable earnings across geographies. The Group ex-US effective tax rate in the period was 22% with the full-year 2022 adjusted Group ex-US effective tax rate expected to be between 22% and 24% (FY2021: 18.5%). This includes Sisal and reflects upward pressure due to profits earned in higher tax geographies.

Adjusted basic earnings per share reduced from 171p to 97p reflecting the lower Adjusted EBITDA and the increased tax charge in the current period.

Net debt at 30 June 2022 was £3,004m, a £322m increase on prior year, primarily due to the acquisition of Tombola in January 2022 and settlement of a historic legal case with the state of Kentucky offsetting the free cash flow generated by the operating activities of the Group.

A full analysis of the Group's reported performance can be found at pages 16-17.

US[3]

Unaudited Adjusted	H1 2022 £m	H1 2021 £m	Change %	CC Change US$
Average monthly players ('000s)	**2,188**	1,470	*+49%*	
Sportsbook stakes	**10,911**	5,072	*+115%*	*+102%*
Sportsbook net revenue margin	***6.0%***	*6.2%*	*-20bps*	*-20bps*
Sports revenue	**770**	452	*+70%*	*+58%*
Gaming revenue	**281**	200	*+41%*	*+31%*
Total revenue	**1,051**	652	*+61%*	*+50%*
Cost of sales	**(544)**	(293)	*+86%*	*+73%*
Cost of sales as a % of net revenue	***51.8%***	*44.9%*	*+680bps*	*+700bps*
Gross profit	**507**	359	*+41%*	*+31%*
Sales and marketing	**(399)**	(292)	*+37%*	*+29%*
Contribution	**108**	67	*+60%*	*+38%*
Other operating costs	**(240)**	(154)	*+56%*	*+46%*
Adjusted EBITDA[2,5]	**(132)**	(87)	*+52%*	*+53%*
Adjusted EBITDA margin	***(12.5%)***	*(13.3%)*	*+70bps*	*-30bps*
Depreciation and amortisation	**(31)**	(22)	*+39%*	*+29%*
Adjusted operating profit	**(162)**	(108)	*+50%*	*+48%*

The US division includes FanDuel, FOXBet, TVG, PokerStars and Stardust brands, offering regulated real money and free-to-play sports betting, casino, poker, daily fantasy sports and online racing wagering products to customers across various states in the US and in Canada.

Revenue grew 50% to £1.1bn ($1.4bn) in H1 with an Adjusted EBITDA loss of £132m ($176m). This was driven by efficient customer acquisition in new and existing states, our superior product driving strong customer economics and good operating efficiencies, offset by the cost of our sportsbook launch in New York where tax rates are higher. Within this performance FanDuel Group represented 97% of revenue and 80% of Adjusted EBITDA loss.

Sports revenue grew 58% with sportsbook revenue increasing by 91%. This was driven by staking growth which more than doubled year-on-year to over £10.9bn ($14.2bn). Our continued sportsbook expansion aided growth, with five new US states as well as Ontario, Canada added to our offering since H1 last year (Arizona in Q3 2021, Connecticut in Q4 2021 and New York, Louisiana and Wyoming in Q1 2022). A full six-month of revenues from Michigan and Virginia, which launched part way during Q1 2021 also provided a benefit to growth.

Net revenue margin of 6.0% was 40 basis points below expectations (£41m) due to a run of adverse sports results in Q1. Excluding this impact, net revenue margin would have been broadly flat year-on-year. Our improving product mix and superior pricing and risk management capabilities funded additional promotional generosity to acquire customers in the period in both new and existing states and also offset the impact of £63m in favourable sports results in the prior year.

Gaming revenue was 31% higher driven by an increase in AMPs of 40% and the full six months of revenue from the three additional gaming states launched in the prior year; Michigan (Q1 2021), West Virginia (Q2 2021) and Connecticut (Q4 2021).

Cost of sales as a percentage of net revenue increased by seven percentage points primarily reflecting the launch of the FanDuel sportsbook in New York, where the gaming tax rate is 51%, materially higher than in other states.

Sales and marketing increased by 29% as we continued to invest in customer acquisition both in new and existing states. As a proportion of revenue, sales and marketing declined by 620 basis points as our business continues to scale and acquisition investment in existing states, which are an increasingly large proportion of our business, reduces.

Other operating costs increased 46%. Adjusting for the year-on-year impact of sports results, operating costs would have declined by around four percentage points as a proportion of revenue demonstrating operating leverage. This is despite the business still being at a relatively early stage in its expansion.

UK & Ireland

Unaudited Adjusted	UK & Ireland Total			*UK & Ireland Online*			*UK & Ireland Retail*		
	H1 2022 £m	H1 2021 £m	Change %	***H1 2022 £m***	*H1 2021 £m*	*Change %*	***H1 2022 £m***	*H1 2021 £m*	*Change %*
Average monthly players ('000s)				**3,704**	3,303	*+12%*			
Sportsbook stakes	**5,185**	6,091	*-15%*	**4,494**	5,885	*-24%*	**691**	207	*+234%*
Sportsbook net revenue margin	***10.9%***	*10.7%*	*+20bps*	***10.6%***	*10.6%*	*0bps*	***13.2%***	*12.5%*	*+70bps*
Sports revenue	**630**	738	*-15%*	**538**	712	*-24%*	**92**	26	*+253%*
Gaming revenue	**462**	397	*+16%*	**418**	382	*+10%*	**44**	16	*+183%*
Total revenue	**1,092**	1,135	*-4%*	**956**	1,094	*-13%*	**136**	41	*+227%*
Cost of sales	**(335)**	(342)	*-2%*	**(304)**	(332)	*-8%*	**(31)**	(10)	*+218%*
Cost of sales as a % of net revenue	***30.7%***	*30.1%*	*+60bps*	***31.8%***	*30.4%*	*+140bps*	***22.8%***	*23.4%*	*-70bps*
Gross profit	**757**	793	*-5%*	**652**	762	*-14%*	**105**	32	*+230%*
Sales and marketing	**(197)**	(207)	*-5%*	**(194)**	(204)	*-5%*	**(3)**	(3)	*+13%*
Contribution	**559**	587	*-5%*	**458**	558	*-18%*	**101**	29	*+251%*
Other operating costs	**(239)**	(227)	*+5%*	**(155)**	(160)	*-3%*	**(83)**	(68)	*+23%*
Adjusted EBITDA[2,5]	**321**	359	*-11%*	**303**	398	*-24%*	**18**	(39)	*-147%*
Adjusted EBITDA margin	***29.4%***	*31.6%*	*-220bps*	***31.6%***	*36.4%*	*-470bps*	***13.5%***	*(93.6%)*	*+10,710bps*
Depreciation and amortisation	**(63)**	(63)	*+1%*	**(44)**	(42)	*+5%*	**(19)**	(21)	*-7%*
Adjusted operating profit	**258**	297	*-13%*	**259**	356	*-27%*	**(1)**	(59)	*-98%*

The UK & Ireland division operates Paddy Power, Betfair, Sky Betting & Gaming and Tombola brands online, as well as retail operations in the UK and Ireland.

Revenue declined by 4% and Adjusted EBITDA was £38m lower at £321m. The Covid-related restrictions in the prior year result in complex year-on-year comparatives in our online and retail businesses.

UK & Ireland Online

Revenue was 13% lower in H1, sequentially improving from -20% in Q1 to -4% in Q2, due to the:

- Annualisation of our proactive safer gambling measures introduced across 2021 reducing revenue by £48m
- Peak in Covid related player engagement during H1 2021, with average player days down 10% in H1 2022
- Benefit of the European football championships in June 2021, generating revenue of £43m in H1 2021
- Addition of Tombola in January 2022 which added eight percentage points of growth (pro forma including Tombola H1 -19%, Q2 -11%)

The relative impact of these factors by product is reflected in the 24% decline of sports revenue compared to 10% growth in gaming revenue. Sportsbook net revenue margin was in line year-on-year, with both periods benefitting from approximately 100 basis points in favourable sports results.

AMPs grew 12% (flat including Tombola's highly recreational customer base on a pro forma basis) with strong acquisition and retention of gaming customers in Paddy Power being offset by the factors above.

Cost of sales as a percentage of revenue increased by 140 basis points to 31.8% reflecting higher transaction fees and streaming costs.

Sales and marketing decreased by 5% (pro forma including Tombola -13%) reflecting the European football championships investment in the prior year. Sales and marketing was 20.3% of revenue in H1, in line with the prior full year. Other operating costs were 3% lower in H1 (pro forma including Tombola -11%) with synergies and cost efficiencies offsetting the inflationary increases in employee pay and data.

Online Adjusted EBITDA declined £95m year-on-year to £303m.

UK & Ireland Retail

Retail revenue more than trebled in the half, with our estate open for all of H1. In the prior year, our shops were closed from January to April in the UK and to May in Ireland due to Covid-related restrictions. In the UK estate, both sports and gaming revenue has returned to 2019 levels while in our Ireland estate revenue is at 69% of H1 2019, reflecting the slower return of retail footfall in Ireland.

Other operating costs increased by 23% reflecting our shops being open across the half. The business generated £18m of Adjusted EBITDA in H1.

Currently, we have 614 (June 2021: 624) retail outlets with 362 in the UK and 252 in Ireland. Since June 2021 we have opened 5 shops in the UK and closed 15 shops in Ireland as part of normal business practice.

Australia[3]

Unaudited Adjusted	**H1 2022 £m**	**H1 2021 £m**	**Change %**	**CC Change A$**
Average monthly players ('000s)	**993**	906	*+10%*	
Sportsbook stakes	**5,209**	5,000	*+4%*	*+4%*
Sportsbook net revenue margin	***11.8%***	*11.7%*	*+10bps*	*+10bps*
Total revenue	**612**	585	*+5%*	*+5%*
Cost of sales	**(290)**	(275)	*+5%*	*+5%*
Cost of sales as a % of net revenue	***47.3%***	*47.0%*	*+30bps*	*+30bps*
Gross profit	**322**	310	*+4%*	*+4%*
Sales and marketing	**(54)**	(59)	*-9%*	*-10%*
Contribution	**269**	252	*+7%*	*+7%*
Other operating costs	**(50)**	(51)	*-2%*	*-3%*
Adjusted EBITDA[2,5]	**219**	201	*+9%*	*+10%*
Adjusted EBITDA margin	***35.8%***	*34.3%*	*+150bps*	*+180bps*
Depreciation and amortisation	**(14)**	(13)	*+4%*	*+5%*
Adjusted operating profit	**206**	188	*+9%*	*+11%*

The division encompasses Sportsbet, which offers online sports betting in the Australian market.

Sportsbet delivered another excellent performance during H1 as Adjusted EBITDA increased by 10% to £219m. This was driven by a combination of a 10% increase in the player base leading to good top line momentum as well as continued operating leverage improving EBITDA margins by 180 basis points.

Customer growth was aided by strong retention of players who migrated online during H2 2021 when Covid restrictions were at their peak. Staking growth of 4% and an increase in net revenue margin of 10 basis points to 11.8%, delivered revenue growth of 5% in the period. Sports results represented a headwind year-on-year with 50 basis points of favourable results in H1 2022 compared to a 140 basis point benefit in H1 2021. This headwind, along with a further step up in promotional generosity spend was more than offset by structural margin improvements due to increased penetration of higher margin products and improvements to pricing and risk management capabilities.

Our continued focus on a personalised approach to promotional spend and generosity led to an increase in cost of sales by 30 basis points as a percentage of revenue as taxes are levied on gross gaming revenue, resulting in a higher effective tax rate. Sales and marketing also reflected this dynamic, declining by 10% primarily driven by promotional spend shifting to within our net revenue margin of 11.8%.

Other operating costs were roughly flat year-on-year with Adjusted EBITDA of £219m.

International[3]

Unaudited Adjusted	**H1 2022 £m**	H1 2021 £m	Change %	CC Change %
Average monthly players ('000s)	**1,831**	1,945	*-6%*	
Sportsbook stakes	**710**	871	*-18%*	*-18%*
Sportsbook net revenue margin	***9.0%***	*9.1%*	*-10bps*	*-10bps*
Sports revenue	**106**	118	*-10%*	*-10%*
Gaming revenue	**527**	562	*-6%*	*-7%*
Total revenue	**633**	680	*-7%*	*-8%*
Cost of sales	**(184)**	(199)	*-8%*	*-8%*
Cost of sales as a % of net revenue	***29.1%***	*29.3%*	*-20bps*	*-20bps*
Gross profit	**449**	481	*-7%*	*-7%*
Sales and marketing	**(169)**	(171)	*-1%*	*-3%*
Contribution	**280**	310	*-10%*	*-10%*
Other operating costs	**(158)**	(131)	*+20%*	*+18%*
Adjusted EBITDA[2,5]	**122**	179	*-32%*	*-31%*
Adjusted EBITDA margin	***19.3%***	*26.3%*	*-700bps*	*-630bps*
Depreciation and amortisation	**(33)**	(25)	*+31%*	*+22%*
Adjusted operating profit	**89**	154	*-42%*	*-40%*

International includes PokerStars, Adjarabet, Betfair and Junglee brands which offer online poker, casino, sports betting, rummy and daily fantasy products. Excludes PokerStars US business and Betfair UK and Ireland operations.

Strong revenue growth in our '*consolidate and invest'* markets including India, Brazil, Georgia, Armenia and Canada was offset by the previously guided impact of regulatory changes and the challenging Covid-related comparatives. Adjusted EBITDA of £122m, a decline of £57m, reflects a £98m Adjusted EBITDA impact from these known headwinds:

- Combined impact of market exits in the Netherlands (£20m) and Russia/Ukraine (£20m), along with a gaming tax change in Germany (£20m) of £60m
- Covid restrictions boosted online activity by an estimated £38m in the prior period

Revenue in H1 of £633m, a decline of 8%, reflected these headwinds. Excluding market exits and tax changes, revenue increased by 4%. Revenue growth in our '*consolidate and invest'* markets was 14% and these markets represented 56% of the International division in H1 (72% including Sisal on a pro forma basis). This growth was largely offset by the unwind of the prior year Covid-related boost to revenue in our remaining markets.

Cost of sales as a % of net revenue is broadly in line year-on-year at 29.1%.

Sales and marketing declined by 3% in H1 reflecting the ongoing investment in our '*consolidate and invest'* markets offset by savings elsewhere. Other operating costs increased by 18% in H1. This partly reflects the annualisation of the increased resources put into the business to stabilise and improve our capabilities across product, technology and customer operations, along with the expansion of Junglee in India. We continue to monitor opportunities for improved operational efficiencies as we further integrate our International businesses.

Statutory review[1]

Group

Unaudited	H1 2022 £m	H1 2021 £m	Change %
Sports revenue	**2,118**	1,894	+12%
Gaming revenue	**1,270**	1,159	+10%
Total revenue	**3,388**	3,053	+11%
Cost of sales	**(1,353)**	(1,122)	+21%
Cost of sales as a % of net revenue	***39.9%***	*36.8%*	*+310bps*
Gross profit	**2,036**	1,931	+5%
Operating costs	**(1,602)**	(1,368)	+17%
EBITDA	**434**	562	-23%
EBITDA margin %	***12.8%***	*18.4%*	*-560bps*
Amortisation of acquisition related intangibles	**(286)**	(276)	+4%
Depreciation and amortisation	**(145)**	(125)	+16%
Gain on disposal	**2**	—	+100%
Operating profit	**5**	162	-97%
Net finance expense	**(57)**	(85)	-33%
(Loss)/ profit before tax	**(51)**	77	
Taxation	**(61)**	(163)	-63%
Loss after tax	**(112)**	(86)	
Basic loss per share	**(64.7p)**	(50.4p)	
Diluted loss per share	**(64.7p)**	(50.4p)	
Net current liabilities	**(439)**	(327)	
Net assets	**10,226**	10,724	
Net cash from operating activities	**264**	427	-38%

Note: A full analysis of the Group's adjusted performance can be found at pages 8-15. A reconciliation of the Group's adjusted performance to the Group's consolidated income statement is included in Appendix 2.

H1 revenue grew 11% to £3.4bn driven by the rapid expansion of our US business, where revenue was 50% higher, strong customer retention in Australia and the addition of Tombola.

Cost of sales as a percentage of net revenue increased by 310 basis points to 39.9% with a greater proportion of revenue coming from higher direct cost markets.

Operating costs were 17% higher in H1 driven by the US, where we increased marketing investment to acquire large volumes of new customers and scaled up our operational capabilities.

