ANNUAL REPORT AND ACCOUNTS 2023

888 HOLDINGS

WELCOME TO OUR ANNUAL REPORT

888 Holdings is one of the world's leading betting and gaming companies and the parent company for a range of internationally renowned brands including William Hill, 888, and Mr Green.

Our vision

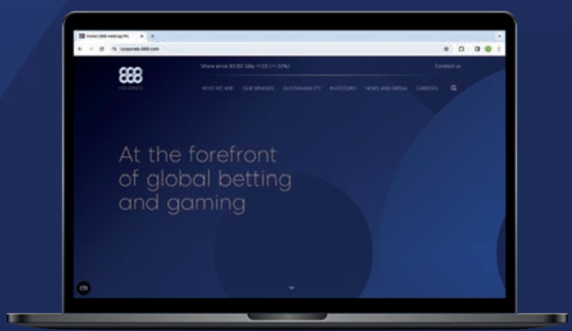
Our vision is to make life more interesting.

Our mission

Our mission is to delight players with world-class betting and gaming experiences.

A range of leading brands

William Hill | 888 casino | 888 sport | William Hill Vegas | mr green | 888 poker



Read more about us on our website **corporate.888.com**

FINANCIAL HIGHLIGHTS 2023

We track the following key financial and non-financial performance indicators ('KPIs'). These KPIs allow us to assess our progress against the Group's strategy and help inform decision making.

These KPIs are also some of the most commonly used KPIs for external stakeholders, particularly our shareholders, when assessing the performance of the Group.

REVENUE (£M)

£1,711m

2023	£1,711m
2022 Actual	£1,239m
2022 Pro forma*	£1,850m

ADJUSTED EBITDA (£M)

£308m

2023	£308m
2022 Actual	£218m
2022 Pro forma*	£311m

ADJUSTED EPS

10.7p

2023	10.7p
2022 Actual	15.1p

LEVERAGE

5.6x

2023	5.6x
2022 Pro forma*	5.6x

Adjusted EBITDA is defined as EBITDA excluding share based payment charges, foreign exchange losses and exceptional items and other defined adjustments. Further detail on exceptional items and adjusted measures is provided in note 3 to the financial statements.

Pro forma metrics, which are unaudited, reflect the results as if 888 had owned William Hill for the whole of 2022 and excludes the results of the 888 Bingo business that was sold in 2022.

Average monthly players (AMPs) represents the total number of players who have placed and/or wagered a stake and/or contributed to rake or tournament fees during the month. The figure reflects the average of the monthly figures for the relevant reporting period.

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AT A GLANCE

A global leader with world-class brands

Our locally licensed operations and offices

Incorporated in Gibraltar, and headquartered and listed in London, the Group operates across numerous locally regulated markets and has offices around the world.

LOCALLY LICENSED MARKET

1. UK	2. Gibraltar	3. Ireland
4. Jersey	5. Germany	6. Romania
7. Spain	8. Italy	9. Denmark
10. Malta	11. Sweden	12. Portugal
13. Canada (Ontario)		
US:	14. Nevada	15. Delaware
16. New Jersey	17. Colorado	18. Pennsylvania
19. Virginia	20. Michigan	

OFFICES

1. Ceuta	2. Gibraltar	3. Ireland
4. Israel	5. Malta	6. Philippines
7. Poland	8. Romania	9. UK
10. US	11. Bulgaria	

REVENUE BY MARKET 2023

UK (INCL. RETAIL)
68%

ITALY
9%

SPAIN
6%

DENMARK
2%

OTHER MARKETS
15%

No individual optimise market is >2% of revenue

REVENUE BY PRODUCT 2023

ONLINE BETTING
20%

ONLINE GAMING
49%

RETAIL
31%

OUR OPERATING DIVISIONS

UK&I
ONLINE

Our sports betting and gaming brands are some of the most popular in the UK&I market. William Hill and 888casino are our flagship brands, offering market-leading products to millions of customers every month.

REVENUE

£658m

AVERAGE MONTHLY ACTIVES

1.2m

UK
RETAIL

Our William Hill retail estate has been a permanent fixture on the UK high street since 1966. We now have a portfolio of 1,343 shops offering exciting betting and gaming products to millions of customers all across the UK, complementing our online offering.

REVENUE

£535m

OF LBOS AT DEC-23

1,343

INTERNATIONAL
ONLINE

Our International division serves customers worldwide using our range of world-class brands, with a primary focus on our other core markets of Italy, Spain and Denmark.

REVENUE

£517m

AVERAGE MONTHLY ACTIVES

0.5m

CHAIR'S STATEMENT

From challenge to opportunity: embracing the future

Lord Mendelsohn
Chair

INTRODUCTION

2023 was a critical year for the Group, navigating significant regulatory change and laying the foundations for significant value creation. Through the year the Board has overseen a fundamental shift in the way we operate, and we entered 2024 with a strengthened executive team to deliver long-term sustainable growth.

The 2023 financial performance was impacted by some significant regulatory and compliance headwinds. Additionally, the Group experienced the industry-wide continued challenging trading conditions resulting from changing regulatory and competitive dynamics, along with a wider backdrop of macroeconomic uncertainty for many consumers with continued high inflation and interest rates.

Having spent much of 2023 as Executive Chair of the Group, I had the benefit of witnessing firsthand the significant opportunity that exists within the Group. Following the appointment of several first-class executives – and following my return to the Non-Executive Chair role – I have never been more convinced that we are well positioned to unlock our full potential.

BOARD PRIORITIES

During 2023 I laid out three areas the Board was focused on to ensure the long-term success of the business. These were: our team, ESG, and execution. I am pleased to say we made strong progress against all these critical areas during the year.

Team

In January 2023 we announced the departures of both our former CEO and CFO, with the CEO leaving with immediate effect and the CFO leaving in October. On behalf of the Board, I would like to thank them both for their hard work and dedication to the Group.

Following the departure of the CEO the Board promptly conducted an extensive and comprehensive search for a successor. We were delighted to appoint Per Widerström as the Group's new CEO, effective from 16 October 2023. Per was the Board's clear standout choice amongst a number of high-calibre candidates who we interviewed for the role. He is an exceptionally dynamic leader with significant and highly relevant industry experience, and he has a clear vision for the strategic direction and value creation roadmap for the Group, more details of which can be found in his Chief Executive Officer's Review on pages 6 to 8.

As announced in September 2023, we also welcomed Sean Wilkins as our new CFO on 1 February 2024. We were grateful to Yariv Dafna, who remained in place as CFO for an extended period to support a smooth handover period, and to Vaughan Lewis, our Chief Strategy Officer, who supported as Interim CFO until Sean's arrival.

The Board is delighted with the impact Per has already made on the business, including strengthening our broader Group Executive team, and we look forward to working closely together with Per and Sean over the coming years.

ESG

We made significant strides in our ESG efforts during the year, particularly in the areas of sustainability and safer gambling.

In January 2023 we self-identified and self-reported issues related to the certain shortcomings in our compliance processes related to VIP accounts in the Middle East. Having identified the issue, the Board took decisive action to suspend all relevant accounts while the compliance team investigated further, and only reactivated accounts after ensuring compliance. Following this, we engaged proactively with the Gibraltar Gaming Commission in relation to this issue and reached a regulatory settlement during the year, with the Gibraltar regulator being complimentary about the proactive, swift, and robust remedial actions we took, as well as the enhanced policies and procedures that are now in place. While these enhancements have had a financial impact on our business, they have significantly improved the sustainability and quality of our earnings.

During the year, the Group reached a regulatory settlement with the Great Britain Gambling Commission (GBGC) relating to social responsibility and anti-money laundering failings at William Hill which occurred in 2020 and 2021. Whilst the failings occurred under previous ownership and management, we took the findings incredibly seriously, working collaboratively with the GBGC on several initiatives which will have a long-term, positive impact.

IN A YEAR OF SIGNIFICANT CHANGE, OUR PEOPLE HAVE DEMONSTRATED THEIR RESILIENCE AND COMMITMENT, AND WITH A NEW GROUP EXECUTIVE TEAM IN PLACE WE LOOK FORWARD TO UNLOCKING THE GROUP'S FULL POTENTIAL AND DRIVING SUSTAINABLE PROFITABLE GROWTH.

During 2023 we conducted a full independent audit, and the Board was pleased with the findings.

As a Board, we are focused on building a high quality, sustainable business. Whilst we must acknowledge that both businesses have historically fallen short of best practice in this area, we have taken clear and decisive action to ensure these failings will not be repeated.

Our new governance structure is working well and driving higher standards across the organisation, meaning our business is in a much stronger position moving forward.

As we enter 2024, we are focused on ensuring we continue our efforts to improve the sustainability and quality of the earnings of our Group. Our ESG programme, including the critical safer gambling component, is fundamental to the long-term success of the business. Further information relating to our ESG commitments across our People, Players and Planet pillars can be found on pages 10 to 21 of the Annual Report 2023.

Execution

During 2023 we accelerated and increased our synergy delivery, significantly improved our compliance function, and refined our marketing and customer approach to unlock more sustainable future growth.

The Group's top-line performance was impacted by internal and external factors, including our proactive shift away from dotcom markets as well as the continued implementation of enhanced safer gambling policies and processes, particularly in the UK. Further information on the financial and operational performance for 2023 is set out on pages 24 to 29.

As a result of these initiatives, combined with our synergy acceleration, and improved compliance and marketing approaches, from a strategic and operational perspective we finished the year in a far stronger position than we entered it. We have all the key ingredients for success, and while we have laid good foundations and begun to see the benefits of the combined business, the financial performance of the Group must improve.

In Per and Sean, I am very confident that the Board has identified an outstanding leadership team with the right capabilities to lead the Group over the coming years as we unlock our full potential.

Board changes

Itai Pazner (former CEO) stepped down from the Board on 31 January 2023 and Yariv Dafna (former CFO) stepped down from the Board on 2 October 2023. We welcomed Per Widerström as the Group's new CEO from 16 October 2023 and Sean Wilkins as the Group's new CFO from 1 February 2024.

During the year we also saw Andria Vidler step down from the Board in September 2023 following her appointment to UK CEO of Allwyn Entertainment. On behalf of the Board I would like to thank Andria again for her contribution to the Board and in her role as Chair of the ESG Committee prior to her departure and we wish her well for the future.

As part of my return to the Non-Executive Chair role and reflecting the composition of the Board and business priorities, we made a number of committee role changes during the year, with the current committees and memberships outlined on pages 44 and 45.

The Board will continue to review Board composition, size, skills, and diversity targets during 2024.

Looking ahead

2023 held several challenges for the Group, but we finished the year in a stronger position, with the business set for sustainable growth and significant value creation. Our enhanced executive team has outlined a clear plan for significant value creation, and I have never been more confident about the potential for the Group.

LORD MENDELSOHN
Chair

26 March 2024

CHIEF EXECUTIVE OFFICER'S REVIEW

Value Creation Plan to deliver sustainable profitable growth

Per Widerström
Chief Executive Officer

INTRODUCTION

I am pleased to take this opportunity in my first Annual Report as CEO of the Group to write to our stakeholders and outline our vision for the future, including our new strategic framework and exciting value creation plan.

The world of betting and gaming has changed significantly over the past decade. There has been a continued push towards local regulation and ever-increasing barriers to entry through significant compliance requirements. This is coupled with rapid technological advancements fundamentally changing the way customers interact with our products and brands.

What that means today is that for those businesses seeking to follow the locally regulated path, scale is critical. It is why industry consolidation continues at pace and was a key strategic benefit of 888 acquiring William Hill in 2022. Outsized returns also accrue to those operators that take leading positions within target markets. To build leading positions, operators need first-class brands, leading products, and excellent people. Our business has these key ingredients for success, but it has yet to unlock its full potential, in part because of the significant impact of regulatory and compliance changes we have made in the past two years.

RENEWED FOCUS AND A NEW IDENTITY

The regulatory and compliance changes we have made in recent years in some of our key regulated markets as well as in our dotcom markets have changed the mix of our business. As a result of this, coupled with the integration activities undertaken to date, the combined business today is fundamentally different to the previous individual businesses that made up the combination.

The consumer brands remain as strong as ever, but to reflect the fact that this is a new company on a new journey, we are proposing to change the name of the Group to evoke plc. This will be subject to shareholder approval at our upcoming 2024 AGM.

We look forward to sharing more about our new corporate brand in due course, but we believe that creating an identity that better reflects the combined Group, our mission and values, alongside the clear strategic framework and value creation plan we are announcing today, will better support the business in reaching its significant potential.

MOVING FORWARD, CREATING VALUE THROUGH CLARITY OF WHAT SUCCESS LOOKS LIKE

In order for the business to achieve its full potential, as well as having a clear Group-wide vision and mission to explain why we are here, it is critical that everyone in the Company has absolute clarity on what success looks like, including what we plan to do, how we will execute our plans, and where we intend to focus in order to maximise our returns.

That's why since joining the business on 16 October 2023 I have made rapid progress in formulating our strategic framework, translating this into a value creation plan, and ensuring that everyone in the business is fully aligned behind it through our One Company programme.

CREATING VALUE

Starting with what we will do; we will deliver high return on equity underpinned by the following key principles:

1. **Driving profitable and sustainable revenue growth.** We will deliver profitable and sustainable revenue growth by both increasing our player base and by growing share of wallet with our customers. We will utilise our improved customer lifecycle management capabilities to ensure strong sustainable revenues, always underpinned by a clear customer value proposition and our uncompromising safer gambling principles.
2. **Improving profitability and efficiency through operating leverage.** We will improve profitability by investing into capability build up, in particular through insights, AI, and intelligent automation. Along with our 'Glocal' operating model and supported by our proprietary technology, this will increase our efficiency and deliver greater productivity at lower cost, ensuring that the operating leverage in our business model delivers profitable growth.
3. **Being highly disciplined with our use of capital.** Our financial leverage is relatively high in the context of our sector, but I firmly believe this will be a significant positive driver of our return on equity and will magnify the returns that we will generate in the coming years. Our business is highly cash generative and we will use this cash wisely to ensure we deliver profitable growth and deleveraging, thereby multiplying our return on equity.

WE ARE AT THE BEGINNING OF AN IMPORTANT AND EXCITING VALUE CREATION JOURNEY. WE WILL UNLOCK THE SIGNIFICANT POTENTIAL OF THE BUSINESS THROUGH THE IMPLEMENTATION OF A CLEAR STRATEGIC FRAMEWORK AND BY ACHIEVING OPERATIONAL EXCELLENCE AND PREPARING FOR STEP-CHANGE VALUE CREATION, EXECUTED BY A FIRST-CLASS NEW MANAGEMENT TEAM.

The above key drivers of return on equity underpin our bold medium-term targets, which further define what success looks like for the Company:

- Revenue growth of 5-9% per year
- Adjusted EBITDA margin expansion of 100 basis points per year
- Leverage of below 3.5x by the end of 2026

EXECUTING OUR PLAN

Our success in achieving these goals will be underpinned by our ability to drive successful operational execution, which will be my key priority over the coming years. This is the how of our strategic framework.

Our focus will be on strengthening the Group's core capabilities and competitive advantages to create a scalable platform for profitable growth while being laser focused on our customer value proposition. This will comprise three key components:

- **First-class and consistent customer value propositions:** Ensuring our distinct brands and products are tuned in to our customer needs, offering personalised value with sustainability embedded into every offering.
- **Operational excellence driven by data insights and intelligent automation:** This allows us to build scalability to drive operating leverage, ensure consistent execution, deliver high quality outcomes for customers, and unlock new opportunities for efficiency.
- **A winning culture:** We are committed to fostering a culture that empowers our colleagues to unleash their full potential and contribute to our collective success.

In order to turn this into tangible actions, drive execution and value creation, we have created six strategic initiatives, which provide the roadmap for delivering our value creation plan:

1. **Customer lifecycle management:** Building personalised and long-term customer relationships which are critical to sustainable growth, driven by intelligent automation.
2. **Customer value propositions:** Continuously differentiating our brands from the competition and being relevant to specific customer needs.
3. **Operations 2.0:** Leveraging AI and automation to drive efficiency, effectiveness, and scalability.
4. **Product and Technology foundation:** Unifying our proprietary technology platform while delivering outstanding products that are aligned with our brands and customer needs.
5. **Winning organisation:** One Company with a 'Glocal' operating model that has a shared culture that empowers everyone in the business and helps us to attract and retain the best talent to power our value creation journey.
6. **ESG:** Integrating environmental, social, and governance principles into our core operations to ensure sustainable long-term value creation.

2023 REVIEW

Product and technology:

- Successfully integrated William Hill's Global Trading Platform into 888's proprietary sportsbook for certain sports, driving additional revenue from the expansion of betting markets on 888 and reducing cost from more efficient use of suppliers.
- Launched Mr Green in Germany on the 888 platform and commenced the migration of Mr Green in Sweden from its legacy platform onto the 888 platform.
- Enhanced the AI-powered chatbot, rolling it out onto 888 brands, as well delivering several important safer gambling updates, including adding the control centre product to additional markets.
- Rolled out Section8 in-house games onto the William Hill brand across all markets.
- Went live on William Hill Vegas with the 888 in-house AI powered game recommendation engines.
- Installed over 3,000 new proprietary Self Service Betting Terminals across our retail estate, with over 2,000 replacements and nearly 1,000 new machines to increase our density per shop.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

REFINED MARKET FOCUS

Given outsized returns go hand in hand with market leadership positions, it is more important than ever in today's regulatory and competitive environment that we are laser-focused on where we invest in order to generate superior returns on investment.

Having reviewed our market focus approach, we have redefined our market archetypes to fall under two key categories: Core Markets and Optimise Markets. This simplified approach enables increased focus and investment in our core markets, while maximising cash flow from all markets.

We will remain laser-focused on our four Core Markets — the UK, Italy, Spain, and Denmark — which already generate approximately 85% of our total revenue and nearly 80% of our online revenue, and where we have established strong positions. These are markets that boast attractive long-term growth potential, high barriers to entry, and established regulatory frameworks. In these markets we will continue to leverage our local expertise and diverse brand portfolio to increase market share and drive sustainable profitable growth.

In all other markets, our Optimise category, we will prioritise cash flow generation and value maximisation through leveraging our enhanced capabilities and scale. We will identify future potential core markets where we can target podium positions with our improved organic capabilities or through alternative strategic routes in the coming years. At the same time, we will exit unprofitable markets or monetise assets through alternative operating models, such as local partnerships.

NEW GROUP EXECUTIVE TEAM AND OPERATING MODEL THAT IS FIT FOR PURPOSE AND FUTURE PROOF

One of the key ingredients to success and to drive value creation is having the right people. We have some fantastic people in the business, and an important part of my job is to empower them to add real value as we deliver our strategic priorities. A critical part of this is ensuring we have the most effective management structure and operating model. Often this means fewer layers, optimisation of spans-of-control, and establishment of centres of excellence to provide world-class service. Clarity of accountability is also paramount.

Over recent months we have implemented several changes to our organisational structure to ensure it is fully aligned to deliver our new strategic framework and value creation plan. This has included the transformation of our operating model into a 'Glocal' structure with a revised Group Executive team, with each member having clearly defined areas of accountability across the business. We have significantly strengthened our Group Executive team with seven new external hires to fill critical roles across product and technology, operations, commercial, finance, legal and growth.

We have assembled a truly top-quality Group Executive team that will be laser focused on delivering upon our strategic framework and value creation plan and I am absolutely confident we will unlock our full potential.

MY COMMITMENT TO OUR VALUE CREATION JOURNEY

We are at the beginning of an exciting new journey. We will build on our strong foundations through a clear strategy and focused plan that will deliver sustainable profitable growth and unlock significant value creation. I look forward to updating shareholders and our wider stakeholders on progress against our plans over the coming months and years.

PER WIDERSTRÖM
Chief Executive Officer

26 March 2024

2023 REVIEW CONTINUED

Business developments:

- Realised the full run-rate £150m of cash synergies by the end of the year.
- Completed the sale of the Latvia business in Jun 23 for consideration of up to £22m.
- Completed the sale and leaseback of the majority of the remaining freehold retail units, receiving approximately £20m in proceeds.
- Proactive mix shift away from dotcom markets driven by significantly enhanced risk and compliance framework, with c.95% of revenue coming from locally regulated or taxed markets.
- Positioned the Group for the future regulatory change in the UK with proactive safety actions including reducing thresholds and limits. The shift in customer mix to lower spending customers impacted market share during the year but has set a strong platform for growth.
- Consistent growth in average monthly actives, with FY23 being up +7% to 1.7m.
- Expanded retail presence in horse racing to 53 of 59 UK racecourses
- Achieved best ever rate of contacts per active, with a unified customer service team achieving consistently high satisfaction scores and handling times, while automating an increasing number of processes including chatbot to handle end-to-end queries.

INVESTMENT CASE

Value Creation Plan to deliver high return on equity from sustainable profitable growth

WHAT WE WILL DO

1.
DRIVE PROFITABLE AND SUSTAINABLE REVENUE GROWTH

2.
IMPROVE PROFITABILITY AND EFFICIENCY THROUGH OPERATING LEVERAGE

3.
DELEVERAGE THROUGH DISCIPLINED CAPITAL ALLOCATION

HOW WE WILL DRIVE EXECUTION

1.
FIRST-CLASS AND CONSISTENT CUSTOMER VALUE PROPOSITIONS

2.
OPERATIONAL EXCELLENCE DRIVEN BY DATA INSIGHTS AND INTELLIGENT AUTOMATION

3.
A WINNING CULTURE UNLEASHING OUR COLLEAGUES' FULL POTENTIAL

Powered by clear group-wide strategic initiatives to deliver our plan:

I. CUSTOMER LIFECYCLE MANAGEMENT

II. CUSTOMER VALUE PROPOSITIONS

III. OPERATIONS 2.0 (AI & AUTOMATION)

IV. PRODUCT AND TECHNOLOGY FOUNDATION

V. WINNING ORGANISATION

VI. ESG

WHERE WE WILL DO IT

1. Core markets
UK; ITALY; SPAIN; DENMARK

2. Optimise markets
ALL OTHER MARKETS

DRIVING LONG-TERM VALUE CREATION WITH CLEAR MEDIUM-TERM FINANCIAL TARGETS:

5-9%
REVENUE GROWTH PER YEAR

100bps
ADJUSTED EBITDA MARGIN EXPANSION PER YEAR

Below 3.5x
LEVERAGE BY THE END OF 2026

ESG AND SUSTAINABILITY

Overview

ESG has remained fundamental to our business strategy as we have worked to integrate the 888 and William Hill businesses. We have a strong desire to be a socially responsible business; we want to protect our customers from gambling-related harms, ensure we are a brilliant and diverse place to work, and reduce our impact on the planet.

INTRODUCTION

ESG has remained fundamental to our business strategy as we have worked to integrate the 888 and William Hill businesses. 2023 was a year of significant change for the Group, but all of the changes we make are underpinned by our desire to run our business the right way, caring for our players, our colleagues, the communities we are part of, and the planet we live on.

2023 was a year in which we continued to embed our ESG framework, 'Players, People and Planet', across the enlarged business, with several advances delivered across all key workstreams, with progress discussed for each area on the following pages.

More widely, we also improved the governance surrounding our ESG strategy. As well as Board-level oversight from the ESG Committee (see page 54), our ESG Forum meets monthly, with several representatives from the executive team, alongside senior business leaders from across the organisation, acting as the steering group for our ESG strategy. Key decisions were fed into the Executive Risk and Sustainability Committee, for further oversight by the executive team.

This report details just some of the many initiatives that happened during the year, as we continue to make progress across all these critical areas. We also had to face some challenging issues head-on, including two large regulatory settlements.

Early in the year the Group reached a regulatory settlement with the Great Britain Gambling Commission (GBGC) relating to social responsibility and anti-money laundering failings at William Hill which occurred in 2020 and 2021. Whilst the failings occurred under previous ownership and management, we took the findings incredibly seriously, working collaboratively with the GBGC on several initiatives which will have a long-term, positive impact.

Secondly in August we reached a settlement with the Gibraltar regulator in respect of certain shortcomings in our compliance processes related to VIP accounts in the Middle East. This followed our self-identification and self-reporting of these issues, highlighting the effectiveness of our significantly enhanced compliance processes. Having self-reported the issues, we engaged proactively with the Gibraltar Gaming Commission in relation to this issue, with the Gibraltar regulator being complimentary about the proactive, swift, and robust remedial actions we took, as well as the enhanced policies and procedures that are now in place.

Significant changes and improvements have been made in all related areas during 2023 and in preceding years, and we believe our internal control environment has never been stronger. We take our regulatory responsibilities incredibly seriously and compliance with them is a minimum standard — in many areas we aim to go beyond these minimum standards to ensure the sustainability of our business.

Meanwhile, in the UK the long-awaited government White Paper, 'High Stakes: gambling reform for the digital age', was published in April 2023. We remain supportive of reform to gambling regulation in the UK to ensure safer and more sustainable play by our customers, including through the creation of an ombudsman and the introduction of a mandatory levy.

In light of, and in many cases prior to the publication of the White Paper, we made several changes over recent years to proactively evolve our products in advance of any potential regulatory change. This has included the lowering of spending limits on our slot games to £5-£10 and the introduction of Financial Vulnerability Checks. These involve us checking to see if customers are exhibiting any specific negative financial markers of harm.

The conflated issues of affordability and financial risk continue to be a key point of discussion in the UK. We support the identification of customers who are in serious financial distress, but believe this to be a very different thing to checking how much each customer can afford to spend, an important nuance and something that is sometimes lost in an often heated public debate. More broadly we believe that changes should be implemented in a measured way that does not interfere with the enjoyment of the majority of our customers who do play safely.

ESG AND SUSTAINABILITY CONTINUED

Players

Safer gambling is imperative to the future success of our business, and therefore the Players pillar of our ESG strategy is a key focus. We recognise that for the vast majority of customers our products are fun and exciting, but for a small and important number gambling-related harm is a real issue, and we need to protect those customers to the best of our abilities.

This is not an area we have always got right in the past and we are constantly working to improve, redoubling our efforts to ensure ongoing compliance with our regulatory requirements while also stepping up our wider investment in safer gambling.

KEY ACHIEVEMENTS IN 2023

We continued to evolve our products, processes, and training to ensure we offer strong levels of protection to our customers wherever in the world they play.

Across our products, the use of deposit limits continues to rise. We want to encourage positive play in our customers and we believe deposit limits are a key tool to help. We will continue to educate customers about the use of deposit limits.

We continued to expand our safer gambling interactions with customers online across all our brands. We sent over 1.3 million messages to players based on individual customer behaviours. In 2024, we will continue to evolve our interaction strategy to offer interactions bespoke to individual customer behaviours.

On our 888 platform, over 70% of customers now have access to our proprietary Control Centre product as we roll the product out across different jurisdictions. Control Centre contains our enhanced safer gambling toolset including a proprietary profit and loss tool.

In our UK retail shops, further enhancements across our safer gambling framework were introduced. Over 127,000 interactions took place with customers in the year, including discussions of affordability of spend. We also trialled a partnership with the digital therapy provider, Anonymind, to provide a strong referral pathway to treatment for retail customers who may be experiencing gambling harms.

More broadly, in the UK we gave over £10m to charities voluntarily, as part of the final year of our four-year commitment to fund Research, Education and Treatment of gambling harms. More details on these programmes and how they help customers are set out below.

Finally, to ensure up-to-date and thorough oversight of our safer gambling strategy, our Board received training from Regulus Partners during the year, which was designed to better educate around gambling-related harms.

FOCUS ON...

Safer Gambling Week

We supported Safer Gambling Week again in 2023, an annual initiative that saw us partner with our main trade bodies, the Betting and Gaming Council (UK) and the European Gaming and Betting Association, and join forces to promote a safer gambling education campaign across the industry. We went above and beyond and delivered safer gambling messaging to all our customers globally.

Across all our shops in the UK, we hosted a full takeover of Safer Gambling Week messaging. Posters were displayed in our shop windows, as well as daily messaging on our SSBTs and gaming machines. Throughout the Group, we delivered safer gambling messaging to our customers, as well as promoting awareness of the event across our social media accounts. The event also featured in all our communications channels, including through a daily all company newsletter featuring articles, interviews with key colleagues driving our safer gambling approach, and videos of work being done 'on the ground' through our RET (Research, Education and Treatment) partnerships.

We also organised a series of internal events, which were broadcast to all our colleagues in collaboration with our RET partner, EPIC Global Solutions. Delivery leads from EPIC gave workshops to colleagues, highlighting the impact of their own personal experience with gambling-related harm. Our CEO, Per Widerström, also hosted a live webinar along with our Chief Customer and Risk Officer Harinder Gill and EPIC delivery lead Mark Potter to talk about the Group's approach to safer gambling and how all our colleagues must play a part in ensuring a safe and enjoyable experience for our customers.

Research, Education and Treatment of gambling harms

In the UK, our support for organisations funding the Research, Education and Treatment of gambling-related harm continued during 2023, totalling over £10m. This was in line with William Hill's historic commitment to increase funding year on year over a four-year period — a commitment shared by other founding members of the Betting and Gaming Council (UK).

The main recipient of our donations was GambleAware, who received over £6m. Two additional projects were also funded, delivering a step change in support for vulnerable cohorts in society:

Horse Racing Industry

2023 marked the first full year of our collaboration with EPIC Risk Management to deliver a pioneering gambling harms education programme in the horse racing industry. Aimed at a cohort of people at all levels in the industry who may be at an increased risk of gambling-related harm, the programme made a successful start. Through 49 sessions in 2023, we reached over 800 people in a diverse variety of roles. We will build on this success over the next two years of the programme.

Armed Forces Gambling Support Network

Working in partnership with a consortium of charitable partners led by the Beacon Counselling Trust, we funded a two-year pilot scheme across England, Scotland and Wales which aims to raise awareness of gambling harms and signpost support pathways to the armed forces community. Compared to the general population, it is estimated that veterans are eight times more likely to suffer from gambling issues, while harmful gambling was identified by the Ministry of Defence as one of its most significant concerns. This work will aim to educate the armed forces community about gambling-related harms, pathways to treatment and support for those affected. The armed forces community is a broad church – covering potential recruits, active service people, veterans, and families of service people – so the programme will offer a myriad of engagement strategies to generate engagement and drive results during the two-year pilot.

Our UK safer gambling customer journey

In the UK, our approach continues to evolve as we prepare for the implementation of initiatives covered as part of the UK government's White Paper recommendations. We have also continued to proactively develop our models, processes, and tools to better identify and interact with customers and ensure we provide them with a safe gambling environment.

We aim to personalise the overarching safer gambling customer journey for our players, in which they are scored and segmented by risk level to ensure our monitoring and intervention is appropriately tailored to them.

ESG AND SUSTAINABILITY CONTINUED

People

2023 was a transitional year for colleagues across the Group. Efforts to integrate and deliver synergies meant leaders across the business, and the People team that supports them, faced many of the same challenges as 2022.

Those challenges can often make it difficult to create and embed positive change, particularly through changes in leadership and periods of uncertainty. Although the priority for 2023 was guiding the business through change, in many areas of the colleague experience significant progress was made as part of the process of building the new Company. This progress is expected to continue at pace through 2024 as we continue to create great experiences for our colleagues. For 2023 our focus was on two key areas: organisational culture, and leadership and talent.

ORGANISATIONAL CULTURE

The importance of fostering a strong organisational culture was immediately clear following the acquisition of William Hill in 2022. Colleagues across the combined Group had experienced the strong cultures and powerful legacies of their previous organisations. We therefore recognised the opportunity to build the new, bringing the best of these experiences and approaches together. The key priority for the People team was quickly identified as defining and embedding a common set of values to drive engagement in our new organisation.

Creating our values

In partnership with a leading employee engagement and communications consultancy, we devised a plan to ensure our values were created by our colleagues for our colleagues. The process we followed gave over 2,000 colleagues the opportunity to help create our values, ensuring a deep connection between colleagues and the business from the beginning.

1. We began with leader workshops, with 65 senior leaders across the business attending workshops to create a long list of values they felt were important today and needed in the future.
2. This long list was shared with all colleagues in a survey to help us shortlist what values were most important, with over 1,600 colleagues responding with their views.
3. Survey findings were tested with 80 colleagues from across the business to explore the shortlist and understand how we talk about values, before an initial draft was created.
4. 130 colleagues gave feedback on the values to refine them to a final set and input to the creative look and feel.
5. The final set was shared with the Group executive team, which reviewed them to make sure that the values are what we need to deliver our strategy and are linked to our business purpose and ambition.
6. Finally, 80 senior leaders and members of our Talent Club took part in testing to confirm the values and agree the communications plan to launch across the business.

Our values

Our values have been created by our people for our people. They're not just words on a page; our values are the essence of who we are and what we stand for. It's what we value at work, it's how we behave and it's how we treat others. Our values are how we play and how we'll win.

LAUNCHING THE VALUES

On 18 October 2023 we held a global event with a live video link set up between our sites, which each held local celebrations. Thousands of colleagues were in attendance to hear about the values, with the launch supported by a video, game, ambient media and merchandise.

Measuring success

We recognise that our new values cannot only exist at launch and must be implemented as part of everyday life by colleagues across the Group. In order to track the extent to which this is true we devised a mix of quantitative and qualitative methods to gather trends, explore sentiment and understand colleague beliefs.

This is an ongoing process but by year-end we had introduced a series of questions about the values in our monthly engagement survey, with the aim of determining:

- Understanding — to what extent colleagues know the values.
- Belief — to what extent colleagues believe that the values are right for the Group.
- Action — to what extent colleagues see the values in action and practise them too.

YEAR-END RESULTS:

Q1. UNDERSTANDING (DEC 23)

eNPS +35

I understand how I can apply the values in my day-to-day work

Q2. BELIEF (DEC 23)

eNPS +20

Our values match my experience of working at the Company

Q3. ACTION (DEC 23)

eNPS +12

People at the company really live our values

We continue to monitor the results of this survey so that we can advise and adapt our interventions accordingly. For 2024, embedding the values remains a focus as we adapt our recognition approach, support for colleagues developing skills and capabilities, and our approach to measuring performance.

ESG AND SUSTAINABILITY CONTINUED

People continued

LEADERSHIP ESSENTIALS WEBINARS

94

webinars attended by 415 colleagues

PROMOTED LEADERS

179

leaders enrolled as mandatory (new or promoted leader in 2023), 154 (86%) either completed or in progress at year end

SATISFACTION RATE

95%

How likely are you to recommend: 94%; How likely are you to use this information: 95%

SCORES FOR GROWTH/LEARNING

8.5(v. 7.9) /8.7(v.8.3)

for graduates compared to all People Leaders

LEADERSHIP DIPLOMA WORKSHOPS COMPLETED

13

editions of face-to-face four-day workshops completed by 150 colleagues in 6 locations

IN-HOUSE TRAINING FACILITATORS

14

in-house facilitators to deliver the training to more colleagues

SATISFACTION RATE

95%

How likely are you to recommend: 97%; How likely are you to use this knowledge: 94%

THE INSTITUTE OF LEADERSHIP APPROVED

ENGAGEMENT

Although defining and embedding a common set of values was a priority for the year, we also recognised the importance of engagement in a broader sense. Employee engagement, as measured by our eNPS score, was introduced to our bonus plans to incentivise leaders across the business to focus on colleague engagement alongside performance.

Recognising the challenges expected through 2023 we set a target of maintaining our 2022 eNPS score, and we were delighted to have exceeded this target by year end. Across 2023 eNPS increased from +8 to +11, which although a small increase represented a real success considering the scale of change that occurred in 2023.

LEADERSHIP AND TALENT

Within the context of a changing organisation we recognised the importance of providing a consistent, inspiring and engaging learning offer for colleagues across the business. In 2023 we focused primarily on two key populations: our people leaders, responsible for guiding colleagues through change; and those identified as key talent based on the evaluation of their performance and potential.

Our in-house specialist teams delivered three programmes across 2023 that have had a significant impact: Leadership Essentials, Leadership Diploma and Talent Club.

- Leadership Essentials is designed to help new and newly promoted leaders to be successful in their current and future roles. It's practical, and outcome focused. It's a global learning and development programme that provides a fantastic opportunity for leaders to learn from fellow leaders across our global business.
- Leadership Diploma is designed for experienced leaders and is approved by the Institute of Leadership. It has been developed in-house and builds on a core belief that great leadership comes from awareness, knowledge, and practice. This programme gives leaders a chance to connect to the new company values, work on leadership capabilities and transform them into improved performance and engagement.
- Talent Club was created in 2023 to create a consistent, inspiring, and engaging learning offer for high-performing, high-potential colleagues. This gave participants an opportunity to connect with other talented individuals, share skills and knowledge, and discover opportunity for growth and development. The programme was supported by Growth Circle for group coaching sessions as well as our own executive team.
  - 65 participants in the 2023 edition of Talent Club (the first).
  - Included individual discovery coaching, 9 Q&A sessions with Exec members, 10 monthly group coaching sessions, 10 external masterclasses with Franklin Covey, Growth Space, Pinnacle, EF / Hult, 10 BeTalent 360 feedback assessments.
  - Average overall satisfaction 93%.

COMMUNITY ENGAGEMENT

Our approach to community engagement evolved this year and we continued to invest in supporting charities in locations where the Group operates, both in the form of financial support as well as through our volunteering scheme, with all non-retail colleagues receiving one volunteering day to use annually to support a charitable organisation of their choice.

In the UK, we donated over £200,000 to the charity Support Ukraine funded by profits from our Eurovision Song Contest betting markets following the event in Liverpool in May 2023, with the UK taking on hosting duties on behalf of Ukraine. In addition, in partnership with the Betting and Gaming Council (UK), we joined forces with other operators in the UK to donate the profits from the Britannia Stakes race at Royal Ascot. This saw more than £250,000 donated to several charities in the UK including SportsAid, the Holocaust Education Fund, Cystic Fibrosis Trust, SAS Regimental Association, Ascot Racecourse Supports and Together for Looked After Children.

Volunteering remains a key focus of our approach to our communities around the world, and colleagues are allocated one day of paid volunteering leave per annum to support a charity of their choice. In the UK, colleagues can also be connected to opportunities within their local communities through our Neighbourly platform. This year, the three themes colleagues chose to focus their volunteering efforts on through the platform were:

1. Looking after the local environment
2. Using sport to make a positive difference
3. Supporting wellbeing

We celebrated these efforts with our first Company-wide 'Community Month', hosted across all 13 locations in September 2023. More than 500 colleagues got involved in the event.

Projects during the event included:

- Colleagues in Krakow helped renovate an old pasta factory, transforming it into a community space that serves refugees and facilitates their smooth transition into the local community.
- Our teams in Malta organised a full week of activities including blood donations, a beach clean-up, and volunteering at a dog sanctuary.
- Our people in Leeds continued our ongoing support for local community team St Chad's Cricket Club, with two events helping contribute to the club renovating their pavilion ahead of the new season.

In the UK, we partnered with the Retired Greyhound Trust and Retail colleagues participated in a number of fundraising events to support the charity. Teams also regularly volunteered on dog walking sessions hosted at the charity's centres across the country.

We aim to support organisations all over the world where we operate and drive colleague adoption of volunteering opportunities.

ESG AND SUSTAINABILITY CONTINUED

Planet

We fully recognise the climate crisis and the risk to the planet and in reaction set ourselves ambitious targets to hit net zero across our Scope 1 and 2 emissions by 2030, and across our whole value chain (including Scope 3) by 2035. We continued to progress towards our goals in 2023, with further reductions in Scope 1 and 2 emissions achieved. We remain committed to maintaining this momentum and driving ambitious change across the Group to hit our targets.

In 2023, we undertook a significant re-baselining exercise, working to consolidate our data from our legacy 888 and William Hill locations and suppliers. We onboarded a new carbon accounting platform, to enable us to get a clear and consolidated view of our emissions.

In 2024, we will continue to invest and evolve this area of focus, engaging colleagues and changing the way we do things in order to hit our ambitious targets and play our part in protecting the future of the planet.

KEY ACHIEVEMENTS IN 2023

- Net zero by 2030: Achieved a 6% reduction in Scope 1 and 2 (market-based) emissions from the new 2022 re-baselined data.
- Net zero across value chain by 2035: Scope 3 emissions increased 33% YOY following methodological changes to our reporting methods. These are covered in more detail in the ESG Supplementary Information section on pages 176 and 177.
- We continued to be well rated across the highest-profile ESG ratings, retaining FTSE4Good membership, achieving a C on the CDP and a score of 34 on the CSA.

FOCUS ON...

Managing our energy consumption in retail through AI

In 2023 we partnered with Optimal Monitoring to implement their EMMA AI energy consumption management solution smart meters in our Retail Licensed Betting Office (LBO) Estate. EMMA AI is an 'always on', machine learning energy consumption management tool.

Following a successful trial over 100 sites in Q1 2023, EMMA was deployed across all eligible Retail LBOs in April.

EMMA constantly monitors consumption inside each LBO and immediately sends out an email alert to the LBO in the case of any consumption issues. By instantly and automatically alerting the LBO, our site managers are then able to immediately correct the cause of any consumption issues. EMMA then receives information back from the LBO about the issue and applies its machine learning capability to increase effectiveness across the entire estate.

In 2023, our energy consumption further reduced through our use of EMMA AI, by 2,595,852 kWh — a reduction of 5.1% vs our original consumption forecast for the estate.

TCFD SUMMARY

A high-level summary of our Task Force on Climate-related Financial Disclosures (TCFD) is below, with more detailed information about the climate-related governance, metrics and targets available in the dedicated TCFD section found on pages 163 to 175.

Governance

Our climate governance begins with the Board's approval of the strategy and targets. The Group has an established system of ESG governance which is embedded throughout the organisation, with the Board being ultimately accountable for the implementation and delivery of the transition plan. The ESG Committee of the Board has oversight of all ESG matters across the three pillars of our framework (including Planet) and the Group's ESG governance structure is outlined on page 164 of the TCFD section of this report.

Our ESG governance structure evolved to include a Risk and Sustainability Committee, a monthly executive management committee which provides oversight to support the ESG Committee of the Board in managing risks to 888's long-term strategic objectives. The ESG Director leads the ESG Forum, a cross-functional forum through which ESG issues can be managed and escalated to the Risk and Sustainability Committee as appropriate.

As the ESG Committee of the Board reviews the implementation of the strategy it will consider the extent to which additional ESG metrics and targets should be incorporated into executive remuneration for 2024. Initial targets have been included for FY24 covering the three pillars of the ESG framework: Players, People, Planet. We will add further remuneration targets related to ESG performance in future years.

Strategy

Climate change is a key focus area of our ESG strategy, and we want to play a role in ensuring that our planet is preserved for future generations. In 2021, we set an ambitious climate goal to reach net zero greenhouse gas emissions by 2035. For us, 'net zero' means ensuring that the GHG emissions associated with our business are reduced to as close to zero as possible, with residual emissions balanced by quality carbon removal initiatives, thereby achieving a 'net zero' position. Our data centres, retail estate, offices, and business travel are the main sources of our GHG emissions.

RISK MANAGEMENT

Climate-related scenario analysis was conducted for the first time last year to inform our climate-related strategy and risk management. The climate-related scenario analysis considers the risks from transitioning to a low-carbon economy or transition risks, and the physical risks resulting from climate change. Physical risks can be event driven, such as extreme weather events, or longer-term shifts in climate patterns. We continually re-assess and update our climate risks and closely monitor for new, emerging risks that may affect the business.

The climate-related scenario analysis demonstrates that the material risks and opportunities we face from climate change include both physical and transition risks in the global markets in which we operate. To respond to these risks, we will take action and build resilience by managing the physical (sites, supply chain) and transition (market, policy & legal, and reputational) risks and opportunities in the value chain, through mitigation and adaptation and business continuity planning. We will look to re-review our climate risks in 2024.

Metrics and targets

- Net zero by 2030 across Scope 1 and 2
- Net zero target across our full value chain by 2035

Our climate metrics and targets are outlined on page 173. In 2023 our focus has been on re-baselining our climate data following the purchase of the William Hill business. As part of this work we have onboarded a new data platform called Normative. Moving to this new platform has yielded methodological differences in calculations compared to previous years. These include:

- Scope 1 emissions remained relatively constant between 2022 and 2023, with some minor changes to our fugitive emissions.
- Scope 2 market-based emissions have reduced with some of these emissions now being reclassified under Scope 1. The percentage of renewable energy used across the Group remains relatively consistent.
- Scope 3 emissions have variance year on year due to the use of Environmentally-Extended Input Output (EEIO) models for the first time, which estimate energy use and emissions across supply chains. We have also changed our classification system against our procurement and general ledger categories, which drives significant improvements in our data accuracy.

We remain committed to our ambitious net zero targets and we will use 2023's figures as the new baseline for our emission reduction plans.

Overall in 2023 our total emissions were 129,000 tCO_2e, up from 98,191 tCO_2e in 2022, a 31% increase year on year. This can be attributed to the new methodology used to calculate the Scope 3 emissions compared with the previous collection method.

We saw our Scope 1 emissions rise from 975 tCO_2e to 1,362 tCO_2e, primarily due to the re-categorisation work outlined above.

Our Scope 2 emissions dropped from 2,966 tCO_2e to 2,333 tCO_2e, again primarily due to the recalibration exercise.

Scope 3 emissions remain the biggest challenge for our business as over 97% of our emissions sit in that category. In 2023 our Scope 3 emissions increased from 94,249 tCO_2e to 125,327 tCO_2e. The vast majority of our Scope 3 emissions are in the purchased goods and services category. In 2024 and beyond we will continue to work hard with our suppliers to ensure that they have detailed transition plans in place and they are also committed to reducing their emissions.

HOW ARE WE RATED?

We analysed the robustness of our climate-related strategy, risk management and performance via the established, independent global benchmark of the Carbon Disclosure Project (CDP). In 2023, we received a CDP score of 'C', with work required across our climate strategy in order to improve our score.

We retained membership of the FTSE4Good Series Index, achieving a rating of 3.6/5. Following the publication of the 2022 Annual Report, we also received our CSA rating, showing an 8 point increase year on year to 34. For 2023, we will receive an S&P Global ESG Score, and the results will be incorporated into our strategy for 2024.

ESG AND SUSTAINABILITY CONTINUED

Planet continued

OUR STATEMENT OF ALIGNMENT WITH THE TCFD REPORTING FRAMEWORK

The table below outlines our alignment with the TCFD reporting framework for 2023, and the detailed TCFD Report is on pages 163 to 175:

- Strategy, parts b) & c);
- Risk Management, part c); and
- Metrics and Targets, parts a) & c).

Where our disclosures are not consistent with TCFD recommendations, the reasons for this are outlined in the full TCFD Report. A plan is in place to improve the maturity of our TCFD reporting in future reporting periods.

OUR ALIGNMENT WITH THE TCFD FRAMEWORK

TCFD RECOMMENDATION	DISCLOSURE LEVEL		REFERENCE/FURTHER WORK
GOVERNANCE	Full	**a.** Describe the Board's oversight of climate-related risks and opportunities.	TCFD Report, **pages 163 and 164**
	Full	**b.** Describe management's role in assessing and managing climate-related risks and opportunities.	Governance, **page 54**
STRATEGY	Full	**a.** Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	TCFD Report, **pages 165 to 170**
	Partial	**b.** Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Further work is required to integrate the outputs of the scenario analysis into the business strategy and financial planning cycles moving forward and develop metrics to monitor climate-related risks and potential financial impacts as required.
	Partial	**c.** Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	TCFD Report, **page 170** Further work is required on the consideration of the potential impact of climate-related issues on financial performance and position across different climate scenarios, together with sensitivity analysis.
RISK MANAGEMENT	Full	**a.** Describe the organisation's processes for identifying and assessing climate-related risks.	TCFD Report, **pages 165 to 167** Risk Management section, **page 37**
	Full	**b.** Describe the organisation's processes for managing climate-related risks.	
	Partial	**c.** Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Further work is required to map the climate-related risks identified by the scenario analysis to existing principal risks, and to integrate climate into the organisation's overall risk management.
METRICS AND TARGETS	Partial	**a.** Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	TCFD Report, **page 173 and 174** We have started to quantify the financial impact of climate-related risks, but quantified scenario analysis needs to be conducted.
	Full	**b.** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	TCFD Report, **pages 173 and 174**
	Partial	**c.** Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Re-baselining has been completed in 2023 and all targets for the business will be focused around reductions from this data.

NEXT STEPS IN 2024

We have made significant progress in recent years to change and improve our business in response to the climate crisis. We will continue to examine our investments, upgrades and process changes that will reduce our emissions and help us to hit our targets.

We have completed a detailed re-baselining exercise that gives us a strong platform to better understand and manage our emissions moving forwards, ensuring we hit our ambitious climate targets.

We will also continue to strive to improve our scores with external ratings agencies, to check our progress across both industry peers and other comparable businesses, as we work towards reducing our environmental impact.

STAKEHOLDER ENGAGEMENT

The Company views stakeholder engagement as an important part of its ongoing governance arrangements. As a Gibraltar company the UK Companies Act 2006 does not apply, however we continue to comply with the requirements of Section 172.

In accordance with the UK Corporate Governance Code 2018, the Company's key stakeholders are considered in Board discussions and decision-making with all Board papers including an explanation of how the impact to stakeholders has been considered.

WHO ARE OUR STAKEHOLDERS?

	WHY?	HOW?
CUSTOMERS	Our business and livelihoods depend upon our customers. Building strong relationships with them, using the expertise of our teams, ensures we gain a deep understanding of their needs, allowing us to identify areas of support. Our competitive customer offering is achieved by protecting customers, improved product personalisation and innovation and best-in-class customer support. By understanding what our customers think about our brand, products and services, we can focus on continuous improvements that align with their priorities. The priority for our customers is a superior betting and gaming experience. This means playing great products, enjoying quality customer service and having confidence that they are playing in a safe and secure environment.	We regularly measure the quality of our service performance through customer satisfaction, Net Promoter Scores, surveys and web analytics. Our customer services teams and retail colleagues are in contact with our customers daily. We operate multiple communications channels to generate feedback, to gain insight and to understand their preferences and needs. We use data analytics and AI together with our customer communications channels to promote safer gambling. More information about our approach to safer gambling can be found in our Sustainability Report on pages 10 to 13.
REGULATORS	Regulators across various territories give the Group a licence to operate and set the terms for providing services in their markets. We need absolute clarity on their regulations to ensure we align with their priorities. Regulators have an important role in promoting a safer gaming environment, which benefits all operators such as 888 that are committed to responsible models of operation. As such, it is valuable for the business to maintain regular dialogue with regulators. Regulators must be reassured that operators are using the full scope of their resources to comply with local market regulations and deliver a safe gaming environment.	We engage in regular and transparent dialogue with regulators across our global markets. We participate in industry events and forums to better understand the requirements of the regulators wherever we operate. We maintain a relationship with the UK Listing Authority, and meet all the requirements they set out in the UK Listing Rules, in order to maintain our listing on the London Stock Exchange. During FY23 we had extensive dialogue with all of our regulators, and in particular the Gibraltar Gaming Commission, around self-identified shortcomings in our dotcom compliance processes. More details of this are included in the risk section on page 30.
COMMUNITIES	We recognise that the local communities where we operate can be our greatest advocates, particularly when it comes to recruitment. To maintain a positive relationship, we need to listen to local issues and understand how we can have a positive impact. The communities around our global offices look to the Company to demonstrate its commitment to the local area by being a responsible corporate citizen. Our retail estate depends on the support of our local communities. We aim to build lasting relationships within the communities in which we operate, and our retail colleagues know and understand their customers.	We have a well-established community involvement programme. We encourage colleagues to be involved in community events and participate in local charities. Colleagues dedicate time sponsored by the Company to these causes. During 2023 the business held a Group-wide 'Community Month' that was focused on encouraging a greater number of employees to volunteer for local charities or initiatives. The initiative was a huge success with more than 500 employees participating, benefitting several local good causes across all our global offices. As a Group our economic contribution is significant, including a total tax contribution of £529m in 2023.

	WHY?	HOW?
PARTNERS & SUPPLIERS	We work with partners and/or suppliers in most of the core functions of our business. It is imperative we maintain an open dialogue with our partners and suppliers in order to operate effectively together and ensure that our interests are aligned. Our relationships rely on transparency and cooperation as well as our track record for effective management and responsible business operations.	We have an open, constructive and effective relationship with all partners and suppliers through regular meetings which provide both parties the ability to feedback on successes, challenges and the future roadmap. The Group's whistleblowing hotline is available to suppliers to allow them to raise any concerns anonymously and all issues are tracked and monitored. During 2023 we further developed our supplier risk framework, including additional risk identification and mitigation strategies, alongside strengthening controls around governance and approvals.
SHAREHOLDERS	Understanding the views of our shareholders and debtholders is critical, and regular and constructive engagement enables a deeper understanding of the issues that matter most to them as owners of the business. The relationship between the Board and its investors is based on trust, transparency and the timely disclosure of information. The Board recognises the importance of demonstrating a high level of openness and engagement to maintain confidence in our ability to create value. Investors seek clear evidence that the Company has a strategy for value-creation across the short, medium and long-term. They demand transparency as the foundation of a trust-based relationship and expect clarity on the Board's approach to maximising opportunities and managing risks.	We have an open dialogue and regularly meet with our major shareholders and debtholders to get their views and feedback. This takes various forms including individual and group meetings, virtual calls, conferences, and roadshows. We provide regular investor updates and ensure an ongoing conversation through the publication of trading updates, half and full year results, as well as events such as our Annual General Meeting. Market views and shareholder analysis is included as a standing Board item. 2023 saw extensive shareholder engagement, particularly around the change in management personnel, the self-identified compliance shortcomings, and the initiation of a GBGC licence review prompted by an investment in the Group by a particular shareholding group. During the year we held over 400 direct engagements with investors, through a combination of the Chair, CEO, CFO, CSO and IR Director, as well as other Board members as required. Read more on **page 50**
COLLEAGUES	The talent, commitment and skill of our colleagues around the world underpins our ability to deliver our strategic priorities. We are proud of our colleagues and want to provide them with a workplace where they can flourish. Empowerment, career development, health and wellbeing and social responsibility are all areas our colleagues have told us they consider important in the workplace. We have an inclusive informal culture, rooted in respect, care and commitment. During times of transition and transformation, such as the leadership changes during 2023, we aim to support and inform as much as we can. Effective engagement allows us to identify the most pressing matters for our colleagues and address them accordingly.	Our workplaces are informal, open and collaborative, underpinned by high professional standards. Our CEO holds regular 'One Company' meetings, and hosts informal meetings and lunches, all of which are open forum and attendees have the right to ask questions directly to the Executive Committee. Regular 'Town Halls' are held by local management to update on business developments and allow questions and feedback. All colleagues have the opportunity to provide feedback through employee engagement surveys, forums and apps such as Slido. eNPS is measured Group wide, with a score of +11 at December 2023. We are committed to proactive, timely and transparent internal communications with our team on an ongoing basis. This has been more important than ever during 2023 following leadership changes. We continue to monitor and develop our approach to performance management, to promote a culture of continuous improvement in line with our values. At the end of the year, we launched our new values, and employees were invited to a Group-wide global launch where all our offices were linked via video. Read more on **pages 14 to 17**

CHIEF FINANCIAL OFFICER'S REPORT

Improving sustainability and enhancing long-term profitability

Sean Wilkins
Chief Financial Officer

THE GROUP HAS ALL THE INGREDIENTS FOR LONG-TERM SUCCESS AND I AM EXCITED TO HAVE JOINED THE BUSINESS AT THIS CRITICAL JUNCTURE AND TO BE PART OF THE LEADERSHIP TEAM TO DELIVER ON OUR VALUE CREATION PLAN AND ACHIEVE THE GROUP'S CLEAR POTENTIAL.

INTRODUCTION

Having joined the Group on 1 February 2024 it was clear that 2023 was a critical year for the business, with strong delivery against the previously increased and accelerated synergy target, as well as fundamental revenue mix shifts that have improved the sustainability of the business.

These mix shifts, both in terms of the country mix towards more regulated markets and the customer mix in the UK towards lower spending customers, had a significant negative impact on the financial results for 2023 and the year-over-year growth rates observed on a pro forma basis.

The business is now at a critical but exciting juncture. We must invest in improving our capabilities in a few critical areas to successfully drive sustainable, profitable growth. Our clear plans are outlined in the CEO report and will be supported by robust financial governance including highly disciplined capital allocation. We will ensure our growth plans support deleveraging and enable strong shareholder returns in the coming years.

Outlook

We have a positive outlook for FY24 revenue with consistent growth in active players driving confidence in strong revenue growth online in both the UK&I and International segments.

At the end of 2023 the Group initiated a cost savings programme that is expected to drive approximately £30m of cash cost savings a year. This will be reinvested into further strengthening the Group's core capabilities in several areas such as intelligent automation and AI-powered data and insights, as well as marketing investment to support revenue growth. These actions, together with the ongoing strategic initiatives that support our value creation plan, are expected to drive improved long-term sustainable profitable growth.

As part of our value creation plan, we have outlined new medium-term financial targets of:

1. Revenue growth of 5-9% per year
2. Adjusted EBITDA margin expansion of 100 basis points per year
3. Leverage of below 3.5x by the end of 2026

SUMMARY

Pro forma results

Given the significance of the acquisition of William Hill midway through the prior year, the statutory results do not provide a clear comparison of performance against the previous period, as they do not consolidate the results of the William Hill business for all the prior period, given the completion date of 1 July 2022. The pro forma results provide a clearer performance of the Group in 2023 compared to 2022.

Since the acquisition, the William Hill business has aligned to the monthly financial calendar of the Group and, therefore, the FY22 pro forma financial comparatives cover the period from 29 December 2021 to 31 December 2022.

On a pro forma basis, including the results of William Hill in full for both periods and excluding the 888 bingo business (which was sold during 2022) for both periods, revenue of £1,710.9m was down 7.5% (£139.2m) year-over-year. This was driven primarily by a proactive revenue mix shift away from dotcom markets, which impacted revenues by approximately £80m during FY23. Revenue was further impacted by customer mix changes in the UK as a result of additional safer gambling measures, as well as a change in the Group's marketing approach to focus more on sustainable revenue and profitability. Together, these changes have created a higher quality and more sustainable business mix, including approximately 95% of FY23 revenue being generated from regulated and taxed markets (FY22 revenue 89%).

Our focus on profitability and synergy delivery aided pro forma Adjusted EBITDA, with a marginal reduction to £308.3m from £310.6m despite the significant impact of our dotcom compliance changes, with dotcom markets typically being higher margin. Adjusted EBITDA Margin increased to 18.0% from 16.8%, reflecting the improved profitability and focus on higher return marketing spend which more than offset the impact of dotcom market changes.

Further segmental details and trends are discussed within the segmental section later in this statement.

Synergies

In 2023 the business took decisive actions enabling it to deliver £150m of cash synergies in FY23, having accelerated the timeline for full synergy delivery.

During 2023 the business implemented a range of operational changes, removing some duplication to create more efficient operations and begin delivering the scale benefits of the combination with William Hill. The Group also reviewed and adapted its marketing approach across markets with a focus on driving more efficient marketing decisions to support sustainable, profitable growth.

Following my appointment alongside that of Per, our new CEO, the business has reviewed its operating model in line with the new value creation plan. This process has identified further opportunities for savings as the Group delivers on its potential. These additional savings, along with any further efficiencies identified, will be reinvested into driving growth, including through increased marketing and investment in improving our core capabilities.

Deleveraging

At 31 December 2023 net debt was £1,716.9m, representing a £10.8m reduction from 31 December 2022. The reduction in net debt was primarily driven by favourable foreign exchange rate movements on the debt principle, offset by a £47.9m cash outflow (excluding customer balances) in 2023, which included £46.0m of exceptional costs paid out in the period. Leverage at 31 December 2023 was 5.6x, unchanged from the pro forma leverage at 31 December 2022.

Our disciplined approach to capital allocation includes reviewing opportunities to generate cash from lower-return or non-core assets, and during 2023 the Group realised approximately £41.8m from non-core asset sales including the sale of our Latvia business, and the sale and leaseback of some freehold properties.

CONSOLIDATED INCOME STATEMENT

Revenue

Revenue for the Group was £1,710.9m for 2023, an increase on a statutory basis of 38.1% compared to 2022, reflecting the consolidation of William Hill revenues from H2 2022.

On a pro forma basis, revenue decreased by 7.5% primarily reflecting dotcom compliance changes and UK online customer mix changes as noted above.

Revenue from sports betting was £648.8m, representing a 0.9% decline on a pro forma basis. Stakes were down 11.3%, offset by an increase in betting net win margin from 10.8% to 12.1%. Both primarily reflect the customer mix changes in the UK online segment to lower-staking, higher-margin, recreational customers.

RECONCILIATION OF STATUTORY EBITDA TO ADJUSTED EBITDA, ADJUSTED PROFIT BEFORE TAX AND ADJUSTED PROFIT AFTER TAX

	Adjusted Results		Exceptional items and adjustments ****		Statutory Results	
	2023 £'m	2022 £'m	**2023 £'m**	2022 £'m	**2023 £'m**	2022 £'m
Revenue	**1,710.9**	1,238.8	**0.0**	0.0	**1,710.9**	1,238.8
Cost of sales	**(572.6)**	(444.4)	**2.6**	3.9	**(570.0)**	(440.5)
Gross profit	**1,138.3**	794.4	**2.6**	3.9	**1,140.9**	798.3
Marketing Expenses	**(237.6)**	(257.8)	**0.0**	0.0	**(237.6)**	(257.8)
Operating Expenses**	**(593.8)**	(319.0)	**(49.6)**	(106.3)	**(643.4)**	(425.3)
Share of post-tax profit of equity accounted associate	**1.4**	0.3	**0.0**	0.0	**1.4**	0.3
EBITDA*	**308.3**	217.9	**(47.0)**	(102.4)	**261.3**	115.5
Depreciation and amortisation***	**(114.0)**	(63.6)	**(114.3)**	(56.7)	**(228.3)**	(120.3)
Profit before interest and tax	**194.3**	154.3	**(161.3)**	(159.1)	**33.0**	(4.8)
Finance income and expenses	**(173.7)**	(73.8)	**19.4**	(37.1)	**(154.3)**	(110.9)
(Loss)/Profit before tax	**20.6**	80.5	**(141.9)**	(196.2)	**(121.3)**	(115.7)
Taxation	**27.5**	(16.3)	**37.4**	11.4	**64.9**	(4.9)
(Loss)/Profit after tax	**48.1**	64.2	**(104.5)**	(184.8)	**(56.4)**	(120.6)
Basic earnings per share	**10.7**	15.1			**(12.6)**	(28.3)

* EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

** Statutory Operating expenses of £643.4m includes Operating expenses of £590.8m (being the Operating expenses of £819.1m less Depreciation and amortisation of £228.3m) and Exceptional items – operating expenses of £52.6m per the Consolidated Income Statement.

*** Statutory Depreciation and amortisation of £228.3m has been separated from Operating expenses of £819.1m per the Consolidated Income Statement.

**** Foreign exchange within adjustments of £2.6m gain within Cost of sales, £1.6m expense within Operating expenses and £36.6m gain within Finance income and expenses.

Adjusted EBITDA is defined as EBITDA excluding share-based payment charges, foreign exchange losses and exceptional items and other defined adjustments. Foreign exchange losses and share benefit charges were excluded to allow for further understanding of the underlying financial performance of the Group. Further detail on exceptional items and adjusted measures is provided in note 3 to financial statements.

In the reporting of financial information, the Directors use various APMs. These APMs should be considered in addition to, and are not intended to be a substitute for, IFRS measurements. As they are not defined by International Financial Reporting Standards, they may not be directly comparable with other companies' APMs. The Directors believe these APMs provide additional useful information for understanding performance of the Group. They are used to enhance the comparability of information between reporting periods and are used by management for performance analysis and planning. An explanation of our adjusted results to the statutory results is provided in note 3 to the financial statements.

	Pro forma (Unaudited)		
	2023 £'m	2022 £'m	Change
Revenue	**1,710.9**	1,850.1	(7.5)%
Adjusted Cost of sales	**(572.6)**	(599.2)	
Gross profit	**1,138.3**	1,250.9	(9.0)%
Marketing expense	**(237.6)**	(331.8)	
Adjusted operating expenses	**(593.8)**	(608.7)	
Share of post-tax profit of equity accounted associate	**1.4**	0.2	
Adjusted EBITDA	**308.3**	310.6	(0.7)%

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

CONSOLIDATED INCOME STATEMENT CONTINUED

Revenue continued

Gaming revenue of £1,062.1m was down 11.2% year-over-year, predominantly driven by the factors mentioned above, with dotcom markets more heavily weighted towards gaming.

Cost of sales

Cost of sales mainly comprise gaming taxes and levies, royalties payable to third parties, chargebacks, payment service provider ('PSP') commissions and costs related to operational risk management and customer due diligence services. Cost of sales increased on a statutory basis to £570.0m from £440.5m due to the acquisition of William Hill in H2 2022. On a pro forma basis, cost of sales decreased by 4.4% to £572.6m principally reflecting the reduction in revenue, with cost of sales representing 33.5% of revenues (2022: 32.4%). The slight increase in cost of sales as a percentage of revenue primarily reflects the change in country mix, with a higher proportion of locally regulated and taxed revenues in 2023.

Gross profit

On a statutory basis, gross profit increased to £1,138.3m from £794.4m with the consolidation of the results of William Hill from H2 2022.

On a pro forma basis, gross profit decreased by 9.0% from £1,250.9m to £1,138.3m, alongside a decrease in the gross margin from 67.6% to 66.5% with more revenue generated from regulated and taxed markets as described above.

Marketing expenses

Marketing is a significant investment for our Group to drive growth through investing in our leading brands, as well as customer acquisition and retention activities. On a statutory basis marketing decreased by 7.8% from £257.8m in 2022 to £237.6m driven by marketing synergies, as well as increased focus on higher-return marketing investments. This represents a marketing to revenue ratio (marketing ratio) of 13.9% (2022: 20.8%), with the reduction being driven by both lower marketing and the inclusion of a full year of Retail results, where the marketing ratio is significantly lower.

On a pro forma basis, marketing expenses decreased by 28.4% from £331.8m to £237.6m. Certain marketing is demand driven and flexible, so part of the reduction is as a result of the reduced online revenue noted above.

