11 August 2022
For release at 7.01 am

Entain plc

(“Entain" or the “Group”)

Robust H1 performance with strategic focus on broader customer appeal delivering record level of actives
Launch of Entain CEE and acquisition of SuperSport in Croatia

Entain plc (LSE: ENT), the global sports-betting, gaming and interactive entertainment group, today reports its Interim Results for the six-month period ended 30 June 2022 (“H1”).

Strategic progress

- Group’s strategic focus on a broader recreational customer base delivering record level of actives, up 57% versus H1 2019, and higher quality earnings
- Greater customer engagement driven by innovative new products and enriched experiences
- Further geographic expansion with five transactions this year to date consistent with our strategy of expanding into regulated markets
    - Creation of Entain CEE and acquisition of SuperSport announced separately today, provides a strategic springboard to unlock the clear expansion opportunity in Central and Eastern Europe (“CEE”)
    - Acquisition in June of BetCity in the Netherlands to deliver growth in the newly regulated Dutch market
    - Completion of Avid Gaming (Canada), Klondaika (Latvia) and Totolotek (Poland) transactions
- Ongoing ESG leadership and further progress made across our Sustainability Charter
    - Expansion of Advanced Responsibility & Care (“ARC™ “) player protection trials into international markets
    - Founding partner of Global Gaming Alliance (“GGA”), awarded GamCare’s Advanced Safer Gambling Standard, and received numerous awards for safer gambling, including from S&P, SBC & EGR
    - Pitching-In Volunteer Hub for the UK Trident Leagues launched to connect volunteers and local clubs
    - Appointment of Rahul Welde as an independent Non-Executive Director

Financial highlights

- Robust Group performance during H1, reflecting the diversified business model and underlying momentum of the online business
- Total Group net gaming revenue (“NGR”) growth of 18% (+18%cc[2])
    - Online NGR down 7% (-7%cc[2]) reflecting strong prior year comparators driven by Covid lockdowns, temporary closure in the Netherlands, affordability measures in the UK and customers responding to the economic backdrop
        - Excluding the Netherlands, NGR was down -3%cc[2]
        - Strong underlying momentum with H1 Online NGR 3yr CAGR up 13%cc[2]
- Retail perfomance ahead of expectations with a more interactive digital experience across gaming machines and betting terminals driving greater customer engagement
- BetMGM continues to perform strongly and is on track to deliver FY22 NGR of over $1.3bn
    - H1 NGR of $608m, 65% ahead of 2021
    - Established number two operator with 23%[7] market share where BetMGM operates (excluding New York)
    - Consistent leading iGaming operator with 30%[7] market share
    - Reiterate expectation to reach positive EBITDA during 2023[8]

- Group EBITDA[4,5] up 17% at £471m
- Group profit after tax from continuing operations £28m, down £63m
- FY 2022 Group EBITDA[4,5,9] expected to be in the range of £925m to £975m, in line with current consensus[10]
- New progressive dividend policy announced:
    - Full year payment of £100m split evenly between Interim and Full Year
    - Interim dividend of 8.5p per share
- Net Debt of £2,210m at 30 June 2022, with net debt to EBITDA ratio of 2.3x reflecting continued investment in growth opportunities

Jette Nygaard-Andersen, CEO of Entain, commented:

"We continue to make excellent progress on our strategic priorities, with momentum in our business remaining strong as a result of putting the customer at the heart of everything we do. I am delighted that more customers are choosing to play with us as we focus on providing them with even better products, engaging content and exciting experiences. This has resulted in our highest ever level of actives in H1, up 57% versus the same period two years ago. Not only is this approach great for our customers, but it also provides us with a broader, more recreational customer base that will support more sustainable long-term revenues.

Underpinned by the Entain platform, we continue to expand our growth opportunities, and have already announced five transactions so far this year. This includes today's announcement of an innovative growth strategy for Central and Eastern Europe, starting with the acquisition of SuperSport in Croatia. In the US, BetMGM goes from strength to strength and continues to demonstrate its market leadership with a 23%[7] market share.

We continue to lead our industry on responsibility and sustainability as we deliver further progress on our Sustainability Charter. ARC™ continues to be rolled out into international markets and our efforts have been recognised in the UK and internationally with awards from GamCare, S&P, SBC as well as our inclusion in the Global Sustainability Yearbook 2022.

As ever, I would like to thank each and every one of our talented colleagues around the world for their hard work and dedication in helping deliver these results. We have established a meaningful runway for sustainable and high-quality growth. While we remain vigilant to the consumer backdrop, our geographic and product diversity provides resilience which, together with our proven ability to drive superior returns, gives us confidence that we will continue to deliver benefits for our stakeholders."

Group **Six months to 30 June**	**2022[1,3]** £m	2021[3] £m	Change %	CC[2] %
Net gaming revenue (NGR)	2,117.6	1,792.6	18%	18%
Revenue	2,094.9	1,767.0	19%	19%
Gross profit	1,327.8	1,136.3	17%	
Underlying EBITDAR[4,5]	480.1	410.5	17%	
Underlying EBITDA[4,5]	471.0	401.1	17%	
Underlying operating profit[5]	246.5	205.6	20%	
Underlying profit before tax[5]	152.4	246.7		
Profit after tax	28.1	90.9		
Basic EPS (p)	5.1	13.8		
Adjusted diluted EPS[6] (p)	29.3	18.5		
Adjusted diluted EPS excl US[6] (p)	47.6	31.7		
Dividend per share (p)	8.5	-		

Dividend

Recognising the importance of dividends to shareholders, the strength of the operational performance of the business and our future prospects, the Group is implementing a new dividend policy.

The Board is proposing a progressive dividend, starting with a total dividend of £100m for the Financial Year to 31 December 2022, to be paid to shareholders in equal instalments in respect of the H1 and FY results.

The interim dividend of £50m (8.5p per share) in respect of the H1 2022 results announced today is expected to be paid in September 2022 to shareholders on register on 19 August 2022.

Outlook

Entain's first half performance reflects the underlying strength of our business model underpinned by our growth and sustainability strategy. The Group's momentum remains strong and our outlook for the balance of the year is unchanged with FY 2022 Group EBITDA[4,5,9] expected to be in the range of £925m to £975m, in line with current consensus[10]. The economic environment remains uncertain in many of our markets, however we remain confident that our customer focus, increasing diversification and proven ability to deliver growth will see us deliver further progress for all stakeholders.

Notes

(1) 2022 reported numbers are unaudited
(2) Growth on a constant currency basis calculated by translating 2022 and 2021 performances at 2022 exchange rates
(3) Reflecting the results of continuing operations
(4) EBITDAR is defined as earnings before interest, tax, depreciation and amortisation, rent and associated costs, share based payments and share of JV income. EBITDA is defined as EBITDAR after charging rent and associated costs.
(5) Stated pre separately disclosed items
(6) Adjusted for the impact of separately disclosed items, foreign exchange movements on financial indebtedness and losses/gains on derivative financial instruments (see note 8 in the interim financial statements)
(7) BetMGM market shares for the three month period to May 2022, in markets in which BetMGM operates, excluding New York
(8) Based on current assumption of future live markets
(9) References to profit expectations are made on a reported basis post IFRS 16 implementation
(10) Current consensus as compiled by Entain, incorporating published analysts forecasts updated after 7 July 2022

Enquiries:

Investor Relations - Entain plc investors@entaingroup.com

David Lloyd-Seed, Chief IR & Communications Officer david.lloyd-seed@entaingroup.com
Davina Hobbs, Head of Investor Relations davina.hobbs@entaingroup.com
Callum Sims, IR Manager callum.sims@entaingroup.com

Media - Entain plc media@entaingroup.com

Lisa Attenborough, Head of Corporate Communications lisa.attenborough@entaingroup.com
Jay Dossetter, Head of ESG and Press Office jay.dossetter@entaingroup.com
Jodie Hitch, PR Manager Jodie.hitch@entaingroup.com

Powerscourt Tel: +44 (0) 20 7250 1446

Rob Greening/Nick Hayns/Sam Austrums entain@powerscourt-group.com

H1 Conference Call & Webcast

The H1 2022 results presentation for analysts and investors will be held today, Thursday 11th August at 9:00am GMT. Participants may join via webcast or conference call dial in, approximately 15 minutes ahead of the event.

Live webcast link: https://brrmedia.news/ENTH12022

To participate in the Q&A, please also connect via the conference call dial in details.

UK	+44 (0) 33 0551 0202
US	+1 646 843 4609
Access Code:	4493388

The presentation slides will be accessible on our website shortly before the event. A replay and transcript will be available afterwards; https://entaingroup.com/investor-relations/results-centre/

Upcoming dates:

Q3 Trading update:	13 October 2022
Entain Sustain:	19 October 2022

Dividend Timetable

Announcement date:	11 August 2022
Ex-Dividend date	18 August 2022
Record date:	19 August 2022
Payment date:	22 September 2022

Forward-looking statements

This document contains certain statements that are forward-looking statements. They appear in a number of places throughout this document and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, results of our operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. These forward-looking statements include all matters that are not historical facts. By their nature, these statements involve risks and uncertainties since future events and circumstances can cause results and developments to differ materially from those anticipated. Any such forward-looking statements reflect knowledge and information available at the date of preparation of this document. Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation (596/2014), the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules), the Company undertakes no obligation to update or revise any such forward-looking statements. Nothing in this document should be construed as a profit forecast. The Company and its directors accept no liability to third parties in respect of this document save as would arise under English law.

About Entain plc

Entain plc (LSE: ENT) is a FTSE100 company and a leading global sports-betting, gaming and interactive entertainment group, operating both online and in the retail sector. The Group owns a comprehensive portfolio of established brands; Sports Brands include bwin, Coral, Crystalbet, Eurobet, Ladbrokes, Neds, Sportingbet and Sports Interaction; Gaming Brands include CasinoClub, Foxy Bingo, Gala, GiocoDigitale, Ninja Casino, Optibet, Partypoker and PartyCasino. The Group operates a proprietary platform across core product verticals and in addition to its B2C operations provides services to a number of third-party customers on a B2B basis.

The Group has a 50/50 joint venture, BetMGM, a leader in sports betting and iGaming in the US. Entain provides the technology and capabilities which power BetMGM as well as exclusive games and products, specially developed at its in-house gaming studios. The Group is tax resident in the UK with operations in over 30 regulated or regulating territories. Entain is a leader in ESG, a member of FTSE4Good, the DJSI and is AA rated by MSCI. The Group has set a science-based target, committing to be carbon net zero by 2035 and through the Entain Foundation supports a variety of initiatives, focusing on safer gambling, grassroots sport, diversity in technology and community projects.

For more information see the Group’s website: www.entaingroup.com

LEI: 213800GNI3K45LQR8L28

CHIEF EXECUTIVE'S REVIEW

Entain is a customer-focused growth business delivering profitable and sustainable returns for our stakeholders. Our core strategic pillars of growth and sustainability will enable us to deliver our ambition of being the world leader in betting, gaming and interactive entertainment.

Our purpose '*to bring moments of excitement into people's lives*' is underpinned by our unwavering focus on putting customers at the heart of everything we do. It is this driving force that has enabled us to continue to deliver a richer, more engaging experience for customers as demonstrated by the record level of actives we now have.

Our ongoing leadership of the industry in player protection, responsibility and sustainability, ensures that together with our powerful Entain platform we can continue to drive sustainable growth in our core markets across the world.

Customer centricity powered by Entain's platform

Our Entain platform is at the heart of our business and provides unique competitive advantages. It powers and enables our growth, provides us with customer insight and analysis and drives value creation for our stakeholders. Understanding our customers better through insight, analysis and research empowers us to act and think differently, be flexible, be agile, be bold. It underpins our customer centric approach in delivering responsible and engaging entertainment.

Our platform enables us to execute and deliver against our two strategic pillars of growth and sustainability.

<u>Growth</u>

Entain is a growth business. Our strategic growth pillar provides us with an exciting opportunity for many years to come as dynamics within our markets support continued growth, we expand into new regulated markets and across new audiences.

The four pillars of our growth strategy that continue to deliver value to our stakeholders are; grow presence in our core markets; leadership in the US; expand into new regulated markets – both organically and via M&A; and extend into new interactive entertainment experiences. We aim to lead in our markets by providing customers with great experiences and engaging products and services.

We believe these opportunities will treble the size of our addressable markets over the long-term to almost $170bn.

Growth from our core markets

Our operations span over 30 regulated or regulating territories and we have established leading positions in each of our key markets. With growth dynamics built into these markets, Entain has a long runway for growth driven by our Entain platform. Our diversified business model, encompassing both digital and retail operations, as well as geographic breadth and product range, provides relative resilience, enabling Entain to adapt and evolve with changing customer behaviours to deliver earnings with greater stability and of a higher quality.

The markets in which we operate today are expected to grow by mid to high single digit compound over the medium term.

Our Retail operations performed strongly during the first half of 2022. Post Covid and its associated lockdowns, customers are re-engaging with the more interactive experience our shops provide with volumes ahead of pre-Covid levels. Total Retail NGR in H1 was up +244%cc[1] on a like for like ("LFL")[4] basis versus the same period in 2021.