Reported EBITDA was £128m lower at £434m due to the increased US investment-led loss, regulatory changes in International markets and proactive safer gambling initiatives in the UK&I.

A reduced tax charge in the period of £61m resulted in a loss after tax of £112m, £26m higher than H1 2021. The lower tax charge was primarily due to a one off deferred tax charge of £105m in the prior year relating to the UK's main corporate tax rate change from 19% to 25% applicable from 1 April 2023. Loss per share of 64.7p decreased in line with the movement in the loss after tax.

Net current liabilities increased from £112m at 31 December 2021 to £439m at 30 June 2022 mainly due to the purchase of Tombola in January 2022 for £410m which was financed from the Group's cash resources. As in previous years, the Group regularly operates in a net current liability position due to the Group's operating model whereby it receives payments for nearly all revenues in advance with material cost items paid in arrears.

Net assets reduced in the period from £10.3bn at 31 December 2021 to £10.2bn due to a reported loss after tax of £112m and the recognition of a £204m liability relating to the exercise of the Adjarabet put option. This was partially offset by the foreign currency translation impact relating to goodwill and intangible assets.

Net cash flow from operating activities reduced from £427m to £264m mainly due to EBITDA reducing by £128m. Other factors included a higher working capital outflow compared to the prior year period and higher tax payments. These were partially offset by amounts paid in respect of the Kentucky litigation in the prior year period.

A full analysis of the Group's Adjusted performance can be found at pages 8-15.

Separately disclosed items

Unaudited	**H1 2022 £m**	H1 2021 £m
Amortisation of acquisition related intangible assets	**(286)**	(276)
Transaction fees and associated costs	**(10)**	—
Restructuring and integration initiatives	**(32)**	(22)
Greece tax expense	**—**	(13)
Operating loss impact of separately disclosed items	**(328)**	(310)
Financial expense	**—**	(11)
Loss before tax impact of separately disclosed items	**(328)**	(321)
Tax credit / (charge) on separately disclosed items	**39**	(72)
Total separately disclosed items	**(289)**	(392)

Separately disclosed items do not relate to business as usual activity of the Group, are items that are volatile in nature or non-cash purchase price accounting amortisation and therefore are excluded from Adjusted profits.

Amortisation of acquisition related intangible assets increased £10m to £286m in H1. The current period will include a charge for Tombola, which was acquired in January 2022.

Transaction and associated costs of £10m were incurred for the acquisition of Tombola and Sisal, along with legal fees for the FOX arbitration.

Restructuring and integration costs primarily relate to the integration with TSG.

The tax credit of £39m primarily relates to a deferred tax credit in respect of the amortisation of acquisition-related intangibles.

Cash flow and financial position

Unaudited	**H1 2022 £m**	H1 2021 £m
Adjusted EBITDA	**476**	597
Capex	**(156)**	(138)
Working capital	**(41)**	18
Corporation tax	**(132)**	(92)
Lease liabilities paid	**(21)**	(27)
Adjusted free cash flow	**127**	358
Cash flow from separately disclosed items	**(39)**	(24)
Free cash flow	**87**	333
Interest cost	**(46)**	(70)
Other borrowing costs	**(2)**	(5)
Amounts paid in respect of Kentucky settlement	**—**	(71)
Purchase of shares by the Employee Benefit Trust ("EBT")	**—**	(89)
Acquisitions and disposals	**(410)**	(51)
Cash transferred in acquisitions/ disposals	**15**	18
Other	**(3)**	(4)
Net (decrease)/increase in cash	**(360)**	61
Net debt[6] at start of year	**(2,647)**	(2,814)
Foreign currency exchange translation	**(241)**	26
Change in fair value of hedging derivatives	**244**	45
Net debt as at 30 June	**(3,004)**	(2,682)

Note: Prepared on a net cash/debt basis including borrowings, debt related derivatives and cash and cash equivalents - available for corporate use but excluding cash and cash equivalents - customer balances. A reconciliation to the Group's consolidated statement of cash flows is included in Appendix 4.

Adjusted free cash flow of £127m in H1 compared with £358m in the prior year. This reduction reflects:

- Capital expenditure of £156m which was £18m higher, primarily driven by continued investment in product and technology in the US
- Corporate tax payments increased by £40m reflecting the change in the geographic mix of profits in H1 as a greater proportion of profits were earned in jurisdictions with higher tax rates, as well as the timing of payments and refunds in the period
- A working capital outflow due to an unwind of accruals at 31 December 2021 and the prepayment of some US marketing assets during H1 when compared with a working capital benefit in the prior year

Cash flow from separately disclosed items of £39m principally relates to restructuring and integration costs in relation to the combination with TSG.

Interest costs were £24m lower than in the prior year due to the debt refinancing in July 2021 which significantly reduced the effective cost of debt for the Group.

The acquisition of Tombola in January resulted in a cash outflow of £410m.

As at 30 June 2022, the Group had net debt of £3,004m, excluding customer balances, representing a leverage ratio of 3.4x times[6]. The Group continues to hedge the impact of currency fluctuations on its leverage ratio through cross currency swap agreements. Changes in the fair value of these hedging derivatives are reflected in net debt.

Notes:

[1] Reported figures represent the IFRS reported statutory numbers. Where amounts have been normalised for separately disclosed items they are noted as Adjusted.

[2] "Adjusted" measures exclude items that are separately disclosed as they are: (i) not part of the usual business activity of the Group (ii) items that are volatile in nature and (iii) purchase price accounting amortisation of acquired intangibles (non-cash). Therefore, they have been reported as "separately disclosed items (SDIs)" (see note 5 to the financial statements).

[3] Growth rates in the commentary are in local or constant currency[15] except reported numbers which are in nominal currency.

[4] Average Monthly Players represent the average number of players who have placed and/or wagered a stake and/or contributed to rake or tournament fees during the month in the reporting period.

[5] EBITDA is defined as profit for the period before depreciation, amortisation, impairment, gain on disposal, financial income, financial expense and taxation and is a non-GAAP measure. This measure is used internally to evaluate performance, to establish strategic goals and to allocate resources. The directors also consider the measure to be 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. It is a non-GAAP financial measure and is not prepared in accordance with IFRS and, as not uniformly defined terms, it may not be comparable with measures used by other companies to the extent they do not follow the same methodology used by the Group. Non-GAAP measures should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with IFRS. All of the adjustments shown have been taken from the financial statements.

[6] Net debt is the principal amount of borrowings plus associated accrued interest, minus available cash & cash equivalents plus/minus carrying value of debt related derivatives. Leverage is calculated using Adjusted EBITDA for the appropriate 12-month period.

[7] Online sportsbook market share is the GGR market share of FanDuel and FOXBet for Q2 2022 in the states in which FanDuel was live based on published gaming regulator reports in those states. During Q2 2022 FanDuel was live in 15 states; Arizona (AZ), Colorado (CO), Connecticut (CT), Illinois (IL), Indiana (IN), Iowa (IA), Louisiana (LA), Michigan (MI), New Jersey (NJ), New York (NY), Pennsylvania (PA), Tennessee (TN), Virginia (VA), West Virginia (WV) and Wyoming (WY). During Q2 2022 FOXBet was live in 4 states; CO, NJ, MI and PA. Market share does not include AZ and IL for June as the data has yet to be released. Combined online market share is the GGR online sportsbook market share above plus the combined CT, MI, NJ, PA and WV market share of our gaming brands.

[8] 2023 profit projection is for full year 2023 including share based compensation and FOXBet. Projections are based on our current expectation of the timing of regulatory developments and new state launches in 2022 and 2023, and excludes California.

[9] Global Play Well goal now measured as the 12 month rolling average % of AMPs who use a safer gambling (Play Well) tool in the specified reporting period. A safer gambling tool is any tool that a customer has used (or Flutter has applied to a customer) in the reporting period that helps to promote safer gambling. During H1, Flutter strengthened the measurement of this metric including a change to measure AMPs instead of active customers, apply more consistent tool usage definitions across the Group as well as including Adjarabet, Junglee and Tombola.

[10] Includes Sisal revenue for H1 of £402m.

[11] Cost per acquisition is the cumulative cost per acquisition for FanDuel sportsbook and iGaming and represents the total media and digital marketing spend per acquired customer including those cross-sold from daily fantasy sports.

[12] The US business is not managed to EBITDA on a state by state or product basis given its shared cost base. For the purposes of illustrating FanDuel online sportsbook and iGaming state EBITDA, operating costs have been allocated to US product verticals on a GGR basis with an allocation to online sportsbook/casino business of each state based on the population of that state

[13] Source: Redseer Strategy Consultants.

[14] Includes the gross value of derivatives.

[15] Constant currency ("CC") growth is calculated by retranslating the non-sterling denominated component of H1 2021 at H1 2022 exchange rates (see Appendix 3).

Appendix 1: Divisional Key Performance Indicators H1 2022

Unaudited adjusted

	US			UK & Ireland			Australia			International			Group		
£m	H1 2022	H1 2021	CC[1] % Change	**H1 2022**	H1 2021	CC[1] % Change	H1 2022	H1 2021	CC[1] % Change	H1 2022	H1 2021	CC[1] % Change	H1 2022	H1 2021	CC[1] % Change
Average monthly players[2] (000's)	**2,188**	1,470	+49%	**3,704**	3,303	+12%	**993**	906	+10%	**1,831**	1,945	-6%	**8,716**	7,625	+14%
Sportsbook stakes	**10,911**	5,072	+102%	**5,185**	6,091	-15%	**5,209**	5,000	+4%	**710**	871	-18%	**22,015**	17,034	+27%
Sportsbook net revenue margin	***6.0%***	*6.2%*	*-20bps*	***10.9%***	*10.7%*	*+20bps*	***11.8%***	*11.7%*	*+10bps*	***9.0%***	*9.1%*	*-10bps*	***8.6%***	*9.6%*	*-100bps*
Sports revenue	**770**	452	+58%	**630**	738	-14%	**612**	585	+5%	**106**	118	-10%	**2,118**	1,894	+10%
Gaming revenue	**281**	200	+31%	**462**	397	+16%	**0**	0	0%	**527**	562	-7%	**1,270**	1,159	+8%
Total revenue	**1,051**	652	+50%	**1,092**	1,135	-4%	**612**	585	+5%	**633**	680	-8%	**3,388**	3,053	+9%
Cost of Sales	**(544)**	(293)	+73%	**(335)**	(342)	-2%	**(290)**	(275)	+5%	**(184)**	(199)	-8%	**(1,353)**	(1,109)	+20%
Cost of sales as % of net revenue	***51.8%***	*44.9%*	*+700bps*	***30.7%***	*30.1%*	*+50bps*	***47.3%***	*47.0%*	*+30bps*	***29.1%***	*29.3%*	*-20bps*	***39.9%***	*36.3%*	*+350bps*
Gross Profit	**507**	359	+31%	**757**	793	-4%	**322**	310	+4%	**449**	481	-7%	**2,036**	1,944	+3%
Sales & marketing	**(399)**	(292)	+29%	**(197)**	(207)	-4%	**(54)**	(59)	-10%	**(169)**	(171)	-3%	**(819)**	(728)	+9%
Contribution	**108**	67	+38%	**559**	587	-4%	**269**	252	+7%	**280**	310	-10%	**1,216**	1,215	-1%
Other operating costs	**(240)**	(154)	+46%	**(239)**	(227)	+6%	**(50)**	(51)	-3%	**(158)**	(131)	+18%	**(686)**	(563)	+19%
Corporate costs	**0**	0	0%	**0**	0	0%	**0**	0	0%	**0**	0	0%	**(55)**	(55)	-6%
Adjusted EBITDA	**(132)**	(87)	+53%	**321**	359	-11%	**219**	201	+10%	**122**	179	-31%	**476**	597	-19%
Adjusted EBITDA margin	***(12.5%)***	*(13.3%)*	*-30bps*	***29.4%***	*31.6%*	*-240bps*	***35.8%***	*34.3%*	*+180bps*	***19.3%***	*26.3%*	*-630bps*	***14.1%***	*19.6%*	*-500bps*
Depreciation & amortisation	**(31)**	(22)	+29%	**(63)**	(63)	+1%	**(14)**	(13)	+5%	**(33)**	(25)	+22%	**(143)**	(125)	+11%
Adjusted operating profit/(loss)	**(162)**	(108)	+48%	**258**	297	-13%	**206**	188	+11%	**89**	154	-40%	**334**	472	-28%

[1] Constant currency ("CC") growth is calculated by retranslating the non-sterling denominated component of H1 2021 at H1 2022 exchange rates (see Appendix 3).

[2] Average Monthly Players represent the average number of players who have placed and/or wagered a stake and/or contributed to rake or tournament fees during the month in the reporting period.

Appendix 2: Reconciliation of Adjusted to statutory results

In the operating and financial review the Group's financial performance has been presented on an Adjusted and reported basis. The difference between the Adjusted and reported information relates to the inclusion of separately disclosed items. The impact of same on the income statement and earnings per share is set out below.

	Adjusted results		**Separately disclosed items[1]**		**Statutory results**	
£m unaudited	**H1 2022**	**H1 2021**	**H1 2022**	**H1 2021**	**H1 2022**	**H1 2021**
Sports revenue	**2,118**	1,894			**2,118**	1,894
Gaming revenue	**1,270**	1,159			**1,270**	1,159
Total revenue	**3,388**	3,053	**—**	—	**3,388**	3,053
Cost of sales	**(1,353)**	(1,109)		(13)	**(1,353)**	(1,122)
Cost of sales as a % of net revenue	***39.9%***	*36.3%*			***39.9%***	*36.8%*
Gross profit	**2,036**	1,944	**—**	(13)	**2,036**	1,931
Sales and marketing	**(819)**	(728)			**(819)**	(728)
Contribution	**1,216**	1,215	**—**	(13)	**1,216**	1,202
Other operating costs	**(686)**	(563)			**(686)**	(563)
Corporate costs	**(55)**	(55)	**(42)**	(22)	**(97)**	(77)
EBITDA	**476**	597	**(42)**	(35)	**434**	562
EBITDA margin	***14.1%***	*19.6%*			***12.8%***	*18.4%*
Depreciation and amortisation	**(143)**	(125)	**(286)**	(276)	**(429)**	(401)
Operating profit	**334**	472	**(328)**	(310)	**5**	162
Net finance expense	**(57)**	(74)	**—**	(11)	**(57)**	(85)
Profit/ (loss) before tax	**277**	398	**(328)**	(321)	**(51)**	77
Taxation	**(100)**	(91)	**39**	(72)	**(61)**	(163)
Profit/ (loss) for the period	**177**	306	**(289)**	(392)	**(112)**	(86)
Profit/ (loss) attributable to non controlling interest	**(5)**	(5)	3	3	**(2)**	(3)
Profit/ (loss) attributable to equity holders	**172**	301	**(286)**	(389)	**(114)**	(89)
Weighted average number of shares ('000s)	176,658	175,893			176,658	175,893
Adjusted basic EPS (pence)	97.2p	171.1p			(64.7p)	(50.4p)

[1] See note 5 of the financial statements.

Appendix 3: Reconciliation to constant currency growth rates

Constant currency ("cc") growth is calculated by retranslating non-sterling denominated component of H1 2021 at H1 2022 exchange rates as per the table below.

£m unaudited	H1 2022	H1 2021	% Change	H1 2021 FX impact	H1 2021 CC	CC % Change
Sports revenue	**2,118**	1,894	+12%	33	1,927	+10%
Gaming revenue	**1,270**	1,159	+10%	21	1,179	+8%
Total revenue	**3,388**	3,053	+11%	54	3,106	+9%
Cost of sales	**(1,353)**	(1,109)	+22%	(23)	(1,132)	+20%
Cost of sales as a % of net revenue	***39.9%***	*36.3%*	*+360bps*		*36.4%*	*+350bps*
Gross profit	**2,036**	1,944	+5%	31	1,975	+3%
Sales and marketing	**(819)**	(728)	+12%	(23)	(751)	+9%
Contribution	**1,216**	1,215	0%	8	1,224	-1%
Other operating costs	**(686)**	(563)	+22%	(12)	(575)	+19%
Corporate costs	**(55)**	(55)	-1%	(3)	(58)	-6%
Adjusted EBITDA	**476**	597	-20%	(6)	591	-19%
Adjusted EBITDA margin	***14.1%***	*19.6%*	*-550bps*		*19.0%*	*-500bps*
Depreciation and amortisation	**(143)**	(125)	+14%	(3)	(128)	+11%
Adjusted operating profit	**334**	472	-29%	(9)	463	-28%
Revenue by division						
UK & Ireland	**1,092**	1,135	-4%	(2)	1,133	-4%
Australia	**612**	585	+5%	0	585	+5%
International	**633**	680	-7%	7	687	-8%
US	**1,051**	652	+61%	50	702	+50%
Adjusted EBITDA by division						
UK & Ireland	**321**	359	-11%	1	360	-11%
Australia	**219**	201	+9%	(2)	199	+10%
International	**122**	179	-32%	(3)	176	-31%
US	**(132)**	(87)	+52%	1	(86)	+53%
Corporate costs	**(55)**	(55)	-1%	(3)	(58)	-6%

Appendix 4: Reconciliation of Adjusted cash flow to reported statutory cash flow

In the operating and financial review the cash flow has been presented on a net cash basis. The difference between the net cash basis and the reported cash flow is the inclusion of borrowings, debt related derivatives and cash and cash equivalents - available for corporate use but excluding cash and cash equivalents - customer balances to determine a net cash position.