Further marketing savings were also achieved following the acquisition of William Hill and the development of a refined brand marketing strategy to focus on driving sustainable profitable growth with improved marketing efficiency. The marketing ratio decreased from 17.9% in 2022 to 13.9% in 2023. This partly reflects the mix of revenue with more generated from the Retail business where the marketing investment is significantly lower. Excluding the Retail segment, the online marketing ratio decreased from 24.4% to 19.7% reflecting the refined brand marketing strategy and improved marketing efficiency.

Operating expenses

Operating expenses mainly comprise employment costs, property costs, technology services and maintenance, and legal and professional fees. On a statutory level, operating expenses increased to £643.4m from £425.3m in 2022. This increase is due to the acquisition of William Hill with the Retail business having a much higher proportion of operating expenses to revenue given the employment and property costs required to operate.

On a pro forma basis, adjusted operating expenses excluding depreciation and amortisation decreased by 2.4% from £608.7m in 2022 to £593.8m in 2023. The reduction in overheads reflects the successful delivery of synergies and focus on cost control more than offsetting underlying inflation challenges across the business, particularly within the Retail estate.

EBITDA & Adjusted EBITDA

Reported EBITDA increased by 126.2% from £115.5m to £261.3m. On an adjusted basis, the increase was 41.5% to £308.3m from £217.9m, with an Adjusted EBITDA margin of 18.0% compared to 17.6% in 2022.

On a pro forma basis, Adjusted EBITDA decreased marginally to £308.3m in 2023 compared to £310.6m in 2022. The Adjusted EBITDA Margin increased to 18.0% in 2023 from 16.8% in 2022 driven by the successful delivery of synergies and focus on cost efficiency more than offsetting the impact of compliance and regulation headwinds noted above.

Finance Income and Expenses

Net finance expenses of £154.3m (2022: £110.9m) related predominantly to the interest from the debt on acquisition of William Hill of £139.4m (2022: £97.7m), which is net of foreign exchange.

The finance expense resulting from leases was £6.9m (2022: £3.0m) with the increase due to the inclusion of a full year of results from the acquired Retail business within William Hill, which operates primarily from leasehold sites.

The finance expense from hedging activities was £12.1m (2022: £3.3m), predominantly due to foreign exchange movements.

(Loss)/profit before tax

The net loss before tax for 2023 was £121.3m (2022: net loss before tax of £115.7m). On an adjusted basis, profits decreased by 74.4% to a profit of £20.6m (2022: net profit before tax of £80.5m), with the increased financing costs from the debt on acquisition of William Hill offsetting the increased earnings from the enlarged Group.

Taxation

On a statutory basis, the Group recognised a tax credit of £64.9m on a loss before tax of £121.3m, giving an effective tax rate of 53.5% (2022: tax charge of £4.9m and an effective tax rate of 4.2%). The tax credit and therefore the tax rate is higher than the expected tax credit arising on the loss of 23.5% primarily due to operating in territories with lower effective tax rates such as Gibraltar, Spain and Malta, additional prior year tax credits from filing submissions in Gibraltar and from the recognition of a previously unrecognised deferred tax asset relating to the Group's intangible assets. These benefits have been offset by the reduced availability of tax relief arising on costs incurred in the period.

On an adjusted basis, the Group recognised a tax credit of £27.5m on a loss before tax of £20.6m, giving an effective tax rate of 133.5% (2022: tax charge of £16.3m and an effective tax rate of 20.2%). This higher rate reflects the mix of profits and losses before tax across the Group giving rise to a lower consolidated base on which the rate is calculated.

Net (loss)/profit and adjusted net profit

The net loss for 2023 was £56.4m (2022: net loss of £120.6m). On an adjusted basis, profit decreased by 25.1% to £48.1m from £64.2m in 2022, reflecting the items discussed above.

Earnings per share

Basic loss per share reduced to 12.6p (2022: loss of 28.3p) because of the full year consolidation of William Hill in 2023.

On an adjusted basis, basic earnings per share decreased by 29.1% to 10.7p (2022: 15.1p). Further information on the reconciliation of earnings per share is given in note 10.

Dividends

The Board of Directors is not recommending a dividend to be paid in respect of the year ended 31 December 2023 (2022: nil per share). The Board's decision is to suspend payments of dividends until leverage is at or below 3x, as previously announced following the acquisition of William Hill.

INCOME STATEMENT BY SEGMENT

The below tables show the Group's performance by segment on a reported and pro forma basis respectively:

	Statutory							
	Revenue				Adjusted EBITDA			
	2023 £'m	2022 £'m	Change from previous year	% of reported Revenue (2023)	**2023 £'m**	2022 £'m	Change from previous year	% of Adjusted EBITDA (2023)
Retail	**535.0**	255.5	109.4%	31.3%	**98.9**	41.2	140.0%	32.1%
UK&I Online	**658.5**	455.5	44.6%	38.5%	**152.3**	61.6	147.2%	49.4%
Total UK & I	**1,193.5**	711.0	67.9%	69.8%	**251.2**	102.8	144.4%	81.5%
International	**517.4**	508.3	1.8%	30.2%	**99.4**	118.3	(16.0%)	32.2%
Other	**0.0**	19.5	(100.0%)	0.0%	**0.0**	1.7	(100.0%)	0.0%
Corporate	**0.0**	0.0	–	0.0%	**(42.3)**	(4.9)	763.3%	(13.7%)
Total	**1,710.9**	1,238.8	38.1%	100.0%	**308.3**	217.9	41.5%	100.0%

	Pro forma							
	Revenue				Adjusted EBITDA			
	2023 £'m	2022 £'m	Change from previous year	% of reported Revenue (2023)	**2023 £'m**	2022 £'m	Change from previous year	% of Adjusted EBITDA (2023)
Retail	**535.0**	519.0	3.1%	31.3%	**98.9**	90.7	9.0%	32.1%
UK&I Online	**658.5**	717.4	(8.2%)	38.5%	**152.3**	111.9	36.1%	49.4%
Total UK & I	**1,193.5**	1,236.3	(3.5%)	69.8%	**251.2**	202.6	24.0%	81.5%
International	**517.4**	613.7	(15.7%)	30.2%	**99.4**	136.0	(26.9%)	32.2%
Corporate	**0.0**	0.0	–	0%	**(42.3)**	(28.1)	50.5%	(13.7%)
Total	**1,710.9**	1,850.1	(7.5%)	100.0%	**308.3**	310.6	(0.7%)	100.0%

For the commentary on divisional performance below, the pro forma financials give a clearer comparative of performance compared to the previous period. Furthermore, it reflects adjusted results, since that is the basis on which these are reported internally and in our segmental analysis. An explanation of our adjusted results to the statutory results is provided above and in note 3 to the financial statements.

UK & IRELAND (UK&I)

UK&I Online

On a statutory basis, revenue increased by 44.6% to £658.5m and Adjusted EBITDA increased by £90.7m compared to the previous period, driven by the acquisition of William Hill.

On a pro forma basis, revenue declined by 8.2% to £658.5m reflecting the impact of our business mix shifting towards lower-spending customers, with average revenue per customer down 18%, which more than offset strong growth in average monthly actives of 11%. This mix shift was driven by a range of proactive compliance measures adopted ahead of the upcoming regulatory change in the UK, including, among other items, significantly lowering thresholds for financial checks, increasing the level of customer interactions and interventions, and lowering stake limits on online slots.

Alongside the more proactive compliance measures and approach, revenue was impacted by the change in marketing approach to focus on higher-return marketing and customer retention, rather than acquisition. This has been particularly prevalent in the 888 brands in the UK which had historically invested significantly in customer acquisition given its subscale market position, particularly in sports. With the range of brands and assets the Group now has in the UK it can be much more effective with its marketing investment, which has improved profitability but reduced revenue in the short term.

Pro forma adjusted EBITDA increased by £40.4m (36.1%) with the Adjusted EBITDA margin improving by 7.5 percentage points to 23.1% as a result of optimised marketing and delivery of synergies.

Retail

On a statutory basis, Retail generated revenue of £535.0m and Adjusted EBITDA of £98.9m as the Retail business continued to deliver robust financial performance and strong cash generation.

On a pro forma basis, revenue increased by 3.1% to £535.0m in 2023 despite a 3% reduction in the number of shops. This was driven by continued strong customer engagement, and a slightly higher sportsbook net win margin year over year, particularly at some of the bigger racing festivals. During the year the Group replaced and upgraded approximately 2,000 self-service betting terminals (SSBTs) and added an additional 1,000 SSBTs across the estate, contributing to an improved product offering which supported revenue growth.

Pro forma Adjusted EBITDA increased by £8.2m to £98.9m in 2023 driven by the revenue growth, with high operating leverage within Retail, as well as excellent cost control including our refined staffing model.

There were 1,343 shops open at the end of 2023 compared to 1,386 at the end of 2022. The small reduction to the already well-optimised estate largely reflects the impact of inflationary cost increases making certain shops no longer commercially viable.

INTERNATIONAL

On a statutory basis, International revenue increased by 1.8% to £517.4m and Adjusted EBITDA decreased by £18.9m compared to the previous period. The revenue increase was driven by the acquisition of William Hill, with the dotcom compliance changes more than offsetting this impact at an Adjusted EBITDA level.

On a pro forma basis revenue declined by 15.7% to £517.4m, as double-digit growth in our core markets of Italy and Spain was more than offset by a significant reduction in revenue from our dotcom markets. This was a result of our regulatory and compliance changes, principally the suspension of VIP customer accounts in the Middle East, as the business did not recover as expected following the initial suspension.

Pro forma adjusted EBITDA declined by £36.6m to £99.4m with the Adjusted EBITDA margin declining by 3.0 percentage points to 19.2%, primarily reflecting the loss of revenue from dotcom markets, where margins are typically much higher.

CORPORATE COSTS

On a statutory basis, corporate costs were £42.3m in 2023 compared to £4.9m in 2022. This is due to the timing of the release of staff incentive accruals in the prior year across the Group including those accrued prior to acquisition within William Hill.

On a pro forma basis, there was an increase in corporate costs of £14.2m to £42.3m due to capitalisation rate alignments across the Group, as well as reallocation of overheads across segments.

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

EXCEPTIONAL ITEMS AND ADJUSTMENTS

Operating Exceptional items	2023 £'m	2022 £'m
Retroactive duties and associated charges	–	(3.9)
Integration and transformation costs	49.3	14.4
Corporate transaction-related costs	(0.1)	24.5
Regulatory provisions and associated costs	3.4	—
Disposal of 888 Bingo	–	11.7
Impairment of US Goodwill and other assets	–	55.7
Revaluation of Contingent consideration	–	(9.2)
Total exceptional items before interest and tax	**52.6**	93.2
Bond early redemption fees	–	14.1
Gain on settlement of bonds	–	(7.1)
Total exceptional items before tax	**52.6**	100.2
Tax on exceptional items	(9.0)	2.8
Total exceptional items	**43.6**	103.0
Adjustments:		
Fair value gain on financial assets	(4.1)	—
Amortisation of Finance Fees	17.2	7.4
Amortisation of acquired intangibles	114.3	56.7
Foreign exchange	(37.6)	26.7
Share benefit (credit)/charge	(0.5)	5.2
Total Adjustments before tax	**89.3**	96.0
Tax on adjustments	(28.4)	(14.2)
Total Adjustments	**60.9**	81.8
Total exceptional items and adjustments	**104.5**	184.8

EXCEPTIONAL ITEMS AND ADJUSTMENTS

Operating exceptional items in the year totalled £43.6m in 2023 compared to £103.0m in 2022.

Exceptional items are defined as those items which are considered one-off or material in size or nature to be brought to attention to better understand the Group's financial performance. Refer to note 3 to the financial statements for further detail.

There were £49.3m of costs incurred relating to the ongoing integration and transformation of the William Hill business in order to achieve synergies. The cash costs to achieve the targeted integration synergies and the global cost saving programme have therefore now increased to approximately £115m, incurred through to 2025, with the majority incurred in 2023 or expected to be incurred in 2024. This includes the global cost saving programme of £30m, initiated in December 2023, as well as the original £150m synergy programme.

Corporate transaction-related costs relate predominantly to the disposal of the Latvia and Colombia businesses, with prior year costs related to the acquisition of William Hill.

The Group paid £2.9m during the period related to a regulatory settlement with the Gibraltar regulator in relation to the previously disclosed failings that we identified in our Middle East business. Further to this there were £0.5m of professional fees incurred relating to this settlement.

Adjustments reflect items that are recurring, but which are excluded from internal measures of underlying performance to provide clear visibility of the underlying performance across the Group, principally due to their non-cash accounting nature. They are items that are therefore excluded from Adjusted EBITDA, Adjusted PAT and Adjusted EPS.

The amortisation of the specific intangible assets recognised on acquisitions has been presented as an adjusted item, totalling £114.3m relating to the William Hill acquisition. This amortisation is a recurring item that will be recognised over its useful life.

The other items that have been presented as adjusted items are fair value gain on financial assets of £4.1m, foreign exchange gains of £37.6m (foreign exchange loss of £26.7m in 2022), amortisation of finance fees of £17.2m (£7.4m in 2022), and share based payment (credit)/charges of £(0.5)m (£5.2m in 2022).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets decreased by £169.9m to £2,298.5m compared to £2,468.4m at 2022, predominantly due to amortisation of Goodwill and Other intangible assets which have decreased by £170.0m. Deferred tax assets have increased by £31.8m to £37.0m compared to £5.2m in 2022, due to the recognition of a previously unrecognised deferred tax asset related to the Group's intangible assets.

Current assets are £449.1m, a decrease of £45.3m compared to £494.4m at 2022. Within this, cash and cash equivalents decreased by £61.4m to £256.2m from £317.6m, which includes £127.8m of customer deposits compared to £141.3m at 2022. Excluding client funds, cash and cash equivalents decreased by £47.9m from £176.3m in 2022 to £128.4m in 2023.

Current liabilities decreased by £49.3m from £703.4m at FY22 to £654.1m at FY23. This includes the reduction in client funds held, offset by an increase in trade and other payables. Provisions decreased by £33.0m to £78.5m primarily due to the payment of the regulatory settlement with the UKGC. Furthermore, there are provisions of £62.8m for gaming tax in Austria.

Non-current liabilities were £2,013.6m, a decrease of £86.6m from the balance of £2,100.2m at 2022. This reduction is predominantly due to the movement in borrowing driven by foreign exchange translations. In addition, the deferred tax liability decreased by £59.1m, mainly driven by the unwind of deferred tax on the acquisition accounting. Lease liabilities have remained broadly in line with prior year. Additionally, provisions for customer claims of £104.7m, £98.8m relating to William Hill and Mr Green brands and £5.9m relating to 888, are currently recognised as non-current liabilities.

Net assets of £79.9m was a decrease of £79.3m compared to £159.2m at 2022.

CASH FLOWS

	2023 £'m	2022 £'m
Cash generated from operating activities before working capital	**233.3**	139.6
Working capital movements	**(81.9)**	(169.8)
Net cash generated from/(used in) operating activities	**151.4**	(30.2)
Acquisitions	**0.0**	(386.8)
Disposals	**41.8**	33.0
Capital expenditure	**(68.4)**	(76.8)
Net movement in borrowings incl loan transaction fees	**(35.8)**	527.6
Proceeds from equity placing	**0.0**	158.5
Net interest paid	**(138.1)**	(75.6)
Settlement of derivatives	**(10.8)**	—
Other movements in cash incl FX	**(1.5)**	(21.5)
Net cash (outflow)/inflow	**(61.4)**	128.2
Cash balance	**256.2**	317.6
Gross Debt	**(1,757.7)**	(1,815.0)
Net Debt	**(1,716.9)**	(1,727.7)

CASH FLOWS

Overall, the Group had a cash outflow of £61.4m in the year, compared to an inflow of £128.2m in 2022. This resulted in a cash balance of £256.2m as at 31 December 2023 (£317.6m at 31 December 2022), although this included customer deposits and other restricted cash of £127.8m such that unrestricted cash available to the Group was £128.4m compared to £176.3m in 2022.

Cash flow from operations was a £151.4m inflow compared to an outflow of £30.2m in 2022. This increase was partly due to a full year of EBITDA from the enlarged business in 2023, as well as lower working capital outflows.

Disposals of £41.8m represented the proceeds on the sale of non-core assets including the Latvia business and the sale and leaseback of certain freeholds.

Capital expenditure was £68.4m in 2023, a reduction from £76.8m reflecting synergies and ongoing cost control.

Payment of lease liabilities represented £31.8m of lease liability payments in the period, with the increase over the prior year driven by the acquisition of William Hill and its associated retail estate, as well as from the sale and leaseback of freehold properties in the year.

Included within net movement in borrowings were £4.0m of principal payments, relating to the 1% annual amortisation on the US$ Term Loan B.

Net interest paid of £138.1m predominantly related to the borrowings undertaken.

Settlement of derivatives of £10.8m paid in the year related to hedging instruments.

Other movements included £4.3m further investment in 888AFRICA, as well as dividend income received from associates of £5.9m.

NET DEBT

	31 December 2023 £'m	31 December 2022 £'m
Borrowings	**(1,661.1)**	(1,702.3)
Loan transaction fees	**(96.6)**	(112.7)
Gross Borrowings	**(1,757.7)**	(1,815.0)
Lease liability	**(87.6)**	(89.0)
Cash (excluding customer balances)	**128.4**	176.3
Net Debt	**(1,716.9)**	(1,727.7)
LTM pro forma Adjusted EBITDA	**308.3**	310.6
Leverage	**5.6x**	5.6x

NET DEBT

The gross borrowings balance as at 31 December 2023 was £1,757.7m. The earliest maturity of this debt is in 2026, which is £11m, with most of the debt maturing across 2027 and 2028. In addition to this, the Group has access to a £150m Revolving Credit Facility maturing in January 2028, which was undrawn at 31 December 2023, consistent with 31 December 2022.

The debt is across GBP sterling, Euro and US Dollar; with 49% of the debt in Euro; 43% in GBP and 8% in USD. The Group has undertaken hedging activities such that 70% of the interest is at fixed rates and 30% at floating rates with the hedging relationships in place for three years to 2025. The Group continues to assess all opportunities to optimise its debt capital structure and manage its debt facilities.

The net debt balance at 31 December 2023 was £1,716.9m with a net debt to EBITDA ratio of 5.6x. This compares to £1,727.7m and 5.6x respectively as at 31 December 2022. The reduction in net debt is predominantly due to foreign exchange movements on the USD and EUR denominated debt principal amounts, together with lower loan transaction fees. This is partly offset by lower closing cash position following outflow of cash detailed above.

SEAN WILKINS
Chief Financial Officer

26 March 2024

RISK MANAGEMENT

Harinder Gill
Chief Risk and Intelligent Automation Officer

OUR TOP PRIORITY IS TO ENSURE THE LONG-TERM SUSTAINABILITY AND SUCCESS OF THE BUSINESS, AND EFFECTIVE RISK MANAGEMENT PLAYS A CRITICAL ROLE IN ACHIEVING THIS GOAL.

INTRODUCTION

The culture of compliance remains at the heart of our activities and drives continuous improvement in risk management across the business.

2023 has been a transformative year in developing and embedding our Enterprise Risk Management Framework across the organisation whilst actively addressing and remediating historical deficiencies.

Our top priority is to ensure the long-term sustainability and success of the business, and effective risk management plays a critical role in achieving this goal.

During 2023 we substantially improved the risk profile of the Group, underscoring our steadfast commitment to strengthening our control environment. Through strategic initiatives and enhanced governance measures, we have significantly enhanced our resilience to emerging risks while fostering a culture of accountability and transparency.

KEY DEVELOPMENTS IN 2023

- **Conclusion of historical GBGC issues:** During the year, the Group reached a regulatory settlement with the Great Britain Gambling Commission (GBGC) relating to social responsibility and anti-money laundering failings at William Hill which occurred in 2020 and 2021. Whilst the failings occurred under previous ownership and management, we took the findings incredibly seriously, working collaboratively with the GBGC on several initiatives which will have a long-term, positive impact. As part of the settlement we agreed two licence conditions, both of which were fulfilled by the February 2024 deadline. This included the external audit of policies, procedures, and controls by an independent third party which concluded that there is a comprehensive and mature control framework across all entities. No high priority recommendations were raised. Feedback is expected imminently from the GBGC, and we are highly confident that this will be positive following the significant strengthening of our control environment.
- **Enhanced compliance structure driving higher standards:** In January 2023 we self-identified and self-reported issues related to certain shortcomings in our compliance processes related to VIP accounts in the Middle East. Following this, we engaged proactively with the Gibraltar Gaming Commission in relation to this issue and reached a regulatory settlement during the year, with the Gibraltar regulator being complimentary about the proactive, swift, and robust remedial actions we took, as well as the enhanced policies and procedures that are now in place. The identification of this issue and ensuing actions we took reflect the proper functioning of the Group's enhanced compliance culture and serve as a good example of what a proactive approach to risk management looks like.
- **Board Risk Appetite Statement:** In 2023 we redefined our Board Risk Appetite Statement, which plays a vital role in promoting a risk-aware culture within the organisation, enhancing decision-making processes, and ultimately contributing to the achievement of strategic objectives.
- **Strengthened risk governance and management oversight:** Established robust committee structures, ensuring effective execution of mandates and comprehensive oversight of risk management activities, while implementing clear escalation mechanisms for timely identification and response to both risk threats and opportunities.
- **Improved risk accountability:** Established clear roles and responsibilities, fostering a culture of engagement, accountability, and proactive risk management across every business unit.
- **Embedding risk incident management:** Developed a centralised procedure for providing robust oversight of risk incidents arising throughout the course of the year, ensuring swift and effective resolution while promoting organisational learning and continuous improvement in risk management practices.

KEY PRIORITIES FOR 2024

- **Cultivating a strong risk culture:** Ensuring risk management is understood and prioritised by every employee as the business continues to promote a culture of risk awareness, accountability, and engagement, through targeted training, communication, and recognition programme.

- **Advance risk technology and analytics:** Invest in cutting-edge risk management technologies and advanced data analytics techniques, including artificial intelligence, machine learning and predictive analytics to derive actionable insights, enabling informed decision-making and proactive risk management strategies.
- **Promote innovation in risk management:** Encourage innovation in risk management practices, including the adoption of agile methodologies and novel solutions to complex risk challenges, ensuring resilience and competitiveness,
- **Stay abreast of regulatory change:** Monitor and adapt to evolving regulatory requirements and industry standards, actively participating in consultations where possible, to drive optimal outcomes for our business and customers.
- **Continuous improvements:** Regularly evaluate the effectiveness of risk management strategies, frameworks, and processes, leveraging lessons learned to drive continuous improvement and resilience in the face of evolving threats and uncertainties.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Establishing an infrastructure that manages the Company's overall risk exposure, generates competitive advantages, and creates business opportunities.

RISK GOVERNANCE

The risk management governance framework is in place to oversee and manage all business activities and includes specific roles, responsibilities, and decision-making processes. It supports the Company's risk management strategy and assists the effective implementation, and effective and efficient alignment of the risk strategy with overall Company goals and objectives. Our three lines of defence model consists of three distinct lines of responsibility and provides a clear and transparent risk management and reporting framework to support the Board in its oversight responsibilities.

An overview of the Group's risk management governance structure along with key responsibilities is outlined opposite.

BOARD AUDIT & RISK COMMITTEE

The Board Audit & Risk Committee sets the Risk Appetite, aligned with strategic objectives; oversees the effectiveness of the risk management framework; and ensures compliance with policies and procedures.

BOARD ESG COMMITTEE

The Board ESG Committee provides Board-level oversight of 888's ESG strategy, targets and progress against key performance indicators.

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EXECUTIVE RISK AND SUSTAINABILITY COMMITTEE - - -> **EXECUTIVE COMMITTEE**

The Executive Risk and Sustainability Committee provides executive oversight over the implementation and execution of the risk management framework to support the Board in managing principal and emerging risks to its long-term strategic objectives, including its impact on its sustainability strategy. It provides comprehensive analysis and recommendations to the Executive Committee assisting it in making informed decisions, contributing to the overall success and sustainability of the organisation.

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DIVISIONAL COMMITTEES AND FORUMS

FINANCIAL CRIME | **COMPLIANCE** | **DATA PROTECTION** | **ESG**

Committees and Forums have delegated authority from the Executive Risk and Sustainability Committee to support the Group Chief Risk Officer in exercising specific and topical risk management responsibilities, playing a crucial role in promoting a culture of risk awareness, compliance and accountability.

RISK MANAGEMENT CONTINUED

RISK ACCOUNTABILITY

In 2023, we implemented an enhanced accountability structure across each of our business units and supporting functions. With the introduction of key roles including Accountable Executives, Risk Champions, and Accountable Business Risk Partners, we are reinforcing our commitment to proactive risk management and governance.

These appointed individuals will play pivotal roles in driving risk awareness, fostering a culture of accountability and ensuring effective risk response strategies are in place within their respective business units. Their expertise and dedication will strengthen our overall risk framework, enabling us to navigate challenges with confidence and uphold our commitment to delivering sustainable value to our stakeholders.

RISK STRATEGY

Our risk strategy takes a holistic approach to risk management that not only addresses potential threats but also embraces opportunities for growth and innovation. Our risk strategy is geared towards identifying, assessing, and optimising both risks and opportunities, enabling us to navigate uncertainties while driving sustainable value creation for our stakeholders. It involves:

- **Comprehensive risk assessment:** We conduct thorough assessments to identify and evaluate potential risks that could impact our business operations, financial performance, and reputation.
- **Opportunity-centric approach:** Our risk strategy incorporates an opportunity-centric mindset, where we actively seek out and capitalise on opportunities for strategic growth and differentiation. We leverage market trends, customer insights, and emerging technologies to identify and pursue opportunities that align with our business objectives.
- **Risk-informed decision making:** We integrate risk considerations into our decision-making processes, balancing the potential risks and rewards associated with various initiatives and investments. This enables us to make informed decisions that optimise risk-adjusted returns and maximise value creation while managing potential downside risks.
- **Operational resilience and business continuity:** We prioritise operational resilience and business continuity, implementing robust plans and measures to ensure the continued delivery of critical services and functions during disruptive events.
- **Horizon scanning and emerging risks:** We conduct horizon scanning exercises to identify emerging trends, technologies, regulatory changes, and market dynamics that could pose risks or create opportunities for our organisation.
- **Staff well-being and engagement:** We prioritise the wellbeing and engagement of our staff, investing in training, development, and support programmes to empower our staff to identify and respond to risks and opportunities in their areas of expertise.

By adopting a proactive approach to risk management that considers both risks and opportunities, we aim to unlock value, drive innovation, and sustain long-term success for our organisation and its stakeholders. Through strategic risk-informed decision-making, and staying vigilant to emerging risks and opportunities, we strive to position ourselves for growth and resilience in an increasingly complex and competitive business landscape.

RISK APPETITE

The Group's risk appetite is to take on calculated and manageable risks that are aligned with the strategic objectives. Whilst we continue to take our regulatory and compliance obligations seriously and will aim for minimal risk exposure, we are prepared to take risks in other areas, where we have the ability to create value through selective risk taking in accordance with our risk appetite, while having the necessary tools and capability to effectively manage the exposure.

The Board-level risk appetite is defined for level two risk categories of our risk taxonomy, which consists of 31 sub-categories of the four level One, Strategic; Financial; Operational; and Regulatory, risks faced by the business. It is formally articulated through the Risk Appetite Statement (RAS) and consists of both qualitative statements, which articulate acceptable levels of risk for the risk categories, and quantitative metrics, which monitor actual risk exposure.

The adopted risk appetite determines our approach to risk management, the level of controls applied and therefore the resources allocated.

We have defined Board-level Key Risk Indicators with three tier tolerance thresholds defined. Level one and two breaches act as early warning indicators and suggest that while risks are operating within acceptable risk appetite levels, they are approaching the maximum tolerance level. Further action is then taken to ensure risks remain within an acceptable level. The level three threshold is the upper limit of risk and once reached, indicates that risks are outside acceptable risk appetite. Immediate action needs to occur to bring risks within acceptable levels.

The following principles guide the Group's overarching appetite for risk and determine how these are managed.

Strategic

- The Group's strategic goals centre on enhancing our customer value proposition and creating competitive advantages through data-led insights and intelligent automation and delivering excellence through our products and technology. Whilst the business maintains a conservative stance towards risks that may compromise its brand and reputation, it is prepared to accept higher levels of risk within its discretion to enhance agility in addressing the demands of a dynamic and evolving business regulatory landscape.
- The Company is dedicated to building a sustainable business and the Group has a low tolerance to risks that could disrupt the critical foundations of its strategy and mission.

Financial position

- The Group upholds prudent financial management practices to maintain a strong stable financial position, which includes effective budgeting, cash flow management, and debt management to optimise liquidity and ensure long-term financial sustainability.
- Our capital allocation strategy is guided by a disciplined approach to prioritise investments that support our strategic objectives and generate sustainable returns. We evaluate risk-adjusted returns, assess capital requirements, and optimise our capital structure to enhance shareholder value.
- We are committed to transparent financial reporting, providing accurate and timely information to stakeholders. This involves adhering to accounting standards and regulations, as well as implementing robust internal controls to safeguard financial integrity.

Operational activities

- The Group prioritises operational efficiency whilst ensuring returns are in line with our risk tolerance. We drive efficiencies across various operational functions to enhance profitability.
- Upholding the highest standards of ethics is paramount within our organisation. We foster a culture of integrity, ensuring compliance with laws and regulations. Any attempts to defraud, misappropriate assets or circumvent policies are met with zero tolerance.

RISK MANAGEMENT CONTINUED

RISK APPETITE CONTINUED

Operational activities continued

- As an online B2C and B2B business, the reliability and security of our IT infrastructure is indispensable for maintaining regulatory compliance and customer loyalty. We maintain a conservative attitude towards technology disruptions given their potential to significantly impact core business operations.
- We are dedicated to customer excellence by providing a highly personalised customer-led offering allowing them to navigate our products and services seamlessly, resources and tools that enable them to make informed decisions and top-tier customer service, to derive maximum value from their interactions with our brand.

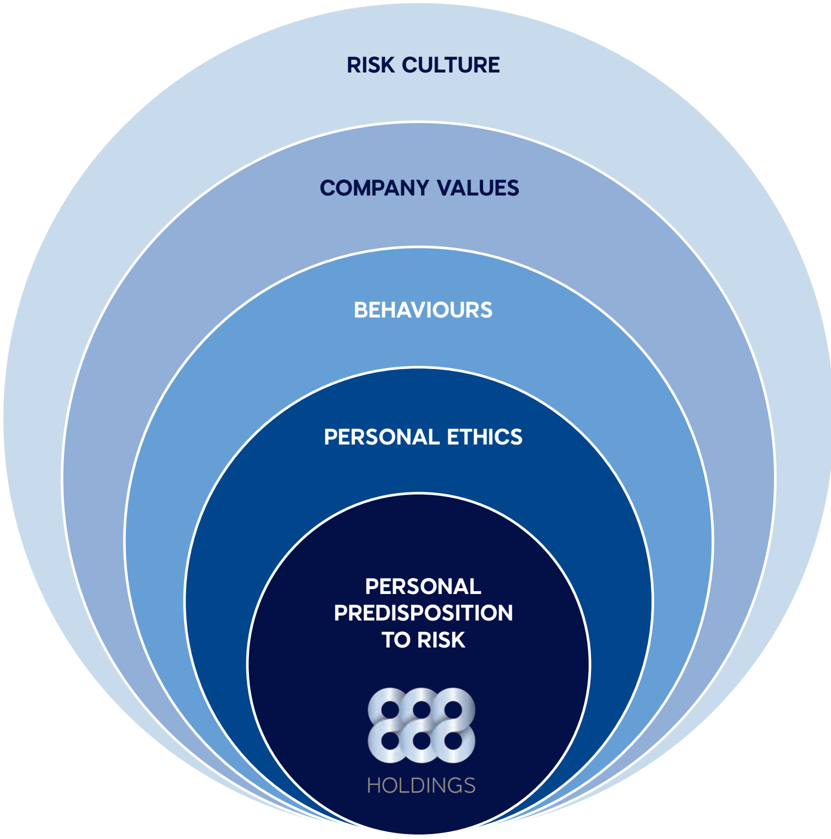
Regulatory Compliance

- The business embeds a proactive compliance culture throughout the organisation, ensuring adherence to regulatory requirements. This involves transparent governance, continuous training and robust monitoring supported by clear roles and accountabilities.
- We engage with regulatory authorities, industry associations and stakeholders to keep abreast about regulatory changes, contributing to best practices and advocating responsible gambling measures. This collaborative approach prioritises player safety and social responsibility.
- We integrate compliance into strategic planning and decision-making processes to anticipate compliance challenges, mitigate risks and identify opportunities for sustainable growth.
- We are committed to continuous improvements with regular reviews and updates to policies, procedures and controls to ensure adaptability to evolving regulatory landscapes and emerging risks.

RISK CULTURE

We recognise that embedding a strong risk culture is essential to achieve an Enterprise Risk Management Framework which empowers and encourages all our colleagues to identify and mitigate against threats, explore opportunities, and achieve the Company's mission as one team. Following the launch of our new Company values in 2023, we have aligned each of these with our risk values. Striving to ensure these risk values are embedded throughout our Company risk culture is a priority.

THE VALUES, BELIEFS, KNOWLEDGE AND UNDERSTANDING ABOUT RISK, SHARED BY A GROUP OF PEOPLE WITH A COMMON PURPOSE.



customers 1st

We entertain our customers with safe gambling experiences.

win together

We work as one inclusive team to achieve great things.

raise our game

We aim for excellence, encourage creativity, and have fun.

RISK MANAGEMENT METHODOLOGY

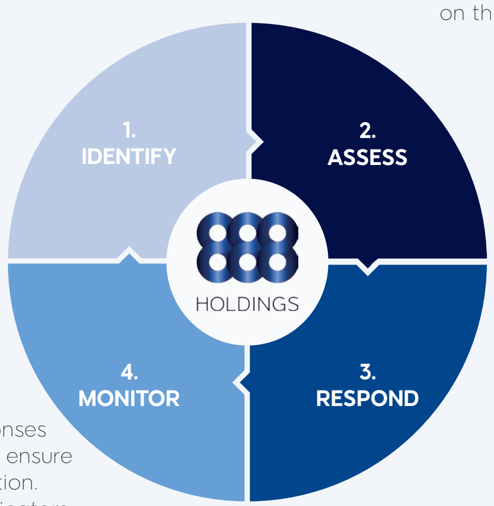
Our risk management methodologies draw from a range of industry best-practice and established guidance, including the Institute of Risk Management, ISO 31000, and Committee of Sponsoring Organizations, COSO framework, to provide robust and comprehensive coverage of risks from identification through to monitoring.

In 2023 this has included redefining our risk taxonomy to give greater clarity, understanding and accountability to risks at each level of the organisation, and ensure these are mapped dynamically to our controls and risk performance. The diagram below shows an overview of activities at each stage of risk management, applied to every risk type, every time.

In 2024, we seek to enhance our risk management methodologies further by extending the use of our established risk methodologies and applying these to risk opportunities. This will contribute to our Value Creation Plan by utilising the same rigorous process used to treat threats and using that to consider how uncertainties and changes to our business environment can be used as opportuwnities to raise our game and drive improved gaming experience for our customers and value for our stakeholders.

1. **Identify:** The initial stage involves identifying and recognising risks that could impact our objectives. This phase requires comprehensive examination of potential events, their causes and potential consequences, whether they are opportunities (upside risk) or threats (downside risks). This includes Business-As-Usual risk management through risk register activities and key risk indicator breaches as well as ad hoc risk incident management.

2. **Assess:** The assessment stage involves analysing and evaluating these risks considering both their likelihood of occurrence and the potential impact they might have on the organisation using an enhanced risk assessment matrix. In this step, we calculate the inherent risk and assess any existing controls to arrive at a residual risk rating, which is then calibrated against our Board-level risk appetite. This step helps prioritise risks based on their significance.



3. **Respond:** Following the risk assessment, we then need to develop strategies or responses to manage the risks effectively. This stage includes selecting appropriate actions, based on their prioritisation and impact assessment. Controls implemented to treat a risk are considered on the basis both of design and performance effectiveness and are regularly assessed through control testing to ensure that the risk response is effective and appropriate.

4. **Monitor:** This stage focuses on continuously monitoring risk factors, tracking the effectiveness of risk responses and adjusting strategies as needed to ensure ongoing risk management and mitigation. We utilise metrics such as Key Risk Indicators and other performance management activity, reported regularly through the risk governance structures from local levels, through to Executive Committee's and Board, based on severity. If there are any material changes to the performance of a given risk, then this will trigger further risk activity. Our regulatory assurance team provide additional second line of defence oversight, which provides continuous monitoring and testing through target reviews.

BUSINESS CONTINUITY

We operate a Business Continuity Management System (BCMS) which covers all global offices and locations where it is deemed to be beneficial in supporting our business, our customers, and our colleagues or is a regulatory requirement. The programme is aligned to the principles of ISO 22301:2012.

The firm operates a mixed work area recovery strategy, which includes work transfer, work from home and standing down of non-critical activities.

The BCMS is supported by a Group-wide Business Continuity Policy and a Group-wide Major Incident Management (MIM) Framework.

MIM is used to support any unplanned events, which have the potential to, or cause actual major disruption to the business. The MIM process is subject to regular review and testing and was most recently invoked to successfully manage any operational impacts arising from the outbreak of war in Israel, where we have a large local office, in October 2023.

RISK MANAGEMENT CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties that are considered to have a potentially material impact on the Group's strategic objectives are set out on the following pages, along with more detailed commentary and a summary on how the Group mitigates these risks in the context of our Board Risk Appetite. This list is not exhaustive but encompasses management's assessment of those risks which require considered response at this time.

Links to strategic outcomes

1. Drive profitable and sustainable revenue growth
2. Improve profitability and efficiency through operating leverage
3. Deleverage through disciplined capital allocation

KEY

Impact
- Negligible
- Minor
- Moderate
- Major
- Critical

Trend
- ˄ Increasing Risk
- ‹ › Stable Risk
- ˅ Decreasing Risk

RISK CATEGORY	RISK	SUMMARY	ACCOUNTABLE EXECUTIVE	STRATEGY LINK	IMPACT	RISK TREND
STRATEGIC RISKS	Brand & Reputation	The risk of operational or compliance failures posing a significant risk to our brand and public image, potentially undermining our ability to achieve strategic objectives. Such setbacks can erode stakeholder trust and diminish our competitive edge.	Chief Strategy Officer	1, 2		‹ ›
	ESG	The risk that the business does not meet its environmental, sustainability or governance objectives.	Chief Strategy Officer	1, 2		‹ ›
FINANCIAL RISKS	Market Risk	The risk that changes in financial market prices, interest rates, exchange rates and market volatilities lead to issues with suppliers and lenders, increased costs, and reduced profitability.	Chief Financial Officer	2, 3		‹ ›
	Liquidity & Capital Management	The risk that the business fails to meet immediate and future cash flow needs or to access the capital required for growth and strategic execution, potentially impairing operational capabilities, and financial sustainability.	Chief Financial Officer	3		˅
OPERATIONAL RISKS	People Risk	The risk that the business fails to retain key colleagues or recruit sufficient experienced employees to achieve its targets and objectives.	Chief People Officer	1, 2		‹ ›
	Third-party Risk	The risk of potential threats and vulnerabilities arising from the involvement of external parties, such as vendors, supplies, contractors, and partners.	Chief Financial Officer	1, 2		‹ ›
	Information Security	The risk of potential threats and vulnerabilities that can compromise the confidentiality, integrity, and availability of the business information assets. It involves the unauthorised access, disclosure, alteration, destruction, or disruption of sensitive information including data, systems, networks, and applications.	Chief Information Technology Officer	1, 2		˅
	Product & Technology	The risk of material adverse outcomes in development, production, or distribution of products and content, alongside vulnerabilities in using, deploying, and managing technology.	Chief Product Officer	1, 2		˄
REGULATORY AND COMPLIANCE RISKS	Regulatory and Compliance	The risk of potential failure to adhere to relevant laws, regulations and industry standards including safer gambling practices and tax regulations. Such non-compliance could materially affect the Company's offering, financial performance, and legal and regulatory position.	Chief Risk & Intelligent Automation Officer	1		‹ ›
	Anti-Money Laundering (AML)	The risk of not meeting the regulatory requirements in relation to AML and Counter Terrorist financing. Online platforms can be attractive targets for criminals to launder illicit funds by depositing and withdrawing large sums in singular/multiple transactions.	Chief Risk & Intelligent Automation Officer	1		˅

BRAND & REPUTATION RISKS

Accountable executive	Impact	Risk trend
Chief Strategy Officer	Moderate	Stable

The Group relies on its world-class brands across its key markets, with brand reputation being a key driver of customer choice. As such, maintaining a strong reputation is critical to the ongoing success of the Group.

In various regions where our business operates, there is an ongoing trend towards the enhancement of regulations focused on safer gambling and the protection of consumers. This trend is particularly aimed at safeguarding underage individuals and players who are vulnerable or at heightened risk of harm.

Media reporting on the industry has seen continuing and increased criticism of how individual customers have been treated. This has led to further calls for additional regulation, particularly around responsible gambling, affordability and advertising, and any failure to ensure the business is fully compliant would result in significant reputational damage, in addition to sanctions imposed by regulators.

How we manage and mitigate the risk

The business has strong governance policies, procedures and processes in place to ensure it not only meets its regulatory obligations but also ensures adequate protection for customers when they use its services. The Group conducts regular reviews of our governance, oversight, and control mechanisms to prevent non-compliance and enhance areas identified for improvement. This proactive approach ensures the integrity and effectiveness of our operations, aligning with best practices and regulatory standards.

All employees receive training designed to foster a safer gaming environment, equipping them with the skills to identify and respond to harmful behaviours or underage participation in both our online and physical retail operations. We provide vulnerable customers with tools, support, and information on responsible gaming, collaborating with gambling protection experts, regulators, and internal teams to adopt and monitor social responsibility guidelines and proactive communications and measures for all customers.

The business is committed to maintaining the hard-won reputation of its brands, with the corporate affairs, marketing, compliance, risk, and legal teams working closely with operational and frontline management to ensure all employees are trained and engaged in acting responsibly towards all internal and external stakeholders.

ESG RISKS

Accountable executive	Impact	Risk trend
Chief Strategy Officer	Moderate	Stable

The Group is dedicated to implementing and maintaining robust policies, procedures, and controls that ensure the effective delivery of our Environmental, Social, and Governance (ESG) objectives.

ESG issues include risks such as climate change, player protection, diversity & inclusion, cybersecurity concerns and social responsibility not just to employees and customers but also to the communities where the business bases its operations and retail outlets. ESG risks, particularly those related to climate, often present unique characteristics distinct from other types of risk. They are typically marked by a lack of extensive historical data and exhibit non-linear patterns, complicating their forecasting and management efforts.

The Group's strategic focus is on protecting our players from gambling-related harm, creating an engaging and inclusive environment where colleagues can thrive and protecting the environment by achieving net zero direct carbon emissions by 2030.

How we manage and mitigate the risk

Key ESG policies, procedures and controls to support the ESG framework are reviewed and updated on an ongoing basis by the Executive-level Risk and Sustainability Committee, with overall oversight provided by an ESG Committee of the Board.

The business maintains oversight of the Group's performance against its sustainability strategy (as defined in the Company's ESG Framework and as amended from time to time), including the monitoring of any material risks which could threaten the financial and operational performance of the Company and its strategic objectives, including its commitment to corporate social responsibility.

The Group has developed sustainability metrics and measures to monitor progress on performance against management initiatives and any sustainability-related commitments communicated externally in support of the Company's objectives.

Management constantly reviews global developments and considers the Company's position on emerging sustainability issues as well as reviewing any other matters relevant to sustainability or ESG issues raised.

KEY

Impact
- Negligible
- Minor
- Moderate
- Major
- Critical

Trend
- Increasing Risk
- Stable Risk
- Decreasing Risk

RISK MANAGEMENT CONTINUED

MARKET RISKS

Accountable executive	Impact	Risk trend
Chief Financial Officer	Major	Stable Risk

The acquisition of William Hill was funded through various means, including significant debt facilities. The Group has implemented a series of hedging strategies, securing approximately 70% of our interest costs at fixed rates for the next two years, while also aligning the currency composition of our debt more closely with that of the Group's financial profile. Despite these measures, the Group remains susceptible to risks associated with changes in interest rates and currency values. Such fluctuations could elevate our borrowing costs, potentially diverting financial resources away from critical areas such as growth initiatives, marketing efforts, and the development and launch of new products and projects.

The Group is also exposed to foreign exchange rate fluctuations and risks in its financial reporting. A substantial part of the Group's deposits and revenues are generated in GBP, EUR and other currencies, whilst the Group's operating expenses are largely incurred in local currencies, primarily GBP, EUR, ILS and USD with incremental exposure to operating expenses in Swedish Krona and Polish Zloty. The Group also has debt servicing costs which are denominated in USD and EUR, partially hedged in GBP.

How we manage and mitigate the risk

The Group has implemented measures to mitigate the risks associated with variable interest rates, successfully hedging 70% of our loans against interest rate fluctuations. Additionally, our treasury team continually seeks to optimise our debt portfolio by leveraging market opportunities. We are also enhancing our operational cash flow forecasting and cash management practices, regularly reporting on unrestricted and available cash balances, and ensuring compliance with our banking covenants. Management diligently monitors our liquidity buffer and provides regular updates on our liquidity headroom, including modelling downside sensitivities and scenarios.

We have effectively reduced foreign exchange risk by adopting policies to hedge certain costs in GBP, including negotiating with suppliers to change invoicing to GBP. The Group has entered FX or cross-currency swaps to hedge part of its ongoing USD and EUR exposure arising due to the acquisition financing and its ongoing EUR exposure under outstanding notes. We have also secured forward contracts to hedge the Israeli Shekel (ILS) against revenues in Canadian Dollars and GBP, further solidifying our financial stability.

LIQUIDITY & CAPITAL MANAGEMENT RISKS

Accountable executive	Impact	Risk trend
Chief Financial Officer	Moderate	Decreasing Risk

Liquidity risk is the risk that the Group has insufficient funds available to settle its liabilities as they fall due. The Group generates strong operating cash flows and aims to maintain sufficient cash balances to meet its anticipated working capital requirements based on regularly updated cash flow forecasts. Liquidity requirements that cannot be met from operational cash flow or existing cash resources would be satisfied by drawings under the Group's Revolving Credit Facility and overdraft facility.

We fund our investments in people, product, marketing, and technology with positive cash flows generated from our trading activities and available cash resources. As the business continues to invest in strengthening its core capabilities there could be increased need to reduce operating costs and improve liquidity by removing duplications, delivering best in class and scalable shared functions, and driving efficiency to reinvest in growth.

How we manage and mitigate the risk

We manage our liquidity risk through continual focus on the Group's operational cash flow forecasting capabilities and management of cash in the business, by reporting on unrestricted and available cash balances, and by ensuring we remain within our banking covenants. The Group also maintains a £150m Revolving Credit Facility from which it can draw in the event there is a need for liquidity.

Our current priority is to reduce our leverage, with a strong focus on disciplined capital allocation and prioritising cash generation and debt reduction, including the suspension of dividends until leverage is below 3x.

Management performs stress tests and reverse stress tests to identify conditions that would be required to compromise the Group's liquidity. Plans and actions are thereafter put in place to further conserve or generate cash to mitigate such scenarios occurring.

KEY

Impact
- Negligible
- Minor
- Moderate
- Major
- Critical

Trend
- Increasing Risk
- Stable Risk
- Decreasing Risk

PEOPLE RISKS

Accountable executive	Impact	Risk trend
Chief People Officer		

Our colleagues across all our business functions are vital to ensuring our day-to-day operations are undertaken efficiently and effectively and to the successful delivery of our strategic business objectives. Competition for highly qualified personnel is elevated in many of the locations in which the Group is based. Ensuring our colleagues are well remunerated, managed and supported is fundamental to the success of the business.

The integration and operating model changes following the acquisition of the William Hill have introduced some uncertainty for our colleagues across the business, which does carry a risk with regard to staff retention in particular, but also recruitment in the short term.

How we manage and mitigate the risk

The Group continually benchmarks remuneration and benefits packages against similar businesses to ensure we remain competitive, which helps to ensure we retain key employees, and continue to attract new quality recruits to support the delivery of our strategy.

Management ensure that regular communication is held with all our colleagues so that they are aware of any organisational changes as soon as possible, particularly for those affected either directly or indirectly.

Our People team has a number of strategies in place to ensure that we do our utmost to protect both the physical and mental wellbeing of all our colleagues.

The Board has an active Nominations Committee, which is responsible for succession planning at the Board and senior management levels and is supported as necessary by external executive recruitment agencies. Succession planning is also undertaken for our other management positions and for key personnel across all business functions.

THIRD-PARTY RISKS

Accountable executive	Impact	Risk trend
Chief Financial Officer		

To effectively deliver our products and services to customers the Group has reliance upon certain critical suppliers of technology, payment services, marketing, gaming products, sports content and media. The effective management of critical third-party relationships and performance is key to delivering our strategic objectives. Any failure of our suppliers to provide services to us may have a significant adverse impact on our own operations.

The Group also has certain strategic partnerships where we supply third-party operators with business-to-business (B2B) gambling services in the United States. Any risks to our B2B partnerships or meeting our contractual obligations with them must be managed to ensure the long-term viability of our operations linked to these relationships, and to ensure we can meet our strategic growth targets.

How we manage and mitigate the risk

The business ensures that we manage and maintain all our B2B partnerships commercially, including the functionality and technology of the B2B platforms offered, competitive pricing, maintaining an ongoing relationship with B2B partners, and ensuring that 888 has good relationships with all our strategic partners so that we have a clear understanding of the requirements and expectations of our B2B partners and their stakeholders.

Key suppliers are managed through supplier relationship management with procurement and operational managers and through regular reviews of performance against service level agreements (SLAs), with mitigating action taken where variances are identified. Regular supplier financial due diligence is monitored and assessed to ensure suppliers have no liquidity problems and hence operational concerns that could impact our ability to serve our customers.

RISK MANAGEMENT CONTINUED

INFORMATION SECURITY RISKS

Accountable executive	Impact	Risk trend
Chief Information Technology Officer	Major	Decreasing Risk

There is an ongoing risk that cyber-attacks, such as Distributed Denial of Service (DDoS) by malicious third parties, could impact our technology systems and, consequently, our operations. This risk extends to the potential theft or misuse of customer and business data by both internal and external entities.

Cyber-attacks leading to data theft could expose the Group to 'ransom' demands or regulatory sanctions including fines and reputational damage, which could lead to loss of customer confidence in the business.

The loss of availability of our technology and communication systems, or those in our key suppliers' infrastructure could cause significant disruption and cost to the business, and lead to revenue loss both during the incident and in the aftermath if customers move their business to our competitors. Lengthy down-time could also cause us to breach regulatory obligations.

How we manage and mitigate the risk

Measures to mitigate the risks to our business and technology infrastructure include the procurement and use of anti-DDoS services and anti-virus protection from leading suppliers. Physical and logical network segmentation is also used to isolate and protect our networks and to restrict malicious activities. To minimise dependence on telecommunication service providers, the Group invests in network infrastructure redundancies whilst regularly reviewing its service providers.

As part of integration plans, the Group is planning to migrate William Hill and Mr Green systems to the existing 888 platform over the coming years which will strengthen the Business Continuity and Disaster Recovery options currently available to these parts of the Group.

Systems are in place which are designed to identify and alert management to problems related to systems, key business indicators and issues around customer service. Changes, incidents and SLA key performance indicators are tracked to ensure a consistent and well managed customer experience. Capacity headroom and system-wide availability is measured and monitored so that actions can be proactively taken to manage any risks to service availability. Network-related performance issues are addressed by rerouting traffic using different routes or providers.

PRODUCT & TECHNOLOGY RISKS

Accountable executive	Impact	Risk trend
Chief Product Officer	Major	Increasing Risk

As a company, we acknowledge the importance of innovation and digital transformation, and we recognise that these initiatives come with inherent risks. We recognise that consolidating multiple systems can be complex and challenging and may lead to potential disruptions in our operations.

In pursuing our goal of building one unified global scalable technology platform, we understand that it requires us to take on higher levels of risk in the short term. However, we believe that the potential rewards outweigh the risks. By creating a unified platform, we will be able to streamline our operations, improve efficiency, and enhance our ability to respond to changing market conditions.

We recognise the importance of developing high-quality products to meet the evolving needs of our customers, however, acknowledge that this comes with inherent risks. We understand that product and content development require significant investments in resources, time, and expertise. Additionally, the fast-paced and constantly changing nature of the market may require us to take on higher levels of risk in the short term.

How we manage and mitigate the risk

Our Product & Technology teams place the highest priority on initiatives that are driven by compliance requirements to ensure that we always meet our regulatory objectives. At the same time, we recognise the importance of providing the best possible customer experience, and we're committed to focusing on delivering our clear Group customer value proposition.

To achieve this goal, we're dedicated to creating seamless core journeys and engaging gaming experiences across all of our product verticals, including casino, poker, and sports. By prioritising both compliance-driven initiatives and improving the customer experience, we believe we can achieve our mission of delighting players with world-class betting & gaming experiences, while meeting all regulatory requirements.

We monitor progress through quarterly planning which undergoes a rigorous assessment and prioritisation process to ensure our strategic objectives are being met. Key initiatives are tracked through performance tracking.

KEY

Impact
- Negligible
- Minor
- Moderate
- Major
- Critical

Trend
- Increasing Risk
- Stable Risk
- Decreasing Risk

REGULATORY AND COMPLIANCE RISKS

Accountable executive	Impact	Risk trend
Chief Risk & Intelligent Automation Officer		

Compliance with regulatory requirements is critical to maintaining the Group's licences, protecting our customers and driving growth. With most of our revenue generated from licensed jurisdictions and more countries looking to regulate, the importance of such licences to the business is constantly increasing.

Our strategic focus is on regulated markets, as these represent the best opportunity for sustainable growth as regulation drives better outcomes for customers, for the business, and for wider stakeholders. The integrity of our privacy and data protection framework, including the holding and processing of personal data, is crucial to ensure compliance with our regulatory obligations and build customer trust.

888 Holdings accepts that regulatory compliance risks may be present in the ordinary course of business, however the enterprise risk management approach allows us to identify these as they arise and implement mitigations and controls targeted at removing and reducing these risks and, where possible, improving player experience, regulatory transparency and stakeholder engagement. The growing complexity of the Company's regulatory footprint means a robust understanding of the legal and regulatory position in key locations worldwide is crucial to mitigating this risk combined with strong relationships with regulators.

How we manage and mitigate the risk

We manage our regulatory risk by routinely consulting with legal advisers in various jurisdictions where our services are marketed, or which generate significant revenue for the Company. We obtain frequent and routine updates regarding changes in the law in jurisdictions applicable to our operations, working with local counsel to assess the impact of any changes on our operations. We constantly adapt and moderate our services to comply with legal and regulatory requirements, and ensure we have the correct controls in place to assess and manage regulatory requirements.

We are in contact with regulators, either directly or through local counsel, ensuring that we are continuously kept up to date with regulatory updates, expectations, and changes to technical standards and other applicable regulations.

The business also ensures compliance with safer gambling regulations and protects customers by leveraging technologies and promoting positive play. We continually monitor customer behaviour and offer a range of tools to players to help them manage their play, and we intervene where necessary. The business also prevents access from certain restricted jurisdictions using multiple technologies as appropriate to ensure it is always in compliance.

We support compliance with privacy and data protection regulations in accordance with our risk appetite. The Company has an appointed Group Data Protection Officer to manage our compliance with associated privacy and data protection regulations. The Data Protection function is tasked with advising on and monitoring compliance with key regulations, recommending and implementing key controls such as policy and training where required.

ANTI-MONEY LAUNDERING RISK

Accountable executive	Impact	Risk trend
Chief Risk & Intelligent Automation Officer		

Ensuring compliance with regulatory requirements and the prevention of money laundering is critical to maintaining our licences. We are committed to combating financial crime and ensuring that proceeds of crime do not enter the business.

The EU Supranational Risk Assessment 2022 estimates the risk level for online gambling is very high for both money laundering and terrorist financing in the absence of controls. Therefore, we make every effort to ensure that controls related to AML and CFT are robust and reviewed regularly to provide assurance.

How we manage and mitigate the risk

888 Holdings has no appetite for establishing or maintaining relationships with anyone appearing on a relevant sanctions list or where otherwise prohibited by applicable law or regulation.

We maintain a robust anti-financial crime compliance framework to effectively mitigate these risks.

We have a strong suite of AML/CFT processes, systems and controls and routinely review and upgrade these where required, including in response to regulatory feedback. Throughout 2023, teams made significant enhancements across our AML controls, specifically including; AML Scorecard, Politically Exposed Persons Screening, Automated and Manual Screening processes, and overall governance. This was demonstrated by the inclusion of a sanitised William Hill AML case study within the publication of the UK Financial Intelligence Unit's August 2023 'Suspicious Activity Reports Reporter Booklet' as an example of best-practice AML responses.

Our customer facing staff are trained at least annually to identify and report such activity to the dedicated AML specialist teams. Our AML compliance programme and associated compliance monitoring programme is subject to ongoing oversight through our corporate governance framework as well as independent internal audit.

EMERGING RISKS

Emerging risks are new and developing risks that are often difficult to quantify but may materially affect the operations of the business. These are usually uncertain risks external to the business or which relate to changes in the markets in which the Company operates. The Group takes a proactive approach to managing them, with the objective of mitigating their impact on the delivery of its strategy.

Examples of emerging risks include global economic changes, increasing risk of global conflicts and geo-political volatility, the ongoing war in Ukraine, technological advancements (including AI), and climate change.

VIABILITY STATEMENT

In accordance with provision 31 of the 2018 UK Corporate Governance Code (the 2018 Code), the Group has assessed its prospects over a longer period than the 12 months required by the Going Concern assessment.

The Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due, over a three-year period to December 2026. In making this statement, the Board has assessed the Company's current position, its prospects and its strategy, as well as performed a robust assessment of the principal risks facing the Company both individually and in aggregate, including those risks that could potentially threaten the Group's business model, future performance, solvency or liquidity.

The nature of the risks and opportunities faced by the Group (in particular, the actual or possible impact of future fiscal and regulatory changes, regulatory actions and the pace of technological change) limits the Directors' ability to make reliable longer-term predictions. Accordingly, the Board has agreed to maintain a three-year horizon to allow for a greater degree of certainty in its assumptions.

The Directors' assessment includes a financial review, which is derived from the Group's detailed bottom-up budget for 2024 and from the Group's medium-term, top-down five-year forecast growth rates for 2025 and 2026, being the most recent Board-approved forecasts. It identifies the expected cash flows, net debt headroom and funding covenant compliance throughout the three years under review.

With respect to the period assessed, the Directors have considered:

- The Group's resilience to threats to its viability in a broad range of severe but plausible scenarios; and
- Both qualitative and quantitative analyses, including the combined impact of the crystallisation of multiple risks simultaneously, which the Directors consider sufficiently robust to make a sound statement.

The principal risks facing the Group, and how the Group addresses such risks, are described in this Strategic Report, and the key risks are summarised in the section 'Principal risks and uncertainties' which can be found on pages 36 to 41.

The most relevant of these risks to the viability of the Group were considered to be:

- Changing regulation in Online, and specifically: the impact of a potential introduction of affordability measures in the UK; a maximum stake on online slot machines in the UK; the impact of potential new regulations in the European countries in which we operate; and the impact of any breach of licence conditions or that underlying contracts in question are null and void given local licensing regimes;
- Reputational impact and fines from regulators if we have a breach in our compliance procedures that results in a failure to meet the expectations of regulators, our shareholders and broader stakeholders;
- A major cyber-attack and/or data protection violation, resulting in the loss of availability of our online offering, reputational damage and fines for breach of GDPR regulations;
- Delivery and timing of the Group's return on marketing investment, resulting in reduced revenues in the markets targeted; and
- The impact of increasing interest rates on the Group's floating rate debt.

Sensitivity analysis on these risks has been undertaken to stress test the resilience of the Group. The sensitivity analysis considers all of the Group's principal risks and models the impact of those considered relevant to the Group's viability. This modelling tests a number of the main assumptions underlying the forecasts, as well as effective mitigation that could occur to avoid or reduce the impact or occurrence of the risk. The mitigations identified by the Group include but are not limited to drawing down on the Revolving Credit Facility (£150m maturing January 2028, which was undrawn at 31 December 2023), and stopping or decreasing non-essential capital investment and variable costs including marketing spend.

Through this analysis, the Directors have a reasonable expectation that no single event or plausible combination of events would be sufficient to impact its viability, and even under the most severe but plausible combination of events the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of assessment.


how we play
raise
our game
We aim for excellence,
win
together
We work as one
inclusive team to
customers
1st
We entertain our
customers with safe
gambling experiences

BOARD OF DIRECTORS

2023 was a year of continuing change for the Group. During the year the focus of the Board was on the post-acquisition integration of 888 and William Hill.

The Board presided over significant change to the management of the business during the year. This included the appointment of a new CEO and new CFO followed by a transformation of the Executive Committee early in 2024. The Board believes that the reformed Executive Committee reflects the future needs of the business in meeting its strategic objectives for long-term success.

Lord Mendelsohn

Chair

N

Lord Mendelsohn was appointed as Non-Executive Chair of the Board in March 2021. He is an experienced gambling sector professional with more than 20 years' industry experience that includes co-founding Oakvale Capital LLP, a leading M&A and strategic advisory boutique focusing on the gaming, gambling and sports sectors. He also serves as Senior Adviser to Value Retail Plc and RG Advisors.

He co-founded LLM Communications, a corporate and public affairs consultancy which was acquired by Financial Dynamics and served as a Managing Director and later as Chair of the Global Issues Division. He is an investor in early stage and growth companies in various sectors including technology, leisure and energy.

Lord Mendelsohn was appointed to be a Working Peer in the House of Lords in October 2013. He has served as a Shadow Minister for Business, International Trade and Innovation and Skills.

Age: 57 Tenure: 3 years

Anne de Kerckhove

Senior Independent Non-Executive Director

N R E

Anne was appointed Senior Independent Director in March 2021 and Workforce Engagement Designated Non-Executive in July 2022.

Anne is Chair of Eagle Eye Solutions Group Plc, the loyalty scheme technology specialist, and a Non-Executive Director of Blackbird plc, a cloud video editing and publishing platform.

Previously, she was the CEO of Freespee, Iron Capital and the Managing Director EMEA for Videology, Global Director of Reed Elsevier, and COO and International Managing Director at Inspired Gaming Group. Anne is an angel investor and mentor for early-stage start-ups and entrepreneurial funds including CRE and Daphni. She holds a Bachelor of Commerce from McGill University and an MBA from INSEAD.

Age: 51 Tenure: 6 years

Per Widerström

Chief Executive Officer

Per was appointed as the Group's Chief Executive Officer and joined the Board from 16 October 2023.

Per has more than 17 years of experience in the online gaming industry, having most recently held the position of CEO at Fortuna Entertainment Group, a market-leading omni-channel betting and gaming business across Central and Eastern Europe, from 2014 to 2022.

Prior to Fortuna, Per held a succession of senior roles across leading online gaming businesses from 2006 onwards, including Managing Director of Gala Interactive at Gala Coral Group Plc, Chief Operating Officer of PartyGaming plc, Chief Integration Officer at Bwin. Party Digital Entertainment Plc, and group CEO and Chair of the Board at Expekt.com.

Prior to joining the gaming industry, Per held a range of senior operational and commercial roles at large global organisations, including COO of Kyivstar, CEO of Telenor Mobile Sweden, and Director, Operational Marketing and Business Development for The Coca-Cola Nordic Services.

Per holds a Masters in International Accounting and Finance from the London School of Economics.

Age: 58 Tenure: <1 year

Sean Wilkins

Chief Financial Officer

Sean was appointed as the Group's Chief Financial Officer and joined the Board from 1 February 2024.

Sean has 17 years of experience in CFO roles at both private and public companies, having most recently held the position of Group CFO of Superbet, a leading omni-channel betting and gaming business with operations primarily across Romania, Poland, Serbia and Belgium.

Prior to Superbet, Sean held CFO roles at several consumer-facing businesses including Big Bus Tours, Domino's Pizza Group PLC, Tesco Malaysia, Tesco Telecom, and O2 Asia.

Sean is a chartered management accountant and holds a Bachelors degree in Philosophy, Politics and Economics from Oxford University.

Age: 54 Tenure: <1 year

NON-EXECUTIVE SKILLS AND EXPERIENCE

	Lord Mendelsohn	Anne de Kerckhove	Mark Summerfield	Limor Ganot	Andrea Gisle Joosen	Ori Shaked
Finance, audit and risk management		●	●	●	●	
Remuneration		●	●	●	●	
Technology		●	●	●	●	●
M&A and capital markets	●		●	●		
Gambling/gaming	●	●	●		●	●
Marketing/Branding					●	●
International business	●	●	●	●	●	
Consumer services	●	●			●	

Mark Summerfield

Independent Non-Executive Director

A E G

Mark was appointed as Non-Executive Director and Chair of the Audit (now Audit & Risk) Committee in September 2019.

Mark worked as a Chartered Accountant for KPMG in the UK and US for 29 years, 18 as a partner. His roles included Global Head of Gaming, UK Head of Audit for Technology, Media and Telecoms (TMT) and UK Head of Assurance. He has extensive knowledge and experience in auditing, financial reporting and governance, as well as mergers and acquisitions and capital market transactions.

Mark spent most of his career working for companies in the TMT and leisure sectors and built KPMG's gaming practice, working with a number of online gaming operators. He was also William Hill's interim CFO for 15 months from July 2016, helping set the Group's strategic direction and assisting with its transformation and technology programmes.

Age: 57 Tenure: 5 years

Limor Ganot

Independent Non-Executive Director

A N R

Limor was appointed as a Non-Executive Director of the Company in August 2020. She is managing partner of Gefen Capital, a US-Israeli venture capital fund that invests in disruptive technologies; a board member of Diners Club Israel; a member of the management of the Israeli friends of the Weizmann institute of science, which is one of the world's leading multidisciplinary basic research institutions in the natural and exact sciences; and former co-CEO of Alon Blue Square Israel. She is a certified public accountant who started her professional journey in the corporate finance division at KPMG and received her Bachelor of Science in Accounting and Economics from Tel Aviv University.

