Creating a global leader in sports betting and gaming

Combination of Flutter Entertainment plc and The Stars Group Inc.
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Agenda

• Overview

• Strategic rationale

• Financial summary
Combination summary

Key terms
- Recommended all-share combination
- 0.2253 new Flutter Entertainment plc (“Flutter”) shares for every 1 The Stars Group Inc. (“TSG”) share
- Flutter shareholders will own approximately 54.64% and TSG’s shareholders will own approximately 45.36% of the combined company\(^1\)
- Implemented through an acquisition of TSG by Flutter and effected via a plan of arrangement in Canada

Name
- Flutter Entertainment plc

Executive management
- CEO: Peter Jackson
- CFO: Jonathan Hill
- COO: Rafi Ashkenazi

Board composition
- 14 person Board
- Chair: Gary McGann
- Deputy Chair: Divyesh (Dave) Gadhia
- CEO, CFO and COO
- 9 non-executive directors with 5 from the Board of Flutter, 3 from the Board of TSG and Richard Flint, former CEO of Sky Betting & Gaming (“SBG”), to be appointed upon completion
- Andy Higginson to join Board as non-executive director with immediate effect

\(^1\) On a fully diluted basis, excluding options in TSG that are out of the money.
## Combination summary

### Synergies
- Pre-tax cost synergies of £140m p.a. by end of the third full year post-completion, driven by API based technology integration approach
- Estimated one-time cash costs to achieve of £180m, to be incurred in two years after completion
- Potential financing cost savings and scope for revenue cross-sell

### Strategic third party relationships
- Economic alignment of Flutter’s and TSG’s strategic third party relationships across their respective US businesses
  - FOX (TSG’s US partner) to have the right to acquire an approximate 18.5% equity interest in FanDuel Group at its market value in 2021 (structured as a 10-year option from 2021, subject to a carrying value adjustment)
  - Fastball and Boyd (together Flutter’s co-shareholders in FanDuel Group) will receive a total payment of 12.5% of the increase in FOX Bet’s market value between completion of the combination and the exercise of Flutter’s option to acquire Fastball's remaining equity interest in FanDuel in July 2023 (also subject to a carrying value adjustment)
  - Commitment by all parties to discuss options for further alignment prior to completion of the combination
- In return, each of FOX, Fastball and Boyd have waived the exclusivity provisions that form part of the existing contractual arrangements in relation to the US subsidiaries of TSG and Flutter

### Approvals and timetable
- Combination conditional on Flutter and TSG shareholder approvals and relevant merger control and foreign investment approvals being obtained, including in the UK, Ireland, Australia, the US and Canada
- Expected completion during Q2 / Q3 2020

### HQ and listing
- Incorporation, headquarters and domicile in Dublin, Ireland
- Premium listing on the London Stock Exchange and a secondary listing on Euronext Dublin
- FTSE 100 and FTSE All-Share indexation
- Intention to delist TSG from NASDAQ and the Toronto Stock Exchange upon completion
Strategic Rationale
Combination of:

- Leading recreational brands
- Complementary, best-in-class products
- Proven cross-sell capabilities (from exchange, poker, DFS\(^1\) and free-to-play)
- Leading technology platforms (sports betting, poker and casino)
- Outstanding people with integration experience

Leading to…

- Accelerated international growth
- More profitable growth in core markets
- Enhanced US position
- Highly diversified business
- Significant cost, revenue and finance cost benefits
- ROIC exceeds WACC and earnings accretive by at least 50\(^2\)%

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\(^1\) Daily fantasy sports.
\(^2\) Post-tax ROIC expected to exceed Flutter WACC by the end of the third full financial year post completion. Transaction expected to be at least 50% accretive to Underlying Fully Diluted EPS for Flutter in the first full financial year post completion.
A groundbreaking combination

Creates a leading online gaming company...

...with best-in-class product offering...

