

# TSE Holdings Limited

Directors' report and financial statements

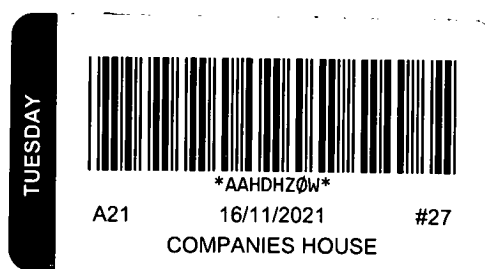
**Year ended 31 December 2020**

***Registered number: 05172296***

## TSE Holdings Limited

### Directors' report and financial statements

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## TSE Holdings Limited

### Directors and other information

**Directors**

Peter Jackson  
Edward Traynor

**Secretary**

Jonathan Seeley

**Registered office**

Waterfront  
Hammersmith Embankment  
Chancellors Road  
London  
W6 9HP

**Auditor**

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

**Bankers**

Natwest  
280 Bishopsgate  
London  
EC2M 4RB

**Registered number**

05172296

## TSE Holdings Limited

### Strategic report

The Directors present their annual report and the audited financial statements of the company for the year ended 31 December 2020.

The strategic report is prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

#### Principal activity and future developments

The principal activity of TSE Holdings Limited (the 'Company') is to carry on the business of an investment and holding company. The Directors believe this will continue for the foreseeable future.

#### Review of the business

During the year ended 31 December 2020 the Company did not generate direct revenue (2019: £Nil).

In December 2020, the Company acquired an additional 37.2% of the shares in FanDuel for consideration totalling £3.34bn. Further information on this is available in the Flutter Entertainment plc Annual Report and Accounts 2020. The Company incurred expenses associated with the FanDuel acquisition resulting in an increase in administration expenses to £2.7m during the year (2019: £0.8m)

The Company acquired an investment in TSG Interactive US Services Ltd during the year. Subsequently, the Company recognised an impairment of £324m on this investment, reflecting a change in the assumptions regarding the expected future performance of the subsidiary.

#### Key performance indicators (KPIs)

The Directors believe the KPIs of the Company and its subsidiary undertakings are its net assets. The Company holds £1.8bn of net assets at year ended 31 December 2020 (2019: £1.2m).

#### Going concern

The Company is in a net current liability position which is primarily attributable to intercompany payables. The Company's ultimate parent undertaking, Flutter Entertainment plc, has indicated that it will guarantee any outstanding intercompany balances between Group companies and that no Group company will demand repayment such that it would threaten the counterparty's ability to continue as a going concern. On this basis, the directors have formed the opinion that the Company's financial statements should be prepared on the going concern basis.

#### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The key business risks and uncertainties affecting the Group are considered to relate to regulation, licensing and regulatory compliance, data management and cyber security, technology infrastructure, systems stability and availability, business continuity planning and disaster recovery, product availability and competition, reliance on third parties and key supplier relationships, health and safety and key employees recruitment and retention. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 57 to 64 of the Flutter Entertainment plc Annual Report and Accounts 2020 which does not form part of this report. A copy of the Flutter Entertainment plc Annual Report and 2020 Accounts can be found on its website, [www.flutter.com/investors](http://www.flutter.com/investors).

## TSE Holdings Limited

### Strategic report *(continued)*

#### **Principal risks and uncertainties *(continued)***

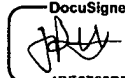
Risks are formally reviewed by the Flutter Entertainment plc Board and appropriate processes are put in place to mitigate them. It is possible that the overall effect of such events would result in adverse implications for the Company.

#### **Financial risk management**

The Company continues to have a prudent treasury management policy in place.

The Company's operations expose it to a variety of other financial risks, including interest rate and foreign exchange movements. Management continues to closely monitor the Company's financial risks and mitigate its exposures where required.

This Strategic Report is approved on behalf of the Board of Directors by:

DocuSigned by:  
  
4BE9768BB0AA4F3...  
Peter Jackson  
Director

8 November 2021

**Registered office**  
Waterfront  
Hammersmith Embankment  
Chancellors Road  
London  
W6 9HP

## TSE Holdings Limited

### Directors' report

The Directors present their report together with the audited financial statements of TSE Holdings Limited (the "Company") for the year ended 31 December 2020.

#### **Business activities**

Details of the Company's business activities are set out in the strategic report.