Age: 51 Tenure: 4 years

Andrea Gisle Joosen

Independent Non-Executive Director

A R

Andrea was appointed as a Non-Executive Director of the Company in July 2022.

Andrea is a highly experienced non-executive director, having held leadership positions across multiple international technology and consumer industries companies. Andrea currently chairs the boards of Bilprovningen AB and Charge Amps AB.

Andrea previously chaired Sweden-headquartered Acast AB and was a Non-executive Director at Currys plc, Billerud AB, ICA Gruppen, James Hardie Industries plc and Mr Green & Co, the online gaming business which was acquired by William Hill plc in 2018. During her executive career, Andrea has held numerous leadership roles in the media and technology sectors including as CEO of Boxer TV Sweden and as Managing Director of Nordics for Panasonic, Chantelle Group and Twentieth Century Fox.

Andrea has a BSc in Business Administration and MSc in International Marketing from Copenhagen Business School. She has also completed Executive Education at Harvard Business School in both Effective Negotiations and Audit Committees in a New Era of Governance.

Age: 60 Tenure: 2 years

Ori Shaked

Non-Executive Director

N E G

Ori was appointed to the Board in September 2022.

He is a gaming entrepreneur and experienced game producer. He was previously employed by the Group until 2017 as a game producer, online marketer and business development manager. Ori acts as an early-stage investor in gaming and blockchain start-up companies. He holds a BA in Business Management from Tel Aviv University. Ori is not considered independent following his appointment by the Group's largest shareholder, Salix Trust Company (BVI) Limited, in bare trust on behalf of Dalia Shaked, in line with its right to appoint a non-executive director.

Age: 40 Tenure: 2 years

CORPORATE GOVERNANCE REPORT

Our commitment to corporate governance is fundamental to ensuring we operate in a responsible and transparent manner, delivering long-term value to our stakeholders, including our shareholders, employees, customers, and the communities in which we operate. With the joining of 888 and William Hill, our governance framework plays a key role to ensure that our combined business is managed effectively, that the Board has appropriate oversight of strategic matters and to facilitate an effective decision-making process.

Although the Company is incorporated in Gibraltar, the UK Corporate Governance Code 2018 (the 'Code' or 'UK Corporate Governance Code') applies pursuant to the UK Listing Rules as the Company's Ordinary Shares are admitted to the premium segment of the UK Official List and to trading on the London Stock Exchange's main market for listed securities.

This statement also includes items required by the UK Listing Rules and the Disclosure Guidance and Transparency Rules, including how the 'Main Principles' of the UK Corporate Governance Code have been applied.

As at 31 December 2023, the Company fully complied with the provisions set out in the Code. However, following the departure of Itai Pazner as CEO in January 2023, Lord Mendelsohn was appointed as Executive Chair on an interim basis until 16 October 2023 when a permanent CEO was appointed.

The Board acknowledged that this was not in keeping with the provision of the Code requiring that the roles of Chair and CEO be exercised separately. However, it was considered that this interim measure was in the best interests of the Company and its stakeholders which ensured robust leadership during the transition period. Lord Mendelsohn returned to his post as Non-Executive Chair following the appointment of Per Widerström in October 2023.

BOARD LEADERSHIP

The Board of Directors is responsible for overseeing the management of the Company and setting its strategic direction. As at 31 December 2023, our Board comprised six Non-Executive Directors and one Executive Director, all of whom have a range of relevant skills and experience to bring to the Company.

The Non-Executive Directors bring independent judgement to bear on issues of strategy, performance, and risk, and provide constructive challenge to the Executive Directors. The Executive Directors are responsible for implementing the Company's strategy and delivering its performance.

Meetings and attendance

There are six regularly scheduled Board meetings planned per year. However, when urgent decision-making is required between meetings on matters reserved for the Board, there is a process in place to facilitate discussion and decision-making. The Directors regularly communicate and exchange information irrespective of the timing of meetings.

Set out below are details of the Directors' attendance record at Board and Committee meetings in 2023. All meetings in 2023 were held in person in London.

The Chair has responsibility for ensuring that agendas for Board meetings are set in advance. Board papers are issued to Directors sufficiently in advance of meetings to facilitate both informed debate and timely decisions. If a Director is unable to attend a meeting, he or she is given the opportunity to raise any issues and give any comments to the Chair in advance.

None of the Directors have raised any concerns about the running of the Company or a proposed action which needed to be recorded in the Board minutes of the Company or in a statement to the Chair for circulation to the Board.

Meetings with Non-Executive Directors

At each Board meeting, the Chair designates time for the Non-Executive Directors to meet without the Executive Directors being present.

The Non-Executive Directors also meet once per year without the Chair present in order to appraise the performance of the Chair and take into account the views of the Executive Directors. This process is led by the Senior Independent Director in accordance with the UK Corporate Governance Code. This meeting took place in March 2023.

DIRECTOR MEETING ATTENDANCE FOR YEAR ENDED 31 DECEMBER 2023

	Board	Audit & Risk Committee	Remuneration Committee	Nominations Committee	ESG Committee	Gaming Compliance Committee[1]
Total held in year	**6**	**5**	**4**	**2**	**2**	**4**
Lord Mendelsohn	6	—	—	—	—	—
Per Widerström[2]		—	—	—	—	—
Yariv Dafna[3]	4/4	—	—	—	—	3/3
Anne de Kerckhove	6	4/4	4	2	2	—
Mark Summerfield	6	5	2/2	2	2	4
Limor Ganot	6	4	3	—	—	—
Andrea Gisle Joosen	5	1/1	—	—	—	—
Andria Vidler[4]	4/4	—	—	—	2	—
Ori Shaked	6	—	—	—	—	0/1

1. Michael Alonso is Chair of the Gaming Compliance Committee but is not a Board member.
2. Per Widerström was appointed to the Board on 16 October 2023.
3. Yariv Dafna stepped down from the Board on 2 October 2023.
4. Andria Vidler stepped down from the Board on 30 September 2023.

Board responsibilities and procedures

The Directors consider it essential that the Company should be both led and controlled by an effective Board. The Board focuses upon the Company's long-term objectives, strategic and policy issues. It formally and transparently considers the management of key risks facing the Group, as well as determining the nature and extent of significant risks it will take in achieving its strategic objectives. It maintains and reviews annually the effectiveness of the Company's risk management and internal control systems. The Board is responsible for acquisitions and divestments, major capital expenditure projects and considering the Company's budgets and dividend policy. The Board also determines key appointments. The Board receives regular updates on shareholders' views.

The Board has an established calendar of business which covers the financial calendar, strategic planning, annual budgets and performance self-assessments, as well as the conduct of standing business. The calendar forms the basis for effective integration of business activities as between the Board and its principal committees, which individually consider their own operating frameworks against the Board's business programme.

The Board delegates certain matters to its principal committees who provide reports and make recommendations to the Board. The terms of reference for each committee are available on the Company's website.

Board activities 2023

During 2023, the Board oversaw the strategic development of the Company including the post-acquisition integration of William Hill. It reviewed and monitored the operational, trading and financial performance of the Company, including how it creates value over the long term.

At every meeting the Board receives and discusses updates from respective Executive Committee members on progress against strategy, financial performance, operational matters and compliance and regulation. In 2023 the Board spent a significant amount of time considering the Group's risk, systems of internal control, and the integration of 888 and William Hill following the acquisition.

Also, at each meeting the Board undertook the following:

- scrutinised the operational performance of the Group;
- reviewed the Group's risk management and compliance processes;
- received updates on our people and culture;
- monitored the Group's safer gambling activities;
- received updates on shareholder views; and
- monitored regulatory developments.

BOARD ACTIVITIES 2023

Audit & Risk Committee	ESG Committee	Remuneration Committee	Nominations Committee	Gaming Compliance Committee
Assists the Board in discharging its responsibilities for the integrity of the Company's financial statements, risk management, assessment of the effectiveness of the system of internal control and the effectiveness of internal and external auditors.	Assists the Board in defining and reviewing the Company's strategy relating to ESG matters, setting relevant KPIs, developing ESG policies and compliance with legal and regulatory requirements.	Determines the Company's policy on the remuneration of Executive Directors, other members of the Executive Committee and the Chair of the Board. The Committee also reviews workforce policies and practices.	Assists the Board by keeping the Board composition under review and makes recommendations in relation to Board appointments. The Committee also assists the Board on issues of Executive Director succession planning, conflicts of interest and independence.	In accordance with Nevada Gaming Control Board requirements the Committee is entrusted with making sure that the Group's licensed gaming activity is carried out with honesty and integrity, in accordance with high moral, legal and ethical standards, and free from criminal and corruptive elements.
Read more on pages 56 to 61	Read more on page 54	Read more on pages 62 to 65	Read more on pages 52 and 53	Read more on page 51

CORPORATE GOVERNANCE REPORT CONTINUED

In addition to the above, the Board also considered the following key activities.

JANUARY	• Deep-dive review of the USA, 888Africa and Mr Green operations and considered further strategic development opportunities. • Post-acquisition restructuring progress review. • Received updates on Risk and AML controls. • Received an update from Investor Relations on Market feedback, and stakeholder engagement.
MARCH	• Reviewed, considered, and approved the 888Africa corporate & strategic development plan. • Approved the FY22 annual report and financial statements. • Received an update from Investor Relations. • Deep-dive review of the Middle East market. • Post-acquisition restructuring progress review. • Received updates on Technology and Cyber Security. • Reviewed an updated proposal on the launch of a casino product in Michigan.
MAY	• Deep-dive review of the 888 Poker business. • Received an update from Investor Relations. • Received an update on Business Health checks and a review of core customer journeys. • Received an updated risk and compliance report. • Deep-dive review of the Customer Focus Strategy. • Post-acquisition restructuring and integration progress review. • Reviewed the UK government's gambling reform White Paper overview and impact and prospects assessment.
JULY	• Received reports from the Chief People Officer on people strategy and engagement. • Reviewed the Product & Technology roadmap. • Received an update from Investor Relations. • Deep-dive review of the Casino Product performance and strategy. • Post-acquisition restructuring and integration progress review. • Received updates on Risk and AML controls, approval of the Group AML Policy.
OCTOBER	• Reviewed the new CEO's 100-day plan. • Received an update from Investor Relations. • Reviewed the Group Value Creation Plan. • Deep-dive review of US strategy. • Received an update on Corporate Development and M&A. • Received an update on the UK government's gambling reform White Paper. • Reviewed and approved the 2024 Budget plan.
NOVEMBER	• Received a progress report against the CEO's 100-day plan. • Review of the Board's Division of Responsibilities document. • Received an update from Investor Relations. • Reviewed the Group Value Creation Plan. • Received an update on Corporate Development and M&A. • Reviewed progress against the Product & Technology roadmap. • Received updates on Risk and Compliance. • Reviewed and approved the FY24 budget. • Approved the UK tax strategy for publication.

DIVISION OF RESPONSIBILITIES

Chair, Chief Executive Officer and Senior Independent Director

Notwithstanding the interim position described below, there is a clear division of responsibilities between the Chair and the CEO, which the Board considers an important part of its corporate governance. This is documented and available on the Group's website and also includes the responsibilities of the Senior Independent Director.

Following Itai Pazner's departure as CEO in January 2023, Lord Mendelsohn was appointed Executive Chair on an interim basis whilst a replacement was recruited. Cognisant of the requirements of the Code and corporate governance best practice, the Board took advice on the key considerations to such an appointment.

- The Board considered how it could be provided with oversight and ensure independence of judgement with an Executive Chair in role.
- That any conflicts of interest were managed appropriately in Board meetings and discussions and that the Senior Independent Director moderate or chair as required.
- That the recruitment of a new CEO, led by the Nominations Committee, be expedited so that the arrangements were on an interim basis only and the Chair could successfully transition back to being a Non-Executive as soon as possible.
- That support be provided by, in particular, the Senior Independent Director and other Independent Directors to divide the workload of the Board.

Following an extensive search, with the assistance of executive search firm Russell Reynolds, Per Widerström was appointed as CEO on 16 October 2023. Accordingly, the Board reviewed and updated the division of responsibilities document in advance of Lord Mendelsohn resuming his duties as Non-Executive Chair. The Board is confident that following a handover period it was appropriate that Lord Mendelsohn retain his independence. The Nominations Committee report is on pages 52 and 53.

The role of the Senior Independent Director is to provide a sounding board for the Chair, to evaluate the Chair's performance and lead the Board's succession planning, and to serve as an intermediary for the other Directors where necessary. This role was key in 2023 in order to provide a critical independent perspective.

Reserved powers and delegation

A schedule of matters reserved to the Board has been adopted and is reviewed and updated regularly to align it with operational needs and the Board's preference to monitor and, where appropriate, approve matters of substance to the Group as a whole. This is available on the Group's website.

Independent Directors

More than half of the Board are Non-Executive Directors determined by the Board to be independent for the purposes of the UK Corporate Governance Code.

The Board is confident that Lord Mendelsohn, Mark Summerfield, Limor Ganot, Anne de Kerckhove, and Andrea Gisle Joosen are and remain independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

COMPOSITION, SUCCESSION AND EVALUATION

Board composition

During 2023, the composition of the Board was enhanced with the appointment of a new CEO and CFO. It comprised the following Non-Executive Directors: Lord Mendelsohn (Chair), Anne de Kerckhove (Senior Independent Director), Mark Summerfield, Limor Ganot, Andrea Gisle Joosen, Andria Vidler (to 30 September 2023), and Ori Shaked, as well as Executive Directors Per Widerström (from 16 October 2023) as Chief Executive Officer, and Yariv Dafna (to 2 October 2023) as Chief Financial Officer.

The biographical details of all of the Directors, setting out their relevant skills and experience and their professional commitments, are given on pages 44 and 45.

Board succession

Succession planning is delegated to the Nominations Committee and more information can be found on page 52. Matters within the remit of the Nominations Committee are also on occasion considered by the Board. Non-Executive Directors are currently appointed to the Board for an initial three-year term, extendable by a further two additional three-year terms. The terms and conditions of appointment of Non-Executive Directors and the service contracts of Executive Directors are available to shareholders for inspection at the Company's registered office during normal business hours and at the AGM.

Board evaluation

The Board has established a formal process for the annual evaluation of its performance, and the performance of its committees and individual Directors. The evaluation process covers a range of issues such as Board processes, composition, roles and responsibilities, agendas and committee processes, as well as Board dynamic and communication.

In accordance with the Code and the FRC Guidance on Board Effectiveness, we annually evaluate the performance of the Board and its committees to assess their effectiveness. Led by the Chair, the performance evaluation considers the balance of skills, experience and independence of the Board. The annual performance evaluation is externally facilitated every three years. The 2023 performance evaluation was internally facilitated by the Company Secretary and an update on progress of the actions arising from this review is set out on the next page.

CORPORATE GOVERNANCE REPORT CONTINUED

PROGRESS SINCE MARCH 2023 BOARD EVALUATION

IMPROVE USE OF COMMITTEES	Membership of the committees has been updated to divide workload and skills over the course of 2023. The Board has begun to delegate areas for the committees to lead on behalf of the Board. A committee update is scheduled in the board meeting for each committee chair to report on matters requiring escalation to the full Board. This process is still evolving and there may be opportunity to improve further.
REVIEW AND CONTINUE TO EVOLVE THE FORMAT OF BOARD PAPERS	There have been improvements on introducing consistent style and formats as well as the quality of the content. This will continue to evolve with the addition of the new CEO and CFO and wider executive team.
CONSIDER OBTAINING ADDITIONAL ADVICE FROM TECHNICAL SPECIALISTS TO SUPPORT THE BOARD	Alix Partners were appointed by the Board to work with the team on providing support for the technology plans and also on creating a robust, comprehensive and clear data set for Board evaluations and decisions. Changes to the make-up of the Executive Committee will also evolve these requirements.
DEVELOP RISK MANAGEMENT AND COMPLIANCE FUNCTIONS AND HOW THEY REPORT TO THE BOARD	Excellent progress has been made on the development of the Risk and Compliance function. An Enterprise Risk Management Framework has been developed. Risk taxonomy and Board Risk Appetite Statements have been established with key risk indicators identified, with issues and incidents being escalated via the Executive Risk & Sustainability Committee (ESRC).
PROGRESS WITH ADDING RISK TO AUDIT COMMITTEE AND ESTABLISH CLEAR LINES OF RESPONSIBILITY FOR COMPLIANCE RISK	This recommendation has been completed. The Audit Committee has become the Audit & Risk Committee (ARC). Risk items are brought to the ARC with escalation to the Board as required. There is a clear governance framework through the ESRC to the ARC. The ESRC also has a reporting line to the ESG Committee. The Chief Risk Officer has a standing invitation to both Committee meetings.
DEVELOP PLANS FOR ESG COMMITTEE OVER NEXT 12 MONTHS	There have been multiple changes to the committee over the past 12 months including to membership and Chair. Plans are still in development and will align to the new Group value creation plan.
CONSIDER WHETHER MORE IN-HOUSE SKILLS SHOULD BE USED FOR REMUNERATION WORK	The Chief People Officer and Reward Director have taken over responsibility for remuneration. They work in conjunction with the committee chair to develop the agenda and papers for the Remuneration Committee. Advice is still obtained from Korn Ferry as remuneration consultants, but work is now managed and owned internally.
DEVELOP BOARD AND EXCO SUCCESSION PLANS	There have been significant changes in the ExCo since the 2023 board evaluation. A new CEO and CFO have been recruited and an almost completely new ExCo put in place. Committee responsibilities have also been adjusted to spread across the Board.
REVIEW OF GAMING COMPLIANCE COMMITTEE TO IMPROVE REPORTING, STRUCTURE AND EFFECTIVENESS	The format of reporting to the committee has completely changed since the last evaluation. A system of reporting has been developed to mirror the Compliance Plan with all items noted or updated in the meeting report. The US Compliance Director has taken over responsibility for preparing the report with input from across the business.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

Board evaluation continued

Following the March 2024 evaluation, the Board was satisfied that each of the Non-Executive Directors continues to be effective and to demonstrate commitment to their respective roles and recommends them for re-election at the 2024 Annual General Meeting.

Shareholder engagement

The Company maintains an active and regular dialogue with principal and institutional shareholders and sell-side analysts through a planned programme of investor relations and financial PR activity. The Board keeps up to date with the views of major shareholders through meetings and discussions with shareholder representatives and receives regular feedback directly from investor relations reports and broker updates at each Board meeting. The programme of engagement includes formal presentations of full year and interim results, analysts' conference calls and periodic roadshows and discussion of the Company's strategy and governance. The Company Secretary engages with proxy advisers in advance of any shareholder meetings.

In addition, throughout the year, the Chair of the Remuneration Committee has consulted with major shareholders on proposed Executive Director remuneration. Details of engagement with shareholders during 2023 are set out on page 23.

The Non-Executive Directors are available to talk to shareholders if they have any issues or concerns or if there are any matters where contact with the Chair, Chief Executive Officer and Chief Financial Officer is inappropriate or where such contact has failed to resolve the issue.

Key stakeholders

The Company's key stakeholders are its shareholders, customers, regulators, colleagues and partners as well as the communities in which it does business. The Board takes care to engage with all its stakeholders, as detailed on pages 22 and 23 and within the ESG and Sustainability section on page 10 to 21 and the Remuneration Report on page 65. All papers presented at Board meetings include details of how the interests of the Company's key stakeholders are considered in Board discussions and decision-making as required by the UK Corporate Governance Code and, whilst as a Gibraltar company, the UK Companies Act 2006 does not apply to the Company, the matters set out in section 172 are taken into account by the Board in its decision-making to the extent permitted under Gibraltar law.

AGM 2023

All resolutions proposed at the AGM in May 2023 were overwhelmingly supported with at least 91% of total votes cast in favour. The next AGM will be held on 13 May 2024 and the majority of Board members will attend the meeting and be available to answer questions.

Directors' insurance cover

The Company has arranged and maintains, at its expense, a directors' and officers' liability insurance policy in respect of legal actions against its Directors, as recommended by the UK Corporate Governance Code. To the extent permitted by Gibraltar law, the Company may also indemnify the Directors. Neither the insurance nor the indemnity provides cover where a Director has acted fraudulently or dishonestly.

Development and advice

The Chair regularly agrees and reviews each Director's training and development needs. Members of the Board committees receive specific updates on matters that are relevant to their role. Members of the Executive Committee with responsibility for the Group's business make periodic presentations at Board meetings about their functions, performance, markets and strategy.

Information and support

All Directors have access to the advice and services of the Company Secretary* and the Company's nominated advisers, who are responsible for ensuring that Board procedures are followed.

* References in this Annual Report to Company Secretary refer to Elizabeth Bisby and for Gibraltar corporate purposes Straits Secretaries (Gibraltar) Limited.

Directors are able to seek independent professional advice, if required, at the Company's expense provided that they have first notified the Company of their intention to do so.

Under the direction of the Chair, the Company Secretary's responsibilities include ensuring information flows within and between the Board, its committees and the executive team, as well as facilitating induction, evaluation and professional development activities, and advising the Board on corporate governance, legal and procedural matters.

Conflicts of interest

Conflicts of interest of the Directors are dealt with in accordance with the procedures set out in the Articles and are monitored by the Chair.

Specifically, a Director does not vote on Board or Committee resolutions in which they or persons connected with them have an interest (other than by virtue of a shareholding in the Company) which is to their knowledge material, except in specific limited circumstances. The Board is confident that the appropriate checks and balances are in place to identify and minimise potential conflicts of interest.

Gaming Compliance Committee

In accordance with Nevada Gaming Control Board requirements, the Board has appointed a Gaming Compliance Committee. Its members during 2023 were Mark Summerfield and Yariv Dafna, in addition to an external leading Nevada lawyer, Michael Alonso, who chairs the Committee. Ori Shaked was appointed to the Committee following Yariv Dafna stepping down from the Board in October 2023. The CFO and CRO have a standing invitation to attend, and the meetings are managed by the US Compliance Director.

During the year, the Committee was formalised as a sub-committee of the Board. Governance processes have been improved and the reporting has been aligned with the Compliance Plan. The Committee's terms of reference were approved by the Board and are available on the Company's website.

The Gaming Compliance Committee is entrusted with making sure that the Group's licensed gaming activity is carried out with honesty and integrity, in accordance with high moral, legal and ethical standards, and free from criminal and corruptive elements. As such, the Committee is responsible and has the power to identify and evaluate situations arising in the course of the Company's and its affiliates' business that may adversely affect the objectives of gaming control.

The Committee is not intended to displace the Board or the Company's executive officers with decision-making authority but is intended to serve as an advisory body to better ensure achievement of the Company's goals of avoiding unsuitable situations and in entering into relationships exclusively with suitable persons.

The Committee's work is done independently and impartially. To this end, its members are appointed by and report directly to the Board of Directors.

Other disclosures

The following matters are not applicable to the Group and therefore have not been included in this report:

By applicable sub-paragraph within LR 9.8.4

- **(1)** Interest capitalised by the Group
- **(2)** Publication of unaudited financial information
- **(3)** Details of long-term incentive schemes only involving a Director
- **(4)** Waiver of emoluments by a Director
- **(5)** Waiver of future emoluments by a Director
- **(6)** Non pro-rata allotments for cash (issuer)
- **(7)** Non pro-rata allotments for cash by major subsidiaries
- **(8)** Parent participation in a placing by a listed subsidiary
- **(9)** Contracts of significance
- **(10)** Provision of services by a controlling shareholder
- **(11)** Shareholder waivers of dividends
- **(12)** Shareholder waivers of future dividends
- **(13)** Agreements with controlling shareholders

On behalf of the Board:

LORD MENDELSOHN
Chair

26 March 2024

NOMINATIONS COMMITTEE

Anne de Kerckhove

Chair of the Nominations Committee

KEY ACTIVITIES 2023

- Leading the search and recruitment of the Group's new CEO and CFO including developing candidate profiles of the skills, character and experience required.
- Reviewing the composition of the Board including assessing any gaps in the balance of skills and experience.
- Ensured the successful onboarding of the new CEO.
- Assessment and monitoring the Independence of the Chair during his transition back to his non-executive role.
- Monitoring the Board evaluation process which is described on page 50.
- Implementing the Board's diversity policy which is described on page 52 (including monitoring the gender balance of senior executives and their direct reports).
- Supporting the development of a diverse pipeline of candidates for senior management.

MEMBERSHIP IN 2023	MEETING ATTENDANCE
Anne de Kerckhove (Chair)	2/2
Mark Summerfield (until 26 Sept)	2/2

Ori Shaked and Limor Ganot were appointed from 26 September and Lord Mendelsohn from 16 October. Although the regular scheduled Nominations Committee meetings were held earlier in the year before the changes to committee composition, the new members of the Committee have been heavily involved in the recruitment and selection of the CEO and CFO and there have been many supplementary meetings of the Committee in the year. Mr Shaked was also the Board appointed representative for all CEO interviews.

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present the Nominations Committee report for the year to 31 December 2023. The Committee has been busy this year with the selection and onboarding of the new CEO and CFO who bring the required skills and experience to enhance the Board's strategic approach and decision-making. The Committee has also reviewed the changes to the Group's Executive Committee following the arrival of Per Widerström.

The Nominations Committee, as a sub-committee of the Board of Directors, is responsible for monitoring the composition and diversity of the Board, overseeing the process of selecting and nominating Directors, ensuring they receive an appropriate induction and determining succession plans for the Chair, CEO and other key roles. The Nominations Committee's terms of reference are available on the Company's website.

In 2023 the Nominations Committee was comprised of myself as Chair, and Mark Summerfield, who stepped down in September, Ori Shaked, Limor Ganot, who joined in September, and Lord Mendelsohn, who joined in October.

Succession planning

The Committee regularly reviews succession plans for the Board, including the structure, composition and skills required to support the Group's strategy. The Committee also considers succession planning for the Executive Committee and other key roles within the senior leadership team, as well as initiatives underway to develop talent internally.

At both Board and Executive level, 2023 was a year of significant change with the strengthening of the Executive Committee made up of senior leaders from the Group, together with new recruits. The Executive Committee continues to play a key role in the ongoing integration of 888 and William Hill and will provide strong leadership across the business in delivering on our strategic initiatives in line with our value creation plan.

Following the announcement in January 2023 that Itai Pazner was leaving the business, he was immediately succeeded by Lord Mendelsohn as Executive Chair to ensure continuity of leadership. The Nominations Committee led the search for a new CEO, and following an extensive search assisted by executive search firm Russell Reynolds, the Board appointed Per Widerström who the Board believes has the skills and experience required to lead the combined Group.

Following Per's appointment, Lord Mendelsohn's independence was assessed, and the Board was satisfied that Lord Mendelsohn would be capable of continuing his chairmanship independently. Following consultation with the Board, the Nominations Committee also renewed Lord Mendelsohn's appointment as Chair for an additional three-year term from April 2024 (subject to annual re-election by shareholders at the AGM).

The Committee, assisted by Korn Ferry, also led the recruitment of Sean Wilkins, our new CFO who replaced Yariv Dafna and joined the business in February 2024.

Upon joining, Executive Directors are immersed in the Company's operations immediately, and take part in induction activities such as meeting with leadership across the business, visiting our offices around the world and our customer-facing sites, training and also meeting with shareholders. The Company Secretary provides Executive Directors with essential corporate information including insurance policies, Group policies, briefing notes, regulatory compliance and licensing information, and corporate governance materials.

Board diversity policy

The Nominations Committee is also responsible for pursuing diversity within the scope of its mandate, including setting measurable objectives and monitoring progress on achieving such objectives. We aim to have a Board that is well balanced and has the appropriate skills, knowledge, experience and diversity for the needs of the business without compromising on the quality or merit of candidates including their aptitude and ability. In considering new Board appointments, the Committee considers diversity in the broadest sense including diversity of thought, age, gender, nationality, independence, educational and professional background, social and ethnic background, business and geographic experience in order to create an appropriate balance.

The Board supports the FTSE Women Leaders Review and the Parker Review on Ethnic Diversity. At the financial year end, the Board comprised four male and three female directors meaning that over 40% of the Board was female, with myself as the Senior Independent Director, which was in accordance with the targets for diversity in the Listing Rules. However, the Nominations Committee will also take this balance into consideration following the appointment of Sean Wilkins as CFO in February 2024.

The geographic diversity of the Board is representative of the operational centres of the Group and includes directors with British, Israeli and European backgrounds. However, the Board is also cognisant of the Parker Review recommendations regarding ethnic diversity and had at least one director from an ethnic minority background on the Board for the majority of 2023. It will also take these considerations into account in our future appointments, to continue to improve diversity on both the Board and in the senior leadership of the Group.

Details of the Company's diversity position and involvement of women in management of the Group are set out in the Supplementary Data on pages 176 and 177. The Company is committed to making progress towards improving the diversity in senior leadership roles (defined as the Executive Committee and their direct reports) and has set targets for increasing representation by 2027.

Commitment

The terms of appointment for each Non-Executive Director, including expected time commitment, are available for inspection at the Company's registered office during normal business hours and at the AGM. Non-Executive Directors are required to allocate sufficient time to perform all applicable roles and to both disclose any external appointments and consult with the Company prior to accepting any new major external appointments. It is the Committee's view that all Directors have allocated sufficient time to fulfil their commitment and to meet their Board obligations and responsibilities. In addition to the regular scheduled Board meetings, the Board has dedicated a significant amount of time this year for supplementary meetings when required to make important strategic decisions and provide support to the Executive Chair.

Re-election and appointment of Directors

The effectiveness and commitment of each of the Non-Executive Directors is reviewed by the Committee annually.

The Committee has satisfied itself as to the individual skills, relevant experience, contributions and time commitment of all the Non-Executive Directors, taking into account their other offices and interests held. The Board is recommending the election or re-election to office of all Directors at the 2024 AGM.

ANNE DE KERCHKOVE

Chair of the Nominations Committee

26 March 2024

ESG COMMITTEE

Anne de Kerckhove

Chair of the ESG Committee

KEY ACTIVITIES 2023

- Received progress updates on KPIs including on safer gambling, people and the environment.
- Reviewed progress against the carbon reduction plan.
- Reviewed progress against the global player safety initiative.
- Reviewed scores by rating agencies and plans for improvement.
- Reviewed and considered the climate-related scenario analysis report, see page 163 to 175.
- Reviewed and approved the Committee terms of reference, which are available on the Group's website.

MEMBERSHIP IN 2023	MEETING ATTENDANCE
Andria Vidler (until 26 September)	2/2
Anne de Kerckhove (Chair from 26 September)	2/2
Mark Summerfield	2/2
Ori Shaked (from 26 September)	0/0

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present the ESG Committee report for the year to 31 December 2023.

During this period the Committee was chaired by Andria Vidler, who stepped down from the Board in September 2023. I would like to thank her for her expertise and valuable insight.

Membership

The ESG Committee is composed of three Non-Executive Directors, with other Board members including the Chair, CEO, and CFO invited to attend the Committee meetings. The Chief Strategy Officer and Chief Risk Officer also attend the meetings and provide operational updates to the Committee. The Group also has an ESG and Sustainability Director who has executive responsibility for the Group's ESG strategy. The Committee is responsible for reviewing the Group's ESG strategy and setting relevant KPIs, developing and reviewing relevant policies and practices and providing oversight of the implementation of these plans. A clear ESG governance framework is in place for how ESG matters are escalated to and delegated from the ESG Committee. This framework can be found on page 164.

In 2023, Lord Mendelsohn, in his capacity as Executive Chair, was the executive responsible for monitoring ESG activity and progress within the Group, with this responsibility being returned to the CEO with Per Widerström's arrival in October 2023.

Safer gambling

Safer gambling remains a key focus for the Committee and Player Safety is a core pillar of our ESG framework. The Committee received regular updates on safer gambling and related matters, with a particular focus on developing a global player protection strategy, which included developing a minimum safer gambling standard for all of the Group's brands.

As part of the global initiative, internal communications and training were refreshed, including a session on safer gambling with the Board in May 2023 that provided detailed education on gambling harms.

Workforce engagement

I continue to be the Non-Executive Director designated as the workforce engagement representative. The acquisition of William Hill by 888 continued to impact employees during 2023. The combination of two corporate cultures, together with changes to headcount and location of colleagues, continued to challenge the Board to listen to and understand the views, interests and concerns of the workforce and take these into consideration prior to making decisions.

There has been increased communication with colleagues to keep them updated on business changes and regular anonymous eNPS surveys to allow ongoing feedback and temperature checks on employee sentiment. The results of this are shared with the Committee and Board. Furthermore, since Per Widerström's arrival, he has held regular town halls to update the workforce on progress against his 100-day plan, where employees can ask questions directly to the Executive Committee. Further details are set out on pages 14 and 23.

Climate change and the environment

The Committee recognises the importance of minimising the business' environmental footprint. In comparison to other sectors the Group's impact on the environment is relatively low as our product is largely digital. The Group has a 'C' CDP rating and continues to retain membership of the FTSE4GOOD index. The William Hill business is now certified as carbon neutral, an achievement we are very proud of considering the size of our large retail estate. Our carbon reduction plan for the combined Group continues to progress against plan, however with no renewable energy available in Israel we are focusing on reduction. Further details are included in the ESG and Sustainability section on pages 10 to 21.

The coming year

Sustainability in all three pillars of the Group's ESG model is key to the success of the Company. During the first meeting of 2024, the Committee reviewed and approved the ESG Strategic Framework and its alignment with the UN's 17 Sustainable Development Goals and agreed specific objectives for each pillar. Player safety globally will continue to focus on reducing harm using technology and raising awareness by partnering with relevant charitable organisations. We will continue to engage with our workforce and wider stakeholders to ensure that the combined Group remains an inclusive environment where our colleagues thrive. We aim to protect the environment by becoming a net zero business. Further details are included in the ESG and Sustainability section on pages 10 to 21.

ANNE DE KERCKHOVE

Chair of the ESG Committee

26 March 2024


raise
our game
win
together
customers
1st
how
we
play

AUDIT & RISK COMMITTEE

Mark Summerfield

Chair of the Audit & Risk Committee

KEY ACTIVITIES 2023

- Continued to support the Board in monitoring and reviewing the systems for risk management, internal control and financial reporting.
- Reviewed the updated risk register and framework.
- Approved the internal audit plan for the year and received the internal audit reports.
- Reviewed and recommended to the Board for approval the FY22 Annual Report & Accounts and FY23 interim results.
- Received reports from the external auditors on key audit findings.
- Reviewed and approved updates to policies including the Treasury Policy, Whistleblowing Policy, Anti-Bribery & Corruption Policy and Business Continuity Plan.
- Oversaw the continuing improvements following the UK Gambling Commission compliance assessments and remedial actions.

MEMBERSHIP IN 2023	MEETING ATTENDANCE
Mark Summerfield (Chair)	5/5
Anne de Kerckhove	4/4
Limor Ganot	4/5
Andrea Gisle Joosen	1/1

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present the Audit & Risk Committee report for the financial year ended 31 December 2023. This has been a transitional year with the post-acquisition integration of the William Hill business being the strategic priority for the Group. The Committee's primary functions included assessing the integrity of the Company's financial statements, maintaining an appropriate relationship with and reviewing the independence and effectiveness of the Company's external auditor, and overseeing the Company's system of internal controls and risk management.

In this letter I explain to shareholders the responsibilities of the Committee, highlighting those of particular importance this year. The pages following contain more detail on the matters considered.

During the year the business has worked particularly hard on developing and articulating the Group's Enterprise Risk Management Framework and Risk Appetite Statement. Given the Group's renewed focus on risk and risk management, the Board resolved to formally delegate the oversight of risk and systems of risk management to the Audit Committee. The Committee's terms of reference were amended and adopted accordingly and on 16 October 2023 the Committee became the Audit & Risk Committee. The Audit & Risk Committee has continued to carry out a key role within the Group's governance framework, supporting the Board in monitoring and reviewing the systems for risk management, internal control and financial reporting. The Committee continues to be responsible for oversight of significant financial matters, including the Company's tax policies, planning and compliance, treasury policies, as well as other significant financial matters that the Board deems appropriate from time to time.

While the Board remains accountable for risk management, the Committee has taken responsibility for working closely with Group management to ensure that significant risks are considered on an ongoing basis and that appropriate responsibilities and accountabilities for the related controls have been set. Extensive work has been undertaken to develop an Enterprise Risk Management Framework including a risk taxonomy and a governance framework for both Committee and Board escalation. The Committee is responsible for apprising the Board of pertinent matters and making recommendations based on its activities and findings at Committee meetings.

An associated Committee responsibility is to review the scope, nature and effectiveness of the work of the Internal Audit team, as well as ensuring that the business responds to the recommendations made.

At the request of the Board, the Committee reviewed this Annual Report and advised it considers sufficient information has been provided to give shareholders a fair, balanced and understandable account of the business and allow them to assess its position and performance, business model and strategy. It also assessed the Group's viability, in line with the Code requirements, prior to reporting to the Board and recommending the Annual Report for approval. Further, the Committee ensured that the financial performance aspects of all communications with shareholders were carefully considered.

This was the first full year Internal Audit work was completed for the combined Group by our in-house internal audit team, with additional support provided by our co-source partner Deloitte. The scope of Internal Audit's plans was agreed with both management and the Committee to support the Board in considering the effectiveness of controls over significant risks disclosed in these accounts. The 2023 internal audit plan was approved by the Committee in 2022 and during an evolving year for the combined Group, changes to the original audit plan were communicated and approved by the Audit & Risk Committee accordingly.

More information on the Internal Audit reports in 2023 can be found on page 60.

The Committee monitors and reviews the effectiveness and key aspects of the external audit process, including the annual audit plan and audit findings, as well as the auditors' independence and objectivity. It also recommends the audit fee to the Board and sets the Company's policy on the provision of non-audit services by the external auditor. EY UK is the auditor for the purposes of the Company preparing financial statements as required pursuant to the UK Listing Rules and the Disclosure and Transparency Rules. EY Gibraltar is the Company's statutory auditor including for the purposes of issuing an audit report pursuant to the Gibraltar Companies Act 2014.

We seek to respond to shareholders' expectations in our reporting and would welcome feedback. I am available to speak with shareholders at any time and shall also be available at the Annual General Meeting in May 2024 to answer any questions.

MARK SUMMERFIELD
Chair of the Audit & Risk Committee

26 March 2024

HIGHLIGHTS OF THE COMMITTEE'S WORK DURING THE YEAR:

THE IMPACT OF CHANGES TO THE LEGAL AND REGULATORY ENVIRONMENT IN WHICH THE GROUP OPERATES ON ITS BUSINESS, SECTOR AND MARKET, TOGETHER WITH THE GROUP'S ONGOING ENGAGEMENT WITH REGULATORY BODIES	The Committee examined management's assessment of legal and regulatory risks in key markets, focusing on any changes in the environment and communication with regulators, together with the appropriateness of the Group's response.
THE ASSESSMENT OF THE RISKS FACING THE BUSINESS	The Committee reviewed the risk registers and the Risk Appetite Statement was updated to ensure that it is an accurate and relevant reflection of the Board's approach to risk management. The Committee continues to work with the Chief Risk Officer to embed enhanced risk management within the Group. Following the implementation of a new framework the Committee became the Audit & Risk Committee in October 2023.
TREASURY	The integration of 888 and William Hill and the appointment of a new Group Treasurer prompted a renewed focus on treasury processes, procedures, systems of control, and resourcing. The Committee received updates on the progress against improvement objectives set by the Group Treasurer and approved a new Group Treasury Policy in 2023.
REVENUE RECOGNITION	The Committee reviewed and considered the Group's accounting policies as well as the application of those policies and the process and control framework and has concluded that the Group's recognition of income is appropriate.
INTEGRATION AND EXCEPTIONAL ITEMS	The Committee reviewed the ongoing integration plans; ensuring the structure and governance of the programme was appropriate and that controls continue to be maintained throughout the integration. The Committee reviewed the treatment of exceptional items, in particular those associated with the integration programme, and agreed with management's presentation of costs as exceptional.
THE VIABILITY STATEMENT AND GOING CONCERN STATEMENT PREPARED BY MANAGEMENT	The Committee reviewed management's analysis of the Company's going concern and viability statement, including updated forecasts, downside scenarios including an assessment of mitigations available to the Group and a reverse stress test, and advised the Board accordingly. The Board has concluded that the Company has adequate resources to continue in operational existence for the foreseeable future.
CAPITALISED DEVELOPMENT COSTS	The Committee reviewed management's assessment of the alignment and enhancement of controls to ensure consistent application of IAS 38 across the Group.
THE GROUP'S EXPOSURE TO CORPORATION TAX, GAMING DUTIES, VAT AND SIMILAR TAXES	The acquisition of William Hill and the integration of the two businesses allowed the opportunity for the Committee to review the tax arrangements in place within both businesses and approve an appropriate tax structure for the Group presented by management. The UK tax strategy has been agreed and published on our website and the integration has been planned with global tax considerations a key element.
VALUATION OF ASSETS AND LIABILITIES	The Committee reviewed the impairment testing of the goodwill acquired on the William Hill acquisition and concurred with management's view that there were no impairments of this goodwill.
THE GROUP'S ANTI-BRIBERY, ANTI-MONEY LAUNDERING AND WHISTLEBLOWING OBLIGATIONS	The Committee reviewed the Company's policies to ensure they remain relevant to the Company's business and the regulatory environment in which it operates. The Committee received updates on the whistleblowing reports made.

AUDIT & RISK COMMITTEE CONTINUED

COMMITTEE COMPOSITION

During 2023, the Committee comprised three independent Non-Executive Directors, being Mark Summerfield, Limor Ganot, Andrea Gisle Joosen who joined the Committee in September, and Anne de Kerckhove who stepped down from the Committee at the same time.

Two members constitute a quorum. The Committee requires the inclusion of at least one financially qualified member with recent and relevant financial experience. The Committee Chair fulfilled that requirement.

The Committee has competence relevant to the online gaming sector and all members of the Committee have an understanding of financial reporting, the Group's internal control environment, relevant corporate legislation, the functions of internal and external audit and the regulatory and compliance framework of the business.

Specifically, Mr Summerfield was both an auditor and worked within the sector, Ms de Kerckhove has extensive strategy, entrepreneurial and sector experience, and Ms Ganot is both a qualified CPA and has extensive experience as a venture capital fund manager. Ms Gisle Joosen has extensive non-executive and audit committee experience.

In addition to scheduled meetings, the Committee Chair met with the Chief Financial Officer and the internal and external auditors on several occasions. Although not members of the Committee, the Chair of the Board, Chief Executive Officer, Chief Financial Officer and Chief Risk Officer attend meetings, together with representatives from the internal and external auditors. Function heads and other members of management are invited to attend meetings from time to time.

OUR WORK IN 2023

In planning its work, the Committee has reference to the significant risks that may have an impact on the financial statements. During the year there were no matters where there was significant disagreement between management, the external auditor and the Committee, or unresolved issues that required referring to the Board.

The key matters discussed by the Committee during the year were as follows:

Legal and regulatory environment

The Group operates within an increasingly regulated marketplace and is challenged by regulatory requirements across all areas of its business. This creates risk for the Group as non-compliance can lead to financial penalties, reputational damage and the loss of licences to operate. As part of this process, the Board and Audit & Risk Committee received updates from management and discussed follow-up actions in response to regulatory matters relating to customer activity in prior periods. The Group manages its regulatory risk with input from its legal advisers in order to operate its business in compliance with relevant regulatory requirements. The Group works with its lawyers and Chief Risk Officer to produce regular updates so that the Board and Audit & Risk Committee understand what is happening in the regulatory landscape.

During 2023, the whole Board received regulatory briefings from the Company's lawyers, and the Committee reviewed updates on the management of regulatory risk from the Chief Risk Officer, as well as reviewing the status of litigation and regulatory reviews involving the Group and the related accounting for the Group's obligations in the financial statements. Please refer to note 22 of the financial statements for further detail on Austria and Germany player litigation specifically.

The Audit & Risk Committee continues to have a key role working with the Board in overseeing the Company's systems of internal control following the Company's response to the UK Gambling Commission compliance assessments. Although all remediation actions were executed by management in response to the Gambling Commission's findings, the Group continues to develop and make improvements to the Group's governance framework.

A proactive approach to risk management was exemplified through the self-identification and internal escalation of historic potential AML deficiencies relating to VIP accounts. Following a thorough investigation to resolve any historic VIP account concerns, confirmation was received from the Gibraltar Gambling Division on 20 October 2023, stating that all 'AML and CFT processes, systems and controls are now considered to be satisfactory'.

Regulatory mapping

As part of the development of the Group's enterprise risk management framework, the Company engaged KPMG to perform an international risk and control mapping exercise to help the Company better understand its regulatory obligations, the risks faced, and the presence and adequacy of controls to mitigate them. More information can be found in the risk report on pages 30 to 41.

Taxation

The Board oversees and sets the Group's tax strategy and evaluates tax risk. In undertaking this task, the Group's internal tax team is supported by external legal and tax advisers.

During the year, the Group's Head of Tax kept the Board and Audit & Risk Committee apprised of both existing and emerging tax risks as well as an assessment of the tax risks across the enlarged Group, in particular as the organisational design of the Group continued to evolve.

In 2023, the Board and Audit & Risk Committee discussed the Group's tax-related matters including the Group's tax footprint in each territory and its alignment with value creation. The tax impact of organisational and operational change across the business was, and continues to be, kept under close review. The Committee noted that the Group registered for taxes in relevant jurisdictions in order to ensure timely reporting and payment on the correct basis, while reserving its position concerning contesting possible existence of a liability in appropriate cases. For further information, see notes 9 and 26 to the financial statements.

Goodwill and impairment reviews

As set out in note 12 to the consolidated financial statements, the Group has significant goodwill and other intangible assets identified on acquisition relating to the acquisition of William Hill.

The Committee reviewed the cash flow forecasts supporting the carrying value of goodwill and other intangible assets, including the key assumptions and estimates as well as the impact of the recent and potential regulatory developments and the impact of the external economic environment on discount rates. There were no impairments noted relating to the goodwill recognised in the current year.

The Committee reviewed whether there were other triggers for impairment across the remainder of the Group. No impairment indicators were noted, and there were no indicators suggesting a need for impairment reversal.

Revenue recognition and development costs capitalisation

Revenue recognition and the capitalisation of development costs are areas of material risk in relation to the preparation of the financial statements. The Committee has considered the Group's accounting policies in these areas as well as the application of those policies and the process and control framework and has concluded that the Group's recognition of income and capitalisation of development costs is appropriate.

IT systems

The Group's IT systems are complex, and the majority of customer-facing systems are predominantly developed in-house. The integration of corporate IT systems between 888 and William Hill is progressing well with the successful migration of the two separate operating systems on to one tenant. The success of the business relies on the development of IT platforms that are innovative and appealing to customers. In addition, the integrity and security of the IT systems are vital from a commercial standpoint as well as to ensuring a robust control environment. The 888 and William Hill businesses operate on different ERP finance systems. As part of the ongoing integration of 888 and William Hill post-acquisition, a project was launched to align the ERP systems of both businesses. Using a best practice approach, it was agreed that the project would draw on the expertise of the business to also integrate improved automation and connectivity with other business platforms as part of the new system. The Committee has considered this within the context of the preparation of the financial statements and notes the transition onto one ERP finance system as part of the integration programme is progressing.

The Audit & Risk Committee oversaw internal audit's continuing review of the Group's cyber incident response capability and as an outcome of this process the Company's ISO 14001 accreditation was maintained in 2023.

Internal controls and risk management

The Board has overall responsibility for ensuring that the Group maintains a sound system of internal control. There are inherent limitations in any system of internal control and no system can provide absolute assurance against material misstatements, loss or failure. Equally, no system can guarantee elimination of the risk of failure to meet the objectives of the business. Against this background, the Committee has, together with the Board, developed and maintained an approach to risk management that incorporates risk appetite and tolerance, the framework within which risk is managed and the responsibility and procedures pertaining to application of the policy.

Enterprise Risk Management Framework

The Group's Enterprise Risk Management Framework is an infrastructure divided into five distinct categories

1. Risk Governance;
2. Risk Accountability;
3. Risk Strategy;
4. Risk Appetite; and
5. Risk Culture.

The risk management governance framework is in place to oversee and manage all business activities, and it aligns risk strategy with the Group's overall goals and objectives. The Group's approach to risk is underpinned by a defined set of principles to guide and direct risk appetite, which have been agreed by the Board. During the year, the Board Risk Appetite Statement was redefined and is accompanied by key risk indicators and clear tolerance thresholds.

The Committee assessed the key priorities for 2024 and believes that they promote a strong risk culture which ensures the Group's operations remain sustainable.

The Group is proactive in ensuring that corporate and operational risks are identified, assessed and managed by identifying suitable controls. A corporate risk register is maintained by the Chief Risk Officer.

A description of the principal risks is set out in the Risk Report on pages 36 to 41.

The Board, supported by the Audit & Risk Committee, has confirmed that it has carried out a robust assessment of the principal risks facing the Group, including those which threaten its business model, future performance, solvency or liquidity.

In addition to the matters above, the work of the Committee during the year included:

- Reviewing the draft interim and annual reports and considering:

1. The accounting principles, policies and practices adopted and the adequacy of related disclosures in the reports;
2. The significant accounting issues, estimates and judgements of management in relation to financial reporting;
3. Whether any significant adjustments were required arising from the audit;
4. Compliance with statutory tax obligations and the Company's tax policy;
5. Whether the information set out in the Strategic Report was balanced, comprehensive, clear and concise and covered both positive and negative aspects of performance; and
6. Whether the use of 'alternative performance measures' obscured IFRS measures.

- Meeting with internal and external auditors, both with and in the absence of the Executive Directors.
- Reporting to the Board on how it has discharged its responsibilities.
- Making recommendations to the Board in respect of its findings in respect of all of the above matters.
- Review and approval of the external audit fee.
- Oversight of the audit tender process.

The Board considers that the processes undertaken by the Audit & Risk Committee continue to be appropriately robust and effective and in compliance with the guidance issued by the FRC.

The Committee believes that appropriate internal controls are in place throughout the Group. A new Target Operating Model has been developed to ensure that there are clear lines of responsibility, and the most effective control processes are in place across both businesses. The Committee also believes that the Company complies with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

AUDIT & RISK COMMITTEE CONTINUED

GOING CONCERN AND FINANCIAL VIABILITY

During 2023, the Committee reviewed the appropriateness of adopting the going concern basis of accounting in preparing the full year financial statements, and assessed whether the business was viable in accordance with the Code. As part of the assessment, the Committee closely scrutinised the Group's major risks, both individually and how they might occur in combination, their financial impact, how they are managed, the availability of finance and the appropriate period for assessment. This included detailed modelling of the Company's assumptions underlying its forecast.

In its going concern assessment, the Directors have considered a range of plausible downside scenarios as well as considering separate reverse stress tests. It has also considered the further actions available to the Group to conserve cash to mitigate the impact of any severe but plausible downside scenarios occurring.

The Committee challenged the identification of these scenarios linked to significant risks and the assumptions comprising the viability analysis carried out by management and deemed appropriate the going concern basis of accounting and disclosure around both going concern and the viability statement. The Group's viability statement is on page 42.

FAIR, BALANCED AND UNDERSTANDABLE

The Committee considered whether the 2023 Annual Report is fair, balanced and understandable, and whether it provides the necessary information to shareholders to assess the Group's performance, business model and strategy. The Committee considered management's assessment of items included in the financial statements and the prominence given to them and ensured it followed a framework which supports the inclusion of key messaging, market and segment reviews, performance overviews, principal risks and other governance disclosures. The Committee also ensured that sufficient forward-looking information was provided, and a balance made between describing potential challenges and opportunities.

The Committee and subsequently the Board are satisfied that, taken as a whole, the 2023 Annual Report & Accounts are fair, balanced and understandable. The Committee ensured the steps undertaken by management were performed such that the Annual Report & Accounts remain fair, balanced and understandable including the following processes:

- The Group's Finance department, Director of Investor Relations, Company Secretary and legal advisers initiate the process in coordination with the Group's public relations advisers, focusing on main themes and financial trends which primarily inform the Chair's Statement, Strategic Report and Business & Financial Review. The draft statements are then reviewed, and comments provided by Group senior management. Input was also provided by the Company's Risk team, Reward team and remuneration and ESG consultants.
- The Group's Company Secretary leads the process of compiling the relevant legal and corporate governance sections, and obtains input from Group legal advisers, senior management and Board members as required.
- The Group's Risk team drafts the risk report supported by legal advice received by the Group and developments in relevant risks and risk discussions held by the Board.
- The Group's Reward team drafts the Directors' Remuneration Report (including the Remuneration Policy) which is then reviewed by the Group's remuneration advisers and the Remuneration Committee.
- The Group's Finance department prepares the accounts. These are audited by the Company's auditors, who check amongst other matters that the Group has given appropriate attention to any relevant changes in accounting policies.
- The Group's CFO, Group Financial Controller and Director of Investor Relations review the entire Annual Report & Accounts and lead an iterative process pursuant to which the relevant internal and external stakeholders review and provide comments.
- The draft Annual Report & Accounts is presented to the Committee, which is also in possession of a detailed report from the external auditor, where a detailed discussion is held regarding key disclosures and the Committee's recommendations are provided to the Board.
- The Annual Report & Accounts is finally reviewed by the full Board for approval.
- Adequate time is given to each of the above steps to allow for full and meaningful review.

PERFORMANCE OF AUDIT & RISK COMMITTEE

The Audit & Risk Committee's performance was evaluated as part of the external Board evaluation in 2023 as detailed on page 50. The overall conclusion of the review was that the Committee remains effective in discharging its functions and reporting to the Board and the recommended change to include Risk within the Committee's area of responsibility has been completed.

INTERNAL AUDITORS

The Internal Audit team provides independent assurance over the Group's risk management and internal control processes to the Board via the Audit & Risk Committee. The Audit & Risk Committee reviewed and monitored the internal audit plan in accordance with the principal risks to the business. The Committee reviewed reports from the in-house Internal Audit team in relation to all internal audit work carried out during the year and monitored responses and follow ups by management to internal audit findings. During 2023, the Committee received reports on:

- UK AML
- GAMSTOP 888
- Delivering compliance for new technology
- Cyber security
- 888 UKGC Action Plan
- Graph QL
- Ad-hoc investigations

The 2024 risk-based audit programme was reviewed and approved by the Audit & Risk Committee in January 2024. Any changes to this agreed audit programme will be communicated to the Audit & Risk Committee and will require its approval.

EXTERNAL AUDITORS

EY has been the Company's external auditor since appointment in 2014 and re-appointment in 2023. The partners responsible for the external audit are Dale Cruz, a partner in EY's Gibraltar office, and Marcus Butler, a partner in EY's London office. Dale and Marcus have been responsible for 888's audit since 2023 and 2021 respectively.

The Committee has reviewed the performance of EY in relation to the Group audit, a process which involved all Board members and senior members of the Group's Finance function. Specific consideration was given to:

- Ensuring that safeguards put in place by the auditor against independence threats are sufficient and comprehensive;
- Ensuring that the quality and transparency of communications from the external auditors are timely, clear, concise and relevant and that any suggestions for improvements or changes are constructive;
- Determining whether they had exercised professional scepticism, with regards to the reliability of evidence provided, the appropriateness and accuracy of management responses to questions, considering potential fraud and the need for additional procedures and the willingness of the auditor to challenge management assumptions; and
- Considering whether the quality of the audit engagement team is sufficient and appropriate — including the continuity of appropriate industry, sector and technical expertise.

Feedback is provided to the external auditor by the Audit & Risk Committee through one-to-one discussions between the Chair of the Audit & Risk Committee and the audit firm partner. Each year, the results of the review of the EY audit practice by the regulator are discussed with the audit team to determine the relevance to the Group's audit and how the team needs to respond.

The conclusions reached by the Committee were that EY had performed the external audit in a professional manner, and it was therefore the Committee's recommendation that the reappointment of EY be proposed to shareholders at the Annual General Meeting to be held in May 2024.

The Committee reviewed the reports prepared by the external auditors on key audit findings and any significant deficiencies in the financial control environment, as well as the recommendations made by EY to improve processes and controls together with management's responses to those recommendations. EY highlighted a small number of specific internal control weaknesses and management committed to making appropriate changes to controls in the areas highlighted by EY.

AUDIT TENDER

During the year, the Company undertook an audit tender exercise. The audit contract was last tendered for the year ended 31 December 2014 and no contractual obligations existed that acted to restrict the Audit & Risk Committee's choice of external auditors. Under the EU Audit Regulation and the Competition and Markets Authority 'The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities)' Order 2014, the Company was required to run a competitive tender process in respect of auditor appointment no later than 31 December 2023.

The Audit & Risk Committee led the audit tender process, which included the approval of the plan for the audit tender, late in 2022, nominating a Selection Committee led by the Chair of the Audit & Risk Committee and comprised another non-executive director, the CFO, and the Group Financial Controller.

The tender process included two bidding firms and involved the setup of a data room; a formal process for submitting requests and queries for further information and a range of meetings with the Board and senior management including a number of meetings with the Chair of the Audit & Risk Committee as well as meetings with the Executive Chairman and a Non-Executive Director. Both bidding firms were given access to the same members of the Board and management and the same data across the tendering process.

The Selection Committee was responsible for ensuring that transparent and non-discriminatory selection methods were effectively applied when evaluating the audit proposals. The Selection Committee used criteria including strength of team; understanding of industry and business; audit quality; and technical expertise and value for money in order to inform its decision.

Following a rigorous tender process with two bidding firms, the Selection Committee recommended that EY remain as the Company's auditors. In August 2023 the Audit & Risk Committee accepted the proposal and made a formal recommendation which was approved by the Board and the re-appointment of EY will be put to shareholders at the 2024 AGM.

The Committee notes and confirms compliance with the other provisions of the Competition & Markets Authority Order 2014 in respect of statutory audit services for large companies.

AUDIT AND NON-AUDIT WORK

The Audit & Risk Committee remains mindful of the attitude investors have to auditors performing non-audit services. The Committee has clear policies relating to the auditors undertaking non-audit work and monitors and approves the appointment of the auditors for any non-audit work involving fees above £25k, with a view to ensuring that non-audit work does not compromise the auditors' objectiveness and independence. The Committee is committed to ensuring that fees for non-audit services performed by the auditors will not exceed 70% of aggregate audit fees measured over a three-year period.

Fees payable to the auditor for audit and non-audit services are set out in note 5 to the financial statements on page 120.

REMUNERATION COMMITTEE

Andrea Gisle Joosen

Chair of the Remuneration Committee

MEMBERSHIP IN 2023	MEETING ATTENDANCE
Andrea Gisle Joosen (Chair from 23 May)	1/2
Anne de Kerckhove	4/4
Limor Ganot	3/4
Mark Summerfield (until 26 September)	2/2

DEAR SHAREHOLDER,

I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2023, my first as Chair of the Remuneration Committee following my appointment in May 2023, succeeding Anne de Kerckhove, who remains a member of the Committee. This report sets out:

- my statement on the activities and decisions of the Remuneration Committee during the year;
- the new Directors' Remuneration Policy which will be put to shareholder vote at our AGM on 13 May 2024; and
- the Annual Report on Remuneration, which explains how the Directors' Remuneration Policy was implemented in 2023 and how the new policy will be implemented in 2024.

As a company incorporated in Gibraltar, 888 Holdings Plc is not bound by UK law or regulation in the area of directors' remuneration to the same extent that it applies to UK incorporated companies. However, by virtue of 888's Premium Listing on the London Stock Exchange and reflecting the Committee's approach to good governance and investor expectation, we have prepared this report in line with the requirements of the Directors' Remuneration Reporting regulations.

OVERVIEW OF 2023

2023 has been another year of change for the Group.

We were delighted to welcome Per Widerström as our new Chief Executive Officer on 16 October 2023 and Sean Wilkins as our new Chief Financial Officer on 1 February 2024. We are confident that our new executive team have the right skills and capability to lead the Group through our recovery plan and deliver the Group's strategic value creation plan. These factors have shaped the Executive Directors' remuneration packages for the year ahead as set out later in my letter.

Whilst financial performance has been disappointing, the Group has made significant and ongoing improvements to the sustainability and quality of the mix of the business in addition to strong double digit active customer growth providing strong foundations for our recovery and growth plans. This has been the context in which the Committee has reviewed remuneration outcomes for the year and considered metrics and target setting for the year ahead.

REMUNERATION OUTCOMES FOR 2023

2023 was a year of transition for our executive leadership team and our bonus arrangements were structured taking this into account.

As explained in last year's Remuneration Report, our former CFO, Mr Dafna, remained with the business on the departure of our former CEO, Mr Pazner, and was entitled to a bonus for 2023 of up to 150% of salary, based 60% on Group operational targets (revenue, EBITDA, EBITDA margin, regulatory compliance and an ESG scorecard with 50% safer gambling, 25% environmental and 25% employee engagement) and 40% on key integration objectives (40% operational cash flow and the remainder integration priorities).

The maximum bonus opportunity for our new CEO, Mr Widerström, was 150% of salary pro-rated to his appointment to the Board on 16 October 2023. His annual bonus was based solely on the Group operational element of the bonus, reflecting him joining the Board in the last quarter of the year.

While there was strong performance against the regulatory compliance and ESG scorecard elements of the Group operational bonus metrics, the targets for the financial metrics were not achieved. For 2023 a hurdle mechanism was in place such that no bonus would be payable if performance against the adjusted EBITDA metric was below 90% of target, irrespective of performance against other operational targets. This hurdle threshold was not met and as a result, the Committee agreed that no bonus would be payable in respect of any of the Group operational targets. Therefore, no bonus is payable to our CEO for 2023.

For our former CFO, Mr Dafna, there was no bonus paid for the Group operational element which accounted for 60% of his total bonus. However, there was strong performance achieved against the 40% of the bonus based on operational cash flow and our integration priorities of restructuring and effective leadership of the finance team and effective contribution to, and management of, the integration programme.

In determining the performance against the integration element, the Committee noted the successful execution of synergies during 2023, including the transformation of the Group's finance function achieving a significant reduction in cost while maintaining engagement. Operational cash flow has been appropriately controlled with no use of retained cash flow throughout the year, a critical target for the Board to ensure sufficient capital is available for investment in growth. Integration and transformation costs have also been kept well within budget, further freeing up capital. As a result, the integration objectives have been assessed to be met in full. The Committee considered whether this outcome was appropriate taking into account the crucial role the CFO has played in 2023, during a year of instability with significant headwinds, to integrate the business following the acquisition of the non-US William Hill business in 2022 and deliver synergies and cost savings across the Group. The CFO's contributions during 2023 have been significant in setting the foundation for future long-term sustainable growth and profitability for the Group. Taking these matters into account the Committee concluded that it was appropriate that Mr Dafna should receive the formulaic outcome of this part of the bonus noting that there was no payment under the Group objective element. As a result, Mr Dafna will receive a bonus payment of 40% of the maximum bonus opportunity. While Mr Dafna stood down from the Board on 2 October 2023, he remained an employee working within the business until 31 December 2023 and there is therefore no bonus pro-ration.

The LTIP award granted in 2021 was based 50% on relative TSR performance and 50% on adjusted EPS performance measured over three financial years to 31 December 2023. As disclosed in last year's Remuneration Report, the base EPS for this award was rebased to reflect the performance of the combined business following the acquisition, and no changes were made to the performance target range of 3% to 9% CAGR. As a result of adjusted EPS of 10.7p and TSR performance below threshold against the sector peer group, the award granted to Mr Dafna will lapse in full.

BOARD CHANGES AND REMUNERATION ARRANGEMENTS FOR OUR NEW CEO AND CFO

Our CEO, Mr Widerström's salary has been set at £676,000, which is in line with the salary of his predecessor reflecting his significant experience in the online gaming industry, pension of 5% of salary and benefits in line with policy. Mr Widerström's annual bonus opportunity is 150% of salary, representing a reduction of 50% of salary to his predecessor, and an LTIP opportunity of 200% of salary. A single relocation payment has been made to facilitate Mr Widerström's move from Sweden to the UK, the net amount of which is repayable if he resigns and leaves the business within two years of appointment.

Following Mr Widerström's appointment, Lord Mendelsohn resumed his position as Non-Executive Chair having acted as interim Executive Chair since 30 January 2023 when the former CEO stepped down from the Board.

Our new CFO, Mr Wilkins' annual salary has been set at £430,000, which the Committee has assessed to be the market rate for the role at the time of appointment. The salary represents an increase to his predecessor's salary which the Committee considers to be appropriate, noting that the salary of our former CFO was significantly below market and Mr Wilkins' extensive experience in the sector and in CFO roles at both private and public companies. Mr Wilkins will receive a pension of 5% of salary and benefits in line with policy. Mr Wilkins' annual bonus opportunity for 2024 is 125% of salary, representing a reduction of 25% of salary in comparison with his predecessor, and an LTIP opportunity of 175% of salary, representing an increase of 25% of salary in comparison with his predecessor. The Committee believes that the overall package, including the decrease in annual bonus opportunity and increase in LTIP award level, aligns our new CFO to shareholder interests and the long-term priorities of the business as we look to grow and drive value creation in the coming years.

Mr Dafna, former CFO, stepped down from the Board on 2 October 2023 and left the business on 31 December 2023. Full details of his remuneration are set out in the main body of this report.

Andria Vidler, independent Non-Executive Director stepped down from the Board and as Chair of the ESG Committee on 30 September 2023. Non-Executive Director fees were paid to the date she stepped down from the Board.