In the UK, the strong results are driven by the continued digitalisation of our shop offering as we provide customers with an even better in-store experience, with both gaming machines and self-service betting terminals ("SSBT's") both seeing very strong performance. Our gaming machines have secured the widest range of exclusive content which, alongside our own in-house games, provides customers with an unrivalled in-store experience. Our proprietary Group BetStation solution, enables us to provide customers with a more interactive in-store experience on betting terminals, similar to that online. This is resulting in a broader customer audience as well as unlocking markets and interests not typically seen in-store before.

In some regions of Europe, due to the various lingering Covid restrictions, our shops have been slower to recover, but in Italy volumes are now back to pre-pandemic levels. The value of our omnichannel approach continues to be evident as we outperformed online-only competitors in Online in Italy.

In Online, NGR in the first half was down -7% (-7%cc[1]) reflecting very strong prior year comparatives driven by Covid lockdowns, the delayed Euro 2020 tournament and trading in the Netherlands ahead of the temporary closure due to the licensing process. Excluding the Netherlands Online NGR was -3%cc[1] in H1.

During the first half, our Online operations faced several headwinds, with lower than expected growth in Brazil due to increased competition ahead of regulation and the impact of tighter affordability measures in the UK. In Q2, we also saw our increasingly recreational customer base responding to the changing macro environment and inflationary fears by moderating spend per head across the UK and parts of Europe.

In spite of these, our strategic approach and varied initiatives to drive customer engagement resulted in our highest ever level of actives, up +57% versus H1 2019. These initiatives included new advertising campaigns in the UK and Australia, new live gaming products, social gaming experiences and increased media content further enabled us to engage with a broader recreational customer base.

In the UK, NGR in H1 was -15% behind the prior year. 2021 comparators were particularly strong for UK sports brands due to a fuller sports calendar, including the delayed Euro 2020 football tournament. Similarly, our UK Gaming brands NGR eased from a Covid boosted 2021. We do however continue to expand our recreational audience, attracting and retaining record customer levels. This engagement has been driven by innovative marketing campaigns and fresh product releases, enhancing our offering and customer experience. Our brand revitalisation and repositioning continued with Coral launching the UK's first 3D betting and gaming advertisement as part of our 'Your Horse' campaign on the Piccadilly Square screens ahead of the Cheltenham Festival. Customers have responded well to new product releases including Ladbrokes live game show 'Well Well Well' and Coral's first free to play roulette tournament. Throughout H1, monthly average actives were 7% ahead of 2021 with UK NGR has grown at 10% on a 3 year CAGR basis, a clear demonstration of our ongoing and increasingly recreational customer base.

Our Australian business continues to go from strength to strength with excellent performances from both the Ladbrokes and Neds brands throughout the first half. Despite lapping strong 2021 comparators, NGR grew +19% (+20%cc[1]) year on year, with actives up +8%. The team continues to deliver a fresh and differentiated customer experience through our unique content, innovative social player products and a leading player sustainability offering. In addition to new campaigns across both brands, Ladbrokes launched the Mates Mode product during the first half which enables customers to chat, share and bet together, all within the Ladbrokes app. This has driven tremendous engagement so far and is seeing a strong uptake in multi products. Our recently announced partnership with Racing.com, the leading free to air broadcaster in Australia, further embeds us as the first choice for racing enthusiasts with an expanded content and media offering driving brand awareness and engagement. This partnership launched in July coincided with the release of our innovative live racing vision product available across both Ladbrokes and Neds.

Online NGR for H1 in Italy was -12%cc[1] versus 2021, reflecting the strong prior year comparators, but up 26%cc[1] on a 3 year CAGR basis. The value of the omni-channel approach continues to be evidenced by the relative outperformance versus pure online operators and through the strength of our Italian Retail estate performance. During the first half bwin and GiocoDigitale delivered a number of new products and experiences which further drove customer engagement, increasing actives.

Enlabs in the Baltics continues to perform well, despite the significant inflationary pressures being experienced in the region. Actives were up +24% on a proforma basis for H1 whilst NGR was up +18%cc[1] on a proforma basis. Enlabs continues to benefit from Entain's content, product and marketing expertise. Having redesigned the Optibet brand user experience customers also now benefit from a broader offering, such as the inclusion of partypoker product driving increased poker NGR.

Crystalbet continues to deliver strong performance and again held its position as the leading operator in the Georgian market. With new regulation impacting the business in 2022, revenues were down by -9%cc[1] in the first half, however the strength of our operations and brand see the business well positioned to outperform the market.

In Germany, the market continues to settle into the new regulatory regime. Challenges of an uneven operating landscape remain with the lack of regulatory enforcement continuing to weigh. However, we are encouraged that the new regulator has signalled that it will take action against unregulated operations and some operators have already withdrawn from the market. Sports licences have also seen the impending deposit limits now enforced from 1st July. We remain positive on the long-term prospects for the German market and expect it to settle down as regulatory oversight is enforced. We have continued to differentiate bwin's offer with a number of products and enhancements, and the brand through our long-term partnership with UEFA, the German Football Association, the German women's football team and multiple Bundesliga clubs.

In Brazil, we continue to perform strongly with our Sportingbet brand. Whilst the business continues to deliver impressive growth, greater than expected competition across H1 saw lower growth than anticipated, albeit with NGR +38%cc[1] and actives growth +44% year on year. The strength of our Sportingbet brand, product quality and operational expertise enables us to perform ahead of the market, putting our operations in Brazil in a very strong position ahead of regulation of sports betting expected later this year, with gaming potentially following thereafter. Our brands elsewhere across the Latin American region continue to perform in-line with expectations and we see the region as an exciting market for further growth opportunities.

The consolidation of our Party brands onto our One Party enables the business continues to differentiate its offering with live tournaments as well as promoting our brand strength with initiatives like our McLaren partnership, driving greater recreational player activity and broader audience engagement.

Leadership in the US

Following a strong performance in the first half of 2022, delivering NGR of $608m, BetMGM remains on track to deliver over $1.3bn of NGR in 2022.

BetMGM is firmly established as a leading operator in the US market and continues to go from strength to strength. BetMGM's success is built on the industry leading technology and capabilities of the Entain platform, coupled with MGM Resorts' iconic brand, resorts and experiences. This winning formula provides customers with a unique range of exclusive products and experiences, differentiating BetMGM's offer as well as creating significant long term financial and competitive advantages.

BetMGM hosted its second business update in May 2022, with CEO Adam Greenblatt and his team providing a review of operational progress, detail and colour on the market, customer behaviours and the regulatory outlook. Additionally, they further outlined those competitive advantages that BetMGM enjoys and how this underpins its success now and for the long term. A replay of that presentation can be found on our website at www.entaingroup.com/investor-relations/results-centre.

The online sports betting and iGaming market in North America continues to be extremely healthy, and BetMGM upgraded their estimate for total addressable market size to around $37bn over the long-term, reflecting positive changes in the legislative outlook for sports betting across North America, including the most populous state in the US, California. Performance of key metrics to date reinforces our long-term expectations of player values for both sports betting and iGaming, and while growth in player participation has been impressive, penetration has a long way to go, providing a tremendous runway for future growth.

BetMGM is now live in 23 markets, having delivered four new launches (New York, Louisiana, Puerto Rico and Illinois) since the start of the year, as well as going live on day one in Ontario, Canada for both online sports betting and iGaming. BetMGM retains its lead in iGaming and continues to build its sports betting position across its markets, with a 23%[2] share in the markets where it operates for the three months to May 2022. This excludes New York, where due to the unfavourable tax environment BetMGM have taken a strategic decision to focus attention on other markets where there are significantly greater economic returns.

Our flexible, innovative and unique engagement strategy provides BetMGM with one of the widest customer access models coupled with best in class channel optimisation, lower costs and greater returns. For example, in addition to MGM Resorts' retail presence and footprint, which sees thousands of customer and brand interactions each day. In financial terms, the benefits of omnichannel are clear - CPAs are over 70% lower than our average and predicted player value is 1.9x higher. The ROI is therefore 6.5x better than our other marketing channels alone. BetMGM recently signed exclusive partnerships with Carnival Corporation to offer BetMGM on board cruise ships, as well as with Sony Pictures and IGT for a Wheel of Fortune branded gaming experience

Maintaining financial discipline despite such rapid growth is facilitated by BetMGM's commercial components: brand, omnichannel, CRM and personalisation. There has been some rationalisation of behaviours and unsustainable competitive intensity, operators are increasingly focused on the path to profitability and delivering returns for their stakeholders. However, we expect key sporting events such as the NFL season launch, Super Bowl and March Madness to continue to attract elevated promotional activity. BetMGM are already achieving positive contribution in several markets, some within 12 months of opening and feel confident to reiterate expectations of reaching positive EBITDA during 2023[3].

The significant momentum and differentiated approach that leverages the Entain platform, sees BetMGM firmly on track to realising its ambition of being a leader in the US sports-betting and iGaming market with a 20-25% share and long-term EBITDA margin of over 30%.

Expand into new markets

There are significant growth opportunities across the globe with over 50 regulated markets representing around $40 billion in long term gross gaming revenues where we are not currently present. We have a strong track record of successful acquisition, integration and value creation through M&A and so far in 2022 have announced five transactions: Avid Gaming in Canada; Klondaika in Latvia; Totolotek in Poland; BetCity in the Netherlands; and, today, the creation of Entain CEE and acquisition of SuperSport in Croatia.

We have today made a separate announcement regarding the establishment of Entain CEE. This is owned 75% by Entain, and 25% by EMMA Capital. In addition, Entain CEE is acquiring SuperSport, the leader in the Croatian betting and gaming market.

Entain CEE is acquiring 100% of SuperSport for an initial consideration of €800m, of which €600m is payable in cash by Entain on completion, which is expected to take place in Q4. There are further potential payments to Emma Capital based on the performance of the business through to 2024.

SuperSport has 54% market share in the regulated Croatian market, with 85% of revenue coming from online. It has delivered consistently strong financial performance, with compound annual growth from 2016 to 2021, of 16.6% for revenue and 20.8% for EBITDA, underpinned by healthy EBITDA margins. The transaction is expected to be mid-to-single digit earnings accretive in the first full year.

Entain CEE provides a springboard to expand across the CEE region, combining Entain's global expertise, industry leading industry capabilities and capital together with the regional knowledge and connectivity of EMMA Capital, overlaid the expert regional operational knowledge of local acquisitions and their management teams starting with SuperSport. Entain CEE will be led by Radim Haluza, the CEO of Supersport and a highly experienced and capable individual within the industry

These acquisitions deliver quality brands and leading market positions in highly attractive, growing and regulated markets.

We continue to explore both organic and M&A prospects across growing regulated markets including Latin and Central America and Central and Eastern Europe, that will drive further value for shareholders.

Engaging new audiences and entertainment experiences

Technology is changing consumer behaviour giving users more choice, enabling new social and community experiences and opening up to new growth opportunities. At Entain, we've always embraced the opportunity to innovate, listening to customers and interpreting deep data insights to meet their changing needs in rapidly evolving markets. We know that customers not only want more content and more engagement but also seek differentiated, fresh and exciting experiences. We continue to see increasing convergence of interactive entertainment and media towards traditional betting and gaming experiences and are excited to be building that future for our customers.

In addition to broadening the engagement within our existing offering, Entain continues to enhance the customer experience and appeal that enables us to benefit from powerful flywheel effects that not only grow our customer base but reduce acquisition cost, lower churn and improve returns. Across markets like the UK, Australia and Germany our customers have enjoyed richer content as well as engaging media around our sports offering with our F1 collaboration with McLaren, Coral's latest episodes of Against the Odds with ITV as well as Neds and Ladbrokes Australia's live racing channels. These new initiatives have driven improved engagement, retention and brand association and we aim to continue to invest in these areas for our customers.

Our acquisition of UNIKRN provides access to the nascent esports wagering market. We remain extremely excited by the opportunity. Ahead of the launch expected later this year, we have been working to evolve the product portfolio, whilst liaising with partners and regulators to develop an appropriate framework fulfilling both customer experience and player enjoyment alongside protection structures required for a sustainable long-term market.

Through our Ennovate hub, we are investing in research and development and exploring new technologies, both internally and through external partnerships in order to meet the evolving needs of current and future customers.

<u>Sustainability</u>

Sustainability is the second of our twin strategic pillars and is at the heart of everything we do. We firmly believe that the most sustainable business will be the most successful business in our industry. Paired with our strategic growth priorities, our strategic sustainability pillar is underpinned by our Sustainability Charter with its four core principles clearly defined: an exclusive focus on regulated markets; continuing to take the lead on responsible betting and gaming; best in class corporate governance; and investing in our people and local communities.

We continue to strive to meet, and exceed the highest standards in everything we do, from the way we run our business to the way we support our colleagues, our customers and our communities.