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>Flutter</th>
<th>STARS GROUP</th>
<th>Combined group²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active customers (#)¹</td>
<td>&gt; 6 million</td>
<td>&gt; 7 million</td>
<td>&gt; 13 million</td>
</tr>
<tr>
<td>Revenue (£m)</td>
<td>1,873</td>
<td>1,903³</td>
<td>3,777</td>
</tr>
<tr>
<td>EBITDA (£m)</td>
<td>451</td>
<td>689³,⁴</td>
<td>1,140</td>
</tr>
</tbody>
</table>

...built on an exceptional portfolio of brands that customers love

Source: Company filings. Data for financial year ending 31 December 2018.
¹ See the Appendix to this presentation for the definition of active customers. Active customers for the combined group represents a combination of the unique annual active customers for Flutter and TSG. This may include active customers who are active with both companies.
² Excluding synergies.
³ TSG’s financials converted at an average exchange rate across the period of 1.335 USD:GBP in 2018. Proforma reflects consolidated financial results of TSG, SBG and BetEasy as if TSG had owned SBG and BetEasy since 1 January 2018 (but excluding William Hill Australia before it was acquired in April 2018).
⁴ Solely with respect to TSG, EBITDA means Adjusted EBITDA and is a non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable definition, reconciliation and / or additional information.
Combination creates growth opportunities

A large and growing market
- ~$450bn global market
- Online penetration currently at 11% and growing at 11%\(^1\)

Sector evolving at pace
- Driven by regulation
- Being at the forefront of technology is key

Major opportunity to capitalise on change
- Maintaining best-in-class responsible gaming

Combination will lead to a virtuous circle
- Increased scale & flexibility to invest
- Market leading tech, product, data, brand and responsible gaming
- Enhanced customer proposition
- Faster revenue growth
- Increased operating leverage

Positioned to benefit from sector change

Source: H2GC.
\(^1\) CAGR represents the 2013-2018 period.
Accelerates existing four pillar strategy

Maximise profitable growth in core markets

- Robust positions in core markets (UK, Ireland and Australia)
- Leading portfolio of trusted brands

Significant cost synergies

Grow our business in rest of world

- International cross-sell opportunity with international active customers increasing by ~4m
- Leading online poker position combined with high quality sports betting products

International business increased ~6x in size

Attain additional podium positions

- Additional podium positions:
  - Germany
  - Italy
  - Spain
- Well positioned in multiple other attractive markets

3 new podium positions

Pursue US opportunity rigorously

- Exceptional brands in FanDuel and FOX Bet
- Reinforces early momentum in the US with complementary customer acquisition
- Strong product portfolio

IDEALLY POSITIONED

Substantial value creation

Source: Company filings.

1 TSG International segment unique annual active customers as of FY 2018.
2 Proforma FY 2018 revenue from markets outside of the UK, Ireland, Australia and the US as if Flutter had owned TSG since 1 January 2018, represented as a multiple of Flutter’s FY 2018 revenue from markets outside of the UK, Ireland and Australia.
Maximise profitable growth in core markets: UK & Ireland

**Trusted brands**

Access to 3 of the most trusted brands...

**Broad customer reach**

2.7m customers\(^1\)  
2.7m customers\(^1\)

...enhancing offering to a large, recreational customer base...

**Significant revenue growth**

£1.1bn FY18 revenue  
6% FY16-18 CAGR

£0.7bn FY18 revenue\(^2\)  
21% FY16-18 CAGR

...driving operating leverage

\(^1\) Represents the FY 2018 unique annual active customers for Flutter and SBG, respectively.  
\(^2\) TSG financials are proforma and reflect the applicable financial results as if TSG had owned SBG since 1 January 2016.
Maximise profitable growth in core markets: Australia

- **Trusted brands**
  - Sportsbet
  - BetEasy

- **Broad customer reach**
  - 1.2m customers\(^1\)
  - 0.4m customers\(^1\)

