

Montenegro - Tax Guide

Sharesave RoW (excludes UK & IOM)

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1. Introduction

The following is a summary of the tax treatment of a grant granted to you by Flutter Entertainment plc under the Sharesave RoW (excludes UK & IOM) (the "Plan"). This summary assumes that you have been resident in Montenegro during the lifecycle of the grant.

The tax treatment as explained herein is intended as a guide only. It is limited to a general description of the national tax laws, and is not intended to address city, regional, or other local tax laws that may be applicable to you. It may not apply to your particular tax or financial situation, and we are not in a position to assure you of any particular tax result. Therefore, we recommend that you consult with your own independent tax advisor regularly to determine the consequences of taking or not taking any action concerning your options, and to determine how the tax or other laws in Montenegro apply to your specific situation. This information was last reviewed in September, 2024.

2. Overview

Grant	<ul style="list-style-type: none"> • Option to purchase Flutter Entertainment plc shares in the future at a specified price. • You are not subject to taxation on equity at this point.
Vesting	<ul style="list-style-type: none"> • You are not subject to taxation on equity at this point.
Exercise	<ul style="list-style-type: none"> • You will be subject to tax at this point. • Taxable income is calculated based upon the appreciation between the grant price value and the fair market value (FMV) on exercise date. • You are responsible for reporting the income.

Sale

- The date you sell Flutter Entertainment plc shares.
- This event may generate additional income known as Capital Gain (CG), or a loss.
- If there is a **Capital Gain** on the sale of shares, tax is due in the tax year of sale.
- You are responsible for calculating the tax and reporting this capital gain.

3. Tax Treatment

	Grant	Vesting	Exercise	Sale
Income tax / Capital gains tax	No	No	Income tax payable at rates up to 17.25%.	Capital gains tax payable at a flat rate of 15%.
Employee social tax	No	No	Yes Pension and disability : Flat rate of 15% capped at earnings of EUR 61,519 of income per year. Unemployment : Flat rate of 0.5% capped at earnings of EUR 61,519 of income per year.	No
Income tax withholding	No	No	No	No
Employee social tax withholding	No	No	No	No
Employee tax reporting	No	No	Yes	Yes

Income Tax - The rates set out in this guide are marginal rates. In the event that you are required to pay income tax on the value of your award, the amount of income tax you pay will depend on your marginal tax rate. Generally, the more you earn, the higher your marginal income tax rate.

4. Will I pay tax when I am granted options under the Plan?

You will not have to pay any tax when you are granted options under the Plan.

5. Will I pay tax when my options vest under the Plan?

You will not have to pay any tax when your options become exercisable under the Plan.

6. Will I pay tax when I exercise my options?

When you exercise your options you will be required to pay income tax on the difference between the option price and the market value of the shares at that time at rates of up to 17.25%.

7. How will any benefits under the Plan be reported?

You will need to report:

- Any income tax due on exercise of the options to the tax authorities in the annual tax return, due by April 30.
- Any social security due on exercise of the options to the tax authorities by the 15th of the month following the month of exercise.
- Any capital gains tax due on the sale of shares to the tax authorities in the annual tax return, due by April 30.

8. Will I have to pay any tax on any dividends paid on the shares?

A dividend is a right to participate in the company's profits, at the discretion of the board of directors.

Any dividends you receive will be taxed at a rate of 15%.

9. Will I pay any tax when I sell my shares?

As the calculation of capital gains can be complex and may be subject to certain exemptions, we recommend that you consult your personal financial/tax advisor.

If the sale price of your shares is higher than their cost basis (broadly, the cost basis is equal to the fair market value of the shares at the time of exercise), the difference will be taxable as a capital gain, at a rate of 15%. If the sale price is lower than the cost basis of the shares, you may realize a capital loss.

When you sell your shares, the local company will not withhold any taxes on the gains. You should report any gain or loss arising in your tax return for the tax year in which the sale took place.

