

## Serbia - 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 Serbia 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 Serbia apply to your specific situation. This information was last reviewed in September, 2024.

Please note that the information presented above is relevant for participants who have had no period of overseas work during the vesting period of their awards. The tax treatment of your share awards may change if you have relocated internationally, and as such the above rules may not be relevant to you. If you are in doubt regarding the tax treatment of your share awards, please seek advice from a professional tax advisor to confirm the tax position.

#### 2. Overview

<b>Grant</b>	<ul style="list-style-type: none"> <li>• Option to purchase Flutter Entertainment plc shares in the future at a specified price.</li> <li>• You are <b>not subject to taxation on equity</b> at this point.</li> </ul>
<b>Vesting</b>	<ul style="list-style-type: none"> <li>• You are <b>not subject to taxation on equity</b> at this point.</li> </ul>

### Exercise

- You are **not subject to taxation on equity** at this point.

### Sale

- The date you sell Flutter Entertainment plc shares.
- 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 sale date.
- You are **responsible for paying any taxes due**.
- You are **responsible for reporting the income**.

## 3. Tax Treatment

	Grant	Vesting	Exercise	Sale
<b>Income tax / Capital gains tax</b>	No	No	No	Income tax payable at rates up to 15%.
<b>Employee social tax</b>	No	No	No	Yes Flat rate of 19.9% capped at earnings of RSD 6,881,640 of income per year.
<b>Income tax withholding</b>	No	No	No	No
<b>Employee social tax withholding</b>	No	No	No	No
<b>Employee tax reporting</b>	No	No	No	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?

You will not have to pay any tax when you exercise your options under the Plan.

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

You will need to report:

- Any income tax and social security due on sale of the options to the tax authorities 30 days from date of sale.
- Any capital gains tax due on the sale of shares to the tax authorities at the end of tax semester.

### 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?

Income tax will be due at rates of up to 15% on the sale proceeds you receive upon sale of your shares less the option price paid to acquire your shares.

## **10. Additional Information**

### **Income tax**

Additional annual income tax is also payable if the income from the share incentive, together with other types of income generated by the employee in the relevant tax year, exceeds a specific threshold of 3 times the amount of the average annual salary (the average annual salary being RSD 1,423,188 in 2024), but not exceeding 6 times that amount (RSD 8,539,128 in 2024). The annual income tax generally is charged at progressive rates from 10% or 15%, with the 15% rate applying to income exceeding six times the average annual salary.

### **Income and Social Insurance Tax Note: Disqualifying Events**

The following circumstances will result in the disqualification of the favorable tax treatment otherwise available for employee equity awards, and will result in the gains becoming subject to income tax (at a progressive rate of up to 15%) and applicable social security taxes. The exemption from income and social security taxation for employee equity awards will not be available where:

- the employee holds the Plan shares for fewer than two years;
- the company (or any related entity) purchases Plan shares from the employee (regardless of when shares are repurchased); and
- the employee's employment terminates within two years after the acquisition of the Plan shares (except in the case of death, retirement, disability, imprisonment for more than six months or cessation of the business).

If the above disqualifying conditions do not occur, then the favorable tax treatment will be available. Additionally, to obtain tax favorable treatment, the grant or offer of awards must be set out in a Plan or award document (or employment agreement), and the acquisition date must be accurately recorded.

Where the exemption is available, the gain from the sale of shares is subject only to capital gains tax at a flat rate of 15%. The capital gain is calculated as the difference between the sales price and the purchase price of the shares, if any.

On the other hand, if the equity award is disqualified, then income and social security taxes will be due on the difference between the sales price and the purchase price of the shares, if any. If the disqualifying event is termination of employment, then the employee will be subject to income tax and social security taxes at the time of the termination on the difference between the fair market value of the shares at termination, less the purchase price of the shares, if any.