- **Significant revenue growth**
  - £403m FY18 revenue
  - £167m FY18 revenue\(^2\)

\[\text{CAGR of 14\% for FY16-18}\]

1. Represents the unique annual active customers for Flutter and TSG in Australia for FY 2018, respectively.
2. TSG financials converted at average exchange rate across the period of 1.335 USD:GBP in 2018. TSG financials are proforma and reflect the applicable financial results as if TSG had owned BetEasy since 1 January 2018 (but excluding William Hill Australia before it was acquired on 24 April 2018).
Step change to growth of our business in rest of the world

Attractive, growing online markets

<table>
<thead>
<tr>
<th>Country</th>
<th>2018 online gambling revenue ($bn)</th>
<th>5 year CAGR (2013-18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>0</td>
<td>+7%</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.5</td>
<td>+10%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1.0</td>
<td>+11%</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.5</td>
<td>+13%</td>
</tr>
<tr>
<td>Spain</td>
<td>2.0</td>
<td>+13%</td>
</tr>
<tr>
<td>Denmark</td>
<td>~190k</td>
<td>+10%</td>
</tr>
<tr>
<td>Belgium</td>
<td>~180k</td>
<td>+21%</td>
</tr>
<tr>
<td>Czech Rep</td>
<td>~150k</td>
<td>+24%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>~130k</td>
<td>+5%</td>
</tr>
<tr>
<td>Portugal</td>
<td>~100k</td>
<td>+30%</td>
</tr>
<tr>
<td>Germany</td>
<td>~150k</td>
<td>+8%</td>
</tr>
<tr>
<td>Italy</td>
<td>~150k</td>
<td>+13%</td>
</tr>
<tr>
<td>France</td>
<td>~150k</td>
<td>+10%</td>
</tr>
</tbody>
</table>

2013-2018 Overall CAGR: +12%

Proven scope to cross-sell

<table>
<thead>
<tr>
<th>Select TSG markets</th>
<th>Avg. quarterly active customers (k)</th>
<th>% customers using multiple products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market 1</td>
<td>~190k</td>
<td>44%</td>
</tr>
<tr>
<td>Market 2</td>
<td>~180k</td>
<td>34%</td>
</tr>
<tr>
<td>Market 3</td>
<td>~150k</td>
<td>40%</td>
</tr>
<tr>
<td>Market 4</td>
<td>~130k</td>
<td>25%</td>
</tr>
<tr>
<td>Market 5</td>
<td>~100k</td>
<td>16%</td>
</tr>
</tbody>
</table>

Average Across 5 Markets: ~150k, 32%

International footprint increases by over 4m active customers and revenue by 6x

Significant opportunity to cross-sell sports betting

Enhanced revenue growth

1 Online gross gambling revenues. Source: H2GC.
2 Large TSG international markets by quarterly active uniques ("QAU") where multiple products are available. Figures reflect the applicable QAUs for Q4 2018. Please refer to the appendix of this presentation for the applicable definition of QAUs and additional information.

✓ Indicates where TSG has customers in the market.
Proven track record of cross-selling

- **Cross-sell from exchange driving sports betting revenue**
- **Poker driving expansion into casino and betting**

- **Extensive customer base**
- **Low-cost customer acquisition**
- **Attractive margins and highly cash generative**
- **Winning ecosystems**

**Rolling LTM Betfair Revenue ($m)**

- FY12-18 CAGR 10%

**Rolling LTM International Segment Revenue ($m)**

- FY15-18 CAGR 12%

**LTM Exchange**

**LTM Betfair Total**

**LTM Poker**

**Total LTM International Total**
3. **Attain additional podium positions**

- Addition of 3 podium positions (Germany, Spain and Italy)
- Enhanced reach in multiple additional attractive markets
- ~82% proforma revenue from regulated markets

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**Significantly enhanced international capabilities**