Focus on regulated markets

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

Entain has already made significant progress towards our commitment to only operate in regulated markets by the end of 2023. At the end of 2021, the percentage of NGR from regulated or regulating markets was almost 100% with Brazil, Canada and the Netherlands being the most significant in the process of regulating.

Entain ceased trading in the Netherlands from 1 October 2021 whilst awaiting confirmation of the licensing approval for bwin and Party brands, which is now expected during the second half of the year. The acquisition of BetCity, expected to complete in Q4 2022, secures immediate access with a leading position in the newly regulated Dutch market.

In April 2022, licenses for online sport betting and gaming were awarded in Ontario, Canada with bwin and party brands both being licensed.

We engage openly and proactively with regulators to support a well-structured and robust regulatory environment that balances the highest regulatory standards, the responsibility of appropriate player protections whilst upholding customer freedoms and right of choice. At Entain we offer first class player protection through our industry leading technology platform, while upholding all licensing objectives, across multiple jurisdictions.

In the UK, we continue to wait for the publication of the White Paper outlining the review of the regulatory framework in the 2005 Gambling Act. The current disruption to Government and ongoing leadership contest, has seen the postponement of any publication to the Autumn. The newly appointed Prime Minister will take office on 5th September and will then appoint the Cabinet, after which policy work will continue. Along with other industry operators we continue to actively engage with appropriate parties in order to help find a balance between protecting a minority who are at risk while supporting a healthy entertainment experience as well as an environment that is commercially viable for operators and surrounding reliant industries.

Lead on responsibility

Responsibility continues to be a significant part of our sustainability approach. We continue with the development and implementation of our industry leading Advanced Responsibility and Care (ARC™) programme. ARC™ has now been implemented in our UK brands and operations, with the platform's international roll-out already underway.

We continue to see an accuracy rating of over 90% across our algorithms, and our combination of automated systems and real time interceptors are achieving real traction, with 91% of those customers with the highest risk, setting a limit within seven days of interaction with ARC™.

To reflect its importance to the business, we have now included the effectiveness of ARC™ in our Group wide remuneration policy, specifically targeting a safer customer experience through wider use of player protection tools.

Our Gamble Responsibly America app is the first of its kind in the US; being free, unbranded and with no commercial benefit to Entain or BetMGM. Produced alongside EPIC Risk Management and RG24/7, both partners with the Entain Foundation US, collaborate on educational projects hosted by experts in the field. The app features a series of educational resources and tools to support those at risk of, or facing, gambling related harm. It also offers assets and information to help people game responsibly and provides guidance for those individuals potentially struggling with problem gambling.

Best in class corporate governance

As an industry leader, we are committed to the highest standards of governance in all areas of our operations. This commitment to best practice is delivered through a robust framework of oversight and control.

Rahul Welde was appointed as independent Non-Executive Director, effective from 1st July 2022. Rahul brings a wealth of digital consumer and ecommerce experience from over 30 years working in the global FCMG sector. Peter Isola stepped down as Non-Executive Director on 21st March 2022.

The Board now consists of the Chairman, three Executive Directors and seven independent Non-Executive Directors, with female Directors making up 36% of the Board's membership. The Board remains committed to the view that an inclusive and diverse membership results in optimal decision-making. To support this, we have developed a Board Diversity Policy, which is available on our website.

In line with our objective to operate best-in-class corporate governance, we commissioned Alvarez & Marsal to conduct an independent comprehensive review of the Group's governance and compliance practises. A summary of the results of the review are included in our Annual Report and ESG Report for 2021-22, published on 8th June 2022 www.entaingroup.com/sustainability/esg-policy-statements.

Best place to work and investing in our people and communities

Our vision is to create the best place to work where our colleagues feel valued, respected, and engaged. We are on a journey to revolutionise the betting and gaming industry and be the employer of choice for all talented people. We launched an Inclusion Ambassadors programme with 30 representatives across our global footprint. We have invested in educating Entain's senior leaders on the importance of diversity and inclusion and in the process of reaching our wider colleague-base with Global Inclusion Learning, a new interactive and immersive training programme delivered by 50 facilitators across the business.

Reducing our impact on the environment is a core tenet of our commitment to sustainability and we have successfully reduced our carbon emissions by 15% between 2018 to 2021. Last year we committed to becoming Net Zero for carbon emissions by 2035 - 15 years ahead of the target set by the Paris Agreement on climate change. Having joined the Science Based Target initiative we are in the process of formally agreeing our Net Zero targeting path.

Our two Foundations – the Entain Foundation and the Entain Foundation US, continue to support research into problem gambling and education initiatives that align with our sustainability ambitions as well as investing into local communities and grass roots sports across our key markets. In November 2021, we launched EnTrain, an initiative to positively impact one million people through education in technology by the end of the decade. This builds on our partnerships with organisations such as Girls Who Code, the international non-profit body working to close the gender gap in technology and redefine the image of what a programmer does. The Entain Foundation is looking to build on these partnerships throughout 2022.

The Entain Foundation continues to invest in grassroots sports through its Pitching In programme. In July, the Group extended its partnership with the Pitching In Trident Leagues comprising 248 clubs and over 15,000 community based non-league football players. In addition to funding the operation of the leagues, the core objective of the partnership is to promote community engagement between the clubs and their local areas. As such, the Foundation is the Founding partner in the Trident Community Fund, which enables clubs to run community engagement projects. In May 2022, we launched the Pitching In Volunteer Hub, a unique online platform that enables every Trident League Club to easily connect with potential volunteers. In addition, we continue our long term-collaboration with SportsAid, the UK based sports charity, through which we sponsor and provide personal development coaching to 50 young athletes each year. We have also internationalised our investment in grassroots sport with new projects funded in Austria, Italy, Greece and Colombia.

In Canada, having acquired Avid Gaming and its Sports Interaction brand, we are building on their unique relationship to support the socioeconomic efforts of the Mohawks of Kahnawà:ke through our Mohawk Online agreement.

Notes

(1) Growth on a constant currency basis calculated by translating 2022 and 2021 performances at 2022 exchange rates
(2) BetMGM market shares for the three month period to May 2022, in markets in which BetMGM operates, excluding New York
(3) Based on current assumption of future live markets
(4) Retail operates in UK, Italy, Belgium and Republic of Ireland. Retail numbers are quoted on a LFL basis. During H1 2022, there were an average of 4,317 shops/outlets in the estate, compared to an average of 4,612 during H1 2021

Financial Results and the use of non-GAAP measures

The Group's statutory financial information is prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) pronouncements as adopted for use in the European Union. In addition to the statutory information provided, management have also provided additional information in the form of Contribution, EBITDAR and EBITDA as these metrics are industry standard KPIs which help facilitate the understanding of the Group's performance in comparison to its peers. A full reconciliation of these non-GAAP measures is provided within the Income Statement and supporting memo.

BUSINESS REVIEW

Group

Six months to 30 June	2022[1] £m	2021 £m	Change %	CC[2] %
NGR	2,117.6	1,792.6	18%	18%
VAT/GST	(22.7)	(25.6)	11%	10%
Revenue	2,094.9	1,767.0	19%	19%
Gross profit	1,327.8	1,136.3	17%	
Contribution	1,025.5	827.8	24%	
Operating costs	(545.4)	(417.3)	(31%)	
Underlying EBITDAR[3]	480.1	410.5	17%	
Rent and associated costs	(9.1)	(9.4)	3%	
Underlying EBITDA[3]	471.0	401.1	17%	
Share based payments	(5.2)	(6.6)	21%	
Underlying depreciation and amortisation	(113.2)	(109.9)	(3%)	
Share of JV/Associate (loss)	(106.1)	(79.0)	(34%)	
Underlying operating profit[4]	246.5	205.6	20%	

Revenue increased by 19% (19%cc[2]) to £2,094.9m in H1 driven by a strong performance in Retail following prior year lockdowns partially offset by a -7%cc[2] decline in Online NGR as we lap strong prior year comparators due to Covid lockdowns, Euro 2020 and prior year trading in the Netherlands. Whilst Online NGR was down on the prior year, the underlying health of the business remains particularly strong with active customer numbers in H1 higher than they have ever been.

Contribution of £1,025.5m was 24% higher than last year, with a contribution margin of 48.4%, 2.2pp higher than 2021 due to a higher Retail segmental mix. Operating costs (before rent) were 31% higher leaving underlying EBITDA[3] of £471.0m, 17% higher than the prior year.

Share based payment charges were £1.4m lower than last year, while underlying depreciation and amortisation was 3% higher as a result of current year and the annualisation of prior year acquisitions. Share of JV losses includes a loss of £108.6m (2021: £78.2m) relating to BetMGM, which is in line with our expectations. Group underlying operating profit[4] of £246.5m was 20% ahead of 2021. After charging separately disclosed items of £112.9m (2021: £116.1m), operating profit of £133.6m was £44.1m higher than in 2021.

Online

Six months to 30 June	2022[1] £m	2021 £m	Change %	CC[2] %
Sports wagers	6,881.8	7,077.3	(3%)	(3%)
Sports margin	12.8%	13.1%	(0.3pp)	(0.3pp)
Sports NGR	702.9	751.1	(6%)	(6%)
Gaming NGR	752.7	825.9	(9%)	(9%)
B2B NGR	15.1	10.6	42%	54%
Total NGR	1,470.7	1,587.6	(7%)	(7%)
VAT/GST	(22.7)	(25.6)	11%	10%
Revenue	1,448.0	1,562.0	(7%)	(7%)
Gross profit	886.1	989.1	(10%)	
Contribution	587.3	683.8	(14%)	
Contribution margin	*39.9%*	*43.1%*	*(3.2pp)*	
Operating costs	(201.9)	(187.1)	(8%)	
Underlying EBITDAR[3]	385.4	496.7	(22%)	
Rent and associated costs	(0.7)	(0.8)	13%	
Underlying EBITDA[3]	384.7	495.9	(22%)	
Share based payments	(1.3)	(3.5)	63%	
Underlying depreciation and amortisation	(57.2)	(56.9)	(1%)	
Share of JV/Associate income	1.8	-	-	
Underlying operating profit[4]	328.0	435.5	(25%)	

Online NGR of £1,470.7m was -7% (-7%cc[2]) behind last year as a result of the very strong comparatives in 2021 when much of Europe remained in Covid related lockdowns, the delayed Euro 2020 took place and our Netherlands operation continued to trade before its temporary closure on 1 October 2021 whilst we await licenses being granted. Excluding the Netherlands, NGR was -3% behind year on year.

Underlying performance remains strong, and the first half represents a 3 year CAGR of 13%cc[2] (+14%cc[2] in Q1 and +11%cc[2] in Q2), demonstrating our ability to deliver long-term sustainable growth. We are also delighted that our Q2 performance is underpinned by the highest levels of active players ever recorded, the result of our continued focus on recreational players and putting the customer at the heart of everything we do.

Underlying EBITDAR[3] for the half of £385.4m and underlying EBITDA[3] of £384.7m were -22% behind 2021. Underlying operating profit[4] of £328.0m was -25% behind and, after charging separately disclosed items of £50.5m (2021: £92.6m), operating profit was £277.5m, £65.4m lower than 2021.

In the UK, NGR was -15%cc[2] behind 2021 as prior year lockdowns, tighter affordability measures and customers responding to economic pressures impacted year on year comparisons. Despite the reduction in NGR, we continue to attract and retain record numbers of customers through our innovative marketing campaigns and exciting product releases. Examples during the half include Coral's 3D advert in Piccadilly Square, our new Gala Bingo brand campaign, as well as successful product releases like Ladbrokes live 'Well Well Well' game and Coral's first free to play roulette tournament. Monthly average actives throughout H1 were 7% ahead of 2021, whilst UK Online NGR grew at 10% on a 3year CAGR basis. We are pleased to see our UK NGR, across both online and retail, up +33% versus 2021, illustrating the strength of our brands and the benefits of the Group's multi-channel approach.

In Australia, we expect to have once again gained market share in the first half with NGR +20%cc[2] ahead of the prior year. Our local team deliver this strong performance through differentiating our brands and expanding the customer experience. Recently announced changes to the tax regimes in New South Wales and Queensland will impact our business from H2 and 2023 respectively. Given the scale and strength of our business in Australia, we are confident in our ability to mitigate a proportion of the incremental tax impact.

In Italy, 2022 H1 NGR across the three major brands was -12%cc[2] behind 2021 given the tough prior year comparators but +26%cc[2] ahead on a 3 year CAGR basis. The omnichannel appeal of Eurobet continues to benefit the business, with year on year growth across Italy online and retail at +31%cc[2].

In Germany, NGR was -19%cc[2] behind 2021 reflecting the lack of regulatory oversight creating an unlevel playing field post implementation of the tolerance regime. However, we remain confident in the prospects for the market in Germany. We expect that gaming licences will be issued shortly, bringing greater enforcement and allowing the Group to reposition itself as a leading operator in a fully regulated environment.