#### **Dividends**

During the year ended 31 December 2020, the Company paid no dividends to its parent company, The Sporting Exchange Limited (2019: £Nil). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2020.

#### **Political contributions**

The Company made no political contributions during the year ended 31 December 2020 (2019: £Nil).

#### **Directors**

The Directors who held office during the year, and up to the date of this report, are as follows:

Peter Jackson  
Edward Traynor

All Directors benefited from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

#### **Company Secretary**

Jonathan Seeley

#### **Events subsequent to reporting date**

The Directors are not aware of any matter or circumstance occurring since 31 December 2020 that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the Auditor, KPMG Ireland, will be deemed to be re-appointed for the next financial period.

## TSE Holdings Limited

### Directors' report (*continued*)

#### Disclosure of information to the Auditor

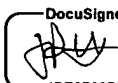
Each of the Directors who held office at the date of approval of the Directors' Report confirms that:

- so far as they are aware, there is no relevant audit information of which the Auditor is unaware; and
- that they have taken all steps that they ought to have taken as a Director to make them aware of any relevant audit information and to establish that the Auditor is aware of that information.

#### Other information

Flutter Entertainment plc, the ultimate parent, applies the UK Corporate Governance Code. The relevant disclosures are made in the Flutter Entertainment plc Annual Report and 2020 Accounts which can be found on its website, [www.flutter.com/investors](http://www.flutter.com/investors).

On behalf of the Board of Directors:

DocuSigned by:  
  
4BE9768BB0AA4F3...  
Peter Jackson  
Director

8 November 2021

**Registered office**  
Waterfront  
Hammersmith Embankment  
Chancellors Road  
London  
W6 9HP

## TSE Holdings Limited

### Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the directors' report, strategic report and the financial statements in accordance with applicable law and regulations.

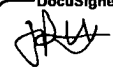
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the Board of Directors:

DocuSigned by:  
  
4BE9768BB0AA4F3...  
Peter Jackson  
Director

8 November 2021



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## Independent auditor's report to the members of TSE Holdings Limited

### Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of TSE Holdings Limited ('the Company') for the year ended 31 December 2020 set out on pages 11 to 24, which comprise the Statement of profit and loss account and other comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.



## Independent auditor's report to the members of TSE Holdings Limited (continued)

### Report on the audit of the financial statements (continued)

#### *Conclusions relating to going concern (continued)*

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

#### **Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.



## Independent auditor's report to the members of TSE Holdings Limited (continued)

### **Detecting irregularities including fraud (continued)**

#### ***Other information***

The directors are responsible for the other information presented in the financial statements. The other information comprises the information included in the strategic and directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

#### **Opinions on other matters prescribed by the Companies Act 2006**

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

#### ***Matters on which we are required to report by exception***

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

#### **Respective responsibilities and restrictions on use**

##### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements including being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



## Independent auditor's report to the members of TSE Holdings Limited (continued)

### Respective responsibilities and restrictions on use (continued)

#### ***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### ***The purpose of our audit work and to whom we owe our responsibilities***

Our report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads 'Brian Kane'.

9 November 2021

B. Kane  
Senior Statutory Auditor  
for and on behalf of  
**KPMG Statutory Auditor**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

## TSE Holdings Limited

**Statement of Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2020*

	<i>Note</i>	<b>2020</b> £	<b>2019</b> £
Administrative expenses		<b>(2,758,442)</b>	(766,696)
<b>Operating Loss</b>		<b>(2,758,442)</b>	(766,696)
Interest receivable and similar income	3	<b>2,638,624</b>	2,334,421
Interest payable and similar charges	4	<b>(5,594,456)</b>	(2,672,854)
Impairment of fixed financial asset	6	<b>(324,000,000)</b>	-
<b>Loss before Tax</b>	2	<b>(329,714,274)</b>	(1,105,129)
Taxation	5	-	220,465
<b>Total comprehensive loss for the financial year</b>		<b>(329,714,274)</b>	(884,664)

All activities relate to continuing operations in the current and the prior year.

The notes on pages 14 to 24 form an integral part of these financial statements.