	Adjusted cash flow		Debt and customer balances adjustments		Statutory cash flow	
£m unaudited	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Adjusted EBITDA[1]	**476**	597			**476**	597
Capex[2]	**(156)**	(138)			**(156)**	(138)
Working capital[3]	**(41)**	18			**(41)**	18
Corporation tax	**(132)**	(92)			**(132)**	(92)
Lease liabilities paid	**(21)**	(27)			**(21)**	(27)
Adjusted free cash flow	**127**	358	—	—	**127**	358
Cash flow from separately disclosed items[4]	**(39)**	(24)			**(39)**	(24)
Free cash flow	**87**	333	—	—	**87**	333
Interest cost[5]	**(46)**	(70)			**(46)**	(70)
Other borrowing costs[5]	**(2)**	(5)			**(2)**	(5)
Amounts paid in respect of Kentucky settlement	**—**	(71)			**—**	(71)
Purchase of shares by the EBT	**—**	(89)			**—**	(89)
Acquisitions and disposals[6]	**(410)**	(51)			**(410)**	(51)
Cash acquired in business combinations[6]	**15**	18			**15**	18
Other[7]	**(3)**	(4)			**(3)**	(4)
Movement in cash and cash equivalents - customer balances	**—**	—	44	(34)	**44**	(34)
Net amounts repaid on borrowings[8]	**—**	—	178	(13)	**178**	(13)
Net (decrease)/increase in cash	**(360)**	61	222	(46)	**(137)**	15
Net (debt)/cash at start of year[9]	**(2,647)**	(2,814)	4,276	4,005	**1,629**	1,191
Foreign currency exchange translation	**(241)**	26	252	(44)	**11**	(18)
Change in fair value of hedging derivatives	**244**	45	(244)	(45)	**—**	—
Net (debt)/cash as at 30 June[9]	**(3,004)**	(2,682)	4,507	3,870	**1,503**	1,188

[1] Adjusted EBITDA includes the following line items in the statutory cash flow: Profit for the period, separately disclosed items, tax expense, financial income, financial expense and depreciation and amortisation.

[2] Capex includes purchase of property, plant and equipment, purchase of intangible assets, capitalised internal development expenditure, lease incentive received and payment of contingent deferred consideration.

[3] Working capital includes (increase)/decrease in trade and other receivables, increase in trade, other payables and provisions, employee equity-settled share-based payments expense before separately disclosed items and investments and foreign currency exchange loss/(gain).

[4] Cash flow from separately disclosed items relates to transaction fees, along with restructuring and integration costs.

[5] Interest and other borrowing costs includes interest paid, interest received and fees in respect of borrowing facilities.

[6] The combination of acquisition and disposals of (£410m) and cash acquired in business combinations (£15m) reconciles to the statutory cash flow amounts for purchase of businesses net of cash acquired (£395m).

[7] Other includes proceeds from the disposal of assets, proceeds from the issue of shares on exercise of employee options, dividends paid to non-controlling interest, lease interest paid and other.

[8] Net amounts repaid on borrowings includes principle repayments on USD First Lien Term Loan B and additional draw downs and repayments on the GBP Revolving Credit Facilities.

[9] Net (debt)/cash comprises principal outstanding balance of borrowings, accrued interest on those borrowings, derivatives held for hedging debt instruments, cash and cash equivalents - available for corporate use and cash and cash equivalents - customer balances.

STATEMENT OF DIRECTORS RESPONSIBILITIES
For the half-year ended 30 June 2022

The Directors are responsible for preparing the half-yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 ("*Transparency Directive*"), and the Transparency Rules of the Central Bank of Ireland.

In preparing the condensed set of financial statements included within the half-yearly financial report, the Directors are required to:

- prepare and present the condensed set of financial information in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU, the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Transparency Rules of the Central Bank of Ireland; the Transparency Directive and the Transparency Rules of the Central Bank of Ireland;
- ensure the condensed set of financial information has adequate disclosures;
- select and apply appropriate accounting policies; and
- make accounting estimates that are reasonable in the circumstances.

The Directors are responsible for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of the condensed set of financial statements that is free from material misstatement whether due to fraud or error.

We confirm that to the best of our knowledge:

1) the condensed set of consolidated financial statements in the half-yearly financial report of Flutter Entertainment plc for the six months ended 30 June 2022 ("the interim financial information") which comprises the Condensed Consolidated Interim Income Statement, the Condensed Consolidated Interim Statement of Other Comprehensive Income, the Condensed Consolidated Interim Statement of Financial Position, the Condensed Consolidated Interim Statement of Cash Flows, the Condensed Consolidated Interim Statement of Changes in Equity and related explanatory notes, have been presented and prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the EU, the Transparency Directive and Transparency Rules of the Central Bank of Ireland.

1) the interim financial information presented, as required by the Transparency Directive, includes:

   a) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements;

   b) a description of the principal risks and uncertainties for the remaining six months of the financial year;

   c) related parties' transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and

   d) any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.

On behalf of the board

Peter Jackson	**Jonathan Hill**
Chief Executive Officer	*Chief Financial Officer*

11 August 2022

Principal risks

The principal risks and uncertainties which are considered to have a material impact on the Group's future performance and strategic objectives are set out on the following pages. The principal risks and uncertainties are consistent with those defined in the Group's Annual Report & Accounts 2021, available at www.flutter.com.

This is not intended to be an exhaustive and extensive analysis of all risks which may affect the Group. Additional risks and uncertainties currently deemed to be less material, or not presently known to Management, may also have an adverse effect on the performance and strategic objectives of the Group.

Changes to Legal, Regulatory and Licensing landscape	
Why we need to manage this	**How we manage and mitigate the risk**
The complex and constantly evolving regulatory environments in which we operate, in terms of multiple jurisdictions, tax regimes and licensing obligations, can make it commercially challenging for the us to operate, or impact our ability to grow at pace.	• We have dedicated internal and external Legal, Regulatory, Compliance and Tax teams covering all regions with responsibility for working with, and advising management on any upcoming regulatory changes, to set appropriate policies, processes and controls to adapt and ensure compliance. • We are improving our regulatory profile with an increased proportion of revenues coming from regulated markets and a continuous focus on reducing exposure to higher risk jurisdictions. • For material markets, we invest significantly in external counsel advice to conduct ongoing monitoring and to guide and support strategic decision making and planning associated with these markets. • We invest continuously in the flexibility of our in-house technology which is key for entering or remaining in markets and allowing for adaptability and flexibility of our products as market conditions and obligations change. • Flutter and its divisions have dedicated Corporate Affairs teams, and hold memberships with relevant associations and industry groups working with regulators and governments to influence and drive proportionate, transparent and reasonable regulation and taxation in all markets.

Cyber Resilience and Protection of Data	
Why we need to manage this	**How we manage and mitigate the risk**
We are dependent on technology to support our products, business activities and customer operations. Cyber maturity and capabilities across our expanding Group vary and may increase the number of potential attack vectors or internal threats, which could lead to financial loss, data breaches, regulatory action and reputational damage.	• We invest significantly in cyber security resources, capabilities, and technologies, and work with a variety of external security specialists to ensure security arrangements and systems are appropriate for our evolving threat and continue to follow leading practice. • The Group Chief Information Security Officer works with the Group and divisional information security teams to devise and advance our strategy for cyber security, enhance our control assurance capabilities and governance. • The Flutter cyber security team owns and reports on the Group-wide cyber policy detailing our key cyber topics and control standards, with periodic review and approval, in addition to internal and external annual assessment of security maturity. • Flutter cyber assurance framework has been established, with risk assessments ongoing to provide assurance that security controls implemented protect against key risk topics.

US growth execution and competition	
Why we need to manage this	**How we manage and mitigate the risk**
The successful execution of our commercial and growth strategy for the US business across its brands and partnerships is critical to our long-term ambitions.	• We continue to establish and maintain strong commercial relationships with our market access partners and strategic media partners to secure access to new markets and maintain growth. • We continue to invest in people, product and brands to acquire further market share and to maintain the agility, scalability and leading market positions for our products. • In addition, we also have dedicated external advisers, internal expertise and resources to support with the monitoring and assessment of the US competitive landscape to take appropriate actions. • We continue to develop our in-house technology stack, including the adoption of our proprietary global betting platform for the provision of sports betting, to continuously improve our offering and meet evolving stakeholder needs. • Our dedicated US Legal, Risk and Compliance teams work closely with the business teams to monitor ongoing compliance across multiple jurisdictions to continuously improve our processes and controls to ensure compliance with our federal and state obligations.

International technology transformation	
Why we need to manage this	**How we manage and mitigate the risk**
Challenges to transform, expand and scale our capabilities, given variances in legacy entities, which may lead to lower than desired resilience, reliability and product agility.	• Full restructure by CIO and key new leadership roles in International Technology function, recruiting externally and leveraging internal talent from other brands and divisions. • Full review of the International division's technology risk profile with clear plans and structures in place to improve, using a risk-based approach. • Our revised technology strategy has been defined to support significant market growth and expansion. • We continue to invest in resources, software and hardware to address themed strategic initiatives, which address stability, process, people and technology. • Focused support from external advisers, strategic partners and experts to support with technology transformation delivery.

Global talent acquisition	
Why we need to manage this	**How we manage and mitigate the risk**
Acquisition of key talent, senior management and leadership positions across the Group, and their successful retention, to satisfy the needs of our growing organisation is critical to achieving our strategic objectives.	• Our employee value proposition has been amplified for all our divisions to attract the right talent, with the skills, capabilities and experience for Flutter. • Dedicated workstreams led by the Group CPO function to align processes and identify talent acquisition partners to support internal teams to build a pipeline and attract the best talent for the Group going forward. • Flutter launched its vision, purpose and values, in alignment with divisional perspectives, supported by playbooks, talkshops and toolkits. Surveys continue to be conducted to listen and learn from employees and understand colleague engagement levels Group wide. • We conduct extensive market research and benchmarking to ensure that the Group maintains an attractive employee value proposition. • The Group and divisional CPOs address our talent matters in a prioritised manner and build capability to address gaps and facilitate talent mobility.

Compliance with existing legal, regulatory and licensing landscape	
Why we need to manage this	**How we manage and mitigate the risk**
The interpretation and ongoing compliance with complex and multiple regulatory and legislative requirements applicable to the Group's activities in the markets in which it operates underpins the sustainability and reputation of our business.	• For the jurisdictions in which we hold a licence, dedicated Divisional Compliance teams work closely with the business teams to monitor ongoing compliance and continuously enhance our processes and controls to ensure compliance with regulatory frameworks and licence requirements. • We have a number of Group-led overarching policies and compliance programmes to govern processes across divisions and thereby ensure compliance with applicable laws and regulations. • Detailed policy and procedures across each division ensure local regulatory requirements are documented, monitored and reviewed periodically. • Annual compliance training, including Anti-Bribery and Corruption ("ABC"), Data Protection ("DP") and Anti-Money Laundering ("AML"), is mandatory for all staff, as well as regular, targeted training and awareness sessions. • Divisional and Group management provide periodic legal and regulatory updates through established governance forums at both divisional and Group level Committees.

Global talent management and retention	
Why we need to manage this	**How we manage and mitigate the risk**
The people who work within Flutter are key to our success. Insufficient management and retention of key individuals may impact our ability to deliver on our strategic and operational objectives.	• Flutter Workforce Engagement Committee established to ensure the Group has a culture that underpins its vision, values and strategy, and to provide an employee voice to the Board. • The Remuneration Committee and wider reward programmes review the structures in place for our people with the objective to incentivise, motivate and retain talent to support the delivery of the Group's long-term strategy. • We communicate through different platforms to underscore key career development opportunities, highlight employee recognition programmes and bring attention to strategic programmes such as DEI. • Regular engagement surveys take place for all colleagues to ensure we understand the values and behaviours that are important to staff and the brands they support. • The Group and divisional CPO functions continue to drive health and wellbeing initiatives as part of our dynamic Future Ways of Working approach.

Third parties and key suppliers	
Why we need to manage this	**How we manage and mitigate the risk**
Across our divisions and Group, we place reliance upon certain critical suppliers of technology, marketing, sports content and media which are fundamental to our business and product offerings. The effective management of critical third party relationships, performance and regulatory expectations is key to our strategic objectives.	• Strategic and critical suppliers are subject to regular business and quality reviews to ensure ongoing relationship and performance management. • The Group Procurement and Third Party Assurance functions maintain a Risk Heatmap to monitor strategic and critical suppliers and ensure continuity of critical services. • As part of our procurement processes, we employ dedicated resources supplemented by subject matter expertise within risk, compliance, legal and technology assurance to protect and enhance value, demonstrate our high standards of corporate integrity, and reinforce organisational resilience. • Where possible, we limit reliance on a single supplier to reduce potential single point of failure.

Safer gambling strategy	
Why we need to manage this	How we manage and mitigate the risk
Safer Gambling underpins every element of the Group's strategy, and is a key pillar of our Positive Impact Plan. We want to demonstrate consistency and global alignment with our Safer Gambling strategy to protect our customers who are at risk of the potential negative effects of gambling and to ensure we grow our business sustainably.	• Group Safer Gambling strategy is embedded into our businesses from how we identify and interact with at-risk customers through to how we communicate to a broad group of stakeholders and how we encourage Safer Gambling tool usage. • We leverage and share policies, processes and practices across the Group to enhance the strategic approach to Safer Gambling and demonstrate our serious commitment to ESG. • A leading range of tools are provided on all our brand sites to support customers in managing their spend and play, and the Group and its brands are continually working to improve and enhance our tools and site content to enable us to identify and interact with at-risk customers. • The Group works closely with leading external third parties to facilitate internal teams to enhance our understanding, and capabilities in relation to identification of problem gambling through the use of artificial intelligence. • The Group continues to invest significantly in improvements for tackling the problem through donations to research, treatment, education initiatives, as well as through driving collaboration across the industry with other operators, charities and regulatory bodies.

Technology resilience – availability and stability	
Why we need to manage this	How we manage and mitigate the risk
We have a critical dependency on our in-house technology, and on certain material third parties, to maintain the stability and availability of our customer-facing products, as well as the ability to recover in a timely manner from severe disruption with minimal impact on our customers, data and products.	• We invest in our proprietary technology and resources to improve IT resilience, eliminate single points of failure and drive better performance. • We have established a standard scale to better compare the IT disaster recovery resilience levels in each division and ensure adequate improvement plans are developed and tracked to mitigate any material risks. • We have dedicated resources to develop, enhance and test our disaster recovery capability for our key products across all our brands of the Group. • Key global metrics on critical systems and platforms which are regularly monitored and reported on identify any potential emerging issues on our brands or customer-facing technologies. • We have a defined formal incident management process in place for identifying, escalating and resolving issues and a post-incident process to ensure we continuously improve our proprietary technology.

Consolidated Interim Income Statement

For the six months ended 30 June 2022

Unaudited	Note	2022 £m	2021 £m
Continuing operations			
Revenue	4	**3,388.2**	3,052.5
Cost of sales		**(1,352.6)**	(1,121.9)
Gross profit		**2,035.6**	1,930.6
Operating costs excluding depreciation, amortisation and gain on disposal		**(1,601.5)**	(1,368.2)
EBITDA[1]		**434.1**	562.4
Amortisation of acquisition-related intangible assets		**(286.1)**	(275.5)
Depreciation and amortisation of other assets		**(144.6)**	(125.0)
Gain on disposal		**1.9**	—
Operating profit		**5.3**	161.9
Financial income	6	**0.7**	—
Financial expense	6	**(57.4)**	(84.9)
(Loss) / profit before tax		**(51.4)**	77.0
Tax expense	7	**(60.8)**	(163.0)
Loss for the period		**(112.2)**	(86.0)
Attributable to:			
Equity holders of the Company		**(114.3)**	(88.6)
Non-controlling interest		**2.1**	2.6
		(112.2)	(86.0)
Earnings per share			
Basic	8	**(£0.647)**	(£0.504)
Diluted	8	**(£0.647)**	(£0.504)

1 EBITDA is defined as profit for the period before depreciation, amortisation, impairment, gain on disposal, financial income, financial expense and tax expense / credit. It is considered by the Directors to be a key measure of the Group's financial performance.