<table>
<thead>
<tr>
<th># of</th>
<th>Flutter</th>
<th>STARS GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countries</td>
<td>&gt;100</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Languages</td>
<td>10</td>
<td>~30</td>
</tr>
<tr>
<td>Currencies</td>
<td>13</td>
<td>&gt;25</td>
</tr>
<tr>
<td>Payment Options</td>
<td>30</td>
<td>&gt;55</td>
</tr>
</tbody>
</table>

---

1 Regulated revenue based on H1 2019 combined revenues of Flutter and TSG. Includes revenues generated from regulated or locally taxed jurisdictions for TSG (excluding Germany) and regulated markets for Flutter.
Continue to pursue US opportunity rigorously

**FANDUEL**

- Leading sports gaming brand with $2bn sports betting handle since launch
- >8m customers across 41 states
- 4 products providing cross-selling opportunity
- Over 200k sports betting customers

**WINNING COMBINATION**

- Strong brands
- Outstanding distribution and market access
- Best-in-class product portfolio
- Proven execution

**FOX BET**

- Iconic sports brand
- 100m+ FOX Sports viewers
- Positive early momentum >450k App downloads\(^1\)
- Successfully media-gaming partnership track record

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\(^1\) FOX Sports Super 6 app nationwide downloads in United States, as of 29 September 2019.
Strategic third party relationships

- Legally binding heads of terms agreed with FOX and each of FanDuel Group's minority shareholders
- Aligns economic interests in both businesses
- Creates operating strategy and structure going forward
- Ambition to create greater revenue and profit opportunity for Flutter

Key Terms:

- Economic alignment of Flutter’s and TSG’s strategic third party relationships across their respective US businesses
  - FOX (TSG’s US partner) to have the right to acquire an approximate 18.5% equity interest in FanDuel Group at its market value in 2021 (structured as a 10-year option from 2021, subject to a carrying value adjustment)
  - Fastball and Boyd (together Flutter’s co-shareholders in FanDuel Group) will receive a total payment of 12.5% of the increase in FOX Bet’s market value between completion of the combination and the exercise of Flutter’s option to acquire Fastball’s remaining equity interest in FanDuel in July 2023 (also subject to a carrying value adjustment)
  - Commitment by all parties to discuss options for further alignment prior to completion of the combination
- In return, each of FOX, Fastball and Boyd have waived the exclusivity provisions that form part of the existing contractual arrangements in relation to the US subsidiaries of TSG and Flutter

Leading sports betting firm with a pre-eminent media broadcaster partnership
Financial summary
Diversified and balanced revenue mix

**Diversification – Geographic split**

- **RoW** 9%
  - **US** 10%
  - **Australia** 22%
  - **UK & Ireland** 59%

**Combined group**

- **RoW** 31%
  - **UK & Ireland** 38%
  - **Australia** 9%
  - **US** 5%
  - **Australia** 15%

**Customer proposition – Product portfolio**

- **Online Sports Betting** 58%
  - **Online Gaming** 15%
  - **Retail** 18%
  - **Other** 9%

**Combined group**

- **Online Sports Betting** 32%
  - **Online Gaming** 30%
  - **Poker** 18%
  - **Retail** 9%
  - **Other** 6%

Source: Company filings.

1 Represents FY 2018 split of revenue. With respect to TSG, figures are based on proforma consolidated financial results of TSG as if it had owned SBG and BetEasy since 1 January 2018 (but excluding William Hill Australia before it was acquired on 24 April 2018).
Value creation: synergies & integration

**Summary**
- Pre-tax cost synergies of £140m p.a. by end of the third full year post-completion, driven by API based technology integration approach
- Estimated one-time cash costs to achieve of £180m, to be incurred in two years after completion
- Maintain momentum in existing businesses and progress in US
- Build on key platforms for poker, casino and sports betting