NGR in Brazil, was +38%cc[2] ahead of 2021 in the first half, maintaining Sportingbet's position of strength in the market. Gaming performed particularly strongly, with NGR +70%cc[2] ahead of 2021. Sports betting, a significant proportion of NGR in Brazil was +31%cc[2] year on year reflecting the prior year benefit from Euro 2020 and the Copa America. During the first half, we have seen a significant increase in competition ahead of the anticipated regulation which lowered NGR growth versus our original expectations. However, underlying customer metrics remain very strong with the number of active customers +44% ahead year on year.

In Georgia, NGR was -9%cc[2] behind last year with the new regulation regime taking effect from Q1.

Enlabs, which we acquired in the first quarter of last year, continues to perform strongly, despite economic challenges of the region, with year on year growth of +18%cc[2] on a proforma basis. The Enlabs business and Baltics region continues to present a number of exciting opportunities for the Group.

During Q1 we completed the acquisition of Avid Gaming and its Sports Interaction brand, which sees the Group expand its presence in the Canadian market. During the first half the business contributed 1% to Online NGR with momentum building in both sports and gaming volumes.

Online contribution margin of 39.9% was -3.2pp lower than last year as a result of the Covid unwind impact on NGR and costs associated with regulation in Germany and Georgia.

Operating costs (before rent) were 8% higher than last year as a result of inflation and the impact of acquisitions, with the year-on-year increase in line with previous mid to high single-digit guidance.

Rent and associated costs were £0.7m in the first half, compared with £0.8m in the prior year, leaving underlying EBITDA[3] of £384.7m, -22% behind 2021.

Share based payments were £2.2m lower than last year, underlying depreciation and amortisation of £57.2m was -1% higher and share of associate's income was £1.8m following an investment in 2021, leaving underlying operating profit[4] -25% lower at £328.0m.

Retail

The Retail business is made up of our Retail estates in the UK, Italy, Belgium and Republic of Ireland.

Six months to 30 June	**2022[1] £m**	2021 £m	Change %	CC[2] %
Sports wagers[5]	1,913.7	509.9	275%	276%
Sports margin[5]	18.7%	19.0%	(0.3pp)	(0.3pp)
Sports NGR/Revenue	354.7	99.5	256%	258%
Machines NGR/Revenue	281.3	91.8	206%	206%
NGR/Revenue	636.0	191.3	232%	233%
Gross profit	428.6	134.2	219%	
Contribution	425.1	131.3	224%	
Contribution margin	66.8%	68.6%	*(1.8pp)*	
Operating costs	(275.8)	(185.7)	(49%)	
Underlying EBITDAR[3]	149.3	(54.4)	374%	
Rent and associated costs	(8.2)	(8.3)	1%	
Underlying EBITDA[3]	141.1	(62.7)	325%	
Share based payments	(0.5)	(1.3)	62%	
Underlying depreciation and amortisation	(53.0)	(51.1)	(4%)	
Share of JV/Associate income	-	-	-	
Underlying operating profit/(loss)[4]	87.6	(115.1)	176%	

Retail NGR of £636.0m was +232% (+244% LFL[5]) ahead of a lockdown impacted prior year with customers returning in strength to our shops for the unique Retail betting and gaming experience. In our two largest Retail estates, the UK and Italy, we are seeing volumes ahead of pre-Covid levels and LFL[5] Retail NGR grew at 2%cc[2] in Q2 on a 3 year CAGR basis (post implementation of the Triennial review in the UK on 1 April 2019).

With NGR significantly ahead year on year, Retail recorded an underlying EBITDAR[3] of £149.3m which was £203.7m ahead of 2021, and underlying EBITDA[3] of £141.1m, £203.8m ahead. Underlying operating profit[4] was £87.6m and, after separately disclosed items of £50.1m (2021: £5.6m), operating profit was £37.5m, an increase of £158.2m on 2021.

In the UK, NGR was +194% ahead of 2021 with the strong performance driven by a continuation of our digitalisation strategy and our ongoing focus on market leading content for our gaming machines and self-service betting terminals. Strong sports volumes are predominantly driven by our SSBT's, which provide an experience akin to the digital offering and now represent approximately one third of our total sports NGR in UK Retail. Gaming NGR was up +7% on a LFL[5] basis vs 2019, supported by best in class machines and the most differentiated content on the high street.

In Italy, the strength of our omni-channel offering and our ability to maintain ongoing relationships with customers through digital channels during lockdowns has continued to benefit the businesses recovery post Covid, with NGR in H1 +5%cc[2] ahead of 2019. Shops in Italy were closed for much of the first half in 2021, with a phased reopening during June and July.

Our Retail estate in Belgium continues to recover more slowly than our other estates post Covid with a further lockdown in January of this year disrupting momentum. With Belgium in lockdown for much of H1 2021, year on year NGR was +207%cc[2] ahead in H1 2022. Similarly impacted by significant lockdown closures in 2021, Republic of Ireland NGR was +468%cc[2] ahead.

Operating costs (before rent) were 49% higher than 2021, largely due to prior year comparators benefiting from cost mitigation in response to lockdowns and the receipt of furlough. Whilst the business continues to combat inflationary pressures through strict cost control, the current level of inflation and rising energy prices in H2 is expected to be offset by continued strong NGR performance driven by our industry leading content on gaming machines and SSBTs.

Rent and associated costs of £8.2m in the first half were 1% lower than the prior year, leaving underlying EBITDA[3] of £141.1m, £203.8m higher than 2021.

Charges for share based payments were £0.8m lower than last year and underlying depreciation and amortisation of £53.0m was -4% higher leaving an underlying operating profit[4] of £87.6m, £202.7m ahead of 2021.

As of 30 June 2022, there were a total of 4,287 shops/outlets (2021: 4,524): UK 2,568 (2021: 2,754), Italy 940 (2021: 942), Belgium shops 287, outlets 359 (2021: shops 289, outlets 398) and Ireland 133 (2021: 132).

During the first half, the Group made the decision to repay £45.5m received under the Coronavirus Job Retention Scheme ("furlough scheme"), a charge which has been recognised in separately disclosed items.

New Opportunities

Six months to 30 June	**2022[1]** **£m**	2021 £m	Change %	CC[2] %
Underlying EBITDAR[3]	(14.6)	-	-	
Rent and associated costs	-	-	-	
Underlying EBITDA[3]	(14.6)	-	-	
Share based payments	(0.1)	-	-	
Underlying depreciation and amortisation	(1.6)	-	-	
Share of JV/Associate income	-	-	-	
Underlying operating loss[4]	(16.3)	-	-	

New Opportunities costs[3] of £14.6m primarily reflect £11.0m of costs associated with our innovation program, and £3.6m of losses in our Unikrn business as we prepare the business for launch in H2.

After depreciation and amortisation and share based payments, New Opportunities underlying operating loss[4] was £16.3m.

Other

Six months to 30 June	2022[1] £m	2021 £m	Change %	CC[2] %
NGR/Revenue	13.1	15.5	(15%)	(16%)
Gross profit	13.1	13.0	1%	
Contribution	13.1	12.7	3%	
Operating costs	(10.1)	(10.3)	2%	
Underlying EBITDAR[3]	3.0	2.4	25%	
Rent and associated costs	-	(0.1)	100%	
Underlying EBITDA[3]	3.0	2.3	30%	
Share based payments		-	-	
Underlying depreciation and amortisation	(1.3)	(1.7)	24%	
Share of JV/Associate income/(loss)	0.7	(0.8)	188%	
Underlying operating profit/(loss)[4]	2.4	(0.2)	n/m	

NGR of £13.1m was 15% lower than 2021 with the continued recovery in NGR in our 4 dog tracks post Covid lockdowns more than offset by lost revenues from our break even Betdaq business which was sold in H2 2021. Resulting underlying EBITDAR[3] and EBITDA[3] of £3.0m were £0.6m and £0.7m ahead of 2021 respectively. Underlying operating profit[4] was £2.4m (2021: £0.2m loss) and operating profit after charging separately disclosed items was also £2.4m, £4.3m ahead of last year.

Corporate

Six months to 30 June	2022[1] £m	2021 £m	Change %	CC[2] %
Underlying EBITDAR[3]	(43.0)	(34.2)	(26%)	
Rent and associated costs	(0.2)	(0.2)	-	
Underlying EBITDA[3]	(43.2)	(34.4)	(26%)	
Share based payments	(3.3)	(1.8)	(83%)	
Underlying depreciation and amortisation	(0.1)	(0.2)	50%	
Share of JV/Associate (loss)	(108.6)	(78.2)	(39%)	
Underlying operating loss	(155.2)	(114.6)	(35%)	

Corporate costs[3] of £43.2m were £8.8m higher than last year driven by additional investment in our Responsible Gambling activities, as we move towards our 1% of UK GGR target, and the annualisation of investment in 2021 (H2 2021 cost was £46.6m). After share based payments, depreciation and amortisation and share of JV losses, Corporate underlying operating loss[4] was £155.2m, an increase of £40.6m, largely as a result of the expected £30.4m incremental loss in the US JV, BetMGM. After charging separately disclosed items of £12.3m, the operating loss of £167.5m was £36.7m higher than 2021.

Notes

(1) 2022 results are unaudited

(2) Growth on a constant currency basis is calculated by translating both current and prior year performance at the 2022 exchange rates

(3) EBITDAR is defined as earnings before interest, tax, depreciation and amortisation, rent and associated costs, share based payments and share of JV/associate income. EBITDA is defined as EBITDAR after charging rent and associated costs. Both EBITDAR and EBITDA are stated pre separately disclosed items

(4) Stated pre separately disclosed items

(5) Retail numbers are quoted on a LFL basis. During H1 there was an average of 4,317 shops in the estate, compared to an average of 4,612 in the same period last year

CHIEF FINANCIAL OFFICER'S REVIEW

Six months to 30 June	2022[1] £m	2021 £m	Change %	CC[2] %
NGR	2,117.6	1,792.6	18%	18%
Revenue	2,094.9	1,767.0	19%	19%
Gross profit	1,327.8	1,136.3	17%	
Contribution	1,025.5	827.8	24%	
Underlying EBITDAR[3]	480.1	410.5	17%	
Underlying EBITDA[3]	471.0	401.1	17%	
Share based payments	(5.2)	(6.6)	21%	
Underlying depreciation and amortisation	(113.2)	(109.9)	(3%)	
Share of JV/Associate loss	(106.1)	(79.0)	(34%)	
Underlying operating profit[4]	246.5	205.6	20%	
Net finance costs	(39.1)	(36.0)		
Net foreign exchange/movement on derivatives	(55.0)	77.1		
Profit before tax pre separately disclosed items	152.4	246.7		
Separately disclosed items:				
Amortisation of acquired intangibles	(51.5)	(94.7)		
Other	(61.4)	(21.4)		
Profit before tax	39.5	130.6		
Tax	(11.4)	(39.7)		
Profit after tax from continuing activities	**28.1**	**90.9**		
Discontinued operations	(3.1)	(6.2)		
Profit after tax	**25.0**	**84.7**		

NGR and Revenue

Group reported NGR was 18% ahead and revenue was 19% ahead of last year, with prior year lockdowns causing strong growth in Retail partially offset by a decline in Online. Further details are provided in the Business Review section.

Underlying operating profit[4]

Group reported underlying operating profit[4] of £246.5m was 20% ahead of 2021 (2021: £205.6m), with underlying EBITDA[4] ahead by 17%. The Group's share of JV and Associate losses of £106.1m (2021: £79.0m) includes BetMGM losses of £108.6m, which were £30.4m higher year on year as the business invests in growth. Analysis of the Group's performance for the first half is detailed in the Business Review section.

Financing costs

Finance costs of £39.1m (2021: £36.0m) were £3.1m higher than 2021 as a result of annualisation of interest on the additional $351m (c£250m) in term loans raised In July 2021.

Net foreign exchange losses in H1 of £55.0m (2021: £77.1m gain) resulted from the retranslation of non-sterling denominated debt. These losses are offset by gains in reserves on the retranslation of assets in our overseas businesses.

Separately disclosed items

Items separately disclosed before tax for the period amount to a £112.9m charge (2021: £116.1m) and relate primarily to £51.5m of amortisation on acquired intangibles (2021: £94.7m), a £45.5m charge for the repayment of monies received under the Coronavirus Job Retention Scheme ("furlough scheme")(2021: £nil), a £3.5m (2021: £3.3m) impairment/loss on disposal of certain Retail assets and in the prior year a write off of assets on the disposed exchange business Betdaq, Project Evolve costs of £4.5m (2021: £nil), corporate transaction costs of £12.5m (2021: £3.4m) and £4.7m of legal and onerous costs (2021: £6.2m), offset by a £9.3m release of contingent consideration liabilities following a reassessment of the likely cost (2021: £0.2m charge). During the prior year the Group also incurred £10.1m of Integration costs and £0.7m on other exceptional items as well as recording a £2.5m income predominantly on the Ladbrokes VAT claim.