Notes 1 to 20 on pages 36 to 58 form an integral part of these condensed consolidated financial statements.

Consolidated Interim Statement of Other Comprehensive Income
For the six months ended 30 June 2022

Unaudited	2022 £m	2021 £m
Loss for the period	**(112.2)**	(86.0)
Other comprehensive income / (loss):		
Items that are or may be reclassified subsequently to profit or loss:		
Effective portion of changes in fair value of cash flow hedges	**269.7**	(156.0)
Fair value of cash flow hedges transferred to the income statement	**(244.2)**	164.7
Foreign exchange loss on net investment hedges, net of tax[1]	**(41.0)**	(56.3)
Foreign exchange gain / (loss) on translation of the net assets of foreign currency denominated entities	**222.4**	(105.5)
Debt instruments at FVOCI	**(2.3)**	(0.6)
Other comprehensive income / (loss)	**204.6**	(153.7)
Total comprehensive income / (loss) for the period	**92.4**	(239.7)
Attributable to:		
Equity holders of the Company	**86.2**	(242.5)
Non-controlling interest	**6.2**	2.8
Total comprehensive income / (loss) for the period	**92.4**	(239.7)

1 Foreign exchange loss on net investment hedges is presented including an income tax charge of £4.7m (six months ended 30 June 2021: £1.7m) which relates to the tax effect of the Group's hedging activities.

Notes 1 to 20 on pages 36 to 58 form an integral part of these condensed consolidated financial statements.

Consolidated Interim Statement of Financial Position
As at 30 June 2022

	Note	30 June 2022 Unaudited £m	31 December 2021 Audited £m
Assets			
Property, plant and equipment		**478.8**	451.4
Intangible assets		**4,959.6**	4,875.6
Goodwill	9	**9,706.3**	9,346.8
Deferred tax assets		**7.5**	8.2
Non-current tax receivable		**32.9**	21.5
Investments	11	**6.0**	5.5
Derivative financial assets	15	**275.5**	68.0
Financial assets - restricted cash		**7.6**	7.4
Other receivables	11	**28.3**	29.3
Total non-current assets		**15,502.5**	14,813.7
Trade and other receivables	11	**250.5**	203.9
Cash and cash equivalents - customer balances		**721.7**	677.6
Cash and cash equivalents - available for corporate use		**781.2**	951.7
Current investments at FVOCI - customer deposits		**89.0**	83.0
Current tax receivable		**54.4**	45.6
Total current assets		**1,896.8**	1,961.8
Total assets		**17,399.3**	16,775.5
Equity			
Issued share capital and share premium		**480.7**	477.6
Shares held by Employee Benefit Trust	16	**(4.0)**	(4.0)
Cash flow hedge reserve	16	**48.2**	22.7
Other reserves		**151.7**	(61.7)
Retained earnings		**9,544.9**	9,816.3
Total equity attributable to equity holders of the Parent		**10,221.5**	10,250.9
Non-controlling interest		**4.1**	37.5
Total equity		**10,225.6**	10,288.4
Liabilities			
Trade and other payables	12	**1,317.0**	1,096.4
Customer balances		**775.1**	721.0
Derivative financial liabilities	15	**50.1**	74.0
Provisions	13	**71.9**	71.3
Current tax payable		**45.5**	42.3
Lease liability		**51.9**	47.0
Borrowings	14	**24.2**	22.1
Total current liabilities		**2,335.7**	2,074.1
Trade and other payables	12	**21.9**	19.8
Derivative financial liabilities	15	**16.5**	55.1
Provisions	13	**49.5**	47.8
Deferred tax liabilities		**518.3**	498.0
Non-current tax payable		**10.7**	25.2
Lease liability		**239.2**	217.4
Borrowings	14	**3,981.9**	3,549.7
Total non-current liabilities		**4,838.0**	4,413.0
Total liabilities		**7,173.7**	6,487.1
Total equity and liabilities		**17,399.3**	16,775.5

Notes 1 to 20 on pages 36 to 58 form an integral part of these condensed consolidated financial statements.

On behalf of the Board

Peter Jackson
Chief Executive Officer
11 August 2022

Jonathan Hill
Chief Financial Officer

Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2022

Unaudited	Note	2022 £m	2021 Restated [1] £m
Cash flows from operating activities			
Loss for the period		**(112.2)**	(86.0)
Tax expense		**60.8**	163.0
Financial income		**(0.7)**	—
Financial expense		**57.4**	84.9
Amortisation of acquisition related intangible assets		**286.1**	275.5
Depreciation and amortisation of other assets		**144.6**	125.0
Gain on disposal		**(1.9)**	—
Separately disclosed items included within EBITDA	5	**42.2**	34.6
Employee equity-settled share-based payments expense	16	**50.1**	35.5
Foreign currency exchange gain		**(16.1)**	(11.8)
Cash from operations before changes in working capital		**510.3**	620.7
Increase in trade and other receivables		**(38.6)**	(36.5)
(Decrease) / increase in trade, other payables and provisions		**(36.6)**	30.3
Cash generated from operating activities		**435.1**	614.5
Taxes paid		**(131.7)**	(92.0)
Cash generated from operations, net of taxes paid		**303.4**	522.5
Transaction fees, restructuring and integration costs paid	5	**(39.3)**	(24.5)
Amounts paid in respect of Kentucky litigation		**—**	(71.1)
Net cash from operating activities		**264.1**	426.9
Cash flows from investing activities:			
Purchase of property, plant and equipment		**(26.6)**	(33.4)
Purchase of intangible assets		**(20.8)**	(23.9)
Capitalised internal development expenditure		**(93.1)**	(66.4)
Purchase of businesses net of cash acquired	10	**(395.2)**	(33.7)
Payment of contingent deferred consideration	10	**(15.3)**	(19.0)
Proceeds from disposal of assets		**3.8**	—
Interest received		**0.7**	—
Movement in cash and cash equivalent - customer balances		**44.1**	(33.6)
Other		**(0.3)**	(2.6)
Net cash used in investing activities		**(502.7)**	(212.6)
Cash flows from financing activities:			
Proceeds from the issue of shares on exercise of employee options	16	**3.1**	8.0
Dividend paid to non-controlling interest	16	**(5.4)**	(5.1)
Payment of lease liabilities		**(20.9)**	(26.8)
Payment of lease interest		**(4.7)**	(3.9)
Lease incentive received		**—**	4.8
Proceeds from borrowings	14	**275.0**	—
Repayment of borrowings	14	**(96.6)**	(12.9)
Interest paid	14	**(46.8)**	(70.0)
Financing fees paid in respect of borrowing facilities		**(2.3)**	(4.6)
Ordinary shares of the Company acquired by the Employee Benefit Trust	16	**—**	(89.0)
Net cash from / (used in) financing activities		**101.4**	(199.5)
Net (decrease)/increase in cash and cash equivalents		**(137.2)**	14.8
Cash and cash equivalents at start of period		**1,629.3**	1,191.3
Foreign currency exchange gain/(loss) on cash and cash equivalents		**10.8**	(18.1)
Cash and cash equivalents at end of period		**1,502.9**	1,188.0
Presented on the Statement of Financial Position within:			
Cash and cash equivalents - customer balances		**721.7**	554.3
Cash and cash equivalents - available for corporate use		**781.2**	623.1
Assets held for sale		**—**	10.6
		1,502.9	1,188.0

[1] See Note 2 for details of restatement.

Notes 1 to 20 on page 36 to 58 form an integral part of these condensed consolidated financial statements.

Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2022

Unaudited	*Number of ordinary shares in issue*	Issued share capital and share premium	Shares held by Employee Benefit Trust	Cash flow hedge reserve	Fair value reserve[1]	Foreign exchange translation reserve[1]	Other reserves[1]	Share-based payment reserve[1]	Retained earnings	Total equity attributable to shareholders of the Company	Non-controlling interest	Total equity
	m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2022	***175.6***	**477.6**	**(4.0)**	**22.7**	**(1.7)**	**(194.2)**	**2.5**	**131.7**	**9,816.3**	**10,250.9**	**37.5**	**10,288.4**
Total comprehensive income / (loss) for the year												
Loss for the period	—	—	—	—	—	—	—	—	**(114.3)**	**(114.3)**	**2.1**	**(112.2)**
Foreign exchange translation including net investment hedges	—	—	—	—	—	**182.0**	—	—	—	**182.0**	**4.1**	**186.1**
Effective portion of changes in fair value of cash flow hedges	—	—	—	**269.7**	—	—	—	—	—	**269.7**	—	**269.7**
Fair value of cash flow hedges transferred to the income statement	—	—	—	**(244.2)**	—	—	—	—	—	**(244.2)**	—	**(244.2)**
Financial assets at FVOCI	—	—	—	—	**(2.3)**	—	—	—	—	**(2.3)**	—	**(2.3)**
Tax on foreign exchange hedging	—	—	—	—	—	**(4.7)**	—	—	—	**(4.7)**	—	**(4.7)**
Total comprehensive income / (loss) for the period	—	—	—	**25.5**	**(2.3)**	**177.3**	—	—	**(114.3)**	**86.2**	**6.2**	**92.4**
Transactions with owners of the Company, recognised directly in equity												
Shares issued on exercise of employee share options (Note 16)	***0.2***	**3.1**	—	—	—	—	—	—	—	**3.1**	—	**3.1**
Liability recognised on put option (Note 12)	—	—	—	—	—	—	—	—	**(169.8)**	**(169.8)**	**(34.2)**	**(204.0)**
Equity-settled transactions – expense recorded in the income statement	—	—	—	—	—	—	—	**50.1**	—	**50.1**	—	**50.1**
Tax on share-based payments	—	—	—	—	—	—	—	—	**1.0**	**1.0**	—	**1.0**
Exercise of share options	—	—	—	—	—	—	—	**(11.7)**	**11.7**	—	—	—
Dividend paid to non-controlling interest (Note 16)	—	—	—	—	—	—	—	—	—	—	**(5.4)**	**(5.4)**
Total contributions by and distributions to owners of the Company	***0.2***	**3.1**	—	—	—	—	—	**38.4**	**(157.1)**	**(115.6)**	**(39.6)**	**(155.2)**
Balance at 30 June 2022	***175.8***	**480.7**	**(4.0)**	**48.2**	**(4.0)**	**(16.9)**	**2.5**	**170.1**	**9,544.9**	**10,221.5**	**4.1**	**10,225.6**

[1] Included in other reserves in the Statement of Financial Position.

Notes 1 to 20 on pages 36 to 58 form an integral part of these condensed consolidated financial statements.

Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2021

Unaudited	*Number of ordinary shares in issue*	Issued share capital and share premium	Merger reserve	Treasury shares	Shares held by Employee Benefit Trust	Cash flow hedge reserve	Fair value reserve	Foreign exchange translation reserve	Other reserves	Share-based payment reserve	Retained earnings	Total equity attributable to shareholders of the Company	Non-controlling interest	Total equity
	m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Balance at 1 January 2021	*177.0*	2,481.7	7,982.9	(40.7)	(5.8)	(10.3)	(0.4)	49.6	2.3	100.8	405.0	10,965.1	30.8	10,995.9
Total comprehensive income / (loss) for the year														
Loss for the period	—	—	—	—	—	—	—	—	—	—	(88.6)	(88.6)	2.6	(86.0)
Foreign exchange translation including net investment hedges	—	—	—	—	—	—	—	(160.3)	—	—	—	(160.3)	0.2	(160.1)
Tax on foreign exchange hedging	—	—	—	—	—	—	—	(1.7)	—	—	—	(1.7)	—	(1.7)
Effective portion of changes in fair value of cash flow hedges	—	—	—	—	—	(156.0)	—	—	—	—	—	(156.0)	—	(156.0)
Fair value of cash flow hedges transferred to the income statement	—	—	—	—	—	164.7	—	—	—	—	—	164.7	—	164.7
Debt Instruments at FVOCI	—	—	—	—	—	—	(0.6)	—	—	—	—	(0.6)	—	(0.6)
Total comprehensive income / (loss) for the period	—	—	—	—	—	8.7	(0.6)	(162.0)	—	—	(88.6)	(242.5)	2.8	(239.7)
Transactions with owners of the Company, recognised directly in equity														
Shares issued on exercise of employee share options (Note 16)	*0.3*	8.0	—	—	—	—	—	—	—	—	—	8.0	—	8.0
Business combinations (Note 10)	—	—	—	—	—	—	—	—	—	—	—	—	16.2	16.2
Ordinary shares of the Company acquired by the Employee Benefit Trust (Note 10)	—	—	—	—	(89.0)	—	—	—	—	—	—	(89.0)	—	(89.0)
Equity-settled transactions – expense recorded in income statement	—	—	—	—	—	—	—	—	—	36.6	—	36.6	—	36.6
Tax on share-based payments	—	—	—	—	—	—	—	—	—	—	1.1	1.1	—	1.1
Transfer to retained earnings on exercise of share options and vesting of share awards	—	—	—	—	—	—	—	—	—	(16.4)	16.4	—	—	—
Dividend paid to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(5.1)	(5.1)
Total contributions by and distributions to owners of the Company	*0.3*	8.0	—	—	(89.0)	—	—	—	—	20.2	17.5	(43.3)	11.1	(32.2)
Balance at 30 June 2021	*177.3*	2,489.7	7,982.9	(40.7)	(94.8)	(1.6)	(1.0)	(112.4)	2.3	121.0	333.9	10,679.3	44.7	10,724.0

Notes 1 to 20 on pages 36 to 58 form an integral part of these condensed consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

Flutter Entertainment plc (the "Company") is a company incorporated in the Republic of Ireland. The Condensed Consolidated Financial Statements of the Company for the six months ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the "Group"). These Condensed Consolidated Interim Financial Statements are unaudited but have been reviewed by KPMG, the Group's auditor, whose report is set out on the last page of this document.

The financial information presented herein does not comprise full statutory financial statements and therefore does not include all of the information required for full annual financial statements. Full statutory financial statements for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU together with an unqualified audit report thereon under Section 391 of the Irish Companies Act 2014, will be annexed to the annual return and filed with the Registrar of Companies in Ireland.

These Condensed Consolidated Interim Financial Statements were approved for issue by the Board of Directors of Flutter Entertainment plc on 11 August 2022.

2. Basis of preparation and accounting policies

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the Transparency Rules of the Central Bank of Ireland and with IAS 34 'Interim Financial Reporting' as adopted by the EU.

The Condensed Consolidated Interim Financial Statements are prepared on the historical cost basis except for derivative financial instruments (which include betting transactions), equity securities, certain financial assets which have been designated as FVOCI, contingent deferred consideration and share-based payments, all of which are stated at fair value (grant date fair value in the case of equity-settled share-based payments). The Condensed Consolidated Interim Financial Statements are presented in pounds sterling and are rounded to the nearest £0.1 million.

Going concern

The Group reported EBITDA of £434.1m and a loss after tax of £112.2m for the six months ended 30 June 2022. This includes £430.7m of depreciation and amortisation charged against profit in the period. The net cash generated from operating activities during the period ended 30 June 2022 was £264.1m. The balance sheet at 30 June 2022 reported a net current liability position of £438.9m. During the six months ended 30 June 2022, the Group is in compliance with all covenants related to its lending arrangements.

The Directors have considered the available financial resources which include, at 30 June 2022, £781.2m of cash and cash equivalents and a £482.0m Revolving Credit Facility with undrawn capacity of £277.0m. Whilst there are certain loan repayments due within the next 12 months of £24.2m, the Group's lending facilities primarily fall due in 2026 as set out in more detail in Note 14. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. See 'Principal Risks and Uncertainties' in this report for more detail.