**Integration principles**

**Corporate & administrative**
- Remove US/Canada listing costs
- Realign corporate costs in duplicated areas

**Procurement & other**
- Drive efficiencies through purchasing opportunities

**Technology & risk**
- Focus on core platforms
- Streamline risk capabilities

**Marketing**
- Drive efficiency across all major channels

**Potential synergy upside**
- Potential financing cost savings given anticipated improvements in the financial and credit profile of combined group
- Scope for revenue cross-sell across international markets through a broader customer proposition and the sharing of best practice

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**Cost synergy overview**

<table>
<thead>
<tr>
<th>Summary</th>
<th>Integration principles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>Build on key platforms for poker, casino and sports betting</td>
</tr>
</tbody>
</table>

**Cost synergy phasing**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cumulative Phasing (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>~25</td>
</tr>
<tr>
<td>Year 2</td>
<td>~115</td>
</tr>
<tr>
<td>Year 3</td>
<td>~140</td>
</tr>
</tbody>
</table>

1 Years refers to first full 12 months post-completion and subsequent 12 month periods.
## Attractive proposition for shareholders

### Financial profile

| Cash generation                  | ~30% combined 2018 Underlying EBITDA Margin  
|                                 | High cash conversion supported by synergies |

### Capital management framework

| Leverage             | Leverage at completion of ~3.5x Net Debt to Underlying EBITDA excluding synergies\(^1\)  
|                     | Target leverage ratio remains 1-2x Net Debt to Underlying EBITDA in the medium term |
| Dividend             | Prior to completion Flutter shareholders will be entitled to receive:  
|                     | – Final dividend in respect of FY 2019 of 133p per Flutter share  
|                     | – Pro-rata dividend for Flutter shareholders in respect of the period 1 January 2020 to date of completion  
| Returns              | The combined group will target an annual full-year dividend of 200p per share until Net Debt to Underlying EBITDA falls below 2.0x |
| ROIC                 | ROIC\(^2\) expected to exceed Flutter WACC by the end of third full financial year post completion |
| Accretion            | Transaction expected to be at least 50% accretive to Underlying Fully Diluted EPS for Flutter shareholders in the first full financial year post completion |

### Compelling financial profile and attractive returns

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Note: These statements are based on Flutter internal projections for Flutter and TSG.  
\(1\) Assumes completion by end of Q2 / Q3 2020.  
\(2\) Represents post-tax ROIC.
Expected timetable

2020

Q1

Shareholder documentation published

- TSG proxy circular
- Flutter prospectus and circular

Q2

Flutter and TSG shareholder meetings

Q3

Q4

Anticipated receipt of final regulatory approvals and completion
Global leader in online sports betting and gaming

Combination of:

- Leading recreational brands
- Complementary, best-in-class products
- Proven cross-sell capabilities (from exchange, poker, DFS and free-to-play)
- Leading technology platforms (sports betting, poker and casino)
- Outstanding people with integration experience

Leading to…

- Accelerated international growth
- More profitable growth in core markets
- Enhanced US position
- Highly diversified business
- Significant cost, revenue and finance cost benefits
- ROIC exceeds WACC and earnings accretive by at least 50%\(^1\)

Accelerates four pillar strategy

\(^1\) Post-tax ROIC expected to exceed Flutter WACC by the end of the third full financial year post completion. Transaction expected to be at least 50% accretive to Underlying Fully Diluted EPS for Flutter in the first full financial year post completion.
Appendix
### The Stars Group Adjusted EBITDA reconciliation

**CONSOLIDATED**

<table>
<thead>
<tr>
<th>Proforma(^1) quarter ended</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$mm (except otherwise noted)</td>
<td>FY18</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>192.4</td>
</tr>
</tbody>
</table>

*Add back or (deduct) the impact of the following:*  
- Depreciation and Amortization: 413.4
- Impairment of intangible assets: 6.2
- Acquisition related costs: 115.6
- Transaction related costs: 66.4
- Other adjustments: 125.9