REMUNERATION POLICY REVIEW

During the year the Committee spent time reviewing the Remuneration Policy ahead of the next triennial policy vote at the 2024 AGM. The conclusion of this review was that the current structure, subject to limited refinements, remained appropriate in light of our strategy. The limited changes proposed facilitate the operation of the policy in the coming years and in respect of bonus deferral, align to best practice. The key changes to the policy are:

- Changing bonus deferral such that one-third of any bonus paid will be deferred for a period of two years. The deferral is structured so that one-third of the bonus earned (net of tax) is used to buy shares which are subject to a holding period of two years. The shares are therefore not forfeitable on cessation for any reason but will be subject to clawback for the holding period. Previously, the policy required deferral of bonus over 100% of salary in three equal tranches over one, two and three years.
- The inclusion of an exceptional LTIP award limit of 300% of salary. The Committee has no current intention to use this exceptional limit but wants to ensure that the policy is future proofed for the three-year policy period, and it has the flexibility in exceptional circumstances to use this higher award level to incentivise the Executive Directors to deliver our significant turnaround and value creation plans during the next three-year policy life. The normal maximum award level will remain at 200% of salary, and award levels will not be increased above this without prior shareholder consultation.
- There are some minor changes of a housekeeping nature to include:
  - amending the policy wording for the LTIP to enable the inclusion of non-financial and ESG measures;
  - removing the maximum pension contribution rate of 15% of salary to specify that pension is capped at the workforce rate from time to time. The Executive Directors currently receive a pension contribution of 5% of salary, which is aligned to the UK workforce;
  - providing that Executive Directors are eligible to participate in all-employee share plans on the same terms as employees, following the successful launch of our SAYE Sharesave scheme in 2023;

REMUNERATION COMMITTEE CONTINUED

REMUNERATION POLICY REVIEW CONTINUED

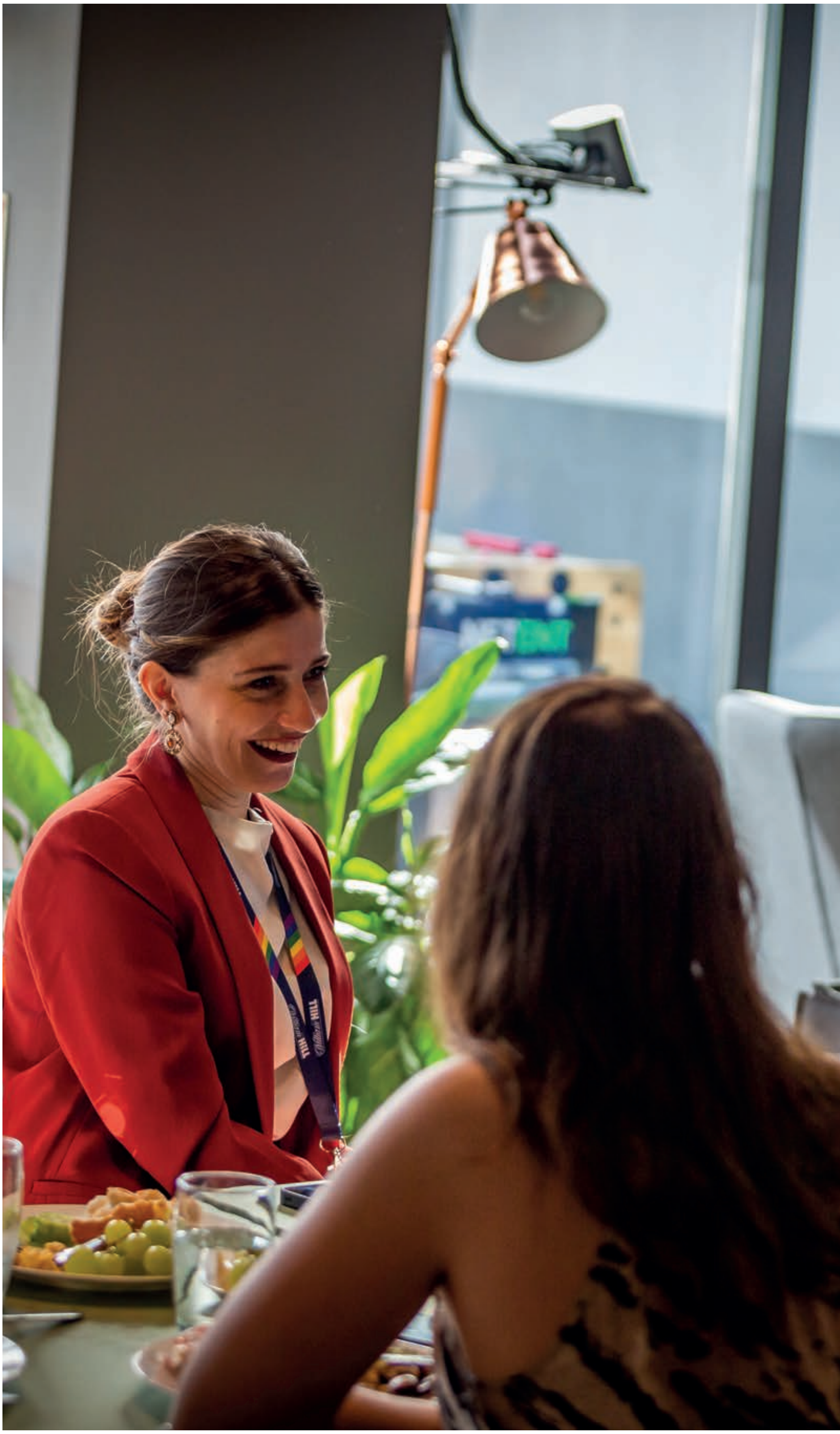
- amending the way in which the shareholding guideline is achieved so that Executive Directors have a period of five years from appointment to meet the requirement; and
- additionally, some minor wording changes have been made to reflect operational changes following the acquisition of the UK business of William Hill, and that our Executive Directors are now based in the UK.

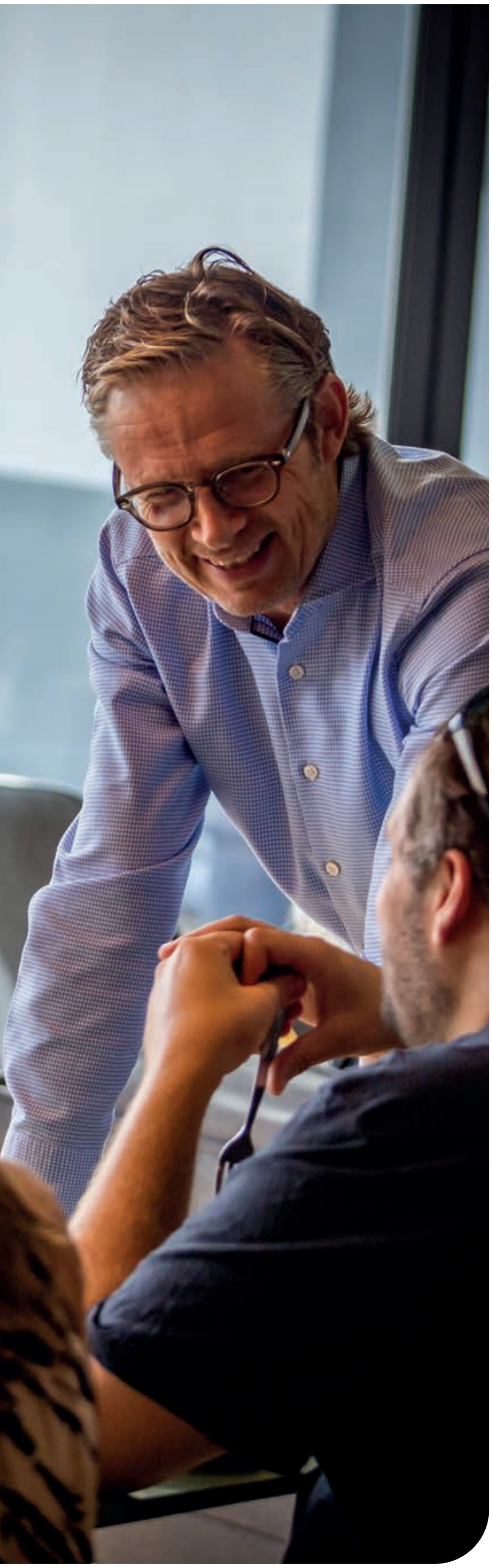
IMPLEMENTATION OF UPDATED POLICY FOR 2024

Base salaries for the Executive Directors were set on appointment and therefore no changes to salaries will be made for 2024. As such, the Executive Directors' first salary review date will be 1 April 2025.

The annual bonus opportunity will be 150% of salary for the CEO and 125% of salary for the CFO with LTIP awards of 200% and 175% of salary, respectively.

With the appointment of our new executive team, and the CEO's strategic review and recovery and value creation plan, the Committee has considered carefully how to ensure that incentive measures support our business strategy. The annual bonus for 2024 is based on a mix of key financial and strategic measures which underpin our value creation plan: 20% on revenue, 20% on adjusted EBITDA, 15% on leverage using net debt to adjusted EBITDA ratio, 25% on strategic objectives, 10% on personal objectives and 10% on an ESG scorecard split 50% to safer gambling, 25% to environmental impact and 25% to employee engagement. The strategic objective element of the bonus is focused on delivery of the key strategic initiatives of our value creation plan. The personal objective element is focused on a range of important priorities not explicitly included in the Group bonus measures including the transformation programme and desired shift in organisational culture. The Committee has considered carefully the balance and focus of the annual bonus metrics across our key priorities for the year ahead. We have not included a specific regulatory compliance measure for 2024 but the Committee will scale back the formulaic outcome of the bonus if it has significant compliance concerns, including but not limited to issues either raised by, or reportable to, the regulator of any market. In line with the new policy, one-third of any bonus earned will be used to purchase Company shares that cannot be sold for a period of two years.





The performance measures and weightings for the LTIP have also been reviewed, with 50% continuing to be based on relative TSR, split equally between a bespoke sector peer group and the FTSE 250 excluding investment trusts. The remaining 50% will be based on a new measure of net value creation for shareholders which combines our focus on growth and value creation with reducing net debt. This measure replaces the earnings per share metric used in previous LTIP awards as it provides specific focus on our combined priorities of profit growth and debt reduction. The Committee is in the process of finalising the performance targets for the net value creation element and they will be disclosed in the RNS at the time of grant.

SHAREHOLDER ENGAGEMENT

As part of our policy review, I have reached out to our largest shareholders to provide them with the opportunity to meet with me as the new Committee Chair and to provide feedback on our policy proposals. Responses from shareholders have been limited and I remain available to shareholders if they would like to discuss our new policy or our approach to remuneration more broadly. Those shareholders that have provided feedback have been overall supportive of the Committee's approach, understanding the need to align remuneration to our recovery and value creation plan.

WIDER WORKFORCE REMUNERATION

The Committee continues to review and consider the pay arrangements for our workforce, particularly given continuing inflationary pressures on household incomes and our cost reduction exercise. The workforce salary increase for 2024 is budgeted at 3%, excluding UK retail where rates of pay will be increased to align with the 2024 National Living Wage.

We were pleased to launch our all-employee Sharesave share option scheme in September 2023, with employees globally invited to participate in the scheme and share in the future success of the business through the purchase of shares offered at a discount to the market price. We were delighted that over 2,000 colleagues participated in the Sharesave scheme. The scheme was shortlisted in four categories at the 2023 ProShare Awards, winning for Best Employee Share Plan Outcome Following A Major Corporate Change.

CONCLUSION

The Committee has considered the operation of the policy for 2023 and is comfortable that remuneration outcomes are appropriate in the context of a critical year for the Group, and that the policy has operated as intended.

The proposed changes to policy, and the way the policy will be operated for 2024, are considered to be aligned with strategy going forward as we look to grow and drive value creation in the coming years.

I hope you will find this report helpful and informative, and I look forward to shareholders' support for the shareholder resolution on this Remuneration Report excluding the Directors' Remuneration Policy and the separate resolution for the Directors' Remuneration Policy at our forthcoming Annual General Meeting.

I am available for any questions or queries you may have and can be reached through our Company Secretary.

ANDREA GISLE JOOSEN

Chair of the Remuneration Committee

26 March 2024

DIRECTORS' REMUNERATION REPORT

888 Holdings 2024 Directors' Remuneration Policy

The Directors' Remuneration Policy set out below is subject, as a company incorporated in Gibraltar, to an advisory shareholder vote at the 2024 AGM on 13 May 2024 and, subject to approval, the policy is intended to apply for a period of up to three years from that date.

DECISION-MAKING PROCESS FOR DETERMINATION, REVIEW AND IMPLEMENTATION OF POLICY

The review of the policy is carried out by the Remuneration Committee, in the absence of the Executive Directors, where appropriate, to manage potential conflicts of interest, and with the advice of our remuneration consultant. The Committee's review process includes consideration of how the current policy aligns to and supports the business strategy, market practice, regulation and governance developments as well as wider pay context, such as Group reward arrangements. The Committee also considers the guidelines of shareholder representative bodies, proxy agencies and investor expectations and as part of the review process our largest shareholders are consulted.

As part of the policy review, engagement with our shareholders and proxy agencies will include the operation of the policy for the year ahead. There will also be engagement where no changes to the policy are being made but significant changes are being considered to the operation of the policy.

The base salary increases and broader remuneration arrangements, including pension provision, for the wider workforce are considered by the Committee when determining and implementing the remuneration policy for the Executive Directors.

The implementation of the policy is considered annually by the Committee for the year ahead in light of the strategic priorities. Incentive metrics and target scales are also reviewed and recalibrated as necessary based on a number of internal and external reference points to ensure that they remain appropriate.

CHANGES TO THE REMUNERATION POLICY

A summary of the changes to the policy are set out below.

The policy is presented with updated wording and format to align with best practice, noting that the overall policy has not been updated as a whole since its original introduction in 2016. However, only limited substantive changes have been made within this new format.

- Introducing an exceptional maximum LTIP award level of 300% of salary. The normal maximum award level of 200% of salary is unchanged.
- Updating our approach to annual bonus deferral so that one third of any bonus paid will be deferred for a period of two years, rather than only bonus over 100% of salary. One third of the (net of tax) bonus is used to buy shares in 888 which are subject to a holding period of two years. These shares are not forfeit on cessation of employment, but clawback continues to apply.
- Removal of the maximum pension opportunity of up to 15% of salary, with wording to confirm pension is capped at the workforce rate.
- Clarification that the range of performance measures that can be used under the LTIP includes non-financial and environmental, social and governance (ESG) measures.
- Inclusion of the opportunity to participate in any all-employee share plan on the same terms as employees, set up by the Company.
- Changing the way in which the shareholding requirement is achieved such that Executive Directors will be expected to retain shares from incentive awards so that they are able to meet the shareholding requirement within five years of appointment to the Board.
- Additionally, some minor wording changes have been made to reflect operational changes following the acquisition of William Hill, and that our Executive Directors are now based in the UK, for example salary increases being usually effective 1 April.

ALIGNMENT OF THE POLICY WITH UK CORPORATE GOVERNANCE CODE PROVISION 40

CLARITY	The policy and the way it is implemented is clearly disclosed in this policy section of the Remuneration Report and in the Annual Statement. The Committee consults with shareholders on the design of the policy and any changes to its implementation.
SIMPLICITY	The policy is simple and straightforward, based on a mix of fixed and variable pay. The annual bonus and LTIP include performance conditions which are aligned with key strategic objectives of the business.
RISK	Performance targets for the incentive schemes provide appropriate rewards for stretching levels of performance without driving behaviour which is inconsistent with the Company's risk profile. Reputational risk from a perception of 'excessive' payouts is limited by the maximum award levels set out in the policy and the Committee's discretion to adjust formulaic remuneration outcomes. To avoid conflicts of interest, no Executive Director or other member of management is present when their own specific remuneration is under discussion.
PREDICTABILITY	The policy includes full details of the individual limits in place for the incentive schemes as well as 'scenario charts' which set out potential payouts in the event of different levels of performance.
PROPORTIONALITY	There is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/'at-risk' pay and the presence of malus and clawback provisions ensure that poor performance is not rewarded.
ALIGNMENT TO CULTURE	The approach to Directors' remuneration is consistent with the Group's culture and values, as well as the Group strategy.

REMUNERATION POLICY TABLE

BASE SALARY	
PAY ELEMENT AND PURPOSE	To recruit, motivate and retain high-calibre Executive Directors by offering salaries at market-competitive levels. Reflects individual experience and role.
OPERATION	Salaries are normally reviewed annually with any changes normally effective from 1 April. Positioning and increases are influenced by: • our sector, size and complexity, both in the UK and internationally; • the skills, experience and performance of the individual; • changes in responsibility or position; • changes in broader workforce salary; and • the performance of 888 as a whole.
OPPORTUNITY	Any increase to Directors' salaries will generally be no higher than the average increase made to the workforce. However, a higher increase may be made, for example, where there is a change to role, there is additional responsibility or complexity, or in other exceptional circumstances.
PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT	None.
BENEFITS	
PAY ELEMENT AND PURPOSE	To provide a market-competitive level of benefits based on the market in which the Executive is employed.
OPERATION	The Executive Directors receive benefits which include, but are not limited to, a company car or car allowance, health insurance, disability and life assurance. The Remuneration Committee retains the discretion to be able to include other benefits including (but not limited to) relocation expenses and tax equalisation. Any reasonable business-related expenses can be reimbursed, including the tax thereon if determined to be a taxable benefit.
OPPORTUNITY	The maximum will be set at the cost of providing the benefits described. The Remuneration Committee reviews benefit offering and cost periodically.
PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT	None.
PENSION	
PAY ELEMENT AND PURPOSE	To provide market-competitive retirement benefits.
OPERATION	Contribution to the Group pension scheme or a cash allowance in lieu of pension.
OPPORTUNITY	Pension contribution rate or cash allowance is in line with the rate applicable to the workforce in the country of appointment (currently 5% of salary in the UK).
PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT	None.

DIRECTORS' REMUNERATION REPORT CONTINUED

ANNUAL BONUS PLAN	
PAY ELEMENT AND PURPOSE	To drive and reward annual performance against financial and non-financial KPIs and to encourage long-term sustainable growth and alignment with shareholders' interests through payment in shares.
OPERATION	The Remuneration Committee will determine the annual bonus payable after the year-end, based on an assessment of performance against targets. No more than two thirds of the annual bonus will be paid out in cash after the end of the financial year. The remaining amount, post-tax, will be used to purchase shares which the Executive is required to hold for a period of two years. The holding period continues on cessation of employment. Malus and clawback provisions will apply up to the date of the annual bonus determination and for three years thereafter. Circumstances include if the financial statements of 888 were materially misstated, an error occurred in assessing the performance conditions of a bonus, if the Executive ceased to be a Director or employee due to gross misconduct, or in an event of corporate failure, failure of risk management or reputational damage.
OPPORTUNITY	The maximum annual bonus opportunity is 200% of salary.
PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT	A range of key financial and non-financial measures, including strategic objectives and ESG measures, may be set for the annual bonus. The majority of the performance measures will be based on financial performance. Performance measures will be set each year taking into account Company strategy. No more than 25% of the relevant portion of the annual bonus is payable for delivering a threshold level of performance, and no more than 50% is payable for delivering a target level of performance (where the nature of the performance metric allows such an approach). The Remuneration Committee may adjust the formula-driven outturn of the annual bonus calculation in the event that the Committee considers it appropriate, for example, where it does not reflect underlying performance, overall shareholder experience or employee reward outcome.

LONG-TERM INCENTIVE PLAN (LTIP)	
PAY ELEMENT AND PURPOSE	Rewards Executive Directors for achieving longer-term performance and sustainable growth for shareholders over a longer-term timeframe. Enables Executive Directors to build a meaningful shareholding over time and aligns with shareholders' interests.
OPERATION	Awards can be granted in the form of conditional shares or nil cost options. Awards will vest at the end of a performance period of at least three years, subject to the satisfaction of performance conditions. The net of tax number of shares that vest will be subject to an additional two-year holding period, during which the shares cannot be sold. The holding period continues on cessation of employment. An additional payment, normally in shares, may be made equal to the value of dividends which would have accrued on vested shares. Malus and clawback provisions will apply for three years post vesting. Circumstances include if the financial statements of 888 were materially misstated, an error occurred in determining award levels and assessing the performance conditions of an LTIP, if the Executive ceased to be a Director or employee due to gross misconduct, or in an event of corporate failure, failure of risk management or reputational damage.
OPPORTUNITY	The exceptional maximum award level is 300% of salary. The normal maximum award level is 200% of salary. The award level will not be increased above the normal maximum award level of 200% of salary without shareholder consultation.

LONG-TERM INCENTIVE PLAN (LTIP) CONTINUED	
PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT	Awards vest based on a range of financial, total shareholder return and non-financial measures, including but not limited to strategic and ESG measures. Strategic and ESG measures, if used, will represent a minority of the award. Threshold performance under each metric will result in no more than 25% of that portion of the award vesting. The Remuneration Committee may adjust the formula-driven outturn of the LTIP in the event that it considers it appropriate, for example, where the Committee considers that it does not reflect underlying performance, overall shareholder experience or employee reward outcome.
ALL-EMPLOYEE SHARE PLANS	
PAY ELEMENT AND PURPOSE	To align with Group employee reward and to promote share ownership.
OPERATION	The Executive Directors may participate in any all-employee share plan operated by the Company.
OPPORTUNITY	Participation will be capped by the HMRC limits applying to the respective plan.
PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT	None.
SHAREHOLDING REQUIREMENT	
PAY ELEMENT AND PURPOSE	To provide alignment with shareholders' interests.
OPERATION	Executive Directors are required to retain shares from incentive awards so that they are able to meet the shareholding requirement within five years of appointment to the Board.
OPPORTUNITY	200% of salary during employment. The lower of shares held on cessation and 100% of salary for one year post cessation and 50% of salary for the second year post cessation, subject to the Committee amending this requirement in exceptional circumstances.
PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT	None.
NON-EXECUTIVE DIRECTORS	
PAY ELEMENT AND PURPOSE	To provide an appropriate fee level to attract and retain a Chair and Non-Executive Directors and to appropriately recognise the responsibilities and time commitment.
OPERATION	Non-Executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and for the Chair or membership of Board Committees (and as appropriate to reflect other additional responsibilities and/or additional time commitments). Market data for comparable roles and companies of a similar size, complexity and sector in the UK and internationally, complexity of the roles and time commitment are taken into account in determining the fee positioning. Neither the Chair of the Board nor the Non-Executive Directors participate in the pension plan or any incentive plans.
OPPORTUNITY	The fee for the Chair of the Board is set by the Remuneration Committee, the Non-Executive Directors' fees are set by the Board (excluding the Non-Executive Directors). The Company will reimburse any reasonable expenses incurred in carrying out Director duties (and related tax if applicable).
PERFORMANCE METRICS, WEIGHTING AND ASSESSMENT	None.

DIRECTORS' REMUNERATION REPORT CONTINUED

NOTES TO THE REMUNERATION POLICY TABLE

Choice of performance measures

Performance metrics for incentives, weightings and targets are considered annually for the year ahead. The Remuneration Committee will select the most appropriate performance measures for the annual bonus and LTIP, taking into account Company strategy and key performance indicators. Targets are set taking into account the strategic plan, the business plan, brokers' forecasts and the market environment. The Annual Report on Remuneration sets out why performance measures are chosen each year.

Consideration of employment conditions elsewhere in the Group

The reward packages for the senior management team and wider employee population are structured to attract and retain the best talent and be competitive within our industry.

The performance measures under the Annual Incentive Plan and Long-Term Incentive Plan for Executives are cascaded to other eligible employees. There is a strong focus on performance-related pay, with appropriate levels of differentiation based on seniority and accountability. The Company also encourages employee share ownership through the new Sharesave that provides the opportunity for all employees to share in the Company's success. The remuneration approach for Executive Directors is consistent with the reward package for members of the Executive Committee and the senior management population. A much higher proportion of total remuneration for the Executive Directors is variable pay and linked to business performance, compared to the rest of the employee population, so that remuneration outcomes will be aligned to business performance and the shareholder experience.

Each year the Remuneration Committee is updated regarding the structure and quantum of the remuneration framework for employees, as well as throughout the year being informed about the context and challenges relating to the remuneration of the wider workforce across the world, to enable the Committee to consider the broader employee context when making executive remuneration decisions.

Legacy arrangements

For the avoidance of doubt, the Committee may approve payments to satisfy commitments agreed prior to the approval of this Remuneration Policy. For example, awards which have been disclosed to shareholders in previous Remuneration Reports and any commitment made to an individual before that individual became an Executive Director.

Discretion

The Committee operates the Group's incentive plans according to their respective rules. The Committee retains discretion as to the operation and administration of these incentive plans, within the limits of the plan rules, including but not limited to:

- Participants;
- Timings of grant and/or payment;
- Award size and/or payment;
- Settlement of the award;
- Selection, determination and adjustment of performance measures and targets;
- Adjustment to formulaic outcomes if they are considered to be inappropriate, taking into account any relevant factors;
- Measurement of performance and vesting in certain circumstances such as change of control or other corporate events; and
- Determination of the treatment of leavers.

Recruitment Policy

The remuneration package for a new Executive Director will take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

REMUNERATION ELEMENT	POLICY
SALARY	Salary would be provided at such a level as is required to attract and secure the most appropriate candidate while paying no more than is necessary.
RELOCATION	If an Executive Director needs to re-locate in order to take up the role, the company may agree to pay to cover the costs of relocation including (but not limited to), actual relocation costs, temporary accommodation and travel expenses.
BUY-OUT AWARDS	For external appointments, the Remuneration Committee may, if it is considered appropriate, provide buy-out awards equivalent to the value of any forfeited remuneration including outstanding incentive awards that will be forfeited on cessation of a Director's previous employment. To the extent possible, the buy-out of incentive awards will be made on a broadly like-for-like basis. The award will take into account any performance conditions attached to the forfeited incentives, the vesting period, the expected value and the nature of the awards (cash or equity). Any such buy-out award may be granted under the LTIP or the provision available under UKLA Listing Rule 9.4.2. to enable awards to be made outside the LTIP in exceptional circumstances. For an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to continue and pay out according to its terms or adjusted as relevant to take into account the appointment.

NOTES TO THE REMUNERATION POLICY TABLE CONTINUED

Recruitment Policy continued

REMUNERATION ELEMENT	POLICY
ANNUAL INCENTIVE	The maximum annual bonus opportunity will be in line with the policy, up to the policy maximum of 200% of salary. Joiners may receive a pro-rated annual bonus for the year of joining based on their employment as a proportion of the financial year and performance measures and/or targets may be different to those set for other Executive Directors.
LTIP	The maximum LTIP award will be in line with the policy, with a normal award limit of up to 200% of salary and an exceptional award limit of up to 300% of salary.
OTHER ELEMENTS	Benefits and pension will be set in line with the policy.
NON-EXECUTIVE DIRECTORS	Fees will be in line with the Remuneration Policy.

LOSS OF OFFICE POLICY

Any payments in the event of termination of an Executive Director will take account of the individual circumstances, including the reason for termination, any contractual obligations and the rules of the applicable incentive plans. In the event of termination for cause (e.g. gross misconduct) neither notice nor payment in lieu of notice will be given, and the Executive Director will cease to perform their services immediately.

Treatment of other elements of the policy (including annual bonus and LTIP), will vary depending on whether a Director is defined as a 'good' or 'bad' leaver. The Remuneration Committee has the discretion to determine whether an Executive is a good leaver. Reasons for good leaver treatment include, but are not limited to, injury, illness or disability, or otherwise with the agreement of the Committee.

The treatment of the various elements of pay on termination are summarised below.

PAY ELEMENT	GOOD LEAVER	BAD LEAVER
SALARY, BENEFITS, PENSION	If notice is served by either party, the Executive Director receives base salary, benefits and pension for the duration of their notice period. The Company may, at its sole discretion, terminate the contract immediately, at any time after notice is served, by making a payment in lieu of notice equivalent to salary, benefits and pension, with any such payments being paid in monthly instalments over the remaining notice period. The Executive Director will normally have a duty to seek alternative employment and any outstanding payments will be subject to offset against earnings from any new role.	
ANNUAL BONUS	An annual bonus may be payable at the usual time with performance measured at the usual time. The annual bonus will normally be pro-rated for the period of active employment during the financial year. Under the new policy, for bonus paid for FY24 and future years, shares purchased under the annual bonus plan are beneficially owned by the Executive Director and so they are not at risk of forfeiture, other than in relation to clawback. Shares subject to a holding period will be released at the normal time. Unvested shares awarded under the Deferred Share Bonus Plan under the previous policy will normally continue and vest at the usual time.	No bonus will normally be payable. Under the new policy, shares purchased under the annual bonus plan are beneficially owned by the Executive Director and so they are not at risk of forfeiture, other than in relation to malus. Shares subject to a holding period will be released at the normal time. Unvested shares awarded under the Deferred Share Bonus Plan under the previous policy will normally lapse in full on cessation of employment.
LTIP	If the participant ceases employment before the normal vesting date, the award will usually continue subject to performance conditions and be pro-rated for time over the performance period. The award will normally vest on the usual vesting date. Shares subject to a holding period will be released at the normal time.	If the participant ceases employment before the normal vesting date, the unvested award will lapse on cessation of employment. If the participant ceases employment during a holding period, the holding period will continue to apply to the vested shares.
OTHER	Depending upon circumstances, the Committee may make other payments, for example, to settle statutory entitlements, legal claims or potential legal claims, for example in respect of an unfair dismissal award, outplacement support and assistance with legal fees.	

DIRECTORS' REMUNERATION REPORT CONTINUED

CHANGE OF CONTROL

There are no enhanced provisions on a change of control, but the Committee can exercise judgement and discretion in line with the respective incentive plans.

The extent to which unvested awards under the LTIP will vest will be determined in accordance with the rules of the plan. The Committee will determine the level of vesting taking into account the extent to which the performance conditions have been satisfied and, unless the Committee determines otherwise, the period of time elapsed from the date of grant to the date of the relevant corporate event.

Holding periods applying to shares owned under the bonus plan and vested LTIP awards will normally cease to apply.

SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Executive Directors

The Executive Directors have a service contract requiring 12 months' notice of termination from either party as shown below. Their service contracts are available for inspection at 888's registered office and at each Annual General Meeting.

Executive Director	Date of appointment	Date of current contract	Notice from the Company	Notice from the individual	Unexpired period of service contract
Per Widerström	16 October 2023	16 October 2023	12 months	12 months	Rolling
Sean Wilkins	1 February 2024	1 February 2024	12 months	12 months	Rolling

Chair and Non-Executive Directors

The Non-Executive Directors serve subject to letters of appointment and are appointed subject to re-election at each annual general meeting. The Non-Executive Directors are typically expected to serve for three years, although the Board may invite a Non-Executive Director to serve for an additional period. Their letters of appointment are available for inspection at 888's registered office and at each Annual General Meeting.

The table below details the letter of appointments for each Non-Executive Director.

Non-Executive Directors	Date of appointment	Date of current letter of appointment	Unexpired term of service contract
Lord Mendelsohn	23/09/2020 (Non-Executive Director)	01/04/2021 (Chair)	31/03/2024
Limor Ganot	01/08/2020	01/08/2023	31/07/2026
Andrea Gisle Joosen	05/07/2022	05/07/2022	04/07/2025
Anne de Kerckhove	28/11/2017	28/11/2023	27/11/2026
Ori Shaked	13/09/2022	13/09/2022	12/09/2025
Mark Summerfield	05/09/2019	05/09/2022	04/09/2025

HOW THE VIEWS OF SHAREHOLDERS ARE TAKEN INTO ACCOUNT WHEN DETERMINING DIRECTORS' PAY

888 engages with shareholders in respect of remuneration generally, any proposed changes to the Directors' Remuneration Policy and significant changes to the operation of the policy. Views of shareholders and their representative bodies expressed at the Annual General Meeting and feedback received at other times are considered by the Committee when determining remuneration. The Annual Report on Remuneration sets out specific engagement for any one year.

The Committee continues to monitor developments in corporate governance and market practice as well as shareholder views when reviewing executive remuneration structure and operation each year.

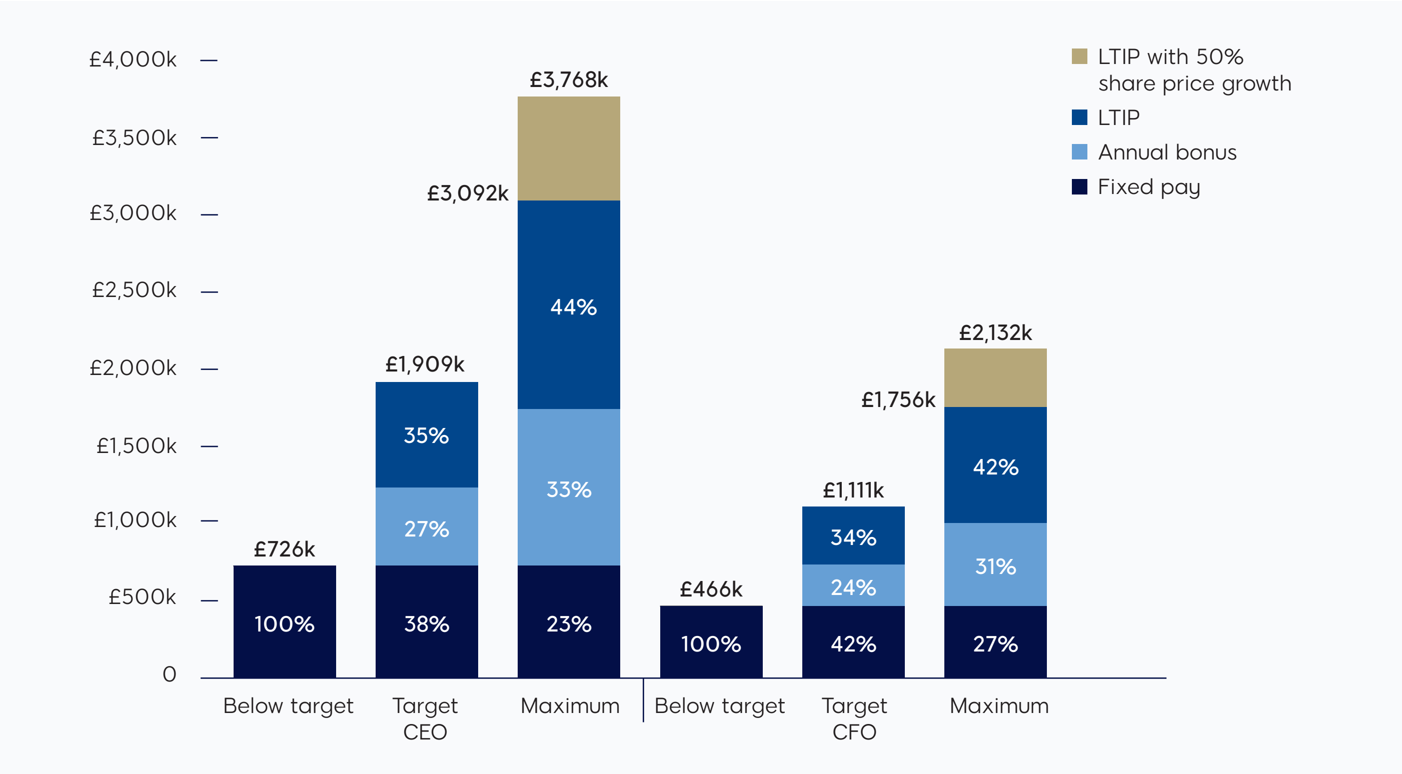
HOW EMPLOYEE PAY AND CONDITIONS ARE TAKEN INTO ACCOUNT WHEN DETERMINING DIRECTORS' PAY

Whilst employees have not been formally consulted regarding the new Directors' Remuneration Policy, the Committee has taken into account the policy for employees across the workforce, including the cascade, in determining the new Remuneration Policy for Executive Directors. Furthermore, when reviewing the approach to Executive Directors' remuneration annually, the Committee is made aware of the proposals for the wider workforce. For example, the average annual salary increase for the wider workforce is a key factor in determining any salary increase for the Executive Directors.

FY24 REMUNERATION SCENARIOS FOR EXECUTIVE DIRECTORS

The charts below illustrate the potential remuneration opportunities for the Executive Directors during FY24 based on different performance scenarios. Remuneration for the CFO has been shown on a full year basis.

FY24 REMUNERATION SCENARIOS FOR EXECUTIVE DIRECTORS CONTINUED



Minimum: Comprises fixed pay only using the salary for FY24, an estimate of the value of benefits and a company pension contribution in line with policy.

On-Target: Fixed pay plus an annual bonus payout at 50% of maximum (75% of salary for the CEO and 62.5% of salary for the CFO) and LTIP vesting at 50% of face value (100% of salary for the CEO and 87.5% of salary for the CFO).

Maximum: Comprises fixed pay and assumes full payout under the annual bonus (150% of salary for the CEO and 125% for the CFO) and the LTIP grant vests in full (200% of salary for the CEO and 175% for the CFO). The maximum scenario includes an additional element to represent 50% share price growth on the LTIP award from the date of grant to vesting.

ANNUAL REPORT ON REMUNERATION

This Annual Report on Remuneration, together with the Chair's Annual Statement, will be subject to an advisory vote at the Annual General Meeting to be held on 13 May 2024. The information on page 74 with respect to Directors' Emoluments and onwards through page 82 has been audited.

OPERATION OF REMUNERATION POLICY FOR 2024

Base salaries

The CEO was appointed on 16 October 2023 and the CFO was appointed on 1 February 2024. The first salary review date for both Executive Directors will be 1 April 2025.

Director	**2024**	2023	Increase
CEO	**£676,000**	£676,000	N/A
CFO	**£430,000**	Appointed in 2024	N/A

ANNUAL BONUS

The CEO's maximum bonus opportunity is 150% of salary and the CFO's maximum bonus opportunity is 125% of salary.

20% of bonus potential will be based on Group revenue, 20% Group adjusted EBITDA, 15% leverage targets calculated using net debt to adjusted EBITDA ratio, 25% strategic objectives, 10% on an ESG scorecard (weighted 50% safer gambling, 25% environmental impact, 25% employee engagement) and 10% based on personal objectives.

The annual bonus targets are considered by the Committee to be commercially sensitive at this time. Full retrospective disclosure of targets and performance against them will be disclosed in next year's report.

LONG-TERM INCENTIVE PLAN

The CEO will receive an award of 200% of salary and the CFO will receive an award of 175% of salary.

For 2024 performance conditions have been reviewed with 50% continuing to be based on relative TSR (50% against a bespoke sector peer group and 50% against the FTSE250 excluding investment trusts). The remaining 50% will be based on a new measure of net value creation for shareholders, to be calculated as follows:

- Gross economic value creation: adjusted EBITDA increase (2026 adjusted EBITDA minus 2023 adjusted EBITDA), multiplied by an agreed multiple; PLUS
- Change in debt: 2026 adjusted net debt minus 2023 adjusted net debt; MINUS
- Change in equity: value of any equity issued.

At the time of writing, our CEO's new strategy, and the related long-term financial and strategic targets, is still being finalised. The performance targets for the net value creation measure are therefore still under review and will be disclosed in the RNS at the time of the LTIP grant. The performance targets for the relative TSR measure against a bespoke sector peer group are performance equal to median for threshold payout and median + 10% p.a. compounded for maximum payout. The performance targets for the relative TSR measure against the FTSE 250 peer group are performance equal to median for threshold payout and upper quartile for maximum payout. 25% will vest for threshold performance and 100% for achieving maximum, with straight-line vesting between these points.

PENSION AND BENEFITS

The CEO and CFO will both receive a pension allowance of 5% of salary. This is aligned to the pension contribution of the wider UK workforce. Both Directors receive benefits in line with policy.

NON-EXECUTIVE DIRECTORS' FEES

The Non-Executive Director fees remain unchanged from 2023.

- Non-Executive Chair fee: £320,000
- Non-Executive Director fee: £90,000
- Senior Independent Director fee: £20,000
- Chair of a Board committee (inclusive of membership fee): £15,000
- Membership of Audit & Risk, Remuneration, ESG, Nominations or Gaming Compliance Committee: £5,000

REMUNERATION PAID TO EXECUTIVE DIRECTORS FOR SERVICES IN 2023

The following table presents the Executive Directors' emoluments in respect of the year ended 31 December 2023.

Executive Directors		Salary[1] £'000	Taxable benefits[2] £'000	Annual bonus £'000	Long-term incentives[3] £'000	Pension[4] £'000	Total £'000	Total fixed pay £'000	Total variable pay £'000
Jon Mendelsohn, Executive Chair	**2023**	**571**	**–**	**–**	**–**	**–**	**571**	**571**	**–**
	2022	320	–	–	–	–	320	320	–
Per Widerström, CEO	**2023**	**153**	**173**	**–**	**–**	**7**	**333**	**333**	**–**
Itai Pazner, former CEO	**2023**	**56**	**8**	**–**	**–**	**3**	**67**	**67**	**–**
	2022	687	747	–	–	42	1,476	1,476	–
Yariv Dafna, former CFO	**2023**	**265**	**168**	**210**	**–**	**40**	**683**	**473**	**210**
	2022	350	273	–	14	53	690	676	14

1. Lord Mendelsohn's salary for 2023 reflects his role as Non-Executive Chair between 1 January 2023 to 29 January 2023 and 16 October 2023 to 31 December 2023 and Executive Chair from 30 January 2023 to 15 October 2023, with 2022 comparison showing his fees as Non-Executive Chair for the entire year.
   Mr Widerström's salary is shown for the period from 16 October 2023 to 31 December 2023.
   Mr Dafna's salary for 2023 is shown for the period from 1 January 2023 to 2 October 2023.
2. Benefits for Mr Widerström include a one-off relocation support payment of £150,000 and other one-off costs in association with his move from Sweden to the UK (total £21,094). Other benefits include private healthcare for Mr Widerström and his family, life assurance and car allowance.
   Benefits for Mr Dafna include relocation related payments including housing, schooling and UK tax return support (total £93,942 for 12 months) as well as car allowance and health, disability and life insurance.
   Benefits for Mr Pazner include health, disability and life insurance and car allowance. All accommodation and schooling support payable for the period 1 January 2023 to 30 January 2023 was disclosed in the 2022 DRR.
3. Performance-based long-term incentives are disclosed in the financial year in which the performance period ends. Mr Dafna's LTIP for the single total figure in 2022 is the value of the 2020 LTIP award, for which performance ended on 31 December 2022, and will vest in 2024 due to the pro-rated award in respect of his year of appointment in 2020 being granted at the same time as the 2021 LTIP award. The award was pro-rated on termination such that the total consideration for this award is 32,361 shares. 50% of the award will vest representing a total of 16,180 shares. The value is based on the average share price for the last three months of FY23 of 85.10p. This price compares to a share price on the date of grant of £3.485.
4. Mr Widerström receives a pension cash allowance of 5% of base salary. Mr Dafna received a pension cash allowance of 15% of base salary. Mr Pazner received a pension cash allowance of 5% of base salary.

NON-EXECUTIVE DIRECTORS' FEES

The following table presents the Non-Executive Director fees in respect of the year ended 31 December 2023. The Chair is included in the Executive Director table above. All amounts are in £'000.

Non-Executive Directors		Fee	Other	Total fee
Anne de Kerckhove[1]	**2023**	**179**	**2**	**181**
	2022	180	–	180
Mark Summerfield[2]	**2023**	**145**	**–**	**145**
	2022	145	–	145
Limor Ganot	**2023**	**101**	**–**	**101**
	2022	100	1	101
Andria Vidler[3]	**2023**	**71**	**–**	**71**
	2022	44	–	44
Andrea Gisle Joosen[4]	**2023**	**100**	**1**	**101**
	2022	44	–	44
Ori Shaked	**2023**	**94**	**–**	**94**
	2022	29	–	29

1. Anne de Kerckhove received an additional non-executive director fee of £30,000 for 2023 for the additional time spent during the year on integration matters. In addition, Anne de Kerckhove received reimbursed grossed up expenses of £2,077.
2. Mark Summerfield received an additional non-executive director fee of £30,000 for 2023 for the additional time spent during the year on integration matters.
3. Andria Vidler stood down on 30 September 2023 due to her appointment as UK CEO of Allwyn Entertainment UK. Andria received reimbursed grossed up expenses of £469.
4. Andrea Gisle Joosen received reimbursed grossed up expenses of £1,027.

There have been a number of changes in Committee membership in 2023 which are reflected in the fees set out above and have previously been disclosed by the Group.

DIRECTORS' REMUNERATION REPORT CONTINUED

ANNUAL BONUS PAYMENTS IN RESPECT OF 2023 PERFORMANCE

The maximum bonus opportunity for our new CEO was 150% of salary pro-rated to his appointment to the Board on 16 October 2023. The maximum bonus opportunity was 150% of salary for our former CFO.

The annual bonus for our former CFO was based 60% on Group operational targets (revenue, EBITDA, EBITDA margin, regulatory compliance and an ESG scorecard with 50% safer gambling, 25% environmental and 25% employee engagement) and 40% on key integration objectives (40% operational cash flow and the remainder integration priorities). The annual bonus for the CEO was based solely on the Group operational targets.

GROUP OPERATIONAL TARGETS

The Group operational targets were weighted 100% of the CEO's bonus and 60% of our former CEO's bonus.

A hurdle was in place such that the Group must achieve at least 90% of the adjusted EBITDA target for any bonus to be payable in respect of operational targets. This hurdle was not satisfied and therefore no bonus is payable for the Group operational element, irrespective of performance against other operational targets. Performance against targets is set out in the table below:

Performance measure		Weighting	Threshold (10% payout)	Target (50% payout)	Maximum (100% payout)	Actual performance	Formulaic bonus outcome (% of maximum)
ADJUSTED EBITDA		20%	£380m	£400m	£420m	£308m	0%
EBITDA MARGIN		25%	20%	22%	23%	18.0%	0%
REVENUE		20%	£1,724m	£1,815m	£1,905m	£1,711m	0%
REGULATORY COMPLIANCE — TIMELY AND EFFECTIVE EXECUTION OF PROACTIVE COMMITMENTS MADE TO IMPROVE COMPLIANCE STANDARDS[1]		20%	90%	95%	100%	100%	100%
ESG SCORECARD	PLAYER — TIMELY AND EFFECTIVE EXECUTION OF PROACTIVE COMMITMENTS MADE TO IMPROVE PLAYER SAFETY STANDARDS[1]	7.5%	90%	95%	100%	100%	100%
	PEOPLE — GROUP ENPS	3.75%	+6	+8	+10	+11	100%
	PLANET — SCOPE 1&2 EMISSIONS REDUCTION	3.75%	0%	1.25%	2.50%	6%	100%

1. The oversight and assessment of commitments made was overseen by the Executive Risk and Sustainability Committee with routine upward reporting provided to the Board. All commitments made were completed on schedule and performance has therefore been assessed at the maximum level.

CFO INTEGRATION OBJECTIVE PERFORMANCE

Objective	Weighting	Measurement	Performance	Score (% of maximum)
MANAGEMENT OF OPERATIONAL CASH FLOW	40%	Use of RCF through 2023	No use of RCF at end June 2023 or end December 2023.	100%
RESTRUCTURE AND EFFECTIVE LEADERSHIP OF THE FINANCE TEAM	30%	Reduce cost of finance function by at least 10% and maintain team engagement through 2023	Finance function people cost reduced by c.13% through effective restructure while maintaining the required balance of expertise and skills. Positive eNPS for employee satisfaction maintained through 2023.	100%
EFFECTIVE CONTRIBUTION AND MANAGEMENT OF THE INTEGRATION PROGRAMME	30%	Performance against synergy and CTA targets for FY23	Achieved over £150m of synergies against an accelerated and increased target of £150m. Integration and trans-formation costs in FY23 below budget by c.30%.	100%

TOTAL BONUS PAYABLE FOR 2023

Director	Operational targets payout (% of maximum)	Integration objectives payout (% of maximum)	Total bonus payout (% of maximum)	Total payout £'000
Per Widerström	0%	N/A	0%	—
Yariv Dafna	0%	100%	40 %	£210

LONG-TERM INCENTIVE AWARDS WITH PERFORMANCE PERIOD ENDING IN THE YEAR ENDED 31 DECEMBER 2023

The 2021 LTIP awards have a performance period that ended on 31 December 2023. The awards are based 50% on TSR performance and 50% on adjusted EPS targets.

The table below sets out the achievement against the TSR and adjusted EPS performance condition, resulting in total vesting of 0% of maximum.

	TSR[1]		Adjusted EPS	
Performance level	**Performance required**	**% vesting**	**Performance required**	**% vesting**
Below threshold	Below median	0%	Less than 3% CAGR	0%
Threshold	Median = -1.3% p.a.	25%	3% CAGR	25%
Maximum	Median + 10% p.a. = 8.6% p.a.	100%	9% CAGR	100%
Actual achieved	-31.3% p.a.	0%	TBC CAGR	0%

1. TSR peer group comprises Betsson AB, Flutter Entertainment, Gamesys, Entain, Kambi Group, Kindred Group, LeoVegas, Playtech and Rank Group.

The only participant in the 2021 LTIP is Yariv Dafna. This award was pro-rated on termination such that the total consideration for the award is now 137,733 shares, all of which have lapsed.

DIRECTORS' REMUNERATION REPORT CONTINUED

SCHEME INTERESTS AWARDED DURING THE YEAR

The table below sets out the grants under the 888 Holdings Plc Long Term Incentive Plan in 2023.

Executive	Award type	Grant date	Number of awards granted[1]	Face value of awards granted[2]	Face value of awards as % salary	% vesting at threshold performance
Yariv Dafna	LTIP	17 April 2023	180,812	£135,067	39%	25%

1. Mr Dafna's award was based on a pro-rated 50% of salary award reflecting his employment with the business for one year of the three-year performance period.
   The number of shares granted is based on a 30% discount to the number he would have received based on the share price on 14 February of 67 pence.
2. The share price used to determine face value is the share price on the day prior to grant (74.70 pence on 14 April 2023).
3. This award is due to vest subject to performance conditions being met at the end of the performance period ending 31 December 2025. The performance conditions for the 2023 LTIP are split equally between earnings per share (EPS) targets and relative total shareholder return (TSR) targets. TSR is to be measured 50% against a sector peer group (comprising Bally's Corporation, Betsson AB, Flutter Entertainment plc, Entain plc, Kambi Group plc, Kindred Group plc, Playtech plc and Rank Group plc) and 50% against the FTSE 250 excluding investment trusts.

Vesting begins for achievement of the threshold target for which 25% of the award vests and increases on a straight-line basis to the maximum target for which 100% of the award vests for achievement of the target or above. No vesting occurs below the threshold target. Performance is measured over three years beginning 1 January 2023.

The EPS targets set at grant were: Threshold — 20.3% CAGR and Maximum — 24.0% CAGR.

The TSR targets in respect of the sector peer group are: Threshold — Median (888's TSR performance in line with the median TSR of the peer group) and Maximum — Median + 10% p.a. compounded.

The TSR targets in respect of the FTSE 250 excluding investment trusts are: Threshold — Median (888's TSR performance in line with the median of the comparator group) and Maximum — Upper quartile (888's TSR performance in line with the upper quartile TSR of the comparator group).

LOSS OF OFFICE PAYMENTS AND PAYMENTS TO PAST DIRECTORS

Mr Dafna, former CFO, stepped down from the Board on 2 October 2023 and his employment ended on 12 January 2024. Mr Dafna received his normal salary of £98,264, pension of £14,629 and benefits of £21,108 for the period 3 October 2023 to 12 January 2024 with insurance benefits continuing and schooling support for the remainder of the 2023/24 academic year of £45,738.

DIRECTORS' SHAREHOLDINGS AND SHARE INTERESTS

The Executive Directors are required to build and maintain a shareholding in 888 worth two times their annual salary as set out in the Remuneration Policy.

Details of the Directors' interests (and of their connected persons) in shares as at 31 December 2023 are shown in the table below. There were no changes in the Directors' interests in shares between 31 December 2023 and the date of this Report.

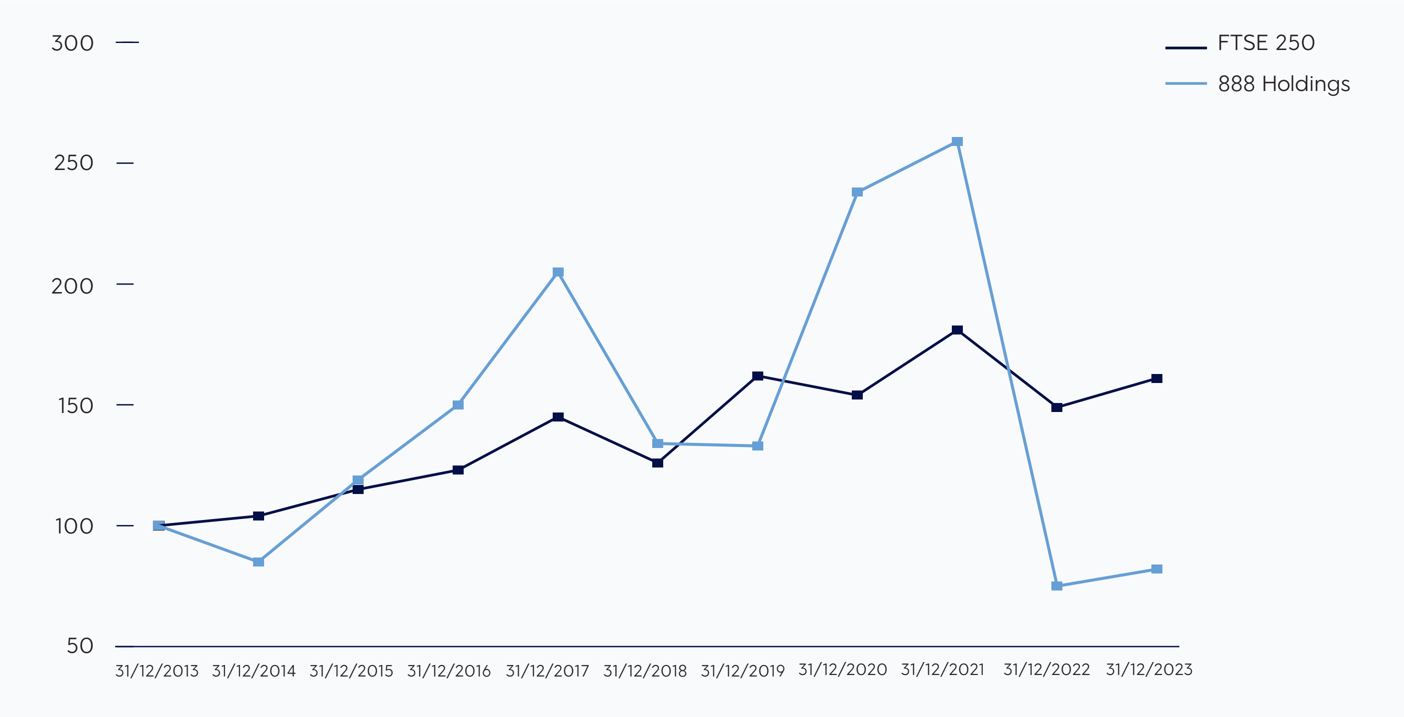
Director	Legally owned	Unvested shares with performance conditions	Unvested shares without performance conditions	Unvested options with performance conditions	Unvested options without performance conditions	Vested unexercised options	Total	Total for shareholding guideline	% Shareholding as % of salary[3]
Itai Pazner[1]	1,259,291	—	—	—	—	35,607	1,294,898	1,278,163	181%
Yariv Dafna[2]	41,977	180,812	—	449,650	38,058	21,995	732,492	73,805	20%
Per Widerström	2,066,535	—	—	—	—	—	2,066,535	2,066,535	292%
Mark Summerfield	32,412	—	—	—	—	—	32,412	—	N/A
Anne de Kerckhove	—	—	—	—	—	—	—	—	N/A
Lord Mendelsohn	250,000	—	—	—	—	—	250,000	—	N/A
Limor Ganot	—	—	—	—	—	—	—	—	N/A
Andria Vidler	—	—	—	—	—	—	—	—	N/A
Andrea Gisle Joosen	—	—	—	—	—	—	—	—	N/A
Ori Shaked	294,482	—	—	—	—	—	294,482	—	N/A

1. Information for Mr Pazner is shown at the date he stepped down from the Board reflecting shares and options lapsed on termination of employment.
2. Information for Mr Dafna is shown at the date he stepped down from the Board. Unvested awards with performance conditions have subsequently been pro-rated on termination of employment, with the 2020 and 2021 awards vesting in 2024 as disclosed.
3. The Executive Directors are required to build and maintain a shareholding equivalent to 200% of base salary. Shares counting towards this guideline include legally owned shares, unvested options without performance conditions (valued on a net of tax basis), and fully vested but unexercised nil-cost options (valued on a net of tax basis). Achievement against the guideline holding is calculated using the share price at 31 December 2023 of 95.55 pence.

PERFORMANCE GRAPH

The following graph shows 888's performance*, measured by TSR, compared with the performance of the FTSE 250 Index. The Directors consider that the FTSE 250 Index is the most appropriate comparator benchmark as it has been a member of this index for a significant period of the time covered by the chart.

VALUE OF £100 STERLING IN 888 1/1/2014-31/12/2023 VS FTSE 250



* 888 Holdings Plc Ordinary Shares of GBP 0.005 each, being the shares of the Company's equity share capital whose listing or admission to dealing has resulted in the Company falling within the definition of 'quoted company'.

TOTAL REMUNERATION HISTORY FOR CEO

The table below sets out the total single figure remuneration for the CEO over the last ten years with the annual bonus paid as a percentage of the maximum and the percentage of long-term share awards where the performance period determining vesting ended in the year.

	2014	2015	2016	2017	2018	2019 Itai Frieberger	2019 Itai Pazner	2020	2021	2022	2023 Itai Pazner	2023 Jon Mendelsohn[1]	2023 Per Widerström
Total remuneration (£000s)	808	3,544	1,369	8,358	1,886	364	1,354	2,000	2,970	1,476	67	475	333
Annual bonus (%)	100%	100%	100%	100%	29.2%	74.6%	74.6%	92.5%	78.0%	0.0%	0%	N/A	0.0%
LTIP vesting (%)	0%	59%	100%	100%	73.8%	30.6%	30.6%	89.9%	88.5%	0.0%	0%	N/A	0.0%

1. Lord Mendelsohn did not participate in the annual bonus or LTIP while performing the role of Executive Chair. Total remuneration shown is in respect of the period of his appointment as Executive Chair from 30 January 2023 to 15 October 2023 only.
2. Mr Widerström has not received any LTIP grant to date. The performance period for the 2021 LTIP ended on 31 December 2023 with the vesting level at 0% of maximum.

DIRECTORS' REMUNERATION REPORT CONTINUED

PERCENTAGE CHANGE IN DIRECTOR REMUNERATION COMPARED TO THE AVERAGE FOR OTHER EMPLOYEES

The following table sets out the percentage change in salary, taxable benefits and annual bonus from financial year 2019 to 2023, for Directors and employees of the Group, taken as a whole.

	Change 2023 v 2022			Change 2022 v 2021			Change 2021 v 2020			Change 2020 v 2019		
	Base salary/fee	Benefits	Bonus	Base salary/fee	Benefits	Bonus	Base salary/fee	Benefits	Bonus	Base salary/fee	Benefits	Bonus
Per Widerström	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Itai Pazner	N/A	N/A	N/A	4%	749%	-100%	9%	10%	23%	4%	-2%	29%
Yariv Dafna	N/A	N/A	N/A	9%	-11%	-100%	N/A	N/A	N/A	N/A	N/A	N/A
Mark Summerfield	0%	N/A	N/A	28%	N/A	N/A	4%	N/A	N/A	N/A	N/A	N/A
Anne de Kerckhove	0%	N/A	N/A	28%	N/A	N/A	26%	N/A	N/A	12%	N/A	N/A
Lord Mendelsohn	78%	N/A	N/A	22%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Limor Ganot	0%	N/A	N/A	3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andria Vidler	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andrea Gisle Joosen	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ori Shaked	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employees	-59%	-37%	0%	8%	7%	-100%	-2%	-1%	-14%	0%	-7%	88%

1. Notes relating to prior years can be found in the relevant year's report.
2. Per Widerström was appointed as CEO on 16 October 2023.
3. Itai Pazner stepped down from the Board on 30 January 2023.
4. Yariv Dafna stepped down from the Board on 2 October 2023.
5. Lord Mendelsohn received an increased fee for the duration of his appointment as Executive Chair in 2023.
5. Andria Vidler stepped down from the Board on 30 September 2023.
6. Employee numbers have been calculated on a per average head count basis across the combined group. Data for 2022 was previously stated excluding William Hill employees and has not been restated. Significant decrease in pay is primarily a result of the inclusion of large retail headcount in the UK and customer operations in the Philippines.
   Bonus only includes annual performance bonus payable to colleagues in April in respect of the previous financial year. No bonus is payable in respect of FY23.

CEO PAY RATIO

Year	Method	25th Percentile	50th Percentile	75th Percentile
2023	B	1:39	1:33	1:28
2022	A	1:22	1:18	1:13
2021	A	1:62	1:48	1:35
2020	A	1:33	1:26	1:19
2019	A	1:25	1:19	1:15

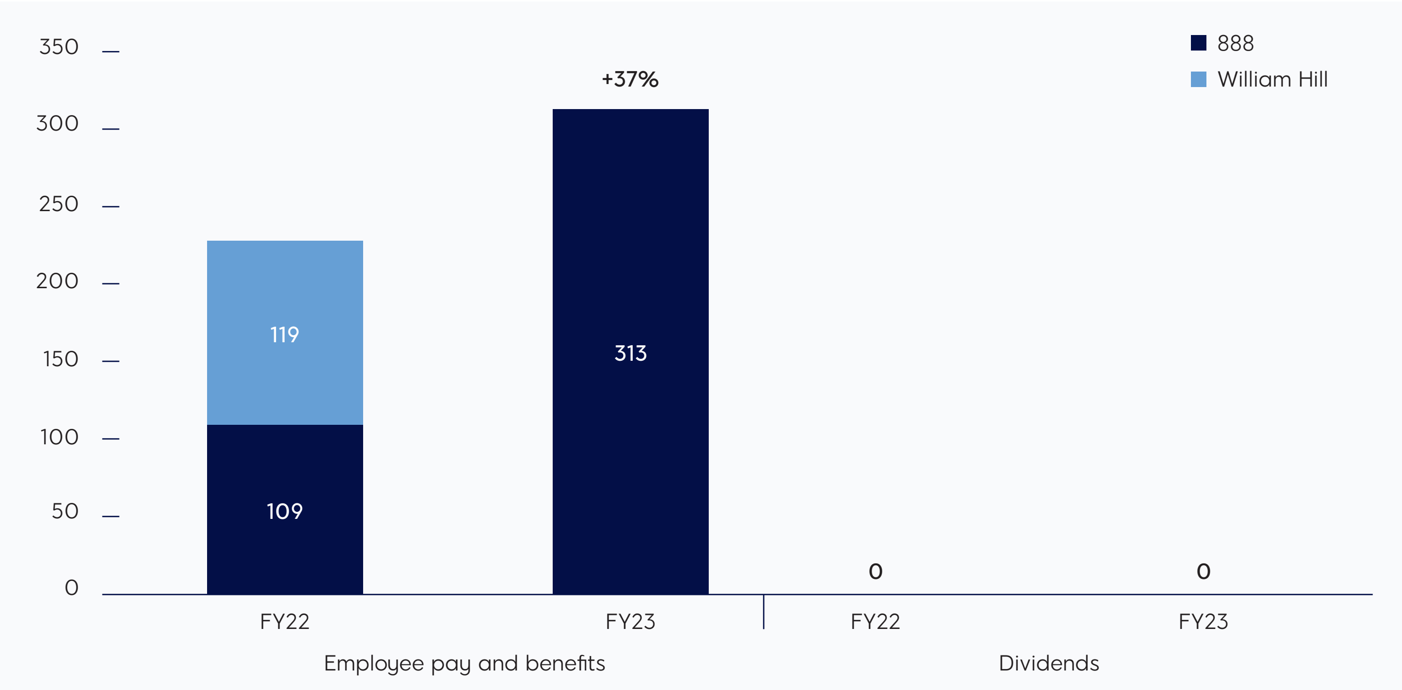
	CEO	25th Percentile	50th Percentile	75th Percentile
Salary	£684,000	£20,509	£24,107	£28,666
Total pay and benefits	£875,000	£22,235	£26,642	£31,654

The table above sets out the CEO pay ratio for 2019 to 2023. For 2023 the comparison has moved from the Israel workforce to the UK workforce. Ratios have been calculated following the methodology in Option B as this is the most meaningful method of calculation for the UK workforce based on the availability of data at the time of calculation.

The increase in ratio is a result of the change in comparator group, with UK employees at the 25th, 50th and 75th percentile all being roles in our UK retail estate. This has been offset by the decrease in CEO pay as a result of no bonus for 2023 and no vesting LTIP award. The remuneration for the CEO represents the total of remuneration paid to Mr Pazner as former CEO, Lord Mendelsohn as Executive Chairman and Mr Widerström as our new CEO during 2023.

The reward policies and practices for all employees across the Group are broadly aligned to those set for the Executive Directors including the CEO, recognising that for some employee groups (including UK retail) a tailored approach is required to reflect the talent market. On this basis, the Committee is satisfied that the median pay ratio is consistent with the pay, reward and progression policies across the UK workforce.

RELATIVE IMPORTANCE OF SPEND ON PAY 2023 V 2022



The graph above sets out the actual expenditure by 888 in financial years 2022 and 2023 on dividends and remuneration to Group employees.

The calculation of the comparables is as set out in the 2023 Consolidated Income Statement and Notes to the Financial Statements. For FY22 the remuneration spend is split between 888 and William Hill to be consistent with the previous year's report. Remuneration spend is shown for the full Group for FY23 with the comparison based on combined spend in FY22.

COMMITTEE MEMBERS, ATTENDEES AND ADVICE

The Remuneration Committee consists solely of Non-Executive Directors. Ms Andrea Gisle Joosen chairs the Committee and Committee members at the end of the year were Ms Anne de Kerckhove and Ms Limor Ganot. Mr Mark Summerfield was a member of the Committee from 1 January 2023 to 26 September 2023. Details of attendance at Committee meetings are contained in the statement on Corporate Governance on page 46. The Chair of the Board attends meetings by invitation. Members of the management team attend meetings by invitation, and where appropriate, but no individual is present when their own specific remuneration arrangements are determined.

The Remuneration Committee's remit is set out in its Terms of Reference which are available at https://corporate.888.com/who-we-are/governance/board-committees/.

REMUNERATION COMMITTEE ADVISER

Korn Ferry was appointed Remuneration Committee adviser to 888 on 30 November 2018 following a tender process.