The Group's forecasts to the next 12 months indicate that it will continue to have significant financial resources, continue to settle its debts as they fall due and operate well within its banking covenants as outlined in Note 14 for at least a period of 12 months from the date of the approval of these consolidated financial statements. 12 months from the date of the approval of these consolidated financial statements was selected as the going concern period as it represents the period in which the Group has prepared detailed forecasts for a proportion of the period and it also reduces the degree of judgement and estimation uncertainty involved in both the forecasts and the downside scenarios.

When preparing the forecasts, the Group has included the cash outflows and related financing associated with the Sisal acquisition as detailed in Note 20. Various downside scenarios over and above those already included in the base case model on the potential impact of further reductions to cash flows due to reduced customer discretionary income, changes in the legal, regulatory and licencing landscape and the Group's cyber and IT resilience have been considered in respect of these forecasts. The impact of these items involves significant judgement and estimation uncertainty.

In the event that it were necessary to draw down additional debt funding, the Directors have a reasonable expectation that this could be achieved within the confines of its existing debt facilities and financial covenant requirements.

Accounting policies

The financial information contained in these Condensed Consolidated Interim Financial Statements has been prepared in accordance with the accounting policies set out in the Group's last annual financial statements in respect of the year ended 31 December 2021 except as set out below.

2. Basis of preparation and accounting policies *(continued)*

In April 2022, the IFRS Interpretations Committee issued an agenda decision clarifying the definition of cash and cash equivalents in the statement of cash flows stating that cash amounts that are only restricted by an obligation to a third party meet the definition of cash under IAS 7 Statement of Cash Flows. The title of the agenda decision is Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7 Statement of Cash Flow).

Prior to this clarification, the Group had not treated cash amounts that were restricted due to, for example gaming regulatory requirements to hold cash to match customer liabilities, as cash and cash equivalents in the statement of cash flows and had instead classified these balances as financial assets - restricted cash.

The Group considers these cash balances to not be available to the Group and will disaggregate these cash balances from the cash balances that are available to the Group, for general corporate purposes in accordance with IAS 1 paragraph 55.

In accordance with this clarification, the Group has made a voluntary change in accounting policy and has presented cash and cash equivalents for the purpose of its cash flow including these restricted balances and has restated the prior period accordingly as follows.

	31 December 2021	31 December 2021	31 December 2021	30 June 2021	30 June 2021	30 June 2021	31 December 2020	31 December 2020	31 December 2020
	Originally reported	Reclassification	Restated	Originally reported	Reclassification	Restated	Originally reported	Reclassification	Restated
Financial asset – restricted cash	**677.6**	**(677.6)**	**—**	**554.3**	**(554.3)**	**—**	**587.9**	**(587.9)**	**—**
Cash and cash equivalents - customer balances	—	677.6	677.6	—	554.3	554.3	—	587.9	587.9
Cash and cash equivalents - available for corporate use	951.7	—	951.7	623.1	—	623.1	603.4	—	603.4
Assets held for sale	—	—	—	10.6	—	10.6	—	—	—
Cash and cash equivalents	**951.7**	**677.6**	**1,629.3**	**633.7**	**554.3**	**1,188.0**	**603.4**	**587.9**	**1,191.3**

The change in the classification for the purpose of statement of cash flows did not impact the Statement of Financial Position other than to rename the captions.

3. Judgements and estimates

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

In preparing these Condensed Consolidated Financial Statements, the significant judgements in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the Consolidated Financial Statements as at and for the year ended 31 December 2021 and are detailed below:

Valuation of tax assets and liabilities

Whilst we maintain good communication with key tax authorities, given the global nature of our business and the complex international tax landscape, there remain areas of tax uncertainty and therefore there is a level of uncertainty with regards to the measurement of our tax assets and liabilities. Uncertainties have been measured using the best estimate of the likely outcome. This assessment relies on estimates and assumptions and may involve a series of judgements about future events.

3. Judgements and estimates *(continued)*

Where uncertain tax treatments exist, the Group assesses whether it is probable that a tax authority will accept the uncertain tax treatment applied or proposed to be applied in its tax filings. The Group assesses each uncertain tax treatment as to whether it should be considered independently or whether some tax treatments should be considered collectively based on what the Group believes provides a better estimate of the resolution of the uncertainty. The Group considers whether it is probable that the relevant authority will accept each uncertain tax treatment, or group of uncertain tax treatments, assuming that the taxation authority will have full knowledge of all relevant information when doing so. The key judgements include the valuation of tax assets and liabilities

New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax assets and liabilities; such changes to tax assets and liabilities will impact the income tax in the period in which such a determination is made. Management uses in-house tax experts, professional firms and previous experience when assessing tax risks and the Group believes that the position for all tax assets and liabilities at 30 June 2022 is adequate based on its assessment of the range of factors outlined above but given the inherent uncertainty, it is possible that resolution of tax uncertainties may differ from the amounts provided for.

FOX Corporation

As announced on 2 October 2019, in order to achieve economic alignment of Flutter's and TSG's strategic third party relationships across their respective US businesses, concurrent with the Combination with TSG, the Group entered into an arrangement with FOX, pursuant to which FSG Services, a wholly-owned subsidiary of FOX, had an option to acquire an 18.6% equity interest in FanDuel Group at its fair market value in July 2021. Under the terms of the agreement an arbitration mechanism was put in place in the event of a disagreement between the two parties relating to the option.

In April 2021, FOX filed an arbitration claim against the Group with respect to its option to acquire an 18.6% equity interest in FanDuel seeking the same price that the Group paid for the acquisition of 37.2% of FanDuel from Fastball Holdings LLC in December 2020, based on an $11.2 billion valuation for FanDuel. In the Group's opinion this valuation would be materially favourable for FOX compared to the fair market valuation as of July 2021. Arbitration proceedings remain ongoing and a ruling in the arbitration is expected in late Quarter 3, 2022 or Quarter 4 2022.

The fair market value of the call option as at 30 June 2022 is required to reflect the value that a market participant would have paid for such an option, with the option exercise price, reflecting the conditions that would have existed at 30 June 2022. Given the market assessment of comparable US assets, it is management's view that there has been no increase in the market value of FanDuel since the valuation date of the option, and therefore it is determined that the value of the option is out of the money for FOX and the derivative has close to nominal value at 30 June 2022.

Estimates

Determining the fair value of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the end of the reporting period. The following discussion sets forth key sources of estimation uncertainty at the end of the reporting period that management believes have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement of the recoverable amounts of cash generating units containing goodwill, indefinite life licences and intangible assets

The Group reviews the carrying value of goodwill for impairment annually (or more frequently if there are indications that the value of goodwill may be impaired) by comparing the carrying values of these cash generating units with their recoverable amounts (being the higher of value in use and fair value less costs to sell). The impairment review is performed on a "value-in-use" basis, which requires estimation of future net operating cash flows, the time period over which they will occur, an appropriate discount rate and an appropriate growth rate. Certain of these estimates and assumptions are subjective in nature.

The Group has reviewed the performance in the first half of 2022, in the UK&I Online, Retail, International, Australia and US CGUs and based on this and in conjunction with the headroom that existed at 31 December 2021, is satisfied that no impairment has arisen during the six months ended 30 June 2022.

4. Operating segments

Reportable business segment information

The Group's four reportable segments are:

- UK & Ireland;
- Australia;
- International; and
- US.

UK & Ireland

The UK & Ireland ("UK&I") segment is comprised of the operations of Sky Betting & Gaming, Paddy Power, Betfair and from January 2022, Tombola (see Note 10). Revenues are earned from sports betting (sportsbook and the exchange sports betting product) and gaming services (games, casino, bingo and poker). Until August 2021, this segment also included the results of Oddschecker (odds comparison website) at which point the business was disposed. Services are provided primarily via the internet but also through licensed bookmaking shop estates.

Australia

The Australia segment is comprised of the operations of the Sportsbet brand and earns its revenues from sports betting services provided to Australian customers using primarily the internet.

International

The International segment is comprised of PokerStars, Betfair International, Adjarabet and Junglee Games. The International segment earns most of its revenues from poker, casino, rummy and sports betting through various brands and mainly via the internet.

US

The US segment is comprised of the FanDuel, TVG, FOX Bet, Stardust and PokerStars brands' and earns its revenues from sports betting, daily fantasy sports and gaming services (casino and poker) provided to customers, using primarily the internet, with a proportion of US sports betting services also provided through a small number of retail outlets.

Corporate

Corporate administrative costs (Board, Finance, Legal, Internal Audit, HR, Property and other central functions) cannot be readily allocated to individual operating segments and are not used by the CODM for making operating and resource allocation decisions. These are shown in the reconciliation of reportable segments to Group totals.

The accounting policies in respect of operating segments reporting are the same as those described in the basis of preparation and summary of significant accounting policies set out in the Company's last annual financial statements in respect of the year ended 31 December 2021.

The Group does not allocate income tax expense or financing income and expenses to reportable segments. Treasury management is centralised for the UK&I, Australia, International and US segments.

Assets and liabilities information is reported internally in total and not by reportable segment and, accordingly, no information is provided in this note on assets and liabilities split by reportable segment.

Seasonality

The Group's sportsbook revenue is driven by a combination of the timing of sporting and other events and the Group's results derived from those events. The Covid pandemic caused some postponement and cancellation of sporting events across the world and skewed results for the comparative period in particular. Gaming and other revenue is not as dependent on the sporting calendar.

4. Operating segments *(continued)*

Reportable business segment information for the six months ended 30 June 2022:

	UK&I £m	Australia £m	International £m	US £m	Corporate £m	Total £m
Revenue from external customers	**1,091.8**	**612.1**	**633.6**	**1,050.7**	**—**	**3,388.2**
Cost of sales	**(335.0)**	**(289.7)**	**(184.0)**	**(543.9)**	**—**	**(1,352.6)**
Gross profit	**756.8**	**322.4**	**449.6**	**506.8**	**—**	**2,035.6**
Operating costs excluding depreciation and amortisation before separately disclosed items	**(436.3)**	**(103.1)**	**(327.1)**	**(638.6)**	**(54.2)**	**(1,559.3)**
Adjusted EBITDA[1] before separately disclosed items	**320.5**	**219.3**	**122.5**	**(131.8)**	**(54.2)**	**476.3**
Depreciation and amortisation before separately disclosed items	**(63.4)**	**(13.7)**	**(32.8)**	**(31.8)**	**(2.9)**	**(144.6)**
Profit on disposal before separately disclosed items	**0.2**	**—**	**—**	**1.2**	**0.5**	**1.9**
Reportable segment profit / (loss) before separately disclosed items	**257.3**	**205.6**	**89.7**	**(162.4)**	**(56.6)**	**333.6**
Amortisation of acquisition-related intangible assets (Note 5)	**(135.7)**	**(11.4)**	**(130.1)**	**(8.9)**	**—**	**(286.1)**
Reportable segment profit / (loss) after amortisation of acquisition-related intangibles	**121.6**	**194.2**	**(40.4)**	**(171.3)**	**(56.6)**	**47.5**
Transaction fees and associated costs[2]						**(9.9)**
Restructuring and integration costs[2]						**(32.3)**
Operating profit						**5.3**

Reportable business segment information for the six months ended 30 June 2021:

	UK&I £m	Australia £m	International £m	US £m	Corporate £m	Total £m
Revenue from external customers	1,135.2	585.4	679.9	652.0	—	3,052.5
Cost of sales before separately disclosed items	(341.8)	(275.2)	(199.3)	(292.7)	—	(1,109.0)
Gross profit before separately disclosed items	793.4	310.2	480.6	359.3	—	1,943.5
Operating costs excluding depreciation and amortisation before separately disclosed items	(434.3)	(109.3)	(301.9)	(445.8)	(55.2)	(1,346.5)
Adjusted EBITDA[1]	359.1	200.9	178.7	(86.5)	(55.2)	597.0
Depreciation and amortisation before separately disclosed items	(62.6)	(13.1)	(25.1)	(21.9)	(2.3)	(125.0)
Reportable segment profit / (loss) before separately disclosed items	296.5	187.8	153.6	(108.4)	(57.5)	472.0
Greece Tax Expense	—	—	(12.9)	—	—	(12.9)
Amortisation of acquisition-related intangible assets (Note 5)	(112.8)	(10.6)	(138.8)	(13.3)	—	(275.5)
Reportable segment profit / (loss) after amortisation of acquisition-related intangibles and Greece tax expense	183.7	177.2	1.9	(121.7)	(57.5)	183.6
Restructuring and integration costs[2]						(21.7)
Operating profit						161.9

1 Adjusted EBITDA which is a non-GAAP measure in the above segment note is defined as profit for the six months before separately disclosed items, depreciation, amortisation, impairment, gain on disposal, financial income, financial expense and tax expense / credit. It is considered by the Directors to be a key measure of the Group's financial performance.

2 The Group does not allocate transaction fees and restructuring and integration costs to reportable segments.

4. Operating segments *(continued)*

Reconciliation of reportable segment information to Group totals:

	2022			2021		
	Before separately disclosed items	**Separately disclosed items**	**Total**	Before separately disclosed items	Separately disclosed items	Total
	£m	**£m**	**£m**	£m	£m	£m
Gross profit	**2,035.6**	**—**	**2,035.6**	1,943.5	(12.9)	1,930.6
Operating costs excluding depreciation, amortisation and gain on disposal	**(1,559.3)**	**(42.2)**	**(1,601.5)**	(1,346.5)	(21.7)	(1,368.2)
EBITDA[1]	**476.3**	**(42.2)**	**434.1**	597.0	(34.6)	562.4
Depreciation and amortisation	**(144.6)**	**(286.1)**	**(430.7)**	(125.0)	(275.5)	(400.5)
Gain on disposal	**1.9**	**—**	**1.9**	—	—	—
Operating profit	**333.6**	**(328.3)**	**5.3**	472.0	(310.1)	161.9
Net finance costs	**(56.7)**	**—**	**(56.7)**	(74.2)	(10.7)	(84.9)
Profit / (loss) before tax	**276.9**	**(328.3)**	**(51.4)**	397.8	(320.8)	77.0
Tax expense	**(100.3)**	**39.5**	**(60.8)**	(91.4)	(71.6)	(163.0)
Profit / (loss) for the period	**176.6**	**(288.8)**	**(112.2)**	306.4	(392.4)	(86.0)

1 EBITDA is defined as profit for the six months before depreciation, amortisation, impairment, gain on disposal, financial income, financial expense and tax expense / credit. It is considered by the Directors to be a key measure of the Group's financial performance.

See Note 5 for further detail on separately disclosed items.

Disaggregation of revenue under IFRS 15:

Group revenue disaggregated by product line for the six months ended 30 June 2022:

	UK&I	**Australia**	**International**	**US**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Sports revenue[1]	**629.7**	**612.1**	**106.4**	**770.1**	**2,118.3**
Gaming revenue[2]	**462.1**	**—**	**527.2**	**280.6**	**1,269.9**
Total Group revenue	**1,091.8**	**612.1**	**633.6**	**1,050.7**	**3,388.2**

Group revenue disaggregated by product line for the six months ended 30 June 2021:

	UK&I	Australia	International	US	Total
	£m	£m	£m	£m	£m
Sports revenue[1]	737.9	585.4	118.1	452.5	1,893.9
Gaming revenue[2]	397.3	—	561.8	199.5	1,158.6
Total Group revenue	1,135.2	585.4	679.9	652.0	3,052.5

1 Sports revenue comprises sportsbook, exchange sports betting, daily fantasy sports and pari-mutuel betting.

2 Gaming revenue includes Games, Poker, Casino, Rummy and Bingo.

Geographical information

Group revenue disaggregated by geographical market for the six months ended 30 June 2022:

	UK&I	**Australia**	**International**	**US**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
US	**—**	**—**	**—**	**1,054.4**	**1,054.4**
UK	**952.5**	**—**	**31.5**	**—**	**984.0**
Australia	**—**	**612.1**	**—**	**—**	**612.1**
Rest of World[1]	**1.6**	**—**	**318.5**	**(3.7)**	**316.4**
EU (excl. Ireland)[2]	**22.0**	**—**	**281.1**	**—**	**303.1**
Ireland	**115.7**	**—**	**2.5**	**—**	**118.2**
Total Group revenue	**1,091.8**	**612.1**	**633.6**	**1,050.7**	**3,388.2**

1 The Rest of World category includes multiple countries, that individually represent less than 2% of total Group revenue.

2 The EU (excl. Ireland) category includes multiple countries, that individually represent less than 4% of total Group revenue.