<table>
<thead>
<tr>
<th>Total adjustments</th>
<th>727.5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>919.9</td>
</tr>
</tbody>
</table>

\(^1\) Pro forma reflects the financial results of the consolidated company as if TSG had owned SBG and BetEasy since 1 January 2018 (but excluding William Hill Australia before it was acquired in April 2018).
Definitions

Flutter

- **Active Customers**: Active customers are defined as those who have deposited real money and have bet in the reporting period.
- **Underlying**: The "underlying" measures exclude separately disclosed items, that are not part of the usual business activity of the Group and are also excluded when internally evaluating performance, and have been therefore reported as “separately disclosed items”. Underlying financial measures are non-IFRS measures.
- **EBITDA**: EBITDA is profit before interest, tax, depreciation, amortisation and impairment expenses and is a non-IFRS measure.
- **Net Debt**: Comprised of gross cash excluding customer balances and gross borrowings. Net Debt is a non-IFRS measure.
- **Fully Diluted EPS**: determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which include awards under share award schemes and share options granted to employees.

The Stars Group

- **Active Customers**: Active customers generally means a customer who played or used one of its real-money offerings at least once during the applicable period, and excludes duplicate counting even if that customer is active across multiple lines of operation (i.e., poker, gaming and/or betting).
- **Quarterly Active Uniques (QAU)**: Unique active customers who (i) made a deposit or transferred funds into their real-money account with TSG at any time, and (ii) generated real-money online rake or placed a real-money online bet or wager on during the applicable quarterly period. The definition of QAUs excludes customer activity from certain low-stakes, non-raked real-money poker games, but includes real-money activity by customers using funds (cash and cash equivalents) deposited by TSG into such customers’ previously funded accounts as promotions to increase their lifetime value.
- **Adjusted EBITDA**: Net earnings before financial expenses, income tax expense (recovery), depreciation and amortization, stock-based compensation, restructuring, net earnings (loss) on associate and certain other items as set out in the preceding reconciliation tables. A reconciliation of Adjusted EBITDA to the nearest IFRS measures is provided in this Appendix.

Combined Group

- **Underlying EBITDA**: The combination of Flutter’s Underlying EBITDA and TSG’s Adjusted EBITDA.
- **Underlying EBITDA Margin**: The combination of Flutter’s Underlying EBITDA Margin and TSG’s Adjusted EBITDA Margin.

For purposes of this presentation, “proforma” and “combined” means as if the completion occurred as of the first day of the applicable financial or calendar year. With respect to TSG and fiscal and calendar 2018, this reflects the consolidated financial results of TSG, SBG and BetEasy as if TSG had owned SBG and BetEasy since 1 January 2018 (but excluding William Hill Australia before it was acquired in April 2018).
Other information and disclaimers

Currency
Unless otherwise noted, all references to “£” and “GBP” are to the Great British pound sterling, “$”, “US$” and “USD” are to the U.S. dollar and “A$” and “AUD” are to the Australian dollar.

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Non-IFRS Measures
This presentation references Adjusted EBITDA, EBITDA, Net Debt, Underlying Earnings Per Share and Underlying EBITDA, which are non-IFRS financial measures. Flutter and TSG believe these non-IFRS financial measures will provide investors with useful supplemental information about the financial and operational performance of their businesses and the combined company, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by relevant management in operating its business, identifying and evaluating trends, and making decisions. Although Flutter and TSG management believe these financial measures are important in evaluating their businesses and the combined company, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. They are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS. These measures may be different from non-IFRS financial measures used by other companies, limiting their usefulness for comparison purposes. Moreover, presentation of these measures may be provided for year-over-year comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on the operating results of Flutter, TSG and/or the combined company.

Statements regarding earnings enhancement is not intended to be a profit forecast and should not be interpreted to mean that the earnings per Flutter or TSG share, or of the combined group, for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

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