The primary role of the adviser to the Committee is to provide independent and objective advice and support to the Committee's Chair and members. Korn Ferry has discussions with the Committee Chair on a regular basis to discuss executive and wider group remuneration matters, reporting, regulation, investor views and process. The Committee undertakes due diligence periodically to ensure that its advisers remain independent and is satisfied that the advice that it receives from Korn Ferry is objective and independent. Korn Ferry is a signatory to the Remuneration Consultants Group Code of Conduct which sets out guidelines for managing conflicts of interest and has confirmed to the Committee its compliance with the Remuneration Consultants Group Code.

The total fees paid to Korn Ferry in respect of its services to the Committee for the year ending 31 December 2023 were £100,000 (2022: £120,000). Fees are charged on a 'time spent' basis.

ENGAGEMENT

The Committee includes as part of its annual agenda consideration and review of workforce policies and practices and invites members of the management team to attend Committee meetings to provide input into the Committee's considerations. A key part of the Chief People Officer's role, supported by the CEO and the Non-Executive Director for engagement, is to engage with the wider workforce, with views and feedback on remuneration provided to the Committee and wider Board. The approach to workforce engagement has been reviewed for 2024 and an engagement plan will be led by the designated Director for workforce engagement, Ms Anne de Kerckhove, with the Chief People Officer and supported by the Chair of the Board.

DIRECTORS' REMUNERATION REPORT CONTINUED

The Committee is committed to having a transparent and constructive dialogue with our investors and consults with its investors to seek feedback on any proposed policy changes and significant operation of policy changes. In early 2024, the Remuneration Committee Chair carried out engagement with investors to discuss the business's overall approach to remuneration and the new policy to be brought to the 2024 AGM for approval.

STATEMENT OF SHAREHOLDER VOTING AT AGM

	Advisory vote to approve Annual Report on Remuneration (at 2023 Annual General Meeting)		Advisory vote to approve Remuneration Policy (at 2021 Annual General Meeting)	
	Total number of votes	**% of votes cast**	**Total number of votes**	**% of votes cast**
For	213,768,154	94.24%	215,388,197	75.72%
Against	13,059,458	5.76%	69,066,028	24.28%
Withheld	1,958		2,757,202	

DIRECTORS' REPORT

The Directors' Report for the year ended 31 December 2023 comprises pages 83 to 89 of this report, together with the sections of the Annual Report incorporated by reference. The Corporate Governance Report set out on pages 46 to 51 is incorporated by reference into this report and, accordingly, should be read as part of this report.

As permitted by legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report on pages 2 to 43, as the Board considers them to be of strategic importance.

Specifically, these are:

- the Strategic framework on pages 6 to 8, which provides detailed information relating to the Group, its business model and strategy, operation of its businesses, future developments and the results and financial position for the year ended 31 December 2023;
- future business developments (throughout the Strategic Report);
- details of the Group's policy on addressing the principal risks and uncertainties facing the Group, which are set out in the Strategic Report on pages 30 to 41;
- information on the Group's GHG emissions for the year ended 31 December 2023, contained within our TCFD section and on page 19; and
- how we have engaged with our stakeholders on pages 22 to 23.

Furthermore, as a company incorporated in Gibraltar, 888 Holdings Plc is not required by UK law or regulation to prepare the Directors' Remuneration or Strategic Reports under regulation that applies to UK incorporated companies. However, by virtue of 888's Premium Listing on the London Stock Exchange and reflecting the Directors' approach to good governance and investor expectation, we have prepared these reports in line with the requirements under the UK Companies Act 2006.

The Directors' Remuneration Report, set out on pages 66 to 82, has been voluntarily prepared in accordance with sections 420 to 422 UK Companies Act 2006.

The information given in the Strategic Report, set out on pages 2 to 43, has been voluntarily prepared in accordance with section 414 UK Companies Act 2006.

RESULTS

The Group's loss after tax for the financial year of £56.4 million (2022: £120.6 million loss) is reported in the Consolidated Income Statement on page 100.

The Board of Directors is not recommending a final dividend to be paid, in light of the Group's leverage position following the acquisition of William Hill and consistent with its previous announcements.

DIRECTORS AND THEIR INTERESTS

Biographical details of the current Board of Directors, setting out their relevant skills and experience and their professional commitments, are shown on pages 44 and 45.

The Directors who served during the year are shown below. In line with the UK Corporate Governance Code and as required by the Company's Memorandum & Articles of Association ('Articles'), all Directors retire at each Annual General Meeting and those who wish to continue to serve offer themselves for re-election.

- Lord Mendelsohn (first appointed 23 September 2020 as Chair Designate, appointed as Chair on 31 March 2021 and appointed as Executive Chair on 29 January 2023, returning to Chair on 16 October 2023).
- Per Widerström (first appointed 16 October 2023).
- Yariv Dafna (first appointed 1 November 2020, stepped down 2 October 2023).
- Mark Summerfield (first appointed 5 September 2019).
- Anne de Kerckhove (first appointed 28 November 2017).
- Limor Ganot (first appointed 1 August 2020).
- Andria Vidler (first appointed 5 July 2022, stepped down 30 September 2023).
- Andrea Gisle Joosen (first appointed 5 July 2022).
- Ori Shaked (first appointed 13 September 2022).

The beneficial and non-beneficial interests of the Directors and their closely associated persons (pursuant to Article 19 of the European Market Abuse Regulation) in shares of the Company are set out in the Directors' Remuneration Report on pages 66 to 82. Per Widerström and Lord Mendelsohn purchased shares during the year, details of which can be found in the Remuneration Report. There have been no further changes in the interests of Directors in shares of the Company between 31 December 2023 and 29 February 2024 which is the last practicable date prior to the release of this Report. None of the Directors had any interests in any other material contract or arrangement with the Company or any of its subsidiaries.

SHARE CAPITAL

Changes in share capital of the Company during the financial year are given in the Consolidated Statement of Changes in Equity. As at 31 December 2023, the issued share capital of the Company comprised 449,045,257 ordinary shares of GBP £0.005 each ('Ordinary Shares').

At the Annual General Meeting held in May 2023, the Board was empowered to allot equity securities of the Company for cash without application of pre-emptive rights under the Articles, provided that such power is limited:

- to the allotment of equity securities in connection with an offer or issue of equity securities to or in favour of:
  - (i) Ordinary Shareholders where the equity securities respectively attributable to the interests of all Ordinary Shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them; and
  - (ii) holders of other equity securities if this is required by the rights of those securities, or if the Directors consider it necessary, as permitted by the rights of those securities; so that the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter;

DIRECTORS' REPORT CONTINUED

SHARE CAPITAL CONTINUED

- to the allotment (otherwise than pursuant to sub-paragraphs (a) above and (c) below) of equity securities up to an aggregate nominal value of £111,794.03; and
- to the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities in connection with an acquisition or specified capital investment up to an aggregate nominal value of £111,794.03;
- and shall expire upon the earlier of:
  - (i) the conclusion of the next Annual General Meeting of the Company after passing the resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred thereby had not expired; and
  - (ii) 30 June 2024.

In paragraph (c) 'specified capital investment' means one or more specific capital investments in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to those assets is made available to shareholders to enable them to reach an assessment of the potential return.

SHARE BUY-BACK AUTHORITY

At the Annual General Meeting held in May 2023, the Board was authorised to make market purchases of up to 44,717,615 of its ordinary shares at a minimum price per share (exclusive of expenses) of £0.005 and a maximum price per share (exclusive of expenses) of the highest of 105% of the average of the middle market quotations of an ordinary share in the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased, the price of the last independent trade of an ordinary share, and the highest current independent bid for an ordinary share in the Company as derived from the London Stock Exchange Trading System.

The authority expires upon the earlier of:

(i) the conclusion of the next Annual General Meeting of the Company; and

(ii) 30 June 2024, unless previously renewed, varied or revoked by the Company at a general meeting; and a contract to purchase shares under the authority may be made prior to the expiry of the authority, and concluded in whole or in part after the expiry of the authority, and the Company may purchase its ordinary shares in pursuance of any such contract. In 2023, the Company did not seek to exercise any of the foregoing powers and authorities.

RIGHTS ATTACHING TO ORDINARY SHARES IN THE COMPANY

The rights and obligations attaching to ordinary shares are set out in the Articles.

Holders of Ordinary Shares are entitled to attend and speak at general meetings, to appoint one or more proxies and to exercise voting rights.

Holders of Ordinary Shares may receive a dividend and on liquidation may share in the Company's assets. Holders of Ordinary Shares are entitled to receive the Annual Report. Subject to meeting certain thresholds, holders of Ordinary Shares may requisition a general meeting or the proposal of resolutions at general meetings.

RESTRICTIONS ON TRANSFER OF SHARES AND LIMITATIONS ON HOLDINGS

There are no restrictions on transfer or limitations on the holding of Ordinary Shares other than under restrictions imposed by law or regulation (for example, insider trading laws) or pursuant to the Company's share dealing code.

REQUIREMENTS OF GAMING REGULATIONS

Many jurisdictions where the Group currently holds, or in the future may secure a licence, require any person who acquires beneficial ownership of more than a certain percentage (typically 5%, and in some cases a smaller percentage) of the Company's securities, to report the acquisition to the gaming authorities and apply for a finding of suitability. Many gaming authorities allow an 'institutional investor' to apply for a waiver that allows such institutional investor to acquire up to a certain percentage of securities without applying for a finding of suitability, subject to the fulfilment of certain conditions. In some jurisdictions, suitability investigations may require extensive personal and financial disclosure. The failure of any such individuals or entities to submit to such background checks and provide the required disclosure could jeopardise the Group's eligibility for a required licence or approval.

The criteria used by relevant regulatory authorities to make determinations as to suitability of an applicant for licensure varies from jurisdiction to jurisdiction, but generally require the submission of detailed personal and financial information followed by a thorough investigation. Gaming authorities have very broad discretion in determining whether an applicant (corporate or individual) qualifies for licensing or should be found suitable.

Any person who is found unsuitable by a relevant gaming authority may be prohibited by applicable gaming laws or regulations from holding, directly or indirectly, the beneficial ownership of any of the Company's securities.

The Articles include provisions to ensure that the Company has the required powers to continue to comply with applicable gaming regulations.

These provisions include providing the Company, in the event of a Shareholder Regulatory Event (as defined in the Articles), with the right to:

(a) suspend certain rights of its members who do not comply with the provisions of the gaming regulations (the Affected Members);

(b) require such Affected Members to dispose of their Ordinary Shares; and

(c) subject to (b) above, dispose of the Ordinary Shares of such Affected Members.

The Company considers that these rights are required in order to mitigate the risk that an interest in Ordinary Shares held by a particular person could lead to action being taken by a relevant regulatory authority (as defined in the Articles) which in turn could lead to the withdrawal of existing licences held by the Group or the exclusion of being awarded further licences in other jurisdictions that the Group seeks to pursue. This potential regulatory authority action could therefore cause substantial damage to the Group's business or prospects.

ENTITIES HOLDING COMPANY SHARES ON BEHALF OF GROUP EMPLOYEES

At 31 December 2023, Virtual Share Services Limited (a wholly owned subsidiary of the Company) held 1,260,958 Ordinary Shares in its administrative capacity in connection with the 888 Holdings plc Long Term Incentive Plan 2015 and Deferred Share Bonus Plan. Full details are set out on pages 145 and 146.

SUBSTANTIAL SHAREHOLDINGS

The Company has been notified of the following interests in 5% or more of its share capital under Disclosure Guidance and Transparency Rules (DTR) Rule 5 of the UK Financial Conduct Authority:

Principal shareholders	Applicable financial instruments	% issued share capital	Nature of holding
As at 29 December 2023 (the last day of trading in 2023)			
Salix Trust Company (BVI) Limited in trust on behalf of Dalia Shaked	86,283,534	19.23	Indirect
Parvus Asset Management LLP (UK)	44,584,872	9.94	Indirect
HG Vora Capital Management LLC (US)	23,945,000	5.34	Indirect
Artemis Fund Managers Limited (UK)	22,909,343	5.11	Indirect
Following 29 December 2023 and 29 February 2024 which is the latest practicable date prior to publication of this Annual Report			
Salix Trust Company (BVI) Limited in trust on behalf of Dalia Shaked	86,283,534	19.21	Indirect
Parvus Asset Management LLP (UK)	44,103,321	9.82	Indirect
Artemis Fund Managers Limited (UK)	27,518,343	6.13	Indirect
Helikon Investments (UK)	24,636,482	5.49	Indirect
HG Vora Capital Management LLC (US)	23,945,000	5.33	Indirect

Other than as stated above, between 29 December 2023 and 29 February 2024 which is the last practicable date prior to the publication of this Annual Report, no further notifications were received regarding holdings comprising 5% of the Company's issued share capital. Information provided to the Company pursuant to the DTRs is publicly available via the regulatory information services and the Company's corporate website corporate.888.com.

SHAREHOLDER AGREEMENTS AND CONSENT REQUIREMENTS

There are no known arrangements under which financial rights are held by a person other than the holder of the shares.

Relationship Agreement

The Company is a party to a relationship agreement with, among others, Salix Trust Company (BVI) Limited as trustee for Dalia Shaked ('DS Trust') dated 14 September 2005 which was amended on 16 July 2015 (the 'Amended Relationship Agreement'). The O Shaked Shares Trust and the Ben Yitzhak Family Shares Trust (together with Dalia Shaked Bare Trust, the 'Principal Shareholder Trusts') are also party to the Amended Relationship Agreement but are no longer bound by certain material provisions since they are no longer shareholders of the Company.

The Amended Relationship Agreement includes the following provisions in respect of the independence of the Company (in accordance with the UK Listing Rules) which provide that DS Trust shall, and shall procure as far as it is legally able, that its respective associates:

- conduct all transactions and relationships with 888 Holdings Plc and any member of the Group on an arm's length basis and on a normal commercial basis;
- not take any action which precludes or inhibits 888 Holdings Plc, or any member of the Group, from carrying on its business independently of it;
- not take any action that would have the effect of preventing the Company, or any member of the Group, from complying with its obligations under the UK Listing Rules; and
- not propose or procure the proposal of any shareholder resolution which is intended, or appears to be intended, to circumvent any proper application of the UK Listing Rules.

It further provides that the DS Trust will not solicit Group employees without consent, that only independent directors can vote on proposals to further amend the Amended Relationship Agreement, that the DS Trust will consult the Company prior to disposing of a significant number of shares in order to maintain an orderly market and shall not disclose confidential information unless required to do so by law or relevant regulation or having first received the Company's consent.

The Amended Relationship Agreement also includes restrictions on the DS Trust's power to appoint Directors and includes obligations on the DS Trust to exercise its voting rights to ensure that the majority of the Board, excluding the Chair, is independent.

The DS Trust can nominate a non- executive director for appointment to the Board. In the event that this right is exercised, and it results in fewer than half the Board (excluding the Chair of the Board) being Independent Directors, such appointment shall only become effective upon the appointment to the Board of an additional Independent Director acceptable to the Nominations Committee. The DS Trust exercised this right in July 2022 and Ori Shaked was appointed as a non-executive director on 13 September 2022. In line with the UK Corporate Governance Code and as required by the Company's Memorandum & Articles of Association ('Articles'), Mr Shaked will retire at the 2024 Annual General Meeting and offer himself for re-election.

Such restrictions and obligations apply in respect of the DS Trust whilst it holds not less than 7.5% of the issued share capital of the Company.

The obligations of the parties to the Amended Relationship Agreement are at all times subject to all relevant legal and regulatory requirements and obligations of the parties thereto in the United Kingdom, Gibraltar or elsewhere.

Confirmation of independence

The Board confirms that as of the date of this Annual Report, and during the entirety of 2023, the Company had no controlling shareholder. Therefore, no confirmation of independence is required pursuant to UK Listing Rule 9.8.4 R (14).

Shareholders' agreements

There are no known shareholders' agreements in force between shareholders of the Company.

DIRECTORS' REPORT CONTINUED

CHANGE OF CONTROL

A change of control in the Company may, in the event of failure to fulfil any applicable consent requirement, give rise to certain revocation or termination rights under the Group's gaming licences or certain contracts to which Group companies are a party.

POLITICAL DONATIONS

In accordance with its Political Involvement Policy which is available on the corporate website, the Group did not make any donations to any political party (including any non-EU political party) or organisation or independent election candidate or incur any political expenditure during the year.

POLITICAL INVOLVEMENT AND ANTI-CORRUPTION ACTIVITIES

The Group has a zero-tolerance approach to bribery and corruption and complies strictly with all relevant laws. The Group has adopted an Anti-Bribery Policy which applies to all employees and is overseen by the Board. The policy includes the Group's rules with regard to the giving and receiving of gifts, business hospitality and other payments, with particular focus on transactions with government-related entities and intermediaries. The policy can be read in full on the Group's corporate website and was updated in March 2024. The Group carries out a comprehensive due diligence process of potential high-risk business associates, which includes certain government-related transactions and certain intermediaries. The Group also clearly communicates its policy to its suppliers and employees and carries out staff training on the topic.

During 2023, no instances of non-compliance with the policy arose, and no fines, penalties or settlements were received or entered into in connection with bribery and corruption matters. We have also adopted a Political Involvement Policy, which is publicly available on the corporate website. Under this policy, we do not generally engage in political matters other than lawful lobbying in connection with our business. The Group was not involved in political matters and did not make fiscal contributions.

Respecting local tax regimes and paying our fair share is a fundamental responsibility of the Company to the communities on which we rely. Further information on our wider contributions to communities is included in our ESG and Sustainability Report. As a Group our economic contribution is significant, including a total tax contribution of £529m in 2023.

FINANCIAL INSTRUMENTS

The Board considers the Group's exposure to financial risks as part of its risk management strategy. Further details can be found in the Risk Management section of this report on page 38. In order to finance the acquisition of William Hill, the Company took on significant debt.

Hedging arrangements were put in place in order to fix around 70% of interest costs for the next two years. The Group is also exposed to foreign exchange as the Group's deposits and revenues are generated in GBP, EUR and other currencies, whilst the Group's operating expenses are largely incurred in local currencies.

The Group has mitigated foreign exchange risk by adopting policies to hedge certain costs in GBP. The Group has also entered into FX or cross-currency swaps in order to hedge part of its ongoing USD and EUR exposure arising due to the acquisition financing and its ongoing EUR exposure under outstanding notes. Forward deals are also in place to hedge ILS against revenue in Canadian Dollars and GBP.

The Board reviews these risks on an ongoing basis with a view to taking such action as required from time to time. Further information on the Group's use of financial instruments is set out in note 25 to the annual accounts on pages 140 and 143.

DIRECTORS' INDEMNITIES

The Articles permit the Company to indemnify its Directors in certain circumstances, as well as to provide insurance for the benefit of its Directors. The Company has entered into qualifying third-party indemnity arrangements for the benefit of all of its Directors in a form and scope which comply with the requirements of the UK Companies Act 2006 and the Gibraltar Companies Act 2014 which were in force from 1 November 2017 (or subsequently, with respect to subsequently appointed directors) and remain in force.

GOING CONCERN AND VIABILITY STATEMENTS

The going concern and viability statements required to be included in the Annual Report pursuant to the UK Corporate Governance Code are on pages 105 and 42 respectively and are incorporated in this Directors' Report by reference.

PRINCIPAL SUBSIDIARY UNDERTAKINGS

The principal subsidiary undertakings are listed in note 33.

RESEARCH AND DEVELOPMENT ACTIVITIES

Having first-class customer value propositions is a key pillar of the Group's growth strategy, and as such, investment in research and development is a critical area of focus for the Group. Our mission is to delight players with world-class betting and gaming experiences, and the Group places significant emphasis on the development of best-in-class products that are easy to use and offer personalised value. Further details of the outputs of our research and development activities this year are set out on page 7.

POST-PERIOD EVENTS

On 6th March 2024, the Group announced its decision to conclude its partnership with Authentic Brands Group as part of the strategic review of its B2C business. This partnership had granted exclusive use of the Sports Illustrated brand for online betting and gaming. As part of the termination agreement, the Group has agreed to pay a fee of $25.0m, which will be paid in cash from available resources. Additionally, the Group will pay an extra $25.0m between 2027 and 2029.

On 22 March 2024, the GB Gambling Commission (GBGC) informed the Group that it had concluded its review into the Group's operating licences that was announced by the Group on 14 July 2023. The GBGC concluded the review without imposing any licence conditions, financial penalties or other remedies on the Group.

AUDIT & RISK COMMITTEE

The Board has established an Audit Committee which became the Audit & Risk Committee in 2023. Details of the Audit & Risk Committee's functions, together with its specific activities in 2023, are set out in the Audit & Risk Committee Report on pages 56 to 61.

During the year the Company's Audit & Risk Committee comprised Mark Summerfield (Chair), and Independent Non-Executive Directors Anne de Kerckhove, Andrea Gisle Joosen and Limor Ganot.

Details of the Company's risk management strategy and the Board's assessment of the Group's viability in light of its risks are set out on pages 32 and 42 respectively.

AUDITORS

A resolution for the reappointment of Ernst and Young LLP and EY Limited, Gibraltar, (together, EY), as auditors of the Company will be proposed at the 2024 Annual General Meeting.

During the year ended 31 December 2023, the Company's audit was tendered in accordance with the EU Audit Regulation and the Competition and Markets Authority rules. The Company conducted a competitive tender process in respect of auditor appointment in August 2023. Ernst and Young LLP was reappointed as auditor for the purposes of the Company preparing financial statements as required pursuant to the UK Listing Rules and the DTRs. EY Limited, Gibraltar, which is approved as a registered auditor under the Gibraltar Financial Services Act 2019, is the statutory auditor of the Company including for the purposes of issuing an audit report pursuant to the Gibraltar Companies Act 2014.

Details of audit and non-audit fees charged by EY to the Company are set out in note 5 to the financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for the Company's system of internal control, for setting policy on internal control and risk management, and for reviewing the effectiveness of internal control and risk management.

On 16 October 2023 the Company announced that the Audit Committee would become the Audit & Risk Committee by virtue of the formal delegation of risk management activities from the Board. The Audit & Risk Committee monitors the Group's systems of internal control and risk management on an ongoing basis, including identifying, evaluating and managing the significant risks faced by the Group. The Audit & Risk Committee is required to report pertinent matters to the Board at scheduled Board meetings, with urgent matters being shared in real time. Significant developments have been made in 2023 to embed a culture of risk management across the Group through the establishment of an Enterprise Risk Management Framework. Further details are included in the Risk section on pages 30 to 41.

The Board believes that its risk management process accords with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and carries out an annual review of its effectiveness covering all material controls, including financial, operational and compliance controls.

The annual review considers individual risk control responsibilities, reporting lines and qualitative assessments of residual risks. Such a review was carried out in respect of the processes that were in place throughout 2023 up until the date of approval of the Annual Report and Accounts. No significant failings or weaknesses were identified in the review.

It is management's role to implement Board policies on risk and control, including reporting. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Audit & Risk Committee also reviews the appropriateness and adequacy of systems of internal control and risk management in relation to the financial reporting process on an ongoing basis and makes recommendations to the Board based on its findings.

The Group's internal control and risk management systems in relation to the process of preparing consolidated accounts include the following:

- Identification of significant risk and control areas of relevance to Group-wide accounting processes;
- Controls to monitor the consolidated accounting process and its results at the level of the Board and at the level of the companies included in the consolidated financial statements;
- Preventative control measures in the finance and accounting systems of the Company and of the companies included in the consolidated financial statements and in the operative, performance-oriented processes that generate significant information for the preparation of the consolidated financial statements including the Strategic Report, including a separation of functions and pre-defined approval processes in relevant areas;
- Measures that safeguard proper IT-based processing of matters and data relevant to accounting; and
- Reporting information of companies around the Group which enable the Company to prepare consolidated financial statements including management accounts.

The reporting structure relating to all the companies included in the consolidated financial statements requires that significant risks are to be reported immediately to the Board on identification.

WHISTLEBLOWING POLICY

The Group's Whistleblowing Policy sets out the overall responsibility of the Board (through its Audit & Risk Committee) for implementation of the policy, but notes that the Board has delegated day-to-day responsibility for oversight and implementation to the Group Internal Audit function with additional oversight from the Group Legal and Compliance functions.

The policy provides that where an employee is not comfortable making an identified disclosure in the standard manner (i.e. to his/her respective direct line manager, another manager in his/her subsidiary, the People department or the compliance manager), disclosure can be made anonymously through a third party, Navex, and reporters can either raise their case via online forms or dedicated phone numbers.

Whilst employees are permitted to make disclosures anonymously, disclosing employees are encouraged to reveal their identity to the compliance officer in order to allow a full and proper investigation to take place. Where a disclosing employee's identity is revealed, the Group will make its best effort, considering the circumstances and applicable law, to preserve confidentiality of such disclosure. The Board commits to investigating all disclosures fully, fairly, quickly and, where circumstances permit, confidentially. Undertakings are made to employees who raise genuinely held concerns in good faith under the procedure that they will not be dismissed or subject to any discrimination or victimisation as a result of their action. Employees of the Group are regularly sent reminders regarding the Whistleblowing Policy as part of general refreshers of various Group policies.

REMUNERATION COMMITTEE

The Board has overall responsibility for determining the framework of executive remuneration and its cost. It is required to take account of any recommendation made by the Remuneration Committee in determining the remuneration, benefits and employment packages of the Executive Directors and Executive Committee and the fees of the Chair.

During the year the Company's Remuneration Committee comprised Independent Non-Executive Directors Andrea Gisle Joosen (Chair from 23 May 2023) Anne de Kerckhove, Mark Summerfield, and Limor Ganot.

DIRECTORS' REPORT CONTINUED

REMUNERATION COMMITTEE CONTINUED

The Remuneration Committee determines the Chair's and Executive Directors' fees, whilst the Chair and the Executive Directors determine the fees paid to the Non-Executive Directors. Further details are provided on page 75.

The Remuneration Committee was advised during 2023 by Korn Ferry. The remuneration consultant has no other connection with 888 or any of the Directors. Further details are provided on page 81.

All new long-term incentive schemes and significant changes to existing long-term incentive schemes are put to the shareholders of the Company for approval before they are adopted (save for certain circumstances as set out in the Listing Rules).

The Directors' Remuneration Policy will be put to a vote at the Annual General Meeting in May 2024 in accordance with the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019. Details of the policy can be found on pages 66 to 73.

The Remuneration Committee Report and Directors' Remuneration Report, which outlines the Remuneration Committee's work and details of Directors' remuneration, is on pages 62 to 82. The Remuneration Committee's terms of reference are available on the Company's website, corporate.888.com.

COMPLIANCE WITH STATUTORY PROVISIONS

As the Company is registered in Gibraltar, it is subject to compliance with Gibraltar statutory requirements. The main corporate legislation relevant to the Company in Gibraltar is the Gibraltar Companies Act 2014. The Company is in full compliance with the Gibraltar Companies Act.

DIVIDEND POLICY

The Company's policy, as stated in its IPO Prospectus, is to distribute 50% of its adjusted profit after tax each year. On 7 April 2022 it was announced that the Board intends to suspend dividends until such time that net leverage is at or below 3x. During 2023, this threshold was not met and as such the payment of a dividend will not be proposed at the 2024 Annual General Meeting.

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Gibraltar law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group and parent company financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Gibraltar Companies Act 2014. 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 state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, Group financial statements are required to be prepared in accordance with UK adopted international accounting standards.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group financial statements, state whether international accounting standards in conformity with the requirements of the Gibraltar Companies Act 2014 and UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether UK adopted international accounting standards in conformity with the requirements of the Gibraltar Companies Act 2014 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/or the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group financial statements comply with the Gibraltar Companies Act 2014. They are also responsible for safeguarding the assets of the Group and parent company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

DIRECTORS' RESPONSIBILITY STATEMENT (DTR 4.1)

The Directors confirm, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Gibraltar Companies Act 2014 and UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

All of the current Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any information needed by the Company's auditors for the purposes of their audit, and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the Board:

LORD MENDELSOHN

Chair

26 March 2024

INDEPENDENT AUDITOR'S REPORT

To the members of 888 Holdings PLC

OPINION

In our opinion:

- 888 Holdings PLC's Group financial statements and Parent company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the Group and Parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Gibraltar Companies Act 2014.

We have audited the financial statements of 888 Holdings PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise:

GROUP	PARENT COMPANY
Consolidated Income Statement for the year ended 31 December 2023	Company Balance Sheet as at 31 December 2023
Consolidated Statement of Comprehensive Income for the year then ended	Company Statement of Changes in Equity for the year then ended
Consolidated Statement of Financial Position as at 31 December 2023	Company Statement of Cash Flows for the year then ended
Consolidated Statement of Changes in Equity for the year then ended	Related notes 1 to 9 to the financial statements including a summary of significant accounting policies
Consolidated Statement of Cash Flows for the year then ended	
Related notes 1 to 33 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Group and Parent company financial statements, as applied in accordance with the provisions of the Gibraltar Companies Act 2014.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group and Parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting the audit. We confirm that there are appropriate safeguards in place and that we remain independent.

CONCLUSIONS RELATING TO GOING CONCERN

In accordance with the terms of our engagement letter with the Company, 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. Our evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of 888's going concern assessment process, including how principal and emerging risks are considered. We understood the review controls in place for the going concern model, forecasting and management's Board memoranda;
- We challenged the appropriateness of the duration of the going concern assessment period and considered the existence of any significant events or conditions beyond this period;
- We tested the mathematical integrity of management's going concern model, including ensuring arithmetic accuracy;
- We performed procedures to test the reasonableness of cash flow forecast assumptions, through reconciliation to the budget approved by the Board, comparison with recent performance and external benchmarking, as well as their consistency with other areas of the audit including impairment assessments. We independently assessed other key assumptions including the timing and quantum of legal and regulatory payments, the potential impact of interest rate and macroeconomic risks, the timing of settlement of provisions and achievability of integration synergies;

CONCLUSIONS RELATING TO GOING CONCERN CONTINUED

- We read the Group's facility and syndication agreements and re-calculated the financial covenant relating to the Group's revolving credit facility to check whether it remained available to the Group throughout the going concern period under the base case and downside scenarios;
- We challenged management's downside scenarios and reverse stress testing, including the mitigating actions included in the cash flow forecasts. This included understanding the Group's variable and discretionary costs and evaluating the Group's ability to control these outflows if required;
- We performed our own assessment of plausible downside scenario focussed on the timing of cash outflows not solely at the Group's discretion. We also performed a reverse stress test in order to assess the flexibility of the business model and identify what factors would lead to the Group utilising all liquidity during the going concern period and the probability of such events of occurring; and
- We assessed the appropriateness of disclosures in the Annual Report and Accounts by comparing the disclosures against the requirements under UK adopted international accounting standards and the UK Corporate Governance Code.

Key observations

- The directors' assessment forecasts that the Group will maintain sufficient liquidity throughout the going concern assessment period and does not forecast any breaches in debt covenants. This includes the utilisation of the Group's revolving credit facility, which remains undrawn as at 31 December 2023.
- The Group is exposed to certain legal and regulatory risks, some of which will result in cash outflows during the going concern assessment period or will increase the uncertainty associated with cash inflows. However, even under the downside scenarios described above, the directors' assessment forecasts the Group to maintain liquidity and covenant headroom throughout the going concern period.
- Controllable mitigating actions are available to management to increase liquidity over the going concern assessment period, although some of these actions may impact the Group's profitability and cash generation over a longer time horizon.

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 Group and parent company's ability to continue as a going concern for the period to 30 June 2025.

In relation to the Group and Parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

AUDIT SCOPE	• We performed an audit of the complete financial information of five components and audit procedures on specific balances for a further five components. • The components where we performed full or specific audit procedures accounted for 91% of adjusted EBITDA, 99% of Revenue and 98% of Total assets.
KEY AUDIT MATTERS	• Regulatory and legal risk • Revenue recognition • Impairment of goodwill
MATERIALITY	• Overall Group materiality of £6.2m, which represents 2% of Adjusted EBITDA (as defined below in 'Our application of materiality' section).

AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of all the reporting components of the Group, we selected 10 components covering entities within the UK, Gibraltar and Malta, which represent the principal business units within the Group.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of 888 Holdings PLC

AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS CONTINUED

Tailoring the scope continued

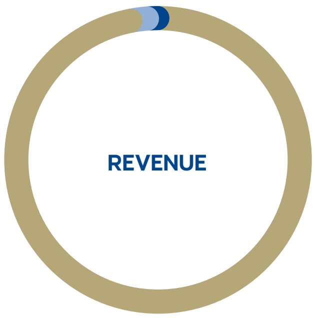
Of the 10 components selected, we performed an audit of the complete financial information of five components ("full scope components") which were selected based on their size or risk characteristics. For the remaining five components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 91% (2022: 96%) of the Group's Adjusted EBITDA, 99% (2022: 99%) of the Group's Revenue and 98% (2022: 96%) of the Group's Total assets. For the current year, the full scope components contributed 91% (2022: 125%) of the Group's Adjusted EBITDA, 97% (2022: 99%) of the Group's Revenue and 98% (2022: 94%) of the Group's Total assets. The specific scope component contributed 0% (2022: -29%) of the Group's Adjusted EBITDA, 2% (2022: 0%) of the Group's Revenue and 0% (2022: 2%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining components that together represent 9% of the Group's Adjusted EBITDA, none are individually greater than 1% of the Group's Adjusted EBITDA. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

- Full scope components 91%
- Specific scope components 0%
- Other procedures 9%



- Full scope components 97%
- Specific scope components 2%
- Other procedures 1%

- Full scope components 98%
- Specific scope components 0%
- Other procedures 2%

Changes from the prior year

In the prior year, following the William Hill business combination, we selected eight components to perform an audit of their complete financial information ("full scope components") based on size and risk characteristics. For the remaining component ("specific scope component"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the financial statements due to size and risk. In the current year, following further integration of the William Hill business into the Group, we evolved our scoping to focus on the key areas of audit risk within the Group's components, by increasing the number of specific scope components. This had a limited effect on the level of work performed across the Group.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit team, or by component auditors from other EY global network firms operating under our instruction. Of the five full scope components and five specific scope components, audit procedures were performed on two full scope and four specific scope components, directly by the group audit team in London and Gibraltar. For the remaining three full scope entities and one specific scope component, where the work was performed by component auditors in Gibraltar and Malta, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The non-statutory audit partner has experience serving clients in a variety of public UK-listed companies, including those with the majority of their operations overseas. The statutory audit partner has experience serving clients in a variety of industries in Gibraltar. They reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of a specialist where appropriate. The team had discussions during planning and throughout the audit in respect of the evolving gaming regulatory environment.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Non-Statutory Auditor, the Statutory Auditor and other Group partners visited full scope and specific scope locations. During the current year's audit cycle, visits were undertaken by the Group audit team to the component teams in Malta and Gibraltar. These visits involved discussing the audit approach with the component team and any issues arising from their work, meeting with local management and reviewing relevant audit working papers on risk areas. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS CONTINUED

Climate change

Stakeholders are increasingly interested in how climate change will impact 888 Holdings PLC. The Group has determined that the most significant future impacts from climate change on its operations will be from coastal flooding due to sea level rise (with a safety and infrastructure impact on people, offices and retail shops); temporary increases to the cost of living during the transition to low-carbon technologies (with an impact on customers' disposable income); and legislation introduced to place a ban on fossil fuel use for fuel and energy generation and introduction of legislation to favour renewable energy generation (with an impact on energy costs and energy security). These are explained on pages 163 to 175 in the required Task Force for Climate related Financial Disclosures and on pages 36 to 41 in the principal risks and uncertainties. It has also explained its climate commitments on pages 18 to 21. All of these disclosures form part of the 'Other information,' rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained on page 107 its articulation of how climate change has been reflected in the financial statements including how this aligns with its commitment to achieve net zero emissions by 2035. Consideration of significant judgements and estimates relating to climate change are included in note 1.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, its climate commitments, the effects of material climate risks disclosed on pages 166 to 170 and the significant judgements and estimates disclosed in note 1 and whether these have been appropriately reflected in the asset values and associated disclosures where values are determined through modelling future cash flows, being the impairment tests of the Retail, UK online and International online groups of cash generating units.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above. Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of 888 Holdings PLC

RISK	OUR RESPONSE TO THE RISK	KEY OBSERVATIONS COMMUNICATED TO THE AUDIT AND RISK COMMITTEE
Regulatory and legal risks At 31 December 2023, the Group has provided £116.4 million (2022: £143.2 million) in respect of ongoing legal and regulatory matters principally in Austria and Germany. A further provision of £62.8 million (2022: £61.7 million) was made in relation to indirect taxes. Refer to the significant accounting policies (Note 1 on pages 105 to 114); and Notes 22 and 31 to the Consolidated Financial Statements (page 132 and 133, and page 150). Given the industry and jurisdictions in which the Group operates there is a risk that the Group operates without the appropriate licences, has existing licences adversely affected through the imposition of licence conditions or threat of licence revocation, or is subject to regulatory sanctions resulting from breaches of licence conditions. There is also a risk that the Group does not pay or accrue for gaming taxes on an appropriate basis. Judgement is applied in estimating amounts payable to regulatory authorities, or customers, in certain jurisdictions. This gives rise to a risk over the accuracy of accruals, provisions and disclosure of contingent liabilities and the related income statement effect. There is also a risk that management may influence these significant estimates and judgements in order to meet market expectations or bonus targets.	• We obtained an understanding and evaluated the design effectiveness of management's controls around regulatory and legal risks. This included considering the management of legal and regulatory risks, the quantification and recording of a provision or disclosure of a contingent liability; • Inquired of management and the Group's external legal advisers, where appropriate, about any known instances of material breaches in regulatory or licence compliance and the potential consequences of any such breach to inform our assessment of the Group's evaluation of provisions to be recorded or a contingent liability to be disclosed. • Inspected the Group's correspondence with regulators and tax authorities to identify any legal or regulatory concerns, to assess the completeness of matters evaluated by the Group and to inform the likelihood of any actual or potential licence restrictions; • For certain matters, we engaged EY forensic accounting specialists to evaluate whether breaches identified were indicative of pervasive process deficiencies and control failings or specific to certain markets or other factors; • In respect of the regulatory provisions, we obtained an understanding of the fact patterns through discussions with management and the Group's external legal advisors, read their written legal confirmations and performed our own searches for contradictory evidence. • We agreed provisions to third party support, for example post year end settlement agreements and/ or confirmation from the Group's external legal advisors that they consider the quantum of the provisions for regulatory matters to be appropriate; • Evaluated management's interpretation and application of relevant laws and regulations and assessed the risks in respect of the Group's operations outside of regulated markets; • Circularised confirmations to management's relevant external legal experts to test the completeness of outstanding legal or regulatory issues as at 31 December 2023; • Tested the completeness of the Group's legal expenses, in coordination with the discussions with Group's legal advisers, to ensure the completeness of circularised confirmations; • Engaged EY gaming tax specialists to assist us in auditing the risks in respect of gaming duties and fines; • Assessed appropriateness of disclosures in note 22 and 31 of the consolidated financial statements by comparing the disclosures against the requirements under UK adopted international accounting standards. The Group audit team performed all audit procedures over the regulatory and legal risk, which covered 100% of the balance sheet amount.	We concluded that the provision and accruals in respect to regulatory authorities, and related income statement accounts, are appropriate and that the disclosures of probable and possible outflows in the financial statements meet the requirements of IAS 37 as at 31 December 2023.

RISK	OUR RESPONSE TO THE RISK	KEY OBSERVATIONS COMMUNICATED TO THE AUDIT AND RISK COMMITTEE
Revenue recognition The Group recognised revenue of £1,710.9 million in 2023 (2022: £1,238.8 million). The Group's revenue recognition process for material revenue streams is highly dependent on the Group's complex gaming systems and gaming servers, which process a high volume of transactions. Systematic errors in calculations or interfacing could result in incorrect reporting of revenue. There is a further risk that management may override operational controls in respect of revenue recognition leading to revenue being materially different to cash receipts or overstated in order to meet market expectations. Refer to the significant accounting policies (Note 1 on pages 105 to 114); and Note 2 to the Consolidated Financial Statements (pages 115 and 116).	• We obtained an understanding and evaluated the design effectiveness of management's controls over revenue. In relation to the risk over systematic errors in calculations or interfacing we performed the following procedures: • For certain IT systems we tested the IT general control environment where we considered the system to be supportive of a controls reliance approach. Where IT systems were not supportive of a controls reliance approach, we walked through the IT processes and designed and executed incremental substantive procedures to address the risk; • Performed a correlation analysis between revenue and cash receipts to confirm that in aggregate, the revenues recognised were equivalent to the cash receipts adjusted for known timing differences; • Applied IT-based auditing techniques to test manual reconciliations between the Group's gaming revenue and cash; • Performed transaction testing for each revenue stream to test the interface between gaming servers, production systems and cash processing system; • Performed detailed substantive testing on a sample of revenue transactions, including validation of bets/wins, deposits/withdrawals and aggregated cash receipts from payment service providers and shops; • Performed computer assisted audit techniques to search for other material manual adjustments to revenue and audited the fair value of bet positions; • Obtained and reviewed third party assurance reports, which provided independent assurance over the Company's processes and controls over the development and maintenance of games and their underlying algorithms; and • Searched for contradictory evidence for indicators of gaming system error and manipulation by inspecting whistleblower reports, reviewing correspondence with regulators and reviewing customer complaints. In relation to the risk over management override we performed the following procedures: • Used data analytic tools to identify revenue related manual journals posted to the general ledger and traced these back to source systems or other corroborative evidence. We obtained and evaluated underlying source documentation to test the completeness and accuracy of the postings, including those journals we considered unusual in nature. We also assessed the appropriateness of the disclosures in note 1 and 2 of the consolidated financial statements by comparing the disclosures against the requirements under UK adopted international accounting standards.	Based on the procedures performed, including those in respect of manual adjustments to revenue, we did not identify any evidence of material misstatement in the revenue recognised in the year ended 31 December 2023.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of 888 Holdings PLC

RISK	OUR RESPONSE TO THE RISK	KEY OBSERVATIONS COMMUNICATED TO THE AUDIT AND RISK COMMITTEE
Revenue recognition continued	The Group audit team performed audit procedures over revenue, which covered 96% of the Group's revenue. The Malta component team has performed audit procedures over 3% of the remaining revenue balance as part of their full scope procedures.	
Impairment of Goodwill As at 31 December 2023 the Group had goodwill of £763.3 million (2022: £797.3 million) relating to the acquisition of the William Hill Group in 2022; The recoverable amount and headroom on the Group's of CGUs tested for impairment are disclosed in note 12. There is a risk that these assets (in particular Retail) are not supported by either the future cash flows they are expected to generate or their fair value less costs of disposal, resulting in an impairment charge that has not been recognised by management. Refer to the significant accounting policies (Note 1 on pages 105 to 114); and Note 12 to the Consolidated Financial Statements (pages 125 to 127).	• We obtained an understanding of the process and evaluated the design effectiveness of management's controls around impairment of goodwill. This included consideration of management's completeness and accuracy of data and assumptions used in the impairment assessments; • We assessed management's modelling for clerical accuracy and consistency with IAS 36; • We challenged management's modelling assumptions (particularly in respect of forecast growth rates) by comparing inputs to past performance, current trading conditions, board approved forecasts, external benchmarks (including analyst reports), competitor performance and searched for external information that may be contrary to management's assessment; • We ensured the consistency of the impairment models with other areas of the audit, including going concern forecasting; • We involved valuation specialists to assess the discount rates used in each value in use calculation by performing an independent calculation of a range of acceptable discount rates and comparing this with the rates utilised by the Group; • We performed sensitivity analysis and reverse stress testing, by flexing key inputs such as short and long term growth rates and the discount rate to stress test management's modelling; • We assessed the appropriateness of the disclosures in note 1 and 12 of the consolidated financial statements by comparing the disclosures against the requirements under UK adopted international accounting standards. The Group audit team performed all audit procedures over the risk, which covered 100% of the balance sheet amount.	Based on our audit procedures, including our own independently developed ranges and sensitivities applied, we are satisfied that no impairment is required in respect of the Retail, UK online or international online Groups of CGUs as at 31 December 2023. The disclosures in the financial statements are in accordance with IAS 36. Based on the level of headroom and our own sensitivities applied, the additional sensitivity disclosures for key assumptions for UK Retail are appropriate

In the prior year, our auditor's report included a Key Audit Matter in relation to acquisition accounting (relating to the purchase of the William Hill Group in 2022). In the current year, as there were no material acquisitions, this Key Audit Matter has been removed.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £6.2 million (2022: £4.3 million), which is 2% (2022: 2%) of Adjusted EBITDA. We believe that Adjusted EBITDA provides us with the most relevant performance measure to the stakeholders of the Group, given the prominence of this metric throughout the Annual Report and consolidated financial statements and its alignment to investor presentations.

We determined materiality for the Parent company to be £4.8 million (2022: £5.2 million), which is 2% (2022: 2%) of Equity.

OUR APPLICATION OF MATERIALITY CONTINUED

Materiality continued

STARTING BASIS	• Adjusted EBITDA of £308.3 million
ADJUSTMENTS	• Share benefit credit of £0.5 million • Foreign exchange gains of £1.0 million
MATERIALITY	• Totals £309.8 million • Materiality of £6.2 million (2022: £4.3 million), representing 2% of Adjusted EBITDA

During the course of our audit, we reassessed initial materiality to reflect the Group's final Adjusted EBITDA. This resulted in materiality deceasing by £0.4m from £6.6 million to £6.2 million.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2022: 50%) of our planning materiality, namely £3.1 million (2022: £2.1 million). We have set performance materiality at the same percentage as 2022 given the given our assessment of risk arising from the extent of ongoing change within the Group, including in its operations and its management, resulting in our expectation that there is a higher likelihood of misstatements occurring in the financial statements.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.4 million to £1.6 million (2022: £0.4 million to £1.4 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.3 million (2022: £0.2 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

OTHER INFORMATION

The other information comprises the information included in the annual report set out on pages 1 to 89 including the Strategic Report, the Directors' Report and the Corporate Governance Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTER PRESCRIBED BY THE GIBRALTAR COMPANIES ACT 2014

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been properly prepared in accordance with the Gibraltar Companies Act 2014 Act.

Opinions on other matters in accordance with the terms of our engagement letter with the Company.

INDEPENDENT AUDITOR'S REPORT CONTINUED
To the members of 888 Holdings PLC

OPINION ON OTHER MATTER PRESCRIBED BY THE GIBRALTAR COMPANIES ACT 2014 CONTINUED

In our opinion, based on the work undertaken in the course of the audit:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the basis of preparation.
- the information given in the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the basis of preparation;

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION AS PRESCRIBED BY THE GIBRALTAR COMPANIES ACT 2014

In the light of our knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit. We have nothing to report in respect of the following matters:

- We have identified material misstatements in the Directors' Report; and
- We have not received all the information and explanations we required for our audit.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION IN ACCORDANCE WITH THE TERMS OF OUR ENGAGEMENT LETTER WITH THE COMPANY

In the light of our knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit. We have nothing to report in respect of the following matters:

- We have identified material misstatements in the strategic report;
- Adequate accounting records have not been kept by the Parent company;
- Parent company financial statements and the audited Directors' Remuneration Report are not in agreement with the accounting records and returns; and
- Disclosures of directors' remuneration specified by law are not appropriately made.

CORPORATE GOVERNANCE STATEMENT

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 86;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 42;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on pages 42 and 86;
- Directors' statement on fair, balanced and understandable set out on page 89;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 87;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 59; and;
- The section describing the work of the Audit and Risk Committee set out on page 56 to 61.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 88, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and parent 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 Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

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 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.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those related to gambling regulations and related gaming and indirect taxes in different countries where the Group is operating, including the UK, Spain, Gibraltar, Malta, Italy, Austria and other countries, those related to relevant tax compliance regulations in the UK, Gibraltar, Malta, Spain and Israel and related to the financial reporting framework (UK adopted international accounting standards, UK Corporate Governance Code, Gibraltar Companies Act 2014, the Listing Rules of the London Stock Exchange and the Bribery Act 2010);
- We understood how 888 Holdings PLC is complying with those frameworks by making enquiries of management and the Company's external legal and tax advisers. We corroborated our enquiries through our review of board minutes, discussion with the Audit and Risk Committee and any correspondence with regulatory bodies and tax authorities, and our audit procedures in respect of 'Regulatory and legal risk' (as described above);
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud, including in respect of revenue recognition. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing journal entries;
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations, including anti-money laundering. The Group operates in the gaming industry which is a highly regulated environment and our procedures involved audit procedures in respect of 'Regulatory and legal risk' (as described above), as well as review of board minutes to identify non-compliance with such laws and regulations, review of reporting to the Audit and Risk Committee on compliance with regulations and enquiries of management and the Group's external legal counsel and tax advisors;
- For certain matters, we engaged EY forensic accounting specialists to evaluate whether items identified were indicative of pervasive process deficiencies and control failings or specific to certain markets or isolated factors;
- In respect of the UK, Gibraltar and Malta component teams, any instances of non-compliance with laws and regulations were addressed with management by the Group audit team; and
- The Non-Statutory Auditor and the Statutory Auditor assessed and was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations in the gaming industry, and details of those matters about non-compliance with laws and regulations and fraud that were communicated to the engagement team;

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

OTHER MATTERS WE ARE REQUIRED TO ADDRESS

- We were appointed by the Company on 30 June 2014 to audit the financial statements for the year ending 31 December 2014 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 10 years, covering the years ended 31 December 2014 to 31 December 2023.
- Our audit engagement letter was refreshed on 12 April 2023. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

USE OF OUR REPORT

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 257 of the Gibraltar Companies Act 2014 and our engagement letter dated 12 April 2023 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

MARCUS BUTLER (NON-STATUTORY AUDITOR)

For and on behalf of Ernst & Young LLP, London

26 March 2024

DALE CRUZ (STATUTORY AUDITOR)

For and on behalf of EY Limited, Registered Auditors, Gibraltar

26 March 2024

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Revenue	2	**1,710.9**	1,238.8
Gaming duties		**(372.0)**	(256.3)
Other cost of sales		**(198.0)**	(188.1)
Exceptional items — cost of sales	3	**—**	3.9
Cost of sales		**(570.0)**	(440.5)
Gross profit		**1,140.9**	798.3
Marketing expenses		**(237.6)**	(257.8)
Operating expenses		**(819.1)**	(448.5)
Share of post-tax profit of equity accounted associate	4,14	**1.4**	0.3
Exceptional items — operating expenses	3	**(52.6)**	(97.1)
Operating profit/(loss)	5	**33.0**	(4.8)
Adjusted EBITDA[1]		**308.3**	217.9
Exceptional items — cost of sales and operating expenses	3	**(52.6)**	(93.2)
Fair value gain on financial assets	25	**4.1**	—
Foreign exchange gains/(losses)		**1.0**	(4.0)
Share benefit credit/(charge)	28	**0.5**	(5.2)
Depreciation and amortisation	12,13	**(228.3)**	(120.3)
Operating profit/(loss)	5	**33.0**	(4.8)
Finance income	7	**41.0**	0.8
Finance expenses	8	**(195.3)**	(111.7)
Loss before tax		**(121.3)**	(115.7)
Taxation credit/(charge)	9	**64.9**	(4.9)
Loss after tax		**(56.4)**	(120.6)
Equity holders of the Parent		**(56.4)**	(120.5)
Non-controlling interests		**—**	(0.1)
		(56.4)	(120.6)
Loss per share			
Basic (pence)	10	**(12.6)**	(28.3)
Diluted (pence)	10	**(12.6)**	(28.3)

1. Adjusted EBITDA is an Alternative Performance Measure ('APM') which does not have an IFRS standardised meaning. Refer to Appendix 1 — Alternative performance measures for further detail.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	**2023 £m**	2022 £m
Loss for the year		**(56.4)**	(120.6)
Items that may be reclassified subsequently to profit or loss (net of tax)			
Exchange differences on translation of foreign operations		**(22.8)**	2.5
Movement in cash flow hedging position		**(1.2)**	(14.4)
Items that will not be reclassified to profit or loss (net of tax)			
Remeasurement of severance pay liability		**(0.2)**	1.7
Actuarial remeasurement in defined benefit pension scheme		**1.8**	(0.8)
Tax on severance pay liability		**–**	0.6
Movement in hedging reserve		**–**	1.0
Movement in equity investment designated at fair value through OCI	15	**–**	(1.0)
Total other comprehensive loss for the year		**(22.4)**	(10.4)
Total comprehensive loss for the year		**(78.8)**	(131.0)
Total comprehensive loss for the year attributable to equity holders of the Parent		**(78.8)**	(130.9)
Total comprehensive loss for the year attributable to non-controlling interests		**–**	(0.1)

The notes on pages 105 to 154 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Note	**2023 £m**	2022[2] £m
Assets			
Non-current assets			
Goodwill and other intangible assets	12	**2,038.3**	2,208.3
Right-of-use assets	13	**78.0**	81.9
Property, plant and equipment	13	**91.7**	110.4
Investment in sublease		**1.0**	1.4
Investments in associates	14,15	**33.9**	38.4
Non-current prepayments	19	**2.8**	6.2
Derivative financial instruments	25	**15.8**	16.6
Deferred tax assets	26	**37.0**	5.2
		2,298.5	2,468.4
Current assets			
Cash and cash equivalents[1]	20	**256.2**	317.6
Trade and other receivables	19	**138.0**	132.7
Income tax receivable		**53.3**	35.2
Derivative financial instruments	25	**1.6**	2.0
Assets held for sale	17	**—**	6.9
		449.1	494.4
Total assets		**2,747.6**	2,962.8
Equity and liabilities			
Share capital	27	**2.2**	2.2
Share premium	27	**160.7**	160.7
Treasury shares		**(0.6)**	(0.9)
Foreign currency translation reserve		**1.8**	24.6
Hedging reserves		**(14.6)**	(13.4)
Retained earnings		**(69.6)**	(14.0)
Total equity		**79.9**	159.2
Liabilities			
Non-current liabilities			
Borrowings	23	**1,657.2**	1,697.5
Severance pay liability	6	**0.6**	1.2
Retirement benefit liability	29	**—**	1.2
Provisions	22	**104.8**	101.9
Deferred tax liability	26	**156.9**	216.0
Derivative financial instruments	25	**29.9**	17.4
Lease liabilities	18	**64.2**	65.0
		2,013.6	2,100.2
Current liabilities			
Borrowings	23	**3.9**	4.8
Trade and other payables	21	**374.7**	368.0
Provisions	22	**78.5**	111.5
Derivative financial instruments	25	**23.5**	20.8
Income tax payable	9	**22.3**	33.0
Lease liabilities	18	**23.4**	24.0
Customer deposits	21	**127.8**	141.3
		654.1	703.4
Total equity and liabilities		**2,747.6**	2,962.8

1. Cash and cash equivalents includes customer deposits of £127.8m (2022: £141.3m) which represent bank deposits matched by customer liabilities of an equal value. Cash and cash equivalents excludes restricted short-term deposits of £22.6m which are presented in Trade and other receivables (2022: £21.6m).
2. Since the disclosure of the provisional fair values for the acquisition of William Hill on 1 July 2022, an adjustment of £15.7m has been made to increase the fair value of provisions, with a related £4.4m reduction in deferred tax liabilities, and an equivalent movement in goodwill. This adjustment has been made after the 31 December 2022 year end accounts and during the measurement period. See note 16 and 22 for further details.

The consolidated financial statements on pages 100 to 104 were approved and authorised for issue by the Board of Directors on 26 March 2024 and were signed on its behalf by:

PER WIDERSTRÖM
Chief Executive Officer

SEAN WILKINS
Chief Financial Officer

The notes on pages 105 to 154 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital £m	Share premium £m	Treasury shares £m	Foreign currency translation reserve £m	Hedging reserve £m	Retained earnings £m	Non-controlling interests £m	Total £m
Balance at 1 January 2022	**1.9**	**2.5**	**(0.9)**	**22.1**	**—**	**98.8**	**0.1**	**124.5**
Loss after tax for the year	—	—	—	—	—	(120.5)	(0.1)	(120.6)
Other comprehensive income/(expense) for the year	—	—	—	2.5	(13.4)	0.5	—	(10.4)
Total comprehensive income/(expense)	**—**	**—**	**—**	**2.5**	**(13.4)**	**(120.0)**	**(0.1)**	**(131.0)**
Issue of shares (equity placing)	0.3	158.2	—	—	—	—	—	158.5
Equity settled share benefit charges (note 28)	—	—	—	—	—	7.9	—	7.9
Acquisition of treasury shares	—	—	(0.7)	—	—	—	—	(0.7)
Exercise of Deferred Share Bonus Plan	—	—	0.7	—	—	(0.7)	—	—
Balance at 31 December 2022	**2.2**	**160.7**	**(0.9)**	**24.6**	**(13.4)**	**(14.0)**	**—**	**159.2**
Loss after tax for the year	—	—	—	—	—	(56.4)	—	(56.4)
Other comprehensive (expense)/income for the year	—	—	—	(22.8)	(1.2)	1.6	—	(22.4)
Total comprehensive expense	**—**	**—**	**—**	**(22.8)**	**(1.2)**	**(54.8)**	**—**	**(78.8)**
Equity settled share benefit credit (note 28)	—	—	—	—	—	(0.5)	—	(0.5)
Exercise of Deferred Share Bonus Plan	—	—	0.3	—	—	(0.3)	—	—
Balance at 31 December 2023	**2.2**	**160.7**	**(0.6)**	**1.8**	**(14.6)**	**(69.6)**	**—**	**79.9**

The following describes the nature and purpose of each reserve within equity.

Share capital — represents the nominal value of shares allotted, called-up and fully paid.

Share premium — represents the amount subscribed for share capital in excess of nominal value.

Treasury shares — represents reacquired own equity instruments. Treasury shares are recognised at cost and deducted from equity.

Foreign currency translation reserve — represents exchange differences arising from the translation of all Group entities that have functional currency different from £.

Hedging reserve — represents changes in the fair value of derivative financial instruments designed in a hedging relationship.

Retained earnings — represents the cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income and other transactions with equity holders.

The notes on pages 105 to 154 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Note	**2023 £m**	2022 £m
Cash flows from operating activities			
Loss before income tax		**(121.3)**	(115.7)
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	13	**46.3**	30.8
Amortisation	12	**182.0**	89.5
Interest income	7	**(41.0)**	(0.8)
Interest expenses	8	**195.3**	111.7
Income tax paid		**(30.1)**	(35.1)
Fair value gain on financial assets		**(4.1)**	—
Share of post-tax loss of equity accounted associate		**(1.4)**	(0.3)
Non-cash exceptional items		**5.9**	52.3
Profit on sale of businesses	16	**0.3**	—
Movement on ante post and other financial derivatives		**7.6**	2.3
Profit on sale of freehold properties via sale and leaseback		**(4.6)**	—
Gain on disposal of property, plant and equipment		**(1.1)**	(0.3)
Share benefit (credit)/charge	28	**(0.5)**	5.2
Cash generated from operating activities before working capital movement		**233.3**	139.6
Increase in receivables		**(1.9)**	(50.3)
Decrease in customer deposits		**(13.4)**	(9.2)
Decrease in trade and other payables		**(39.6)**	(100.3)
Decrease in provisions		**(27.0)**	(10.0)
Net cash generated from/(used in) operating activities		**151.4**	(30.2)
Cash flows from investing activities			
Acquisition of intangible assets		**(62.9)**	(67.9)
Acquisition of property, plant and equipment	13	**(7.4)**	(8.9)
Proceeds from sale of businesses	16	**19.2**	32.5
Proceeds on sale and leaseback of freehold properties		**22.6**	—
Proceeds from sale of property, plant and equipment		**1.9**	0.5
Loans to related parties		**(4.3)**	—
Interest received	7	**3.9**	0.8
Dividend received from associate	14	**5.9**	0.9
Acquisition of William Hill (net of cash acquired)	16	**—**	(386.8)
Net cash used in investing activities		**(21.1)**	(428.9)
Cash flows from financing activities			
Payment of lease liabilities	18	**(31.8)**	(21.5)
Settlement of derivatives	25	**(10.8)**	—
Interest paid		**(142.0)**	(75.6)
Repayment of loans	23	**(4.0)**	(1,503.2)
Issue of shares — equity placing	27	**—**	158.5
Proceeds from loans	23	**—**	2,163.1
Loan transaction fees		**—**	(132.3)
Acquisition of treasury shares		**—**	(0.7)
Net cash (used in)/generated from financing activities		**(188.6)**	588.3
Net (decrease)/Increase in cash and cash equivalents		**(58.3)**	129.2
Net foreign exchange difference		**(3.1)**	(1.0)
Cash and cash equivalents at the beginning of the year	20	**317.6**	189.4
Cash and cash equivalents at the end of the year	20	**256.2**	317.6

The notes on pages 105 to 154 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

GENERAL INFORMATION

Company description

888 Holdings Plc (the 'Company') and its subsidiaries (together the 'Group') was founded in 1997 in the British Virgin Islands and since 17 December 2003 has been domiciled in Gibraltar (Company number 90099). On 4 October 2005, the Company listed on the London Stock Exchange.

Definitions

In these financial statements:

The Company	888 Holdings PLC.
The Group	888 Holdings PLC and its subsidiaries.
Subsidiaries	Companies over which the Company has control (as defined in IFRS 10 — Consolidated Financial Statements) and whose accounts are consolidated with those of the Company.
Related parties	As defined in IAS 24 'Related Party Disclosures'.
Associates	As defined in IAS 28 'Investments in Associates and Joint Ventures'.

1 ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are as follows:

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with UK adopted international accounting standards and in accordance with the requirements of the Gibraltar Companies Act 2014. The consolidated financial statements have been prepared on a historical cost basis, except where certain assets or liabilities are held at amortised cost or at fair value as described in the Group's accounting policies.

All values are rounded to the closest hundred thousand, except when otherwise indicated.

The significant accounting policies applied in the consolidated financial statements in the prior year have been applied consistently in these consolidated financial statements, except for the amendments to accounting standards effective for the annual periods beginning on 1 January 2023. These are described in more detail below.

As a Company incorporated in Gibraltar, 888 Holdings Plc is not required by UK law or regulation to prepare the Directors' Remuneration or Strategic reports under regulation that applies to UK incorporated companies. However, by virtue of 888's Premium Listing on the London Stock Exchange and reflecting the Directors' approach to good governance and investor expectation, we have prepared these reports in line with the requirements under the UK Companies Act 2006.

The Directors' Remuneration Report, set out on pages 66 to 82, has been voluntarily prepared in accordance with sections 420 to 422 UK Companies Act 2006.

The information given in the Strategic Report, set out on pages 2 to 43, has been voluntarily prepared in accordance with section 414 UK Companies Act 2006.

Going concern

Background

The financial statements have been prepared using the going concern basis of accounting. As at the year end, the Group had net assets of £79.9m (2022: £159.2m) and incurred a statutory loss before tax of £121.3m during the year (2022: £115.7m loss). The Group also had net current liabilities of £205.0m (2022: £209.0m).

A full description of the Group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, is set out in the Strategic Report on pages 2 to 43, and in notes 23 to 25 to these financial statements.

Business planning and performance management

The Group has robust forecasting and monitoring processes which consist of weekly monitoring and careful management of liquidity, an annual budget and a long-term plan, which generates income statement and cash flow projections for assessment by management and the Board. Forecasts are regularly compared with prior forecasts and current trading to identify variances and understand their future impact so management can act where appropriate. Analysis is undertaken to review and sense check the key assumptions, including the integration and transformation programmes, underpinning the forecasts.

Whilst there are risks to the Group's trading performance (as summarised in the Risks section of the Strategic Report on pages 30 to 41), the Group has established risk management processes to identify and mitigate risks, and such risks have been considered when undertaking the going concern evaluation for the period to 30 June 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

1 ACCOUNTING POLICIES CONTINUED

Going concern continued

The Group's future prospects

As highlighted in note 24 to the financial statements, the Group meets its day-to-day working capital requirements from the positive cash flows generated by its trading activities and its available cash resources. The Group holds cash and cash equivalents excluding customer balances and restricted cash of £128.4m as at 31 December 2023 (2022: £176.3m). In addition to this the Group has access, until 31 December 2027, to a £150m Revolving Credit Facility, which was undrawn as of 31 December 2023.

The Group entered into significant debt arrangements in the previous year to fund the acquisition of the William Hill business (also described in note 24). Other than an annual $5.0m repayment on the TLB facility, no borrowings are due within the period of the going concern evaluation or in the period soon after it. The next due date on the Group's debt is in 2026 and the majority is repayable in 2027-28. The Group's Revolving Credit Facility contains a net leverage covenant which is not restrictive in the base case, downside or reverse stress test scenarios. The remainder of the Group's debt does not contain any financial covenants.

The Group's forecasts, for the going concern evaluation period to 30 June 2025, based on reasonable assumptions including, in the base case, a 10% increase in 2024 revenue coupled with higher marketing investment, indicate that the Group will be able to operate within the level of its currently available and expected future facilities for this period to 30 June 2025. Under the base case forecast, the Group has sufficient cash reserves and available facilities to enable it to meet its obligations as they fall due, for this going concern evaluation period to 30 June 2025.

The Group has also assessed a range of downside scenarios to evaluate whether any material uncertainty exists relating to the Group's ability to continue as a going concern. The forecasts and scenarios consider severe but plausible downsides that could impact the Group, which are linked to the business risks identified by the Group. These scenarios, both individually and in combination, have enabled the Directors to conclude that the Group has adequate resources to continue to operate for the foreseeable future.

Specifically, the Directors have given careful consideration to the regulatory and legal environment in which the Group operates. Downside sensitivities have been run, individually and in aggregate, to assess the impact of the following scenarios:

- Reductions in revenue reflecting a lower return on marketing investment than budgeted;
- Reductions in profitability for the Group of 10% to reflect potential regulatory, macroeconomic and competitive pressures;
- An increase in interest expense as a result of higher interest rates on the Group's remaining floating rate debt;
- The phasing of cash outflows relating to regulatory and other provisions and accrual settlements; and
- A 10% increase in the Group's capex spend as a result of execution delays or product overspends.