## TSE Holdings Limited

## Statement of Financial Position

as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	6	3,550,116,228	168,781,495
<b>Current assets</b>			
Debtors	7	119,635,053	149,400,866
Cash at bank and in hand		10,993	10,604
<b>Total current assets</b>		<b>119,646,046</b>	<b>149,411,470</b>
<b>Creditors: amounts falling due within one year</b>	8	<b>(285,146,005)</b>	<b>(316,998,198)</b>
<b>Net current liabilities</b>		<b>(165,499,959)</b>	<b>(167,586,728)</b>
<b>Creditors: amounts falling due after one year</b>	9	<b>(1,553,749,234)</b>	-
<b>Net assets</b>		<b>1,830,867,035</b>	<b>1,194,767</b>
<b>Capital and reserves</b>			
Called up share capital	10	3	1
Share premium		2,159,386,540	-
Retained earnings		(328,519,508)	1,194,766
<b>Shareholders' funds</b>		<b>1,830,867,035</b>	<b>1,194,767</b>

The notes on pages 14 to 24 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 8 November 2021 and were signed on its behalf by :

DocuSigned by:  
  
 4BE9768BB0AA4F3...  
 Peter Jackson  
 Director

8 November 2021

Company registration number: 05172296

TSE Holdings Limited

Statement of Changes in Equity  
for the year ended 31 December 2020

	Called up share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
Balance at 1 January 2019	1	-	2,079,430	2,079,431
Comprehensive loss for the year	-	-	(884,664)	(884,664)
<b>Balance at 31 December 2019</b>	<b>1</b>	<b>-</b>	<b>1,194,766</b>	<b>1,194,767</b>
Comprehensive loss for the year	-	-	(329,714,274)	(329,714,274)
Share capital issued	2	2,159,386,540	-	2,159,386,542
<b>Balance at 31 December 2020</b>	<b>3</b>	<b>2,159,386,540</b>	<b>(328,519,508)</b>	<b>1,830,867,035</b>

The notes on pages 14 to 24 form an integral part of these financial statements.

## TSE Holdings Limited

### Notes

*forming part of the financial statements*

#### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

##### **Basis of Preparation**

TSE Holdings Limited (the "Company") is a company incorporated, domiciled and registered in the UK. The registered number is 05172296 and the registered address is Waterfront Hammersmith Embankment, Chancery Road, Access on Winslow Road, London, W6 9HP. The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules in accordance with applicable UK accounting standards, including FRS 101 Reduced Disclosure Framework ('FRS 101'), and comply with the requirements of the Companies Act of 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the Companies Act 2006 ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosure:

- Cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and,
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of the Group include the equivalent disclosures, the Company has also taken advantage of the exemptions under FRS 101 available in respect of the following disclosures:

Certain disclosures required by IFRS 13 '*Fair Value Measurement*' and the disclosures required by IFRS 7 '*Financial Instrument Disclosures*'.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company is in a net current liability position which is primarily attributable to intercompany payables. The Company's ultimate parent undertaking, Flutter Entertainment plc, has indicated that it will guarantee any outstanding intercompany balances between Group companies and that no Group company will demand repayment such that it would threaten the counterparty's ability to continue as a going concern. On this basis, the directors have formed the opinion that the Company's financial statements should be prepared on the going concern basis.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.



## TSE Holdings Limited

### Notes *(continued)*

#### **1 Accounting policies *(continued)***

##### **Non-derivative financial instruments**

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated lifetime credit losses.

Subsequent to initial recognition, cash and cash equivalents and trade and other creditors are measured at amortised cost.

##### **Interest receivable**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired.

##### **Interest payable**

Interest expense is charged by the Group undertaking by applying the effective interest rate to the gross carrying amount.

##### **Investments**

Financial assets are initially recorded at cost and subsequently stated at cost less any provision for impairment.

##### **Impairment**

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise and indications that a debtor or issuer will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### **Tax**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet reporting date, and any adjustment to tax payable in respect of previous years.

# TSE Holdings Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Tax (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

### 2 Loss before tax

The Directors received no remuneration for services to the Company during the year (2019: Nil). The Directors' duties, as Directors of the Company, are incidental to their employment with Flutter Entertainment plc, the ultimate parent company.

The Company had no employees during the year (2019: Nil).

Audit fees have been borne by a fellow Group undertaking in the current and prior year.

The loss for the year amounted to £329.7m (2019: £1.1m).