Separately disclosed items	**2022 £m**	2021 £m
Amortisation of acquired intangibles	(51.5)	(94.7)
Furlough repayments	(45.5)	-
Impairment/Loss on disposal	(3.5)	(3.3)
Project Evolve	(4.5)	-
Corporate transaction costs	(12.5)	(3.4)
Legal and onerous contract costs	(4.7)	(6.2)
Movement in fair value of contingent consideration	9.3	(0.2)
Integration costs	-	(10.1)
Tax litigation/one-off legislative impacts	-	2.5
Other one-off items	-	(0.7)
Total	**(112.9)**	**(116.1)**

Profit before tax

Profit before tax and separately disclosed items was £152.4m (2021: £246.7m), a year-on-year reduction of £94.3m with the outperformance in Group operating profit offset by the foreign exchange losses on retranslation of debt.

Taxation

The tax charge for the period ended 30 June 2022 was £11.4m (2021: charge of £39.7m), reflecting an underlying effective tax rate pre-BetMGM losses and foreign exchange of 11.4% (2021: 20.2%) and a tax income on separately disclosed items of £19.3m (2021: £10.3m).

With changes anticipated in the taxation regime in Gibraltar, we now expect the full year 2022 effective tax rate to be c18% excluding the impact of foreign exchange and share of BetMGM losses.

Cashflow

Six months to 30 June	2022 £m	2021 £m
Underlying EBITDA[3]	471.0	401.1
Discontinued EBITDA	-	(2.5)
Underlying working capital	(86.7)	(43.9)
Capital expenditure	(103.9)	(71.6)
Finance lease (incl. IFRS 16 leases)	(48.6)	(44.0)
Corporate taxes	(40.6)	(41.4)
Underlying free cashflow	**191.2**	**197.7**
Investment in BetMGM	(113.1)	(72.6)
Acquisitions net of cash acquired	(179.5)	(380.7)
Free cashflow	**(101.4)**	**(255.6)**
Interest paid (incl. IFRS 16 leases)	(32.5)	(29.6)
Separately disclosed items	66.7	(18.4)
Net movement on debt and associated instruments	34.3	(21.9)
Equity issue	-	0.6
Dividends paid	-	(14.8)
Net Cashflow	**(32.9)**	**(339.7)**
Foreign exchange	11.3	18.1
Net cash generated	**(21.6)**	**(321.6)**

Note: Cashflows of £19.9m on contingent consideration arrangements classified as separately disclosed items above have been included within settlement of financial instruments and other financial liabilities within the statutory cashflow (2021: £1.6m)

During the first half, the Group had a net cash outflow of £32.9m (2021: £339.7m), but an inflow of £259.7m before acquisitions and investment in BetMGM (2021: £113.6m). Underlying free cashflow for the period was £191.2m (2021: £197.7m) with underlying EBITDA[3] of £471.0m (2021: £401.1m) offset by investment in capital expenditure of £103.9m (2021: £71.6m), lease payments of £48.6m, including those on non-operational shops (2021: £44.0m) and a working capital outflow of £86.7m (2021: £43.9m). The Group also paid £40.6m in corporate tax (2021: £41.4m) with discontinued operations also incurring a loss of £2.5m EBITDA[3] in the prior year. Including cash outflows for acquisitions and additional investment in BetMGM, the Group had a free cash outflow of £101.4m (2021: £255.6m).

The Group paid £32.5m of interest during the first half (2021: £29.6m) and received £66.7m on separately disclosed items (2021: £18.4m expense) including £161.9m on tax litigation (2021: £3.1m), primarily monies received from the 2010/11 Greek Tax Assessment following a ruling in the Group's favour, less payments of £4.9m on Project Evolve (2021: £nil), £45.5m to repay monies received under the furlough scheme (2021: £nil), £6.0m on legal and onerous contract costs (2021: £8.7m), £14.5m on acquisition and deal related costs (2021: £1.8m) and £19.9m on deferred consideration arrangements on previous acquisitions (2021: £1.6m). The Group also incurred £4.4m in ongoing fees in relation to previous disposals (2021: £nil). In the prior period, costs of £9.4m in relation to integration activities were incurred.

During the half, £34.3m was received on debt related instruments, primarily on the settlement of one of the Group's external swap arrangements following its maturity (2021: £21.9m repaid). In the prior period, £14.8m was paid in dividends to the minority holding in Crystalbet. No equity dividends were paid during either the current or prior year.

Net debt and liquidity

As at 30 June 2022, net debt was £2,209.6m and represented a net debt to EBITDA ratio of 2.3x. There was no drawdown on the Group's revolving credit facility.

	Par value	Issue costs/ Premium	Total
	£m	£m	£m
Bonds	(500.0)	(7.3)	(507.3)
Term loans	(1,887.0)	13.9	(1,873.1)
Interest accrual	(22.4)	-	(22.4)
	(2,409.4)	6.6	(2,402.8)
Cash			465.5
Accounting net debt			(1,937.3)
Cash held on behalf of customers			(194.9)
Fair value of swaps held against debt instruments			84.0
Short term investments/Deposits held			20.7
Balances held with payment service providers			94.2
Adjusted net debt pre IFRS 16			**(1,933.3)**
Lease liabilities recognised as a result of IFRS 16			(276.3)
Adjusted net debt post IFRS 16			**(2,209.6)**

Going Concern

In adopting the going concern basis of preparation in the interim financial statements, the directors have considered the current trading performance of the Group, the principal risks and uncertainties as considered in the 2021 year end longer term viability statement and the current macro-economic environment. The assessment performed over going concern included assessing the impact of the crystallisation of the Group's principal risks in "severe but plausible" downside scenarios as well as downside sensitivities for the broader macro-economic environment.

At 30 June 2022, the Group had accessible cash of c£0.4bn with a further c£0.5bn available under the Group's RCF. Given the level of the Group's current financing facilities, the first material tranche of which does not mature until H2 2023, and the forecast covenant headroom even under the sensitised downside scenarios, the directors believe that the Group is well placed to manage the risks and uncertainties it faces. As such, the directors have a reasonable expectation that the Group will have adequate financial resources to continue in operational existence and have, therefore, considered it appropriate to adopt the going concern basis of preparation in the interim financial statements.

Notes

(1) 2022 results are unaudited

(2) Growth on a constant currency basis is calculated by translating both current and prior year performance at the 2022 exchange rates

(3) EBITDAR is defined as earnings before interest, tax, depreciation and amortisation, rent and associated costs, share based payments and share of JV income. EBITDA is defined as EBITDAR after charging rent and associated costs. Both EBITDAR and EBITDA are stated pre separately disclosed items

(4) Stated pre separately disclosed items

Principal risks

Key risks are reviewed by the executive directors, other senior executives and the Board of Entain plc on a regular basis and, where appropriate, actions are taken to mitigate the key risks that are identified. The Board has overall responsibility for risk management as an integral part of strategic planning.

The principal risks and uncertainties which could impact the Group are detailed in the Group's Annual Report and Accounts 2021 and are as follows:

Data breach and cyber security

The Group operations depend on the fairness of its gaming engines, the processing of customer data (protected by strict data protection and privacy laws in all jurisdictions in which the Group operates) and the ability of customers to access its services on a 24/7 basis. The Group is exposed to the risk that the integrity of gaming, confidentiality of data or availability of its services would be compromised through a cyberattack or a breach in data security, which would impact the trust of its customers and resulting NGR growth and could ultimately result in prosecutions including financial penalties.

Laws, regulations, licensing and regulatory compliance

Regulatory, legislative and fiscal regimes for betting and gaming in key markets around the world can change, sometimes at short notice. Such changes could benefit or have an adverse effect on the Group's profitability or the markets in which it can operate.

Technology failure

The Group's operations are highly dependent on technology and advanced information systems and there is a risk that such technology or systems could fail. In particular, any damage to, or failure of online systems and servers, electronic point of sale systems and electronic display systems could result in interruptions to trading and customer service systems.

Taxes

The Group is subject to a range of taxes, duties and levies in many of the countries where we have operations or in which our customers are located. The taxes imposed upon betting and gaming companies have changed over time and continue to change. In addition to changing taxes, given the Group's geographical diversity, the nature of tax affairs can be complicated with differing legal interpretation regarding the scope and scale of taxation. Both of these factors mean the levels of taxation to which the Group is exposed to may change in the future.

BetMGM and US strategy

Effective execution of BetMGM's strategy in the US is key to the Group's growth forecasts. Ineffective execution of the strategy may impact the Group's ambition of leadership in the US and opportunities for NGR growth in already regulated states and new states as they regulate.

Safer betting and gaming

Safer betting and gaming is at the centre of everything that Entain does. It is the cornerstone of our Sustainability Charter, and our most material ESG issue is to ensure the highest possible levels of player safety and protection. Failure to adequately protect our customers could impact our ability to offer products and build a sustainable business.

Increased cost of product

The Group is subject to certain arrangements intended to support the customer offering. Examples are the horseracing and the voluntary greyhound racing levies, data and content supply, and the provision of marketing services. The combined cost of these third-party services is material, and they collectively have a significant impact on the profitability for the business globally. A number of the contracts that underpin the provision of third-party services are under negotiation at any one time. The pricing of these services is also subject to inflationary cost increases and can also be volatile based on the changeable business environment that many of our suppliers operate.

Health, Safety & Wellbeing of Customers, Communities and Employees

Failure to meet the requirements of the various domestic and international rules and regulations relating to the health and safety of our employees and our responsibilities and commitments towards customers and communities could expose the Company to material civil, criminal and/or regulatory action with the associated financial and reputational consequences.

Trading, liability management and pricing

The Group may experience significant losses as a result of a failure to determine accurately the odds in relation to any particular event and/or any failure of its price risk management processes.

Loss of key locations

Whilst the Group operates out of a number of geographical locations, there are a number of key sites which are critical to the day-to-day operations of the Group, including our offices in Central London, Gibraltar, Vienna, Hyderabad, Australia, Italy, Ireland and Manila. Disruption in any of these locations could have an impact on operations.

Pandemic

Further waves of pandemic affecting individual countries or continents resulting in the closure of all or part of our Retail estate or the cancellation/postponement of major sporting events, e.g., football, horse racing may result in financial losses, service outage or an inability to protect our colleagues wellbeing.

Recruitment and retention of key employees

The people who work within Entain are pivotal to the success of the Company and our failure to attract or retain key individuals may impact our ability to deliver on our strategic goals.

Emerging and Evolving Risks

The current economic pressures, increasing rates of inflation and increasing energy costs are a cause for concern for many consumers. Whilst the Group considers itself as relatively resilient to the impacts of economic pressures, it is not immune. The directors continue to be vigilant of the economic backdrop.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that, to the best of their knowledge the condensed financial statements of the Company have been prepared in accordance with IAS 34; and the interim management report of the Company includes:

- a fair review of the important events during the first six months of the year and their impact on the condensed financial statements and a description of the principal risks and uncertainties for the remaining six months of the year, as required by DTR 4.2.7R; and
- a fair review of related party transactions and changes therein, as required by DTR 4.2.8R.

A list of current directors is maintained on the Entain plc website www.entaingroup.com.

On behalf of the Board

J Nygaard-Andersen	R Wood
Chief Executive Officer	Chief Financial Officer/Deputy Chief Executive Officer

11 August 2022

UNAUDITED FINANCIAL STATEMENTS
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June

		2022			2021		
	Notes	Underlying items £m	Separately disclosed items (note 4) £m	Total £m	Underlying items £m	Separately disclosed items (note 4) £m	Total £m
NGR		**2,117.6**	**-**	**2,117.6**	**1,792.6**	**-**	**1,792.6**
VAT/GST		(22.7)	-	(22.7)	(25.6)	-	(25.6)
Revenue		**2,094.9**	**-**	**2,094.9**	**1,767.0**	**-**	**1,767.0**
Cost of sales		(767.1)	-	(767.1)	(630.7)	-	(630.7)
Gross profit		**1,327.8**	**-**	**1,327.8**	**1,136.3**	**-**	**1,136.3**
Administrative costs		(975.2)	(112.9)	(1,088.1)	(851.7)	(116.1)	(967.8)
Contribution		**1,025.5**	**-**	**1,025.5**	**827.8**	**-**	**827.8**
Administrative costs excluding marketing		(672.9)	(112.9)	(785.8)	(543.2)	(116.1)	(659.3)
Group operating profit/(loss) before share of results from joint ventures and associates		**352.6**	**(112.9)**	**239.7**	**284.6**	**(116.1)**	**168.5**
Share of results from joint venture and associates		(106.1)	-	(106.1)	(79.0)	-	(79.0)
Group operating profit/(loss)		**246.5**	**(112.9)**	**133.6**	**205.6**	**(116.1)**	**89.5**
Finance expense	5	(40.2)	-	(40.2)	(36.8)	-	(36.8)
Finance income	5	1.1	-	1.1	0.8	-	0.8
Gains arising from financial derivatives	5	63.5	-	63.5	24.3	-	24.3
(Losses)/gains arising from foreign exchange on debt instruments	5	(118.5)	-	(118.5)	52.8	-	52.8
Profit/(loss) before tax		**152.4**	**(112.9)**	**39.5**	**246.7**	**(116.1)**	**130.6**
Income tax (expense)/credit	6	(30.7)	19.3	(11.4)	(50.0)	10.3	(39.7)
Profit/(loss) from continuing operations		**121.7**	**(93.6)**	**28.1**	**196.7**	**(105.8)**	**90.9**
Loss for the period from discontinued operations after tax		-	(3.1)	(3.1)	(2.5)	(3.7)	(6.2)
Profit/(loss) for the period		**121.7**	**(96.7)**	**25.0**	**194.2**	**(109.5)**	**84.7**
Attributable to:							
Equity holders of the parent		123.7	(96.7)	27.0	184.0	(109.5)	74.5
Non-controlling interests		(2.0)	-	(2.0)	10.2	-	10.2
Earnings per share on profit for the period from continuing operations[1]	8	29.5p		5.1p	18.7p		13.8p
From profit for the period[1]		29.5p		4.6p	18.3p		12.7p
Diluted earnings per share on profit for the period from continuing operations[1]	8	29.3p		5.1p	18.5p		13.7p
From profit for the period[1]		29.3p		4.6p	18.1p		12.6p
Proposed dividends	7	8.5p		8.5p	-		-