Management has performed a separate reverse stress test to identify the conditions that would be required to compromise the Group's liquidity. Having done so, management has identified further actions to conserve or generate cash to mitigate any impact of such a scenario occurring. Management has calculated mitigating cost savings that can be implemented by reducing variable operating expenditure to offset a reduction in cash generation resulting from lower profitability. Following these actions, the Group could withstand a decrease in forecast adjusted EBITDA of 38%. The Board considers the likelihood of a decline of this magnitude to be remote. Other initiatives, not directly in the Group's control at the date of approval of these financial statements, could be considered including the disposal of non-core assets and investments.

Should a more extreme downside scenario occur, or mitigations and initiatives not be achieved, further mitigating actions that can be executed in the necessary timeframe could be taken, such as a temporary reduction of marketing expenditures.

Conclusion

Based on the above considerations, the Directors continue to adopt the going concern basis in preparing these financial statements.

New standards, interpretations and amendments adopted by the Group

In preparing the Group financial statements for the current period, the Group has adopted the following new IFRSs, amendments to IFRSs and IFRS Interpretations Committee (IFRIC) interpretations. All standards do not have a significant impact on the results or net assets of the Group. Changes are detailed below:

IFRS 17	Insurance Contracts (effective 1 January 2023)
IAS 1 (amended)	Disclosure of Accounting Policies (effective 1 January 2023)
IAS 8 (amended)	Definition of Accounting Estimates (effective 1 January 2023)
IAS 12 (amended)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
IAS 12 (amended)	International Tax Reform — Pillar Two Model Rules (effective 1 January 2023)

Standards in issue but not effective

At the date of authorisation of the Group financial statements, the following amendments and Interpretations, which have not been applied in these Group financial statements, were in issue but not yet effective:

1 ACCOUNTING POLICIES CONTINUED

New standards, interpretations and amendments adopted by the Group continued

Amendments and interpretations

IAS 1 (amended)	Classification of Liabilities as Current or Non-current (effective 1 January 2024)
IAS 7 and IFRS 17 (amended)	Supplier Finance Arrangements (effective 1 January 2024)
IAS 21 (amended)	Lack of Exchangeability (effective 1 January 2024)
IFRS 16 (amended)	Lease Liabilities in a Sale and Leaseback (effective 1 January 2024)

The Group does not currently consider that the adoption of these new standards or amendments would have a material effect on the results or financial position of the Group.

Impact of climate change

The business continues to consider the impact of climate change in the consolidated and Company financial statements and recognise that the most impactful risks are around the cancellation of sporting events due to extreme weather and the longer-term cost of energy.

Further, the Group has assessed the impact of climate change in the work on going concern, viability statement and impairment reviews and considers that the above risks have been factored into these future forecasts. The Group constantly monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will impact the Group. The Group will adjust key assumptions in value in use calculations and sensitise these calculations if a change is required.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described below, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where it affects only that period or in the period and future periods if it affects both current and future periods.

Critical accounting judgements

Internally generated intangible assets

Costs relating to internally generated intangible assets are capitalised if the criteria for recognition as assets are met. The initial capitalisation of costs is based on management's judgement that technological and economic feasibility criteria are met. In making this judgement, management considers the progress made in each development project and its latest forecasts for each project. Other expenditure is charged to the Consolidated Income Statement in the year in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. For further information see note 12.

Leases

Management considers the key judgement to be the assessment of the lease term at the point where the lessee can be reasonably certain of its right to use the underlying asset.

Given the number of shop closures in the Retail estate historically, management determined the lease term under IFRS 16 across the Retail estate as the next available break date, as the Group is not 'reasonably certain' that any lease break will not be exercised. The Group has recognised a lease liability of £87.6m at 31 December 2023 (31 December 2022: £89.0m).

Exceptional and adjusted items

The Group classifies and presents certain items of income and expense as exceptional items. The Group presents adjusted performance measures which differ from statutory measures due to exclusion of exceptional items and certain non-cash items as the Group considers that it allows a further understanding of the underlying financial performance of the Group. These measures are described as 'adjusted' and are used by management to measure and monitor the Group's underlying financial performance. Non-cash items that are excluded from adjusted performance measures of underlying financial performance include amortisation of acquired intangibles, amortisation of finance fees, share benefit charges and foreign exchange differences. Refer to Appendix 1 for further detail.

The Group considers any items of income and expense for classification as exceptional if they are one off in nature and by virtue of their size. The items classified as exceptional (and are excluded from the adjusted measures) are described in further detail in note 3.

Significant accounting estimates

The following are the Group's major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

1 ACCOUNTING POLICIES CONTINUED

Critical accounting judgements continued

Impairment of goodwill

For the purposes of impairment testing under IAS 36 Impairment of Assets, CGUs are grouped to reflect the level at which goodwill is monitored by management. The key judgement is the level at which the impairment tests are performed. Management has allocated goodwill to Retail on a group of CGUs basis, International on a group of CGUs basis and UK&I Online as its own CGU as this is the lowest level at which it is practical to monitor goodwill. These are the levels at which goodwill is assessed for impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Cash flows are forecast for periods up to five years. The key assumptions used in the model are based on historical experience and other factors that are considered to be relevant, including growth rates and discount rates. For further information see note 12.

Provisions, contingent liabilities and regulatory matters

The Group makes a number of estimates in respect of the accounting for, and disclosure of, expenses and contingent liabilities for customer claims. Provisions are described in further detail in note 22 and contingent liabilities in note 31.

In common with other businesses in the gambling sector the Group receives claims from customers relating to the provision of gambling services. Claims have been received from customers in a number of (principally European) jurisdictions and allege either failure to follow responsible gambling procedures, breach of licence conditions or that underlying contracts in question are null and void given local licensing regimes.

The Group has recognised a provision and contingent liability for customer claims in Austria and Germany where the business has been subject to a particular acceleration of claims since 2020 following marketing campaigns by litigation funders in those jurisdictions. Customers who have obtained judgement against the Group's entities in the Austrian and German courts have sought to enforce those judgements in Malta and Gibraltar. These are being defended on the basis of a public policy argument. The provisions held for the Group relating to these claims is £113.0m (2022: £112.3m), mostly related to the Mr Green brand.

The value of the provision and contingent liability are both estimates based on the number and individual size of claims received to date and assumptions based on such observations as can be derived from those claims and include an estimate of claims the Group assesses it probable, for the provision, and possible, for the contingent liability, that it will receive in the future. If these rates of receipt of claims were to increase by 25% compared to the Group's expectation, the value across the provision recognised and contingent liability disclosed would increase by £7.0m before consideration of potential gaming tax reclaim.

Identification and valuation of William Hill intangible assets

In the prior year, the Group acquired the International (non-US) business of William Hill on 1 July 2022 for an enterprise value of £1.73 billion. Since the disclosure of the provisional fair values in the prior year end accounts and during the measurement period, an adjustment of £15.7m has been made to increase the fair value of provisions in relation to the customer claims in Germany, and an equivalent increase in goodwill has been recognised. See note 16 for further details of the change.

As part of the purchase price allocation the Group recognised separately identifiable acquired intangible assets comprising brands (£574.4m), customer relationships (£595.1m) and gambling licences (£8.5m). Goodwill of £776.6m was recognised on acquisition. The estimate of the value of each class of asset described above is based on recognised valuation methodologies such as the 'relief from royalty' method for brands, recognised industry comparative data and the Group's industry experience and specialist knowledge and is therefore a significant accounting estimate. A 5% increase/decrease in estimated customer churn rates would (decrease)/increase the fair value of customer relationships by (£123.0m)/£176.0m respectively. Note that consideration of provisions and contingent liabilities identification and valuation on acquisition are considered in the provision, contingent liabilities and regulatory matters section above. This was an area where the Group made significant accounting estimates.

Further, the Group exercised judgement in determining the intangible assets acquired and their fair value on the William Hill business combination, with the support of external experts to support the valuation process, where appropriate. See note 16 for additional information. These estimates and judgements only relate to the prior year.

1 ACCOUNTING POLICIES CONTINUED

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. The subsidiaries are companies controlled by 888 Holdings PLC. Control exists where the Company has power over an entity; exposure, or rights, to variable returns from its involvement with an entity; and the ability to use its power over an entity to affect the amount of its returns. Subsidiaries are consolidated from the date the Parent gained control until such time as control ceases.

The financial statements of subsidiaries are included in the consolidated financial statements using the purchase method of accounting. On the date of the acquisition, the assets and liabilities of a subsidiary are measured at their fair values and any excess of the fair value of the consideration over the fair values of the identifiable net assets acquired is recognised as goodwill.

Intercompany transactions and balances are eliminated on consolidation.

The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

Revenue

Revenue is measured at the fair value of the consideration received or receivable from customers and represents amounts receivable for goods and services that the Group is in business to provide, net of discounts, marketing inducements and VAT, as set out below.

In the case of licensed betting offices (LBO) (including gaming machines), online sportsbook and telebetting and online casino (including games on the Online arcade and other numbers bets) revenue represents gains and losses from gambling activity in the period. This revenue is treated as a derivative under IFRS 9 'Financial Instruments' and is therefore out of scope of IFRS 15 'Revenue from Contracts with Customers'. Open positions are carried at fair value, and gains and losses arising on this valuation are recognised in revenue, as well as gains and losses realised on positions that have closed.

Revenue from the Online poker business is within the scope of IFRS 15 'Revenue from Contracts with Customers' and reflects the net income (rake) earned when a poker game is completed, which is when the performance obligation is deemed to be satisfied.

Revenue from Business to Business (B2B) is mainly comprised of services provided to business partners. B2B also includes fees from the provision of certain gaming-related services to partners. Customer advances received are treated as deferred income within current liabilities and released as they are earned.

For services provided to business partners through its B2B unit, the Group examines whether the nature of its promise is a performance obligation to provide the defined goods or services itself, which means the Group is a principal and therefore recognises revenue as the gross amount of the revenue generated from use of the Group's platform in online gaming activities with the partners' share of the revenue charged to marketing expenses; or to arrange that another party provide the goods or services which means the Group is an agent and therefore recognises revenue as the amount of the net commission from use of the Group's platform.

The Group is a principal when it controls the promised goods or services before their transfer to the customer. Indicators that the Group controls the goods or services before their transfer to the customer include, inter alia, as follows: The Group is the primary obligor for fulfilling the promises in the contract; the Group has inventory risk before the goods or services are transferred to the customer; and the Group has discretion in setting the prices of the goods or services.

Cost of sales

Cost of sales consists primarily of gaming duties, payment service providers' commissions, chargebacks, commission and royalties payable to third parties, all of which are recognised on an accruals basis.

Operating expenses

Operating expenses consist primarily of marketing, staff costs and corporate professional expenses, all of which are recognised on an accruals basis.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each period end date. Actuarial remeasurements are recognised in full in the period in which they occur. They are recognised outside profit or loss and presented in the Consolidated Statement of Comprehensive Income.

The net retirement benefit asset or obligation recognised in the Consolidated Statement of Financial Position represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any net asset resulting from this calculation is not recognised on the balance sheet as this is expected to be used to meet the costs of eventual wind-up of the plan rather than refunded to the Company in practice.

1 ACCOUNTING POLICIES CONTINUED

Foreign currency

Monetary assets and liabilities denominated in currencies other than the functional currency of the relevant Company are translated into that functional currency using year-end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rates prevailing at the dates of the transactions. Exchange rate differences on foreign currency transactions are included in financial income or financial expenses in the Consolidated Income Statement, as appropriate.

The results and financial position of all Group entities that have a functional currency different from pound sterling are translated into the presentation currency at foreign exchange rates as set out below. Exchange differences arising, if any, are recorded in the Consolidated Statement of Comprehensive Income as a component of other comprehensive income.

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; and

(ii) income and expenses for each income statement are translated at an average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

Finance income

Finance income relates to interest income and is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Finance costs

Finance costs arising on interest-bearing financial instruments carried at amortised cost are recognised in the Consolidated Income Statement using the effective interest rate method. Finance costs include the amortisation of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortisation of any other differences between the amount initially recognised and the redemption price.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other periods, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the period end date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the period end date. Deferred tax is charged or credited in the Consolidated Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities arising from the implementation of the global minimum tax rules published by the Organization for Economic Cooperation and Development (OECD), so-called Pillar Two income taxes, as required under IAS 12.

Goodwill

Goodwill represents the excess of the fair value of the consideration in a business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Consideration comprises the fair value of any assets transferred, liabilities assumed and equity instruments issued.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated Income Statement and not subsequently reversed. Where the fair values of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the Consolidated Income Statement on the acquisition. Changes in the fair value of the contingent consideration and direct costs of acquisition are charged or credited immediately to the Consolidated Income Statement.

1 ACCOUNTING POLICIES CONTINUED

Intangible assets

Acquired intangible assets

Intangible assets arising on acquisitions are recorded at their fair value.

Amortisation is provided at rates calculated to write off the valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Acquired brands	assessed separately for each asset, with lives ranging up to 30 years
Customer relationships	between 18 months and 13 years
Bookmaking and mobile technology	between three and five years
Licences	10 to 20 years

Amortisation of assets arising on acquisition is recognised as an adjusted item, please see note 3 for further information.

Internally generated intangible assets

An internally generated intangible asset arising from the Group's development of computer systems is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Expenditure incurred on development activities of gaming platforms is capitalised only when the expenditure will lead to new or substantially improved products or processes, the products or processes are technically and commercially feasible and the Group has sufficient resources to complete development. All other development expenditure is expensed. Subsequent expenditure on intangible assets is capitalised only where it clearly increases the economic benefits to be derived from the asset to which it relates. The Group estimates the useful life of these assets as between three and five years.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Assets are assessed at each balance sheet date for indicators of impairment.

Depreciation is calculated using the straight-line method, at annual rates estimated to write off the cost of the assets less their estimated residual values over their expected useful lives. The annual depreciation rates are as follows:

Freehold buildings	50 years
Long leasehold properties	50 years
Short leasehold properties	over the unexpired period of the lease
Short leasehold improvements	the shorter of ten years or the unexpired period of the lease
Fixtures, fittings and equipment and motor vehicles	at variable rates between three and ten years
Right-of-use asset	reasonably certain lease term

Impairment of non-financial assets

An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. At each period end date, the Group reviews the carrying amounts of its goodwill, property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. This process is described in more detail in note 12 to the financial statements.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Other than for goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the point that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

1 ACCOUNTING POLICIES CONTINUED

Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date. The fair value related disclosures are included in notes 24 and 25. Fair value is the price that would be received or paid in an orderly transaction between market participants at a particular date, either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for that asset or liability accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

IFRS 13 'Fair Value Measurement' emphasises that fair value is a market-based measurement, not an entity-specific measurement. Therefore, fair value measurements under IFRS 13 should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, IFRS 13 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs utilise quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the asset or liability.

Assets held for sale

Assets categorised as held for sale are held on the Consolidated Statement of Financial Position at the lower of the book value and fair value less costs to sell. This assessment is carried out when assets are transferred to held for sale. The impact of any adjustment as a part of this assessment is booked through the Consolidated Income Statement.

Cash and cash equivalents

Cash comprises cash in hand, balances with banks and on-demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. They include short-term deposits originally purchased with maturities of three months or less.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost and principally comprise amounts due from credit card companies and from e-payment companies. The Group has applied IFRS 9's simplified approach and has calculated the 'expected credit losses' (ECLs) based on lifetime of expected credit losses. Bad debts are written off when there is objective evidence that the full amount may not be collected.

Equity

Equity issued by the Company is recorded as the proceeds received from the issue of shares, net of direct issue costs.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium account.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Board of Directors and paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

Equity-settled share benefit charges

Where the Company grants its employees or contractors shares or options, the cost of those awards, recognised in the Consolidated Income Statement over the vesting period with a corresponding increase in equity, is measured with reference to the fair value at the date of grant. Market performance conditions are taken into account in determining the fair value at the date of grant. Non-market performance conditions, including service conditions, are taken into account by adjusting the number of instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments that eventually vest.

1 ACCOUNTING POLICIES CONTINUED

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised within employee benefits expenses. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability, further details of which are given in note 28. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Severance pay schemes

The Group operates two severance pay schemes:

Defined benefit severance pay scheme

The Group operates a defined benefit severance pay scheme pursuant to the Severance Pay Law in Israel. Under this scheme Group employees are entitled to severance pay upon redundancy or retirement. The liability for termination of employment is measured using the projected unit credit method.

Severance pay scheme surpluses and deficits are measured as:

- the fair value of plan assets at the reporting date; less
- plan liabilities calculated using the projected unit credit method, discounted to its present value using yields available for the appropriate government bonds that have maturity dates appropriate to the terms of the liabilities.

Remeasurements of the net severance pay scheme assets and liabilities, including actuarial gains and losses on the scheme liabilities due to changes in assumptions or experience within the scheme and any differences between the interest income and the actual return on assets, are recognised in the Consolidated Statement of Comprehensive Income in the period in which they arise.

Defined contribution severance pay scheme

In 2017 the Group introduced a defined contribution plan pursuant to section 14 of the Severance Pay Law. Under this scheme the Group pays fixed monthly contributions. Payments to defined contribution plans are charged as an expense as they fall due.

Borrowings

The Group records bank and other borrowings initially at fair value, which equals the proceeds received, or acquired in a business transaction, net of direct issue costs, and subsequently at amortised cost. The Group accounts for finance charges, including premiums payable on settlement or redemption and direct issue costs, using the effective interest rate method.

Derivatives and hedging activities

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether or not the derivative is designated for hedge accounting.

Hedge accounting

The Company designates certain derivatives as hedging instruments as either:

- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges).

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge, and on an ongoing basis, the Company documents whether a hedging relationship meets the hedge effectiveness requirements under IFRS 9 and whether there continues to be an economic relationship between the hedged item and the hedging instrument.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately within profit and loss.

Amounts previously recognised in other comprehensive income are reclassified to earnings in the periods when the hedged item is recognised in profit and loss. These earnings are included within the same line of the Consolidated Income Statement as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. Any gain or loss recognised in the cash flow hedge reserve remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

1 ACCOUNTING POLICIES CONTINUED

Hedge accounting continued

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in finance income/expense.

Leasing

At inception of a contract, the Group considers whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using an appropriate discount rate. The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. The Group uses an incremental borrowing rate for its leases, which is determined based on the margin requirements of the Group's revolving credit facilities as well as country specific adjustments. A right-of-use asset is also recognised equal to the lease liability and depreciated over the period from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the lease term. The Group has assessed the lease term of properties within its retail estate to be up to the first available contractual break within the lease. The Group has deemed that it cannot be reasonably certain that it will continue beyond this time given the continued uncertainty surrounding the Group's retail business.

The Group has also applied the below practical expedients:

- exclude leases from measurement and recognition where the lease term ends within 12 months from the date of initial application and account for those leases as short-term leases;
- exclude low value leases for lease values less than £5,000;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- use hindsight to determine the lease term if the contract contains options to extend or terminate; and
- exclude initial direct lease costs in the measurement of the right-of-use asset.

The Group has a small number of sublet properties. In these instances, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Where the Group is an intermediate lessor, the sublease classification is assessed with reference to the head lease right-of-use asset. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the lease. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment in the lease. Rental income from operating leases is recognised on a straight-line basis over the term of the lease. IFRS 16 requires lessees to recognise right-of-use assets and lease liabilities for most leases.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost.

Provisions

Provisions are recognised when the Group has a present or constructive obligation as a result of a past event from which it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

Liabilities to customers

Liabilities to customers comprise the amounts that are credited to customers' bankroll (the Group's electronic 'wallet'), including provision for bonuses granted by the Group, less fees and charges applied to customer accounts, along with full progressive provision for jackpots. These amounts are repayable in accordance with the applicable terms and conditions.

2 SEGMENT INFORMATION

The Board has reviewed and confirmed the Group's reportable segments in accordance with the requirements of IFRS 8 'Operating Segments'. The segments disclosed below are aligned with the reports that the Group's Chief Executive Officer and Chief Financial Officer as Chief Operating Decision Makers review to make strategic decisions.

The Retail segment comprises all activity undertaken in LBOs including gaming machines. The UK&I Online segment comprises all online activity, including sports betting, casino, poker and other gaming products along with telephone betting services that are incurred within the UK and Ireland. The International segment comprises all online activity, including sports betting, casino, poker and other gaming products along with telephone betting services that are incurred within all territories excluding the UK and Ireland. There are no inter-segmental sales within the Group.

Segment performance is shown on an adjusted EBITDA basis, with a reconciliation from adjusted EBITDA to statutory results for clarity. Information for the year ended 31 December 2023 is as follows:

2023	Retail £m	UK&I Online £m	International £m	Corporate £m	Total £m
Revenue[1]	**535.0**	**658.5**	**517.4**	**—**	**1,710.9**
Gaming duties and other cost of sales	(115.4)	(246.6)	(207.2)	—	**(569.2)**
Adjusted gross profit	**419.6**	**411.9**	**310.2**	**—**	**1,141.7**
Marketing	(6.5)	(134.5)	(96.8)	—	**(237.8)**
Contribution	**413.1**	**277.4**	**213.4**	**—**	**903.9**
Operating expenses	(314.2)	(125.1)	(114.0)	(43.7)	**(597.0)**
Associate income	—	—	—	1.4	**1.4**
Adjusted EBITDA	**98.9**	**152.3**	**99.4**	**(42.3)**	**308.3**
Depreciation					**(46.3)**
Amortisation (excluding acquired intangibles)					**(67.7)**
Amortisation of acquired intangibles					**(114.3)**
Exceptional items					**(52.6)**
Fair value gain on financial assets					**4.1**
Share benefit credit					**0.5**
Foreign exchange					**1.0**
Finance expenses					**(195.3)**
Finance income					**41.0**
Loss before tax					**(121.3)**

1. Revenue recognised under IFRS 9 is £535.0m in Retail, £658.5m in UK&I Online and £486.9m in International. Revenue recognised under IFRS 15 is £nil in Retail, £nil in UK&I Online and £30.5m in International.

	Retail £m	UK&I Online £m	International £m	Corporate £m	Total £m
Total segment assets	516.2	1,292.4	759.3	89.4	**2,657.3**
Total segment liabilities	173.3	265.7	219.6	1,829.9	**2,488.5**
Included within total segment assets:					
Goodwill	99.4	357.9	306.0	—	**763.3**
Interests in associates	—	—	—	33.9	**33.9**
Capital additions	4.6	11.2	66.3	2.2	**84.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

2 SEGMENT INFORMATION CONTINUED

2022	Retail £m	UK&I Online £m	International £m	Other[2] £m	Corporate £m	Total £m
Revenue[1]	**255.5**	**455.5**	**508.3**	**19.5**	**—**	**1,238.8**
Gaming duties and other cost of sales	(55.0)	(163.7)	(184.7)	(10.5)	—	(413.9)
Adjusted gross profit	**200.5**	**291.8**	**323.6**	**9.0**	**—**	**824.9**
Marketing	(3.3)	(148.1)	(105.2)	(2.5)	—	(259.1)
Contribution	**197.2**	**143.7**	**218.4**	**6.5**	**—**	**565.8**
Operating expenses	(156.0)	(82.1)	(100.1)	(4.8)	(5.2)	(348.2)
Associate income	—	—	—	—	0.3	0.3
Adjusted EBITDA	**41.2**	**61.6**	**118.3**	**1.7**	**(4.9)**	**217.9**
Depreciation						(30.8)
Amortisation (excluding acquired intangibles)						(32.8)
Amortisation of acquired intangibles						(56.7)
Exceptional items — cost of sales and operating expenses						(93.2)
Share benefit charge						(5.2)
Foreign exchange						(4.0)
Finance expenses						(111.7)
Finance income						0.8
Loss before tax						**(115.7)**

1. Revenue recognised under IFRS 9 is £255.5m in Retail, £455.5m in UK&I Online, £502.7m in International and £10.9m in Other. Revenue recognised under IFRS 15 is £nil in Retail, £nil in UK&I Online, £5.6m in International and £8.6m in Other.
2. 'Other' represents the Bingo business that was disposed of during 2022. See note 16 for further information.

	Retail £m	UK&I Online £m	International £m	Corporate £m	Total £m
Total segment assets	542.6	1,394.9	973.2	11.7	2,922.4
Total segment liabilities	176.3	341.6	578.0	1,458.7	2,554.6
Included within total assets:					
Goodwill	99.4	359.8	338.1	—	797.3
Interests in associates	—	—	—	38.4	38.4
Capital additions	13.4	24.6	68.3	1.1	107.4

Geographical information

The Group's performance can also be reviewed by considering the geographical markets and geographical locations within which the Group operates. This information is outlined below:

Revenue by geographical market (based on location of customer)

	2023 £m	2022 £m
United Kingdom & Ireland	**1,193.5**	711.9
Rest of World	**274.6**	343.1
Italy	**149.9**	116.4
Spain	**92.9**	67.4
	1,710.9	1,238.8

Non-current assets by geographical location

	2023 £m	2022 £m
United Kingdom & Ireland	**495.8**	536.0
Gibraltar	**1,130.5**	1,194.3
Rest of World	**635.2**	732.9
	2,261.5	2,463.2

3 EXCEPTIONAL ITEMS AND ADJUSTMENTS

In determining the classification and presentation of exceptional items we have applied consistently the guidelines issued by the Financial Reporting Council (FRC) that primarily addressed the following:

- Consistency and even-handedness in classification and presentation;
- Guidance on whether and when recurring items should be considered as part of underlying results; and
- Clarity in presentation, explanation and disclosure of exceptional items and their relevance.

In preparing the Annual Report and Accounts, we also note the European Securities and Markets Authority (ESMA) guidance on Alternative Performance Measures (APM), including:

- Clarity of presentation and explanation of the APM;
- Reconciliation of each APM to the most directly reconcilable financial statement caption;
- APMs should not be displayed with more prominence than statutory financials;
- APMs should be accompanied by comparatives; and
- The definition and calculation of APMs should be consistent over time.

We are satisfied that our policies and practice conform to the above guidelines.

Adjusted results

The Group reports adjusted results, both internally and externally, that differ from statutory results prepared in accordance with IFRS. These adjusted results, which include our key metrics of adjusted EBITDA and adjusted EPS, are considered to be a useful reflection of the underlying performance of the Group and its businesses, since they exclude items which impair visibility of the underlying activity in each segment. More specifically, visibility can be impaired in one or both of the following instances:

- a transaction is of such a material or infrequent nature that it would obscure an understanding of underlying outcomes and trends in revenues, costs or other components of performance (for example, a significant impairment charge); or
- a transaction that results from a corporate activity that has neither a close relationship to the Group's operations nor any associated operational cash flows (for example, the amortisation of intangibles recognised on acquisitions).

Adjusted results are used as the primary measures of business performance within the Group and align with the results shown in management accounts, with the key uses being:

- management and Board reviews of performance against expectations and over time, including assessments of segmental performance (see note 2 and the Strategic Report);
- in support of business decisions by the Board and by management, encompassing both strategic and operational levels of decision-making.

The Group's policies on adjusted measures are consistently applied over time, but they are not defined by IFRS and, therefore, may differ from adjusted measures as used by other companies.

The Consolidated Income Statement presents adjusted results alongside statutory measures, with the reconciling items being itemised and described below. We discriminate between two types of reconciling items: exceptional items and adjusted items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

3 EXCEPTIONAL ITEMS AND ADJUSTMENTS CONTINUED

Exceptional items

Exceptional items are those items the Directors consider to be one-off or material in nature that should be brought to the reader's attention in understanding the Group's financial performance.

Exceptional items are as follows:

	2023 £m	2022 £m
Cost of sales		
Retroactive duties and associated credit	–	(3.9)
Exceptional items — cost of sales	–	(3.9)
Operating expenses		
Corporate transaction related (income)/costs	(0.1)	36.2
Integration and transformation costs	49.3	14.4
Regulatory provisions and other associated costs	3.4	—
Impairment of US goodwill and other assets	–	55.7
Revaluation of contingent consideration	–	(9.2)
Exceptional items — operating expenses	52.6	97.1
Finance expenses		
Senior Unsecured Notes early redemption fees	–	14.1
Gain on settlement of Senior Unsecured Notes	–	(7.1)
Exceptional items — finance expenses	–	7.0
Total exceptional items before tax	52.6	100.2
Tax on exceptional items	(9.0)	2.8
Total exceptional items	43.6	103.0

Total exceptional items in the year were £43.6m in 2023 compared to £103.0m in 2022.

Exceptional items are defined as those items which are considered to be one-off or material in nature to be brought to attention to better understand the Group's financial performance. Comparatives are included even when not individually material to aid comparability. Refer to Appendix 1 to the financial statements for further detail.

Retroactive gaming duties and associated charges

The industry in which the Group operates is subject to continuing scrutiny by regulators and other governmental authorities, which may, in certain circumstances, lead to enforcement actions, sanctions, fines and penalties or the assertion of private litigations, claims and damages. In 2022, a net credit of £3.9m was recognised in respect to exceptional provision for retroactive duties and associated charges following a reassessment of potential gaming duties relating to activity in prior years.

Corporate transaction related costs

The Group has incurred legal and M&A costs, including in relation to the disposal of its Latvia and Colombia businesses of £0.8m. During 2023, income relating to the acquisition of William Hill was received from Caesars, amounting to £2.0m. During 2022, the Group incurred £24.5m of costs associated with the acquisition of the international (non-US) business of William Hill and recognised an impairment loss of £11.7m in relation to the disposal of 888 Bingo.

Integration and transformation costs

The Group has incurred a total of £49.3m of costs relating to the integration programme, including £14.7m of platform integration costs, £8.3m of legal and professional costs, £10.8m of redundancy costs, £5.3m of relocation and HR related expenses, £4.7m of employee incentives as part of the integration of William Hill and 888, and £3.8m of technology integration costs. During 2022, the Group incurred £14.4m, including £5.8m of redundancy costs, £3.0m of legal and consultancy fees and £3.7m of platform separation and other integration costs.

Regulatory provisions and other associated costs

The Group has paid £2.9m during the period related to a regulatory settlement with the Gibraltar regulator in relation to the previously disclosed failings that we identified in our Middle East business. Further to this there was £0.5m of professional fees incurred relating to this settlement.

3 EXCEPTIONAL ITEMS AND ADJUSTMENTS CONTINUED

Impairment of US goodwill and other assets

During the prior year, as a part of the annual impairment review, management performed a value in use calculation to assess the recoverable amount of the Group's US business, using that business's underlying cash flow forecasts. The recoverable amount was lower than the book value of its net assets and, as such, the Group impaired the goodwill on the US business in full, totalling £25.7m. Additionally as part of the integration, the business intends to use the existing 888 technology platform as the basis for the future platform of the Group which led to a write off of the Unity platform, a proprietary technology system William Hill was building that is no longer needed, at a cost of £28.1m. A further £1.4m of smaller technology assets were written off and £0.5m of 39 freehold assets were written off when reclassified to held for sale at the prior year end, due to the assets being tested for impairment as a result of the transfer.

Revaluation of contingent consideration

As a part of the transaction agreement with Caesars for the purchase of William Hill, an amount of up to £100.0m consideration was contingent subject to the enlarged Group hitting specific EBITDA metrics. This was assessed at fair value on acquisition at £9.6m and revalued at 31 December 2022 to £0.4m, leading to a release in this contingent consideration of £9.2m in the prior period.

Senior Unsecured Notes early redemption fees

As part of the William Hill acquisition, the Group acquired certain Senior Unsecured Notes, £350.0m 4.875% due May 2023 and £350.0m 4.75% due May 2026. Subsequent to the acquisition, the £350.0m Note due May 2023 was fully redeemed as well as a partial redemption amounting to £339.5m of the Note due May 2026. The total cost to the Group of settling the Notes consisted of £12.2m in early redemption fees together with a combined £1.9m of unamortised finance fees, which were written off to the Consolidated Income Statement immediately in the prior period on redemption of each note. All of the costs were considered as exceptional due to their one-off nature.

Gain on settlement of Senior Unsecured Notes

The Senior Unsecured Notes acquired in the acquisition of William Hill were accounted for at fair value. These Notes were settled in the prior period, and as such the gain on settlement of these Notes of £7.1m was recognised in the prior period.

Adjusted items

Adjusted items are recurring items that are excluded from internal measures of underlying performance and which are not considered by the Directors to be exceptional. This relates to the amortisation of specific intangible assets recognised in acquisitions, amortisation of finance fees, fair value gain of financial assets, foreign exchange and share benefit charges. These items are defined as adjusted items as it is believed it would impair the visibility of the underlying activities across each segment as it is not closely related to the businesses' or any associated operational cash flows. Each of these items are recurring and occur in each reporting period and will be consistently adjusted in future periods. Adjusted items are all shown on the face of the Consolidated Income Statement in the reconciliations of adjusted EBITDA and note 10 in the reconciliation of adjusted profit after tax.

4 SHARE OF RESULTS OF ASSOCIATES

	2023 £m	2022 £m
Share of post-tax profit of equity accounted associate	**1.4**	0.3

The above represents the Group's share of the results of Sports Information Services (Holdings) Limited (see note 14) for the year ended 31 December 2023 and the Group's ownership of the associate in the comparative period 1 July 2022 to 31 December 2022.

5 OPERATING PROFIT

	Note	**2023 £m**	2022 £m
Operating profit is stated after charging/(crediting):			
Gaming duties		**372.0**	256.3
Marketing expenses		**237.6**	257.8
Staff costs (including Executive Directors)	6	**342.3**	227.4
Exceptional items — cost of sales	3	**—**	(3.9)
Exceptional items — operating expenses	3	**52.6**	97.1
Depreciation (within operating expenses)	13	**46.3**	30.8
Amortisation (within operating expenses)	12	**182.0**	89.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

5 OPERATING PROFIT CONTINUED

Auditor remuneration

	2023 £m	2022 £m
Audit of Company	1.1	1.0
Audit of Group	1.8	2.0
Total fees for audit services	**2.9**	3.0
Audit-related assurance services — half year review	0.1	0.1
Other assurance services	0.1	0.1
Total assurance services	**0.2**	0.2
Other non-audit services	—	0.8
Total fees for non-audit services	**0.2**	1.0
Total fees	**3.1**	4.0

In the prior year, the auditor acted as reporting accountants in connection with the Company's circular and prospectus for the acquisition of William Hill International and Capital Raise that was published during Q2 2022. Total non-audit fees payable to Ernst & Young for permissible non-audit services relating to the transaction were £0.8m.

6 STAFF COSTS

Staff costs, including Executive Directors' remuneration, comprise the following elements:

	2023 £m	2022 £m
Wages and salaries	287.6	196.8
Social security	26.3	17.4
Employee benefits and severance pay scheme costs	28.4	13.2
	342.3	227.4

In the Consolidated Income Statement, total staff costs, including share benefit credit of £0.5m (2022: charge of £5.2m), are included within operating expenses.

The average number of employees during the year was 11,634 (2022: 12,019).

Severance pay scheme — Israel

The Group has a defined contribution plan pursuant to section 14 of the Severance Pay Law under which the Group pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service at the date of their departure. The Group recognised an expense in respect of contribution to the defined contribution plan during the year of £1.3m (2022: £1.9m).

The Group's employees in Israel, who are not subject to section 14 of the Severance Pay Law, are eligible to receive certain benefits from the Group in specific circumstances on leaving the Group. As such the Group operates a defined benefit severance pay plan which requires contributions to be made to separately administered funds. The funds are held by an independent third-party Company.

The current service cost and the present value of the defined benefit obligation are measured using the projected unit credit method. Under this schedule, the Company contributes on a monthly basis at the rate of 8.3% of the aggregate of members' salaries.

The disclosures set out below are based on calculations carried out as at 31 December 2023 by a qualified independent actuary.

The following table summarises the employee benefits figures as included in the consolidated financial statements:

	2023 £m	2022 £m
Included in the Statement of Financial Position:		
Severance pay liability	0.6	1.2
Included in the Income Statement:		
Current service costs (within operating expenses)	1.3	1.9
Included in the Statement of Comprehensive Income:		
Gain/(loss) on remeasurement of severance pay scheme liability	0.2	(2.3)

6 STAFF COSTS CONTINUED

Severance pay scheme — Israel continued

Movement in severance pay scheme assets and liabilities:

Severance pay scheme assets	2023 £m	2022 £m
At beginning of year	**16.2**	19.2
Interest income	**0.7**	0.6
Contributions by the Group	**1.6**	1.9
Benefits paid	**(4.9)**	(4.2)
Return on assets less interest income already recorded	**(0.1)**	(1.0)
Exchange differences	**(1.0)**	(0.3)
At end of year	**12.5**	16.2

Severance pay scheme liabilities	2023 £m	2022 £m
At beginning of year	**17.4**	23.0
Interest expense	**0.8**	0.7
Current service costs	**1.2**	1.8
Benefits paid	**(5.2)**	(4.4)
Actuarial loss/(gain) on past experience	**0.3**	(0.2)
Actuarial gain on changes in financial assumptions	**(0.1)**	(3.1)
Exchange differences	**(1.3)**	(0.4)
At end of year	**13.1**	17.4

As at 31 December 2023, the net accounting deficit of the defined benefit severance pay plan was £0.6m (2022: £1.2m). The scheme is backed by substantial financial assets amounting to £12.5m at 31 December 2023 (2022: £16.2m).

The impact of the severance deficit on the level of distributable reserves is monitored on an ongoing basis. Monitoring enables planning for any potential adverse volatility and helps the Group to assess the likely impact on distributable reserves.

Employees can determine individually into which type of investment their share of the plan assets are invested, therefore the Group is unable to accurately disclose the proportions of the plan assets invested in each class of asset.

The expected contribution for 2024 is £1.7m.

The main actuarial assumptions used in determining the fair value of the Group's severance pay plan are shown below:

	2023 %	2022 %
Discount rate (nominal)	**5.9**	5.5
Voluntary termination rate (range)	**0-17**	0-17
Inflation rates based on Israeli bonds	**2.6**	2.7

7 FINANCE INCOME

	2023 £m	2022 £m
Interest income	**4.6**	0.8
Foreign exchange on financing activities	**36.4**	—
Total finance income	**41.0**	0.8

Foreign exchange on financing activities of £36.4m relates to the foreign exchange movement on the unhedged element of the Group's debt. In 2022, a loss of £22.7m was included in note 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

8 FINANCE EXPENSES

	Note	2023 £m	2022 £m
Interest expenses related to lease liabilities		**6.9**	3.0
Bank loans and bonds		**175.8**	74.9
Amortisation of finance fees		**—**	0.1
Hedging activities		**12.1**	3.3
Foreign exchange on financing activities		**—**	22.7
Other finance charges and fees		**0.5**	0.7
Finance expenses — underlying		**195.3**	104.7
Senior Unsecured Notes early redemption fees	3	**—**	14.1
Gain on settlement of Senior Unsecured notes	3	**—**	(7.1)
Finance expenses — exceptional		**—**	7.0
Total finance expenses		**195.3**	111.7

9 TAXATION

Corporate taxes

	2023 £m
Current taxation	
UK corporation tax charge at 23.5%	**0.7**
Other jurisdictions taxation	**22.0**
Adjustments in respect of prior years	**(21.0)**
	1.7
Deferred taxation	
Origination and reversal of temporary differences	**(37.7)**
Recognition of previously unrecognised deductible temporary differences	**(30.2)**
Adjustments in respect of prior years	**1.3**
	(66.6)
Taxation credit	**(64.9)**
Deferred taxation related to items recognised in OCI	
Remeasurement of severance pay liability	**—**

	2022 £m
Current taxation	
UK corporation tax charge at 19.0%	6.5
Other jurisdictions taxation	17.8
Adjustments in respect of prior years	1.3
	25.6
Deferred taxation	
Origination and reversal of temporary differences	(3.0)
Adjustments in respect of prior years	(17.7)
	(20.7)
Taxation expense	4.9
Deferred taxation related to items recognised in OCI	
Remeasurement of severance pay liability	0.6

The UK tax rate increased from 19% to 25% on 1 April 2023 giving an average UK tax rate for the year of 23.5%.

The effective tax rate in respect of ordinary activities before exceptional items for the year ended 31 December 2023 is 81.4% (2022: 20.0%). The effective tax rate in respect of ordinary activities after exceptional items is 53.5% (2022: -4.2%).

Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

9 TAXATION CONTINUED

Corporate taxes continued

The assessment of the potential exposure to Pillar Two income taxes is based on the information available regarding the financial performance of the constituent entities in the Group for the year ended 31 December 2023 and forecasts for the year ended 31 December 2024. Based on the assessment, the Group has identified potential exposure to Pillar Two income taxes in respect of profits earned in Gibraltar, Malta, and Spain. The potential exposure comes from the constituent entities (mainly licensed operating subsidiaries) in these jurisdictions where the expected Pillar Two effective tax rate is below 15%.

The Pillar Two effective tax rate is lower in these jurisdictions due to the Group being subject to tax at effective rates lower than 15% in those countries (Gibraltar at 12.5%, Spain at 12.5%, and Malta at 5% after the distribution of profits).

Had the Pillar Two legislation been effective for the current year ending 31 December 2023, the restated effective tax rate under IFRS would be approximately 49.5-51.5% which would have been 2-4% lower than the reported effective rate under IFRS of 53.5%. The rate would be lower because the Group reports a tax credit on a loss and the tax credit would be reduced due to the Pillar Two income tax charge. The impact on the effective tax rate under IFRS for the Group is mainly driven by top up taxes arising on profits earned in Gibraltar, Malta, and Spain where the Pillar Two effective tax rate is lower than 15%. The impact on the effective tax rate in 2024 will depend on factors such as revenues and costs.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

	2023 £m
Loss before taxation	**(121.3)**
Standard tax rate in UK (23.5%)	**(28.5)**
Difference in effective tax rate in other jurisdictions	**(15.4)**
Expenses not allowed for taxation	**13.6**
Accrual of liabilities for uncertain tax positions	**(1.8)**
Deferred tax not recognised	**26.5**
Recognition of previously unrecognised deductible temporary differences	**(30.3)**
Difference in current and deferred tax rate	**0.2**
Tax on share of result of associate	**(0.3)**
Non-taxable income	**(8.8)**
Adjustments to prior years' tax charges	**(19.7)**
Losses utilised previously not recognised for deferred tax	**(0.4)**
Total tax credit for the year	**(64.9)**

	2022 £m
Loss before taxation	(115.7)
Standard tax rate in UK (19.0%)	(22.0)
Difference in effective tax rate in other jurisdictions	2.5
Expenses not allowed for taxation	32.9
Accrual of liabilities for uncertain tax positions	5.2
Tax on share of result of associate	0.1
Deferred tax not recognised	0.4
Difference in current and deferred tax rate	5.1
Non-taxable income	(2.9)
Adjustments to prior years' tax charges	(16.4)
Total tax charge for the year	4.9

The difference in effective tax rates in other jurisdictions primarily reflects the lower effective tax rate in Gibraltar, Spain and Malta. Expenses not allowed for tax purposes mainly relate to reduced availability of tax relief arising on costs incurred in the period. Deferred tax not recognised mainly relates to restricted interest in the UK in respect of which no deferred tax asset can be recognised. Recognition of previously unrecognised deductible temporary differences relates to recognition of a deferred tax asset for the Group's intangible assets. See note 26 for further details. The prior year adjustments mainly relate to additional claims being made for tax allowances in Gibraltar for 2021. Non-taxable income mainly relates to fair value and accounting gains not taxable in Gibraltar and the UK.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

10 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share (EPS) has been calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of shares in issue and outstanding during the year.

Diluted earnings per share

The weighted average number of shares for diluted earnings per share takes into account all potentially dilutive equity instruments granted, which are not included in the number of shares for basic earnings per share. Potential ordinary shares are excluded from the weighted average diluted number of shares when calculating IFRS diluted loss per share because they are anti-dilutive. The number of equity instruments included in the diluted EPS calculation consist of 2,789,783 Ordinary Shares (2022: 6,235,340) and no market-value options (2022: nil).

The number of equity instruments excluded from the diluted EPS calculation is 2,294,080 (2022: 1,986,155).

	2023	2022
Loss for the period attributable to equity holders of the Parent (£m)	**(56.4)**	(120.5)
Weighted average number of Ordinary Shares in issue and outstanding	**448,166,792**	426,536,392
Effect of dilutive Ordinary Shares and share options	**2,789,783**	6,235,340
Weighted average number of dilutive Ordinary Shares	**450,956,575**	432,771,732
Basic loss per share (pence)	**(12.6)**	(28.3)
Diluted loss per share (pence)	**(12.6)**	(28.3)

The diluted loss per share in the current and prior year is the same as the basic loss per share as the potentially dilutive share options are considered antidilutive as they would reduce the loss per share and therefore, they are disregarded in the calculation.

Adjusted earnings per share

The Directors believe that EPS excluding exceptional and adjusted items, tax on exceptional and adjusted items ('Adjusted EPS') allows for a further understanding of the underlying performance of the business and assists in providing a clearer view of the performance of the Group.

	2023	2022
Adjusted profit after tax (£m)	**48.1**	64.2
Weighted average number of Ordinary Shares in issue	**448,166,792**	426,536,392
Weighted average number of dilutive Ordinary Shares	**450,956,575**	432,771,732
Adjusted basic earnings per share (pence)	**10.7**	15.1
Adjusted diluted earnings per share (pence)	**10.7**	14.8

An explanation of adjusted profit after tax is provided in Appendix 1.

The table below highlights the measures used to achieve Adjusted profit after tax:

	Note	2023 £m	2022 £m
Adjusted profit after tax		**48.1**	64.2
Exceptional items — cost of sales and operating expenses	3	**(52.6)**	(93.2)
Exceptional items — finance expenses	3,8	**—**	(7.0)
Fair value gain on financial assets	25	**4.1**	—
Amortisation of finance fees		**(17.2)**	(7.4)
Amortisation of acquired intangibles		**(114.3)**	(56.7)
Tax on exceptional and adjusted items		**37.4**	11.4
Foreign exchange gains/(losses)		**37.6**	(26.7)
Share benefit credit/(charge)	28	**0.5**	(5.2)
Loss attributable to non-controlling interests		**—**	0.1
Loss after tax		**(56.4)**	(120.5)

11 DIVIDENDS

The Board of Directors does not recommend a final dividend to be paid in respect of the year ended 31 December 2023. No final dividend was recommended as at 31 December 2022.

12 GOODWILL AND OTHER INTANGIBLES

	Goodwill £m	Brands, customer relationships and licences £m	Software £m	Total £m
Cost or valuation				
At 31 December 2022[1]	823.0	1,230.8	403.3	2,457.1
Acquisition related adjustment[2]	(20.3)	—	—	(20.3)
Additions	—	2.0	58.9	60.9
Disposals	(13.7)	(10.7)	—	(24.4)
Effect of foreign exchange rates	—	(3.0)	(10.4)	(13.4)
At 31 December 2023	**789.0**	**1,219.1**	**451.8**	**2,459.9**
Amortisation and impairments:				
At 31 December 2022	25.7	73.5	149.6	248.8
Amortisation charge for the year	—	90.8	91.2	182.0
Impairment charge for the year	—	—	0.6	0.6
Disposals	—	(1.3)	—	(1.3)
Effect of foreign exchange rates	—	(1.6)	(6.9)	(8.5)
At 31 December 2023	**25.7**	**161.4**	**234.5**	**421.6**
Carrying amounts				
At 31 December 2023	**763.3**	**1,057.7**	**217.3**	**2,038.3**
At 31 December 2022	797.3	1,157.3	253.7	2,208.3

1. Since the disclosure of the provisional fair values for the acquisition of William Hill on 1 July 2022, an adjustment of £15.7m has been made to increase the fair value of provisions, with a related £4.4m reduction in deferred tax liabilities, and an equivalent movement in goodwill. This adjustment has been made after the 31 December 2022 year end accounts and during the measurement period. See note 16 for further details.
2. In the current year, but outside of the measurement period, management has identified £20.3m of additional deferred tax balances which were present at acquisition. Management has deemed the adjustment to be qualitatively immaterial for restatement of prior year figures, as it does not impact the profit or loss, net assets, cash flow, remuneration, the Group's key performance indicators or any of the Group's covenants. As such, the deferred tax balances have been adjusted in the current year, with a corresponding adjustment to the acquisition goodwill.

Goodwill
Including the adjustment made in the current year, goodwill recognised on the acquisition of William Hill was £776.6m, as outlined in note 16. Based on the estimated synergies from the combination, management has allocated this goodwill between Retail (£99.4m), UK&I Online (£357.9m) and International (£319.3m). This represents the lowest level at which goodwill is monitored for internal management purposes.

Brands, customer relationships and licences
This category of assets includes brands, customer relationships and licences primarily recognised in business combinations. As outlined in note 16, in 2022 the Group acquired William Hill and recognised brands of £574.4m, customer relationships of £595.1m and licences of £8.5m. These assets are being amortised over 20-30 years for brands, 7-13 years for customer relationships and 20 years for licences.

Software
This category relates to the cost of both acquired software, through purchase or acquisition, as well as the capitalisation of internally developed software where the recognition criteria are met. Capitalised costs on projects that are works in progress amount to £44.8m at year end (2022: £42.0m). On the acquisition of William Hill, the Group acquired software with a fair value of £226.2m. The software acquired primarily consisted of proprietary software platforms owned by William Hill. Subsequent to the acquisition, the decision was made to migrate a number of William Hill platforms onto the existing 888 platforms, resulting in an asset impairment of £29.5m in 2022. These assets are being amortised over 3-5 years.

Impairment reviews
The Group performs an annual impairment review for goodwill, by comparing the carrying amount of goodwill and other relevant assets with their recoverable amount. This is an area where the Directors exercise judgement and estimation, as noted on pages 125 and 126. For the purposes of impairment testing under IAS 36, CGUs are grouped in order to reflect the level at which goodwill is monitored by management. In the prior year, the Group completed the acquisition of William Hill and disposed of the Group's Bingo business, which changed the groups of CGUs to which goodwill is allocated and monitored. The goodwill generated from the acquisition of William Hill is monitored in line with the Group's segments, being Retail, UK&I Online and International.

Testing is carried out by allocating the carrying value of the assets to CGUs or group of CGUs and determining the recoverable amount of those CGUs through value in use calculations. Where the recoverable amount exceeds the carrying value of the assets, the assets are considered as not impaired. Value in use calculations are based upon estimates of future cash flows derived from the Group's profit forecasts by segments. Profit forecasts are derived from the Group's annual strategic planning or similarly scoped exercise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

12 GOODWILL AND OTHER INTANGIBLES CONTINUED

Impairment reviews continued

The principal assumptions underlying our cash flow forecasts are as follows:

- management assumes that the underlying business model will continue to operate on a comparable basis, as adjusted for known regulatory or tax changes and planned business initiatives; this does not include any capex projects or the benefits that arise from them in line with IAS 36;
- management's forecasts anticipate the continuation of recent growth or decline trends in staking, gaming net revenues and expenses, as adjusted for changes in our business model or expected changes in the wider industry or economy;
- management assumes that the Group will achieve its target sports betting gross win margins as set for each territory, which management bases upon its experience of the outturn of sports results over the long term, given the tendency for sports results to vary in the short term but revert to a norm over a longer term; and
- in management's annual forecasting process, expenses incorporate a bottom-up estimation of the Group's cost base. For employee remuneration, this takes into account staffing numbers and models by segment, while other costs are assessed separately by category, with principal assumptions including an extrapolation of recent cost inflation trends and the expectation that the Group will incur costs in line with agreed contractual rates.

The Board approved the 2024 budget for each segment in January 2024. Management prepared a three-year strategic forecast covering years 2025 to 2027 using the same basis as the four-year strategic forecast covering years 2024 to 2027 that was approved by the Board in the prior year. Additionally, management has prepared a separate forecast for the year 2028, incorporating long-term growth projections based on the year 2027. These five years form the basis of our value in use calculation.

Cash flows beyond that five-year period were extrapolated using long-term growth rates as estimated for each group of CGUs separately.

The other assumptions incorporated into the Group's impairment reviews are those relating to discount rates and long-term growth assumptions, as noted below separately for each CGU or group of CGUs:

CGUs	**2023 Discount rate %**	**2023 Long-term growth rate %**	2022 Discount rate %	2022 Long-term growth rate %
Retail	**13.0**	**0.0**	13.3	0.0
UK&I Online	**13.0**	**2.5**	12.1	2.5
International	**14.7**	**5.0**	13.8	5.0

Discount rates are applied to each CGU or group of CGUs' cash flows that reflect both the time value of money and the risks that apply to the cash flows of that CGU or group of CGUs. Discount rates are calculated using the weighted average cost of capital formula based on the CGU's or group of CGUs' leveraged beta. The leveraged beta is determined by management as the mean unleveraged beta of listed gaming and betting companies, with samples chosen where applicable from comparable markets or territories as the CGU or group of CGUs, leveraged to the Group's capital structure. Further risk premia and discounts are applied, if appropriate, to this rate to reflect the risk profile of the specific CGU or the group of CGUs relative to the market in which it operates. Our discount rates are calculated on a post-tax basis and converted to a pre-tax basis using the tax rate applicable to each CGU or group of CGUs. Discount rates disclosed below are pre-tax discount rates.

The long-term growth rates included in the impairment review do not exceed the observed long-term growth rate for each respective CGU or group of CGUs.

Results of impairment reviews

The recoverable amount and headroom above carrying amount or impairment below carrying amount based on the impairment review performed at 31 December 2023 for each CGU or group of CGUs are as follows:

CGUs	**2023 Recoverable amount £m**	**2023 Headroom £m**	2022 Recoverable amount £m	2022 Headroom/ (impairment) £m
Retail	**559.4**	**71.1**	668.6	165.5
UK&I Online	**1,551.8**	**419.6**	1,534.5	359.3
International	**1,119.0**	**493.6**	1,725.2	996.2
US B2C	**n/a**	**n/a**	19.4	(25.7)

Within the US CGU, specifically in the US B2C business, there is goodwill from a previous acquisition in the 888 Group, however this was fully impaired in the previous financial year and therefore no longer requires an impairment assessment.

12 GOODWILL AND OTHER INTANGIBLES CONTINUED

Sensitivity of impairment reviews

For the Retail group of CGUs, the following reasonably possible changes in assumptions upon which the recoverable amount was estimated would lead to the following changes in the recoverable amount of the CGU or group of CGUs:

	10% fall in cash flows		1% increase in discount rate	
CGUs	Reduction in recoverable amount £m	Remaining headroom £m	Reduction in recoverable amount £m	Remaining headroom £m
Retail	(55.9)	15.1	(37.1)	34.0

Retail cash flows would have to fall by more than 12.7% before the value in use fell below the CGU carrying value. For the UK&I Online and International groups of CGUs, no impairment would occur under any reasonable possible changes in assumptions upon which the recoverable amount was estimated.

13 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £m	Fixtures, fittings and equipment £m	Right-of-use assets £m	Total £m
Cost				
At 31 December 2022	36.6	130.4	113.4	280.4
Additions	1.6	5.8	23.5	30.9
Disposals	(10.2)	(3.9)	—	(14.1)
Effect of foreign exchange rates	—	(0.4)	(0.8)	(1.2)
At 31 December 2023	**28.0**	**131.9**	**136.1**	**296.0**
Accumulated depreciation				
At 31 December 2022	15.2	41.4	31.5	88.1
Charge for the period	2.4	17.1	26.8	46.3
Disposals	(5.7)	(1.8)	—	(7.5)
Effect of foreign exchange rates	—	(0.4)	(0.2)	(0.6)
At 31 December 2023	**11.9**	**56.3**	**58.1**	**126.3**
Carrying amounts				
At 31 December 2023	**16.1**	**75.6**	**78.0**	**169.7**
At 31 December 2022	21.4	89.0	81.9	192.3

During the year, the Group sold a number of freehold properties for a total of £22.6m in sale and leaseback transactions, resulting in a gain on disposal of £4.6m. At 31 December 2022 the Group held £6.9m of land and buildings as assets held for sale in relation to these transactions.

The net book value of land and buildings comprises:

	2023 £m	2022 £m
Freehold	**1.5**	3.7
Long leasehold improvements	**4.8**	5.9
Short leasehold improvements	**9.8**	11.8
	16.1	21.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

14 INTEREST IN ASSOCIATE

The Group holds an associate interest in Sports Information Services (Holdings) Limited (SIS). The Group uses the equity method of accounting for associates. The following table shows the aggregate movement in the Group's interests in its associate:

	£m
At 31 December 2022	38.4
Share of results before interest and taxation	1.7
Share of interest	0.3
Share of taxation	(0.6)
Dividend received	(5.9)
At 31 December 2023	**33.9**

SIS

At 31 December 2023, William Hill Organization Limited, a principal subsidiary of the Company, held an investment of 19.5% of the ordinary share capital of SIS, a Company incorporated in Great Britain. The Group is able to exert significant influence over SIS by way of its 19.5% holding and its seat on the Board of Directors.

The SIS group of companies provides real time, pre-event information and results, as well as live coverage of horseracing, greyhound racing and other sporting activities and events via satellite. The statutory financial statements of SIS are prepared to the year ending 31 March. The results recognised are based on statutory accounts to March 2023 and management accounts thereafter.

The following financial information relates to SIS as at and for the year ended 31 December 2023:

	£m
Total assets	85.0
Total liabilities	(52.1)
Total revenue	241.6
Total profit after tax	8.7

15 INVESTMENTS

Good Luck Have Fun Group AB ('GLHF Group') shares

On 1 July 2022, as a part of the acquisition of William Hill, the Group obtained an investment in Good Luck Have Fun Group AB. The Group has a 4.3% holding in the equity in GLHF Group and it is held as a financial asset and designated as fair value through other comprehensive income, in line with the previous William Hill designation. Subsequent to the acquisition, and as a result of updates in the strategy by the GLHF Group management team, the Group considered the recoverability of the investment. As a part of this assessment of recoverability, the Group wrote off the investment of £1.0m in its entirety through other comprehensive income in the prior period.
At 31 December 2023, the Group holds £nil value in this investment (2022: £nil).

16 ACQUISITIONS & DISPOSALS

Acquisitions

On 1 July 2022, the Group acquired all of the equity interests in William Hill. Total consideration for the transaction was £554.3m, consisting of £544.7m cash consideration and up to £100.0m of contingent consideration, fair valued on acquisition date at £9.6m.

Identifiable assets acquired and liabilities assumed

	Final fair value
Intangible assets	1,404.2
Property, plant and equipment	109.5
Right-of-use assets	72.3
Investment in sublease	1.4
Investments and investments in associates	40.0
Cash and cash equivalents	157.9
Trade and other receivables	32.9
Income tax asset	10.8
Assets held for sale	0.2
Trade and other payables	(399.3)
Provisions and contingent liabilities[1]	(194.5)
Derivative financial instruments	(3.5)
Lease liabilities	(76.6)
Retirement benefit liability	(0.4)
Deferred tax liabilities	(211.5)
Long-term debt	(1,165.7)
Total net identifiable liabilities	**(222.3)**
Goodwill	776.6
Consideration transferred	**554.3**

1. Since the disclosure of the provisional fair values in the 31 December 2022 year end accounts, and during the measurement period, an adjustment of £15.7m has been made to increase the fair value of provisions, with a related £4.4m reduction in deferred tax liabilities, and an equivalent movement in goodwill. In the current year but outside of the measurement period, management has identified £20.3m of additional deferred tax balances which were present at acquisition. Management has deemed the adjustment to be qualitatively immaterial for restatement of prior year figures, as it does not impact the profit or loss, net assets, cash flow, remuneration, the Group's key performance indicators or any of the Group's covenants. As such, the deferred tax balances have been adjusted in the current year, with a corresponding adjustment to the acquisition goodwill.

Intangible assets

Acquired identifiable intangible assets include £574.4m in respect of brands, £595.1m in respect of customer relationships and £8.5m in respect of licences. Software and technology of £226.2m, inclusive of a fair value uplift of £70.6m, has also been recognised on acquisition in the prior year. Management considers the residual goodwill of £776.6m to represent a number of factors including the future growth of the William Hill business and the potential to achieve buyer-specific synergies and workforce.

The fair value of the brand assets was assessed by considering the benefit to the Group's future revenue of the acquired brand and assessing the royalty costs that would be incurred in deriving the same benefit. The key assumptions in the assessments are the forecast revenue growth and royalty cost applied. A royalty cost of 5.0% of revenue was applied. The fair value of the customer relationships was assessed using the multi-period excess earnings methodology. The key assumption in the assessments is customer retention rates. The fair value of the licences has been derived by calculating a replacement cost for each individual licence. A 5% increase/(decrease) in estimated customer churn rates would (decrease)/increase the fair value of customer relationships by £(123.0)m/£176.0m respectively.

Provisions and contingent liabilities

A contingent liability with a fair value of £80.6m has been recognised in the prior year on acquisition to reflect the possible future economic outflow resulting from customer claims in Austria. The contingent liability has been fair valued in line with IFRS 3 based on the expected cash outflow of settled claims and recognised on the basis that it is a possible future liability. Additional provisions of £115.2m have been recognised based on pre-existing provisions within William Hill. The carrying amount at acquisition was assessed to be the fair value. Refer to note 22 for further details on these acquired provisions.

Following receipt of updated advice, the development of case law in Germany indicates that the courts may apply a more customer-friendly approach to the application of the three-year limitation period and link the commencement of the limitation period to the player's first positive knowledge of a claim to recover his gambling losses. The law permits a maximum limitation period of 10 years in this scenario. As such, during 2023 and within the purchase price accounting measurement period, we have re-assessed the value of the provision for customer claims in Germany as at the acquisition date. This has led to an increase in the provision of £15.7m to a total value of £23.4m. This has been recognised through the opening balance sheet on acquisition, leading to an equivalent increase in goodwill on acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

16 ACQUISITIONS & DISPOSALS CONTINUED

Other fair value adjustments

A fair value uplift of £1.1m has been recognised on property, plant and equipment, representing the depreciated replacement cost of the assets in comparison to their pre-acquisition net book value.

A fair value uplift of £0.8m has been recognised on the acquired right-of-use assets, representing favourable market positions on William Hill's portfolio of leases. This has been offset by a £6.8m reduction to the right-of-use asset and £6.4m reduction to the lease liability that reflects matching the right-of-use asset to the new fair value of the lease liability, based on a new discount rate for the liability at the acquisition date.

The fair value of the Group's investment in SIS (refer to note 14) was increased by £27.4m to a fair value of £39.0m, reflecting the Group's holding and the estimated market value of the entity at the acquisition date.

The fair value of the Group's outstanding listed debt was increased by £7.1m, reflecting the current market price of the debt at acquisition date.

Deferred tax liabilities of £192.2m have been recognised on the resultant fair value uplifts to assets.

The fair value of all other assets and liabilities acquired are considered to be equal to their net book value as at the acquisition date.

Disposals

2023

On 22 May 2023, the Group agreed to sell its Latvian business to Paf Consulting Abp. On 13 June 2023, the deal with Paf Consulting Abp completed. The cash consideration for the Latvian business was £19.5m, of which £0.9m is a working capital adjustment. As a part of the deal, the Group agreed an earn out with Paf Consulting Abp, under which the Group would receive further consideration of up to €4.25m. As this is deemed to hold a fair value of £nil this has not been recorded in these financial statements. The Group sold net assets totalling £20.2m, leading to a loss on disposal of £0.7m. These net assets were made up of goodwill and other intangible assets of £23.1m, other net assets totalling £1.0m, non-controlling interests of £0.5m offset by deferred tax liabilities totalling £4.4m.

On 1 August 2023, the Group sold its 90% holding in its Colombian business Alfabet S.A.S. to Vivo Aladdin Online S.A.S. for £0.6m, recognising a gain of £0.4m on disposal.

2022

On 7 July 2022, the Group disposed of its entire Bingo business to Saphalata Holdings Ltd., a member of the Broadway Gaming group, for a total cash consideration of £37.4m (US$45.25m), out of which £35.7m was paid on completion and a further £1.7m will unconditionally be paid in one year. As at 30 June 2022, the Group reclassified the Bingo business assets and liabilities as 'held for sale', at which time an impairment loss of £11.2m was recognised on the Bingo goodwill, representing the difference between the carrying value of the business's net assets and the fair value at the date of reclassification to held for sale.

	£m
Consideration received	35.7
Deferred consideration	1.7
Less:	
Cash disposed of	(3.2)
Net proceeds on disposal	**34.2**
Less:	
Net assets disposed of (excluding cash):	
Intangible assets	(37.6)
Trade and other receivables	(0.5)
Trade and other payables	3.3
Net assets disposed of (excluding cash)	**(34.7)**
Loss on disposal	**(0.5)**

17 ASSETS HELD FOR SALE

In the prior year, the Group had freehold properties amounting to £6.9m classified as assets held for sale as they were in the process of being auctioned as part of a sale and leaseback transaction. In the current year all the properties that were held for sale have been sold and as such there are no assets classified as held for sale at the year end.

18 LEASES

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using an appropriate discount rate. The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. The Group uses an incremental borrowing rate for its leases, which is determined based on a series of inputs including a risk-free rate based on our debt portfolio as well as country-specific adjustments.

A right-of-use asset is also recognised equal to the lease liability and depreciated over the period from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the lease term.

The Group has assessed the lease term of properties within its Retail estate to be up to the first available contractual break within the lease. The Group has deemed that it cannot be reasonably certain that it will continue beyond this time given the continued uncertainty surrounding the Retail business.

The Group note that leases not included due to either being low value or having a term of less than 12 months are deemed immaterial.

The Group has a small number of sublet properties which have been assessed in accordance with IFRS 16 and have been deemed immaterial. The accounting policy applied to these small number of sublet properties can be seen on page 114.

The Group will continue to monitor both the above scenarios and disclose these if they are deemed material to users of the Annual Report and Accounts.

A reconciliation of the movement in lease liabilities is as follows:

	£m
As at 31 December 2022	89.0
Additions	24.5
Interest expense	6.9
Payment of lease liabilities	(31.8)
Foreign exchange	(1.0)
As at 31 December 2023	**87.6**

A maturity analysis of the contractual undiscounted cash flows is as follows:

	2023 £m	2022 £m
Due within one year	**29.7**	29.4
Due between one and two years	**22.8**	23.0
Due between two and three years	**17.3**	17.3
Due between three and four years	**11.3**	13.4
Due between four and five years	**6.1**	7.5
Due beyond five years	**10.5**	8.7

19 TRADE AND OTHER RECEIVABLES

	2023 £m	2022 £m
Trade receivables	**64.0**	56.7
Other receivables	**13.0**	18.4
Loans receivable	**1.5**	3.9
Prepayments	**36.9**	32.1
Restricted short-term deposits	**22.6**	21.6
Current trade and other receivables	**138.0**	132.7
Non-current prepayments	**2.8**	6.2
Total trade and other receivables	**140.8**	138.9

Restricted short-term deposits represent amounts held by banks primarily to support guarantees in respect of regulated markets licence requirements and office leases.