### 3 Interest receivable and similar income

	2020 £	2019 £
Interest receivable from Group undertakings	<u>2,638,624</u>	<u>2,334,421</u>

### 4 Interest payable and similar charges

	2020 £	2019 £
Interest payable to Group undertakings	<u>5,594,456</u>	<u>2,672,854</u>

## TSE Holdings Limited

## Notes (continued)

## 5 Taxation

	2020 £	2019 £
Analysis of tax for the year		
Current tax on income for the period	-	-
Prior year Adjustment	-	(220,465)
<b>Total current tax (credit)/expense</b>	<b>-</b>	<b>(220,465)</b>
<b>Reconciliation of effective tax rate:</b>		
Loss before taxation	<b>(329,714,274)</b>	(1,105,129)
Tax at UK corporation tax rate of 19% (2019: 19%)	<b>(62,645,712)</b>	(209,974)
Prior Year Adjustments	-	(220,465)
Group Relief Surrendered	<b>561,614</b>	191,470
Other non deductible expenditure	<b>62,084,098</b>	18,504
<b>Total tax (credit)/expense</b>	<b>-</b>	<b>(220,465)</b>

The UK Budget 2021 announced on 3 March 2021 an increase in the UK's main corporation tax rate to 25% from 1 April 2023. This was enacted as part of Finance Bill 2021 on 10 June 2021. As these changes were not substantively enacted at the balance sheet date, they have not been reflected in the deferred tax balances within these financial statements.

## TSE Holdings Limited

## Notes (continued)

## 6 Fixed asset investments

	2020 £	2019 £
Balance at 1 January	168,781,495	168,781,495
Additions	3,705,334,733	-
Impairment	(324,000,000)	-
<b>Balance at 31 December 2020</b>	<b>3,550,116,228</b>	<b>168,781,495</b>

In May 2020, Flutter Entertainment plc acquired The Stars Group ("TSG"). Following the combination with TSG, the Group implemented an internal restructuring and refinancing initiative, impacting upon a number of subsidiaries with the Group. The Company was one of the entities involved in this overall restructuring initiative. Steps taken in relation to the reorganisation resulted in an increase of £365m in the Company's investments in a subsidiary entity, TSG Interactive US Services Ltd. The Company acquired this investment in exchange for a note payable to fellow Group company, Stars Group Holdings B.V. valued at £365m. This note payable was offset against a note receivable contributed by parent, The Sporting Exchange Limited, in exchange for 1 share and share premium totalling £365m. See Note 10 for further information on the share issue.

The Company recognised an impairment of £324m on its investment in TSG Interactive US Services Ltd, reflecting a change in the assumptions regarding the performance of the company.

In December 2020, the Company acquired an additional 37.2% of the shares in FanDuel, bringing the total shareholding to 95% of shares in issue in exchange for cash and non-cash consideration totalling £3.34bn. A mechanism has been agreed with Boyd, a non-controlling interest in FanDuel Group, consisting of call and put options, which enables the Group to acquire the remaining 5% at prevailing market valuations in 2028. The call/put option consideration can be settled, at the Group's election, in cash or shares. As a consequence of both the put and call options being only exercisable at fair value based on the market value of FanDuel at the date of exercise of the options, it was determined that the fair value was not material and was close to nominal value

The related undertakings in which the Company had a direct interest at year end are as follows:

	Country of incorporation and registered office	Principal activity	Ordinary shares held % Company	Group
Betfair Romania Development SRL	Romania Cladirea The Office, B-dul 21 Decembrie 1989, Nr.77, Corp A, Etaj 4, Cluj-Napoca, 400604, Romania	R&D activities	100	100
TSE Data Processing Limited	Ireland Bellfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, D04V972, Ireland	Data centre and support services	100	100

## TSE Holdings Limited

## Notes (continued)

## 6 Fixed asset investments (continued)

	Country of incorporation and registered office	Principal activity	Ordinary shares held % Company	held % Group
TSE Services Limited	Gibraltar 57/63 Line Wall Road	Support services	100	100
TSED Unipessoal LDA	Portugal Avenida de Camilo 96, 4300-096 Porto, Portugal	R&D activities	100	100
Atlas Holdings LLC	Georgia 10a Chovelidze Str Mtatsminda District Tbilisi	Holding company	100	100
FanDuel Group Parent LLC	251 Little Falls Drive, Wilmington, Delaware, 19808, USA	Holding company	95	95
TSG Interactive US Services Limited	1209 Orange Street, Wilmington, DE, 19801, USA	Holding company	100	100

The related undertakings in which the Company had an indirect interest at year end are as follows:

	Country of incorporation and registered office	Principal activity	Ordinary shares held % Company	held % Group
TSE US LLC	USA <sup>1</sup>	R&D activities	-	95
ODS Holding LLC	USA <sup>1</sup>	Holding Company	-	95
Betfair Interactive US LLC	USA <sup>1</sup>	Online sports betting and gaming	-	95
The Rebate Company LLC	USA <sup>1</sup>	Online gaming	-	95
ODS Technologies LP	USA <sup>1</sup>	Horse racing, broadcaster and betting network	-	95
Betfair US LLC	USA <sup>1</sup>	Online sports betting	-	95

## TSE Holdings Limited

## Notes (continued)

## 6 Fixed asset investments (continued)

	Country of incorporation and registered office	Principal activity	Ordinary shares held % Company	Group
Trackside Live Productions, LLC	USA <sup>1</sup>	Horse racing broadcasting and betting network	-	95
ODS Properties, Inc.	USA <sup>1</sup>	Property holding, company	-	95
The iTech Resource Group LLC	USA <sup>1</sup>	Non-trading	-	95
HRTV, LLC	USA <sup>1</sup>	Horse racing, broadcaster and betting network	-	95
HRTV Holdco LLC	USA <sup>1</sup>	Holding Company	-	95
Fastball Parent 1, Inc	USA <sup>1</sup>	Holding Company	-	95
Fastball Parent 2, Inc	USA <sup>1</sup>	Holding Company	-	95
FanDuel Limited	Scotland <sup>2</sup>	Fantasy sports betting and support services	-	95
NumberFire, Inc	USA <sup>1</sup>	Support Services	-	95
FanDuel, Inc	USA <sup>1</sup>	Fantasy sports betting	-	95
Fandom Gaming, Inc	USA <sup>1</sup>	Fantasy sports insight and data service	-	95
Showdown Sports, Inc	USA <sup>1</sup>	Non-trading	-	95
FanDuel Deposits, LLC	USA <sup>1</sup>	Trust Operator	-	95
FanDuel Group, Inc	USA <sup>1</sup>	Holding Company	-	95
Fastball Parent 3 Limited	USA <sup>1</sup>	Holding Company	-	95
Starstreet LLC	USA <sup>1</sup>	Fantasy sports betting	-	95
Draft Player Reserve LLC	USA <sup>1</sup>	Trust Operator	-	95
Aviator LLC	Georgia <sup>3</sup>	Online gaming	-	51

## TSE Holdings Limited

## Notes (continued)

## 6 Fixed asset investments (continued)

	Country of incorporation and registered office	Principal activity	Ordinary shares held % Company	Group
Motamashe LLC	Georgia <sup>3</sup>	Streaming services provider	-	51
Atlas LLC	Georgia <sup>3</sup>	Holding company	-	51
Cosmos LLC	Georgia <sup>3</sup>	Online gaming	-	51
AdjaraPay LLC	Georgia <sup>3</sup>	Payment services provider	-	51
Acora LLC	Georgia <sup>3</sup>	Holding company	-	51
Comra LLC	Georgia <sup>3</sup>	Holding company	-	51
Cabarco LLC	Armenia <sup>4</sup>	Online gaming	-	51
Abarco LLC	Armenia <sup>4</sup>	Holding company	-	51
Sabarco LLC	Armenia <sup>4</sup>	Online gaming	-	51
Stars Fantasy Sports Holdco LLC	USA <sup>5</sup>	Holding company	-	100
Stars Fantasy Sports LLC	USA <sup>5</sup>	Online gaming	-	100
Stars Fantasy Sports Subco LLC	USA <sup>5</sup>	Online gaming	-	100
Labranza Limited	Cyprus <sup>6</sup>	Online gaming	-	51
Skygulf Limited	England and Wales <sup>7</sup>	Support services	-	51

<sup>1</sup> The registered address of these related undertakings is: 251 Little Falls Drive, Wilmington, Delaware 19808.

<sup>2</sup> The registered address of this related undertaking is Shepherd & Wedderburn LLP, 1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL.

<sup>3</sup> The registered address of this related undertaking is Chovelidze Str, Mtatsminda District, Tbilisi, Georgia.