Memo:

	2022			2021		
	Underlying items £m	Separately disclosed items £m	Total £m	Underlying items £m	Separately disclosed items £m	Total £m
EBITDAR[2]	480.1	(59.2)	420.9	410.5	(18.1)	392.4
Rent and associated costs[3]	(9.1)	-	(9.1)	(9.4)	-	(9.4)
EBITDA	471.0	(59.2)	411.8	401.1	(18.1)	383.0
Share based payments	(5.2)	-	(5.2)	(6.6)	-	(6.6)
Depreciation, amortisation and impairment	(113.2)	(53.7)	(166.9)	(109.9)	(98.0)	(207.9)
Share of results from joint ventures and associates	(106.1)	-	(106.1)	(79.0)	-	(79.0)
Group operating profit/(loss)	**246.5**	**(112.9)**	**133.6**	**205.6**	**(116.1)**	**89.5**

1. The calculation of underlying earnings per share has been adjusted for separately disclosed items, and for the removal of foreign exchange volatility arising on financial instruments as it provides a better understanding of the underlying performance of the Group. See note 8 for further details.
2. Included within the Income Statement and Memo above are certain non-statutory measures. The use of these items and the reconciliation to their statutory equivalents is provided above.
3. Rent and associated costs include VAT and rent not captured by IFRS 16. These are predominantly driven by held over leases and irrecoverable VAT on rental charges.

The accompanying notes form part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
Profit for the period	25.0	84.7
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Currency translation gains/(losses)	111.0	(88.7)
Total items that will be reclassified to profit or loss	111.0	(88.7)
Items that will not be re-classified to profit or loss:		
Changes in the fair value of equity instruments at fair value through other comprehensive income	(2.7)	-
Re-measurement of defined benefit pension scheme	(0.1)	17.1
Tax on re-measurement of defined benefit pension scheme	-	(6.0)
Total items that will not be reclassified to profit or loss	(2.8)	11.1
Other comprehensive income/(expense) for the period, net of tax	**108.2**	**(77.6)**
Total comprehensive income for the period	**133.2**	**7.1**
Attributable to:		
- equity holders of the parent	135.2	(3.1)
- non-controlling interests	(2.0)	10.2

The accompanying notes form part of these financial statements.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	30 June 2022 £m	31 December 2021 £m	30 June 2021 £m
ASSETS				
Non-current assets				
Goodwill		3,392.6	3,217.0	3,207.4
Intangible assets		2,231.6	2,152.5	2,176.9
Property, plant and equipment		486.4	467.2	458.6
Interest in joint venture		14.2	9.7	-
Interest in associates and other investments		57.1	58.4	54.4
Trade and other receivables		4.2	3.0	4.1
Other financial assets		8.0	0.3	3.6
Deferred tax assets		161.6	141.4	146.7
Retirement benefit assets		88.2	95.1	81.0
		6,443.9	**6,144.6**	**6,132.7**
Current assets				
Trade and other receivables		429.6	539.8	472.7
Income and other taxes recoverable		34.1	23.1	15.3
Derivative financial instruments	14	84.0	57.4	18.9
Cash and cash equivalents		465.5	487.1	396.4
		1,013.2	**1,107.4**	**903.3**
Assets in disposal group classified as held for sale		-	-	213.9
TOTAL ASSETS		**7,457.1**	**7,252.0**	**7,249.9**
LIABILITIES				
Current liabilities				
Trade and other payables		(702.7)	(695.8)	(750.3)
Balances with customers		(194.9)	(205.9)	(205.3)
Lease liabilities		(62.4)	(78.2)	(84.8)
Interest bearing loans and borrowings		(131.8)	(121.1)	(22.9)
Corporate tax liabilities		(52.8)	(59.1)	(84.0)
Provisions		(42.6)	(43.5)	(36.3)
Other financial liabilities	14	(62.4)	(36.1)	(211.7)
		(1,249.6)	**(1,239.7)**	**(1,395.3)**
Non-current liabilities				
Interest bearing loans and borrowings		(2,271.0)	(2,161.3)	(2,028.3)
Lease liabilities		(213.9)	(215.5)	(229.1)
Deferred tax liabilities		(407.8)	(408.0)	(365.3)
Provisions		(5.5)	(6.4)	(9.5)
Other financial liabilities	14	(2.8)	(52.6)	(8.5)
		(2,901.0)	**(2,843.8)**	**(2,640.7)**
Liabilities in disposal group classified as held for sale		-	-	(173.2)
TOTAL LIABILITIES		**(4,150.6)**	**(4,083.5)**	**(4,209.2)**
NET ASSETS		**3,306.5**	**3,168.5**	**3,040.7**
EQUITY				
Issued share capital		4.8	4.8	4.8
Share premium		1,207.3	1,207.3	1,207.2
Merger reserve		2,527.4	2,527.4	2,527.4
Translation reserve		174.4	63.4	103.0
Retained deficit		(605.6)	(635.8)	(863.6)
Equity shareholder's funds		**3,308.3**	**3,167.1**	**2,978.8**
Non-controlling interests		(1.8)	1.4	61.9
TOTAL SHAREHOLDERS' EQUITY		**3,306.5**	**3,168.5**	**3,040.7**

The accompanying notes form part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital £m	Share premium £m	Merger Reserve £m	Translation reserve[1] £m	Retained deficit £m	Equity shareholders funds £m	Non-controlling interest £m	Total shareholders equity £m
At 1 January 2021	**4.8**	**1,206.6**	**2,527.4**	**191.7**	**(901.3)**	**3,029.2**	**52.3**	**3,081.5**
Profit for the period	-	-	-	-	74.5	74.5	10.2	84.7
Other comprehensive expense	-	-	-	(88.7)	11.1	(77.6)	-	(77.6)
Total comprehensive income	-	-	-	(88.7)	85.6	(3.1)	10.2	7.1
Share options exercised	-	0.6	-	-	-	0.6	-	0.6
Share-based payments charge	-	-	-	-	2.1	2.1	-	2.1
Equity dividends	-	-	-	-	-	-	(14.8)	(14.8)
Acquisition of investments	-	-	-	-	(50.0)	(50.0)	14.2	(35.8)
At 30 June 2021	**4.8**	**1,207.2**	**2,527.4**	**103.0**	**(863.6)**	**2,978.8**	**61.9**	**3,040.7**
At 1 January 2022	**4.8**	**1,207.3**	**2,527.4**	**63.4**	**(635.8)**	**3,167.1**	**1.4**	**3,168.5**
Profit for the period	-	-	-	-	27.0	27.0	(2.0)	25.0
Other comprehensive income	-	-	-	111.0	(2.8)	108.2	-	108.2
Total comprehensive income	-	-	-	111.0	24.2	135.2	(2.0)	133.2
Share options exercised	-		-	-	-	-	-	-
Share-based payments charge	-	-	-	-	6.2	6.2	-	6.2
Equity dividends	-	-	-	-	-	-	-	-
Purchase of Non-controlling Interest	-	-	-	-	(0.2)	(0.2)	(1.2)	(1.4)
At 30 June 2022	**4.8**	**1,207.3**	**2,527.4**	**174.4**	**(605.6)**	**3,308.3**	**(1.8)**	**3,306.5**

1. The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries with non-sterling functional currencies.

The accompanying notes form part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
Cash generated by operations	12	**470.9**	**337.9**
Income taxes paid		(40.6)	(41.4)
Net finance expense paid		(32.5)	(29.6)
Net cash generated from operating activities		**397.8**	**266.9**
Cash flows from investing activities:			
Acquisitions		(195.7)	(403.0)
Cash acquired on acquisition of business		16.2	22.3
Purchase of intangible assets		(56.5)	(46.0)
Purchase of property, plant and equipment		(47.4)	(25.6)
Investment in joint venture		(113.1)	(72.6)
Net cash used in investing activities		(396.5)	(524.9)
Cash flows from financing activities:			
Proceeds from issue of ordinary shares		-	0.6
Settlement of financial instruments and other financial liabilities		(19.9)	(1.6)
Lease payments		(48.6)	(44.0)
Net repayment of borrowings and settlement of derivatives[1]		34.3	(21.9)
Dividends paid to non-controlling interests		-	(14.8)
Net cash utilised from financing activities		(34.2)	(81.7)
Net decrease in cash and cash equivalents		(32.9)	(339.7)
Effect of changes in foreign exchange rates		11.3	18.1
Cash and cash equivalents at beginning of the period		487.1	749.8
Cash and cash equivalents at end of the period[2]		**465.5**	**428.2**

1. Net repayment of borrowings includes £38.6m of cash received in relation to the settlement of derivative financial instruments (2021: cash paid £19.1m)
2. Cash and cash equivalents at the end of the period includes £nil (31 December 2021 £nil, 30 June 2021, £31.8m) of cash within assets in disposal group classified as held for sale.

The accompanying notes form part of these financial statements.

1. Corporate information

Entain plc ("the Company") is a public limited company incorporated and domiciled in the Isle of Man whose shares are publicly traded. The principal activities of the Company and its subsidiaries ("the Group") are described in Note 3.

2. Basis of preparation

(a) In adopting the going concern basis of preparation in the interim financial statements, the directors have considered the current trading performance of the Group, the principal risks and uncertainties as considered in the 2021 year and longer term viability statement and the current macro-economic environment. The assessment performed over going concern included assessing the impact of the crystallisation of the Group's principal risks in "severe but plausible" downside scenarios as well as downside sensitivities for the broader macro-economic environment.

At 30 June 2022, the Group had accessible cash of c£0.4bn with a further c£0.5bn available under the Group's RCF. Given the level of the Group's current financing facilities, the first material tranche of which does not mature until H2 2023, and the forecast covenant headroom even under the sensitised downside scenarios, the directors believe the Group is well placed to manage the risks and uncertainties it faces. As such, the directors have a reasonable expectation that the Group will have adequate financial resources to continue in operational existence and have, therefore, considered it appropriate to adopt the going concern basis of preparation in the interim financial statements.

(b) The Group's annual financial statements for the year ended 31 December 2021 were prepared in accordance with International Financial Reporting Standards ("IFRS") adopted pursuant to regulation (EC) No 1606/2002 as it applies in the European Union. The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the interim condensed consolidated financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2021.

The financial statements are presented in million Pounds Sterling, rounded to one decimal place. They are prepared on the historical cost basis except for the revaluation to fair value of certain financial instruments. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amounts and fair value less costs to sell.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021 other than those listed in 2(f).

The interim financial information was approved by a duly appointed and authorised committee of the Board of Directors on 11 August 2022 and is unaudited.

The financial information does not amount to full statutory accounts within the meaning of the Isle of Man Companies Act 2006 and does not include all of the information and disclosures required for full annual financial statements. It should be read in conjunction with the Annual Report and Accounts of Entain plc for the year ended 31 December 2021 which was prepared in accordance with IFRS as adopted by the European Union and was filed with the Registrar of Companies in the Isle of Man. This report is available either on request from the Company's registered office or to download from https://entaingroup.com/investor-relations/financial-reports/. The auditor's report on these accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain a statement under the Isle of Man Companies Act 2006.

The condensed interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and with International Accounting Standard 34 'Interim Financial Reporting'. It should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2021, which were prepared in accordance with applicable law and International Financial Reporting Standards.

2. Basis of preparation (continued)

(c) Critical judgements and estimates

In preparing these Condensed Consolidated Interim Financial Statements, the Group has made its best estimates and judgements of certain amounts included in the financial statements, giving due consideration to materiality. The Group regularly reviews these estimates and updates them as required.

The existing critical accounting estimates, assumptions and judgements set out in note 4.2 of the Group's Annual Report and Accounts for the 12 months ended 31 December 2021 remain relevant to these Condensed Consolidated Interim Financial Statements.

(d) To assist in understanding the underlying performance, the Group has separately disclosed the following items of pre-tax income and expense:

- amortisation of acquired intangibles resulting from IFRS 3 "Business Combinations" fair value exercises;
- profits or losses on disposal, closure or impairment of non-current assets or businesses;
- costs associated with business restructuring;
- corporate transaction costs;
- changes in the fair value of contingent consideration;
- the impact of significant tax legislation; and
- the related tax impact effect on these items.
- any other items are considered individually by virtue of their nature or size.