Non-current prepayments refer to prepayment to partners in relation to costs and certain fees to be recognised over a period longer than 12 months. Any discounting on the timing of these prepayments is immaterial.

The carrying value of trade receivables and other receivables are net of expected credit losses which approximates to their fair value, due to the short-term nature of the receivables they are not subject to ongoing fluctuations in market rates. Note 24 provides credit risk disclosures on trade and other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

20 CASH AND CASH EQUIVALENTS

	2023 £m	2022 £m
Cash and cash equivalents	**256.2**	317.6
Less:		
Customer deposits	**127.8**	141.3
Cash (excluding customer balances)	**128.4**	176.3

Customer deposits represent bank deposits matched by liabilities to customers of an equal value (see note 21).

21 TRADE AND OTHER PAYABLES AND CUSTOMER DEPOSITS

	2023 £m	2022 £m
Trade payables	**83.2**	61.1
Accrued expenses	**211.2**	208.0
Other payables	**80.3**	98.9
Total trade and other payables	**374.7**	368.0

The carrying value of trade and other payables approximates to their fair value given the short maturity date of these balances.

Customer deposits of £127.8m (2022: £141.3m) represents deposits received from customers, customer winnings and progressive prize pools. This is offset by an equivalent or greater amount of cash held, which is included in cash and cash equivalents (see note 20). Due to the material nature of this balance it is disclosed separate to trade and other payables in the Statement of Financial Position.

22 PROVISIONS

	Indirect tax provision £m	**Legal and regulatory £m**	**Shop closure provision £m**	**Other restructuring costs £m**	**Total £m**
At 31 December 2022[1]	**61.7**	**143.2**	**4.8**	**3.7**	**213.4**
Charged/(credited) to income statement					
Additional provisions recognised	5.1	8.9	1.3	—	15.3
Provisions released to income statement	—	(3.8)	—	—	(3.8)
Utilised during the year	(2.3)	(27.8)	(2.5)	(1.3)	(33.9)
Transfers to trade and other payables[2]	—	(3.6)	—	(1.9)	(5.5)
Foreign exchange differences	(1.7)	(0.5)	—	—	(2.2)
At 31 December 2023	**62.8**	**116.4**	**3.6**	**0.5**	**183.3**

1. Since the disclosure of the provisional fair values in the 31 December 2022 year end financial statements and during the measurement period, an adjustment of £15.7m has been made to increase the fair value of provisions, and an equivalent increase in goodwill.
2. During the year, a £1.9m provision which was previously categorised as other restructuring costs and a provision of £3.6m within legal and regulatory have been transferred to accruals to better reflect the nature of the liability.

Customer claims provisions of £104.8m (2022: £101.9m) within legal and regulatory are classified as non-current. The remaining provisions are all classified as current.

Indirect tax provision

As part of the acquisition of William Hill, the Group acquired a provision relating to a gaming tax liability in Austria, where the Austrian tax authority believes that foreign gaming companies should be liable to pay gaming taxes in Austria. Post-acquisition, the Group has continued to provide for the gaming taxes including interest, as management considers that an outflow is probable. The Group is in constructive discussions with the Austrian tax authority over the timing of settlement.

22 PROVISIONS CONTINUED

Legal and regulatory provisions

The Group has recorded a provision in respect of legal and regulatory matters, including customer claims, and updated it to reflect the Group's revised assessment of these risks in light of developments arising during 2023 such that this represents management's best estimate of probable cash outflows related to these matters.

The industry in which the Group operates is subject to continuing scrutiny by regulators and other governmental authorities, which may, in certain circumstances, lead to enforcement actions, sanctions, fines and penalties or the assertion of private litigations, claims and damages. Within the opening provision, there is a provision acquired relating to a periodic compliance assessment undertaken by the UK Gambling Commission (UKGC) in July and August 2021 of the William Hill business. William Hill has been subject to an ongoing licence review and has addressed certain action points raised by the UKGC in relation to William Hill's social responsibility and anti-money laundering obligations. The Group has agreed a regulatory settlement of £19.2m, including divestments of £0.7m. This provision was acquired at 1 July 2022 and was settled during the year.

In common with other businesses in the gambling sector, the Group receives claims from consumers relating to the provision of gambling services. Claims have been received from consumers in a number of (principally European) jurisdictions and allege either failure to follow responsible gambling procedures, breach of licence conditions or that underlying contracts in question are null and void given local licencing regimes.

Consumers who have obtained judgement against the Group's entities in the Austrian courts have sought to enforce those judgements in Malta and Gibraltar. These are being defended on the basis of a public policy argument. The provisions held for the Group relating to these claims is £86.2m, which includes a provision of £80.6m relating to the William Hill and Mr Green brands and £5.6m relating to 888.

The calculation of the customer claims liability includes provision for both legal fees and interest but does not include any gaming taxes that have already been paid on these revenues. Management have assessed that it is probable as opposed to virtually certain that the tax will be reclaimed and therefore a contingent asset of up to £28.0m has been disclosed but not recognised for the tax reclaims.

The timing and amount of the outflows is ultimately determined by the settlement reached with the relevant authority.

Following receipt of updated advice, the development of case law in Germany indicates that the courts may apply a more customer-friendly approach to the application of the three-year limitation period and link the commencement of the limitation period to the player's first positive knowledge of a claim to recover his gambling losses. The law permits a maximum limitation period of 10 years in this scenario. As such, during 2023 and within the purchase price accounting measurement period, we have re-assessed the value of the provision for customer claims in Germany as at the acquisition date. This has led to an increase in the provision of £15.7m to a total value on acquisition of £23.4m. This has been recognised through the opening balance sheet on acquisition, leading to an equivalent increase in goodwill on acquisition.

During the year, the Group has utilised £3.5m of the overall provision as claims have been settled. In addition, a further charge of £6.2m has been recognised to reflect the receipt of new claims.

Shop closure provisions

The Group holds provisions relating to the associated costs of closure of 713 shops in 2019, 119 shops in 2020, and certain shops that ceased to trade as part of normal trading activities.

Other restructuring costs

The Group has recognised certain provisions for staff severance as a result of restructuring announced during the current and prior year.

23 BORROWINGS

	Interest rate %	Maturity	**2023 £m**	2022 £m
Borrowings at amortised cost				
Bank facilities				
€473.5m term loan facility	EURIBOR + 5.25%	2028	**385.6**	392.6
$575.0m term loan facility	CME term SOFR + 5.35%	2028	**401.6**	420.7
£150.0m Equivalent Multi-Currency Revolving Credit Facility	Benchmark rate + 3.5%	2028	**—**	—
Loan Notes				
€582.0m Senior Secured Fixed Rate Notes	7.56	2027	**489.6**	498.6
€450.0m Senior Secured Floating Rate Notes	EURIBOR + 5.5%	2028	**373.8**	379.9
£350.0m Senior Unsecured Notes	4.75	2026	**10.5**	10.5
Total Borrowings			**1,661.1**	1,702.3
Less: Borrowings as due for settlement in 12 months			**3.9**	4.8
Total Borrowings as due for settlement after 12 months			**1,657.2**	1,697.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

23 BORROWINGS CONTINUED

Bank facilities

Term loan facilities

In July 2022, the Group entered into a Senior Facilities Agreement in connection with the William Hill Group acquisition, under which the following term loan facilities were made available:

- a six-year euro-denominated bullet term facility of €473.5m, of which €6.4m was repaid in September 2022.
- a six-year sterling-denominated delayed-draw bullet term facility of £351.8m which was partially drawn in September 2022 ('GBP Term Loan') and used to partially prepay the William Hill Group's £350m 4.75% Senior Unsecured Notes due 2026 and partially prepay the Group's euro-denominated bullet term facility.
- a six-year US Dollar-denominated term facility of $500.0m.

In December 2022, the GBP Term Loan was repaid and partially replaced with an increase of $75.0m under the Group's six-year US Dollar-denominated term facility, with the remaining amount replaced with Senior Secured Note issuances.

At 31 December 2023, the following amounts were outstanding under the term facilities made available to the Group under the Senior Facilities Agreement:

- €467.1m (2022: €467.1m) under the Group's six-year euro-denominated term facility.
- $568.8m (2022: $573.5m) under the Group's six-year US Dollar-denominated term facility.

Loan notes

Senior Secured Notes

(i) €582m 7.558% Senior Secured Fixed Rate Notes due July 2027

In July 2022, as part of the William Hill Group acquisition funding, the Group issued €400m of guaranteed Senior Secured Fixed Rate Notes and used the net proceeds to finance the William Hill Group acquisition. The notes, which are guaranteed by certain members of the Group and certain of the Group's operating subsidiaries, mature in July 2027.

In December 2022, a further €182m in principal amount was issued under the same terms as the initial €400m issuance and used to partially refinance the GBP Term Loan.

(ii) €450m Senior Secured Floating Rate Notes due July 2028

In July 2022, the Group issued €300m of guaranteed Senior Secured Floating Rate Notes and used the net proceeds to partially finance the William Hill Group acquisition. The notes, which are guaranteed by certain members of the Group and certain of the Group's operating subsidiaries, mature in July 2028.

In December 2022, a further €150m in principal amount was issued under the same terms as the initial €300m issuance to partially refinance the GBP Term Loan.

Senior Unsecured Notes

£350m 4.875% Senior Unsecured Fixed Rate Notes due 2023 & £350m 4.75% Senior Unsecured Fixed Rate Notes due 2026

The Group acquired two separate listed Senior Unsecured Notes, due 2023 and 2026 respectively as at 1 July 2022. The acquisition triggered a change in control and the exercise of a put option by a number of Noteholders (refer below). The £350m 4.875% Senior Unsecured Notes due 2023 were settled in full and, on 22 September 2022, Noteholders of £339.5m out of £350.0m 4.75% Senior Unsecured Notes due 2026 took the option to exercise. As a result, this reduced the £350.0m 4.75% Senior Unsecured Notes due 2026 to £10.5m at 31 December 2023 (2022: £10.5m). The cash purchase price of both notes was equal to 101% of the principal amount together with the interest accrued.

Finance fees and associated costs incurred on the issue of both Notes were held in the William Hill Statement of Financial Position at acquisition, which were subsequently fair valued which led to an increase of £7.1m, reflecting the current market price of the debt at acquisition date. This is being amortised over the life of the respective notes using the effective interest rate method. On redemption of the Notes, any unamortised fees were written off to the Income Statement as exceptional costs in the 2022 financial year (see note 3).

Change of control

Following the occurrence of a change of control, either (i) each lender under the Senior Facilities Agreement shall be entitled to require prepayment of outstanding amounts and cancellation of its commitments within a prescribed time period or (ii) the Group may elect that all outstanding undrawn commitments of each lender shall be cancelled and outstanding drawn commitments shall become due and payable.

In addition, the Group will be required to make an offer to purchase all of the Fixed Rate Notes, the Floating Rate Notes and the 4.75% Senior Unsecured Notes due 2026 as a result of such change of control at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest.

23 BORROWINGS CONTINUED

Undrawn credit facilities

At 31 December 2023, the Group had the following undrawn credit facilities:

£150m Equivalent Multi-Currency Revolving Credit Facility

In July 2022, as part of the William Hill Group acquisition, the Group entered into a new Senior Facilities Agreement under which its £50m Revolving Credit Facility was replaced with a Multi-Currency Revolving Credit Facility. The replacement facility has an aggregate principal amount of £150m with a five-and-a-half-year maturity (maturing in January 2028). The drawn balance on this facility at 31 December 2023 was £nil (2022: £nil).

Financial covenant

The Revolving Credit Facilities are subject to a Senior Facilities Agreement whereby any applicable revolving Incremental Senior Facilities (together the 'Financial Covenant Facilities') are tested at every reporting period to ensure that they do not exceed a pre-agreed threshold to be agreed with the Mandated Lead Arrangers prior to the entry into the Senior Facilities Agreement.

There are no other covenants on the Group debt, therefore the Directors are satisfied that, at the year-end, the net leverage ratio has not exceeded the pre-agreed threshold and, as a consequence, the financial covenants have not been breached.

Overdraft facility

In July 2022, as part of the William Hill Group acquisition, the Group acquired an overdraft facility with National Westminster Bank plc of £5.0m. The balance on this facility at 31 December 2023 was £nil (2022: £nil).

Weighted average interest rates

The weighted average interest rates paid, including commitment fees, were as follows:

	2023 %	2022 %
€473.5m term loan facility	**10.01**	7.25
$575.0m term loan facility	**13.49**	11.47
€582.0m Senior Secured Fixed Rate Notes	**8.44**	8.47
€450.0m Senior Secured Floating Rate Notes	**9.95**	7.58
£350.0m Senior Unsecured Fixed Rate Notes	**4.75**	4.75

Borrowings reconciliation

2023:

Debt	**Opening £m**	**Repayments £m**	**Non-cash £m**	**FX £m**	**Total £m**
2026 Senior Unsecured Notes	10.5	—	—	—	10.5
€473.5m term loan facility	392.6	—	2.9	(9.8)	385.7
$575.0m term loan facility	420.6	(4.0)	7.4	(22.3)	401.7
€582.0m Senior Secured Fixed Rate Notes	498.7	—	2.9	(12.4)	489.2
€450.0m Senior Secured Floating Rate Notes	379.9	—	3.6	(9.5)	374.0
	1,702.3	**(4.0)**	**16.8**	**(54.0)**	**1,661.1**

2022:

Debt	Opening £m	Inflows £m	Acquired £m	Repayments £m	Fees on debt £m	Non-cash £m	FV adjustment £m	FX £m	Total £m
2023 Senior Unsecured Notes	—	—	352.3	(349.0)	—	—	(3.3)	—	—
2026 Senior Unsecured Notes	—	—	351.9	(339.0)	—	—	(2.4)	—	10.5
£358.1 term loan facility	—	347.0	—	(347.0)	—	—	—	—	—
£461.5m asset bridge loan	—	—	461.5	(461.5)	—	—	—	—	—
€473.5m term loan facility	—	420.4	—	(5.7)	(23.5)	1.7	—	(0.3)	392.6
$575.0m term loan facility	—	479.1	—	(1.0)	(57.4)	3.5	—	(3.6)	420.6
€582.0m Senior Secured Fixed Rate Notes	—	517.0	—	—	(18.9)	0.9	—	(0.3)	498.7
€450.0m Senior Secured Floating Rate Notes	—	399.6	—	—	(20.3)	0.9	—	(0.3)	379.9
	—	**2,163.1**	**1,165.7**	**(1,503.2)**	**(120.1)**	**7.0**	**(5.7)**	**(4.5)**	**1,702.3**

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For the year ended 31 December 2023

24 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks. Financial risk management is primarily carried out by the Group's Treasurer with reference to risk management policies approved by the Board and supervised by the Chief Financial Officer. The Board approves written principles for risk management. The principal financial risks faced by the Group comprise liquidity risk, refinancing risk, credit risk, interest rate risk, currency risk and pensions risk. These risks are managed as described below.

The main financial instruments used by the Group, on which financial risk arises, are as follows:

- Cash and cash equivalents;
- Trade and other receivables;
- Investment in associates;
- Trade and other payables;
- Customer deposits;
- Lease liabilities;
- Borrowings;
- Derivative financial instruments.

Detailed analysis of these financial instruments is as follows:

	2023 £m	2022 £m
Assets at amortised cost		
Investment in associates (note 14)	**33.9**	38.4
Cash and cash equivalents (note 20)	**256.2**	317.6
Trade and other receivables (note 19)	**101.1**	100.6
Derivative assets held at fair value through the Income Statement		
888 Africa convertible loan (note 25)	**11.3**	—
Designated cash flow hedging relationships		
Derivative assets designated and effective as cash flow hedging instruments: (note 25):		
— Cross-currency swaps	**6.1**	17.7
— Interest rate swaps	**—**	0.9
Total financial assets	**408.6**	475.2
Non-financial assets	**2,339.0**	2,487.6
Total assets	**2,747.6**	2,962.8
Liabilities held at fair value through the Income Statement		
Ante post bets (note 25)	**7.0**	7.8
Liabilities at amortised cost		
Borrowings (note 23)	**1,661.1**	1,702.3
Trade and other payables (note 21)	**163.5**	160.0
Customer deposits (note 21)	**127.8**	141.3
Lease liabilities (note 18)	**87.6**	89.0
Designated cash flow hedging relationships		
Derivative assets designated and effective as cash flow hedging instruments: (note 25):		
— Cross-currency swaps	**45.0**	30.4
— Interest rate swaps	**1.4**	—
Total financial liabilities	**2,093.4**	2,130.8
Non-financial liabilities	**574.3**	672.8
Total liabilities	**2,667.7**	2,803.6
Net assets	**79.9**	159.2

Capital management and financing risk

The Group seeks to maintain an appropriate capital structure which enables it to continue as a going concern, supports its business strategy and takes into account the wider economic environment. The Group's capital comprises equity and debt finance, and these elements are managed to balance the requirements of the Group and the interests of debt providers. The Group manages its capital structure through cash flows from operations, the raising or repayment of debt and the raising of equity capital from investors.

Financing risk is the risk that the Group is unable to access sufficient finance to refinance its debt obligations as they fall due. The Group manages this risk by maintaining a balance between different funding sources including equity and debt. It seeks to mitigate its debt financing risk by diversifying its sources of debt capital. The Board also seeks to mitigate the Group's refinancing risk by having an appropriately balanced debt maturity profile.

24 FINANCIAL RISK MANAGEMENT CONTINUED

Credit risk

The Group is exposed to credit risk from counterparties defaulting on their obligations, resulting in financial loss to the Group. It arises in relation to transactions with commercial counterparties and financial institutions. It also arises from customers who have been granted access to credit facilities.

The Group manages its counterparty risk by closely monitoring and, where appropriate, limiting the amount that can be deposited or accumulated with any one counterparty. The Group will only deposit funds with pre-approved financial institutions with specified minimum credit ratings or strong balance sheet. The Group's policy is to mitigate its credit risk with respect to derivative transactions by using a number of different counterparties for material transactions.

Trade receivables

The Group's credit risk on trade receivables arises mainly from balances held with the Group's payment service providers (PSPs). These are third-party companies that facilitate deposits and withdrawals of funds to and from customers' virtual wallets with the Group. These are mainly intermediaries that transact on behalf of debit card companies.

The risk is that a PSP would fail to discharge its obligation with regard to the balance owed to the Group. The Group reduces this credit risk by:

- Monitoring balances with PSPs on a regular basis;
- Arranging for the shortest possible cash settlement intervals;
- Replacing rolling reserve requirements, where they exist, with a Letter of Credit by a reputable financial institution;
- Ensuring a new PSP is only contracted following various due diligence and 'Know Your Customer' procedures; and
- Ensuring policies are in place to reduce dependency on any specific PSP and to limit any concentration of risk.

The Group considers that based on the factors above and on extensive past experience, the PSP receivables are of good credit quality and there is a low level of potential bad debt as at the year-end amounting to £0.4m arising from a PSP failing to discharge its obligation (2022: £0.4m). This has been charged to the Consolidated Income Statement.

An additional credit risk the Group faces relates to customers disputing charges made to their credit cards ('chargebacks') or any other funding method they have used in respect of the services provided by the Group. Customers may fail to fulfil their obligation to pay, which will result in funds not being collected. These chargebacks and uncollected deposits, when occurring, will be deducted at source by the PSPs from any amount due to the Group. As such the Group provides for these eventualities by way of an expected credit loss provision based on analysis of past transactions. This provision is set off against trade receivables and at 31 December 2023 was £0.6m (2022: £1.0m).

The Group's in-house Fraud and Risk Management department carefully monitors deposits and withdrawals by following prevention and verification procedures using internally-developed bespoke systems integrated with commercially-available third-party measures.

Cash and cash equivalents

Excess cash is centralised in accounts held by the Group's Gibraltar headquartered holding and funding companies. Subsidiaries in its other main locations maintain minimal cash balances as required for their operations. Cash settlement proceeds from PSPs, as described above, are paid into bank accounts controlled by the Treasury function.

The Group holds the majority of its funds with highly reputable financial institutions and will not hold funds with financial institutions with a low credit rating save for limited balances for specific operational needs. The Group maintains its cash reserves in highly liquid deposits and regularly monitors interest rates in order to maximise yield.

Customer deposits

Customer deposits are matched by a corresponding liability and progressive prize pools of an equal value.

Restricted short-term deposits

Restricted short-term deposits are short-term deposits held by banks primarily to support guarantees in respect of regulated markets licence requirements and office leases.

The Group's maximum exposure to credit risk is the amount of financial assets presented above, totalling £408.6m (2022: £475.2m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

24 FINANCIAL RISK MANAGEMENT CONTINUED

Liquidity risk

Liquidity risk is the risk that the Group has insufficient funds available to settle its liabilities as they fall due. The Group generates strong operating cash flows and aims to maintain sufficient cash balances to meet its anticipated working capital requirements based on regularly updated cash flow forecasts. Liquidity requirements that cannot be met from operational cash flow or existing cash resources would be satisfied by drawings under the Group's Revolving Credit Facility and overdraft facility.

The following table details the contractual maturity analysis of the Group's financial liabilities (undiscounted payments):

	2023				
	On demand £m	**Less than 1 year £m**	**1 to 5 years £m**	**More than 5 years £m**	**Total £m**
Trade and other payables	**—**	**163.5**	**—**	**—**	**163.5**
Customer deposits	**127.8**	**—**	**—**	**—**	**127.8**
Borrowings	**—**	**130.6**	**2,136.9**	**—**	**2,267.5**
Derivatives and embedded derivatives	**7.0**	**14.7**	**41.7**	**—**	**63.4**
Lease liabilities	**—**	**29.7**	**57.5**	**10.5**	**97.7**
	134.8	**338.5**	**2,236.1**	**10.5**	**2,719.9**

	2022				
	On demand £m	Less than 1 year £m	1 to 5 years £m	More than 5 years £m	Total £m
Trade and other payables	—	160.0	—	—	160.0
Customer deposits	141.3	—	—	—	141.3
Borrowings	—	129.9	1,062.7	1,319.5	2,512.1
Derivatives and embedded derivatives	7.8	14.2	273.3	—	295.3
Lease liabilities	—	29.4	61.0	8.7	99.1
	149.1	333.5	1,397.0	1,328.2	3,207.8

Market risk

Currency risk

A substantial part of the Group's customer deposits and revenues are held and generated in Pounds Sterling (GBP) and Euro (EUR) with a smaller portion denominated in other currencies. Operating expenses are largely incurred in local currencies, primarily GBP, EUR, Israeli New Shekel (ILS), US Dollar (USD), Canadian Dollar (CAD) and Romanian Leu (RON), with incremental exposure to operating expenses in Swedish Krona and Polish Złoty (PLN). The Group has USD and EUR debt servicing costs with a significant proportion swapped to GBP via cross-currency interest rate swaps, whereby approximately 49% of borrowings are effectively denominated in EUR, 43% denominated in GBP and 8% denominated in USD. As a result of this, the Group is exposed to the impact of foreign currency fluctuations. The Group mitigates its exposure to the impact of foreign exchange fluctuations on its cost base by adopting policies to hedge certain exposures. During 2022, the Group entered into FX and cross-currency swaps in order to hedge its ongoing USD and EUR exposure under the Senior Facilities Agreement and its ongoing EUR exposure under the Existing Notes and Additional Notes. However, there can be no assurance that such hedging will eliminate the potentially material adverse effect of such fluctuations.

The Group's financial risk arising from exchange rate fluctuations is mainly attributed to:

- Translation of EUR and USD denominated borrowings in the Group's balance sheet.
- Mismatches between customer deposits, which are predominantly denominated in GBP, and the net receipts from customers, which are settled in the currency of the customer's choice.
- Mismatches between reported revenue, which is mainly generated in GBP (the Group's reporting currency and the functional currency of the majority of its subsidiaries), and a significant portion of deposits settled in local currencies.
- Expenses that are denominated in a currency other than the functional currency of the relevant entity.

The Group continually monitors the foreign currency risk and takes steps, where practical, to ensure that the net exposure is kept to an acceptable level. This includes the potential use of foreign exchange forward contracts designed to fix the economic impact of known exposures when considered appropriate.

24 FINANCIAL RISK MANAGEMENT CONTINUED

Market risk continued

The tables below detail the monetary assets and liabilities by currency:

	2023			
	EUR £m	USD £m	Other £m	Total £m
Cash and cash equivalents	84.2	29.1	142.9	256.2
Trade and other receivables	53.5	12.8	34.8	101.1
Derivatives and embedded derivatives	4.4	1.1	11.9	17.4
Monetary assets	142.1	43.0	189.6	374.7
Trade and other payables	(14.2)	(9.0)	(140.3)	(163.5)
Customer deposits	(46.7)	(23.6)	(57.5)	(127.8)
Borrowings	(1,247.9)	(402.1)	(11.1)	(1,661.1)
Derivatives and embedded derivatives	(10.0)	(36.7)	(6.7)	(53.4)
Lease liabilities — IFRS 16	(7.5)	(0.3)	(79.8)	(87.6)
Monetary liabilities	(1,326.3)	(471.7)	(295.4)	(2,093.4)
Net financial position	(1,184.2)	(428.7)	(105.8)	(1,718.7)

	2022			
	EUR £m	USD £m	Other £m	Total £m
Cash and cash equivalents	119.2	55.1	143.3	317.6
Trade and other receivables	47.7	12.3	40.6	100.6
Derivatives and embedded derivatives	15.4	3.2	—	18.6
Monetary assets	182.3	70.6	183.9	436.8
Trade and other payables	(70.2)	(43.1)	(46.7)	(160.0)
Customer deposits	(43.0)	(50.5)	(47.8)	(141.3)
Borrowings	(1,271.1)	(420.7)	(10.5)	(1,702.3)
Derivatives and embedded derivatives	(10.5)	(21.0)	(6.7)	(38.2)
Lease liabilities — IFRS 16	(7.5)	(0.5)	(81.0)	(89.0)
Monetary liabilities	(1,402.3)	(535.8)	(192.7)	(2,130.8)
Net financial position	(1,220.0)	(465.2)	(8.8)	(1,694.0)

Sensitivity analysis

The table below details the effect on profit before tax of a 10% strengthening (and weakening) in the GBP exchange rate at the balance sheet date for balance sheet items denominated in Euros:

	2023 EUR
10% strengthening	21.2
10% weakening	(21.2)

	2022 EUR
10% strengthening	28.9
10% weakening	(28.9)

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For the year ended 31 December 2023

24 FINANCIAL RISK MANAGEMENT CONTINUED

Interest rate risk

The Group's exposure to interest rate risk relates mostly to cash interest costs on unhedged borrowings where market rate increases lead to both higher interest charges to the Group and less freely available cash, with some limited exposure to interest income on surplus funds held. Changes in market interest rates also impact the fair value of the Group's swaps portfolio.

The Group's policy is to maintain a minimum of 50% of its debt at fixed interest rates in order to protect cash flow commitments against rising interest rates while also maintaining flexibility to incur lower interest in a decreasing rates environment. As at 31 December 2023, 70% of the Group's outstanding borrowings was at fixed rates (2022: 70%).

The Group's current approach for surplus funds is to centralise and invest in interest bearing bank accounts held with its principal bankers to maximise availability for working capital use.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	2023	
	Increase of 100 basis points £m	**Decrease of 100 basis points £m**
Increase/(decrease) in profit	**(5.5)**	**5.5**
Increase/(decrease) in equity reserves	**(5.5)**	**5.5**

	2022	
	Increase of 100 basis points £m	Decrease of 100 basis points £m
Increase/(decrease) in profit	(3.4)	3.4
Increase/(decrease) in equity reserves	(3.4)	3.4

Cross-currency swaps and interest rate swaps

The Group has executed a series of USD to GBP and EUR to GBP cross-currency interest rate swaps to provide increased certainty around its interest cash flow commitments and better align the currency of interest costs to the currency of earnings.

As at 31 December 2023, the Group had cross-currency interest rate swaps with total principal of US$407.0m (2022: US$407.0m) and €482.0m (2022: €482.0m) in place to hedge both currency and interest rate risk. In addition, at 31 December 2023, the Group had an interest rate swap of €150.0m (2022: €150.0m) to hedge Euro interest rate risk.

25 FINANCIAL INSTRUMENTS

On acquisition, under IFRS 3 'Business Combinations', the assets and liabilities of William Hill were recorded at fair value. Refer to note 16 for details of values and valuation methods used.

The hierarchy (as defined in IFRS 13 'Fair Value Measurement') of the Group's financial instruments carried at fair value as at 31 December 2023 was as follows:

	Contractual/ notional amount £m	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**
Financial assets				
888 Africa convertible loan	**6.8**	**–**	**–**	**11.3**
Cross-currency swaps	**385.9**	**–**	**6.1**	**–**
Interest rate swaps	**130.1**	**–**	**–**	**–**
	522.8	**–**	**6.1**	**11.3**
Financial liabilities				
Cross-currency swaps	**351.9**	**–**	**45.0**	**–**
Interest rate swaps	**–**	**–**	**1.4**	**–**
Ante post bet liabilities	**–**	**–**	**–**	**7.0**
	351.9	**–**	**46.4**	**7.0**

25 FINANCIAL INSTRUMENTS CONTINUED

The hierarchy (as defined in IFRS 13 'Fair Value Measurement') of the Group's financial instruments carried at fair value as at 31 December 2022 was as follows:

	Contractual/ notional amount £m	Level 1 £m	Level 2 £m	Level 3 £m
Financial assets				
Cross-currency swaps	397.1	—	17.7	—
Interest rate swaps	132.2	—	0.9	—
	529.3	—	18.6	—
Financial liabilities				
Cross-currency swaps	365.3	—	45.0	—
Ante post bet liabilities	—	—	—	7.8
Contingent consideration (note 16)	100.0	—	—	0.4
	465.3		45.0	8.2

Ante post bets

Ante post bets are a liability arising from an open position at the period end date in accordance with the Group's accounting policy for derivative financial instruments. Ante post bets at the period end totalled £7.0m (2022: £7.8m) and are classified as current liabilities.

Ante post bet liabilities are valued using methods and inputs that are not based upon observable market data and all fair value movements are recognised in revenue in the Income Statement. Although the final value will be determined by future betting outcomes, there are no reasonably possible changes to assumptions or inputs that would lead to material changes in the fair value determined. The principal assumptions relate to the Group's historical gross win margins by betting markets and segments. Although these margins vary across markets and segments, they are expected to stay broadly consistent over time, only varying in the short term. The gross win margins are reviewed annually at period end. As at 31 December 2023, the gross win margins ranged from 2%-25%.

A reconciliation of movements in the ante post bets liability in the year is provided below.

	Ante post bet liabilities £m
At 31 December 2022	7.8
Movement through Income Statement	(0.8)
At 31 December 2023	**7.0**

888 Africa convertible loan

On 22 March 2022 the Group entered into a joint venture agreement as 19.9% owners of 888 Africa Limited ('888 Africa').

Whilst the Group's equity contribution was not material, as part of the joint venture shareholder agreement, the Group agreed to lend 888 Africa $8.0m (£7.2m) as a senior secured convertible loan that can be converted into 60.1% of 888 Africa issued and outstanding shares at the Group's discretion. Because of the conversion option, the loan is deemed to be a derivative financial asset under IFRS 9 'Financial Instruments' and is held at fair value through profit and loss.

As at 31 December 2023 the convertible loan has been fair valued using the market approach based on forecast 2024 revenue in proven African markets. The non-cash, fair value uplift of £4.1m is recorded within operating profit in the Consolidated Income Statement. In the prior year fair value was deemed approximate to the carrying value of the convertible loan due to the early stage of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

25 FINANCIAL INSTRUMENTS CONTINUED

Hedging activities

The table below illustrates the effects of hedge accounting on the Consolidated Statement of Financial Position and Consolidated Income Statement by disclosing separately by risk category each type of hedge and the details of the associated hedging instrument and hedge item. These are for items designated as in a cash flow hedging relationship.

	31 December 2023					
	Carrying amount £m	**Change in fair value in period for calculating ineffectiveness (hedging instrument) £m**	**Cash settlements and accruals in the period (hedging instrument) £m**	**Change in fair value in period for calculating ineffectiveness (hedged item) £m**	**Cash settlements and accruals in the period (hedged item) £m**	**Hedge ineffectiveness in the period £m**
Interest rate swaps						
EUR trades	**(0.8)**	**(1.7)**	**0.3**	**(1.7)**	**0.3**	**–**
Total	**(0.8)**	**(1.7)**	**0.3**	**(1.7)**	**0.3**	**–**
Cross-currency swaps						
EUR trades	**(4.7)**	**(9.8)**	**(9.1)**	**(9.8)**	**(9.1)**	**–**
USD trades	**(34.8)**	**(17.0)**	**(2.0)**	**(17.0)**	**(2.0)**	**–**
Total	**(39.5)**	**(26.8)**	**(11.1)**	**(26.8)**	**(11.1)**	**–**

	31 December 2022					
	Carrying amount £m	Change in fair value in period for calculating ineffectiveness (hedging instrument) £m	Cash settlements and accruals in the period (hedging instrument) £m	Change in fair value in period for calculating ineffectiveness (hedged item) £m	Cash settlements and accruals in the period (hedged item) £m	Hedge ineffectiveness in the period £m
Interest rate swaps						
EUR trades	1.0	1.0	–	0.9		(0.1)
Total	**1.0**	**1.0**	**–**	**0.9**		**(0.1)**
Cross-currency swaps						
EUR trades	5.1	5.1	(1.4)	4.7	(1.4)	(0.4)
USD trades	(17.8)	(17.8)	(2.3)	(18.7)	(2.3)	(0.9)
Total	**(12.7)**	**(12.7)**	**(3.7)**	**(14.0)**	**(3.7)**	**(1.3)**

Contractual maturity analysis

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for net and gross settled derivative financial instruments.

The amounts disclosed in the table are the contractual undiscounted cash flows:

	31 December 2023				
	On demand £m	**Less than 1 year £m**	**1 to 5 years £m**	**More than 5 years £m**	**Total £m**
Interest rate swaps	**–**	**0.8**	**(1.5)**	**–**	**(0.7)**
Cross-currency swaps					
EUR trades	**–**	**(8.2)**	**(7.7)**	**–**	**(15.9)**
USD trades	**–**	**(6.6)**	**(30.7)**	**–**	**(37.3)**
Total	**–**	**(14.0)**	**(39.9)**	**–**	**(53.9)**

25 FINANCIAL INSTRUMENTS CONTINUED

Contractual maturity analysis continued

31 December 2022	On demand £m	Less than 1 year £m	1 to 5 years £m	More than 5 years £m	Total £m
	31 December 2022				
Interest rate swaps	—	—	—	—	—
Cross-currency swaps					
EUR trades	—	(6.2)	316.9	—	310.7
USD trades	—	(8.0)	(43.6)	—	(51.6)
Total	—	(14.2)	273.3	—	259.1

26 DEFERRED TAX

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Group's deferred tax assets and liabilities resulting from temporary differences, some of which are expected to be settled on a net basis, are as follows:

	As at 1 January 2023 £m	**Prior year adjustments £m**	**Transfers £m**	**Disposals £m**	**Credit/ (charge) to income £m**	**Arising on business combinations £m**	**As at 31 December 2023 £m**
Fixed asset temporary differences	**(1.1)**	**4.6**	**–**	**–**	**3.5**	**–**	**7.0**
Intangible assets	**(231.2)**	**(2.9)**	**(9.0)**	**3.6**	**58.0**	**–**	**(181.5)**
Other temporary differences	**3.1**	**(2.2)**	**9.0**	**0.7**	**0.9**	**20.3**	**31.8**
Restricted interest	**14.4**	**–**	**–**	**–**	**3.1**	**–**	**17.5**
Tax losses	**4.0**	**(0.8)**	**–**	**–**	**2.1**	**–**	**5.3**
Total	**(210.8)**	**(1.3)**	**–**	**4.3**	**67.6**	**20.3**	**(119.9)**

	As at 1 January 2022 £m	Acquisition of William Hill £m	Prior year adjustments £m	Exchange differences £m	Credit/ (charge) to income £m	Exceptional credit/ (charge) to income £m	Exceptional credit/ (charge) to OCI £m	As at 31 December 2022 £m
Fixed asset temporary differences	1.6	0.6	3.0	0.3	(6.6)	—	—	(1.1)
Intangible assets	(2.7)	(252.2)	1.9	0.7	12.7	8.4	—	(231.2)
Other temporary differences	1.4	8.1	(0.8)	(0.1)	(4.9)	—	(0.6)	3.1
Restricted interest	—	11.6	13.1	—	(10.3)	—	—	14.4
Tax credits	—	—	0.4	(0.2)	(0.2)	—	—	—
Tax losses	—	0.1	—	—	3.9	—	—	4.0
Total	0.3	(231.8)	17.6	0.7	(5.4)	8.4	(0.6)	(210.8)

	2023 £m	2022 £m
Reflected in the Statement of Financial Position as follows:		
Deferred tax assets	**37.0**	5.2
Deferred tax liabilities	**(156.9)**	(216.0)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

26 DEFERRED TAX CONTINUED

Restatement

Since the disclosure of the provisional fair values for the acquisition of William Hill on 1 July 2022, an adjustment of £15.7m has been made to increase the fair value of provisions, with a related £4.4m reduction in deferred tax liabilities, and an equivalent movement in goodwill. This adjustment has been made after the 31 December 2022 year end accounts and during the measurement period. See note 16 for further details.

Arising on business combinations

In the current year, but outside of the measurement period, management has identified £20.3m of additional deferred tax balances which were present at acquisition. Management has deemed the adjustment to be qualitatively immaterial for restatement of prior year figures, as it does not impact the profit or loss, net assets, cash flow, remuneration, the Group's key performance indicators or any of the Group's covenants. As such, the deferred tax balances have been adjusted in the current year, with a corresponding adjustment to the acquisition goodwill.

Deferred tax assets on unamortised tax allowances on intangible assets in Ireland

As at 31 December 2023 the Group has recognised a deferred tax asset of £32.9m (2022: £2.7m) in relation to unused tax allowances of £236.5m (2022: £263.4m) in the Group's wholly owned Irish subsidiary.

The Directors have concluded that there is convincing evidence that the Irish subsidiary will continue to generate taxable profits in the future, against which taxable allowances can be fully utilised. The allowances initially arose from the transfer of intellectual property rights from 888 Group companies to the Group's Irish subsidiary in 2022.

As part of the Group restructuring programme, a Board decision was taken in 2023 to confirm the retention of corporate activity in Ireland, which was previously uncertain. The recovery of the deferred tax asset in Ireland is supported by the receipt of recurring revenue streams from royalty payments paid from other Group companies.

The Directors have reviewed the latest forecast for the Group member companies in their operating markets, including their ability to continue to generate revenues and therefore pay royalty fees into the future. This includes consideration of the commercial plans under the Group's control, the future corporate structure of the Group and current licensing activity.

The Directors believe there is convincing evidence that the deferred tax asset will unwind over a period of 29 years and as such have fully recognised the deferred tax asset as at 31 December 2023. If forecast royalty revenues paid to the Group's Irish subsidiary are 10% lower than forecasted, the recovery of the deferred tax asset would be extended to 38 years.

Tax rates

The enacted future rate of UK corporation tax of 25.0% (2022: 25%), the Gibraltar statutory income tax rate of 12.5% (2022: 12.5%), the Maltese effective tax rate of 35.0% (2022: 35%) and the Irish effective tax rate of 12.5% (2022: 12.5%) have been used to calculate the amount of deferred tax.

Tax losses

The Group has recognised £37.0m (2022: £5.2m) of deferred tax assets, including £7.3m (2022: £4.0m) in respect of unutilised tax losses which are available in companies which are anticipated to make future profits. The losses mainly relate to the UK and are expected to be utilised in the foreseeable future. All losses and tax credits, recognised and unrecognised, may be carried forward indefinitely.

Management have based their assessment of the recognition of deferred tax assets on unused tax losses of £46.3m (2022: £63.8m) at the period end on the forecast also used for the impairment review.

Restricted interest

Restricted interest represents a deferred tax asset of £17.5m (2022: £14.4m) in relation to interest restrictions for which an asset has been recognised to the extent that sufficient taxable temporary differences exist at the balance sheet date.

Pillar Two income taxes

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities arising from the implementation of Pillar Two income taxes, as required under IAS 12.

Unrecognised deferred tax attributes

Deferred tax is not recognised in respect of the value of the Group's investments in subsidiaries and interests in joint ventures where we are able to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the future. The amount of such temporary differences for which deferred tax has not been recognised was £110.5m (and tax thereon of £2.5m) (2022: £17.2m (and tax thereon £1.5m)).

The Group has unutilised tax losses of £38.9m (31 December 2022: £63.8m) in entities which are not anticipated to make profits in the foreseeable future and for which no deferred tax has been recognised. The Group has carried forward restricted interest in the UK of £112.5m (2022: £nil) for which no deferred tax asset has been recognised.

27 SHARE CAPITAL

Share capital comprises the following:

	Authorised			
	31 December 2023 Number	31 December 2022 Number	**31 December 2023 £m**	31 December 2022 £m
Ordinary Shares of £0.005 each	**1,026,387,500**[1]	1,026,387,500	**5.1**	5.1

1. Including 297,501 treasury shares held by the Group as at 31 December 2023 (2022: 447,020).

	Allotted, called up and fully paid			
	31 December 2023 Number	31 December 2022 Number	**31 December 2023 £m**	31 December 2022 £m
Ordinary Shares of £0.005 each at beginning of year	**446,331,656**	372,759,202	**2.2**	1.9
Issue of Ordinary Shares of £0.005 each	**2,713,601**	73,572,454	**—**	0.3
Ordinary Shares of £0.005 each at end of year	**449,045,257**	446,331,656	**2.2**	2.2

The narrative below includes details on issue of Ordinary Shares of £0.005 each as part of the Group's employee share option plan during 2023 and 2022.

On 7 April 2022 the Company issued 70.8m new ordinary shares to partly fund the acquisition of the international (non-US) business of William Hill, representing approximately 19% of its issued capital, at £2.30 per share. After issue costs of £4.3m, the net proceeds were £158.5m. Issue costs directly attributable to the transaction were accounted for as a deduction from share premium in the prior period.

28 SHARE BASED PAYMENTS

Equity-settled share benefit charges

As of 31 December 2023, the Group has equity-settled employee shares and share options granted under three equity-settled employee share incentive plans. The 888 Long-Term Incentive Plan 2015, which was adopted at the Extraordinary General Meeting on 29 September 2015, is open to all employees (including Executive Directors) and full-time consultants of the Group, at the discretion of the Remuneration Committee. Awards under this scheme will vest in instalments over a fixed period of at least three years subject to the relevant individuals remaining in service. Certain of these awards are subject to additional performance conditions imposed by the Remuneration Committee at the dates of grant, further details of which are given in the Directors' Remuneration Report.

The second is the 888 Holdings Plc Long-Term Incentive Plan 2023, which was adopted by shareholders at the Annual General Meeting on 23 May 2023. As a result of this no further awards have been granted under the 888 Long-Term Incentive Plan 2015. The 888 Holdings Plc Long-Term Incentive Plan 2023 is also open to all employees (including Executive Directors), with awards vesting over a period to be determined by the Remuneration Committee at the time of grant. Awards may or may not be subject to additional performance conditions imposed by the Remuneration Committee.

In addition, on 8 May 2017, the Board adopted a Deferred Share Bonus Plan (DSBP) in order to allow the Company to comply with the deferral requirement previously contained in its Directors' Remuneration Policy. As a result of the deferral requirement set out in the new Directors' Remuneration Policy no further awards have been granted under the DSBP. Further details are set out in the Directors' Remuneration Report.

In 2023 the Group awarded options under the 888 Holdings Plc SAYE Option Plan, which was adopted by shareholders at the Annual General Meeting on 15 June 2022; and the 888 Holdings Plc 2023 International SAYE Option Plan established pursuant to the authority of the Directors of the Company conferred by shareholders at the same Annual General Meeting.

Details of equity-settled shares as part of the AEP, the LTIP and the DSBP are set out below:

Ordinary Shares granted (without performance conditions)

	2023 Number	2022 Number
Outstanding future vesting equity awards at the beginning of the year	**6,553,595**	5,446,420
Future vesting equity awards granted during the year	**562,177**	3,269,343
Future vesting equity awards lapsed during the year	**(2,119,657)**	(821,961)
Shares issued upon vesting during the year	**(2,713,601)**	(1,340,207)
Outstanding future vesting equity awards at the end of the year	**2,282,514**	6,553,595
Averaged remaining life until vesting	**1.25 years**	1.27 years

The outstanding future vesting equity awards at the end of the year are set out below:

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28 SHARE BASED PAYMENTS CONTINUED

Equity-settled share benefit charges continued

Deferred Share Bonus Plan

	2023 Number	2022 Number
Outstanding future vesting equity awards at the beginning of the year	**310,268**	307,422
Future vesting equity awards granted during the year	**—**	220,225
Future vesting equity awards lapsed during the year	**(122,691)**	—
Shares exercised during the year	**(149,519)**	(217,379)
Outstanding future vesting equity awards at the end of the year	**38,058**	310,268
Averaged remaining life until vesting	**0.67 years**	0.81 years

Ordinary Shares granted for future vesting are valued at the share price at grant date, which the Group considers approximates to the fair value. The Group recognised the following as treasury shares as of 31 December 2023:

(i) 11 March 2022, the Group purchased 356,977 shares on the open market at an average price of 193.0¢ per share;

(ii) 22 March 2021, the Group purchased 220,225 shares on the open market at an average price of 362.0¢ per share; and

(iii) 29 April 2020, the Group purchased 130,796 shares on the open market at an average price of 143.7¢ per share.

Ordinary shares granted (subject to performance conditions)

	2023 Number	2022 Number
Outstanding at the beginning of the year	**2,435,321**	3,208,384
Shares granted during the year	**5,056,071**	1,006,013
Lapsed future vesting shares	**(3,056,648)**	(353,333)
Shares issued upon vesting during the year	**—**	(1,425,743)
Outstanding at the end of the year	**4,434,744**	2,435,321
Averaged remaining life until vesting	**2.16 years**	1.28 years

The Group granted 3,651,071 shares on 17 April 2023 and 1,405,000 shares on 9 May 2023 (2022: 1,006,013). The share prices at the grant date were 74.8¢ and 78.4¢ respectively. Shares outstanding at the end of the year consist of 4,434,744 shares subject to 50% EPS growth target, and 50% total shareholder return (TSR).

Further details of performance conditions that have to be satisfied on these awards are set out in the Directors' Remuneration Report. The EPS growth target is taken into account when determining the number of shares expected to vest at each reporting date, and the TSR target is taken into account when calculating the fair value of the share grant.

Valuation information — shares granted under TSR condition:

Shares granted during the year:	2023	2022
Share pricing model used	**Monte Carlo**	Monte Carlo
Determined fair value	**£0.41**	£1.15
Number of shares granted	**5,056,071**	503,007
Average risk-free interest rate	**3.68%**	0.1%
Average standard deviation	**49.4%**	46.0%
Average standard deviation of peer group	**42.5%**	53.0%

Valuation information — shares granted

	2023		2022	
	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
Weighted average share price at grant date	**£0.92**	**£0.75**	£1.55	£1.87
Weighted average share price at issue of shares	**£0.75**	**£0.84**	£2.08	£1.95

Ordinary shares granted for future vesting with EPS growth performance conditions are valued at the share price at grant date, which the Group considers approximates to the fair value. The restrictions on the shares during the vesting period, primarily relating to non-receipt of dividends are considered to have an immaterial effect on the share option charge.

In accordance with IFRS 2 a charge to the Consolidated Income Statement in respect of any shares or options granted under the above schemes is recognised and spread over the vesting period of the shares or options based on the fair value of the shares or options at the grant date, adjusted for changes in vesting conditions at each balance sheet date. These charges have no cash impact.

28 SHARE BASED PAYMENTS CONTINUED

Share benefit charges

	2023 £m	2022 £m
Equity-settled (credit)/charge for the year	**(0.5)**	7.9
Cash-settled charge for the year	**—**	(2.7)
Total share benefit (credit)/charge	**(0.5)**	5.2

29 RETIREMENT BENEFIT SCHEMES

William Hill pension schemes

In the prior year, the Group acquired a number of defined contribution and defined benefit pension schemes, operated by William Hill. The UK schemes are operated under a single trust and the assets of all the schemes are held separately from those of the Group in funds under the control of trustees.

The respective costs of these schemes are as follows:

	2023 £m	2022 £m
Defined contribution schemes charged to operating profit	**8.8**	4.3
Defined benefit scheme charged to operating profit	**2.8**	1.3

Defined contribution schemes

The defined contribution schemes, to which both the Group and employees contribute to fund the benefits, are available for all eligible employees. The only obligation of the Group with respect to these schemes is to make the specified contributions.

The total cost charged to income in respect of these schemes represents contributions payable to the schemes by the Group at rates specified in the rules of the respective schemes. At 31 December 2023, contributions of £nil (31 December 2022: £nil) due in respect of the current reporting period were outstanding to be paid over to the schemes.

Defined benefit scheme

The Group also operates a defined benefit scheme in the UK for eligible employees which closed to new members in 2002. Under the scheme, employees are entitled to retirement benefits varying between 1.67% and 3.33% of final pensionable pay for each year of service on attainment of a retirement age of 63. With effect from 1 April 2011, the defined benefit scheme was closed to future accrual but maintains the link for benefits accrued up to 31 March 2011 with future salary increases (up to a maximum of 5% per annum). Employed members of this scheme were automatically transferred into one of the defined contribution schemes. The costs of administering the scheme are borne by the Group.

For the purposes of preparing the information disclosed in these accounts, a full actuarial valuation of the scheme was carried out at 30 September 2019 and updated to 31 December 2023 by a qualified independent actuary. The present values of the defined benefit obligation and the related current service cost were measured using the projected unit credit method and by rolling forward the results of the 30 September 2019 technical provisions using actuarial techniques, allowing for cash flows and interest over the period, differences between the assumptions used to set the technical provisions and those selected for accounting under IAS 19.

Pension buy-in

During 2021, prior to the acquisition by the Group of William Hill, William Hill agreed a buy-in of the scheme's liabilities. On 28 June 2021, a transaction was completed which insured the liabilities of the scheme with Rothesay Life. As a result of the transaction, the scheme holds annuities with Rothesay Life which are qualifying insurance policies as defined in IAS 19.8 'Employee Benefits'. The income from these policies exactly matches the amount and timing of benefits to those members covered under the policies. As with other bulk annuity purchases the scheme has carried out, the change was treated as a change in investment strategy.

At the year-end date, the estimated Defined Benefit Obligation (DBO) for all insured members was £255.3m. The value of the buy-in policies was determined to be £255.4m, as the effects of GMP equalisation were not included in the contract value of the buy-in insurance policy.

Funding valuation

The general principles adopted by the Trustees for the purposes of this funding valuation are that the assumptions used, taken as a whole, will be sufficiently prudent for pensions already in payment to continue to be paid and to reflect the commitments which will arise from members' accrued pension rights. The William Hill Group agreed to pay £1.9m per annum in respect of the costs of insured death benefits, expenses and levies until September 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

29 RETIREMENT BENEFIT SCHEMES CONTINUED

William Hill pension schemes continued

Disclosure of principal assumptions

The financial assumptions used by the actuary in determining the present value of the defined benefit scheme's liabilities were:

	2023 %	2022 %
Rate of increase of pensions (non-pensioner)	**2.8**	3.0
Rate of increase of pensions (pensioner)	**3.1**	3.3
Discount rate	**4.5**	4.7
Rate of RPI inflation (non-pensioner)	**3.0**	3.1
Rate of RPI inflation (pensioner)	**3.3**	3.4
Rate of CPI inflation	**2.5**	2.5

In accordance with the relevant accounting standard, the discount rate has been determined by reference to market yields at the period end date on high-quality fixed income investments at a term consistent with the expected duration of the liabilities. Price inflation is determined by the difference between the yields on fixed and index-linked Government bonds with an adjustment to allow for differences in the demand for these bonds, which can distort this figure. The expected rate of salary growth and pension increases are set with reference to the expected rate of inflation. No change has been made to the basis of inflation applied to pension increases in the scheme.

The mortality assumption is kept under review and has been updated. The current life expectancies for a member underlying the value of the accrued liabilities are:

Life expectancy at age 65	**2023 Years**	2022 Years
Male retiring now	**21.4**	21.9
Male retiring in 25 years' time	**23.0**	23.6
Female retiring now	**23.5**	23.9
Female retiring in 25 years' time	**25.3**	25.8

The assets in the scheme are set out in the table below.

	2023 £m	2022 £m
Total market value of assets	**255.4**	254.2
Present value of scheme liabilities	**(255.3)**	(255.4)
Effect of asset ceiling	**(0.1)**	—
Asset/(deficit) in scheme at end of year	**—**	(1.2)

Analysis of the amount charged to operating profit/(loss):

	Year to 31 December 2023 £m	1 July to 31 December 2022 £m
Current service cost	**1.0**	0.4
Administration expenses	**1.8**	0.9
Total operating charge	**2.8**	1.3

29 RETIREMENT BENEFIT SCHEMES CONTINUED

William Hill pension schemes continued

Disclosure of principal assumptions continued

Analysis of the amounts recognised in the Consolidated Statement of Comprehensive Income:

	2023 £m	2022 £m
Actual return less expected return on pension scheme assets	**(5.2)**	36.2
Actuarial gain on demographic assumptions	**(5.0)**	(0.8)
Actuarial loss on experience adjustment	**5.9**	3.0
Actuarial loss/(gain) arising from changes in financial assumptions	**2.4**	(38.1)
Actuarial remeasurements	**(1.9)**	0.3
Change in the impact of asset ceiling	**0.1**	—
(Income)/loss recognised as other comprehensive income	**(1.8)**	0.3

Movements in the present value of defined benefit obligations in the period were as follows:

	2023 £m	2022 £m
Opening defined benefit obligation	**255.4**	293.1
Current service cost	**1.0**	0.4
Interest cost	**11.7**	5.3
Actuarial loss/(gain) on financial assumptions	**2.4**	(38.1)
Actuarial gain on demographic assumptions	**(5.0)**	(0.8)
Actuarial loss on experience adjustment	**5.9**	3.0
Benefits paid	**(15.1)**	(7.1)
Insurance premium for risk benefits	**(1.0)**	(0.4)
At end of year	**255.3**	255.4

Movements in the present value of fair value of scheme assets in the period were as follows:

	2023 £m	2022 £m
Opening defined benefit obligation	**254.2**	292.7
Interest income on plan assets	**11.7**	5.3
Return on plan assets (excluding interest income)	**5.2**	(36.2)
Company contributions	**1.9**	0.8
Administration expenses charged to operating (loss)/profit	**(1.8)**	(0.9)
Benefits paid	**(14.8)**	(7.1)
Insurance premium for risk benefits	**(1.0)**	(0.4)
At end of year	**255.4**	254.2

Sensitivity analysis of the principal assumptions used to measure scheme liabilities

As the scheme is now fully bought-in, any changes in the value of the scheme's liabilities due to changes in the underlying assumptions will be matched by changes in the value of the scheme's assets (which are measured in line with the obligations). There would therefore be a nil net balance sheet impact from any changes in the principal assumptions.

Nature and extent of the risks arising from financial instruments held by the defined benefit scheme

Through the scheme, following the buy-in, the main risk that the Group has is counterparty risk, with the insurance company backing the majority of the policies with the exception of GMP equalisation which is not included in the contract value of the buy-in insurance policy but is considered immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

29 RETIREMENT BENEFIT SCHEMES CONTINUED

William Hill pension schemes continued

Funding

Alongside the risk assessment above, on 30 September 2020, the Group agreed an ongoing funding requirement with the Trustees which expires on 30 September 2025.

The weighted average duration of the scheme's defined benefit obligation as at 31 December 2023 is 15 years (31 December 2022: 15 years).

The undiscounted maturity profile of the defined benefit obligation between one and ten years is shown below:

	2023 £m	2022 £m
Less than one year	**13.6**	12.7
Between one and two years	**14.0**	13.4
Between two and five years	**47.5**	45.7
Between five and ten years	**75.3**	71.7

No allowance is made for commutation lump sums or individual transfers out due to the fluctuating nature of these payments.

30 RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associate are disclosed below.

Trading transactions

Associates and joint ventures

As part of the William Hill acquisition in the prior year, the Group acquired Sports Information Services (Holdings) Limited, an associate of the William Hill Group. For the year to 31 December 2023, the Group made purchases of £36.6m (1 July 2022 to 31 December 2022: £15.8m) from Sports Information Services Limited, a subsidiary of Sports Information Services (Holdings) Limited. At 31 December 2023, the amount payable to Sports Information Services Limited by the Group was £nil (31 December 2022: £nil).

During the year the Group made loans totalling £2.4m (2022: £4.5m) to 888 Africa as part of the joint venture shareholder agreement. These loans incur interest at 12% per annum. For the year ended 31 December 2023 the Group received £0.7m in revenue from 888 Africa for the use of the 888 brand. During the year the Group also made loans totalling £1.8m to 888 Emerging Limited, a joint venture of the Group.

Remuneration of key management personnel

The aggregate amounts payable to key management personnel, as well as their share benefit charges, are set out below:

	2023 £m	2022 £m
Short-term benefits	**1.6**	2.9
Post-employment benefits	**0.3**	0.1
Share benefit charges — equity-settled	**0.1**	2.4
	2.0	5.4

Further details on Directors' remuneration are given in the Directors' Remuneration Report.

31 CONTINGENT ASSETS AND LIABILITIES

Legal claims

As at 31 December 2023, potential legal claims of £4.5m related to the Austria and Germany provisions (see note 22 for further details) are deemed to give rise to a possible future cash outflow, as such no provision was required at the balance sheet date.

The calculation of the customer claims liability includes provision for both legal fees and interest but does not include any gaming taxes that have already been paid on these revenues. Management have assessed that it is probable as opposed to virtually certain that the tax will be reclaimed and therefore a contingent asset of up to £28.0m (2022: £24.3m) has been disclosed for the tax reclaims. Refer to note 22 for further details.

32 EVENTS AFTER THE REPORTING DATE

On 6 March 2024, the Group announced its decision to conclude its partnership with Authentic Brands Group as part of the strategic review of its B2C business. This partnership had granted exclusive use of the Sports Illustrated brand for online betting and gaming. As part of the termination agreement, the Group has agreed to pay a total termination fee of $50.0m, $25.0m of which will be paid upfront in cash from available resources. The remaining $25.0m will be paid between 2027 and 2029.

On 22 March 2024, the GB Gambling Commission (GBGC) informed the Group that it had concluded its review into the Group's operating licences that was announced by the Group on 14 July 2023. The GBGC concluded the review without imposing any licence conditions, financial penalties or other remedies on the Group.