<sup>4</sup> The registered address of this related undertaking is 58/2 Ulnetsi, Yerevan, Armenia

<sup>5</sup> The registered address of this related undertaking is 1209 Orange Street, Wilmington, DE, 19801

<sup>6</sup> The registered address of this related undertaking is Αρχ. Μακαρίου ΙΙΙ, 117, Floor 4, Flat 410-4143021, Λεμεσός, Κύπρος Cyprus

<sup>7</sup> The registered address of this related undertaking is 1 Princeton Mews, 167-169 London Road, Kingston Upon Thames, Surrey, United Kingdom, KT2 6PT

## TSE Holdings Limited

## Notes (continued)

## 7 Debtors

	2020 £	2019 £
Amounts owed by fellow group companies	1,231,598	19,533,424
Intercompany Loans	118,403,454	127,000,000
Sundry Debtors	1	2,867,442
	<u>119,635,053</u>	<u>149,400,866</u>

Amounts owed by fellow group companies are unsecured, interest free and repayable on demand.

**Intercompany loan with Atlas Holdings LLC**

In January 2019, a term loan facility of £102.0million was provided to Atlas Holdings LLC, a Flutter group entity. The term loan facility is repayable on demand. During 2020, Atlas Holdings LLC repaid - £15.8m of interest and principal. Interest is charged at 2.2%.

**Intercompany loan with Betfair Interactive LLC**

In May 2017, a term loan facility of £25.0million was provided to Betfair Interactive LLC, a Flutter group entity. The term loan facility is interest bearing and repayable on demand. Interest is charged at 2.2%.

## 8 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts payable to fellow Group companies	35,146,005	66,980,198
Intercompany Loans	250,000,000	250,000,000
Accruals and other liabilities	-	18,000
	<u>285,146,005</u>	<u>316,998,198</u>

Amounts payable to fellow group companies are unsecured, interest free and repayable on demand.

**Intercompany loan with PPB Treasury Unlimited Company**

In May 2019, a term loan facility of £250.0 million was provided by PPB Treasury Unlimited Company, a Flutter group entity. The term loan facility is repayable on demand. Interest is charged at 2.2%.



## TSE Holdings Limited

## Notes (continued)

## 9 Creditors: amounts falling due after one year

	2020 £	2019 £
Intercompany loans	<u>1,553,749,234</u>	<u>-</u>

**Intercompany loan with PPB Treasury Unlimited Company**

In December 2020, a term loan facility of £1.55bn was provided by PPB Treasury Unlimited Company, a Flutter group entity. This loan is repayable upon maturity in December 2025. Interest is charged 2.2%.

## 10 Called up share capital

	2020 £	2019 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>	<b>2020</b>	<b>2020</b>
	<b>Number</b>	<b>£</b>
At 1 January	1	1
New shares issued	<u>2</u>	<u>2</u>
At 31 December	<u>3</u>	<u>3</u>

In July 2020, as part of the restructuring and refinancing initiative discussed in note 5, the Company issued one share and share premium to its parent company, The Sporting Exchange Limited, in exchange for a note receivable with a fair market value of £365m. This note was offset against the note issued for the acquisition of TSG Interactive US Services Ltd. See note 6 for further information on the investment.

In December 2020, the company issued one share to ultimate parent company, Flutter Entertainment plc as part of the additional share acquisition in Fanduel, generating share premium of £1.79bn.

## 11 Capital commitments and contingent liabilities

At December 2020, the Company had no commitments for capital expenditure not yet incurred or provided for in the financial statements (2019:Nil). The company has no contingencies outstanding in the financial statements (2019:Nil).

During 2020, as part of amendments to certain Group external financing agreements following the merger with TSG, the shares of the Company were granted as security to external lenders to support the Group's TLA and TLB loans (as described in the Flutter Group 2020 Annual Report).

## TSE Holdings Limited

### Notes *(continued)*

#### **12 Immediate and ultimate parent company**

The immediate parent companies are The Sporting Exchange Limited, a company incorporated in England and Wales and Flutter Entertainment plc.

Flutter Entertainment plc is the ultimate parent company and is incorporated in the Republic of Ireland. Copies of the Group's Annual Report and 2020 Accounts can be found at [www.flutter.com/investors](http://www.flutter.com/investors), and can be obtained from:

The Company Secretary  
Flutter Entertainment plc  
Belfield Office Park  
Beech Hill Road  
Clonskeagh  
Dublin 4

#### **13 Use of estimates and judgements**

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult to reach, subjective or complex to a degree which would warrant their description as significant and critical in terms of the requirements of IAS 1 (revised)

#### **14 Events subsequent to the reporting date**

The Directors are not aware of any matter or circumstance occurring since 31 December 2020 that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

#### **15 Approval of financial statements**

The financial statements were approved by the Directors on 8 November 2021.