The separate disclosure of these items allows a clearer understanding of the trading performance on a consistent and comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Group.

The items disclosed separately have been included within the appropriate classifications in the consolidated income statement and are detailed in note 4. The directors have also presented Net Gaming Revenue, Contribution, Underlying EBITDAR and Underlying EBITDA as these are measures used frequently within the industry. All of these items are reconciled within the Income Statement.

(e) Accounting policies

Depreciation

Depreciation is applied using the straight-line method to specific classes of asset to reduce them to their residual value over their estimated useful economic lives.

The estimated useful lives are as follows:

Land and buildings	Lower of 50 years, or estimated useful life of the building, or lease. Indefinite lives are attached to any land held and therefore it is not depreciated
Plant and equipment	3 - 5 years
Fixtures, fittings and equipment	3 -10 years

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. All indefinite lived assets are subject to an annual impairment review from the year of acquisition. Other intangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

Retail licences	Lower of 15 years, or duration of licence
Software	2 -15 years
Capitalised development expenditure	3 - 5 years
Trademarks and brand names	10 -15 years, or indefinite life
Customer relationships	3 -15 years

2. Basis of preparation (continued)

(e) Accounting policies (continued)

Impairment

An impairment review is performed for goodwill and indefinite life assets on at least an annual basis. For all other non-current assets an impairment review is performed where there are indicators of impairment. This requires an estimation of the recoverable amount which is the higher of an asset's fair value less costs to sell and its value in use. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from each cash generating unit and to discount cash flows by a suitable discount rate in order to calculate the present value of those cash flows. Estimating an asset's fair value less costs to sell is determined using future cashflow and profit projections as well as industry observed multiples and publicly observed share prices for similar gambling companies.

Within Retail the cash generating units are generally an individual Licensed Betting Office ("LBO") and therefore, impairment is first assessed at this level for licences, property, plant and equipment and right of use ("ROU") assets, any impairment arising booked first to licences then to property, plant and equipment and ROU assets.

Separately Disclosed Items

For a full explanation of what is defined as a separately disclosed item and how they are disclosed, please refer to note 2(d).

(f) Updates to IFRS

A number of amendments to IFRSs became effective for the financial year beginning 1 January 2022:

IFRS 3	*'Business Combinations'*	Amendments updating a reference to the Conceptual Framework	1 January 2022
IFRS 9	*'Financial Instruments'*	Amendments resulting from Annual Improvements to IFRS standards 2018-2020	1 January 2022
IAS 16	*'Property, Plant and Equipment'*	Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.	1 January 2022
IAS 37	*'Provisions, Contingent Liabilities and Contingent Assets'*	Amendments regarding the costs to include when assessing whether a contract is onerous.	1 January 2022

None of the amendments to IFRS noted above had a significant effect on the financial statements.

3. Segment information

The Group's operating segments are based on the reports reviewed by the Executive management team (who are collectively considered to be the Chief Operating Decision Maker (CODM) to make strategic decisions and allocate resources.

IFRS 8 requires segment information to be presented on the same basis as that used by the CODM for assessing performance and allocating resources, and the Group's operating segments are now aggregated into the five reportable segments.

- Online: comprises betting and gaming activities from online and mobile operations. Sports Brands include bwin, Coral, Crystalbet, Eurobet, Ladbrokes and Sportingbet; Gaming Brands include CasinoClub, Foxy Bingo, Gala, Gioco Digitale, partypoker and PartyCasino, Optibet and Ninja;
- Retail: comprises betting and retail activities in the shop estate in Great Britain, Northern Ireland, Jersey, Republic of Ireland, Belgium and Italy;
- New opportunities: Unikrn and innovation spend;
- Corporate: includes costs associated with Group functions including Group executive, legal, Group finance, US joint venture, tax and treasury; and
- Other segments: includes activities primarily related to telephone betting, Stadia, Betdaq, and on course pitches.

The Executive management team of the Group have chosen to assess the performance of operating segments based on a measure of net revenue, EBITDAR, EBITDA and operating profit with finance costs and taxation considered for the Group as a whole. Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

The segment results for the six months ended 30 June 2022 were as follows:

2022	Online £m	Retail £m	All Other Segments £m	New Opportunities £m	Corporate £m	Elimination of internal revenue £m	Total Group £m
NGR	1,470.7	636.0	13.1	-	-	(2.2)	2,117.6
VAT/GST	(22.7)	-	-	-	-	-	(22.7)
Revenue	1,448.0	636.0	13.1	-	-	(2.2)	2,094.9
Gross Profit	886.1	428.6	13.1	-	-	-	1,327.8
Contribution	587.3	425.1	13.1	-	-	-	1,025.5
Operating costs excluding marketing/rental costs	(201.9)	(275.8)	(10.1)	(14.6)	(43.0)	-	(545.4)
Underlying EBITDAR before separately disclosed items	385.4	149.3	3.0	(14.6)	(43.0)	-	480.1
Rental costs	(0.7)	(8.2)	-	-	(0.2)	-	(9.1)
Underlying EBITDA before separately disclosed items	384.7	141.1	3.0	(14.6)	(43.2)	-	471.0
Share based payments	(1.3)	(0.5)	-	(0.1)	(3.3)	-	(5.2)
Depreciation and Amortisation	(57.2)	(53.0)	(1.3)	(1.6)	(0.1)	-	(113.2)
Share of joint ventures and associates	1.8	-	0.7	-	(108.6)	-	(106.1)
Operating profit/(loss) before separately disclosed items	328.0	87.6	2.4	(16.3)	(155.2)	-	246.5
Separately disclosed items	(50.5)	(50.1)	-	-	(12.3)	-	(112.9)
Group operating profit/(loss)	**277.5**	**37.5**	**2.4**	**(16.3)**	**(167.5)**	**-**	**133.6**
Net finance expense							(94.1)
Profit before tax							39.5
Income tax							(11.4)
Profit for the period from continuing operations							**28.1**
Loss for the period from discontinued operations after tax							(3.1)
Profit for the period after discontinued operations							**25.0**

3. Segment information (continued)

The segment results for the six months ended 30 June 2021 were as follows:

2021	Online £m	Retail £m	All Other Segments £m	Corporate £m	Elimination of internal revenue £m	Total Group £m
NGR	1,587.6	191.3	15.5	-	(1.8)	1,792.6
VAT/GST	(25.6)	-	-	-	-	(25.6)
Revenue	1,562.0	191.3	15.5	-	(1.8)	1,767.0
Gross Profit	989.1	134.2	13.0	-	-	1,136.3
Contribution	683.8	131.3	12.7	-	-	827.8
Operating costs excluding marketing/rental costs	(187.1)	(185.7)	(10.3)	(34.2)	-	(417.3)
Underlying EBITDAR before separately disclosed items	496.7	(54.4)	2.4	(34.2)	-	410.5
Rental costs	(0.8)	(8.3)	(0.1)	(0.2)	-	(9.4)
Underlying EBITDA before separately disclosed items	495.9	(62.7)	2.3	(34.4)	-	401.1
Share based payments	(3.5)	(1.3)	-	(1.8)	-	(6.6)
Depreciation and Amortisation	(56.9)	(51.1)	(1.7)	(0.2)	-	(109.9)
Share of joint ventures and associates	-	-	(0.8)	(78.2)	-	(79.0)
Operating profit/(loss) before separately disclosed items	435.5	(115.1)	(0.2)	(114.6)	-	205.6
Separately disclosed items	(92.6)	(5.6)	(1.7)	(16.2)	-	(116.1)
Group operating profit/(loss)	**342.9**	**(120.7)**	**(1.9)**	**(130.8)**	**-**	**89.5**
Net finance income						41.1
Profit before tax						130.6
Income tax						(39.7)
Profit for the period from continuing operations						**90.9**
Loss for the period from discontinued operations after tax						(6.2)
Profit for the period after discontinued operations						**84.7**

There were no revenue or costs relating to the New Opportunities segment in H1 2021.

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.

Geographical information

Revenue by destination for the Group, is as follows:

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
United Kingdom	1,028.9	775.1
Australia	213.7	179.0
Italy	225.3	178.4
Rest of Europe[1]	456.4	513.5
Rest of the World[2]	170.6	121.0
Total	**2,094.9**	1,767.0

1. Rest of Europe is predominantly driven by markets in Germany, Belgium and Georgia.
2. Rest of the World is predominantly driven by the market in Brazil.

4. Separately disclosed items

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
Amortisation of acquired intangibles[(1)]	51.5	94.7
Furlough[(2)]	45.5	-
Impairment loss /loss on disposal[(3)]	3.5	3.3
Restructuring costs[(4)]	4.5	-
Corporate transaction costs[(5)]	12.5	3.4
Legal and onerous contract provisions[(6)]	4.7	6.2
Movement in fair value of contingent consideration [(7)]	(9.3)	0.2
Integration costs[(8)]	-	10.1
Tax litigation/ one-off legislative impacts[(9)]	-	(2.5)
Other one-off items	-	0.7
Total before tax	**112.9**	**116.1**
Tax on separately disclosed items[(10)]	(19.3)	(10.3)
Separately disclosed items for the period from continuing operations	93.6	105.8
Separately disclosed items for the period from discontinued operations	3.1	3.7
Separately disclosed items for the period after discontinued operations	**96.7**	**109.5**

1. Amortisation charges in relation to acquired intangible assets primarily arising from the acquisitions of Ladbrokes Coral Group plc, Crystalbet, Enlabs, Bet.pt, Avid, Klondaika, and Totolotek.
2. Repayment of certain amounts received by the Group under the Government Coronavirus Job Retention Scheme ("Furlough Scheme").
3. During the period the Group recognised a non-cash impairment charge of £2.2m against closed shops and offices, and £1.3m loss on sale of certain assets.
4. Costs associated with the Group's restructuring program Evolve.
5. Deal fees associated with M&A activity in the period.
6. Relates primarily to costs associated with certain litigation and legal claims.
7. Income reflecting a change in the estimated likely payments under contingent consideration arrangements.
8. Costs associated with the integration of Ladbrokes Coral Group plc and GVC businesses, including redundancy costs.
9. Relates primarily to the additional amounts received in the prior year in relation to the Ladbrokes VAT claim.
10. The tax credit on separately disclosed items of £19.3m (2021: £10.3m credit) represents 17.0% (2021: 8.9%) of the separately disclosed items incurred of £112.9m (2021: £116.1m). This is lower than the expected tax credit at 19.0% (2021: 19.0%) due to certain corporate transaction costs that are not deductible for tax purposes and lower average overseas tax rates.

Included within discontinued operations are separately disclosed costs associated with the now disposed business, Intertrader.

5. Finance expense and income

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
Bank loans and overdrafts	(33.9)	(30.2)
Interest arising on lease liabilities	(6.3)	(6.6)
Losses arising on foreign exchange on debt instruments	(118.5)	-
Total finance expense	(158.7)	(36.8)
Interest receivable	1.1	0.8
Gains arising on financial derivatives	63.5	24.3
Gains arising on foreign exchange on debt instruments	-	52.8
Net finance (expense)/income	**(94.1)**	**41.1**

6. Taxation

The tax charge on continuing operations for the six months ended 30 June 2022 was £11.4m (30 June 2021: charge of £39.7m) of which a credit of £19.3m (30 June 2021: credit of £10.3m) related to separately disclosed items. The effective tax rate on continuing operations (before the effect of JV losses and foreign exchange) before separately disclosed items was 11.4% (six months ended 30 June 2021: 20.2%).

The current period's tax charge on continuing operations before separately disclosed items was higher than the UK statutory rate of 19% due to deferred tax assets on losses arising in BetMGM not being recognised in the period, partially offset by the effects of Gibraltar's temporary enhanced marketing deduction.

In the Gibraltar Budget on 20 July 2021, the Chief Minister announced a temporary enhanced tax deduction for qualifying business marketing and promotion costs, which would apply for the year ending 31 December 2021 and 31 December 2022. This was substantively enacted on 30 July 2021 and is reflected in the tax charge for the six months to 30 June 2022.

However, in the subsequent Gibraltar Budget on 28 June 2022, the Chief Minister unexpectedly announced the retrospective removal of this enhanced deduction, except in very limited circumstances. This had not been substantively enacted by the balance sheet date and so is not reflected in the tax charge for the six months to 30 June 2022.

As a result, the effective tax rate on continuing operations for the full year ended 31 December 2022 reflecting the withdrawal of the enhanced marketing deduction, but excluding the impact of foreign exchange and BetMGM losses, is forecast to be 18%.

The deferred tax assets and liabilities are measured at the tax rates of the respective territories which are expected to apply to the year in which the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

7. Dividends

An interim dividend of 8.5p per share (30 June 2021: £nil) has been proposed by the directors.