33 RELATED UNDERTAKINGS

The consolidated financial statements include the following principal subsidiaries of 888 Holdings Plc:

NAME	COUNTRY	PERCENTAGE OF EQUITY INTEREST	NATURE OF BUSINESS
888 (Ireland) Limited	Malta	100%	Holds Irish online betting licence
888 Acquisitions Limited	Gibraltar	100%	Acquisition vehicle for the William Hill purchase
888 Acquisitions LLC	Delaware	100%	Dormant company
888 Atlantic Limited	Gibraltar	100%	Holds an online supplier licence in Michigan
888 Cayman Finance Limited	Cayman Islands	98.6%	Holding company
888 UK Interactive Holdings Limited	United Kingdom	100%	Holding company
888 CZ Limited	Gibraltar	100%	Dormant company
888 Denmark Limited	Malta	100%	Holds Danish online gaming licence
888 France Limited	Malta	100%	Dormant company
888 Germany Limited	Malta	100%	Holds German online gaming licences
888 Italia Ltd	Malta	100%	Holds Italian online gaming licence
888 Liberty Ltd	Gibraltar	100%	Holds Delaware CSIE licence
888 Netherlands Limited	Malta	100%	Netherlands licence application entity, currently dormant
888 Online Games España, S.A.	Ceuta	100%	Holds Spanish online gaming licence
888 Portugal Ltd	Malta	100%	Holds Portuguese online gaming licence
888 Romania Limited	Malta	100%	Holds Romanian online gaming licence
888 Sweden Limited	Malta	100%	Holds Swedish online gaming licence
888 UK Limited	Gibraltar	100%	Holds UK&I Online gaming licence
888 US Holdings Inc.	Delaware	100%	Holding company
888 US Inc.	Delaware	100%	Holding company
888 US Ltd	Gibraltar	100%	Holds Nevada IGSP licence
888 US Services Inc.	Delaware	100%	Employs New Jersey based personnel and hold servers/IT equipment in the US.
888 VHL UK Holdings Limited	United Kingdom	100%	Holding company
A.J.Schofield Limited (in liquidation)	United Kingdom		In liquidation
AAPN Holdings LLC	Delaware	100%	Holding company
AAPN New Jersey LLC	New Jersey	100%	Dormant company
Ad-Gency Limited (in liquidation)	Israel		In liquidation
Admar Services (Gibraltar) Limited	Gibraltar	100%	Provide provision of marketing services to other companies within the Group.
Admar Services (Malta) Limited	Malta	100%	Provides the provision of marketing services to other companies within the Group
Alfabet S.A.S. (sold in year)	Colombia	90%	Colombian operations
Arena Racing Limited	United Kingdom	100%	Dormant company
B.B.O'Connor (Lottery) Limited	Jersey	100%	Dormant company
B.J.O'Connor Holdings Limited	Jersey	100%	Property investment and management
B.J.O'Connor Limited	Jersey	100%	Holds Class 1 bookmakers licence in Jersey.
Baseflame Limited (in liquidation)	United Kingdom		In liquidation
Bradlow Limited	United Kingdom	100%	Dormant company
Brigend Limited	Gibraltar	100%	Dormant company
Brooke Bookmakers Limited	United Kingdom	100%	Dormant company
Camec (Scotland) Limited	United Kingdom	100%	Dormant company
Camec (Southern) Limited (in liquidation)	United Kingdom		In liquidation
Camec Limited	United Kingdom	100%	Dormant company
Cassava Enterprises (Gibraltar) Ltd	Gibraltar	100%	Dormant company
Cassava Holdings Limited	Antigua & Barbuda	100%	Dormant company, previously held lease of Antigua offices
Cellpoint Investments Limited	Cyprus	100%	Dormant company
City Tote Limited (in liquidation)	United Kingdom		In liquidation
Concession Bookmakers Limited (in liquidation)	United Kingdom		In liquidation
Dansk Underholdning Limited	Malta	100%	Dormant company
Deluxe Online Limited (in liquidation)	United Kingdom		In liquidation
Deviceguide Limited	United Kingdom	100%	Dormant company
Dixie Operations Limited	Antigua & Barbuda	100%	Dormant company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

33 RELATED UNDERTAKINGS CONTINUED

NAME	COUNTRY	PERCENTAGE OF EQUITY INTEREST	NATURE OF BUSINESS
Entertainment Ventures Europe 2019 Limited	Malta	100%	Dormant company
Evenmedia Limited (In liquidation)	United Kingdom		In liquidation
Evoke Gaming Ltd	Malta	100%	Operates remote gaming licences
Fordart Limited	Gibraltar	100%	Enters into B2B contracts pursuant to Gibraltar licence and general commercial business activities
Fred Parkinson Management Limited	United Kingdom	100%	Dormant company
Gaming Ventures Europe 2019 Limited	Malta	100%	Dormant company
Gisland Limited	Gibraltar	100%	Payment transmission services
Goodfigure Limited (in liquidation)	United Kingdom		In liquidation
Grand Parade Limited	United Kingdom	100%	Contract software development
Grand Parade Sp. z o.o.	Poland	100%	Software writing and maintenance and project management
Green Gaming Group PLC	Malta	100%	Holding company
GUS Carter (Cash) Limited	United Kingdom	100%	Dormant company
GUS Carter Limited	United Kingdom	100%	Dormant company
Ivy Lodge Limited	Guernsey	100%	Property holding company
James Lane (Bookmaker) Limited	United Kingdom	100%	Dormant company
James Lane (Turf Accountants) Limited	United Kingdom	100%	Dormant company
James Lane Group Limited	United Kingdom	100%	Dormant company
Laystall Limited	United Kingdom	100%	Dormant company
Live 5 Holdings Limited	United Kingdom	100%	Holding company
Live 5 Limited	United Kingdom	100%	Games studio. Licensed and regulated entity by the GB Gambling Commission
Matsbest Limited	United Kingdom	100%	Dormant company
Matsgood Limited	United Kingdom	100%	Dormant company
Mr Green & CO AB	Sweden	100%	Dormant company
Mr Green & Co Optionsbarare AB	Sweden	100%	Dormant company
Mr Green Consultancy Services Ltd.	United Kingdom	100%	Dormant company
Mr Green Consulting AB	Sweden	100%	Dormant company
Mr Green Limited	Malta	100%	Holds online gaming licence
MRG IP Limited	Malta	100%	Holds certain IP for the Group
MRG Spain PLC	Malta	100%	Holds a licence in Spain
New Wave Virtual Ventures	Gibraltar	100%	Holds mobile gaming applications
Nimverge Tech India Private Limited	India	100%	Dormant company – assets sold in year
Online Entertainment Limited	Gibraltar	100%	Held domains, presently dormant
Phonethread Limited	United Kingdom	100%	Dormant company
Random Logic Limited	Israel	100%	Research, development and marketing service company
Random Logic Ventures Limited	Israel	100%	Holding company
Regency Bookmakers (Midlands) Limited	United Kingdom	100%	Dormant company
Selwyn Demmy (Racing) Limited	United Kingdom	100%	Dormant company
SIA Mr Green Latvia (sold in year)	Latvia	100%	Gaming entity regulated by the Latvian regulator and servicing the Latvian (Mr Green) market
Sparkware Technologies SRL	Romania	100%	Software development
Spectate Limited	Ireland	100%	Research & development centre in Ireland and holds Romania and Michigan gaming licences
St James Place Limited	Guernsey	100%	Property holding company.
T H Jennings (Harlow Pools) Limited	United Kingdom	100%	Dormant company
Trackcycle Limited	United Kingdom	100%	Dormant company
VDSL (International) Limited	Gibraltar	100%	Operator of the gaming sites pursuant to Virtual Global Digital Services Limited's Gibraltar licence for Canadian customers
VHL America, LLC	Delaware	95%	Holding company for US B2C
VHL Colorado, LLC	Colorado	100%	Holds Colorado online gaming licence
VHL Financing (Malta) Limited	Malta	100%	Dormant company
VHL Financing Limited	Gibraltar	100%	Holding company
VHL Indiana, LLC	Indianapolis	100%	Dormant company
VHL Iowa, LLC	Iowa	100%	Dormant company

33 RELATED UNDERTAKINGS CONTINUED

NAME	COUNTRY	PERCENTAGE OF EQUITY INTEREST	NATURE OF BUSINESS
VHL Louisiana, LLC	Louisiana	100%	Dormant company
VHL Maryland, LLC	Maryland	90%	Provides lottery services and holds a gaming licence in Maryland
VHL Massachusetts LLC	Massachusetts	100%	Dormant company
VHL Michigan, LLC	Michigan	100%	Holds online gaming and sports wagering licences in Michigan
VHL Missouri, LLC	Missouri	100%	Dormant company
VHL New Jersey	New Jersey	100%	Holds New Jersey online gaming licence
VHL Ohio, LLC	Ohio	100%	Dormant company
VHL Ontario Limited	Gibraltar	100%	Holds Ontario online gaming licence
VHL Virginia, LLC	Virginia	90%	Holds Virginia online gaming licence
Vickers Bookmakers Limited (in liquidation)	United Kingdom		In liquidation
Virtual Digital Services Limited	Malta	100%	Holds gaming licence
Virtual Emerging Entertainment Limited	Gibraltar	100%	Licensing of brands for emerging markets
Virtual Global Digital Services Limited	Gibraltar	100%	Holds Gibraltar gaming licence
Virtual Internet Services Latam S.L.U. (Dissolved in year)	Ceuta	100%	Dormant company
Virtual Internet Services Limited	Gibraltar	100%	Procurement of internet and bandwidth services for the Group, holds Gibraltar office lease and employs Gibraltar personnel
Virtual IP Assets Limited	Antigua & Barbuda	100%	IP company
Virtual Marketing Services (Gibraltar) Limited	Gibraltar	100%	Group marketing acquisition company
Virtual Marketing Services (Ireland) Limited	Ireland	100%	Marketing and other services company
Virtual Marketing Services (UK) Limited	England & Wales	100%	Marketing and other services company
Virtual Share Services Limited	Gibraltar	100%	Holding of shares to satisfy vesting of equity awards
Vynplex Limited (In liquidation)	United Kingdom		In liquidation
WHG (International) Limited	Gibraltar	100%	Holds gaming licence and operates UK sports betting activity
WHG (Malta) Limited	Malta	100%	Dormant and non-trading company. Denmark licence applicant
WHG Customer Services Philippines, INC	Philippines	100%	Operating entity of Philippines shared service centre
WHG IP Licensing Limited	Gibraltar	100%	Dormant company
WHG ITALIA SrL	Italy	100%	Payroll-related expenses of employees in Italy Trading entity that receives income via intercompany recharge
WHG Online Marketing Spain S.A.	Spain	100%	Provision of marketing services to other Group companies
WHG Services (Bulgaria) Limited EOOD	Bulgaria	100%	The provision of consulting and technical support
WHG Services (Philippines) Limited	Gibraltar	100%	Dormant company
WHG Services Limited	United Kingdom	100%	Providing technical development services for online business
WHG Spain PLC	Malta	100%	Operates a Spanish remote gaming licence.
WHG Trading Limited	Gibraltar	100%	Dormant company
Will Hill Limited	United Kingdom	100%	Holding company
William Hill (Alba) Limited	United Kingdom	100%	Dormant company
William Hill (Caledonian) Limited	United Kingdom	100%	Dormant company
William Hill (Course) Limited (in liquidation)	United Kingdom		In liquidation
William Hill (Edgeware Road) Limited	United Kingdom	100%	Dormant company
William Hill (Effects) Limited	United Kingdom	100%	Dormant company
William Hill (Essex) Limited	United Kingdom	100%	Dormant company
William Hill (Football) Limited	United Kingdom	100%	Dormant company
William Hill (Goods) Limited	United Kingdom	100%	Dormant company
William Hill (IOM) No. 3 Limited	Isle of Man	100%	Dormant company
William Hill (London) Limited	United Kingdom	100%	Dormant company
William Hill (Malta) Limited	Malta	100%	Dormant company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

33 RELATED UNDERTAKINGS CONTINUED

NAME	COUNTRY	PERCENTAGE OF EQUITY INTEREST	NATURE OF BUSINESS
William Hill (Midlands) Limited	United Kingdom	100%	Dormant company
William Hill (North Eastern) Limited	United Kingdom	100%	Dormant company
William Hill (North Western) Limited	United Kingdom	100%	Dormant company
William Hill (Northern) Limited (in liquidation)	United Kingdom		In liquidation
William Hill (Products) Limited (in liquidation)	United Kingdom		In liquidation
William Hill (Resources) Limited	United Kingdom	100%	Dormant company
William Hill (Scotland) Limited	United Kingdom	100%	Dormant company
William Hill (Southern) Limited	United Kingdom	100%	Dormant company
William Hill (Strathclyde) Limited (in liquidation)	United Kingdom		In liquidation
William Hill (Supplies) Limited (in liquidation)	United Kingdom		In liquidation
William Hill (Wares) Limited	United Kingdom	100%	Dormant company
William Hill (Western) Limited	United Kingdom	100%	Dormant company
William Hill Bookmakers (Ireland) Limited	Ireland	100%	Dormant company
William Hill Call Centre Limited	Ireland	100%	Dormant company
William Hill Cayman Holdings Limited	Cayman Islands	100%	Holding company
William Hill Credit Limited	United Kingdom	100%	Dormant company
William Hill Employee Shares Trustee Limited	United Kingdom	100%	Dormant company
William Hill Finance Limited	United Kingdom	100%	Holding company
William Hill Gametek AB	Sweden	100%	Provides technical and support services
William Hill Global PLC	Malta	100%	Holds sports and gaming licence in Malta
William Hill Holdings Limited	United Kingdom	100%	Holding company
William Hill Investments Limited	United Kingdom	100%	Holding company
William Hill Latvia SIA (sold in year)	Latvia	90%	Main licence holder in Latvia.
William Hill Limited	United Kingdom	100%	Previously listed WH Group operating company
William Hill Malta PLC	Malta	100%	Holds gaming licence for Malta, Italy and Ireland
William Hill Offshore Limited	Ireland	100%	Dormant company
William Hill Organization Limited	United Kingdom	100%	Operation of Licensed Betting Offices (LBOs), and main UK employing entity
William Hill Steeplechase Limited	Gibraltar	100%	Dormant company
William Hill Trustee Limited	United Kingdom	100%	Acting as Trustee to the William Hill Pension Scheme
Willstan Properties Limited	United Kingdom	100%	Property investment and management in Northern Ireland
Willstan Racing (Ireland) Limited	Ireland	100%	Dormant company
Willstan Racing Holdings Limited	United Kingdom	100%	Dormant company
Willstan Racing Limited	United Kingdom	100%	Dormant company
Windsors (Sporting Investments) Limited	United Kingdom	100%	Dormant company
Wise Entertainment DK ApS	Denmark	100%	In liquidation
Wizard's Hat Limited	Malta	100%	Dormant company

APPENDIX 1 — ALTERNATIVE PERFORMANCE MEASURES

In reporting financial information, the Board uses various alternative performance measures (APMs) which it believes provide useful additional information for understanding the financial performance and financial health of the Group. These APMs should be considered in addition to IFRS measures and are not intended to be a substitute for them. Since IFRS does not define APMs, they may not be directly comparable to similar measures used by other companies.

The Board uses APMs to improve the comparability of information between reporting periods by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance.

Consequently, the Board and management use APMs for performance analysis, planning, reporting and incentive-setting.

APM	CLOSEST EQUIVALENT IFRS MEASURE	DEFINITION/PURPOSE	RECONCILIATION/CALCULATION
ADJUSTED EBITDA	Operating profit/loss	Adjusted EBITDA is defined as operating profit or loss excluding share benefit charges, foreign exchange, depreciation and amortisation, fair value gains and any exceptional items which are typically non-recurring in nature.	A reconciliation of this measure is provided on the face of the Consolidated Income Statement.
ADJUSTED EBITDA MARGIN	No direct equivalent	Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue. It is a measure of the business's profitability, and also measures how much revenue the business converts into underlying profitability. Improving adjusted EBITDA margin is a key strategic priority for the business.	See note A.
ADJUSTED EPS	Earnings per share	Adjusted EPS represents basic and diluted EPS based on adjusted profit before tax.	Reconciliations of these measures are provided in note 10 of the financial statements.
ADJUSTED PROFIT AFTER TAX	Profit after tax	Adjusted profit after tax is defined as profit after tax before amortisation of acquired intangibles and finance fees, foreign exchange, share benefit charges, exceptional items and tax on exceptional items.	A reconciliation of this measure is disclosed in note 10 of the financial statements.
EXCEPTIONAL AND ADJUSTED ITEMS	No direct equivalent	Exceptional items are those items the Directors consider to be one-off or material in nature that should be brought to the reader's attention in understanding the Group's financial performance. Adjusted items are recurring items that are excluded from internal measures of underlying performance, and which are not considered by the Directors to be exceptional. This relates to the amortisation of specific intangible assets recognised in acquisitions, foreign exchange and share benefit charges.	Exceptional items and adjusted items are included on the face of the Consolidated Income Statement with further detail provided in note 3 of the financial statements.
EFFECTIVE TAX RATE	Income tax expense	This measure is the tax charge for the year expressed as a percentage of profit before tax.	Effective tax rate is disclosed in note 9 of the financial statements.

APPENDIX 1 — ALTERNATIVE PERFORMANCE MEASURES CONTINUED

APM	CLOSEST EQUIVALENT IFRS MEASURE	DEFINITION/PURPOSE	RECONCILIATION/CALCULATION
ADJUSTED EFFECTIVE TAX RATE	No direct equivalent	This measure is the tax charge for the year as a percentage of profit before tax adjusted for the items disclosed in adjusted profit after tax above.	Adjusted effective tax rate is disclosed in note 9 of the financial statements.
LEVERAGE RATIO	No direct equivalent	Leverage ratio is calculated as net debt divided by the previous 12-months adjusted pro forma EBITDA. Net debt comprises the principal outstanding balance of borrowings, accrued interest on those borrowings and lease liabilities less cash and cash equivalents (excluding customer deposits).	See note B.
PRO FORMA REVENUE AND PRO FORMA ADJUSTED EBITDA	No direct equivalent	Pro forma metrics, which are unaudited, reflect the results as if 888 had owned William Hill for each of the periods and excludes the results of the 888 Bingo business for all periods. This enables measurement of the performance of the divisions on a comparable year-on-year basis.	Reconciled on page 25 of Annual Report.

NOTE A

	Retail £m	UK&I Online £m	International £m	Other £m	Corporate £m	Total £m
2023						
External revenue from continuing businesses	**535.0**	**658.5**	**517.4**	**—**	**—**	**1,710.9**
Adjusted EBITDA	**98.9**	**152.3**	**99.4**	**—**	**(42.3)**	**308.3**
Adjusted EBITDA margin %	**18.5%**	**23.1%**	**19.2%**	**—**	**N/A**	**18.0%**
2022						
External revenue from continuing businesses	255.5	455.5	508.3	19.5	—	1,238.8
Adjusted EBITDA	41.2	61.6	118.3	1.7	(4.9)	217.9
Adjusted EBITDA margin %	16.1%	13.5%	23.3%	8.7%	N/A	17.6%

NOTE B

	2023 £m	2022 £m
Borrowings	**(1,661.1)**	(1,702.3)
Add back loan transaction fees	**(96.6)**	(112.7)
Gross borrowings	**(1,757.7)**	(1,815.0)
Lease liability	**(87.6)**	(89.0)
Cash (excluding customer balances)	**128.4**	176.3
Net debt	**(1,716.9)**	(1,727.7)
Adjusted EBITDA	**308.3**	310.6
Financial leverage ratio	**5.6**	5.6

COMPANY BALANCE SHEET

At 31 December 2023

	Note	2023 £m	2022 £m
Assets			
Non-current assets			
Investments in subsidiaries	2	**39.6**	48.8
Loan to subsidiaries		**170.9**	163.9
Amounts due from related parties		**—**	112.9
		210.5	325.6
Current assets			
Trade and other receivables	3	**16.3**	18.0
Corporate tax assets		**0.7**	—
Amounts due from related parties		**130.2**	—
		147.2	18.0
Total assets		**357.7**	343.6
Equity and liabilities			
Equity			
Share capital	4	**2.2**	2.2
Share premium	4	**160.7**	160.7
Treasury shares	4	**(0.6)**	(0.9)
Retained earnings[1]		**86.5**	90.6
Total equity		**248.8**	252.6
Liabilities			
Current liabilities			
Trade and other payables	5	**5.8**	2.3
Income tax payable		**—**	0.5
Loan payable to subsidiaries	8	**20.2**	—
Amounts due to related parties		**82.8**	67.8
		108.9	70.6
Non-current liabilities			
Loan payable to subsidiaries	8	**—**	20.4
		—	20.4
Total liabilities		**108.9**	91.0
Total equity and liabilities		**357.7**	343.6

1. Includes net loss of the Company for the year ended 31 December 2023 of £3.3m (31 December 2022: £2.7m).

The financial statements on pages 157 to 159 were approved and authorised for issue by the Board of Directors on 26 March 2024 and were signed on its behalf by:

PER WIDERSTRÖM
Chief Executive Officer

SEAN WILKINS
Chief Financial Officer

The notes on pages 160 to 162 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital £m	Share premium £m	Treasury shares £m	Retained earnings £m	Total £m
Balance at 1 January 2022	**1.9**	**2.5**	**(0.9)**	**85.4**	**88.9**
Loss for the year	—	—	—	(0.9)	(0.9)
Issue of shares	0.3	158.2	—	—	158.5
Acquisition of treasury shares	—	—	(0.7)	—	(0.7)
Exercise of deferred share bonus plan	—	—	0.7	(0.7)	—
Equity-settled share benefit charges (note 8)	—	—	—	6.8	6.8
Balance at 31 December 2022	**2.2**	**160.7**	**(0.9)**	**90.6**	**252.6**
Loss for the year	—	—	—	(3.3)	(3.3)
Vesting on deferred share bonus plan	—	—	0.3	(0.3)	—
Equity-settled share benefit credits (note 8)	—	—	—	(0.5)	(0.5)
Balance at 31 December 2023	**2.2**	**160.7**	**(0.6)**	**86.5**	**248.8**

The following describes the nature and purpose of each reserve within equity.

Share capital — represents the nominal value of shares allotted, called-up and fully paid for.

Share premium — represents the amount subscribed for share capital in excess of nominal value.

Treasury shares — represent reacquired own equity instruments. Treasury shares are recognised at cost and deducted from equity.

Retained earnings — represents the cumulative net gains and losses recognised in the parent company Statement of Comprehensive Income and other transactions with equity holders

The notes on pages 160 to 162 form part of these financial statements

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Cash flows from operating activities:			
Loss before tax		**(4.5)**	(2.0)
Adjustments for:			
Interest on loans to subsidiaries		**(7.0)**	(5.4)
Interest on loans from subsidiaries		**(0.3)**	—
Impairment of investment		**8.6**	—
Cash used in operating activities before working capital movement		**(3.2)**	(7.4)
Movements in working capital			
Increase in amounts owed by subsidiaries	3, 5	**(9.1)**	(34.5)
Increase in amounts owed to subsidiaries		**—**	67.8
Decrease/(increase) in other receivables	3	**1.0**	(10.5)
Increase/(decrease) in trade and other payables	5	**4.1**	(2.7)
Net cash (used in)/generated from operating activities		**(7.2)**	20.1
Cash flows from investing activities			
Loan to subsidiaries		**—**	(163.9)
Dividends received	8	**(8.0)**	—
Net cash generated from investing activities		**(8.0)**	(163.9)
Cash flows from financing activities:			
Issue of shares	4	**—**	158.5
Acquisition of treasury shares	4	**—**	(0.7)
Repayment of loans to subsidiaries		**—**	(6.6)
Dividends paid	8	**15.2**	—
Net cash generated from financing activities		**15.2**	151.2
Net increase/(decrease) in cash and cash equivalents		**—**	—
Cash and cash equivalents at the beginning of the year		**—**	—
Cash and cash equivalents at the end of the year		**—**	—

The notes on pages 160 to 162 form part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2023

1 GENERAL INFORMATION AND ACCOUNTING POLICIES

A description of the Company, its activities and definitions are included in note 1 to the consolidated financial statements.

The Company's financial statements have been prepared in accordance with UK adopted international accounting standards in accordance with the requirements of the Gibraltar Companies Act 2014. The Company has taken advantage of the exemption to not prepare an income statement. The financial statements have been prepared on a historical cost basis, except where certain assets or liabilities are held at amortised cost or at fair value as described in the Company's accounting policies.

All values are rounded to the closest hundred thousand, except when otherwise indicated.

The significant accounting policies applied in the financial statements in the prior year have been applied consistently in these financial statements, except for the amendments to accounting standards effective for the annual periods beginning on 1 January 2023 and representation of expenses analysis in the income statement. These are described in more detail in note 1 to the consolidated financial statements.

Investment in subsidiaries

The Company's investments in subsidiaries are carried at cost less provisions resulting from impairment.

Share-based payments

The financial effect of awards by the Company of options over its equity shares to employees of subsidiary undertakings is recognised by the Company in its individual financial statements as an adjustment to its investment in subsidiaries with an opposite adjustment to equity. The subsidiary, in turn, will recognise the IFRS 2 adjustment in its income statement with a credit (debit) to equity to reflect the deemed capital contribution from (dividend to) the Company.

Key accounting estimates – impairment testing of investments in and amounts due from subsidiaries

The Company's investments in and amounts due from subsidiaries have been tested for impairment by comparison against the value in use for those entities. The key assumptions used in the model are consistent with those disclosed for the Group.

2 INVESTMENTS IN SUBSIDIARIES

The Company's principal subsidiaries are listed in note 33 to the consolidated financial statements. In the Company's financial statements, investments in subsidiaries are held at cost less provision for any impairment. The Group applies IFRS 2 'Share-based Payment'. Consequently, the Company recognises as a cost of investment the value of its own shares that it makes available for the purpose of granting share options to employees or contractors of its subsidiaries. The net movement in investment in subsidiaries during the year was £9.2m (2022: £8.1m). Included within this were share-based payment charges of £0.5m in 2023 (2022: £3.3m), which is net of £nil intragroup recharges related to share-based payment schemes (2022: £nil) as well as an impairment of the investment of 888 US Inc of £8.7m. The Company made no capital contributions during the year (2022: £nil) in respect of incorporation of new subsidiaries.

3 TRADE AND OTHER RECEIVABLES

	2023 £m	2022 £m
Other receivables and prepayments	**0.9**	1.9
Restricted short-term deposits	**15.4**	16.1
	16.3	18.0

The carrying value of trade and other receivables approximates to their fair value. An expected credit loss assessment for material balances has been performed. None of the balances included within trade and other receivables are past due and no material expected credit loss provision is required in either year.

4 SHARE CAPITAL

The disclosures in note 27 to the consolidated financial statements are consistent with those for the Company, including capital management in note 24 to the consolidated financial statements.

5 TRADE AND OTHER PAYABLES

	2023 £m	2022 £m
Trade payables	**–**	0.1
Other payables and accrued expenses	**5.8**	2.2
	5.8	2.3

The carrying value of trade and other payables approximates to their fair value. All balances included within trade and other payables are repayable on demand.

6 FINANCIAL RISK MANAGEMENT

To the extent relevant to the Company's financial assets and liabilities (see notes 3 and 5), the Company's financial risk management objectives and policies are consistent with those of the Group as disclosed in note 24 to the consolidated financial statements.

Interest-bearing loans and borrowings are disclosed in note 23 to the consolidated financial statements.

7 SHARE BENEFIT CHARGES

The disclosures in note 28 to the consolidated financial statements are consistent with those for the Company except that the charge for the year is partly taken to investment in subsidiaries, as set out in note 2.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2023

8 RELATED PARTY TRANSACTIONS

The aggregate amounts payable to key management personnel, considered to be the Directors of the Company, as well as their share benefit charges are detailed in note 30 to the consolidated financial statements.

During the year, the Company did not pay dividends to its shareholders (2022: £nil) (see note 11 to the consolidated financial statements). During the year, the Company did not receive any dividends from its subsidiaries (2022: £nil).

During the year, share benefit credits in respect of options and shares of the Company awarded to employees of subsidiaries totalled £1.5m (2022: charges of £6.8m). During the year, the Company did not charge its subsidiaries for the cost of awards (2022: £nil).

During the year, the Company has not repaid its subsidiaries (2022: £6.2m) and recorded £0.8m (2022: £0.8m) interest expenses in respect of the loan which were recharged to other Group entities.

At 31 December 2023, the amounts owed by subsidiaries to the Company were £301.1m (2022: £276.8m).

The Company has a loan receivable with its subsidiary, Gisland Limited. The balance of this loan at 31 December 2023 is £170.9m (31 December 2022: £163.9m). This loan accrues interest at a rate of 4.4% which the Company recognises as interest income. This loan is not repayable on demand and has no fixed date of settlement; it is therefore classified as a non-current asset.

The Company has a loan payable to its subsidiary, Random Logic Limited. The balance of this loan at 31 December 2023 is £20.2m (31 December 2022: £20.4m). This loan accrues interest at a rate of 4.4% which the Company recognises as interest expense. This loan is classified as a current liability given it falls due in March 2024.

9 DEFERRED TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Following a change in the Company's tax residence to the United Kingdom, deferred tax is recognised at the UK tax rate. As at 31 December 2023, the Company has a deferred tax liability of £nil (2022: £nil) partially offset by a deferred tax asset of £nil (2022: £nil).

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT

This report provides our climate-related disclosures in line with the TCFD's recommendations. A summary of the climate-related financial disclosures has been integrated into the ESG section of the Annual Report on page 20. We continue to invest in our approach to climate reporting and will continue to evolve our processes and disclosures over time.

GOVERNANCE

We have an established system of ESG governance agreed with the Board, which is embedded throughout the business proportionate to the nature, scale, and complexity of our operations.

BOARD OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Board provides oversight of our climate-related risks and opportunities supported by the executive committees and management.

Board oversight of climate-related risks and opportunities.

ESG GOVERNANCE

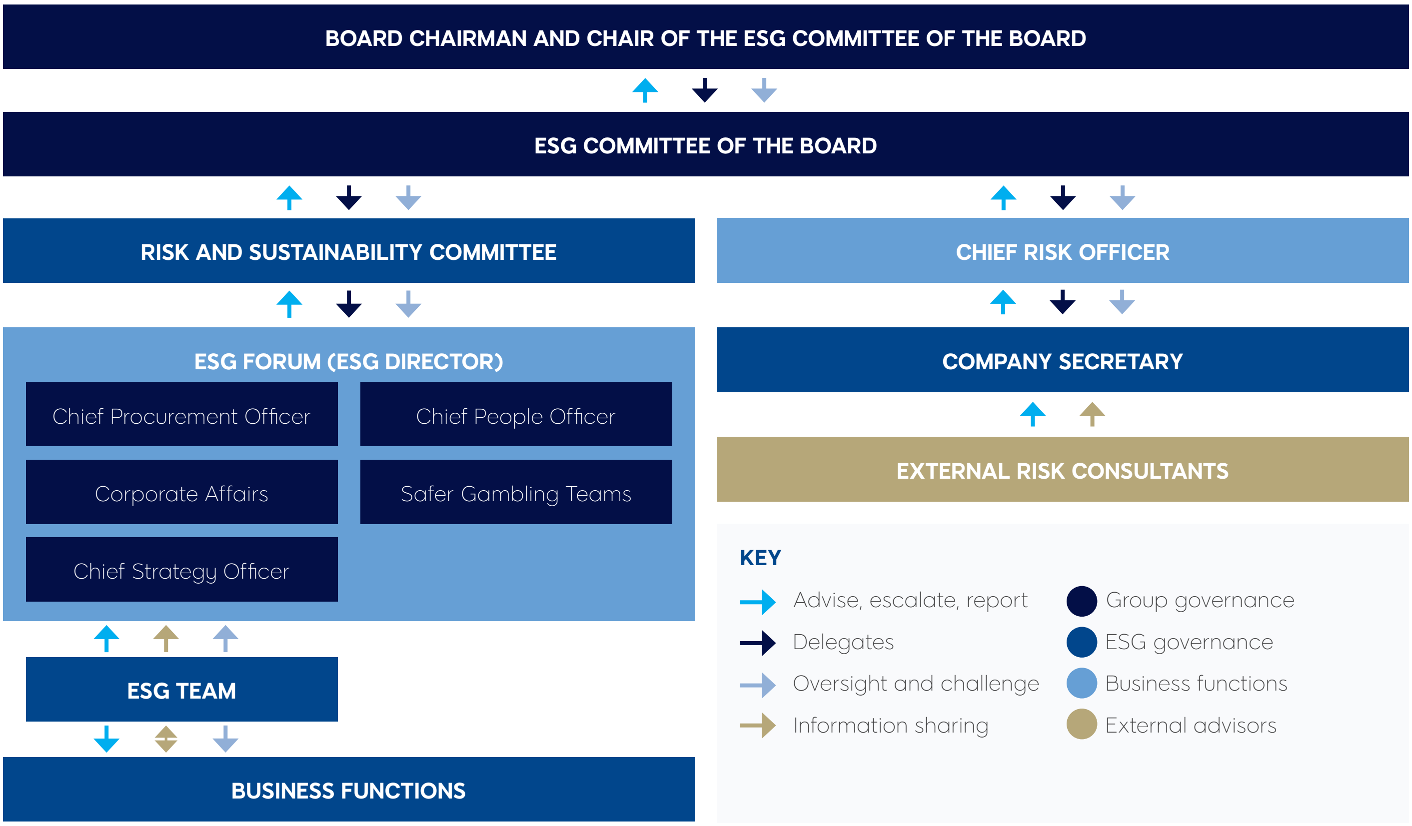
BOARD OF DIRECTORS	The Board is accountable for all climate-related risks and opportunities impacting the Group and for the net zero targets set. In October 2023, Anne De Kerckhove was appointed to be the Chair of the ESG Committee. An ESG update is a standing agenda item at every Board meeting. In 2023, the Board considered the overall ESG strategy, the global safer gambling strategy and received training around problem gambling and gambling disorder. The Board receives updates on climate issues from the ESG Committee of the Board via the Chair, supported by the Chief Strategy Officer and Chief Risk Officer.
ESG COMMITTEE OF THE BOARD	In 2023, the ESG Committee of the Board continued to evolve and now comprises the Chair, Anne de Kerckhove, alongside Non-Executive Directors, Mark Summerfield and Ori Shaked. The ESG Committee of the Board has oversight of all ESG matters including strategy; targets and key performance indicators; budgets; capex; and setting performance objectives. Materiality is the threshold at which ESG issues become sufficiently important to 888's investors and other stakeholders that they should be publicly reported and includes anything that is materially different from expectations and requires a significant change in strategy or creates a material change in financial results or position. The threshold of materiality for ESG issues is continually assessed by the ESG Committee of the Board as stakeholders' needs evolve over time. The Chief Risk Officer, who leads the Risk and Sustainability Committee, and the Chief Strategy Officer provide updates to the ESG Committee of the Board at every Board meeting. In 2023, the ESG Committee of the Board met at least three times to discuss Safer Gambling strategy, net zero strategy, community engagement and charity support. Safer gambling strategy and plans were presented to the ESG Committee of the Board in July 2023. Climate-related plans were also considered as the business works to define a detailed transition plan, consistent data across the enlarged Group and potentially agree a science-basted target.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT CONTINUED

WHO OWNS OUR RELATED RISKS AND OPPORTUNITIES?

Our executive team is responsible for managing climate-related risks and opportunities on a day-to-day basis. Our ESG governance structure looks like this:

Our ESG governance organogram



WHO DOES WHAT ACROSS OUR ESG GOVERNANCE STRUCTURE?

ESG GOVERNANCE	
RISK AND SUSTAINABILITY COMMITTEE	The Risk and Sustainability Committee is a monthly executive management committee, which provides oversight to support the ESG Committee of the Board in managing risks to our long-term strategic objectives. The committee will monitor the Group's performance against the Board's risk appetite, review the effectiveness of the risk management framework and ensure risk management decisions are aligned to long-term goals (see the terms of reference available on 888's corporate website). The Risk and Sustainability Committee is chaired by the Chief Risk Officer, who owns the Group Risk Register. The Chief Risk Officer reports to the ESG Committee of the Board at regular intervals.
ESG FORUM	The ESG and Sustainability Director leads the ESG Forum, a cross-functional forum which implements the Group's ESG strategy, including representatives from Procurement, Strategy, People, Corporate Affairs and Compliance. The ESG Forum serves as a medium through which ESG issues (including climate) can be managed and escalated to the Risk and Sustainability Committee by the ESG and Sustainability Director. From its formation, the ESG Forum met monthly to discuss ESG issues, progress against targets and updates on current and planned initiatives. The environmental data is tracked internally using a dashboard (Normative) to assess progress against climate goals. In 2023 work was started to amalgamate data sources with Normative selected as the preferred partner to host the Group's data.
THE GROUP'S FUNCTIONS	Our Procurement team, led by the Chief Procurement Officer, has ownership of all environmental issues. Specifically, Procurement owns Scope 1, 2 and 3 GHG emissions and works to develop the strategies for driving-down total GHG emissions across the business in partnership with the ESG and Sustainability Director and the wider business. Procurement lead on our encompassing best practice in monitoring and ultimately driving down emissions both in the Group and the supply chain.

FUTURE PRIORITIES

In 2024, we will continue to evolve our climate strategy across the business:

- the ESG Committee of the Board receiving more regular updates from management on climate;
- continue to evolve the transition plan to net zero across scope 1, 2 and 3 off the back of completing the data re-baselining exercise
- build on previous good work around our UK retail estate to reduce energy usage
- explore renewable energy provision across our international offices
- examine potential efficiencies across our technology stack, particularly around data server usage
- engage with our suppliers to work to establish their transition plans and reduce our scope 3 emissions

STRATEGY

As part of our ESG strategy, Players, People and Planet, we have put the fight against climate change at the heart of our plan. We are committed to transitioning our business model to one that aligns with a 1.5°C world and a net zero carbon economy and have developed a transition plan that we continue to build on. Our strategic response focuses on the associated transition and physical climate-related risks and opportunities which are material to our business.

OUR TRANSITION PLAN

We recognise that our business, like all businesses, needs to evolve and we are committed to contributing to the global economy's transition to a low carbon reality. Building on previous work, we set ambitious targets of being net zero by 2030 (Scope 1 and 2 emissions) and across our value chain by 2035 (Scope 3 emissions). These targets are integrated into the strategy, with four priority actions covering our operations and the wider value chain. We believe that early action to drive aggressive reductions in emissions will lead to a more competitive business overall. We want to drive ambitious change and proactively manage our climate-related risks, and we therefore committed to meeting net zero by 2035, which is 15 years earlier than the UK government's mandated goal to be net zero by 2050.

In our previous Zero Carbon Report published last year we updated on our progress along the pathway to reach net zero emissions. It also outlines the development of a transition plan aligned to our business model with a world in which the global average temperature is allowed to rise by no more than 1.5°C above pre-industrial levels. We acknowledge that in 2022 the UK Transition Plan Taskforce (TPT) developed a sector neutral framework for transition plan disclosures. We may in future years consider aligning our disclosures with the TPT's guidance for transition plans in future iterations of its plan. We achieved our main goal in 2023 of completing our re-baselining exercise across the legacy William Hill and 888 businesses. This saw us move to use the data platform, Normative, advancing our climate data and understanding as a result. In 2024 we may review our climate goals and transition plan as we now better understand our total carbon footprint across our entire value chain. As part of our re-baselining work some of our previously declared emissions changed due to methodological differences; we will discuss this in more detail later in the report.

We are ambitious in our desire to accelerate the transition to a carbon-free economy. We remain committed to accelerating this work and our targets are:

- Carbon neutral across across scope 1 and 2 emissions by 2030.
- Fully net zero across all our value chain, including scope 3 by 2035.

Having completed our re-baselining work in 2023, all reporting in subsequent years will utilise 2023 as the baseline for reporting.

CLIMATE-RELATED SCENARIO ANALYSIS

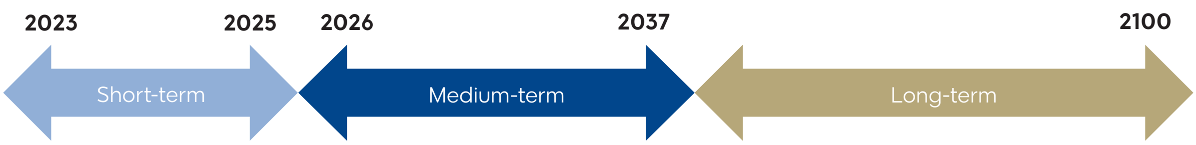
In 2022, the Group conducted qualitative scenario analysis for the first time to inform its climate strategy and risk management, and climate has been included in the Group Risk Register for the first time for monitoring by the Board. In 2024 we will explore reviewing and updating the scenario analysis, consider double materiality and examine other ESG risks that may be cause for concern for the business.

CLIMATE-RELATED RISKS AND OPPORTUNITIES IDENTIFIED OVER THE SHORT, MEDIUM AND LONG TERM

Due to the inherent uncertainty and pervasive nature of the risks associated with climate change, the Group modelled multiple time horizons and performed scenario analysis under three climate scenarios to assess its exposure to physical and transition risks up to 2100.

The following expected timescales for impact were selected:

SHORT-, MEDIUM- & LONG-TERM TIME HORIZONS



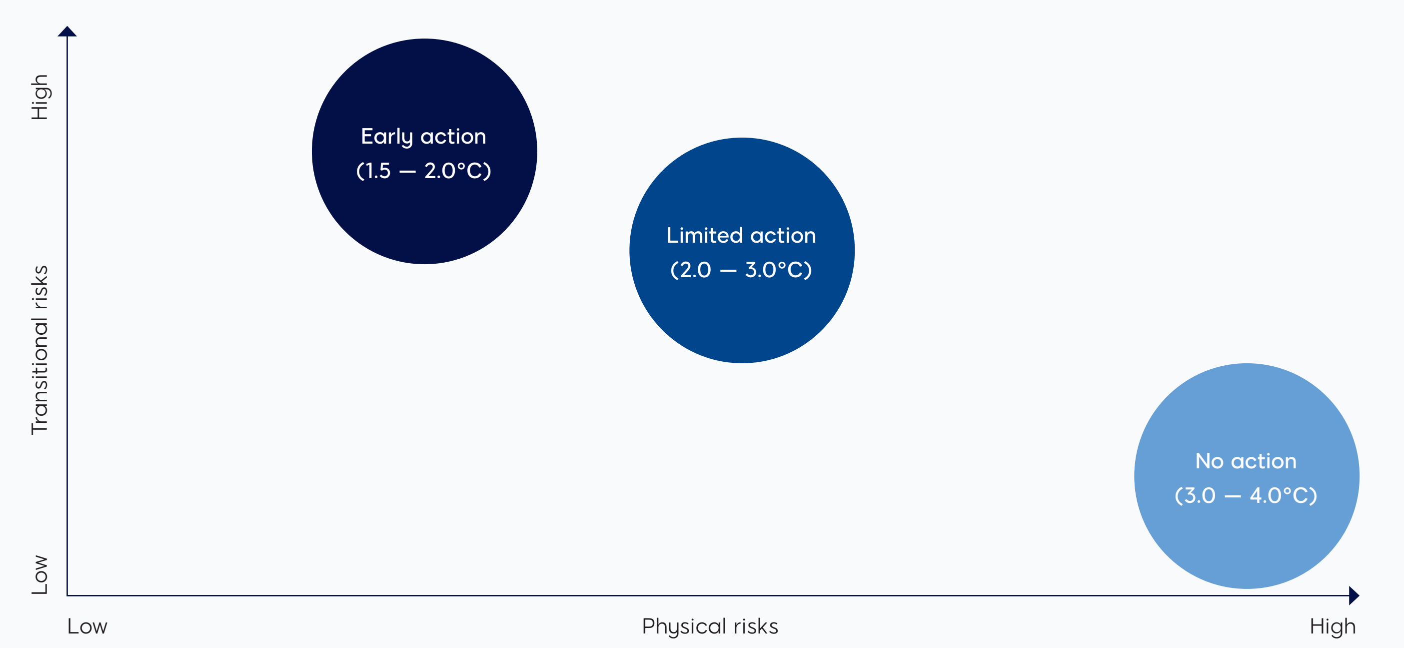
These time horizons were chosen with the understanding that climate-related issues tend to manifest over the long term but medium- and short-term implications may also be seen.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT CONTINUED

CLIMATE SCENARIOS

In the exercise, management chose to model three climate scenarios (including a 2°C or lower scenario as recommended by the TCFD) to ensure that a range of different climate transition pathways was represented.

Climate-related scenarios used in the scenario analysis and sources



Graph showing climate scenarios and transitional and physical impacts.

Below is a high level overview of the key features of each warming scenario.

	OVERVIEW	PHYSICAL ASPECTS	TRANSITIONAL ASPECTS
EARLY ACTION (1.5°C - 2.0°C)	• SSP1-2.6. • Net-zero emissions expected from 2050 onwards. • Warming stays well below 2°C by 2100, with the aim of staying within the 1.5°C threshold.	• Increase in the intensity and frequency of extreme weather events. • Manageable changes across most regions. • Shifts in agriculture practices may be observed.	• Implement policy changes to limit warming to below 1.5°C. • Rapid decarbonisation of infrastructure and technology is implemented in high emitting sectors. • Common use of fossil fuels is ruled out with extremely limited use by 2040.
LIMITED ACTION (2.0°C - 3.0°C)	• SSP2-4.5 • Emissions expected to peak by 2050 but do not reach net zero by 2100. • Warming is estimated to be around 2.7°C by 2100. • Aligns with the more ambitious pledges made under the Paris agreement.	• Further increased intensity and frequency of extreme weather events. • In some global regions conditions are unmanageable under extreme physical conditions. • Considerable ecological impacts expected. • Shifts in agriculture practices observed. • Low lying regions become vulnerable to sea-level rise.	• Some new climate policies expected to be implemented. • Limited decarbonisation in high emitting sectors. • Governmental policies not consistently aligned to mitigating climate change.

	OVERVIEW	PHYSICAL ASPECTS	TRANSITIONAL ASPECTS
NO ACTION (3.0°C - 4.0°C)	• SSP3-7.0. • Emissions continue to rise and are expected to double by 2100. • Warming is estimated to be around 3.6°C by 2100.	• Prolonged, extreme weather conditions. • Areas uninhabitable. • Large ecological destruction. • Climate feedback effects enforce rapid physical changes and produce high uncertainty around magnitude of impacts from feedback.	• Very few climate policies are introduced. • Emissions are reduced gradually through efficiencies only. • Reasonable reliance globally on fossil fuels.

CLIMATE-RELATED RISKS AND OPPORTUNITIES IDENTIFIED AND RISK MANAGEMENT

A comprehensive list of potential climate-related risks and opportunities was developed and refined during the scenario analysis to focus on those that could materially impact the Group. The risks and opportunities the Group faces from climate change include not only the physical aspects but also legal, policy and commercial changes in the global markets in which we operate. To respond to these risks, the Group will need to take business-wide action and build resilience through mitigation, adaptation, and business continuity planning. We feel that our response to the COVID-19 pandemic has given us strong learning to utilise in the event of any event requiring serious business continuity planning.

OUR MATERIAL CLIMATE-RELATED RISKS IDENTIFIED DURING THE SCENARIO ANALYSIS

TRANSITIONAL RISKS

MARKET	• Temporary increases to the cost of living during the transition to low carbon technologies
POLICY AND LEGAL	• Legislation introduced to ban fossil fuel use for fuel and energy generation and to favour renewable energy generation
REPUTATION	• Market/stakeholder pressure to switch all sites onto renewable energy to meet pledged carbon reduction and net zero targets

PHYSICAL RISKS

ACUTE PHYSICAL	• Increase in extreme acute weather events locally and flash flooding events from increased/prolonged participation • Increased frequency and intensity of acute weather events globally
CHRONIC PHYSICAL	• Coastal flooding driven by sea level rises

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT CONTINUED

The first table below shows the material physical risks and opportunities assessed using climate-related scenario analysis, and the second table shows the material transition risks and opportunities. We plan to continue to review and develop the comprehensive list of potential climate-related risks and opportunities as a minimum, on an annual basis, or more frequently in line with any significant changes to climate science, technology, and legislation.

Material physical climate-related risks and opportunities identified during the scenario analysis

KEY

Low	S < 5 years
Medium	M 5-15 years
High	L 15+ years
Very High	

RISK	IMPACT/OPPORTUNITY	CLIMATE SCENARIO (°C)	MATERIALITY	LIKELIHOOD, EXPECTED TIMESCALE FOR IMPACT	MANAGEMENT APPROACH AND ADAPTIVE CAPACITY
COASTAL FLOODING DRIVEN BY SEA LEVEL RISE	Safety risk to colleagues from travel and infrastructure flood damage to offices, LBOs and employee homes located in coastal regions. Increase in costs for building repairs and reinforcement to mitigate against future events e.g., flood defences and insurance costs or refused reinsurance in vulnerable areas.	3-4		Likely (60%) L Action required in the medium term	Assess sites in coastal regions through mapping across retail estate. Where necessary consideration will be given to changing site locations for sites in flood plains to mitigate this risk.
INCREASE IN EXTREME ACUTE WEATHER EVENTS LOCALLY E.G., HURRICANE INTENSITY, FREQUENCY AND GEOGRAPHICAL DISPARITY, FLASH FLOODING EVENTS AS A RESULT OF INCREASED/ PROLONGED PRECIPITATION	Potential disruption to business services due to energy supply and communication services disruption e.g., telecoms and phone lines due to damage. Health and Safety risk to employees located in offices, LBOs and homes due to damage and potential increase in employee absence or requirement to work from home. Increased overhead costs for building repairs. Opportunity: reduce emissions from commuting and mitigate employee absence due to improved capacity for remote working	3-4 2-3		Very likely (80%) S M L Maintain current processes to manage risk	Ensure Business Continuity Plans are updated and tested accordingly for each office location to ensure risk is mitigated. Ensure key staff have ability to work remotely and from home to naturally reduce this risk.
INCREASED FREQUENCY AND INTENSITY OF EXTREME ACUTE WEATHER EVENTS GLOBALLY	Loss of revenue as a result of the cancellation or rescheduling of sporting events.	3-4 2-3		Virtually certain (99-100%) M L No action required to manage risk	The business model needs to pivot accordingly to any change in sporting timetable. The organisation's ability to adapt to sporting disruption has been demonstrated under other circumstances such as COVID-19 and 888 is well equipped to continue this, based on lessons already learned from previous challenges.

RISK	IMPACT/OPPORTUNITY	CLIMATE SCENARIO (°C)	MATERIALITY	LIKELIHOOD, EXPECTED TIMESCALE FOR IMPACT	MANAGEMENT APPROACH AND ADAPTIVE CAPACITY
TEMPORARY INCREASES TO THE COST OF LIVING DURING THE TRANSITION TO LOW-CARBON TECHNOLOGIES	Economic constraints mean customers may have less disposable income to spend on leisure and gambling activities, resulting in a loss of revenue for the business. Increased risk of vulnerability to harmful gambling for clients in high-risk groups.	1.5-2		Very likely (80%) S M Maintain current processes to manage risk	Ongoing review of economic conditions in main markets to analyse effects on customer disposable income. Thresholds for spend and affordability checks to be reviewed periodically.
		2-3		Likely (60%) S M L No action required to manage risk	
	Demand from employees, especially those on national living wages, for increase to wages due to widescale increase in cost of living.	1.5-2		Likely (60%) S M Maintain current processes to manage risk	Review of retail colleague pay in line with changing economic conditions.
		2-3		Likely (60%) S M L Maintain current processes to manage risk	
LEGISLATION INTRODUCED TO PLACE A BAN ON FOSSIL FUEL USE FOR FUEL AND ENERGY GENERATION AND INTRODUCTION OF LEGISLATION TO FAVOUR RENEWABLE ENERGY GENERATION	Loss of profit, driven by an increase in overhead energy costs (commercial and domestic) and concerns around energy security issues (e.g. restricted periods of energy use/blackouts) affecting service delivery, and client access to services, especially at LBOs. Opportunity: Long-term energy security within localised energy grids from renewable energy generation, with the potential to stabilise market energy prices. Opportunity to identify peak times for energy consumption and aim to reduce this, saving costs and lowering the carbon footprint of these sites.	1.5-2		Very likely (80%) S M Maintain current processes to manage risk	Use previous situations e.g., COVID-19 as a proxy for modelling potential impact. Other options to be reviewed as part of the Planet pillar of the ESG framework.
REQUIREMENT TO SWITCH ALL SITES UNDER 888'S CONTROL ONTO RENEWABLE ENERGY DUE TO MARKET/ STAKEHOLDER PRESSURE AND TO MEET PLEDGED CARBON REDUCTION AND NET ZERO TARGETS	Transition to green energy for global sites can be difficult due to limited infrastructure in place, and often comes at a higher overhead cost.	2-3		Very likely (80%) S M Maintain current processes to manage risk	Renewable energy is sourced where possible globally through power purchase agreements. Longer-term strategy to be reviewed as part of the Planet pillar of the ESG framework.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT CONTINUED

THE IMPACT OF IDENTIFIED CLIMATE-RELATED RISKS AND OPPORTUNITIES ON OUR BUSINESS

Through wider strategy measures to drive energy efficiency and our transition plan, we have already started to reduce our exposure to some of the material transition risks.

Overall, our priorities in transitioning to a low-carbon economy are to focus on addressing the identified transitional risks across operations, reducing our global carbon footprint, assessing the efficiency of resources, and improving the efficiency with which energy is used. A high-level view of the impact of climate-related issues across our strategy and businesses is provided below. Our senior management will review the opportunities for mitigating the impacts of the risks identified in the climate-related scenario analysis, particularly those deemed to be of significant risk.

Summary of the impact of climate-related issues on the Group's strategy and businesses

CATEGORY	IMPACT ON STRATEGY AND BUSINESSES
PRODUCTS AND SERVICES	We provide entertainment to our customers through a service model, with the majority of our interactions taking place online. As a result, our core digital product offering has a low environmental impact. We strive to reduce GHG emissions from our offices, Licensed Betting Offices and data centres; changes to our core product offering as part of a transition to a low-carbon economy are not being considered. Likewise, we are not planning any research and development of low-carbon products/services is not currently being considered. The potential impact on our services is outlined in the scenario results earlier in this chapter along with the relevant mitigations.
SUPPLY CHAIN AND VALUE CHAIN	The transition risks identified by the scenario analysis in a low-carbon economy will also be faced by our business's supply chain and wider value chain, which may lead to increases in prices and further cost increases. The importance of the supplier engagement activities and engaging with others in the value chain is key during the transition and discussed in the transition plan.
OPERATIONS	To manage exposure in the 3-4°C scenario where physical risk dominates, our priority is to focus on actions to preserve the continuity of the business should any of the material physical risks materialise. The impact on operations and location of facilities will need to be reviewed in response to the coastal flooding risk identified, and a mapping exercise undertaken to assess this risk and consideration given to changing site locations if required.
ACQUISITIONS OR DIVESTMENTS AND ACCESS TO CAPITAL	The climate-related risks and opportunities identified by the scenario analysis will be considered during any future acquisitions, divestments, or access to capital decisions made as part of the ESG Committee of the Board's overall decision-making process.

We need to undertake further work to fully integrate the outputs of the scenario analysis into the strategy and financial planning cycles moving forward and develop metrics to monitor climate-related risks and potential financial impacts as required. We may look to disclose quantitative climate-related scenario analysis outputs in future reporting periods.

THE RESILIENCE OF OUR STRATEGY TO CLIMATE CHANGE CONSIDERING DIFFERENT CLIMATE-RELATED SCENARIOS

The Group's ESG strategy is validated annually by the Board and periodically by the ESG Committee of the Board to ensure it remains relevant and resilient to the changing requirements of the sector and the wider climate. Due to the dynamic nature of the economy and climate change, scenario analysis will be reperformed every three years or after any material business changes, in line with guidance from the Department for Business, Energy and Industrial Strategy. Elements of the strategy may be refreshed earlier if there are significant changes in the external or internal environment.

We believe our net zero plan supports the resilience of the business to the varying climate change scenarios considered. We realise we have more work to do and we need to continue to evolve to meet the recommendations of the TCFD and prepare for other future ESG and climate-related disclosures.

FUTURE PRIORITIES

In 2024, we may complete the following work on our climate strategy to further enhance and increase the quality of TCFD disclosures:

- Utilise the scenario analysis to inform our strategy and financial planning, including developing detailed assessments of the potential costs if the risks were to occur.
- Climate change risk mitigation and adaptation strategies will be developed, whilst also considering policies that take advantage of any opportunities identified.
- Consider different lenses to our scenario analysis looking at the different business models and locations across our business.

In the longer term, a more detailed quantitative scenario analysis approach will be developed to enhance future TCFD reporting disclosures.

RISK MANAGEMENT

Climate change has been integrated into our risk management framework and the processes for identifying, assessing, and managing climate-related risks are detailed below.

As part of our risk management procedures, the Board takes account of the significance of environmental matters to our business. The Board factors into the risk assessment impact, likelihood, and appetite considerations, and risk is managed in the context of the Board's overall risk appetite. Business risks are identified, assessed, managed, monitored, and reported in accordance with the Risk Management Policy. As part of this process, our teams are advised on emerging regulatory risks. Our teams also identify climate-related risks and opportunities, and these issues are cascaded upwards by representatives from around the business for discussion at the ESG Forum.

Our business has evolved its approach to risk in recent years, with climate and ESG risks now included on the wider business's risk register in the same format as other key business risks. We will continue to examine our climate and ESG risks and will consider re-running scenario analysis workshops in 2024.

FUTURE PRIORITIES

Throughout 2024, we will continue to develop the climate risk management processes and may consider the following actions:

- Re-run scenario analysis to ensure the accurate capturing of risk to the business
- Consider wider ESG risks to the business outside of climate risks identified previously
- The climate-related risks will be reviewed on a regular basis to ensure they are up to date with the most recent scientific understanding and legislative requirements.

METRICS AND TARGETS

The data for the Group's climate-related metrics and targets and its streamlined energy and carbon reporting requirements are set out on the following pages.

MONITORING OUR PROGRESS — TCFD CROSS-INDUSTRY CLIMATE-RELATED METRICS AND TARGETS

We continually review our climate metrics and targets to ensure the underlying data is accurate and complete, and to ensure the metrics are providing the information the business and stakeholders need to monitor performance and review our progress. The table below outlines our approach and progress with the TCFD cross-industry metrics.

OUR APPROACH AND PROGRESS WITH THE TCFD CROSS-INDUSTRY METRICS

TCFD CROSS-INDUSTRY METRIC CATEGORY	888'S APPROACH	2023 PROGRESS AND FUTURE PRIORITIES
GHG EMISSIONS	Metrics Our absolute GHG emissions and emissions intensity ratios are found on pages 173 and 174. The methodology for calculating the GHG emissions is also contained within this section. Our climate targets Net zero target (Scope 1 and 2) by 2030 Net zero target (Scope 3) by 2035	In 2023 significant work was undertaken to re-baseline our emissions as a combined Group. 2023 will now be our baseline for all reporting of progress to net zero. Year on year our emissions increased 31% across our full value chain due to this re-baselining and the move to a different methodology. Our scope 1 and 2 emissions dropped by 6%. Our scope 3 emissions increased by 33%, primarily due to the new methodology used to compile these numbers. Environmental metrics and targets We track these metrics internally but have yet to report these outside the wider business. In 2024 we will consider how best to evolve our external reporting in this area. The onboarding of the Normative platform has significantly enhanced our reporting capabilities in this area which gives the Group a strong platform to enhance disclosures.
TRANSITION RISKS	Scenario analysis was completed in 2022, which identified three material transition risks, including: • Regulations being introduced to place a ban on fossil fuels and/or the introduction of legislation to favour renewable energy generation; and • Economic constraints in a low-carbon economy may result in customers having less disposable income to spend on leisure and gambling activities.	Priority 1 of the transition plan will reduce our exposure to regulatory transition risks. Following the scenario analysis, and as the transition plan develops, we will review the appropriateness of developing future metrics surrounding the amount and extent of the business activities vulnerable to transition risks.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT CONTINUED

TCFD CROSS-INDUSTRY METRIC CATEGORY	888'S APPROACH	2023 PROGRESS AND FUTURE PRIORITIES
PHYSICAL RISKS	Scenario analysis was completed in 2022, which identified three material physical risks. One of the physical risks related to coastal flooding driven by sea level rise.	Following the scenario analysis and as our transition plan develops, we will review the appropriateness of developing future metrics surrounding the amount and extent of the business activities vulnerable to physical risks.
CLIMATE-RELATED OPPORTUNITIES	Scenario analysis was completed in 2022, which identified material climate-related opportunities, including: • reducing emissions from employee commuting; and • energy efficiency and long-term energy security from renewable energy generation.	Long-term power purchase agreements were secured in the UK for our retail estate in 2023. We continue to look for opportunities to drive efficiency of spend and also long-term security of renewables across the Group. We have made good progress rolling out smart meters across the UK retail estate and will consider how we can continue this rollout in 2024.
CAPITAL DEPLOYMENT	The ESG Committee of the Board will review and approve the expected cost of delivering on the Group's decarbonisation ambitions over time, which is likely to be the biggest climate-related requirement for capital deployment.	We are considering the financial plans for our decarbonisation ambitions and whether to develop a long-term green energy strategy and budget, to ensure investment in renewable energy is maintained. The Group will consider whether any further metrics and targets for capital deployment are required in future reporting periods.
INTERNAL CARBON PRICES	An internal carbon price has not been adopted by the Group to date as the focus has been on integrating the William Hill business and implementing the three priority initiatives to reduce GHG emissions.	In 2024, we will continue to review and evaluate whether the use of internal carbon prices would be appropriate to assist to incentivise decarbonisation across our operation.
EXECUTIVE REMUNERATION	The ESG Committee of the Board reviews the implementation of the ESG strategy and considers the extent to which additional ESG metrics and targets (including climate) should be incorporated into executive remuneration.	Emission reduction targets were a part of our executive and colleague bonus structure in 2023 and will remain a key part of our remuneration plan in 2024.

CLIMATE REPORTING — GHG EMISSIONS (TCFD REPORTING)

Data presentation

In 2023 we have completed a re-baselining exercise following the purchase of the William Hill business, merging our data sources into one single source of truth for the newly enlarged Group. Previously, multiple methodologies were used for the individual businesses so harmonising our data processes was an important step for the Group. We have now switched to using the Normative carbon accounting platform. Utilising their methodology, our emissions are now based on 80% spend data utilise Environmentally-Extended Input Output (EEIO) models (source primarily Exiobase v3.8.2). The remaining data is covered by activity data, which relates mainly with utility data (sources include: DESZN (previously DEFRA), AIB and IEA). These models and databases are utilised in line with the Greenhouse Gas Protocol but variances can exist. We believe this re-baselining exercise has been undertaken cautiously and gives the Group a strong platform to build on in future years. In 2024 we will engage with our key suppliers to accurately represent our share of their emissions in future reporting and collaborate to decrease their emissions and therefore our own Scope 3 numbers.

A summary of our performance across the three Scopes this year is as follows:

- **Scope 1 (Data source: DESZN, previously DEFRA):** saw a slight decrease in kWh consumption but a significant increase due to a new fugitive emissions methodology and reclassified heating data from Scope 2
- **Scope 2 (Data source: IEA/AIB):** Despite a slight decrease in total kWh consumption and emissions (location and market-based), Scope 2 emissions decreased further due to reclassified heating data now reported under Scope 1, while renewable energy usage remained constant.
- **Scope 3 (Data source: Exiobase v3.8.2):** As discussed previously our figures have increased year on year due to the change in methodology and move to a new supplier. We believe this gives us a strong platform for future years and significantly simplifies our data processing as one, larger organisation. Updates on areas with significant change:
  - **Purchased goods and services:** High variance due to new databases and classification system, increased supplier engagement planned for accuracy. (Spend data)
  - **Capital goods:** Merged with purchased goods and services due to data overlap. (Emissions reported in Category 1)
  - **Fuel and energy:** Linked to Scope 1 & 2 kWh changes, follows UK government dataset. (Activity data)
  - **Waste:** New waste data has been added, spend added to purchased goods and services per best practices. (Activity data)
  - **Employee commuting:** New methodology with sampling of colleague data utilised, considers WFH emissions, future efforts aim for better representation of colleagues across the globe. (Activity data)
  - **Downstream leased assets:** All site emissions included in Scopes 1 & 2.
  - **Investments:** Data used, future alignment with PCAF planned.

All figures are reported under the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The calculation methodology for GHG emissions is outlined above.

OUR NET ZERO TARGETS AND ABSOLUTE GHG EMISSIONS

Scope	Targets	FY23 Global emissions (tCO_2e)[A]	FY22 Global emissions (tCO_2e)[A]	FY22/23 % change
Scope 1	**Net zero by 2030:** achieve 80% reduction in Total Scope 1 & 2 from 2023 baseline (market-based)	1,362	975	+40%
Scope 2 (market-based)		2,333	2,966	-21%
Total Scope 1-2 (market-based)		3,695	3941	-6%
Scope 2 (location-based)		12,536	14,128	-11.26%
Scope 3	**Net Zero by 2035:** using the '80 by 60' strategy	125, 327	94,249	+33%
Total emissions (market based)	Targets for the enlarged 888 Group to be re-baselined in FY23	129,022	98,191	+31%

A For true comparison we have included a full year of William Hill's emissions for 2022, previously published numbers included only six months due to the business being acquired in mid-year 2022.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT CONTINUED

OUR SCOPE 3 EMISSIONS PER CATEGORY

Scope 3 Category	FY22 Global emissions (tCO_2e)	**FY23 Global emissions (tCO_2e)**	% of Total Scope 3 emissions
Category	2022[A]	**2023**	% of total scope 3
Purchased goods and services	79,359	**102,723**	81.96%
Investments	2,039	**3,179**	2.54%
Fuel- and energy-related activities	1,144	**3,499**	2.79%
Employee commuting	3,630	**10,656**	8.50%
Business travel	2,238	**2,655**	2.12%
Upstream transportation and distribution	3668	**2,244**	1.79%
Waste generated in operations	217	**371**	0.30%
Capital goods	1,846	**0**	0.00%
Downstream leased assets	107	**0**	-100%
Total	94,249	**125,327**	

A For true comparison we have included a full year of William Hill's emissions for 2022, previously published numbers included only six months due to the business being acquired in mid-year 2022.

STREAMLINED ENERGY AND CARBON REPORTING REQUIREMENTS (SECR)

The Group's Streamlined Energy and Carbon Reporting requirements (SECR) are shown in the table below. The methodology used is the GHG Protocol. The energy and carbon reports are aligned with the boundaries of the financial statements. We continue to drive ongoing improvements around energy efficiency around the business, building on the significant progress of securing long-term renewable power purchase agreements and from the first wave of rolling out smart meters across our UK retail estate.

INTENSITY RATIO

We will report our emissions intensity ratios in the following areas:

- GHG emissions per headcount (tCO_2e/employee);
- emissions per turnover in USD (tCO_2e/US £m);

OUR GLOBAL ENERGY AND GHG EMISSIONS INTENSITY RATIOS

Corporate metric/year	**2023 Parameter amount**
Global energy consumption (kWh)	**52,090,026**
Revenue	**£1,710m**
Scope 1 emissions (tCO_2e)	**1362**
Scope 2 emissions (location based) (tCO_2e)	**2333**
Total Scope 1 and 2 emissions (tCO_2e)	**3695**
Emissions per turnover tCO_2 ratio	**2.16**
Emissions per headcount tCO_2e/employee ratio	**0.325**
Total headcount	**11,366**

ENVIRONMENTAL INITIATIVES

We have focused on reducing waste, water usage and plastic across our operations. In 2024, the Group will review the appropriateness of disclosing wider environmental metrics and targets to track performance.

Our key wider environmental initiatives in 2023:

- **Renewable energy:** Given the size of our retail estate in the UK, switching to renewable energy has made a big difference to our emissions. In 2023 we secured a long-term power purchase agreement for renewable energy in the UK, securing consistent pricing and long-term access.
- **Smart meters:** As detailed in the ESG section of the report, smart meters have made a big difference to energy consumption in our retail estate. This has driven efficiencies in numerous ways, for example by identifying outlier shops that have not been following the correct shutdown procedures overnight leading to unnecessary energy usage.
- **Carbon offsets:** We used a small amount of offsetting in 2023, investing in projects preventing deforestation in Guatemala, Congo and Cambodia. This offset 2,000 tonnes of carbon across the three projects. These projects meet the Verified Carbon Standard and their references are VCS 1622, 934 and 1748.

CLIMATE SCENARIO ANALYSIS METHODOLOGY (TCFD REPORTING)

We performed climate-related scenario analysis for the first time last year under the guidance of external advisors and the methodology used is outlined below. We recognise that the risks involved in climate change are ever evolving and developing so we may look to undertake further scenario analysis in 2024.

The scenario analysis was completed in line with recommendations published by the TCFD and aligns closely with ISO 14091 (2021) and other publicly available resources. A qualitative approach was used and the level of action required to respond to the risk was identified. This approach was used to ensure that a clear narrative around the scenarios and the associated risks was developed first before attempting extensive quantification, which without the former may have been arbitrary. The key features of the climate scenarios are detailed on pages 167 and 168 and the results of the scenario analysis are shown in the TCFD Report on page 169.

LIMITATIONS OF THE SCENARIO ANALYSIS PROCESS

The following limitations were identified during the prior year's scenario analysis process:

- The definition of likelihood is assigned based on qualitative (opinions using scientific understanding of climate change and timescales) rather than quantitative aspects. This may allow for inconsistencies in determining likelihood, which is subsequently used to rank risks by materiality. When revisiting scenario analysis in the future other variables in place of 'likelihood' could be used to assign materiality such as 'impact on company objectives vs level of action required'.
- The scenarios are built around published climate models, reports, and other resources. There are limitations within the climate models themselves and the narrative these generate due to the high levels of scientific uncertainties embedded into climate change.
- The scenario analysis considers three time horizons, one of which (short) is only up to 5 years. Company strategy is often built around short time horizons (financial forecasts and company objectives etc.) rather than long time horizons (e.g. up to 2050) due to increased uncertainty. Considering long time horizons is often unfamiliar and uncomfortable for organisations but is a requirement when considering impacts of climate change. This should be an area for improvement when reviewing climate scenario analysis in the future and 888 should begin to consider a wider range of time horizons.

ESG SUPPLEMENTARY INFORMATION

SUPPLEMENTARY PEOPLE DATA

Metric description	KPI
Average amount spent per FTE on training and development	£130.51
Average hours per FTE of training and development	16.53
Hours volunteered	3171.5
Average hiring cost per FTE	£707.93

Gender data:

Women on the Board as at 31 December 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management as at 31 December 2023	Percentage in executive management	Number in senior management as at 31 December 2023	Percentage in senior management
Men	4	57%	2	10	91%	43	63%
Women	3	43%	1	1*	9%	25	37%

* Includes Company Secretary

% Women in company

Female	5,251	46.32%
Male	6,085	53.68%
	11,336	

% Women in Tech (Product & Tech Business Unit)

Female	297	21.62%
Male	1,077	78.38%
	1,374	

% of women in STEM-related position (Product & Tech Business Unit/Total HC)

12%

Location data:

Breakdown of employees by segment

Retail	6,678
Online and corporate	4,658
Overall	11,336

Ethnic background reporting as at 31 December 2023

	Number of Board members	Percentage of Board members	Number of senior positions on the Board (CEO, CFO, SID, Chair)	Number in senior management (executive committee and their direct reports	Percentage in senior management (executive committee and their direct reports)
White British or other white (including minority-white groups)	7	100%	3	65	89%
Mixed/multiple ethnic groups				3	4%
Asian/Asian British				2	3%
Black/African/Caribbean/Black British				2	3%
Not specified/prefer not to say				1	1%

ESG SUPPLEMENTARY INFORMATION CONTINUED

Breakdown of workforce by age

Age group	Headcount
18-24	1,591
25-34	3,960
35-44	2,812
45-54	1,519
55-64	1,180
65+	274
Overall	11,336

Breakdown of employees by contract type

Full time	6,676
Part time	4,660

Contractors

Breakdown of contractors, agency workers, franchise workers and third-party employed staff	138

Total number of new hires

Still active (Dec-23)	2,598
Inactive (Dec-23)	1,076
Total	3,674

Internal moves filled vacancies

	358

Total employee turnover rate

Overall:	35.99%
Volume roles:	40.76%
Non-volume roles:	24.78%

Voluntary employee turnover rate

Overall:	32.56%
Volume roles:	37.62%
Non-volume roles:	17.31%

Employee engagement coverage : Coverage: 100%; Response rate: 88%

% employees who are in receipt of an engagement survey, Aggregated Peakon response rate

Employee engagement rate (ENPS): eNPS — Company Overall: 11; UK Retail: 5; Non Retail: 19

eNPS for question 'How likely is it that you would recommend 888 William Hill as a place to work?'

SHAREHOLDER INFORMATION

SHAREHOLDER SERVICES

All enquiries relating to Ordinary Shares, Depository Interests, dividends and changes of address should be directed to the Group's Transfer Agent:

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