4. Operating segments *(continued)*

Group revenue disaggregated by geographical market for the six months ended 30 June 2021:

	UK&I £m	Australia £m	International £m	US £m	Total £m
US	—	—	—	652.0	652.0
UK	1,037.2	—	42.3	—	1,079.5
Australia	—	585.4	—	—	585.4
Rest of World[1]	7.1	—	265.3	—	272.4
EU (excl. Ireland)[2]	—	—	368.4	—	368.4
Ireland	90.9	—	3.9	—	94.8
Total Group revenue	1,135.2	585.4	679.9	652.0	3,052.5

1 The Rest of World category includes multiple countries that individually represent less than 2% of total Group revenue.

2 The EU (excl. Ireland) category includes multiple countries that individually represent less than 4% of total Group revenue.

Revenues are attributable to geographical location on the basis of the customers location.

5. Separately disclosed items

The separately disclosed items noted in Note 4 above are comprised as follows:

	2022 £m	2021 £m
Greece tax expense	**—**	(12.9)
Transaction fees and associated costs	**(9.9)**	—
Restructuring and integration costs	**(32.3)**	(21.7)
EBITDA	**(42.2)**	(34.6)
Amortisation of acquisition-related intangible assets	**(286.1)**	(275.5)
Operating loss impact of separately disclosed items	**(328.3)**	(310.1)
Financial expense	**—**	(10.7)
Loss before tax impact of separately disclosed items	**(328.3)**	(320.8)
Tax credit / (charge) on separately disclosed items	**39.5**	(71.6)
Total separately disclosed items	**(288.8)**	(392.4)
Attributable to:		
Equity holders of the Company	**(286.0)**	(389.5)
Non-controlling interest	**(2.8)**	(2.9)
	(288.8)	(392.4)

Amortisation of acquisition-related intangible assets

Amortisation of £286.1m has been incurred in the period (six months ended 30 June 2021: £275.5m) as a result of intangible assets separately identified under IFRS 3 as a result of the merger with Betfair in 2016, the acquisitions of FanDuel Limited in 2018 and Adjarabet in 2019, the Combination with TSG in 2020, the acquisitions of Junglee and Singular in 2021 and the acquisition of Tombola in 2022.

Transaction fees and associated costs

During the six months ended 30 June 2022, £9.9m of costs were incurred relating to various acquisitions and the FOX option (see Note 3). The costs were included as separately disclosed items as they have not been incurred in the ordinary course of business.

Restructuring and integration costs

During the six months ended 30 June 2022 costs of £32.3m (six months ended 30 June 2021: £21.7m) relating to incremental, one-off costs, were incurred by the Group as a result of significant restructuring and integration initiatives following the Combination with TSG.

5. Separately disclosed items *(continued)*

Greece tax expense

In 2019, the Group was issued with a Greek tax assessment for financial years 2012, 2013 and 2014, relating to paddypower.com's Greek interim licence. This assessment concluded that the Group is liable to pay €15.0m in taxes including penalties and interest. This is substantially higher (by multiples) than the total cumulative revenues ever generated by paddypower.com in Greece. Pending the outcome of its appeal, in 2019 the Group paid the total Greek tax assessment (including the penalties and interest) of €15.0m.

In June 2021, the Athens Administrative Court of Appeal dismissed the Group's judicial recourses. While the Group has further appealed to the Greek Supreme Administrative Court, based on the nature of the decision received and the points of law which can be appealed, and in line with legal and tax advice it has received, it decided to recognise the amount of the Greek assessment, of €15.0m (£12.9m) as an expense in profit or loss during the six months ended 30 June 2021.

The Group considered these cost as one-off costs and not as part of ongoing operations in the period.

Financial expense

During the six months ended 30 June 2022 there were no foreign exchange losses on financial instruments that required separate disclosure, (six months ended 30 June 2021: £10.7m)

Tax credit on separately disclosed items

The tax credit of £39.5m has arisen primarily in respect of a deferred tax credit of £36.2m in respect of the amortisation of acquisition-related intangibles and £3.3m in respect of the tax effect of other separately identifiable items.

6. Financial income and expense

Recognised in profit or loss

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
Financial income:		
On financial assets at amortised cost:		
Interest income	**0.7**	—
Total	**0.7**	—
Financial expense:		
Foreign exchange loss on financing instruments associated with financing activities (Note 5)	**0.2**	10.7
On financial liabilities at amortised cost:		
Interest on borrowings, bank guarantees and bank facilities	**48.5**	62.4
Interest on lease liabilities	**4.7**	3.9
Other interest	**4.0**	7.9
Total	**57.4**	84.9

Recognised in other comprehensive income / (loss):

	2022 £m	2021 £m
Recognised in other comprehensive income / (loss):		
Effective portion of changes in fair value of cash flow hedges	**269.7**	(156.0)
Fair value of cash flow hedges transferred to income statement	**(244.2)**	164.7
Net change in fair value of cash flow hedge reserve	**25.5**	8.7
Debt instruments at FVOCI	**(2.3)**	(0.6)
Foreign exchange loss on net investment hedges	**(41.0)**	(56.3)
Foreign exchange gain / (loss) on translation of the net assets of foreign currency denominated entities	**222.4**	(105.5)
Total	**204.6**	(153.7)

A charge of £1.0m was recorded in the income statement in respect of ineffective cash flow hedges in the six months ended 30 June 2022 (2021: charge of £3.4m).

7. Tax expense

Tax is accrued for the interim reporting period using Management's best estimate of the weighted average tax rate that is expected to be applicable to estimated total annual earnings which may be adjusted for any significant non-recurring events. This expected annual effective tax rate is applied to the taxable income of the interim period.

The Group's adjusted effective tax rate before separately disclosed items for the period was 36.2% (six months ended 30 June 2021: 22.9%), which compares to the standard Irish tax rate of 12.5%. A tax credit on separately disclosed items amounting to £39.5m was recorded during the six months ended 30 June 2022 (six months ended 30 June 2021: charge of £71.6m) (see Note 5).

The future effective tax rate of the Group will be principally affected by the ongoing OECD initiative in relation to Base Erosion and Profit Shifting. On 8 October 2021, 136 out of the 140 countries of the OECD Inclusive Framework on Base Erosion and Profit Shifting ('IF') have politically committed to fundamental changes to the international corporate tax system including the proposed introduction of a global minimum corporation tax rate of 15%. The proposed rules in relation to the operation of the global minimum corporation tax rate were published by the OECD in December 2021 followed by the publication of related commentary also published in March 2022. While consultation in relation to the rules and implementation issues remains ongoing, both at the OECD and individual region/country level, the implementation date has been delayed until 1 January 2024 at the earliest. We will continue to monitor developments closely, but it is likely that this will lead to an increase in the effective tax rate of the Group (as well as an increase in ongoing compliance obligations) from as early as 2024 onwards.

8. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. The weighted average number of shares has been adjusted for amounts held as treasury shares and amounts held by the Paddy Power Betfair plc Employee Benefit Trust ("EBT").

Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Adjusted EPS is determined by adjusting the profit attributable to ordinary shareholders for the impact of separately disclosed items.

The calculation of basic, diluted and adjusted EPS is as follows:

	2022	2021
Numerator in respect of basic and diluted earnings per share (£m):		
Loss attributable to equity holders of the Company	**(114.3)**	(88.6)
Numerator in respect of adjusted earnings per share (£m):		
Loss attributable to equity holders of the Company	**(114.3)**	(88.6)
Separately disclosed items (Note 5)	**286.0**	389.5
Profit for adjusted earnings per share calculation	**171.7**	300.9
Weighted average number of ordinary shares in issue during the period (in '000s)[1]	**176,658**	175,893
Basic earnings per share	**(£0.647)**	(£0.504)
Adjusted basic earnings per share	**£0.972**	£1.711
Adjustments to derive denominator in respect of diluted earnings per share (in '000s):		
Weighted average number of ordinary shares in issue during the period	**176,658**	175,893
Diluted earnings per share	**(£0.647)**	(£0.504)

1 Where any potential ordinary shares would have the effect of decreasing a loss per share, they have not been treated as dilutive. The number of options excluded from the diluted weighted average number of ordinary shares calculation due to their effect being anti-dilutive is 2,187,856 (2021: 2,939,416).

The average market value of the Company's shares of £94.53 (30 June 2021: £144.90) was used to calculate the dilutive effect of share options based on the market value for the period that the options were outstanding.

9. Goodwill

The following CGUs, being the lowest level of asset for which there are separately identifiable cash flows, have the following carrying amounts of goodwill:

	UK&I Online £m	UK Retail £m	Irish Retail £m	International £m	Australia £m	US £m	Total £m
Balance at 1 January 2022	**5,766.9**	**18.9**	**20.7**	**2,490.3**	**482.4**	**567.6**	**9,346.8**
Arising on acquisitions during the period (Note 10)	**208.7**	**—**	**—**	**—**	**—**	**—**	**208.7**
Foreign currency translation adjustment	**0.1**	**—**	**—**	**59.7**	**26.8**	**64.2**	**150.8**
Balance at 30 June 2022	**5,975.7**	**18.9**	**20.7**	**2,550.0**	**509.2**	**631.8**	**9,706.3**

The Group reviews the carrying value of goodwill for impairment annually (or more frequently if there are indications that the value of goodwill may be impaired) by comparing the carrying values of these CGUs with their recoverable amounts (being the higher of value in use and fair value less costs to sell).

The Group has reviewed the performance in the first half of 2022, in the UK&I Online, Retail, International, Australia and US CGUs and based on this and, in conjunction with the headroom that existed at 31 December 2021, is satisfied that no impairment has arisen during the six months ended 30 June 2022.

10. Business combinations and disposals

***Six months ended* 30 June 2022**

Acquisition of Tombola

On 10 January 2022, the Group completed the acquisition of a 100% stake in Tombola, the UK market's leading online bingo operator. Tombola is a successful bingo-led gaming company with an emphasis on providing a low staking bingo proposition to a highly engaged customer base. The purchase comprised of a cash payment of £409.9m.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Provisional fair values as at 10 January 2022 £m
Assets	
Property, plant and equipment	11.4
Intangible assets	249.0
Total non-current assets	**260.4**
Trade and other receivables	25.3
Cash and cash equivalents	14.7
Total current assets	**40.0**
Total assets	**300.4**
Liabilities	
Trade and other payables	42.4
Total current liabilities	**42.4**
Deferred tax liabilities	56.8
Total non-current liabilities	**56.8**
Total liabilities	**99.2**
Net assets acquired	**201.2**
Goodwill	208.7
Consideration	**409.9**
The consideration is analysed as:	
Consideration satisfied by cash	409.9
Consideration	**409.9**

Included within the intangible assets were £249.0m of separately identifiable intangibles comprising brand, customer relations and technology acquired as part of the acquisition, with the additional effect of a deferred tax liability of £56.8m thereon. These intangible assets are being amortised over their useful economic lives of up to 20 years. The book value equated to the fair value on the remaining assets as all amounts are expected to be received.

10. Business combinations and disposals *(continued)*

The main factors leading to the recognition of goodwill (none of which is deductible for tax purposes) are the expansion of the Group's position in online bingo and the addition of further product capabilities and expertise to leverage across the business. The goodwill has been allocated to the existing UK&I Online CGU.

Since the date of acquisition to 30 June 2022, Tombola has contributed revenue of £85.3m and £2.1m of profit after tax to the results of the Group. There is no significant difference between these amounts and the amounts if the acquisition had occurred on 1 January 2022.

The acquisition accounting remains provisional for one year from the acquisition date and may change if new information is obtained relating to conditions that existed at the acquisition date.

Six months ended 30 June 2021

Acquisition of Junglee Games

On 28 January 2021, the Group completed the acquisition of an initial 50.1% stake in Junglee Games ("Junglee"), an Indian online rummy operator, for US$67.3m (£49.3m), with US$63.5m (£46.5m) paid in cash and the remainder recorded as deferred consideration and paid subsequently in 2021. On the same date the Group entered into call and put options which would enable the Group to acquire an additional 7.2% stake in Junglee in exchange for cash consideration. In June 2021, these options were exercised and the Group acquired the additional 7.2% stake in Junglee in exchange for cash consideration of US$7.5m (£5.5m) with US$7.0m (£5.1m) paid in cash and the remainder recorded as deferred consideration and paid subsequently in 2021. This has been accounted under the anticipated acquisition method, with the combined 57.3% recognised as acquired from 28 January 2021.

Junglee is a top three player in the legal Indian online rummy market. The Group sees good potential to further develop Junglee's product offering, including its recently launched daily fantasy sports product, leveraging the Group's capabilities in this area. The Group has put in place arrangements, consisting of call and put options that could see its ownership in the business increase to 100% in 2025. The call and put options consideration can be settled, at the Group's election, in cash or shares. As a consequence of both the call and put options being only exercisable at fair value being the future EBITDA and revenue multiple, which are considered to be two key inputs into valuing the option, it was determined that the fair value of the call and put options was not material and was close to nominal value.

Included within the intangible assets were £42.9m of separately identifiable intangibles comprising brand, technology and customer relations acquired as part of the acquisition, with the additional effect of a deferred tax liability of £10.8m thereon. These intangible assets are being amortised over their useful economic lives of up to 10 years. The book value equated to the fair value on the remaining assets and liabilities as all amounts are expected to be received.

The main factors leading to the recognition of goodwill (none of which is deductible for tax purposes) is growth by combining the Group's significant operating experience in other markets with the local market knowledge and skills of the management team in Junglee, driving revenue synergies over time. The goodwill has been allocated to the existing International CGU and it has been deemed that a separate CGU is not appropriate.

10. Business combinations and disposals *(continued)*

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Fair values as at 28 January 2021 £m
Assets	
Property, plant and equipment	0.2
Intangible assets	42.9
Total non-current assets	**43.1**
Trade and other receivables	3.8
Cash and cash equivalents	17.7
Total current assets	**21.5**
Total assets	**64.6**
Liabilities	
Trade and other payables	13.1
Total current liabilities	**13.1**
Deferred tax liabilities	10.8
Total non-current liabilities	**10.8**
Total liabilities	**23.9**
Net assets acquired	**40.7**
Goodwill	31.2
Non-controlling interest measured at the proportionate interest method	(17.1)
Consideration	**54.8**
The consideration is analysed as:	
Consideration satisfied by cash	46.5
Put option satisfied by cash	5.1
Deferred consideration	2.8
Put option deferred consideration	0.4
Consideration	**54.8**

Cash (outflows) / inflows from business combinations:

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
Cash consideration paid for acquisitions in the period	**(409.9)**	(46.5)
Cash consideration paid for put option exercised in the period	**—**	(5.1)
Cash acquired from acquisitions in the period	**14.7**	17.8
Cash consideration – acquisitions in previous periods	**(15.3)**	(19.0)
As presented in the statement of cash flows:		
Purchase of businesses net of cash acquired	**(395.2)**	(33.7)
Payment of contingent deferred consideration	**(15.3)**	(19.0)

During the period the Group settled in cash, deferred consideration liabilities of £15.3m in relation to Betfair’s historical acquisition of HRTV, a horseracing television network based in the US. No further payments are due in respect of this acquisition.

11. Investments and trade and other receivables

Non-current assets

	30 June 2022 £m	31 December 2021 £m
Investments – FVTPL	**6.0**	5.5

Investments relate to a small number of individually immaterial equity investments in various companies.

	30 June 2022 £m	31 December 2021 £m
Other receivables		
Other receivables	**11.4**	11.8
Prepayments	**12.7**	13.8
Value-added tax and goods and services tax	**1.1**	—
Deferred financing costs on Revolving Credit Facility (see Note 14)	**3.1**	3.7
Total	**28.3**	29.3

Other receivables

Other receivables are comprised primarily of deposits for licences and property.

Deferred financing costs on Revolving Credit Facility

In May 2020, the Group entered into a new Revolving Credit Facility agreement as part of its financing agreements. The Group incurred £5.3m of transaction costs and fees relating to the Revolving Credit Facility, which have been capitalised and included within non-current receivables, net of accretion of £3.1m (2021: £3.7m), on the Consolidated Statement of Financial Position and are recorded as financial expense over the term of the Revolving Credit Facility agreement using the effective interest rate method. As at 30 June 2022, £190.0m was drawn under the Revolving Credit Facility (31 December 2021: nil).