If there is no recharge arrangement in place, the employee is responsible for reporting the taxable event within 30 days of the disqualifying event. Alternatively, in the case of a recharge, the employer is required to withhold income and social taxes within 30 days of the taxable event.

If the employee subsequently sells the shares, then any further gain will be subject to capital gains tax only.

Anti-money laundering regulations require that every financial transaction in an amount exceeding EUR 15,000 must be reported to the Anti-Money Laundering Commission (such amount may not exceed EUR 1,000 in the case of a money transfer), as well as all currency exchanges above EUR 5,000 (which may be done by the applicable bank/currency exchange office). The obligation to make the report lies with the participating bank.

### **Exchange Control issues**

#### **Foreign Bank Accounts**

Local employees may open a bank account abroad in relation to holding of cash related to shares only if they obtain prior approval from the NBS. The request for approval should be filed in accordance with the "Decision on terms and conditions under which residents may hold foreign exchange in bank accounts abroad" (available on the NBS website in English). There is no prescribed form, but the request should be prepared as a letter containing certain mandatory data (name of applicant, address and phone, personal number, grounds for keeping funds abroad, amounts and period for which approval is sought, name of the country and foreign bank where account will be held). The request must include certain prescribed documents, including, a foreign law summary showing that holding of funds abroad is a condition for purchasing shares or receiving payments in connection with the shares.

There are certain other obligations applicable as a condition of receiving such permission, such as transfer of funds to Serbia within 30 days from receipt and reporting to the NBS about such transfers (unless a new approval is obtained for further keeping of the funds abroad).

Local employees who open a bank account abroad under the NBS approval are bound to file a quarterly report with the NBS regarding the status of such account. Reporting is done electronically on the prescribed RN form. Details and a model form are set out in the "Guideline for implementation of the decision on reporting obligations in transactions with abroad" (available on the NBS website in English - <https://www.nbs.rs/en/drugi-nivo-navigacije/propisi/propisi-stat/>).

For any outbound payments, employees may need to present to their local bank the Plan documents evidencing the grounds for payment. If the local employer is transferring the funds accumulated through employee payroll deductions, the employer needs to present the Plan documents to the bank. For the accumulation of funds, the employer has to use a special purpose account with a local bank.

An employee is required to file quarterly reports with the National Bank of Serbia ("NBS") detailing both holdings and sales of shares where he or she holds more than 10% of voting rights or capital of the issuer. Reporting is done electronically on the prescribed form DI-2.

## 11. Sample tax calculation

This illustrative example assumes the following:

- Grant price of GBP 100.
- An income tax rate of 15%.
- 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

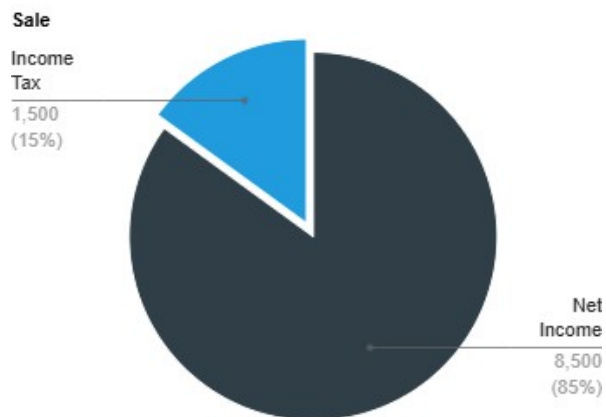
No taxes due.

#### Exercise

No taxes due.

#### Sale

Number of Options Sold	100
Grant Price	GBP 100
Fair Market Value (FMV) of the shares on sale	GBP 200
Taxable Income (100 x GBP 200) - (100 x GBP 100)	<b>GBP 10,000</b>
<b><u>Income Tax Payable by you (GBP 10,000 x 15%)</u></b>	<b><u>GBP 1,500</u></b>
Net Income (GBP 10,000 - GBP 1,500)	<b>GBP 8,500</b>



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

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