8. Earnings per share

Basic earnings per share has been calculated by dividing the profit attributable to shareholders of the Company of £27.0m (30 June 2021: profit of £74.5m) by the weighted average number of shares in issue during the six months of 587.5m (30 June 2021: 585.4m).

The calculation of adjusted earnings per share which removes separately disclosed items and foreign exchange gains and losses arising on financial instruments has also been disclosed as it provides a better understanding of the underlying performance of the Group. Separately disclosed items are defined in note 2 and disclosed in note 4.

Weighted average number of shares (million):	Six months ended 30 June 2022	Six months ended 30 June 2021
Shares for basic earnings per share	587.5	585.4
Potentially dilutive share options and contingently issuable shares	4.3	6.4
Shares for diluted earnings per share	591.8	591.8

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
Profit attributable to shareholders	27.0	74.5
- from continuing operations	30.1	80.7
- from discontinued operations	(3.1)	(6.2)
Gains arising from financial instruments	(63.5)	(24.3)
Losses/(gains) arising from foreign exchange of debt instruments	118.5	(52.8)
Tax credit on foreign exchange	(5.4)	-
Separately disclosed items net of tax (note 4)	96.7	109.5
Adjusted profit attributable to shareholders	173.3	106.9
- from continuing operations	173.3	109.4
- from discontinued operations	-	(2.5)

8. Earnings per share (continued)

Stated in pence	Standard earnings per share Six months ended 30 June 2022	2021	Adjusted earnings per share Six months ended 30 June 2022	2021
Basic earnings per share				
- from continuing operations	5.1	13.8	29.5	18.7
- from discontinued operations	(0.5)	(1.1)	-	(0.4)
From profit for the period	4.6	12.7	29.5	18.3
Diluted earnings per share				
- from continuing operations	5.1	13.7	29.3	18.5
- from discontinued operations	(0.5)	(1.1)	-	(0.4)
From profit for the period	4.6	12.6	29.3	18.1

The earnings per share presented above is inclusive of the performance from the US joint venture BetMGM. Adjusting for the removal of the BetMGM performance would result in a basic adjusted earnings per share of 48.0p (2021: 32.0p) and a diluted adjusted earnings per share of 47.6p (2021: 31.7p) from continuing operations.

9. Impairment

IAS 36 Impairment of Assets states that an impairment review must be carried out at least annually for any indefinite lived assets, such as goodwill and certain brands. Furthermore, it is necessary to assess whether there is any indication that any other asset, or cash generating unit (CGU), may be impaired at each reporting date. Should there be an indication that an asset may be impaired then an impairment review should be conducted at the relevant reporting date.

No current indicators which might lead to a material impairment have been identified by the directors.

10. Net debt

The components of the Group's net debt are as follows:

	30 June 2022 £m	31 December 2021 £m	30 June 2021 £m
Current assets			
Cash and short-term deposits	465.5	487.1	428.2
Current liabilities			
Interest bearing loans and borrowings	(131.8)	(121.1)	(22.9)
Non-current liabilities			
Interest bearing loans and borrowings	(2,271.0)	(2,161.3)	(2,028.3)
Accounting net debt	(1,937.3)	(1,795.3)	(1,623.0)
Cash held on behalf of customers	(194.9)	(205.9)	(360.9)
Fair value swaps held against debt instruments	84.0	57.4	18.9
Deposits	20.7	20.3	193.7
Balances held with payment service providers	94.2	130.8	133.9
Adjusted net debt	**(1,933.3)**	**(1,792.7)**	**(1,637.4)**
Lease liabilities	(276.3)	(293.7)	(313.9)
Net debt including lease liabilities	**(2,209.6)**	**(2,086.4)**	**(1,951.3)**

Cash and short-term deposits include £nil (31 December 2021: £nil, 30 June 2021 £31.8m) classified as held for sale.

Cash held on behalf of customers represents the outstanding balance due to customers in respect of their online gaming wallets. Included within this balance is £nil (31 December 2021: £nil, 30 June 2021: £155.6m) classified as held for sale.

Deposits represent balances with brokers in relation to trading accounts held by the Group. Included within this balance is £nil (31 December 2021: £nil, 30 June 2021: £177.9m) classified as held for sale.

11. Business combinations

Business combinations are accounted for using the acquisition method. Identifiable assets and liabilities acquired, and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The identification and valuation of intangible assets arising on business combinations is subject to a degree of judgement. We engaged independent third parties, including Kroll to assist with the identification and valuation process. This was performed in accordance with the Group's policies. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets acquired is recorded as goodwill. Costs related to the acquisition are expensed as incurred. Summary of acquisitions:

Avid
On 7 February, the Group acquired 100% of the share capital of Avid International Ltd. Avid owns Sports Interaction, a leading online sports betting brand in Canada, which provides the Group with access to Canada's highly attractive and fast growing sports betting and gaming market. In accordance with IFRS 3, as control has been obtained, the business has been consolidated from the point of acquisition. Consideration amounted to €211.3m.

Klondaika
On 31 January, the Group acquired 100% of the share capital of Klondaika Ltd, a largely online betting and gaming operator in Latvia. In accordance with IFRS 3, as control has been obtained, the business has been consolidated from this point forward. Consideration amounted to €24.6m.

Totolotek

On 16 May, the Group acquired 100% of Totolotek S.A., an online sports betting operator in Poland. In accordance with IFRS 3, as control has been obtained, the business has been consolidated from this point forward. Consideration amounted to €6.1m.

We continue to finalise the fair values of acquired intangibles and goodwill attributed to acquisitions and therefore, the values disclosed in the table below are provisional. Details of the purchase consideration, the net assets acquired and goodwill of all acquisitions in the period are as follows:

	Provisional fair value £m
Intangible assets (excluding goodwill)	94.6
Property, plant and equipment	8.0
Trade and other receivables	9.5
Cash and cash equivalents	16.2
Deferred tax liability	(1.7)
Trade and other payables	(24.3)
Total	**102.3**
Net assets acquired	102.3
Goodwill	99.1
Total net assets acquired	**201.4**
Consideration:	
Cash	194.4
Non-controlling interests	-
Deferred consideration	7.0
Total consideration	**201.4**

The acquired businesses contributed revenues of £24.7m and profit before tax of £4.3m pre the effect of any fair value adjustments to the Group for the period post acquisition up to 30 June 2022. If the acquisitions had occurred on 1 January 2022, consolidated proforma revenue and net profit for the period ended 30 June 2022 would have been £2,125.9m and £42.9m respectively before the effect of fair value adjustments and deal related costs.

12. Note to the statement of cash flows

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
Profit before tax from continuing operations	39.5	130.6
Net finance expense/(income)	94.1	(41.1)
Profit before tax and finance expense from continuing operations	133.6	89.5
Loss before tax and net finance expense from discontinued operations	(3.1)	(6.2)
Profit before tax and net finance expense including discontinued operations	130.5	83.3
Adjustments for:		
Impairment	2.2	3.3
Depreciation of property, plant and equipment	60.2	58.0
Amortisation of intangible assets	104.5	146.6
Share-based payments charge	5.2	6.6
Increase in trade and other receivables	108.0	(20.8)
Increase in trade and other payables	(35.4)	4.6
Increase in other financial liabilities	(7.8)	2.1
Decrease in provisions	(1.1)	(22.7)
Share of results from joint ventures and associates	106.1	79.0
Other non-cash items	(1.5)	(2.1)
Cash generated by operations	**470.9**	**337.9**

13. Related party transactions

During the period, Group companies entered into the following transactions with related parties who are not members of the Group:

	Six months ended 30 June 2022 £m	Six months ended 30 June 2021 £m
Equity investment		
- Joint venture[1]	113.1	72.6
Sundry expenditures		
- Associates[2]	1.8	17.4

1. Equity investment in BetMGM.
2. Payments in the normal course of business made to Sports Information Services (Holdings) Limited, Infiniti Gaming Knokke NV, Grand Casino de Dinant SA, and Leaderbet NV.

The following table provides related party outstanding balances:

	30 June 2022 £m	31 December 2021 £m	30 June 2021 £m
Other payables outstanding			
- Associates	(0.3)	(0.1)	(9.3)

14. Financial instruments

Details of the Group's borrowing are set out in note 10.

Fair value of financial instruments

The major component of the Group's derivative financial assets measured at fair value consist of currency swaps held against debt instruments of £84.0m (30 June 2021: £18.9m, 31 December 2021: £57.4m). The fair value of the Group's other financial assets at 30 June 2022 is not materially different to its original cost.

The major components of the Group's financial liabilities measured at fair value consist of; deferred and contingent consideration £45.2m (30 June 2021: £201.7m, 31 December 2021: £70.8m), currency swaps held against debt instruments of £nil (30 June 2021: £nil, 31 December 2021: £nil), and ante post liabilities £17.1m (30 June 2020: £15.6m, 31 December 2021: £15.3m).

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three levels are defined on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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: inputs for the asset or liability that are not based on observable market data.

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

The Group's financial assets and liabilities that are measured at fair value after initial recognition fall under the 3 levels of the fair value hierarchy as follows:

- Level 1 - £0.4m assets (30 June 2021: £2m, 31 December 2021: £nil), and £nil liabilities (30 June 2021: £nil, 31 December 2021: £nil).
- Level 2 - £86.2m assets (30 June 2021: £21.9m, 31 December 2021: £59.6m), and £nil liabilities (30 June 2021: £nil, 31 December 2021:£nil).
- Level 3 - £9.6m assets (30 June 2021: £5.1m, 31 December 2021: £10m), and £65.2m liabilities (30 June 2021: £217.3m, 31 December 2021: £86.1m).

There have been no transfers of assets or liabilities recorded at fair value between the levels of the fair value hierarchy.

15. Contingent liabilities

Greek tax

In November 2021, The Athens Administrative Court of Appeal ruled in favour of the Group on the 2010/11 Greek Tax Assessment, a ruling which has subsequently been appealed by the Greek authorities. During the first half, the Group has received a €192.6m refund in relation to the claim as a result of the ruling. In addition, the Group also has a receivable of €34.9m, which reflects interest due in relation to this matter.

Whilst the Group expects to be successful in defending the appeal by the Greek authorities, should the Greek Supreme Administrative Court rule in favour of the Greek tax authorities, then the Group may become liable for the full 2010/11 Assessment plus interest. Whilst the outcome of the appeal hearing, which is not expected until 2024, remains uncertain, the Group remains confident that the Supreme Court will also find in favour of the Group.

HMRC investigation

On 28 November 2019, one of our UK subsidiaries, Entain Holdings (UK) Limited, received a production order from HM Revenue & Customs ("HMRC") requiring it to provide information relating to the group's former Turkish facing online betting and gaming business, sold in 2017. At that time, the group understood that HMRC's investigation was directed at a number of former third party suppliers, relating to the processing of payments for online betting and gaming in Turkey. On 21 July 2020, GVC Holdings Plc announced that HMRC was widening the scope of its investigation and was examining potential corporate offending by the GVC group. It had previously been understood that no group company was a subject of HMRC's investigation. Through ongoing engagement with HMRC we understand that the group remains a corporate suspect and that the offences under investigation include, but are not limited to, offences under sections 1 and 7 of the Bribery Act 2010. The group continues to co-operate fully with HMRC's enquiries, which are ongoing.

In addition to the items discussed above, the Group is subject to a number of other potential litigation claims that arise as part of the normal course of business and continue to arise throughout 2022. Provision has not been made against these claims as they are not considered likely to result in an economic outflow. Consistent with any claims of this nature there can be uncertainty with the final outcome.

16. Subsequent events

On 14 June 2022, Entain plc announced its agreement to acquire one of the Netherland's leading online sports betting and gaming operators, BetCity, which provides the Group with access to the regulated Dutch markets. On completion, the Group will pay €300m of initial consideration with further contingent payments payable in 2023 and 2024 subject to the performance of the acquired business. The total amount payable is capped at €850m. The deal is expected to complete in the second half of the year.

On 11 August 2022, the Group announced the formation of Entain CEE to drive expansion into Central and Eastern Europe, with the Entain Group holding 75% of the economic rights of Entain CEE. In addition, Entain CEE announces the acquisition of SuperSport, the leading gaming and sportsbook operator in Croatia for initial consideration of €800m with a contingent payment of €120m expected in 2023 based on the 2022 performance of SuperSport. Of the initial consideration, Entain Plc will pay €600m (75% share) with a further €90m potentially payable under the contingent payment in 2023 (75% share). The acquisition of SuperSport is expected to complete in the second half of the year.

INDEPENDENT REVIEW REPORT TO ENTAIN PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises condensed consolidated income statements, condensed consolidated statements of comprehensive income, condensed consolidated balance sheet, condensed consolidated statements of changes in equity, condensed consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of 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 IAS 34 *Interim Financial Reporting* adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. 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. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) 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.

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 of 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 (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern, and the above conclusions are not a guarantee that the group 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 DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In preparing the condensed set of financial statements, the directors are responsible for assessing the group'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 group 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 DTR of the UK FCA. 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.

Mark Flanagan
for and on behalf of KPMG LLP
Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

11 August 2022