Current assets

	30 June 2022 £m	31 December 2021 £m
Trade and other receivables		
Trade receivables	**42.7**	39.5
Other receivables	**35.5**	34.4
Value-added tax and goods and services tax	**2.3**	5.1
Prepayments	**170.0**	124.9
Total	**250.5**	203.9

12. Trade and other payables

Current liabilities

	30 June 2022 £m	31 December 2021 £m
Trade and other payables		
Trade payables	**104.1**	74.2
PAYE and social security	**21.5**	19.7
Value-added tax, goods and services tax, betting duties, data rights, and product and racefield fees	**239.4**	220.7
Employee benefits	**113.1**	156.1
Contingent deferred consideration - business combinations	**5.9**	21.0
Deferred consideration - business combinations	**204.1**	—
Accruals and other liabilities	**628.9**	604.7
Total	**1,317.0**	1,096.4

12. Trade and other payables *(continued)*

Non-current liabilities

	30 June 2022 £m	31 December 2021 £m
Trade and other payables		
Employee benefits	**1.9**	2.1
Contingent deferred consideration - business combinations	**17.3**	16.9
Accruals and other payables	**2.7**	0.8
Total	**21.9**	19.8

Contingent deferred consideration – business combinations

The Group's contingent deferred consideration liabilities amounted to £23.2m at 30 June 2022 (31 December 2021: £37.9m) and relate to the following:

- £5.2m (31 December 2021: £4.7m) deferred consideration in respect of Diamond Game Enterprises, assumed as part of the Combination with TSG; and
- £18.0m (31 December 2021: £17.8m) relating to the acquisition of Singular in 2021.

Deferred consideration – business combinations

On 1 July 2022, the Group completed the acquisition of the remaining 49% outstanding shares of Adjarabet for a cash payment of €238.0m (£204.1m). This acquisition brings the Group's holding in Adjarabet to 100% up from the previous controlling interest of 51%.

As outlined in previous financial statements, as part of the acquisition of Adjarabet in 2019, a mechanism was agreed, consisting of call and put options, which enabled the Group to acquire the remaining 49% after three years at a valuation equivalent to seven times the 2021 EBITDA. The call/put option consideration can be settled, at the Group's election, in cash or shares. As a consequence of both the put and call options being only exercisable at fair value being the future EBITDA and earnings multiple which are considered to be two key inputs into valuing the option, it was determined that the fair value was not material and was close to nominal value. During the six months ended 30 June 2022, the non-controlling interest elected to exercise the put option and the Group entered into an arrangement with the seller to acquire the remaining shares for a cash payment of €238.0m in line with the terms of the original agreement. Upon the signing of this agreement on 20 June 2022, the Group recognised a liability of €238.0m (£204.1m). This liability has been recorded as a current liability as at 30 June 2022.

Amounts held in Trust

As at 30 June 2022, £348.6m (31 December 2021: £355.6m) was held in trust in The Sporting Exchange (Clients) Limited on behalf of the Group's customers and is equal to the amounts deposited into customer accounts. Neither cash and cash equivalents or restricted cash include these balances on the basis that they are held on trust for customers and do not belong to and are not at the disposal of the Group.

13. Provisions

Provisions balances at 30 June 2022 and 31 December 2021 and movements during the six months ended 30 June 2022 are outlined below:

	Employee benefits (long service leave) £m	Onerous contracts £m	Gaming tax £m	Other legal £m	Other £m	Total £m
Balance at 31 December 2021	**3.5**	**13.7**	**22.4**	**72.0**	**7.5**	**119.1**
Additional provisions recognised	**0.5**	**(0.1)**	**2.9**	**—**	**—**	**3.3**
Amounts used during the year	**(0.4)**	**(3.0)**	**(3.3)**	**(1.4)**	**(1.0)**	**(9.1)**
Foreign currency translation	**0.2**	**1.2**	**1.1**	**5.3**	**0.3**	**8.1**
Balance at 30 June 2022	**3.8**	**11.8**	**23.1**	**75.9**	**6.8**	**121.4**
Presented in:						
Balance at 31 December 2021:						
Current	2.2	6.6	22.4	34.5	5.6	71.3
Non-current	1.3	7.1	—	37.5	1.9	47.8
Total	3.5	13.7	22.4	72.0	7.5	119.1
Balance at 30 June 2022:						
Current	**2.5**	**6.9**	**23.1**	**34.5**	**4.9**	**71.9**
Non-current	**1.3**	**4.9**	**—**	**41.4**	**1.9**	**49.5**
Total	**3.8**	**11.8**	**23.1**	**75.9**	**6.8**	**121.4**

13. Provisions *(continued)*

Employee benefits (long service leave)

The timing and amount of long service leave cash outflows are primarily dependent on when staff employed at the reporting date avail of their entitlement to leave and their expected salaries at that time. As of 30 June 2022 and 31 December 2021, it was expected that cash outflows would occur primarily within the following five years.

Onerous contracts

The onerous contracts provision at 30 June 2022 relates to various marketing and minimum guarantee contracts where the cost of fulfilling these contracts exceeds the expected economic benefits to be received from them.

Gaming tax

These are gaming tax provisions relating to amounts provided for taxes in certain jurisdictions where the interpretation of tax legislation is uncertain. When the Group disagrees with the application of unclear tax legislation, for example when it is applied retrospectively and / or results in a one-off disproportionate tax equivalent to many times the profit derived by the Group from its historic activities in that jurisdiction, the Group continues to challenge these interpretations.

Whilst the maximum potential obligation for all ongoing cases could be greater than the recognised provision, and the outcomes may not be known for some time, a liability has been recorded for the Directors' best estimate of the cash outflows that will ultimately be required in respect of each claim. Management has not provided a sensitivity for this provision as the range is not considered to be material. Management notes this is a key estimate; however, it is not a key judgement that will have a material impact in the coming year.

Other legal

Other legal provisions generally consist of payments for various future legal settlements where, based on all available information, management believes it is probable that there will be a future outflow.

These provisions comprise a number of different legal cases, the majority of which are immaterial. The most significant relates to the foreign payments contingent liabilities outlined in more detail in Note 18. Further disclosure in respect of these provisions has not been provided as such information would be expected to be prejudicial to the Group's position in such matters.

Whilst the maximum potential obligation for all ongoing cases could be greater than the recognised provision, and the outcomes may not be known for some time, a liability has been recorded for the Directors' best estimate of the cash outflows that will ultimately be required in respect of each claim. Management has not provided a sensitivity for this provision as the range is not considered to be material. Management notes this is a key estimate; however, it is not a key judgement that will have a material impact in the coming year.

Other

Other provisions primarily comprise a number of different regulatory provisions.

14. Borrowings

The following is a summary of borrowings, including accrued interest, outstanding as at 30 June 2022 and 31 December 2021:

	30 June 2022			31 December 2021	
	Contractual interest rate	**Principal outstanding balance in currency of borrowing**	**Carrying amount (including accrued interest)[1]**	Principal outstanding balance in currency of borrowing	Carrying amount (including accrued interest)
	%	**Local currency (m)**	**£m**	Local currency (m)	£m
GBP First Lien Term Loan A	**2.80**	**£1,017.9**	**1,010.7**	£1,017.9	1,009.6
USD First Lien Term Loan B	**3.30**	**$2,916.3**	**2,375.1**	$2,931.0	2,142.6
EUR First Lien Term Loan B	**2.50**	**€507.2**	**430.3**	€507.2	419.6
GBP Revolving Credit Facility	**2.80**	**£190.0**	**190.0**	£—	—
Total borrowings			**4,006.1**		3,571.8
Presented in:					
Current portion			**24.2**		22.1
Non-current portion			**3,981.9**		3,549.7
Total borrowings			**4,006.1**		3,571.8

1 The carrying amounts at 30 June 2022 includes accrued interest of nil (31 December 2021: £0.4m) presented within the current portion of borrowings above.

14. Borrowings *(continued)*

During the six months ended 30 June 2022, the Group incurred the following interest on its then outstanding borrowings:

	Effective interest rate[1]	Interest[2]	Interest accretion	Total interest
	%	£m	£m	£m
GBP First Lien Term Loan A	3.10	11.9	1.5	13.4
USD First Lien Term Loan B	3.60	32.7	2.7	35.4
EUR First Lien Term Loan B	2.90	5.4	0.7	6.1
GBP Revolving Credit Facility	3.10	0.2	—	0.2
Total		**50.2**	**4.9**	**55.1**

1 The effective interest rate calculation excludes the impact of the Swap Agreements (as defined below).

2 In addition to the amount included above, the Group incurred £1.5m of interest expense relating to commitment, utilisation, and fronting fees associated with its Revolving Credit Facility.

The Group's change in borrowings during the six months ended 30 June 2022 was as follows:

	Balance at 1 Jan 2022	New debt	Principal payments	Interest accretion[2]	FX translation	Balance at 30 Jun 2022
	£m	£m	£m	£m	£m	£m
GBP First Lien Term Loan A	1,009.2	—	—	1.5	—	1,010.7
USD First Lien Term Loan B	2,142.6	—	(11.6)	2.7	241.4	2,375.1
EUR First Lien Term Loan B	419.6	—	—	0.7	10.0	430.3
GBP Revolving Credit Facility	—	275.0	(85.0)	—	—	190.0
Total	3,571.4	275.0	(96.6)	4.9	251.4	4,006.1
Accrued interest	0.4					—
Total borrowings	**3,571.8**					**4,006.1**

[1] Adjustments to amortised costs include transaction costs and fees incurred in respect of the refinancing and additional debt drawdown noted below.

[2] Interest accretion represents interest expense calculated at the effective interest rate less interest expense calculated at the contractual interest rate and is recorded in financial expenses in the consolidated income statement.

Revolving Credit Facility and First Lien Term Loans

Each of the Group's facilities are discussed below.

TLA Agreement - GBP First Lien Term Loan A

In May 2020, the Group, Flutter Entertainment Plc, PPB Financing Unlimited Company and PPB Treasury Unlimited Company as borrowers, entered into a Term Loan A and Revolving Credit Facility Agreement (the "TLA Agreement") comprising a term loan and revolving credit facility totalling £1.4bn. In December 2021, an additional lender was added to the facility increasing the overall TLA Agreement by £100m bringing the total to £1.5bn. Subsequently in December 2021, the Group completed an additional drawdown of £68m under the TLA agreement and its existing terms. The TLA Agreement described above provides a term loan facility in an aggregate amount of £1,017.9m (2021: £1,017.9m) priced at SONIA plus CSA plus a margin of 1.75% (the "GBP First Lien Term Loan A"), with a maturity date of 5 May 2025 and a SONIA floor of 0%. On 5 March 2021, the UK's Financial Conduct Authority ("FCA") formally announced the cessation of all GBP London Interbank Offered Rate ("LIBOR") benchmark settings currently published by ICE Benchmark Administration ("IBA") immediately after 31 December 2021. In response, the Company entered into agreements with its lenders that amended the benchmark rate referenced in the Term Loan A agreement from GBP LIBOR to SONIA for interest periods commencing on or after January 2022. There is no amortisation on the GBP First Lien Term Loan A and the principal is due at maturity. The Group incurred £11.9m of initial transaction costs and fees on drawdown which have been capitalised against the principal of the debt and are recorded as financial expense over the term of the debt using the effective interest rate method.

14. Borrowings *(continued)*

TLA Agreement – Revolving Credit Facility

The TLA Agreement described above provides a multi-currency revolving credit facility in an aggregate amount of £482.0m (2021: £482.0m) (the "Revolving Credit Facility"). Maturing on 5 May 2025, the Revolving Credit Facility includes a margin of 1.75% over SONIA for borrowings with a 0% interest rate floor as well as a utilisation fee ranging from 0.1% to 0.4% based on the proportion of drawings to the total commitment. The commitment fee on the Revolving Credit Facility is 35% of the margin and is payable in respect of available but undrawn borrowings. The Revolving Credit Facility is available for general corporate purposes including the refinancing of existing borrowings. The Group incurred £5.3m of transaction costs and fees in 2020 which have been capitalised and are recorded as financial expense over the life of the facility using the straight-line method. These capitalised costs have been included within non-current receivables on the consolidated statement of financial position. During the six month period ending 30 June 2022 the Group has drawn down £275.0m of its facility and repaid £85.0m leaving an outstanding principal of £190.0m (2021:nil). The Group has an undrawn capacity of £277m (2021: £467m) on the Revolving Credit Facility with £15m (2021: £15m) of capacity reserved for the issuance of Group guarantees as of 30 June 2022.

The terms of the TLA Agreement limit the Group's 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, and (vii) modify the terms of certain debt or organisational documents, in each case subject to certain permitted exceptions. During the six months ended 30 June 2022, the Group is in compliance with all covenants related to its First Lien Term Loan A.

First Lien Term Loan B's

The Group holds USD term loans with an outstanding principal balance of $2,916.3m (2021: $2,931.0m) priced at USD-LIBOR plus 2.25% (2021: 2.25%) (the "USD First Lien Term Loan B") and an EUR first lien term loan with an outstanding principal balance of €507.2m (2021: €507.2m) priced at EURIBOR plus 2.5% (2021: 2.5%) (the "EUR First Lien Term Loan B" and, together with the USD First Lien Term Loan, the "First Lien Term Loan B"), each with a maturity date of 21 July 2026 and a LIBOR and EURIBOR floor, as applicable, of 0%. The USD First Lien Term Loan B requires scheduled quarterly principal payments in amounts equal to 0.25% of the initial aggregate principal amount of the USD First Lien Term Loan B of $2,938m (2021: $2,938m), with the balance due at maturity. There is no amortisation on the EUR First Lien Term Loan B and the principal is due at maturity.

The First Lien Term Loan B's are governed by the "Syndicated Facility Agreement". The Syndicated Facility Agreement limits Stars Group Holdings B.V. and Flutter Financing B.V, as borrowers, 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 permitted exceptions. The agreement also provides for customary mandatory prepayments, including a customary excess cash flow sweep if certain conditions are met. During the six months ended 30 June 2022, the Group is in compliance with all covenants related to its First Lien Term Loan B's.

Reconciliation to Statement of Cash Flows:

Reconciliation of movements in borrowings to the Statement of Cash Flows:

	2022 £m	2021 £m
Financing activities:		
Proceeds from borrowings	**275.0**	—
Repayment of borrowings	**(96.6)**	(12.9)
Interest paid	**(46.8)**	(70.0)

15. Derivatives

Derivatives and hedge accounting

The Group uses derivative financial instruments for risk management and risk mitigation purposes. As such, any change in cash flows associated with derivative instruments are expected to be offset by changes in cash flows related to the hedged item. The Group's derivatives are discussed below.

Swap agreements

The Group has executed cross-currency interest rate swaps which swap the profile of the USD First Lien Term Loan B in its entirety into EUR and GBP. In 2021 as part of the refinance, the Group amended the terms of the existing trades to reflect the repriced TLB USD and executed new cross-currency interest rate swaps on the additional drawn-down debt in line with the hedging policy to cover exposure to foreign currencies. From an accounting and risk management perspective, these hedging instruments consist of: (i) USD-EUR amortising cross-currency interest rate swap agreements (the "EUR Cross-Currency Interest Rate Swaps") with a remaining notional amount of €1,481m (31 December 2021: €1,488m), which fix the USD to EUR exchange rate at 1.173 and fix the euro interest payments at an average interest rate of 1.7% (31 December 2021: 1.7%) and (ii) USD-GBP amortising cross-currency interest rate swap agreements (the "GBP Cross-Currency Interest Rate Swaps") with a remaining notional amount of £890m (31 December 2021: £895m), which fix the EUR to GBP exchange rate at 0.889 and fix the GBP interest payments at an average interest rate of 2.5% (31 December 2021: 2.5%). The EUR Cross-Currency Interest Rate Swaps and GBP Cross-Currency Interest Rate Swaps are in hedging relationships with and have a profile that amortises in line with the USD First Lien Term Loan B. The EUR Cross-Currency Interest Rate Swaps and GBP Cross-Currency Interest Rate Swaps have a maturity date of July 2023.

Sports betting open positions

Amounts received from customers on sportsbook events that have not occurred by the balance sheet date are derivative financial instruments and have been designated by the Group on initial recognition as financial liabilities at fair value through profit or loss.

The fair value of open sports bets at 30 June 2022 and 31 December 2021 has been calculated using the latest available prices on relevant sporting events. The carrying amount of the liabilities is not significantly different from the amount that the Group is expected to pay out at maturity of the financial instruments. Sports bets are non-interest bearing. There is no interest rate or credit risk associated with open sports bets.

It is primarily based on expectations as to the results of sporting and other events on which bets are placed. Changes in those expectations and ultimately the actual results when the events occur will result in changes in fair value.

There are no reasonably probable changes to assumptions and inputs that would lead to material changes in the fair value methodology, although final value will be determined by future sporting results.