10. Additional Information

Surtax Note

Municipalities are entitled to impose a surtax on salaries, self-employment income, income from property and property rights, as well as on investment income of individuals residing in their territory. The surtax is imposed at a rate of 15% in the cities of Cetinje and Podgorica, and at a rate of 13% in other municipalities.

Employer social taxes

The local company will need to report any employer social taxes paid in respect of the taxable event by the 15th of the following month for the previous month.

Exchange Control issues

You must specify the exact nature and purpose of any cross border payments to the bank effecting the transfer into or out of Montenegro.

Foreign asset reporting

Residents are obliged to submit data on foreign credit transactions and deposit transactions with foreign credit institutions on a quarterly basis, but not later than 25 days after end of the reporting quarter.

There is also a mandatory monthly reporting obligation (within the first 10 days of the current month for the preceding one) for residents with non-resident bank accounts including the cash flows within those accounts.

11. Sample tax calculation

This illustrative example assumes the following:

- Grant price of GBP 100.
- An income tax rate of 17.25%.
- Capital Gains Tax of 15%.
- This example does not take into account any annual Capital Gains Tax (CGT) exemptions which may be available.
- This illustration does not take into account any capped social tax amount.
- Tax calculation is based on the currency in which the shares are traded and any subsequent currency conversion has not been applied.

Tax implications

Grant

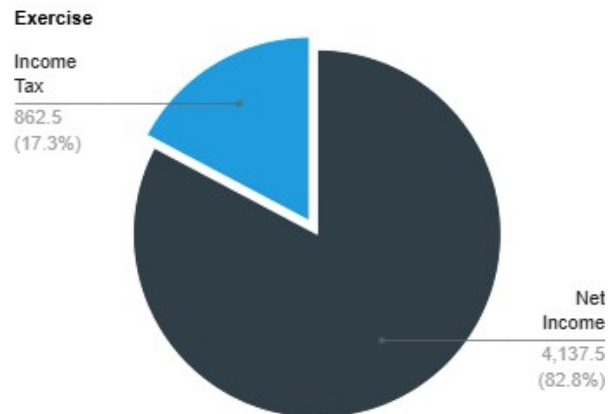
No taxes due.

Vesting

No taxes due.

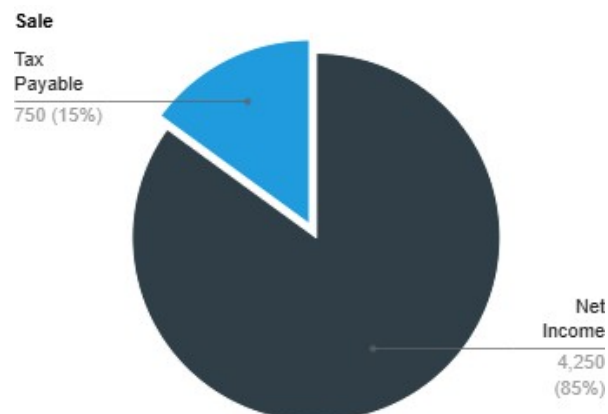
Exercise

Number of Options Exercised	100
Grant Price	GBP 100
Fair Market Value (FMV) of the shares on exercise	GBP 150
Taxable Income (100 x GBP 150) - (100 x GBP 100)	GBP 5,000
<u>Income Tax Payable by you (GBP 5,000 x 17.25%)</u>	<u>GBP 862.50</u>
Net Income (GBP 5,000 - GBP 862.50)	GBP 4,137.50



Sale

Number of shares Sold	100
Fair Market Value (FMV) of the shares on Sale	GBP 200
Sale Proceeds (100 x GBP 200)	GBP 20,000
Less: Acquisition Costs	
Amount Previously Taxed	GBP 15,000
Capital Gain	GBP 5,000
<u>Tax Payable (GBP 5,000 x 15%)</u>	<u>GBP 750</u>
Net Income (GBP 5,000 - GBP 750)	GBP 4,250



* Please note the above is for information purposes only. Transaction fees may also apply and are not included.

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