The following table summarises the fair value of derivatives as at 30 June 2022 and 31 December 2021:

	30 June 2022		31 December 2021	
	Assets	**Liabilities**	Assets	Liabilities
	£m	**£m**	£m	£m
Derivatives held for hedging				
Derivatives designated as cash flow hedges:				
Cross-currency interest rate swaps – non-current	**260.0**	**—**	31.7	(54.6)
Total derivatives designated as cash flow hedges	**260.0**	**—**	31.7	(54.6)
Derivatives designated as net investment hedges:				
Cross-currency interest rate swaps - non-current	**15.5**	**(16.0)**	36.3	—
Total derivatives designated as net investment hedges	**15.5**	**(16.0)**	36.3	—
Total derivatives held for hedging	**275.5**	**(16.0)**	68.0	(54.6)
Derivatives held for risk management and other purposes not designated as hedges				
Sports betting open positions - current	**—**	**(50.1)**	—	(74.0)
Sports betting open positions – non-current	**—**	**(0.5)**	—	(0.5)
Total derivatives held for risk management and other purposes not designated as hedges	**—**	**(50.6)**	—	(74.5)

16. Share capital and reserves

Share capital

Transactions during the six months ended 30 June 2022:

- A total of 192,342 ordinary shares were issued as a result of the exercise of employee share options, giving rise to share capital and share premium of £3.1m;

Transactions during the six months ended 30 June 2021:

- A total of 262,910 ordinary shares were issued as a result of the exercise of employee share options, giving rise to share capital and share premium of £8.0m;

Equity reserves

Equity reserves at 30 June 2022 include the following classes of reserves:

Shares held by Employee Benefit Trust

At 30 June 2022, the Paddy Power Betfair plc Employee Benefit Trust ("EBT") held 33,158 (31 December 2021: 33,158) of the Company's own shares, which were acquired at a total cumulative cost of £4.0m (31 December 2021: £4.0m) in respect of potential future awards relating to the Group's employee share plans.

Cash flow hedge reserve

The cash flow hedge reserve represents the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that had not yet occurred at that date.

Foreign exchange translation reserve

The foreign exchange translation reserve at 30 June 2022 amounted to a debit balance of £16.9m (31 December 2021: debit balance of £194.2m) and arose from the retranslation of the Group's net investment in primarily EUR, AUD and USD functional currency companies. The movement in the foreign exchange translation reserve for the six month period ended 30 June 2022, reflects mainly the strengthening of EUR and USD against GBP in the period.

Other reserves

Other reserves comprise undenominated capital. Undenominated capital at 30 June 2022 of £2.5m (31 December 2021 of £2.5m) relates to the nominal value of shares in the Company acquired by the Company of £2.3m (31 December 2021: £2.3m) and subsequently cancelled, and an amount of £0.2m (31 December 2021: £0.2m) which arose on the redenomination of the ordinary share capital of the Company at the time of conversion from Irish pounds to Euro.

Share-based payment reserve

During the six months ended 30 June 2022, an amount of £50.1m was expensed in the Consolidated Income Statement with respect to share based payments (six month period ended 30 June 2021: £36.6m) and an amount of £11.7m (six month period ended 30 June 2021: £16.4m) in respect of share options exercised during the period was transferred from the share-based payment reserve to retained earnings.

An amount of £0.8m of deferred tax relating primarily to the Group's share-based payments was credited to retained earnings in the six months ended 30 June 2022 (six month period ended 30 June 2021: credit of £0.5m). An amount of £0.2m of current tax relating to the Group's share-based payments was credited to retained earnings in six months ended 30 June 2022 (six month period ended 30 June 2021: credit of £0.6m).

Non-controlling interest

During the six month period ended 30 June 2022 the Group paid dividends totalling £5.4m to the non-controlling interest in Adjarabet (six months ended 30 June 2021: £5.1m).

As outlined in more detail in Note 12, as a result of the exercise of the put option held by the Adjarabet non-controlling interest and the agreement to settle in cash for €238.0m (£204m), an amount of £34.2m was recorded in non-controlling interest with the remaining amount of £169.8m booked to retained earnings.

17. Fair values

Financial instruments carried at fair value

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation method used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

17. Fair values *(continued)*

	30 June 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
	£m	**£m**	**£m**	**£m**
Bonds – FVOCI	**60.6**	**28.4**	**—**	**89.0**
Investments – FVTPL	**—**	**—**	**6.0**	**6.0**
Derivatives	**—**	**275.5**	**—**	**275.5**
Total financial assets	**60.6**	**303.9**	**6.0**	**370.5**
Derivative financial liabilities	**—**	**(16.0)**	**(50.6)**	**(66.6)**
Non-derivative financial liabilities	**(204.1)**	**—**	**(23.2)**	**(227.3)**
Total financial liabilities	**(204.1)**	**(16.0)**	**(73.8)**	**(293.9)**

	31 December 2021			
	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Bonds – FVOCI	58.2	24.8	—	83.0
Investments – FVTPL	—	—	5.5	5.5
Derivatives	—	68.0	—	68.0
Total financial assets	58.2	92.8	5.5	156.5
Derivative financial liabilities	—	(54.6)	(74.5)	(129.1)
Non-derivative financial liabilities	—	—	(37.9)	(37.9)
Total financial liabilities	**—**	(54.6)	(112.4)	(167.0)

As part of its periodic review of fair values, the Group recognises transfers, if any, between levels of the fair value hierarchy at the end of the reporting period during which the transfer occurred. There were no transfers between levels of the fair value hierarchy during the periods ended 30 June 2022 or 31 December 2021.

Valuation of Level 2 financial instruments

Bonds - FVOCI

The Group has determined that the carrying value of the bonds approximates their fair value which is determined by using observable quoted prices or observable input parameters derived from comparable bonds/markets. Although the Group has determined that a number of the bonds fall within Level 1 of the fair value hierarchy, there are a class of bonds which have been classified as Level 2 due to the existence of relatively inactive trading markets for those bonds.

Derivative financial instruments

Swap agreements

The Group uses derivative financial instruments to manage its interest rate and foreign currency risk. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis of the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, such as yield curves, spot and forward FX rates.

To comply with the provisions of IFRS 13*, Fair Value Measurement*, the Group incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the applicable counterparty's non-performance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of non-performance risk, the Group has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees.

Although the Group has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilise Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. At both 30 June 2022 and 31 December 2021, the Group assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions, determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Group determined that its valuations of its derivatives in their entirety are classified in Level 2 of the fair value hierarchy.

Level 3 fair values

Derivatives (Level 3)

Some of the Group's financial assets and liabilities are classified as Level 3 of the fair value hierarchy because the respective fair value determinations use inputs that are not based on observable market data. As at 30 June 2022, the valuation techniques and key inputs used by the Group for each Level 3 asset or liability were as follows:

17. Fair values *(continued)*

Sports betting open positions (Level 3)

Derivative financial liabilities comprise sports betting open positions. The fair value of open sports bets at the period end has been calculated using the latest available prices on relevant sporting events. Changes in the fair value of the unsettled bets are recorded in revenue in the consolidated income statement.

It is primarily based on expectations as to the results of sporting and other events on which bets are placed. Changes in those expectations and ultimately the actual results when the events occur will result in changes in fair value.

There are no reasonably probable changes to assumptions and inputs that would lead to material changes in the fair value methodology although final value will be determined by future sporting results.

Non-derivative financial instruments (Level 3)

Investments

The Group valued its equity investments in private companies with reference to earnings measures from similar businesses in the same or similar industry and adjusts for any significant changes in the earnings multiple and the valuation. A reasonable change in assumptions would not have a material impact on fair value. Changes in the fair value of equity in private companies are recorded in financial income or financial expense in the consolidated income statement.

Contingent deferred consideration (Level 3)

Non-derivative financial liabilities include contingent consideration. The contingent consideration payable is primarily determined with reference to forecast performance for the acquired businesses during the relevant time periods and the amounts to be paid in such scenarios. The fair value was estimated by assigning probabilities to the potential payout scenarios. The significant unobservable inputs are forecast performance for the acquired businesses.

The fair value of contingent consideration is primarily dependent on forecast performance for the acquired businesses in excess of a predetermined base target. An increase and decrease of 10% in the excess over the predetermined base target during the relevant time periods would increase and decrease the value of contingent consideration at 30 June 2022 by £1.1m and £1.9m respectively (31 December 2021: £1.2m and £2.2m).

FOX Corporation

As announced on 2 October 2019, in order to achieve economic alignment of Flutter's and TSG's strategic third party relationships across their respective US businesses, the Group entered into an arrangement with FOX, pursuant to which FSG Services, a wholly-owned subsidiary of FOX, had an option to acquire an 18.6% equity interest in FanDuel Group at its fair market value in July 2021. As a consequence of there being no increase in the market value of FanDuel since the valuation date of the option, it is determined that the value of the option is not material and has close to nominal value at 30 June 2022.

Non-controlling interest agreements

Adjarabet (Level 1)

As part of the acquisition of Adjarabet in 2019, a mechanism was agreed, consisting of call and put options, which enables the Group to acquire the remaining 49% after three years at a valuation equivalent to seven times the 2021 EBITDA. The call/put option consideration can be settled, at the Group's election, in cash or shares. During the six months ended 30 June 2022, the non-controlling interest elected to exercise the put option and the Group entered into an arrangement with the seller to acquire the remaining shares for a cash payment of €238.0m in line with the terms of the original agreement. Upon the signing of this agreement on 20 June 2022, the Group recognised a liability of €238.0m (£204.1m). This liability has been recorded as a current liability as at 30 June 2022.

Boyd

A mechanism has been agreed with Boyd who hold a non-controlling interest in FanDuel Group, consisting of call and put options, which enables the Group to acquire the remaining 5% at prevailing market valuations in 2028. The call/put option consideration can be settled, at the Group's election, in cash or shares. As a consequence of both the put and call options being only exercisable at fair value based on the market value of FanDuel at the date of exercise of the options, it was determined that the fair value was not material and was close to nominal value.

As announced on 2 October 2019, in order to achieve economic alignment of Flutter's and TSG's strategic third-party relationships across their respective US businesses, the Group entered into arrangements conditional on completion of the Combination with Boyd pursuant to which Boyd would receive a total payment of the 1.5% of the increase in Fox Bet's market value between completion of the Combination and July 2023 (subject to a carrying value adjustment). Any payment due to Boyd in respect of this is not expected to be significant.

On 22 October 2021, FanDuel Group Parent LLC ("FanDuel") and Boyd Interactive Holdings LLC ("Boyd") entered into an arrangement where Boyd contributed 91,828 Investor Units equivalent to 0.5% of FanDuel's total Investor Units in exchange for 91,828 warrants to acquire Investor Units of FanDuel. The aggregate exercise price of the warrants is $1.00 and are exercisable at any time within the next 10 years. If the warrants remain outstanding after 10 years, they will be automatically converted into the number of Investor Units for which such warrants are exercisable. As this transaction involves the exchange of one form of fixed equity instrument for another fixed instrument with a non-controlling interest for no additional consideration, no further accounting is required.

17. Fair values *(continued)*

Junglee

As part of the acquisition of Junglee, the Group has put in place arrangements, consisting of call and put options, that could see its ownership in the business increase to 100% in 2025. The call/put option consideration can be settled, at the Group's election, in cash or shares. As a consequence of both the put and call options being only exercisable at fair value being the future EBITDA and revenue multiple which are considered to be two key inputs into valuing the option, it was determined that the fair value was not material and was close to nominal value.

18. Commitments and contingencies

Guarantees

The Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group. The Company considers these to be insurance arrangements and accounts for them as such. The Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

The Group has uncommitted working capital overdraft facilities of £16.2m (31 December 2021: £16.2m) with Allied Irish Banks p.l.c. These facilities are secured by a Letter of Guarantee from Flutter Entertainment plc.

The Group has bank guarantees: (i) in favour of certain gaming regulatory authorities to guarantee the payment of player funds, player prizes, and certain taxes and fees due by a number of Group companies; and (ii) in respect of certain third-party rental and other property commitments, merchant facilities and third party letter of credit facilities. The maximum amount of the guarantees at 30 June 2022 was £32.8m (31 December 2021: £44.4m). No claims had been made against the guarantees as of 30 June 2022 (31 December 2021: £Nil). The guarantees are secured by counter indemnities from Flutter Entertainment plc and certain of its subsidiary companies. The value of cash deposits over which the guaranteeing banks hold security was £11.3m at 30 June 2022 (31 December 2021: £17.5m).

As mentioned in Note 14, borrowings under the TLA Agreement and Syndicated Facility Agreement are guaranteed by the Company and certain of its operating subsidiaries.

Contingent liabilities

The Group operates in an uncertain marketplace where many governments are either introducing or contemplating new regulatory or fiscal arrangements.

The Board monitors legal and regulatory developments and their potential impact on the business, however, given the lack of a harmonised regulatory environment, the value and timing of any obligations in this regard are subject to a high degree of uncertainty and cannot always be reliably predicted.

Prior to the Combination, the Board of TSG became aware of the possibility of improper foreign payments by TSG or its subsidiaries in certain jurisdictions outside of Canada and the United States relating to its historical B2B business (which was never profitable and effectively ceased operations in 2014). When this matter arose, TSG contacted the relevant authorities in the United States and Canada with respect to these matters and, following the Combination, the Group continues to co-operate with the United States and Canada governmental authorities in respect of all inquiries. Based on its review to date, the Board of Flutter has not identified issues that it believes would have a significant adverse effect on the Group's financial position or business operations.

The Group has seen a number of player claims in Austria for reimbursement of historic gaming losses. We have provided our remote services in Austria on the basis of multi-jurisdictional Maltese licences and EU law, however the Austrian Courts consider that our services are contrary to local law.

Together with its legal advisers, the Group is currently reviewing its position and strongly disputes the basis of these judgements. It is not possible at this stage to provide a reasonable estimate of the contingent liability as the matter is still at an early stage and unlikely to be fully resolved in the short term.

19. Related parties

There were no material transactions with related parties during the six months ended 30 June 2022, the six months ended 30 June 2021 or the year ended 31 December 2021.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

20. Events after the reporting date

Acquisition of Sisal

On 23 December 2021, the Group announced the acquisition of Sisal, Italy's leading retail and online gaming operator, from CVC Capital Partners Fund VI for announced consideration of €1.91bn/£1.62bn subject to merger control clearance and customary gaming and foreign investment consents. This acquisition fully aligns with the Group's strategy of investing to build leadership positions in regulated markets globally.

The transaction completed on 4 August 2022. The acquisition date fair value accounting had not been completed as at 11 August 2022.

Borrowings

On 2 August 2022, the Group entered into the Third Amendment of the Syndicated Facility Agreement receiving a principal balance of €2.0bn first lien term loan priced at EURIBOR plus 3%, with a maturity date in 2028. The funds were used for the acquisition of Sisal.

In July and August 2022, the Group drew down an additional £151.0m under the GBP Revolving Credit Facility.

Acquisition of remaining 49% shares of Adjarabet

On 1 July 2022, as outlined in more detail in Note 12, the Group made a cash payment of €238.0m (£204m) in respect of the acquisition of the remaining 49% outstanding shares of Adjarabet. This acquisition brings the Group's holding in Adjarabet to 100% up from the previous controlling interest of 51%. This liability has been recorded as a current liability as at 30 June 2022.

INDEPENDENT REVIEW REPORT TO FLUTTER ENTERTAINMENT PLC

Conclusion

We have been engaged by Flutter Entertainment plc ('the Company') to review the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the Condensed Consolidated Interim Income Statement, the Condensed Consolidated Interim Statement of Other Comprehensive Income, the Condensed Consolidated Interim Statement of Financial Position, the Condensed Consolidated Interim Statement of Cash Flows, the Condensed Consolidated Interim Statement of Changes in Equity, a summary of significant accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as adopted by the EU and the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Central Bank (Investment Market Conduct) Rules 2019 ("Transparency Rules of the Central Bank of Ireland).

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (Ireland) 2410") issued for use in Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the Directors have inappropriately adopted the going concern basis of accounting, or that the Directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410. However, future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Transparency Directive and the Transparency Rules of the Central Bank of Ireland.

The Directors are responsible for preparing the condensed set of consolidated financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

As disclosed in Note 1, the annual financial statements of the Group for the year ended 31 December 2021 are prepared in accordance with International Financial Reporting Standards as adopted by the EU.

In preparing the condensed set of consolidated financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

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

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

11 August 2022

KPMG

Chartered Accountants

1 Stokes Place

St. Stephen's Green

Dublin 2